



**2022/2023**

# **OVERSIGHT REPORT**

**JANUARY 2024**

*This Oversight Report is drafted by the Municipal Public Accounts Committee (MPAC) in terms of Section 129(1) of the Local Government: Municipal Finance Management Act, No. 56 of 2003, and is based on the 2022/2023 Annual Report.*

## **INTRODUCTION**

The Annual Report is one of the key instruments for transparent governance and accountability. The report is a preceding financial year document that provides an overview of the financial and non-financial performance of the municipality, in this instance the 2022/2023 financial year.

Section 129(1) of the Local Government: Municipal Finance Management Act, No. 56 of 2003 (“the MFMA”) compels the Council to consider the annual report of the municipality and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127 of the MFMA, adopt an oversight report containing the council’s comments on the annual report.

## **BACKGROUND**

### **TABLING OF THE 2022/2023 DRAFT REPORT TO THE COUNCIL**

The 2022/2023 Draft Annual Report was tabled in Council on Wednesday, 06 December 2023, reporting on the Municipality’s financial and non-financial performance for the period 01 July 2022 to 30 June 2023. The tabling of this 2022/2023 Draft Annual Report on this day, allowed the Council to comply with the provisions of Section 133 of the MFMA which states that the Executive Mayor must table the Annual Report in Council within seven months after the end of the financial year.

It was noted to the Council that there are certain information outstanding in the Draft Annual Report and that the final version, will serve before the Council before the end of January 2024. In light of this, the resolution taken by the Council was as follows:

1. That the content of this 2022/2023 Draft Annual Report, be noted;
2. That in terms of Section 127(2) of the MFMA, the submission of this 2022/2023 Draft Annual Report by the Executive Mayor be accepted, subject to point 3 below;
3. That due to the Management letter being received on 01 December 2023, coupled with the outstanding information, the Council considers referring this

report back to the Administration to complete and finalise whereafter it must be submitted to the relevant Government Departments and the Auditor-General, advertise for public comment, and also be referred to the next Council meeting to be held in January 2024.

The MFMA makes further provision for a public participation process by making the tabled Annual Report public to allow the local community to submit representations in connection with the Annual Report, as required by Section 127(5) of the MFMA, including submitting the report to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province.

## **COMPLIANCE TO THE LEGAL FRAMEWORK**

1. The Draft Annual Report was submitted to the Auditor-General, the Department: National Treasury and Provincial Treasury, including the Provincial Legislature on Thursday, 07 December 2023.
2. The Draft Annual Report was placed on the Municipal website on Thursday, 07 December 2023, including a notice inviting the community and interested parties to submit representations in respect of the Draft Annual Report.
  - a. The deadline for submission was 15:30 on Friday, 5 January 2024.
  - b. Copies of the document were placed at the municipal offices and libraries in Prince Albert, Klaarstroom, and Leeu-Gamka.
3. On Thursday, 14 December 2023 the Municipal Manager made public Chapter 5 of the Annual Report, which was omitted from the Draft Annual Report tabled in Council.
  - a. The document and notice were placed on the Municipal website on Thursday, 14 December 2023.
  - b. Copies of the document were placed at the municipal office and libraries in Prince Albert, Klaarstroom, and Leeu-Gamka.
  - c. The deadline for the submission of representations was extended to 15:30 on Friday, 12 January 2024.

## **MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)**

A Municipal Public Accounts Committee (MPAC) was set up under Section 79 of the Local Government: Municipal Systems Act, No. 32 of 2000 (“the MSA”). The responsibility of MPAC is to perform an oversight role over the process of preparing the Annual Report of the Council and to produce an Oversight Report based on its review of the Annual Report.

As required by the MFMA, the Municipal Manager must attend the Council meeting where the Draft Annual Report is tabled to be released for public comment as well as the MPAC Meetings to answer questions posed by the MPAC Members and to respond to written and oral representations from the community.

The attendance of the MPAC members to review the 2022/2023 Draft Annual Report is recorded as follows:

<b>REFERENCE</b>	<b>NAME OF MPAC MEMBER</b>	<b>CAPACITY</b>
<b>1</b>	Councillor N. Claassen	Chairperson
<b>2</b>	Councillor A. MacKay	Member
<b>3</b>	Councillor E. Maans	Member
<b>4</b>	Councillor K. Baadjies	Member

The Committee found the Annual Report to be a true and accurate statement of the Municipality’s affairs for the financial period ending 30 June 2023.

## **MATTERS DISCUSSED BY THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

The MPAC held its meeting on Monday, 22 January 2024 to discuss and consider the adoption of the 2022/2023 Final Annual Report. The MPAC members, before this meeting, perused the content of the 2022/2023 Annual Report as well as the written comments received and the corrections made to the Annual Report.

In terms of Section 129(1) of the MFMA, the Council must indicate whether the 2022/2023 Final Annual Report is being adopted with or without reservations. The matters as discussed in the MPAC meeting, resulted in the MPAC being satisfied with the content of the 2022/2023 Final Annual Report.

## **PROPOSED ACTIONS TO BE TAKEN**

The following actions are proposed to be taken by the Executive and Administration to resolve the reservations expressed by the Auditor-General:

- (a) Adherence to legislative prescripts with the view that legal compliance is inadequate in the Municipality, taking into consideration the audit opinion expressed by the Auditor-General for the 2022/2023 financial year. Specifically, Section 129(3), relates to making public the Oversight Report.
  - a. Management should also develop and implement a robust system for documenting and retaining evidence of the public disclosure of key documents to ensure compliance with the MFMA as well as ensuring awareness around the MSA requirements in connection with the appointments process, as expressed by the Auditor-General.
- (b) Management must take cognisance of the internal control deficiency raised specifically in connection with the reviews of the financial statements, and application of the standard operating procedures for reporting on performance information, as expressed by the Auditor-General.
  - a. Enhanced detailed reviews of the financial statement in line with GRAP requirements and agreement to underlying schedules and ratings
- (c) Management should implement a review checklist to ensure that all bid documents are evaluated consistently with the initial specifications communicated on the bids.

The minutes of the MPAC Meeting are listed as **Annexure B** to this Oversight Report.

## COMMENTS RECEIVED ON THE DRAFT ANNUAL REPORT

Comments were received from:

1. The Auditor-General of South Africa on Wednesday, 13 December 2023
2. Mr. Max Hoppe on Friday, 12 January 2024
3. Swartberg Business Chamber on Friday, 12 January 2024

These comments form part of **Annexure A** of this 2022/2023 Oversight Report.

## SITE VISITS

No site visits were conducted by the committee.

## CONCLUSION

The MPAC Chairperson would like to thank the MPAC members, the Political Officer Bearers, and the Administration of the Prince Albert Municipality for their contribution and diligence during this oversight period, as well as the community, and interested stakeholders for taking the time to peruse the 2022/2023 Draft Annual Report and for providing critical insight.

## ANNEXURES

- (a) Comments received on the 2022/2023 Draft Annual Report
- (b) Minutes of the MPAC meeting held on Monday, 22 January 2024.
- (c) Extraction of corrections made to the 2022/2023 Draft Annual Report

## **STATEMENT ON THE RECOMMENDATIONS TO THE MUNICIPAL COUNCIL**

- (a) The MPAC found the 2022/2023 Annual Report as a true and accurate reflection of the Prince Albert Municipality's affairs.
- (b) The MPAC recommends that the 2022/2023 Final Annual Report be adopted by the Council without any reservations.
- (c) The MPAC recommends that the approval of the 2022/2023 Final Annual Report be reported to all relevant authorities and advertised on the municipal website and local newspaper.

**ANNEXURE A: COMMENTS RECEIVED ON THE  
2022/2023 DRAFT ANNUAL REPORT**



The table below provides a detailed overview of the various comments received on the 2022/2023 Draft Annual Report of the Prince Albert Municipality:

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
1	The Auditor-General of South Africa (attached hereto)	PAGE 14: The audit opinion of the Auditor-General for the 2022/2023 financial year must be changed to "...with an unqualified audit opinion, with findings."	The recommendation has been corrected.	MPAC notes the management response and agrees.
2	The Auditor-General of South Africa (attached hereto)	PAGE 28: Table 16 – Household with Minimum Level of Basic Services. The Auditor-General noted that the information for the 2022/2023 financial year is outstanding.	The comment is noted, the information has been updated in the 2022/2023 Final Annual Report.	MPAC notes the management response and agrees.
3	The Auditor-General of South Africa (attached hereto)	PAGE 35: 1. Financial year 2021/2022 to be changed to "2022/2023". 2. Financial Health Indicator: Re-look the compliance with	1. The information in this section for the 2022/2023 Draft Annual Report was based on the 2021/2022 financial	MPAC notes the management response and agrees.

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		<p>legislation as audited by the Auditor-General.</p> <p>3. Spell check "reciving".</p>	<p>year, as the 2022/2023 information is not available on the Auditor-Generals' website. The correction has been facilitated.</p> <p>2. Correction facilitated.</p> <p>3. Spell check facilitated.</p>	
4	The Auditor-General of South Africa (attached hereto)	PAGE 47 and 48: Spell check for the words "cooperation", "coordinating", "coordination"	Spell check facilitated.	MPAC notes the management response and agrees.

<b>REFERENCE</b>	<b>COMMENTS RECEIVED FROM</b>	<b>CONTENT OF COMMENTS RECEIVED</b>	<b>MANAGEMENT RESPONSE</b>	<b>MPAC'S RESPONSE TO COUNCIL</b>
<b>5</b>	The Auditor-General of South Africa (attached hereto)	PGAE 52: Table 36 – Ward 1: Ward Committee Meetings. The Auditor-General noted that the information for the 2022/2023 financial year is outstanding.	The outstanding information has been updated.	MPAC notes the management response and agrees.
<b>6</b>	The Auditor-General of South Africa (attached hereto)	PAGE 53: Tables 37, 38, and 39 The Auditor-General noted that the information for the 2022/2023 financial year is outstanding.	The outstanding information has been updated.	MPAC notes the management response and agrees.
<b>7</b>	The Auditor-General of South Africa (attached hereto)	PAGE 54: Tables 40 and 41 The Auditor-General noted that the information for the 2022/2023 financial year is outstanding.	The outstanding information has been updated.	MPAC notes the management response and agrees.
<b>8</b>	The Auditor-General of South Africa (attached hereto)	PAGE 59: Tables 44, 45, and 46 The Auditor-General noted that the information for the 2022/2023 financial year is outstanding.	The outstanding information has been updated.	MPAC notes the management response and agrees.

<b>REFERENCE</b>	<b>COMMENTS RECEIVED FROM</b>	<b>CONTENT OF COMMENTS RECEIVED</b>	<b>MANAGEMENT RESPONSE</b>	<b>MPAC'S RESPONSE TO COUNCIL</b>
<b>9</b>	The Auditor-General of South Africa (attached hereto)	PAGE 60: Tables 47, 48, 49, and 50 The Auditor-General noted that the information for the 2022/2023 financial year is outstanding.	The outstanding information has been updated.	MPAC notes the management response and agrees.
<b>10</b>	The Auditor-General of South Africa (attached hereto)	PAGE 61: Tables 51 and 52 The Auditor-General noted that the information for the 2022/2023 financial year is outstanding.	The outstanding information has been updated.	MPAC notes the management response and agrees.
<b>11</b>	The Auditor-General of South Africa (attached hereto)	PAGE 68: Table 57 – Internal Audit Plan Coverage	The outstanding information has been updated.	MPAC notes the management response and agrees.
<b>12</b>	The Auditor-General of South Africa (attached hereto)	PAGE 70: The Auditor-General noted that the 2022/2023 Annual Report is not included as an annexure as stated in the 2022/2023 Draft Annual Report, but that the report is included in the Draft Annual Report from page 73.	Management agrees with the comment. The section stating that the 2022/2023 Annual Performance Report is listed as an annexure has been amended.	MPAC notes the management response and agrees.

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
13	The Auditor-General of South Africa (attached hereto)	PAGES 74 to 100: The Auditor-General commented on the text director for the column displaying the actual figures. The suggestion is that the actual is displayed horizontally.	The text direction was changed to address the comment of the Auditor-General.	MPAC notes the management response and agrees.
14	The Auditor-General of South Africa (attached hereto)	PAGE 85: The Auditor-General notes that for TL15 a footnote was included in the 2022/2023 Annual Performance Report submitted for auditing.	Management disagrees with the comment. The footnote was included after the Auditor-General commented on the 2022/2023 Annual Performance Report, it is thus included in the Audited Annual Performance Report for the 2022/2023 financial year.	MPAC notes the management response and agrees.
15	The Auditor-General of South Africa	PAGE 86: The Auditor-General notes that for TL16 a footnote was included in the 2022/2023 Annual	Management disagrees with the comment. The footnote was included after	MPAC notes the management response and agrees.

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
	(attached hereto)	Performance Report submitted for auditing.	the Auditor-General commented on the 2022/2023 Annual Performance Report, it is thus included in the Audited Annual Performance Report for the 2022/2023 financial year.	
16	The Auditor-General of South Africa (attached hereto)	PAGE 87: The Auditor-General notes that for TL17 a footnote was included in the 2022/2023 Annual Performance Report submitted for auditing.	Management disagrees with the comment. The footnote was included after the Auditor-General commented on the 2022/2023 Annual Performance Report, it is thus included in the Audited Annual Performance Report for the 2022/2023 financial year.	MPAC notes the management response and agrees.

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
17	The Auditor-General of South Africa (attached hereto)	PAGE 89: The Auditor-General notes that for TL19 a footnote was included in the 2022/2023 Annual Performance Report submitted for auditing.	Management disagrees with the comment. The footnote was included after the Auditor-General commented on the 2022/2023 Annual Performance Report, it is thus included in the Audited Annual Performance Report for the 2022/2023 financial year.	MPAC notes the management response and agrees.
18	The Auditor-General of South Africa (attached hereto)	PAGE 95: The Auditor-General notes that for TL26 & TL27 a footnote was included in the 2022/2023 Annual Performance Report submitted for auditing.	Management disagrees with the comment. The footnote was included after the Auditor-General commented on the 2022/2023 Annual Performance Report, it is thus included in the Audited	MPAC notes the management response and agrees.

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
			Annual Performance Report for the 2022/2023 financial year.	
19	The Auditor-General of South Africa (attached hereto)	<p>PAGE 144: The Auditor-General notes that the fines issued for traffic offenses are not in line with the Audited Annual Financial Statements.</p> <p>The Auditor-General notes that the figure for the 2021/2022 financial year as stated in the 2022/2023 Draft Annual Report is incorrect and must be amended from R5, 985, 900 to R6, 909, 263 (as per the 2022/2023 Audited Annual Financial Statements).</p> <p>The Auditor-General further suggests that the figure for the 2022/2023</p>	Management inspected the 2022/2023 Audited Annual Financial Statements and agreed with the Auditor-General. The figures may be inspected on page 7 of the 2022/2023 Audited Annual Financial Statements.	MPAC notes the management response and agrees.



REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		financial year must be R6, 909, 263 (as per the Audited Annual Financial Statements), as opposed to the figure in the 2022/2023 Draft Annual Report which states R3, 800, 500.		
20	The Auditor-General of South Africa (attached hereto)	PAGE 177: The Auditor-General noted that Table 157 is outstanding.	The table has been updated and reflects the Municipal Minimum Competency Requirements.	MPAC notes the management response and agrees.
21	The Auditor-General of South Africa (attached hereto)	The Auditor-General noted that point number 18 on their summarised audit outcome of the Prince Albert Municipality for the 2022/2023 financial year, contains an error concerning the page numbers.	This note is recorded for completeness. It is the responsibility of the Auditor-General to amend their reports.	MPAC notes the management response and agrees.

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		The Auditor-General states that the page numbers must be "82-89", as opposed to "28-35" and "41-43".		
22	Max Hoppe (attached hereto)	Recommended that a spell check be run as there are several minor spelling errors in the report.	A spell check was done and the errors, as highlighted by the MS: WORD program were addressed.	MPAC notes the management response and agrees.
23	Max Hoppe (attached hereto)	Noted that the annexures are not included and states that it is unfortunate that these annexures have not been included as it does not provide a full picture.	Management agrees with the comment. As stated in the 2022/2023 Draft Annual Report, the applicable annexures will form part of the 2022/2023 Final Annual Report.	MPAC notes the management response and agrees.
24	Max Hoppe (attached hereto)	PAGE 14: The assertion on page 14 that "the Auditor-General issued Prince Albert Municipality with an unqualified audit opinion, with no	Management agrees with the comment. The Mayor's forward was updated to reflect the audit opinion	MPAC notes the management response and agrees.

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		material finding, in other words, a <b>clean audit</b> is not correct.	issued by the Auditor-General.	
25	Max Hoppe (attached hereto)	<p>PAGE 18: "Prince Albert Municipality views the organisation as a strategic and essential partnership between the Municipal Council, the Administration and the residents of our beautiful area, where possible can be achieved through hard work and commitment."</p> <p>It is submitted that an unqualified statement that includes "hard work and commitment" to achieve a goal is inadequate.</p> <p>The Prince Albert Municipality needs to elaborate on this by committing to an effective, meaningful, and documented "community participation programme."</p>	The comment is noted and will be reverted to the Corporate and Community Services (Public Participation Unit).	MPAC notes the management response and agrees.

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
26	Max Hoppe (attached hereto)	<p>PAGE 30: Requests that residents are provided with:</p> <ol style="list-style-type: none"> <li>1. The Provincial Report containing the study that Prince Albert Municipal Tariffs are the cheapest in the Western Cape.</li> <li>2. The Tariff norm in the Western Cape.</li> <li>3. Any proposed cost containment and productivity improvement measures contemplated.</li> <li>4. Measures to ensure that no further unsustainable increases are implemented.</li> </ol>	<ol style="list-style-type: none"> <li>1. The report is available, the Municipality received financial assistance from Provincial Treasury. The report will be submitted to Mr. Hoppe as requested.</li> <li>2. Must be requested from the MEC for LG. The municipality does not have the information for the entire Western Cape.</li> <li>3. Contained in the Cost Reflective Study.</li> </ol>	MPAC notes the management response and agrees.

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
			4. Noted.	
27	Max Hoppe (attached hereto)	<p>Auditor-General Report: Clarification is required on the findings set out in the "Report of the auditor-general to the Western Cape Provincial Legislature and the Council on Prince Albert Municipality" (ROAG) and the Annual Financial Statements.</p> <p>Tariffs:</p> <ol style="list-style-type: none"> <li>1. The collection rate for debtors is 83.20%, which is below the accepted norm of 95%.</li> <li>2. Debtor days are 64 days, which is in excess of the accepted norm of 30 days.</li> <li>3. Provision was made for the impairment of receivables</li> </ol>	<p>The tariffs are discussed with the community and are included in the annual budget of the Municipality. All these points form part of the budget document and is available on the municipal website.</p>	MPAC notes the management response and agrees.

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		<p>from exchange transactions of R17, 456, 593 and R56, 336, 910 (2021/2022 R29, 902, 483 and R47, 529, 320)</p> <p>4. Material electricity losses were R2, 678, 412 (2021/2022 R2, 562, 164). This represents 17.04% (2021/2022 17,08%) of total electricity purchases.</p> <p>The figures presented above suggest a major deficiency in the Prince Albert Municipality debt collection programme and needs to be addressed as a matter of urgency and residents need to be informed of the actions and targets.</p> <p>As a property owner, I expect feedback on this. We cannot be</p>		

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		<p>expected to dig deeper to finance these inefficiencies.</p>		
<p>28</p>	<p>Max Hoppe (attached hereto)</p>	<p>PAGE 38: From my experience dealing with the municipality, I seriously question the assertion i.r.o the “participatory” aspect, for the following reasons:</p> <ol style="list-style-type: none"> <li>1. My representations i.r.o the 2023/2024 budget were never acknowledged and no feedback was ever provided.</li> <li>2. The municipality does not have a Promotion of Access to Information Act Manual and all requests for a response on this have been ignored.</li> <li>3. There are widespread complaints that the municipality very often does</li> </ol>	<ol style="list-style-type: none"> <li>1. The Municipality, Financial Services Directorate responded to the representations of Mr. Hoppe.</li> <li>2. The Promotion of Access to Information Act Manual is in the process of being developed.</li> <li>3. The Municipality agrees with the representation, the Municipality is in the process of</li> </ol>	<p>MPAC notes the management response and agrees.</p>

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		<p>not respond to communications from residents.</p> <p>The Municipality needs to address its communication and community participation processes to ensure that standards are met and maintained.</p>	<p>appointing a Public Relations Officer.</p>	
<p><b>29</b></p>	<p>Max Hoppe (attached hereto)</p>	<p>Website:</p> <ol style="list-style-type: none"> <li>1. The website is in serious need of upgrading as it is not user-friendly and it is difficult to navigate and find current information.</li> <li>2. The table on page 63 has no reference to the PAIA Manual and all my queries with regard to this matter have been ignored, other than the advice</li> </ol>	<ol style="list-style-type: none"> <li>1. The Municipality is in the process of appointing a Public Relations Officer.</li> <li>2. The Promotion of Access to Information Act Manual is in the process of being developed.</li> </ol>	<p>MPAC notes the management response and agrees.</p>



REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		<p>that one would be drafted and submitted to the council for approval.</p> <p>Target date to be set and communicated to residents for upgrading the website.</p>	<p>The Municipality is in the process of updating its website.</p>	
<p><b>30</b></p>	<p>Max Hoppe (attached hereto)</p>	<p>PAGE 64:</p> <ol style="list-style-type: none"> <li>1. Even though I have registered on the Prince Albert Municipality's website to receive e-mails, I have not yet received a bulk e-mail.</li> <li>2. It appears that the Prince Albert Municipality uses its Facebook page as its primary communication medium. This is unsatisfactory.</li> </ol>	<ol style="list-style-type: none"> <li>1. The Municipality is in the process of updating its website</li> <li>2. The representation is noted.</li> <li>3. The representation is noted.</li> </ol>	<p>MPAC notes the management response and agrees.</p>

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		<ul style="list-style-type: none"> <li>a. Facebook should be used as a support medium for communication, not as the primary source.</li> <li>b. A relatively small number of residents are followers of the Prince Albert Municipality's Facebook page, which means the majority of residents are not reached via this medium.</li> <li>c. Many residents do not have Facebook accounts so the</li> </ul>		

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		<p>Facebook page is inadequate on its own.</p> <p>3. Most of the communication, but not all comes from the ward councillor via WhatsApp, but even this does not reach all affected residents.</p> <p>Prince Albert Municipality needs to seriously review its communication processes, to ensure that all residents receive proper communications.</p> <p>Note: an effective means of communication used by other municipalities is to include bulk communications with the municipal accounts. This is worth considering.</p>		

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL										
31	Max Hoppe (attached hereto)	<p>PAGE 64: Service Charter</p> <ol style="list-style-type: none"> <li>1. In my experience, the Prince Albert Municipality is not fully compliant with this charter as it is common practice that very often no response is received to e-mails. This is a common complaint heard from many residents.</li> <li>2. I have kept a record of e-mail responses to queries as reflected in the table below:               <ol style="list-style-type: none"> <li>a.</li> </ol> </li> </ol> <table border="1" data-bbox="736 1075 1265 1358"> <thead> <tr> <th data-bbox="736 1075 1111 1129">STATUS</th> <th data-bbox="1111 1075 1265 1129">NO</th> </tr> </thead> <tbody> <tr> <td data-bbox="736 1129 1111 1184">No response</td> <td data-bbox="1111 1129 1265 1184">32</td> </tr> <tr> <td data-bbox="736 1184 1111 1238">Responded unresolved</td> <td data-bbox="1111 1184 1265 1238">17</td> </tr> <tr> <td data-bbox="736 1238 1111 1292">Resolved</td> <td data-bbox="1111 1238 1265 1292">3</td> </tr> <tr> <td data-bbox="736 1292 1111 1358">Request denied</td> <td data-bbox="1111 1292 1265 1358">1</td> </tr> </tbody> </table>	STATUS	NO	No response	32	Responded unresolved	17	Resolved	3	Request denied	1	<ol style="list-style-type: none"> <li>1. The representation is noted.</li> <li>2. The representation is noted.</li> </ol>	MPAC notes the management response and agrees.
STATUS	NO													
No response	32													
Responded unresolved	17													
Resolved	3													
Request denied	1													

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED		MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL		
		<table border="1"> <tr> <td data-bbox="734 312 1113 363"><b>TOTAL</b></td> <td data-bbox="1113 312 1267 363"><b>53</b></td> </tr> </table>		<b>TOTAL</b>	<b>53</b>		
<b>TOTAL</b>	<b>53</b>						
32	Max Hoppe (attached hereto)	<p>Audit Committee Members and meeting dates:</p> <ol style="list-style-type: none"> <li>1. Whilst the names of the members of the audit committee have been noted there is no indication of their competencies.</li> <li>2. Residents are entitled to know more about the audit committee members by the way of publication of their</li> </ol>		<ol style="list-style-type: none"> <li>1. The Report of the Audit Committee forms part of the 2022/2023 Final Annual Report.</li> <li>2. The prescribed process for the appointment of an Audit Committee was duly followed by the Municipality.</li> </ol>	MPAC notes the management response and agrees.		

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		<p>credentials in the annual report.</p> <p>3. My request to obtain this information from the Municipal Manager has been ignored and in the absence of a PAIA manual the matter is still pending.</p> <p>The credentials of the audit committee members should be made available by way of the inclusion of brief cvs in the annual report.</p> <p>Audit Report: Recommended that an audit committee report be included in the annual report.</p>	<p>3. The representation is noted. The manual is in the process of being developed.</p>	
33	Max Hoppe (attached hereto)	<p>Turnover rate: The numbers on page 171 provide an insight into turnover but could be</p>	<p>The representation is noted.</p>	<p>MPAC notes the management response and agrees.</p>

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		<p>enhanced by taking a more holistic approach including average periods of employment, average time employed of leavers, and age distribution.</p> <p>I would be prepared to voluntarily impart my knowledge on the municipality on various ways turnover can be viewed if requested.</p>		
34	Max Hoppe (attached hereto)	<p>Sick Leave:</p> <p>The measures set out on page 174 could be enhanced and provide a clearer picture of the extent of absenteeism if measures such as the gross absence rate (GAR – absence reflected as a percentage of potential working hours) and the absence frequency rate (AFR – an index of</p>	The representation is noted.	MPAC notes the management response and agrees.

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		<p>the number of absent employees) are used.</p> <p>These measures are commonly used in the private sector and provide useful insight and trends in unauthorised and uncontrolled absences – e.g. awol cases and sick absences and show where corrective action is needed.</p> <p>I would be prepared to voluntarily impart my knowledge to the municipality if these measures are not already being used.</p>		
35	Swartberg Business Chamber (attached hereto)	The municipality has withheld material information necessary for substantive commentary from many pertinent sections and annexures	The representation is noted.	MPAC notes the management response and agrees.



REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		referenced. On top of this, we have never seen the final accounts for 2023. Therefore, the Chamber cannot provide the feedback that might have benefitted the Council now six months into the next reporting period.		
36	Swartberg Business Chamber (attached hereto)	Issuing the report just before the festive season was also extremely disappointing. Not only were there only five weeks (after a submission extension) offered to the community for reply, but during that period the municipal offices were closed for some of the period making liaison with officials difficult.	The representation is noted.	MPAC notes the management response and agrees.

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL				
37	Swartberg Business Chamber (attached hereto)	<p><b>An annual report is a Council's foremost opportunity to take stock of its activities, objectives, and promises to see how well delivery matches both its and the community's expectations.</b> Many opportunities for frank introspection and an analysis of how often the municipality invited (and adopted) contributions from the community (particularly the business community and local expertise) are absent from this document; over half of the municipality's key performance indicators were unmet, demonstrating weakening operational execution and governance and the <b>need for more,</b></p>	<p>Key Performance Indicator results:</p> <p>The comments on the performance of key performance indicators are noted. Management however does not entirely agree with the comment.</p> <p>For the 2022/2023 financial year, the Municipality had a total of 35 key performance indicators to be met.</p> <p>The table below reflects the overall progress as reported in the 2022/2023 Annual Performance Report:</p> <table border="1" data-bbox="1294 1249 1684 1361"> <thead> <tr> <th data-bbox="1294 1249 1476 1302">STATUS</th> <th data-bbox="1476 1249 1684 1302">PROGRESS</th> </tr> </thead> <tbody> <tr> <td data-bbox="1294 1302 1476 1361">Not Met</td> <td data-bbox="1476 1302 1684 1361">7 (20.00%)</td> </tr> </tbody> </table>	STATUS	PROGRESS	Not Met	7 (20.00%)	MPAC notes the management response and agrees.
STATUS	PROGRESS							
Not Met	7 (20.00%)							

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE		MPAC'S RESPONSE TO COUNCIL										
		<p><b>not less, collaboration and communication.</b></p>	<table border="1"> <tr> <td data-bbox="1294 309 1476 416">Almost Met</td> <td data-bbox="1476 309 1684 416">12 (34.29%)</td> </tr> <tr> <td data-bbox="1294 416 1476 480">Met</td> <td data-bbox="1476 416 1684 480">11 (31.43%)</td> </tr> <tr> <td data-bbox="1294 480 1476 536">Well Met</td> <td data-bbox="1476 480 1684 536">2 (5.71%)</td> </tr> <tr> <td data-bbox="1294 536 1476 647">Extremely Well Met</td> <td data-bbox="1476 536 1684 647">3 (8.57%)</td> </tr> <tr> <td data-bbox="1294 647 1476 754"><b>OVERALL RESULTS</b></td> <td data-bbox="1476 647 1684 754"><b>35 (100%)</b></td> </tr> </table>		Almost Met	12 (34.29%)	Met	11 (31.43%)	Well Met	2 (5.71%)	Extremely Well Met	3 (8.57%)	<b>OVERALL RESULTS</b>	<b>35 (100%)</b>	
Almost Met	12 (34.29%)														
Met	11 (31.43%)														
Well Met	2 (5.71%)														
Extremely Well Met	3 (8.57%)														
<b>OVERALL RESULTS</b>	<b>35 (100%)</b>														
<p><b>38</b></p>	<p>Swartberg Business Chamber (attached hereto)</p>	<p><b><u>Business – Municipal Partnership</u></b>  The formation of a business chamber in Prince Albert pulls together a unified voice for <b>the most important partner in inclusive economic development and growth the Council has</b>. Private enterprises (formal and informal) provide the vast majority of jobs across the world</p>	<p>The representation is noted.</p>		<p>MPAC notes the management response and agrees.</p>										

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		<p>and are critical partners in poverty reduction. Without employment creation, rates contributions, and expertise from the private sector, Prince Albert could easily join the ranks of the hundreds of dysfunctional municipalities in South Africa.</p> <p><b>We hope we can work together long into the future to expand sustainable economic opportunities in our towns.</b> This is particularly important given the burgeoning population numbers.</p>		
39	Swartberg Business Chamber (attached hereto)	As the report's vision articulates, a "high quality of living and service delivery" can be decisive for a business's performance and the economy as a whole. These factors	The representation is noted.	MPAC notes the management response and agrees.

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		<p>help shape opportunities and incentives to invest productively, expand, and create more jobs. <b>Key enabling factors for private businesses – large and small – received only a nod in the report.</b></p> <p>They include (a) predictability, particularly political, policy, and macroeconomic stability, security, and rule of law; (b) clear property rights and their registration and enforcement; (c) efficient government regulation and taxation; (d) functioning financial markets; (e) efficient, affordable and accessible infrastructure services; and (f) a productive labour force.</p> <p>The relative importance of these factors will differ from business to</p>		

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		<p>business, but institutional quality (adequate governance and regulatory systems and rule of law) and stable infrastructure provision are key to attracting and sustaining investment.</p>		
40	Swartberg Business Chamber (attached hereto)	<p>The document mentions that "Several policies have been developed and approved by Council with an intention of improving access to services and to grow the economy" ... "which should be a key focus for all of government."</p> <p>What is the focus?</p> <p>What are the policies?</p> <p>How were they drafted?</p>	The representation is noted.	MPAC notes the management response and agrees.

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		<p>How will their impact be measured?</p> <p>How can we help assess their effectiveness?</p>		
41	Swartberg Business Chamber (attached hereto)	<p><b><u>Audit and Financial Planning:</u></b></p> <ol style="list-style-type: none"> <li>1. The audit outcome was, sadly, not a 'clean audit', as the document suggests. Rather it was "unqualified with findings." A clean audit only occurs when there are no findings. This was, as noted, a step backward from the previous year.</li> <li>2. <b>The business chamber has identified budgetary concerns which could jeopardise the auditing</b></li> </ol>	A proposed meeting date must be provided to the Municipality by the Swartberg Business Chamber.	MPAC notes the management response and agrees.

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		<p><b>outcome for the coming year(s).</b> Of concern is</p> <ul style="list-style-type: none"> <li>a. the very high level of debt write-offs and debt impairment (2022/23 estimated at some 43% of gross billings net of free basic services);</li> <li>b. project spend against the budget – what is not spent may be forfeited;</li> <li>c. the high level of contracted services (about 10% of total costs) and the corresponding</li> </ul>		



REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		<p>opportunity for corrupt practices;</p> <p>d. the lack of provision for future rehab of landfill sites and the replacement of infrastructure assets (we note that the contested application for sand and silica mining rights in Prince Albert offers the pit as a landfill site in lieu of rehabilitation of the site. The proposal places it on a river course, which of course would be highly inappropriate).</p>		

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		<p>3. The report states "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."</p> <p><b>The SBC would be interested in discussing the Council's progress with this</b></p>		

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		<p style="text-align: center;"><b>and would hope to be able to contribute.</b></p>		
<p style="text-align: center;"><b>42</b></p>	<p>Swartberg Business Chamber (attached hereto)</p>	<p><b><u>Risk identification and mitigation:</u></b></p> <p>In the 2023-2023 final review of the IDP for 2022-2027, the municipality states that “Prince Albert has no dedicated official for risk management” with the function currently being performed by the Municipal Manager. The identified strategic and operational risks include, <i>inter alia</i>, financial sustainability (see above), dilapidated infrastructure, and poor record keeping. Business’s concerns reported to the Chamber are a direct consequence of these risks.</p> <p>We would like to propose a quarterly or bi-annual update of progress</p>	<p>The Municipality has a Service Provider, Moore Southern Cape who facilitates the risk management process in collaboration with and on behalf of the Municipality.</p>	<p>MPAC notes the management response and agrees.</p>

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		<p>made in addressing risk in the organisation and consultation about the identification and management of risks. <b>Perhaps there is an opportunity for partnership here.</b></p>		
43	Swartberg Business Chamber (attached hereto)	<p><b><u>Energy:</u></b>  Meetings to explore solar off-grid options for Prince Albert between the private sector and the municipality have been underway since October 2022.  We look forward to advancing these conversations and successful cooperation between the Chamber and the Council during this reporting year.</p>	A proposed meeting date must be provided to the Municipality by the Swartberg Business Chamber.	MPAC notes the management response and agrees.

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
44	Swartberg Business Chamber (attached hereto)	<p><b><u>Services Provision:</u></b></p> <p>1. We appreciate that the challenges for service provision are considerable (and visually illustrated by covering two pages in the annual report to the highlights' single page). However - and while outside the period under review - the failure of water, refuse, availability of prepaid electricity, and sewage management over the festive season calls into question the accuracy of some assessments including, "Continuous and additional measures were put in place to</p>	A proposed meeting date must be provided to the Municipality by the Swartberg Business Chamber.	MPAC notes the management response and agrees.

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		<p>increase the efficiency of water supply.”</p> <p>The Water Board has regularly offered proactive advice and support which the municipality has resisted; we hope the Council will pursue a more cooperative relationship in the current year. High demand and low water supply in December is an annual occurrence and managing water scarcity, particularly as our population grows, is a priority.</p> <p>2. Given that <b>service provision is the fundamental fulfilment of the contract residents have with their municipalities</b>, we believe</p>		

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		<p>this section should offer considerably more details of the specific measures the municipality is applying to provide basic human and constitutionally-enshrined services to its community.</p> <p>3. On the subject of tariffs, the SBC believes they should not be aligned to the norm for the Western Cape, but rather to actual, required services and their successful delivery.</p>		
45	Swartberg Business Chamber (attached hereto)	Prince Albert faces innumerable concerns. We have not addressed all of ours here, nor are we able to do so without the information the report withholds. But we are in this	A proposed meeting date must be provided to the Municipality by the Swartberg Business Chamber.	MPAC notes the management response and agrees.

REFERENCE	COMMENTS RECEIVED FROM	CONTENT OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		<p>together. Engaging stakeholders more deliberately to develop collective solutions with widespread buy-in can improve our chances. With more, regular, and follow-up meetings (the report confirms there was no public participation before adopting the new zoning bylaws, for example); minutes and policies for discussion made available on the website and through broadcast social media lists; residents can be informed and interested parties.</p>		



**ANNEXURE B: MINUTES OF THE MUNICIPAL  
PUBLIC ACCOUNTS COMMITTEE, MONDAY, 22  
JANUARY 2024**

# NOTULE VAN DIE MPAC VERGADERING GEHOU OM 13H00 OP MAANDAG 22 JANUARIE 2024 OM 13H00 IN DIE MUNISIPALE RAADSAAL.

## 1. TEENWOORDIG:

Raadslid N A Claassen	<b>Voorsitter</b>
Raadslid K H C Baadjies	
Raadslid A J Mackay	
Raadslid E Maans	

## AANWESIG

Mnr A I Hendricks	Munisipale Bestuurder
Mnr J A Van Niekerk	wnde. Direkteur Financies
Me G Botes	IDP/PMS
Me T Hendriks-Wagenaar	Admin Klerk

## 2. OPENING MET GEBED

Raadslid N A Claassen open die vergadering met 'n gebed.

## 3. VERWELKOMING

Die voorsitter, Raadslid N A Claassen, verwelkom almal teenwoordig. Hy wens almal 'n voorspoedige 2024 toe.

## 4. AANSOEK OM VERLOF TOT AFWESIGHEID

Mnr Z Nongene:           Direkteur: Tegniese dienste

## **5. BELANGEVERKLARING**

Die Raadslede en administrasie plaas op rekord dat hul geen belangeverklaring het nie.

## **6. TABLING AND APPROVAL OF DRAFT ANNUAL REPORT & THE OVERSIGHT REPORT ON THE ANNUAL REPORT 2022/2023**

### **PURPOSE AND BACKGROUND / DOEL EN AGTERGROND**

To table the 2022/2023 Final Annual Report to the Municipal Public Accounts Committee ("MPAC") in terms of the provisions of the Local Government: Municipal Finance Management Act, No. 56 of 2003 ("the MFMA").

Section 127 of the MFMA compels the Council to adopt an Oversight Report containing the Council's comments on the annual report.

The 2022/2023 Draft Annual Report was tabled in the Municipal Council on Wednesday, 07 December 2023. The Report was noted by the Council and was since submitted to the relevant authorities as required by the MFMA, it was made public and the community was invited to submit any representations in respect of the Draft Annual Report.

### **DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING**

Since the noting of the Draft Annual Report by Council in December 2023, the Municipality has received comments from interested parties, and the outstanding information, as noted to the Council, has since been included in the 2022/2023 Final Annual Report.

In light of this, including the provisions of Section 127, the MPAC should consider the 2022/2023 Final Annual Report for the development of the 2022/2023 Oversight Report.

**2022/2023 FINAL ANNUAL REPORT [OVERSIGHT REPORT]**  
JANUARY 2024

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

N/A

RELEVANT LEGISLATION/ RELEVANTE WETGEWING

Local Government: Municipal Finance Management Act, No. 56 of 2003

COMMENTS FROM FINANCIAL SERVICES

None

COMMENTS FROM OPERATIONAL SERVICES

None

COMMENTS FROM MUNICIPAL MANAGER

None

**RECOMMENDATION / AANBEVELING**

Proposed by councillor A J Mackay, seconded by councillor K H C Baadjies, the committee unanimously,

1. Review and consider the changes affected to the Annual Report.
2. Adopt the 2022/2023 Oversight Report based on the 2022/2023 Final Annual Report.
3. That the MPAC submit the 2022/2023 Oversight Report to the next Council meeting on 24 January 2024.

Die Munisipale Bestuurder bedank me Geneva Botes vir die opstel van die Jaarverslag 2022/2023.

**9. AFSLUITING**

Die vergadering verdaag om 14h45.

# **ANNEXURE C: Extraction of corrections made to the 2022/2023 Draft Annual Report**

*This section contains an extraction of the corrections made to the 2022/2023 Draft Annual Report in preparation for developing the  
2022/2023 Final Annual Report*



**2022/2023**

# **ANNUAL REPORT**

**JANUARY 2024**

*This Annual Report is compiled in terms of the Local Government: Municipal Finance Management Act, No. 56 of 2003, in addition to the Local Government: Municipal Systems Act, No. 32 of 2000. The purpose of this report is to provide an analysis of the progress made in terms of service delivery for the 2022/2023 financial year concerning the activities of the municipality, and performance reporting in line with the service delivery and budget implementation plan.*

# CHAPTER 1: INTRODUCTION AND OVERVIEW

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## COMPONENT A: EXECUTIVE MAYOR'S FOREWORD

### 1.1 EXECUTIVE MAYOR'S FOREWORD



As Executive Mayor of Prince Albert, I am pleased to present our Annual Report for the 2022/23 financial year.

The Annual Report reflects the Municipality's performance over the past financial year (1 July 2022 to 31 June 2023) in terms of meeting the objectives set out in our 5<sup>th</sup> Generation Integrated Development Plan (IDP) 2022 – 2027, which Council had adopted on 20 May 2022. 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.

The first half of the year under review was marked by political uncertainty, as well as administrative shortcomings. However, the by-election results on 14 September 2022 ushered in a stable Council which recommitted itself to the Vision, Mission and Strategic Objectives of the IDP, with a clear focus on quality and cost-effective service delivery to residents, and on the financial sustainability of the Municipality. Council appointed Mr Aldrick Hendricks as Municipal Manager on 2 March 2023. And for the first time, we appointed a Director, Technical Services, Mr Zolile Nongene, on 1 June 2023. Other key positions in the Administration were also filled.

Despite the challenges of the 2022/23 financial year, the Auditor-General issued Prince Albert Municipality with an unqualified audit opinion, **with findings**. Thank you to everyone who contributed to open, accountable government and sound financial management.

We face an array of challenges, not least of which is our aging infrastructure, in particular our old electricity network and aging, poorly constructed and maintained roads, exacerbated by a historic lack of stormwater management, in our economic hub of Prince Albert. Our small operational budget and limited own funds for capital projects (we are the second smallest municipality in the Western

CHALLENGE	ACTIONS TO ADDRESS
<b>Water Network Reticulation / Ageing Asbestos Water Pipes / Water Pipe Burst</b>	Huge Capital investment is needed to systematically replace asbestos water pipes and valves.
<b>Depletion rate of the available airspace in Prince Albert and Leeu-Gamka is a major concern</b>	A feasibility study must be conducted and the process of developing a new alternative centralized site.

Table 15 - Basic Service Delivery Challenges

Amidst the challenges the Municipality is facing, the Municipality is committed to rendering services to the Greater Prince Albert Municipal Area.

### 1.3.3 PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES

The following table reflects the proportion of households with access to basic services.

DETAIL	2019/2020 (%)	2020/2021 (%)	2021/2022 (%)	2022/2023 (%)
<b>Electricity service connections</b>	100%	100%	100%	100%
<b>Water - available within 200 m from dwelling</b>	100%	100%	100%	100%
<b>Sanitation - Households with at least VIP service</b>	88.8%	88.88%	88.88%	88.88%
<b>Waste collection - kerbside collection once a week</b>	100%	100%	100%	100%

Table 16 - Households with Minimum Level of Basic Services



<b>DESCRIPTION</b>	<b>Total number of officials employed by municipality (Regulation 14(4)(a) and (c))</b>	<b>Competency assessments completed (Regulation 14(4)(b) and (d))</b>	<b>Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))</b>	<b>Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))</b>
<b>FINANCIAL OFFICIALS</b>				
<b>Accounting Officer</b>	1	1	1	0
<b>Chief Financial Officer</b>	1	1	1	1
<b>Senior Managers</b>	0	0	0	0
<b>Any other Financial Officials</b>	9	4	0	4
<b>SUPPLY CHAIN MANAGEMENT OFFICIALS</b>				
<b>Head of Supply Chain Management Unit</b>	1	1	0	1
<b>Supply Chain Management Senior Managers</b>	0	0	0	0
<b>TOTAL</b>	<b>12</b>	<b>7</b>	<b>2</b>	<b>6</b>

The Municipality is 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	2019/2020	2020/2021	2021/2022	2022/2023
AUDIT OPINION RECEIVED	Unqualified with no findings - Clean Audit	Unqualified with findings	Unqualified with no findings - Clean Audit	Unqualified with findings

Table 23 - Audit Outcomes

Based on the financial health, supply chain management, and root cause assessment conducted by the Auditor-General of South Africa for the 2022/2023 financial year, the assessment conducted resulted in the following:

- o **Financial Health Indicator**
  - o Matters were identified in terms of section 129(3) of the MFMA.
- o **Supply Chain Management Findings**
  - o No findings or matters were raised in terms of Supply Chain Management for the financial year.
- o **Root Causes**
  - o 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 Prince Albert 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 Prince Albert Municipal Area, as well as other relevant stakeholders.

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### 2.5 INTERGOVERNMENTAL RELATIONS

South Africa has an intergovernmental system that is based on the principle of **co-operation** 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.

#### 2.5.1 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 Prince Albert 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 Prince Albert
- Central Karoo Corporate Forum to collaborate on governance matters.
- Community Water Forum to raise awareness on water matters in the Prince Albert catchment area.
- CFO Forums where the CFOs of municipality engage on financial matters.

- Central Karoo District **Co-ordinating** Forum where the municipalities in the Central Karoo District engage about shared matters. The Central Karoo District **Co-ordinating** Forum is preceded by a DCF Technical Forum where the technical aspects and implications of governance is discussed and prepared for the DCF.
- Central Karoo Communications Forum where municipalities in the Central Karoo engage on communication and public participation.
- Shared Service Forum focus on collaboration between municipalities to identify and utilise shared service options within the government sphere.
- Central Karoo IDP Forum where municipalities in the Central Karoo 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.
- Central Karoo Bilateral Meeting – Department of Water Affairs where the municipalities and Department engage on water service matters.
- The Provincial Transport Technical Committee (ProvTech) – Western Cape Department of Transport and Public Works where the municipalities engage on technical matters.
- The Provincial Transport Committee (ProvCom) – Western Cape Department of Transport and Public Works where municipalities and the Department engage on integrated transport matters.
- 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.

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.

## 2.7.1 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.

### 2.7.1.1 WARD 1: LEEU GAMKA; PRINCE ALBERT ROAD AND FARMS

The table below provides an overview of the meeting dates for Ward 1

NAME OF REPRESENTATIVE	CAPACITY REPRESENTING	DATES OF MEETINGS
Councillor E Maans / Councillor K Baadjies	Ward councillor	
P.de Klerk	Block representative	19 July 2022 ward committee meetings
J Jansen	Block representative	
H Darries	Block representative	19 August 2022 ward committee meeting
D Steenkamp	Block representative	
M Luttig	Block representative	21 January 2023 ward committee meeting
B Simpson	Block representative	
A America	Block representative	15 February 2023 ward committee meeting
C Windvogel	Block representative	
B Lendoor	Block representative	
B Rossouw	Block representative	

Table 36 - Ward 1: Ward Committee Meetings

### 2.7.1.2 WARD 2: PRINCE ALBERT (PRINCE ALBERT SOUTH, KLAARSTROOM AND FARM AREAS)

The table below provides an overview of the meeting dates for Ward 2

NAME OF REPRESENTATIVE	CAPACITY REPRESENTING	DATES OF MEETINGS
Cllr L K Jaquet	Ward Councillor	13 July 2022 ward committee meetings 23 November 2022 ward committee meeting 21 January 2023 ward committee meeting 15 February 2023 ward committee meeting 14 March 2023 block meeting
Vacant	Block representative	
J Olivier	Farm representative	
J du Toit	Block representative	
Vacant	Business representative	
G van Hasselt	CPF	
C Botes	Block representative	
R Fister	Block representative	
Vacant	Water	
I Koorts	Elderly	

Table 37 - Ward 2: Ward Committee Meetings

### 2.7.1.3 WARD 3: PRINCE ALBERT

The table below provides an overview of the meeting dates for Ward 3

NAME OF REPRESENTATIVE	CAPACITY REPRESENTING	DATES OF MEETINGS
Cllr S Koonthea	Ward Councillor	14 July 2022 ward Committee meeting 29 September 2022 ward committee meeting 21 January 2023 ward committee meeting 21 February 2023 ward committee meeting 15 March 2023 block meeting
M van der Host	Block representative	
C Jacobs	Block representative	
P Uys	Block representative	
J Kirchner	Block representative	
P Boksmann	Block representative	
M van der Ross	Block representative	
D Delpport	Block representative	
L Botha	Block representative	

<b>NAME OF REPRESENTATIVE</b>	<b>CAPACITY REPRESENTING</b>	<b>DATES OF MEETINGS</b>
<b>D.Sass</b>	Block representative	
<b>J. van der Horst</b>	Block representative	

Table 38 - Ward 3: Ward Committee Meetings

#### 2.7.1.4 WARD 4: RINCE ALBERT, RONDOMSKRIK, AND WEST-END

The table below provides an overview of the meeting dates for Ward 4

<b>NAME OF REPRESENTATIVE</b>	<b>CAPACITY REPRESENTING</b>	<b>DATES OF MEETINGS</b>
<b>Cllr M D Jaftha</b>	Ward Councillor	
<b>H Pieterse</b>	Block representative	14 July 2023 ward committee meeting
<b>K Koonthea</b>	Block representative	
<b>G Abrahams</b>	Block representative	29 September 2023 ward committee meeting
<b>V Botes</b>	Block representative	
<b>A Campher</b>	Block representative	21 January 2023 ward committee meeting
<b>J du Toit</b>	Block representative	
<b>D.Maans</b>		16 February 2023 ward committee meeting
<b>S.Visagie</b>		
<b>M.Benjamin</b>	Block representatives	15 March 2023 block meeting
<b>T.Jaftha</b>		

Table 39 - Ward 4: Ward Committee Meetings

The table below provides information on the establishment of ward committees and their functionality:

### 2.7.2 WARD COMMITTEE FUNCTIONALITY

WARD NUMBER	COMMITTEE ESTABLISHED YES / NO	NUMBER OF REPORTS SUBMITTED TO THE SPEAKERS OFFICE	NUMBER MEETINGS HELD DURING THE YEAR	NUMBER OF QUARTERLY MEETINGS HELD DURING YEAR	COMMITTEE FUNCTIONING EFFECTIVELY (YES / NO)
1	Yes	79	4	4	Yes
2	Yes	34	4	4	Yes
3	Yes	84	4	4	Yes
4	Yes	82	4	4	Yes

Table 40 - Functioning of Ward Committee

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.

Prince Albert Municipality is one of the few municipalities which 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.

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 June 2019 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.

## 2.8 REPRESENTATIVE FORUMS

### 2.8.1 LOCAL LABOUR FORUM

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

NAME OF REPRESENTATIVE	CAPACITY	MEETING DATES
Councillor S Botes	Chairperson	01 August 2022 08 December 2022 01 February 2023 23 May 2023
Councillor S Koonthea	Councillor	
Mr. A Hendricks	Employer	
Mr. G van der Westhuizen	Employee	
Mr. J Windvogel	IMATU	
Mr. B May	IMATU	

Table 41 - Local Labour Forum Composition

It is worth noting that the Prince Albert Municipality has no SAMWU members. While IMATU remains the dominant union, MATUSA procured organisational rights at Prince Albert Municipality. They are, however not part of the Collective Bargaining Agreement and therefore not a member of the Local

## 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 Prince Albert 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
97/2022	PRINTING AND DISTRIBUTION OF MUNICIPAL ACCOUNTS FOR A CONTRACT PERIOD OF THREE (3) YEARS	Cab Holdings	R207 733.99
113/2023	SUPPLY AND DELIVERY OF BUILDING MATERIALS FOR PHAE 2 OF THE THUSONG OFFICE EXTENSION	KWANONQABA INDUSTRIES (PTY) LTD.	R1 419 762.98
165/2023	PROVISION AND ADMINISTRATION OF A PREPAYMENT WATER AND ELECTRICITY VENDING SYSTEM FOR A CONTRACT PERIOD ENDING 30 JUNE 2025	Syntel (PTY) Ltd	R651 360.00
48/2023	UPGRADING OF THE PRINCE ALBERT AND KLAARSTROOM SPORTS FIELDS	KUQITYIWE CONSTRUCTION (PTY) LTD.	R2 871 240.65
55/2023	SUPPLY, DELIVERY AND INSTALLATION OF AN ALTERNATIVE ENERGY SYSTEM	MDL ENGINEERING COMPANY (PTY) LTD.	R 293 731.28
61/2023	SUPPLY AND DELIVERY OF NEW COMPUTER SERVER AND RELATED EQUIPMENT	UBER TECHNOLOGIES CC	R209 442.27
70/2023	CONSTRUCTION OF NEW SIDEWALKS AND UPGRADING OF STORMWATER INFRASTRUCTURE IN BITTERWATER, LEEU-GAMKA	DE JAGERS LOODGIETER KONTRAKTEURS (PTY) LTD.	R3 663 349.55
93/2023	FACILITATION OF THIRD-PARTY PAMYENTS FOR A CONTRACT PERIOD OF THREE (3) YEARS.	PAY-AT SERVICES (PTY) LTD.	R278 256.00

BID NUMBER	TITLE OF BID	SUCCESSFUL BIDDER	VALUE OF BID AWARDED
95/2023	APPOINTMENT OF A SERVICE PROVIDER FOR THE COMPILATION OF THE GENERAL VALUATION ROLL AND SUPPLEMENTARY VALUATION ROLLS AND MAINTENANCE THEREOF FOR THE FINANCIAL YEARS 01 JULY 2024 UNTIL 30 JUNE 2029	HCB VALUATIONS AND SERVICES (PTY) LTD.	R1 033 500.00
98/2023	CONSTRUCTION OF PRINCE ALBERT BOREHOLE PIPELINE AND ASSOCIATED INFRASTRUCTURE	ACTIVE PHAMBILI CIVILS CC	R3 934 150.00

Table 44 - 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
Mr. D Plaatjies	100%
Mr. A America	100%
Mr. D Sarelse	100%

Table 45 - BID Specification Meeting Attendance

### b) BID EVALUATION COMMITTEE

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

MEMBER	PERCENTAGE ATTENDANCE
Mr. D Plaatjies	100%
Mrs. C Baadjies	100%

Table 46 - BID Evaluation Meeting Attendance

### c) BID ADJUDICATION COMMITTEE

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

MEMBER	PERCENTAGE ATTENDANCE
Mr. PW Erasmus	100%
Mr. G van der Westhuizen	100%
Mr. C Jafta	100%
Mr. D Willemse	100%
Mr. Z Nongene	100%

Table 47 - 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
97/2022	PRINTING AND DISTRIBUTION OF MUNICIPAL ACCOUNTS FOR A CONTRACT PERIOD OF THREE (3) YEARS	Cab Holdings	R207 733.99
113/2023	SUPPLY AND DELIVERY OF BUILDING MATERIALS FOR PHAE 2 OF THE THUSONG OFFICE EXTENSION	KWANONQABA INDUSTRIES (PTY) LTD.	R1 419 762.98
165/2023	PROVISION AND ADMINISTRATION OF A PREPAYMENT WATER AND ELECTRICITY VENDING SYSTEM FOR A CONTRACT PERIOD ENDING 30 JUNE 2025	Syntel (PTY) Ltd	R651 360.00
48/2023	UPGRADING OF THE PRINCE ALBERT AND KLAARSTROOM SPORTS FIELDS	KUQITYIWE CONSTRUCTION (PTY) LTD.	R2 871 240.65
55/2023	SUPPLY, DELIVERY AND INSTALLATION OF AN	MDL ENGINEERING COMPANY (PTY) LTD.	R 293 731.28

<b>BID NUMBER</b>	<b>TITLE OF BID</b>	<b>SUCCESSFUL BIDDER</b>	<b>VALUE OF BID AWARDED</b>
	ALTERNATIVE ENERGY SYSTEM		
<b>61/2023</b>	SUPPLY AND DELIVERY OF NEW COMPUTER SERVER AND RELATED EQUIPMENT	UBER TECHNOLOGIES CC	R209 442.27
<b>70/2023</b>	CONSTRUCTION OF NEW SIDEWALKS AND UPGRADING OF STORMWATER INFRASTRUCTURE IN BITTERWATER, LEEU-GAMKA	DE JAGERS LOODGIETER KONTRAKTEURS (PTY) LTD.	R3 663 349.55
<b>93/2023</b>	FACILITATION OF THIRD-PARTY PAYMENTS FOR A CONTRACT PERIOD OF THREE (3) YEARS.	PAY-AT SERVICES (PTY) LTD.	R278 256.00
<b>95/2023</b>	APPOINTMENT OF A SERVICE PROVIDER FOR THE COMPILATION OF THE GENERAL VALUATION ROLL AND SUPPLEMENTARY VALUATION ROLLS AND MAINTENANCE THEREOF FOR THE FINANCIAL YEARS 01 JULY 2024 UNTIL 30 JUNE 2029	HCB VALUATIONS AND SERVICES (PTY) LTD.	R1 033 500.00
<b>98/2023</b>	CONSTRUCTION OF PRINCE ALBERT BOREHOLE PIPELINE AND ASSOCIATED INFRASTRUCTURE	ACTIVE PHAMBILI CIVILS CC	R3 934 150.00

Table 48 - Ten Highest Bids Awarded

### e) AWARDS MADE BY THE ACCOUNTING OFFICER

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

Table 49 - 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 50 - Bidder Appeals

### g) UNSOLICITED BIDS

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

Table 51 - 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	0	-	0%
Emergency	1	R 46 263.35	14.5%
Impractical	13	R 396 045.40	85.5%
<b>TOTAL</b>	<b>14</b>	<b>R 442 308.75</b>	<b>100%</b>

Table 52 - Summary of Deviations

## 2.11.3 LOGISTICS MANAGEMENT

As at 30 June 2023, the value of stock at the municipal stores amounted to R718 995.

The system of disposal management must ensure the following:

- immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;

- movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
- immovable property is let at market related rates except when the public plight of the poor demands otherwise;
- all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
- where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

We are complying with Section 14 of the MFMA which deals with the disposal of capital assets. The current policies in place aim to provide the guidelines for the disposal of all obsolete and damaged assets.

## 2.12 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 2023	Yes
Credit Control policy	May 2023	Yes
Asset Management policy	May 2023	Yes
Tariff Policy	May 2023	Yes
Rates Policy	May 2023	Yes
Indigent Policy	May 2023	Yes
Capital Contribution Policy	May 2023	Yes

CRITERIA	DESCRIPTION
Linked to risk per risk register	Internal audit has mapped each risk as per risk register to the Municipality's auditable activity.
Change in management	Significant change in management is considered a critical factor within the control environment of each auditable activity.
Change in process	The evaluation was based on the consideration of any known significant process or system changes during the last 12 months.
Other contributing factors	The evaluation of other contributing factors was based on any Management concerns raised or known to internal audit at that time.

### 2.15.1 INTERNAL AUDIT PLAN COVERAGE

The Risk-Based Audit Plan for the 2022/2023 reporting financial year was executed within the available resources. The table below provides an overview of the completed audits.

AUDIT ENGAGEMENT	DEPARTMENTAL SYSTEM	DESCRIPTION
Performance Management Audit Quarter 1	Corporate and Community Services	The Auditors performed their internal audit work on the Performance Management area during November and December 2022 and the report does not take into account any changes after these dates. Work was completed for the area, in accordance with the agreed internal audit plan. They confirmed the existence of controls and evaluated the design and effectiveness of controls to ensure that the risks as per the risk registers or additional risks identified are mitigated to an acceptable



AUDIT ENGAGEMENT	DEPARTMENTAL SYSTEM	DESCRIPTION
		<p>level. Samples for detailed testing were selected on a judgemental basis.</p> <p>The period covered during the conduct of their procedures and over which assurance is given is 01 July 2022 to 30 September 2022.</p>
<p><b>Performance Management Audit Quarter 2</b></p>	<p><b>Corporate and Community Services</b></p>	<p>The Auditors performed their internal audit work on the Performance Management area during January and February 2022 and the report does not take into account any changes after these dates. Work was completed for the area, in accordance with the agreed internal audit plan. They confirmed the existence of controls and evaluated the design and effectiveness of controls to ensure that the risks as per the risk registers or additional risks identified are mitigated to an acceptable level. Samples for detailed testing were selected on a judgemental basis.</p> <p>The period covered during the conduct of their procedures and over which assurance is given is 01 October 2022 to 31 December 2022.</p>

AUDIT ENGAGEMENT	DEPARTMENTAL SYSTEM	DESCRIPTION
<p data-bbox="320 882 592 943"><b>Performance Management Audit Quarter 3</b></p>	<p data-bbox="643 882 895 943">Corporate and Community Services</p>	<p data-bbox="938 443 1225 1167">The Auditors performed their internal audit work on the Performance Management area during April 2023 and the report does not take into account any changes after this date. Work was completed for the area, in accordance with the agreed internal audit plan. They confirmed the existence of controls and evaluated the design and effectiveness of controls to ensure that the risks as per the risk registers or additional risks identified are mitigated to an acceptable level. Samples for detailed testing were selected on a judgemental basis.</p> <p data-bbox="938 1211 1225 1384">The period covered during the conduct of their procedures and over which assurance is given is 01 January 2023 to 31 March 2023.</p>
<p data-bbox="320 1543 592 1603"><b>Performance Management Audit Quarter 4</b></p>	<p data-bbox="643 1543 895 1603">Corporate and Community Services</p>	<p data-bbox="938 1395 1225 1749">The Auditors performed their internal audit work on the Performance Management area during August 2023 and the report does not take into account any changes after this date. Work was completed for the area, in accordance with the agreed internal audit plan. They</p>

AUDIT ENGAGEMENT	DEPARTMENTAL SYSTEM	DESCRIPTION
		<p>confirmed the existence of controls and evaluated the design and effectiveness of controls to ensure that the risks as per the risk registers or additional risks identified are mitigated to an acceptable level. Samples for detailed testing were selected on a judgemental basis.</p> <p>The period covered during the conduct of their procedures and over which assurance is given is 01 April 2023 to 30 June 2023.</p>
<p><b>Cash Management</b></p>	<p><b>Financial Services</b></p>	<p>The Auditors performed their internal audit follow-up work on the Cash Management area during July and August 2022, the report does not take into account any changes after these dates. Work was limited to the follow-up of the findings and included in the Internal Audit Report on Cash Management issued on 23 June 2021 as well as the Auditor-General Management report issued on 28 February 2022, in accordance with the agreed internal audit plan.</p> <p>The Internal Auditors confirmed the existence of controls and evaluated the design and effectiveness of</p>

AUDIT ENGAGEMENT	DEPARTMENTAL SYSTEM	DESCRIPTION
		<p>controls to ensure that the risks as per the risk register or additional risks identified are mitigated to an acceptable level. Samples for detailed testing were selected on a judgemental basis.</p> <p>The report covered during the conduct of their procedures and over which assurance is given is 01 July 2021 to 30 June 2022.</p>
<p><b>Tariffs Review</b></p>	<p><b>Financial Services</b></p>	<p>The Internal Auditors conducted an internal audit to verify the 2022/2023 tariff charges as per the Phoenix financial system to the Council-approved tariffs as per the 2022/2023 budget, classification of tariffs between the valuation roll, Phoenix financial system and Syntell prepaid system, and accuracy and completeness of tariffs billed on the Phoenix system, as included in the internal audit operational plan for the 2022 financial year.</p>
<p><b>Water and Electricity</b></p>	<p><b>Financial Services</b></p>	<p>The Internal Auditors performed their internal audit follow-up work on the Water and Electricity area during July and August 2022, and the report does not take into account any changes after</p>

AUDIT ENGAGEMENT	DEPARTMENTAL SYSTEM	DESCRIPTION
		<p>these dates. Work was limited to the follow-up of the findings as included in the Internal Audit report on Water and Electricity issued on 23 June 2021 as well as the Auditor-General Management report issued on 28 February 2022, in accordance with the agreed internal audit plan. The Internal Auditors confirmed the existence of controls and evaluated the design and effectiveness of controls to ensure that the risk as per the risk register or additional risks identified are mitigated to an acceptable level. Samples for detailed testing were selected on a judgemental basis.</p> <p>The period covered during the conduct of their procedures and over which assurance is given is 01 July 2021 to 30 June 2022.</p>
<p><b>Expenditure Management</b></p>	<p><b>Financial Services</b></p>	<p>The Internal Auditors performed their internal audit follow-up work on the Purchasing Process, Expenditure Management &amp; Creditors, and Electronic Payments area during July and August 2022, and the report does not take into account any changes after</p>

AUDIT ENGAGEMENT	DEPARTMENTAL SYSTEM	DESCRIPTION
		<p>these dates. Work was limited to the follow-up of the findings as included in our Internal Audit report on Purchasing Process, Expenditure Management &amp; Creditors, and Electronic Payments issued on 12 May 2022 as well as the Auditor-General Management report issued on 28 February 2022, in accordance with the agreed internal audit plan.</p> <p>The Internal Auditors confirmed the existence of controls and evaluated the design and effectiveness of controls to ensure that the risks as per the risk register or additional risks identified are mitigated to an acceptable level. Samples for detailed testing were selected on a judgemental basis.</p> <p>The period covered during the conduct of their procedures and over which assurance is given is 01 July 2021 to 30 June 2022.</p>
<p><b>Prepaid Electricity</b></p>	<p><b>Financial Services</b></p>	<p>The Internal Auditors performed their internal audit follow-up work on the Prepaid Electricity area during July and August 2022, and the report does not take into account any changes after</p>

AUDIT ENGAGEMENT	DEPARTMENTAL SYSTEM	DESCRIPTION
		<p>these dates. Work was limited to the follow-up of the findings as included in their Internal Audit report issued on 23 June 2021 as well as the Auditor-General Management report issued on 28 February 2022, in accordance with the agreed internal audit plan.</p> <p>The Internal Auditors confirmed the existence of controls and evaluated the design and effectiveness of control to ensure that the risks as per the risk register or additional risks identified are mitigated to an acceptable level. Samples for detailed testing were selected on a judgemental basis.</p> <p>The period covered during the conduct of their procedures and over which assurance is given is 01 July 2021 to 30 June 2022.</p>

Table 57 - Internal Audit Plan Coverage

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

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### COMPONENT A: OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

#### 3.1 INTRODUCTION

Performance management is the process that measures the implementation of the organisation's strategic objectives. Performance management is used as a management tool to plan, monitor, measures, and review performance indicators to ensure efficiency, effectiveness, and the impact of service delivery by the Municipality.

Performance management is institutionalised through the legislative requirements of the performance management process at Local Government level. The intention of performance management is to provide the mechanisms to measure whether the projected targets are met in line with the strategic direction of the organisation within a specific financial year.

Section 152 of the Constitution deals with the objects of local government and paves the way for performance management. The Constitution further makes provision for the democratic values and principles in Section 195(1), that is linked with the concept of performance management. These principles include:

- Promote the effective, efficient, and economic use of resources;
- Ensure accountable public administration;
- Transparency;
- Responsiveness; and
- Facilitating a culture of public service and accountability.

Performance Management allows for fostering accountability between the Administration, Political Office Bearers, and the citizens of the Greater Municipal Area.

#### 3.2 LEGISLATIVE REQUIREMENTS

Section 46(1)(a) of the Local Government: Municipal Systems Act, No. 32 of 2000, a Municipality must prepare an Annual Performance Report (APR) for each financial year that reflects the Municipality's and any service provider's performance during the financial year. The APR must be indicative of the development and service delivery of priorities and the performance targets set by the municipality for the financial year. Should any under-performance be noted, corrective



measures must be identified which stipulates what processes and procedures the Municipality have or will put in place in order to address the under-performance noted.

### 3.3 PERFORMANCE SYSTEM

The Prince Albert Municipality is currently utilising a manual performance management system, by means of MS Excel. The Municipality is currently busy with the finalisation of the appointment of a service provide for the provision of a web-based performance management system. This process commenced in the fourth quarter of the reporting financial year and is envisaged to be completed before the end of the 2023/2024 financial year.

The Municipality only have a Top Layer SDBIP which is rolled out to the Accounting Officer and Directors. With the purchasing of the web-based performance management system, the municipality will embark on the process of developing the Departmental SDBIP, which will aid in the implementation of individual performance throughout the organisation.

The performance management system that was implemented and followed for the 2022/2023 financial year is described below:

#### 3.3.1 APPROVAL OF THE 2022/2023 TOP LAYER SDBIP

The Top Layer SDBIP was prepared in accordance with the legislative prescripts and was approved by the Executive Mayor on 17 June 2022.

A subsequent review of the 2022/2023 SDVIP was done following the approval of an adjustments budget, the 2022/2023 Amended SDBIP served before the Council on 29 March 2023. No significant changes which may have a negative impact on the operations of the organisation were affected. The Municipality took the recommendations of the Internal Auditors into consideration and for this reason, amended the SDBIP to align to the regulatory frameworks governing performance management.

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and budget.

The MFMA Circular No.13 prescribes that:

- The IDP and budget must be aligned.
- The budget must address the strategic priorities.
- The SDBIP should indicate what the municipality is going to do during the next 12 months.

The status of implementation of the SDBIP is reflected in table format below. These are the audited results as at November 2023

REFERENCE	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	PREVIOUS YEAR ACTUAL PERFORMANCE	OVERALL PERFORMANCE 2022/2023				CONSOLIDATED PERFORMANCE COMMENTS	CONSOLIDATED CORRECTIVE MEASURES
					ORIGINAL ANNUAL TARGET	REVISED ANNUAL TARGET	ACTUAL	RESULT		
TL1	SO5	Draft annual performance report available for submission to Auditor-General together with Annual Financial Statements by not later than 31 August	Draft annual performance report submitted by 31 August annually	0	1	1	1	G	The Draft Annual Performance Report and Annual Financial Statements were submitted to the Auditor-General on Wednesday, 31 August 2022, as legislatively prescribed.	No corrective measures are required, and the key performance indicator is met for the 2022/2023 financial year.

REFERENCE	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	PREVIOUS YEAR ACTUAL PERFORMANCE	OVERALL PERFORMANCE 2022/2023				CONSOLIDATED PERFORMANCE COMMENTS	CONSOLIDATED CORRECTIVE MEASURES
					ORIGINAL ANNUAL TARGET	REVISED ANNUAL TARGET	ACTUAL	RESULT		
TL2	S07	Submit the Mid- Year Performance Report in terms of sec72 of the MFMA to council to monitor the overall municipal performance and decide on corrective measures if necessary	Mid-year report submitted to council and treasury by January 25 annually	1	1	1	0	R	The 2022/2023 Mid-Year Budget and Performance Assessment Report was submitted to the Council on 26 January 2023.	Management will ensure that the Municipality complies with the provision of Section 72 of the Local Government: Municipal Finance Management Act, No. 56 of 2003 for the following financial year and beyond. Management will further advise the Council on the legislative deadlines in order for the Council and Council Committee meetings to be scheduled within the legislative prescripts.

REFERENCE	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	PREVIOUS YEAR ACTUAL PERFORMANCE	OVERALL PERFORMANCE 2022/2023				CONSOLIDATED PERFORMANCE COMMENTS	CONSOLIDATED CORRECTIVE MEASURES
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TL3	SO5	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 Annual or Adjusted Capital Budget x 100	The percentage (%) of a municipality's Annual or Adjusted capital budget spent on capital projects identified in the IDP for the 2022/23 financial year	66.3%	90%	90%	62,98	O	The total Capital Expenditure as at end-June equates to 62,98% Year-To-Date Budget spent: R 13 922 345.62 Capital Budget: R 22 107 200.00 % spent: 62.98%	The Municipality will strive to expedite the spending of the capital budget, taking into account the legislative Supply Chain Management, and internal controls and processes. The Technical Services Directorate has developed the procurement plan as a tool to measure the project's progress.
TL4	SO7	Risk based audit plan approved by Audit Committee for 2022/23 by June 2023	Risk based audit plan approved by June 2023	0	1	1	1	G	The Internal Audit Strategic and Operational Plan (Risk-Based), served before and was approved at a Virtual Audit Committee meeting held on Wednesday, 3 May 2023.	No corrective measures are required, the key performance indicator is met for the 2022/2023 financial year.

REFERENCE	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	PREVIOUS YEAR ACTUAL PERFORMANCE	OVERALL PERFORMANCE 2022/2023				CONSOLIDATED PERFORMANCE COMMENTS	CONSOLIDATED CORRECTIVE MEASURES
					ORIGINAL ANNUAL TARGET	REVISED ANNUAL TARGET	ACTUAL	RESULT		
TL5	SO5	The main budget is approved by Council by the legislative deadline of end May 2023	Approval of Main Budget before the end of May annually	1	1	1	1	G	Council at its Special Meeting held on Tuesday, 30 May 2023 approved the Budget for the 2023/2024 Financial Year.	No corrective measures are required, the key performance indicator is met for the 2022/2023 financial year.
TL6	SO7	Ensure that Council meet for a General Council Meeting once every quarter	Number of Council general meetings	4	4	4	4	G	Four General Council meetings were held for the 2022/2023 financial year, respectively on Wednesday 3 August 2022, Monday 31 October 2022, Thursday 2 March 2023, and Thursday 8 June 2023.	No corrective measures are required, the key performance indicator is met for the 2022/2023 financial year.
TL7	SO7	Ensure that Council's section 80 committees per operational area meet once every quarter	Number of Council Section 80 committee meetings per operational area meet once every quarter	4	4	4	4	G	Four Section 80 Committee meetings were held for the 2022/2023 financial year. These meetings took place in the months of July 2022, October 2022, February 2023, and May 2023.	No corrective measures are required, the key performance indicator is met for the 2022/2023 financial year.

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TL8	SO5	The adjustment budget is approved by Council by the legislative deadline	Approval of Adjustments Budget before the end of February 2023	1	1	1	1	G	The Third Adjustment Budget for the 2022/2023 Financial Year served before a Special Council meeting held on Thursday, 26 January 2023.	No corrective measures are required, the key performance indicator is met for the 2022/2023 financial year.
TL9	SO7	The Top Layer SDBIP is approved by the Mayor within 28 days after the Main Budget has been approved	Top Layer SDBIP approved by the Mayor within 28 Days after approval of Main Budget	1	1	1	1	G	Council at its Special Meeting held on Tuesday, 30 May approved the Budget for the 2023/2024 Financial Year. The Mayor approved the 2023/2024 Service Delivery and Budget Implementation Plan on Monday, 26 June 2023.	No corrective measures are required, the key performance indicator is met for the 2022/2023 financial year.

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TL10	SO6	The % of the Municipality's training budget spent, measured as (Total Actual Training Expenditure/Approved Training Budget x 100)	% of training budget spend as at 30 June 2023	88%	90%	90%	86,24%	0	<p>Management could not spend the training budget within the first two quarters of the financial year. The delay in the spending of the budget was due to the incomplete applications received from potential service providers. Management could spend 3% of the budget in the third quarter and 86.24% in the fourth quarter of the financial year.</p> <p>Calculation:  Training Budget: R 60 366.21  Year-To-Date Budget spent: R 70 000  Spent: 86.24%</p>	<p>Management will in the new financial year and beyond, plan accordingly, taking the Supply Chain Management processes and procedures into account, and ensuring that scope is taken into account, should the same risk present itself.</p>

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TL11	SO6	The number of people from employment equity target groups employed (appointed) in the three highest levels of management in compliance with Prince Albert Census Demographic statistical data	Number of people appointed/employed in terms of approved equity plan	1	3	3	1	R	The position of Manager: Revenue Services was advertised twice in the 2023 calendar year, and has not yet been filled. The Municipality is struggling to attract suitable candidates. In the month of June 2023, the position of Director: Technical Services was filled.	Management will review the recruitment and selection process, to expedite the advertising and filling of critical vacancies in the organisation, taking into consideration the financial health of the organisation. The Prince Albert Municipality must be made attractive to attract more suitably qualified candidates, Management will review and consider this facet of Human Resource Management.
TL12	SO4	Provision of electricity to formal residential account holders connected to the municipal electrical infrastructure network for both credit and prepaid electricity meters	Number of formal residential account holders connected to the municipal electrical infrastructure network	2,637	1850	1850	2638	B	2, 638 residential account holders connected to the municipal electrical infrastructure network received services as at end-June 2023.	No corrective measures are required, the key performance indicator is met for the 2022/2023 financial year.



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TL13	SO4	Provide 50kwh free basic electricity to registered indigent account holders connected to the municipal & ESKOM electrical infrastructure network as on 30 June 2023	No of indigent account holders receiving free basic electricity which are connected to the municipal electrical infrastructure network	1,054	1200	1200	1110	0	<p>The number of residents receiving free basic services or forming part of the indigent list solely relies on the number of successful applications received. The Municipality has criteria that an applicant must comply with in order to be regarded or classified as an indigent resident.</p> <p>1, 110 registered indigent account holders receive free basic electricity which is connected to the municipal and Eskom electrical infrastructure network as at end-June 2023.</p>	<p>The Municipality at its 2023/2024 Integrated Development Plan and Budget Public Participation meeting informed the communities of the indigent applications for the 2023/2024 financial year, coupled with the scheduled dates of the roadshow. A full-scale indigent roadshow was conducted throughout the Greater Prince Albert Municipal Area and the service was taken to the community.</p>

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TL14	SO4	Provide refuse removal, refuse dumps and solid waste disposal to all residential account holders within the Prince Albert municipal area	Number of residential account holders for which refuse is billed once per month	2,727	2720	2720	2703	0	2, 703 residential account holders received services of refuse removal, refuse dumps, and solid waste disposal as at end-June 2023.	The Municipality is in the process of conducting a data cleansing process to ensure that the data on the financial management system is accurate and complete. The performance target will be revised once the data cleansing process has been finalised to ensure that the Municipality projects are in line with the financial management system.

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TL15	SO4	Provision of free basic refuse removal, refuse dumps and solid waste disposal to registered indigent account holders	No of indigent account holders receiving free basic refuse removal monthly	1,206	1200	1200	1115	0	The number of residents receiving free basic services or forming part of the indigent list solely relies on the number of successful applications received. The Municipality has criteria that an applicant must comply with in order to be regarded or classified as an indigent resident. 1, 115 registered indigent account holders received free basic refuse removal, refuse dumps, and solid waste disposal services as at end-June 2023.	The Municipality at its 2023/2024 Integrated Development Plan and Budget Public Participation meeting informed the communities of the indigent applications for the 2023/2024 financial year, coupled with the scheduled dates of the roadshow. A full-scale indigent roadshow was conducted throughout the Greater Prince Albert Municipal Area and the service was taken to the community.

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TL16	SO4	Provision of clean piped water to residential account holders which are connected to the municipal water infrastructure network	Number of residential account holders that meet agreed service standards for piped water	2,812	2450	2450	2787	G2	2, 787 of residential account holders connected to the municipal water infrastructure network received clean piped as at end-June 2023.	No corrective measures are required, the key performance indicator is met for the 2022/2023 financial year.
TL17	SO4	Provide 6kl free basic water to registered indigent account holders per month	No of registered indigent account holders receiving 6kl of free water.	1,208	1200	1200	1118	O	<p>The number of residents receiving free basic services or forming part of the indigent list solely relies on the number of successful applications received. The Municipality has criteria that an applicant must comply with in order to be regarded or classified as an indigent resident.</p> <p>1, 118 registered indigent account holders received 6kl free basic water per month as at end-June 2023.</p>	The Municipality at its 2023/2024 Integrated Development Plan and Budget Public Participation meeting informed the communities of the indigent applications for the 2023/2024 financial year, coupled with the scheduled dates of the roadshow. A full-scale indigent roadshow was conducted throughout the Greater Prince Albert Municipal Area and the service was taken to the community.

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TL18	SO4	Provision of sanitation services to residential account holders are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets)	No of residential account holders which are billed for sewerage in accordance to the financial system.	2,703	2701	2701	2631	○	2, 631 residential account holders connected to the municipal wastewater (sanitation/sewerage) network and are billed, irrespective of the number of waste closets (toilets) that received sanitation services as at end-June 2023.	The Municipality is in the process of conducting a data cleansing process to ensure that the data on the financial management system is accurate and complete. The performance target will be revised once the data cleansing process has been finalised to ensure that the Municipality projects are in line with the financial management system.

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TL19	SO4	Provision of free basic sanitation services to registered 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)	No of indigent account holders receiving free basic sanitation in terms of Equitable share requirements.	1,205	1200	1200	1111	0	<p>The number of residents receiving free basic services or forming part of the indigent list solely relies on the number of successful applications received. The Municipality has criteria that an applicant must comply with in order to be regarded or classified as an indigent resident.</p> <p>1, 111 registered indigent account holders who are connected to the municipal wastewater (sanitation/sewerage) network and are billed, irrespective of the number of water closets (toilets) received free basic sanitation services as at end-Juen 2023.</p>	<p>The Municipality at its 2023/2024 Integrated Development Plan and Budget Public Participation meeting informed the communities of the indigent applications for the 2023/2024 financial year, coupled with the scheduled dates of the roadshow. A full-scale indigent roadshow was conducted throughout the Greater Prince Albert Municipal Area and the service was taken to the community.</p>

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TL20	SO5	Maintain a Year to Date (YTD) debtors payment percentage of 85% excluding traffic services	Payment percentage (%) of debtors over 12 months rolling period, excluding traffic services	87%	85%	85%	79,99	O	The 2022/2023 financial year resulted in a 79,99% Year-To-Date (YTD) debtors payment percentage, inclusive of property tax, electricity, sewerage, refuse removal, and water.	The Municipality will develop and implement a much-stricken Credit Control Policy to ensure that the Eskom area's outstanding payments can be increased. Prepaid water meters will be installed in the Eskom areas which will increase payment percentages of at least one service charge (Water).
TL21	SO5	Maintain an financially unqualified audit opinion for the 2021/22 financial year	Financial statements considered free from material misstatements as per Auditor General report	1	1	1	1	G	The Municipality obtained a Clean Audit for the 2021/2022 financial year.	No corrective measures are required, the key performance indicator is met for the 2022/2023 financial year.

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TL22	SO5	Financial viability measured in terms of the municipality's ability to meet its service debt obligations ((Total operating revenue-operating grants received)/debt service payments due within the year)	(Total operating revenue-operating grants received)/debt service payments due within the year)	747,8	370	370	905	<b>B</b>	<p>The 2022/2023 financial year resulted in the financial viability in terms of the Municipality's ability to meet its service debt obligations to equate, to 905 as at end-June 2023.</p> <p>Operating revenue: R 89 029 802 Total borrowings: R 98 333 Total: 905</p> <p>As per management comment the target was incorrect and a note will be made in the APR.</p>	<p>The target for the 2022/2023 financial year is 370,0 as opposed to the 3, 0013.0 displayed in Quarter 4. This is a human error and Management will review the target in the new financial year to ensure that the correct target is reflected in the Service Delivery and Budget Implementation Plan.</p>





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TL23	SO5	Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	(Total outstanding service debtors/ revenue received for services)X100	10,5%	13%	13%	19,75	R	<p>The 2022/2023 financial year resulted in the financial viability in terms of the outstanding service debtors, to equate to 19.75% as at end-June 2023.</p> <p>Total outstanding service debtors: R 29 917 430 Revenue received for services: R 37 280 808</p> <p><math>(1-0.802489) *100 = 19.75\%</math></p>	The Municipal Council has requested the Financial Services Directorate to implement strict debt collection processes in the Greater Prince Albert Municipal Area, inclusive of the ESKOM areas.

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TL24	SO5	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	((Available cash+ investments)/ Monthly fixed operating expenditure)	5,96	5,0	5,0	6,79	B	The 2022/2023 financial year resulted in financial viability in terms of the available cash to cover fixed operating expenditure, to equate to 6,79 as at end-June 2023. The target was achieved well over and above the 5 times as per the norm. The Prince Albert Local Municipality therefore has sufficient funds available to service its current debt and expenditure. Calculation :Available cash + investments: R 52 395 423Monthly fixed expenditure: R 7 714 493Percentage Financial viability: 6.79	No corrective measures are required, the key performance indicator is met for the 2022/2023 financial year.

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TL25	SO2	The number of temporary jobs created through the municipality's local economic development EPWP projects, measured by the number of people temporary appointed in the EPWP programmes for 2022/23	Number of people temporary appointed in the EPWP programs	178	150	150	145	○	145 temporary work opportunities were created for the 2022/2023 financial year through the Expanded Public Works Programme.	No corrective measures are required, the key performance indicator is met for the 2022/2023 financial year.
TL26	SO4	Excellent water quality measured by the compliance of water Lab results with SANS 241 criteria for Prins-Albert, Leeu-Gamka and Klaarstroom.	% of Lab Results complying with SANS 241.	84,4%	80%	80%	81.25	⊖	81.25% water quality in compliance with SANS 241 was achieved for the 2022/2023 financial year.	No corrective measures are required, the key performance indicator is met for the 2022/2023 financial year.
TL27	SO4	Excellent waste water quality measured by the compliance of waste water Lab results with SANS irrigation standard (for Prins-Albert, Leeu-Gamka and Klaarstroom)	% of Lab Results complying with SANS Irrigation standards.	72,90%	80%	80%	64.66	○	64.66% wastewater quality measured by the compliance of wastewater lab results with SANS irrigation standard was achieved for the 2022/2023 financial year.	In the 2023/2024 financial year and beyond the Municipality will ensure that samples are taken on a monthly basis to comply with the SANS 241 Standards. In the event of non-compliance, the Municipality will conduct a resampling to ascertain the correct results.

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TL28	SO4	Limit water losses to not more than 15% $\{(\text{Number of Kiloliters Water Purchased or Purified} - \text{Number of Kiloliters Water Sold}) / \text{Number of Kiloliters Water Purchased or Purified} \times 100\}$	% Water losses achieved (Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold) / Number of Kiloliters Water Purchased or Purified $\times 100$ )	28,5%	15%	15%	24,94	R	24.94% limit water losses were achieved for the 2022/2023 financial year.	In the 2023/2024 financial year, the Municipality will install bulk water meters to reduce water losses in areas that are not metered.

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TL29	SO4	Limit electricity losses to not more than 15% {{(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) × 100}}	% Electricity losses achieved (Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) × 100	11,5%	15%	15%	17,03	R	<b>PURCHASED:</b> Eskom Invoices indicate the total consumption equates to 9, 273, 720.20 kWh <b>SOLD:</b> CREDIT METERS: The Elec Report indicates the total credit electricity sold equates to -3, 549, 709 <b>PREPAID METERS:</b> The Sales Statistics Report indicates that the total prepaid electricity sold equates to -4, 144, 687,90 <b>CALCULATION:</b> Total Purchased (9, 273 702,20) + Total Sold (-7, 694, 396,90) = Loss (1, 579, 305,30) The percentage of electricity losses for the 2022/2023 financial year equates to (1, 579, 305,30 / 9, 273, 702,20 *100%) = 17,03%	The Municipality will conduct a meter audit throughout the Greater Prince Albert Municipal Area, as well as a review of its own electricity consumption, to ensure that all meters are accounted for and paid for. The Municipality envisage that this audit and review will be conducted in the 2023/2024 financial year.

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TL30	SO7	Preparation of the final IDP review for submission to council to ensure compliance with legislation by 31 May annually	Final IDP review completed to submit to council by 31 May 2023	1	1	1	1	G	Council at its Special Meeting held on Tuesday, 30 May approved the Final Reviewed 2022-2027 Fifth Generation Integrated Development Plan for the 2023/2024 Financial Year.	No corrective measures are required, the key performance indicator is met for the 2022/2023 financial year.
TL31	SO2	Implementation of the Local Economic Development Strategy	Number of LED interventions/ activities / programmes implemented	2	4	4	3	O	Three of the Local Economic Development Initiatives, as per the Project Implementation Plan: LED Initiatives for the 2022/2023 financial year were implemented.	The Municipality will develop a Project Implementation Plan with related supporting documentation to support the implementation of and reporting on this key performance indicator for the new financial year and beyond.

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TL30	SO7	Preparation of the final IDP review for submission to council to ensure compliance with legislation by 31 May annually	Final IDP review completed to submit to council by 31 May 2023	1	1	1	1	G	Council at its Special Meeting held on Tuesday, 30 May approved the Final Reviewed 2022-2027 Fifth Generation Integrated Development Plan for the 2023/2024 Financial Year.	No corrective measures are required, the key performance indicator is met for the 2022/2023 financial year.
TL31	SO2	Implementation of the Local Economic Development Strategy	Number of LED interventions/ activities / programmes implemented	2	4	4	3	O	Three of the Local Economic Development Initiatives, as per the Project Implementation Plan: LED Initiatives for the 2022/2023 financial year were implemented.	The Municipality will develop a Project Implementation Plan with related supporting documentation to support the implementation of and reporting on this key performance indicator for the new financial year and beyond.



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TL32	SO3	Implementation of programs and awareness initiatives held in terms of social welfare as per project plan signed off by MM	Number of awareness initiatives and programs launched within community	2	4	4	2	R	Two Social Initiatives were facilitated during the 2022/2023 financial year.	The Municipality will develop a Project Implementation Plan with related supporting documentation to support the implementation of and reporting on this key performance indicator for the new financial year and beyond.
TL33	SO7	Develop action plans to address the top 10 risks before end of February 2023	Number risk mitigation plans submitted to the Audit Committee before end of February 2023	New Key Performance Indicator	1	1	1	G	No Audit Committee meetings were held during the third quarter of the financial year. The Top 10 Risks and Action Plans served at a Virtual Audit Committee meeting held on Friday, 30 June 2023.	Management will inform and advise the Audit Committee on the Service Delivery and Budget Implementation Plan and legislative deadlines in order for the Audit Committee meetings to be scheduled within the legislative and Municipal planning prescripts.

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TL34	SO1	Draft Scheme Regulations By-law submitted to be submitted to Council before 15 December 2022 for approval	The approved scheme regulations by-law and minutes of Council meeting	New Key Performance Indicator	1	1	0	R	The Draft Zoning Scheme By-law only served before and was adopted at a Special Council meeting held on Tuesday, 2 May 2023	Management will inform and advise the Council on the Service Delivery and Budget Implementation Plan and legislative deadlines in order for the Council and Council Committee meetings to be scheduled within the legislative and Municipal planning prescripts.
TL35	SO7	The number of audit committee meetings conducted per quarter	The attendance register and minutes of meetings held	New Key Performance Indicator	4	4	4	G	Four Audit Committee meetings were held for the 2022/2023 financial year, respectively one in quarters one and two, and two in the fourth quarter. There were no meetings held in the third quarter as the Administration and the Audit Committee could not resolve on a suitable date to host a meeting.	No corrective measures are required, the key performance indicator is met for the 2022/2023 financial year. The Administration and Audit Committee will however ensure that meetings are scheduled and takes place each quarter.

### 3.8.1 HIGHLIGHTS: ELECTRICITY

The following highlights pertaining electricity provision during the reporting financial year are emphasised.

HIGHLIGHTS	DESCRIPTION
Street Lighting	The Municipality is systematically replacing all existing street lights with LED lights.
Electrification of informal settlements	31 new connections were installed in the Tortelduif Street

Table 72 - Highlights: Electricity

### 3.8.2 CHALLENGES: ELECTRICITY

The following challenges pertaining electricity provision during the reporting financial year are emphasised.

DESCRIPTION	ACTIONS TO ADDRESS
Street lighting	Funding or budget provisions to totally refurbish the street lighting network
Trees threatening the electricity network	A suitable qualified service provider must be appointed to address this risk by making adequate budget provisions
Re-activate asset maintenance within funding constraints	Draft asset management plan

Table 73 - Electricity: Challenges

### 3.8.3 ELECTRICITY SERVICE DELIVERY LEVELS

The table below depicts the Municipality's performance in the current financial year against the previous financial year.

<b>HOUSEHOLDS</b>		
<b>DESCRIPTION</b>	<b>2021/2022</b>	<b>2022/2023</b>
	<b>ACTUAL AS SERVICED BY MUNICIPALITY</b>	<b>ACTUALS PER CENSUS 2022</b>
Electricity (at least minimum service level)	267	142
Electricity - prepaid (minimum service level)	2 423	4 618
<b>Minimum Service Level and Above sub-total</b>	<b>2 637</b>	<b>4 476</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100%</b>	<b>97%</b>
Electricity (< minimum service level)	0	0
Electricity - prepaid (< minimum service level)	0	4 618
Other energy sources	0	143
<b>Below Minimum Service Level sub-total</b>	<b>0</b>	<b>4 617</b>
<b>Below Minimum Service Level Percentage</b>	<b>0</b>	<b>3%</b>
<b>Total number of households</b>	<b>2 454</b>	<b>4 760</b>

Table 74 - Electricity Service Delivery Levels

DESCRIPTION	ACTIONS TO ADDRESS
Gate control and numerous entry points	Investigate security on premises.; Fencing of premises to deter uncontrolled access.  Installation of an automotive gate control system in Prince Albert.
Illegal dumping	Facilitate better public education an awareness to reduce the occurrences of illegal dumping.
Windblown litter	Establish a Material Recovery Facility.

Table 78 - Challenges: Waste Management

### 3.9.3 WASTE MANAGEMENT SERVICE DELIVERY LEVELS

The table below depicts the municipality's performance against the service delivery indicators for waste management provision in comparison with the previous financial year.

DESCRIPTION	2021/2022	2022/2023
	ACTUAL	CENSUS 2022
	NO	NO
Removed at least once a week	2704	4 302
Minimum Service Level and Above sub-total	2704	4 302
Minimum Service Level and Above percentage	100%	90%
Removed less frequently than once a week	0	99
Using communal refuse dump	0	46
Using own refuse dump	0	285
Other rubbish disposal	0	7
No rubbish disposal	0	15
Below Minimum Service Level sub-total	0	452
Below Minimum Service Level percentage	0	9%
<b>Total number of households</b>	<b>2704</b>	<b>4 760</b>

Table 79 - Waste Management Service Delivery Levels

### 3.10 HOUSING

Prince Albert Municipality supports the following objectives in respect of housing

- Promotion of equal access to housing for Prince Albert residents
- Transparency
- Prevention of unfair discrimination
- Promotion of fair administrative justice
- Apply the principle of "first come first serve" subjected to approved framework
- Proper recording of all housing applicants

Council follows the following working procedure in respect of the allocation of housing.

Prince Albert Municipality has a housing waiting list in excess of 1,389 persons awaiting assistance in terms of government housing subsidies. The housing waiting list is updated annually during community outreaches that includes visits to farms and Thusong Outreaches. Applicants also have the opportunity to apply continuously throughout the year and may also update their submitted details on a continuous basis.

The applicants' details are captured on the Western Cape Housing Database.

To ensure that the most marginalised of the community are protected, Council did not appoint a Housing Committee for the project, but rather resolved to implement the guidelines of the Western Cape Department of Human Settlement's Circular No. 10 of 2015.

According to Circular 10 the following principles is agreed upon:

- (a) Age-based prioritisation will take place with preference given to household heads that are 40 years or older based on the registration date order, from the earliest date of registration to the most recent, except in cases where:
  - (i) A household is selected via the quota for households affected by permanent disability, in which case age-base prioritisation must strictly not be applied;
  - (ii) A household is selected via the approved Military Veteran's database in which case age-based prioritisation will not be applied.
- (b) Where no household with the beneficiary older than 40 years exist on the waiting list for that specific catchment area, the Municipality will accommodate applicants from the 35-39-year age group in preference that the oldest person will be helped first.

- (c) Should the 35-39 age group be exhausted on the waiting list, the municipality may select beneficiaries from the 30 to 34-year-old cohort, and so on until all available opportunities have been filled.
- (d) All applicants must reside in the municipal jurisdiction for at least five years and must be registered on the database for at least three years.

The above procedure was agreed upon by Council to protect the most vulnerable within our communities.

In Prince Albert municipal area people earning less than R 4 100 per month per household can qualify for a normal housing subsidy, while GAP housing applicants can qualify if they earn between R4 100 and R15 000 per month.

The housing waiting list for the whole of Prince Albert Municipality's jurisdiction reflect 1, 389 applicants. Prince Albert Municipality did not build any houses during the reporting year. The Klaarstroom Transit area in Klaarstroom and Prince Albert have both been extended and provided with basic services. While the Klaarstroom Transit area now boast taps on each allocated plot and Eskom is planning to provide electricity to the area in September 2021, concern remains on stormwater channels in the area. High quality ablution facilities were also provided in Klaarstroom's transit area during the reporting year. Unfortunately, the ablution facilities erected and repaired in the Prince Albert Tortelduif area, are repeatedly vandalised and compromising service delivery.

Prince Albert Municipality have two Informal Settlements defined as above and a short overview of said settlements are as follows:

### 3.10.1 KLAARSTROOM

The Klaarstroom Informal Settlement is the biggest in the municipal area with 70 structures as on 30 June 2022 with an average 3-4 residents per structure. Residents have access to direct access to water taps in their erfs and these taps adhered to the bacteriological standards of SANS 241. Upgraded ablution facilities have been erected within the transit area to ensure that the Municipality complies with the ratio of households to ablutions. Eskom was engaged to provide electricity to the Klaarstroom transit area and the project was completed in November 2021. Storm water ditches and intakes are present with adequate drainage. No health nuisances were reported by the Environmental Health Officer of the Central Karoo District.

### 3.10.3 HIGHLIGHTS: HOUSING

The following highlights in respect of the housing division are reflected below.

HIGHLIGHTS	DESCRIPTION
Updating of housing waiting list	Housing waiting list was updated in all towns with the most recent information
Data cleansing	Housing waiting list was cleansed and have no duplications
Improved ablutions in Klaarstroom Informal Settlements	Additional ablutions established in Klaarstroom.
Repair of household ablutions in Tortelduif	Repair of ablutions done on continuous basis
PRASA and Transnet housing	Engagements with both Transnet and PRASA took place to discuss future transfer and service delivery
Formalising of informal settlement	The Municipality applied for the UISP for the design of the informal settlement of Klaarstroom

Table 82 - Housing: Highlights



### 3.10.4 CHALLENGES: HOUSING

The following challenges in respect of housing during the reporting year are:

DESCRIPTION	ACTIONS TO ADDRESS
Need for middle class housing is sharply increasing	Apply for CRU funding instead of GAP funding
Toilets outside houses	The Municipality conducted a census on the total number of toilets outside houses. The data still need to be formulated in a business plan.
Re-location of Leeu-Gamka Transnet area	Application to be prepared
Stormwater in Klaarstroom Transit Area	Stormwater may pose danger to housing

Table 83 - Challenges: Housing

### 3.10.5 HOUSEHOLDS WITH ACCESS TO BASIC HOUSING

The table below reflects the number of households without access to basic housing in relation to households reflected on the municipal billing system.

<b>NUMBER OF HOUSEHOLDS WITH ACCESS TO BASIC HOUSING</b>			
<b>YEAR END</b>	<b>*TOTAL HOUSEHOLDS (INCLUDING FORMAL AND INFORMAL SETTLEMENTS)</b>	<b>HOUSEHOLDS IN FORMAL SETTLEMENTS</b>	<b>PERCENTAGE OF HHS IN FORMAL SETTLEMENTS</b>
2019/20	2878	2809	98
2020/21	2884	2820	98
2021/22	2911	2825	98
2022/2023	2 527		
*Number of household where the municipality is responsible for basic services (financial statistics)			

Table 84 - Households with Access to Basic Housing

### 3.10.6 HOUSING WAITING LIST

The following table shows the decrease in the number of people on the housing waiting list. There are currently approximately 1, 389 housing units on the waiting list as at the end of the 2022/2023 financial year. The decrease is due to the housing development in Prince Albert during the reporting year.

<b>FINANCIAL YEAR</b>	<b>NUMBER OF HOUSING UNITS ON WAITING LIST</b>	<b>% HOUSING WAITING LIST INCREASE/(DECREASE)</b>
2019/20	1102	(19.39%)
2020/21	1132	2.65%
2021/22	1342	195
2022/2023	1389	(3.50%)

Table 85 - Housing Waiting List

### 3.10.7 HOUSING EXPENDITURE

A summary of housing expenditure is tabled below.

FINANCIAL YEAR	ALLOCATION	AMOUNT	% SPENT	NUMBER OF HOUSES BUILT	NUMBER OF SITES SERVICED
	R'000	R'000			
2019/20	12 090	5 405	44.71%	0	100
2020/21	-	-	-	-	-
2021/22	-	-	-	-	58
2022/2023	0	0	0	0	0

Table 86 - Housing Expenditure

### 3.11 FREE BASIC SERVICES AND INDIGENT SUPPORT

A debtor is considered indigent if the total monthly household income is equal to two times the amount of state funded social pensions or less (currently R 4, 100 per month). All indigent households individually receive 6 kl water and 50Kwh electricity free each month. Furthermore, an indigent debtor also receives a subsidy on refuse removal and sewerage, rates and the availability charge in respect of water.

All indigents have to renew their applications annually in order to qualify for the benefits. The Municipality continuously promoted the registration of indigent households to support vulnerable households.

The table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved indigent policy of the municipality, all households earning less than R4, 100 per month will receive the free basic services as prescribed by national policy.

FINANCIAL YEAR	NUMBER OF HOUSEHOLDS								
	TOTAL NO OF HH	FREE BASIC ELECTRICITY		FREE BASIC WATER		FREE BASIC SANITATION		FREE BASIC REFUSE REMOVAL	
		NO. ACCESS	%	NO. ACCESS	%	NO. ACCESS	%	NO. ACCESS	%
2019/20	2750	893	31.79	2487	100%	893	31.79	893	31.79
2020/21	2759	1092	100%	1092	100%	1092	100%	1092	100%
2021/22	2812	1054	100%	1208	100%	1205	100%	1206	100%
2022/23	2527	1163	100%	1150	100%	1113	100%	1117	100%

Table 87 - Free Basic Service (Indigent Households)

FINANCIAL YEAR	FREE BASIC ELECTRICITY								
	INDIGENT HOUSEHOLDS			NON-INDIGENT HOUSEHOLDS			INDIGENT HOUSEHOLDS IN ESKOM AREAS		
	NO. OF HH	UNIT PER HH (KWH)	VALUE R'000	NO. OF HH	UNIT PER HH (KWH)	VALUE R'000	NO. OF HH	UNIT PER HH (KWH)	VALUE R'000
2019/20	629	50	374	1488	0	0	264	50	157
2020/21	629	50	374	1	0	0	264	50	157
2021/22	1054	50	381	1	0	0	192	50	164
2022/23	1163	50					234	50	

Table 88 - Free Basic Services: Electricity

FREE BASIC WATER						
FINANCIAL YEAR	INDIGENT HOUSEHOLDS			NON-INDIGENT HOUSEHOLDS		
	NO. OF HH	UNIT PER HH (KL)	VALUE	NO. OF HH	UNIT PER HH (KL)	VALUE
			R'000			R'000
2019/20	893	6kl	391	1594	6kl	698
2020/21	1092	6kl	478	1792	6kl	856
2021/22	1208	6kl	485	1 604	-	-
2022/23	1150	6kl		1307		

Table 89 - Free Basic Services: Water

FREE BASIC SANITATION						
FINANCIAL YEAR	INDIGENT HOUSEHOLDS			NON-INDIGENT HOUSEHOLDS		
	NO. OF HH	R VALUE PER HH	VALUE	NO. OF HH	UNIT PER HH PER MONTH	VALUE
			R'000			R'000
2019/20	893	119.74	1048	1458	0	0
2020/21	1092	192.24	1205	1478	0	0
2021/22	1205	211.33	1335	1 499	0	0
2022/23	1113			1182		

Table 90 - Free Basic Services: Sanitation

FREE BASIC REFUSE REMOVAL						
FINANCIAL YEAR	INDIGENT HOUSEHOLDS			NON-INDIGENT HOUSEHOLDS		
	NO. OF HH	SERVICE PER HH	VALUE	NO. OF HH	UNIT PER HH	VALUE
		PER	R'000		PER	R'000
2019/20	893	73.22	645	1833	0	0
2020/21	1092	84.33	824	1989	0	0
2021/22	1 206	92.2	946	1 521	0	0
2022/23	1117			1563	0	0

Table 91 - Free Basic Services: Refuse Removal

The following table indicates the cost to the Municipality to provide free basic services. The cost of these free services is covered by an Equitable Share Grant received from the national government.

FINANCIAL PERFORMANCE 2022/2023: COST TO MUNICIPALITY OF FREE BASIC SERVICES DELIVERED					
SERVICES DELIVERED	2021/2022	2022/2023			VARIANCE TO BUDGET
	ACTUAL	BUDGET	ADJUSTMENT	ACTUAL	
			BUDGET		
	R'000				
Water	1 297	1 322	0	1 322	0
Waste Water (Sanitation)	1 398	2 258	0	2 258	0
Electricity	656	1 1017	0	1 017	0
Waste Management (Solid Waste)	855	1 371	0	1 371	0
<b>Total</b>	<b>4 206</b>	<b>5 967</b>	<b>0</b>	<b>5 967</b>	<b>0</b>

Table 92 - Financial Performance (Free Basic Services)

<b>TARRED ROAD INFRASTRUCTURE: KILOMETRES</b>					
<b>YEAR</b>	<b>TOTAL TARRED</b>	<b>NEW TAR ROADS</b>	<b>EXISTING TAR</b>	<b>EXISTING TAR</b>	<b>TAR ROADS MAINTAINED</b>
2019/20	20.7	3	0	0	23.7
2020/21	23.7	0	0	0	23.7
2021/22	23.7	0	0	0	23.7
2022/23	23.7	0	0	0	23.7

Table 95 - Tarred Road Infrastructure

A survey was done internally by the Department on pot holes and the need for road repair. Much has been done on the operational side to decrease the potholes within the municipal area, but as the roads are old and there is little funding to do major repairs and rebuild, maintenance remains a challenge.

### 3.12.4 FINANCIAL PERFORMANCE ON ROADS

The table below indicates the capital expenditure on roads.

<b>CAPITAL EXPENDITURE 2022/2023: ROADS</b>					
<b>R'000</b>					
<b>CAPITAL PROJECTS</b>	<b>2022/2023</b>				
	<b>BUDGET</b>	<b>ADJUSTMENT BUDGET</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE FROM ORIGINAL BUDGET</b>	<b>TOTAL PROJECT VALUE</b>
<b>Upgrading of roads &amp; stormwater in Bitterwater, Leeu-Gamka</b>	12, 881, 231	12, 881, 231	416, 167	32%	1, 281, 231
<b>CRR - Sidewalks and road paving</b>	500, 000	500, 000	0	0%	500, 000
<b>MIG - L/G Nuwe Sypaadjies</b>	0	505, 550	339 027	67%	505, 550
<b>MIG - Prince Albert New Sidewalks</b>	2, 603, 507	2, 603, 507	0	0%	2, 603, 507

## COMPONENT D: PLANNING AND LOCAL ECONOMIC DEVELOPMENT

### 3.13 PLANNING

#### 3.13.1 INTRODUCTION TO PLANNING

The appointment of a permanent Town Planner in June 2022 ensured that the capacity gaps in the Town Planning Section are addressed, all town planning and related-functions are facilitated by the Town Planner in collaboration and consultation with the respective and applicable stakeholders within the organisation, as well as external parties.

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. Prince Albert Municipality was promulgated as SPLUMA compliant in March 2016 and the Planning By-Law came into effect from 1 March 2016.

The Western Cape Department of Environmental Affairs: Planning has assisted the Municipality with drafting the reviewed 2021 Spatial Development Plan. The draft 2021 SDF was tabled to Council on 29 March 2022 and made available to the public for comments. The final document was table to Council on 20 May 2022 and adopted. The SDF also include a capital expenditure framework.

SPLUMA also make provision for certain land use applications to be considered and determined by an Authorised Official (AO) in the employment of the municipality, that has been appointed by Council through a Council Resolution.

The main objective of the JMPT between Prince Albert and Laingsburg Municipality is to provide a pool of planners and relevant experienced profession to serve as an incredible independent and professional authority to responsibly consider and decide on the land development and land use applications submitted by the two municipalities.

The Joint Municipal Planning Tribunal was endorsed by the Prince Albert Municipal Development Services Portfolio Committee at its meeting held on 7 February 2023.



The Prince Albert Municipal Council at its meeting held on 2nd May 2023, adopted the Zoning Scheme By-Law to regulate and control municipal zoning.

The purpose of the zoning scheme is to:

- a) Give effect to the Municipal Spatial Development Framework.
- b) Make provision for orderly development and the welfare of the community.
- c) Determine use rights and development parameters, with due consideration of the principles referred to in the Land Use Planning Act.

The zoning scheme consists of the by-law, the zoning scheme map, and the register. The zoning scheme must be reviewed at least every 10 years.

### 3.13.2 HIGHLIGHTS: PLANNING

The following highlights in respect of the planning division for the 2022/2023 financial year are reported below.

HIGHLIGHTS	DESCRIPTION
<b>Planning By Law enforcement</b>	Collaboration with Tourism office to identify and enforce compliance on illegal land use activities
<b>Continuous strengthening of institutional knowledge on land use</b>	New procedures and control measures were instituted to ensure compliance and shared with the public at community meetings
<b>Improved building control</b>	Building Inspections done as per legislation
<b>GIS Shared Service</b>	Initial engagements to utilise GIS as a shared service option within the CKDM
<b>Zoning-Scheme By-Law</b>	The Zoning-Scheme By-Law was developed and adopted by Council in May 2023

Table 98 - Planning Highlights

### 3.13.3 CHALLENGES: PLANNING

The table beneath reflect the challenges in respect of Planning for the 2022/2023 financial year.

DESCRIPTION	ACTIONS TO ADDRESS
Providing approval within 120 days	Most applications considered within allotted time frame
Building control capacity	Building control capacity to be increased with training and mentorship
Legal cost	A legal specialist to be appointed to handle litigation
Lack of GIS capabilities	Formalise the Shared Service option for GIS in the CKDM

Table 99 - Planning Challenges

### 3.13.4 SERVICE STATISTICS: LAND USE DEVELOPMENT

The enforcement of land use saw a significant improvement in the reporting year. The turn-around time of 120 days is not feasible and it was especially difficult to enforce land use principles pertaining house shops. Council approved a deviation option for the parking requirements for business operations whereby an annual fee can be paid in lieu of supplying parking on premises.

The possibility of having a Shared Service Agreement with the Central Karoo District Municipality to use the registered town planner for the Central Karoo has been discussed and must be formalised. Engagements took place with Provincial departments to update a land use register, zoning maps and GIS information. The possibility of establishing a GIS shared service option is investigated.

The enforcement of building control was severely lacking in previous years. The enforcement of building control requirements has not shown significant improvement in the reporting financial year.

### 3.14.1 SMME DEVELOPMENT

The municipality commences and adopted two projects with a primary focus on small enterprise development. These projects are Klaarstroom Poort Pouri and the Leeu-Gamka Enterprise area. The structures at both facilities were upgraded with municipal funding and while Klaarstroom already have identified a beneficiary group, the Leeu-Gamka project must still go through this process. The Poort Pouri facility in Klaarstroom have been upgraded, it is envisaged that it will be open for business in the year 2024.

In 2020, the economy of Prince Albert was valued at R571 million (current prices) and employed 3 567 people. Historical trends between 2016 and 2020 indicate that the municipal area's GDP grew by 0.2 per cent on average annually. The 2020 recession made a substantial dent in the average growth rate over the period, but load shedding and the drought within the province also played a major role in prior years.

Estimates for 2021 however indicate a marked recovery in growth (5.5 per cent) from the effects of the COVID-19 related restrictions to economic activity in 2020. This recovery was largely driven by growth in community, social & personal services (9.4 per cent); agriculture, forestry & fishing (8.5 per cent), wholesale & retail trade (6.9 per cent), transport, storage & communication (4.7 per cent) and finance, insurance, real estate & business services (4.5 per cent); The construction sector (-6.3 per cent) was the only sector that experienced further economic decline after the easing of restrictions.

Despite the economic recovery experienced in 2021, the economy continued to shed jobs, with 72 net jobs losses. This was largely driven by job losses in the wholesale & retail trade, catering & accommodation (41 jobs), Agriculture, forestry & fishing (26 jobs); construction (17 jobs); and transport, storage & accommodation (11 jobs). Only the general government sector and community & social sector were able to create jobs during the year.

The PACA LED Strategy that was developed for the Prince Albert Municipality in collaboration with the Department of Economic Affairs and Tourism is included in the Integrated Development Plan as possible areas for development. The vision of the strategy being "A strategy towards building a resilient and inclusive economy, with sustainable business and job opportunities", was enhanced by the Municipality's participation in the Small-Town Regeneration Programme, as launched by the South African Local Government Association (SALGA) in 2013.

The Small-Town Regeneration Programme followed the approach of facilitating and hosting road shows and workshops in each province the conceptual approach of the programme highlighting the

### 3.14.3 HIGHLIGHTS: LED

The following performance highlights with regard to the implementation of the LED strategy are:

HIGHLIGHTS	DESCRIPTION
<b>Community gardens and subsistence farming on Treintjiesrivier and commonage</b>	Small subsistence farming by several emerging businesses on commonage and Treintjiesrivier
<b>Stakeholder support to emerging farmers</b>	Various departments and organisations provide continuous support to the small farmers in the Greater Prince Albert Municipal Area, such as the Department of Agriculture, Land Reform and Rural Development, including the Support Centre for Land Change.
<b>EPWP workers employed</b>	145 employment opportunities were established via the EPWP program
<b>Labour intensive capital projects</b>	Municipality used labour intensive methods in all internal capital infrastructure projects
<b>Establishing Prince Albert as film destination</b>	Engagements to establish Prince Albert area as a film destination
<b>Upgrades of entrepreneurial areas</b>	Entrepreneurial areas in Klaarstroom (Poort Pouri) and Leeu-Gamka (House alongside N1).  The Poort Pouri building has been upgraded during the 2022/2023 financial year and a lease agreement have been entered into. The lessees will commence with their business in the 2024 calendar year.
<b>Business Chamber</b>	The Swartberg Business Chamber was established in 2023.

Table 100 - LED Highlights

<b>DETAILS</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/2023</b>
Animals impounded	0	0	0
Number of by-law infringements attended	29	69	92
Number of officers in the field on an average day	2	2	2
Number of officers on duty on an average day	4	3	4

Table 111 - Law Enforcement Data

### 3.17.2 TRAFFIC SERVICES

Two law enforcement officials tended to Traffic Services, with the one Clerk of the Court providing back-office assistance. The one traffic officer administers the DLTC, while we are in the process to fill the other vacant traffic officer position.

GRAP principles require all traffic fines issued to be calculated as income, while the norm income collected in local government (for traffic fines) reflects only 20%. The income from fine collection for the reporting year was R 335 500.00

### 3.17.3 HIGHLIGHTS: TRAFFIC SERVICES

The following highlight in respect of Traffic Services can be noted during the reporting year.

<b>HIGHLIGHTS</b>	<b>DESCRIPTION</b>
Co-operation with provincial traffic	The co-operation between the Municipality's traffic and provincial officers improved
Regular scheduled meetings between role players	Regular scheduled meetings between SAPS, Provincial and municipal traffic as well as prosecutor to address challenges
Road Incident Management Steering Committee	Prince Albert forms part of the Road Incident Management Steering Committee
New Traffic Contravention Management System were procured	This will ensure that all traffic fines and related information can be captured electronically and court processes can be concluded
New mobile camera and hand-held device were procured	To ensure that traffic and speed enforcement can be done on a daily basis

HIGHLIGHTS	DESCRIPTION
New Traffic vehicle was procured	A dedicated vehicle for traffic services, a first for PAMUN.
A permanent cashier has been appointed at the DLTC	Improved and continuous service can be expected at the DLTC

Table 112 - Traffic Highlights

### 3.17.4 CHALLENGES: TRAFFIC SERVICES

The following challenges in respect of traffic services must be noted during the reporting year.

CHALLENGES	ACTIONS TO OVERCOME
Collect outstanding fines	Cost of issue of Warrant of Arrest is high
Poor relationship with courts	The relationship with the judicial sector remains a challenge

Table 113 - Traffic Challenges

### 3.17.5 PERFORMANCE SERVICE STATISTICS FOR TRAFFIC SERVICES

The following performance service statistics for traffic services are reflected below in respect of the reporting year.

DETAILS	2019/20	2020/21	2021/22	2022/2023
Motor vehicle licenses processed	R1 584 505	R1 663 729.90	R1 723 850.30	153, 700
Learner driver licenses processed	248	192	412	309
Driver licenses processed	267	223	348	405
Driver licenses issued	231	522	591	619
Fines issued for traffic offenses	R7 236 350	R4 145 900	R6, 909, 263	R9, 575, 080
AGR-value of fines	R751 030	R312 860	R355 500.00	R611, 673
Roadblocks held	14	4	11	28

The table below provides details of the financial competency development progress as on 30 June 2023

<b>DESCRIPTION</b>	<b>Total number of officials employed by municipality (Regulation 14(4)(a) and (c))</b>	<b>Competency assessments completed (Regulation 14(4)(b) and (d))</b>	<b>Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))</b>	<b>Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))</b>
<b>FINANCIAL OFFICIALS</b>				
Accounting Officer	1	0	1	0
Chief Financial Officer	1	1	1	1
Senior Managers	0	0	0	0
Any other Financial Officials	5	5	0	5
<b>SUPPLY CHAIN MANAGEMENT OFFICIALS</b>				
Head of Supply Chain Management Unit	1	1	0	1
Supply Chain Management Senior Manager	0	0	0	0
<b>TOTAL</b>	<b>8</b>	<b>7</b>	<b>2</b>	<b>7</b>

Table 144 - Municipal Minimum Competency

## CHAPTER 5: FINANCIAL PERFORMANCE

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Chapter 5 provides information on the financial performance of the Municipality for the 2022/2023 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

The table below indicates the summary of the financial performance for the 2022/2023 financial year:

FINANCIAL SUMMARY							
Description	2021/2022	2022/2023			2022/2023 Variance		
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget	
<b>FINANCIAL PERFORMANCE</b>							
Property rates	5 428	6 240	7 190	5 125	-17,9%	-28,7%	
Revenue cost of free services provided: Property rates	(1 048)	(1 271)	(65)	(52)	-95,9%	-20,0%	
Services charges	37 255	39 417	52 075	37 577	-4,7%	-27,8%	
Revenue cost of free services provided: Service charges	(6 702)	(5 967)	(5 409)	(5 808)	-2,7%	7,4%	
Investment revenue	2 347	2 376	3 647	4 071	71,4%	11,6%	
Transfers recognised - operational	33 159	34 260	36 492	37 290	8,8%	2,2%	
Other own revenue	12 115	5 104	5 456	13 254	159,7%	142,9%	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>82 553</b>	<b>80 160</b>	<b>99 386</b>	<b>91 457</b>	<b>14%</b>	<b>-8%</b>	
Employee costs	25 313	29 080	30 485	30 317	4,3%	-0,6%	
Remuneration of councillors	3 226	3 456	3 228	3 018	-12,7%	-6,5%	
Debt impairment	10 972	4 160	20 138	14 572	250,3%	-27,6%	

FINANCIAL SUMMARY						
Description	2021/2022	2022/2023			2022/2023 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Depreciation & asset impairment	5 354	5 474	5 474	9 081	65,9%	65,9%
Actuarial losses	171	100	100	–	-100,0%	-100,0%
Finance charges	1 940	489	489	2 099	329,6%	329,6%
Bulk purchases	15 796	18 404	17 000	16 197	-12,0%	-4,7%
Inventory consumed	572	539	497	428	-20,6%	-13,8%
Contracted services	6 215	5 183	5 624	7 183	38,6%	27,7%
Transfers and grants	621	490	806	704	43,7%	-12,6%
Other expenditure	11 698	12 783	14 369	14 069	10,1%	-2,1%
<b>Total Expenditure</b>	<b>81 879</b>	<b>80 158</b>	<b>98 209</b>	<b>97 668</b>	<b>22%</b>	<b>-1%</b>
Surplus/(Deficit)	674	2	1 177	(6 211)	-317293%	-627%
Transfers recognised - capital	12 746	14 110	15 609	6 831	-51,6%	-56,2%
Contributions recognised - capital & contributed assets	174	–	–	–	#DIV/0!	#DIV/0!
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>13 594</b>	<b>14 112</b>	<b>16 786</b>	<b>621</b>	<b>-96%</b>	<b>-96%</b>
<b>CAPITAL EXPENDITURE &amp; FUNDS SOURCES</b>						

FINANCIAL SUMMARY								
Description	2021/2022			2022/2023		2022/2023 Variance		
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget		
Transfers recognised - capital	11 197	13 142	15 779	6 840	-47,9%	-56,7%		
Public contributions & donations	-	-	-	-	#DIV/0!	#DIV/0!		
Borrowing	-	-	-	-	#DIV/0!	#DIV/0!		
Internally generated funds	1 959	3 200	6 328	4 823	50,7%	-23,8%		
<b>Total sources of capital funds</b>	<b>13 155</b>	<b>16 342</b>	<b>22 107</b>	<b>11 664</b>	<b>-28,6%</b>	<b>-47,2%</b>		
<b>FINANCIAL POSITION</b>								
Total current assets	54 156	48 022	53 840	61 832	28,8%	14,8%		
Total non-current assets	191 542	209 081	207 789	195 337	-6,6%	-6,0%		
Total current liabilities	12 631	37 307	35 473	20 323	-45,5%	-42,7%		
Total noncurrent liabilities	27 836	7 290	5 518	30 995	325,2%	461,7%		
Community wealth/Equity	205 230	226 617	237 424	205 851	-9,2%	-13,3%		
<b>CASH FLOWS</b>								
Net cash from (used) operating	7 279	27 585	19 573	18 296	-33,7%	-6,5%		
Net cash from (used) investing	(13 263)	(16 342)	(21 957)	(11 663)	-28,6%	-46,9%		
Net cash from (used) financing	(92)	-	-	(98)	100,0%	100,0%		

FINANCIAL SUMMARY							
Description	2021/2022		2022/2023			2022/2023 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget	
Cash/cash equivalents at the year end	45 861	56 195	43 476	52 395	-6,8%	20,5%	
<b>CASH BACKING/SURPLUS RECONCILIATION</b>							
Cash and investments available	45 861	62 270	45 417	52 395	-15,9%	15,4%	
Application of cash and investments	16 362	36 438	13 768	25 102	-31,1%	82,3%	
Balance - surplus (shortfall)	29 499	25 832	31 650	27 293	6%	-14%	
<b>ASSET MANAGEMENT</b>							
Asset register summary (WDV)	191 542	187 420	199 395	195 337	4,2%	-2,0%	
Depreciation & asset impairment	5 879	7 372	7 372	5 107	-30,7%	-30,7%	
Renewal of Existing Assets	1 075	9 857	12 037	5 261	-46,6%	-56,3%	
Repairs and Maintenance	13 885	14 112	15 907	15 304	8,5%	-3,8%	
<b>FREE SERVICES</b>							
Cost of Free Basic Services provided	–	–	–	–	#DIV/0!	#DIV/0!	
Revenue cost of free services provided	7 750	7 238	5 474	5 860	-19,0%	7,1%	
<b>HOUSEHOLDS BELOW MINIMUM SERVICE LEVEL</b>							
Water:	–	–	–	–	–	–	

FINANCIAL SUMMARY							
Description	2021/2022	2022/2023			2022/2023 Variance		
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget	
Sanitation/sewerage:	---	---	---	---	---	---	
Energy:	---	---	---	---	---	---	
Refuse:	---	---	---	---	---	---	
<b>Financial Performance 2022/23</b>							

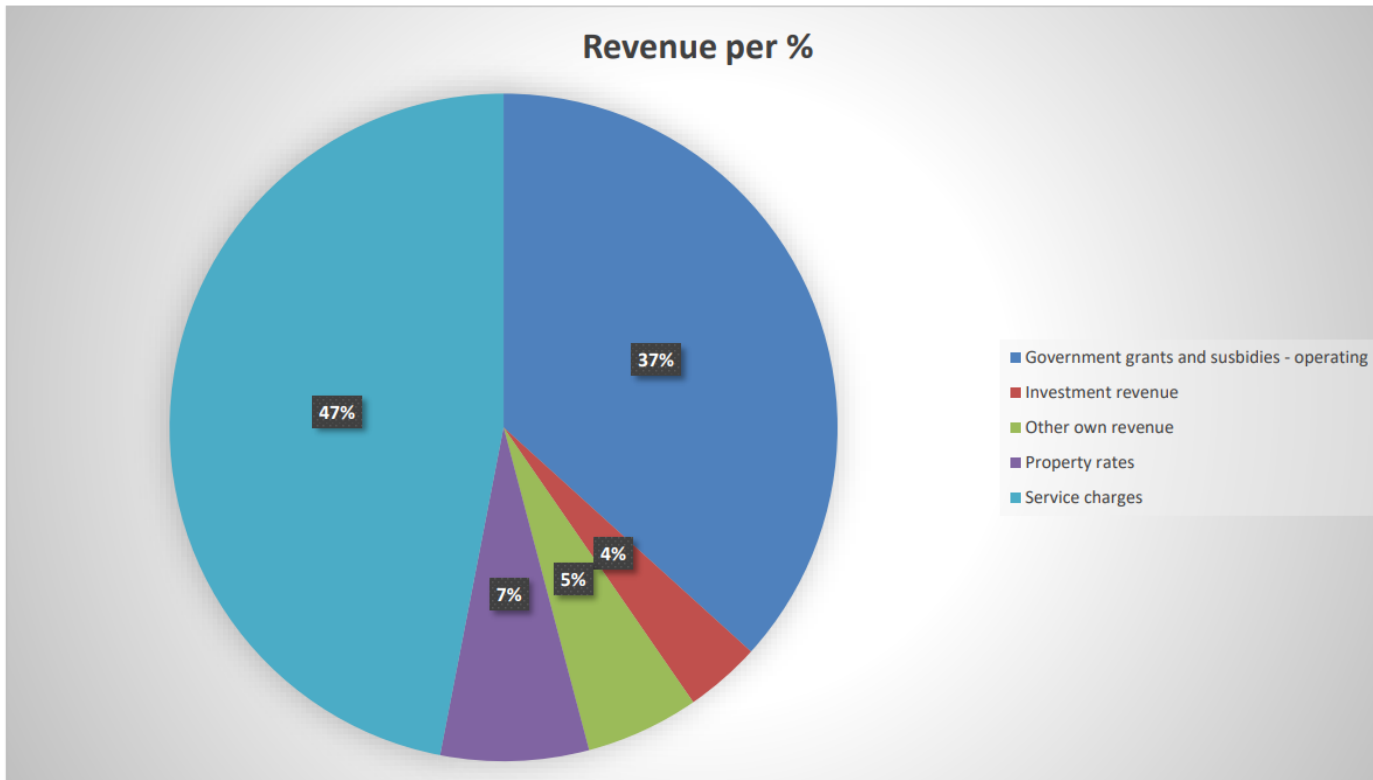
Table 145 - Financial Summary

The table below shows a summary of performance against budgets:

FINANCIAL	REVENUE				OPERATING EXPENDITURE			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
2019/20	72 370	81 135	81 063	100%	73 288	69 154	(4 134)	-6%
2020/21	95 912	93 352	93 256	100%	73 854	80 434	6 580	8%
2021/22	86 090	95 473	9 383	10%	80 537	81 879	1 342	2%
2022/23	114 995	98 289	(16 706)	-17%	98 209	97 668	(541)	-1%

Table 146 - Performance against Budget

The following graph indicates the various types of revenue items in the municipal budget for 2022/2023:



The table below indicates the revenue collection performance by VOTE for the 2022/2023 financial year:

Vote Description	2021/2022	2022/2023			2022/2023 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
1.1 - MUNICIPAL MANAGER	24 540	26 946	27 063	27 255	1%	1%
1.2 - COUNCIL GENERAL EXPENSES	2 455	24	1 223	1 042	4209%	-15%
2.1 - FINANCIAL SERVICES	7 668	7 112	10 164	9 109	28%	-10%
2.2 - PROPERTY RATES	4 380	4 969	7 125	5 073	2%	-29%
3.1 - IDP	–	–	–	–	#DIV/0!	#DIV/0!
3.2 - STRATEGIC SERVICES	50	56	56	56	0%	0%
3.3 - CORPORATE SERVICES	1 634	746	746	1 820	144%	144%
4.1 - CEMETRIES	21	21	21	18	-16%	-16%
4.2 - LIBRARY	2 163	1 952	1 952	1 952	0%	0%
4.3 - DISASTER MANAGEMENT	354	100	10	74	-26%	643%
4.4 - COMMUNITY HALLS	270	309	309	468	51%	51%
4.5 - TRAFFIC CONTROL	7 328	1 375	1 553	9 954	624%	541%
4.6 - HOUSING	–	–	200	180	#DIV/0!	-10%
4.7 - SPORT AND RECREATION	12	12	312	19	61%	-94%



Vote Description	2021/2022	2022/2023			2022/2023 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
<b>4.8 - TOURISM</b>	–	–	–	–	#DIV/0!	#DIV/0!
<b>5.1 - ELECTRICITY SERVICES</b>	19 297	20 926	20 926	18 581	-11%	-11%
<b>5.2 - WATER SERVICES</b>	16 898	20 790	31 886	12 096	-42%	-62%
<b>5.3 - SEWERAGE</b>	4 349	5 096	6 640	6 234	22%	-6%
<b>5.4 - REFUSE</b>	2 239	2 547	3 123	2 846	12%	-9%
<b>5.5 - PUBLIC WORKS</b>	1 815	1 287	1 511	1 511	17%	0%
<b>Total Revenue by Vote</b>	<b>95 473</b>	<b>94 270</b>	<b>114 820</b>	<b>98 289</b>	<b>4%</b>	<b>-14%</b>
<p><b>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3. It should also be noted that the Equitable share was originally budgeted between the services revenue, but had to be taken out due to mSCOA and displayed under Council General expenses, 1.2 from now onwards.</b></p>						

Table 147 - Performance by VOTE

The table below indicates the revenue collection performance by source for the 2022/2023 financial year:

Description	2021/2022	2022/2023			2022/2023 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Property rates	5 428	6 240	7 190	5 125	-17,9%	-28,7%
Property rates - penalties & collection charges	-	-	-	-	#DIV/0!	#DIV/0!
Service charges - electricity revenue	20 609	21 703	21 703	19 537	-10,0%	-10,0%
Service charges - water revenue	7 691	7 273	18 368	6 160	-15,3%	-66,5%
Service charges - sanitation revenue	5 871	6 894	8 000	7 877	14,3%	-1,5%
Service charges - refuse revenue	3 084	3 547	4 003	4 003	12,8%	0,0%
Less: Subsidy to Indigent Households	(7 750)	(7 238)	(5 474)	(5 860)	-19,0%	7,1%
Rental of facilities and equipment	591	551	551	680	23,3%	23,3%
Interest earned - external investments	2 347	2 376	3 647	4 071	71,4%	11,6%
Interest earned - outstanding debtors	1 933	2 011	2 011	1 317	-34,5%	-34,5%
Dividends received	-	-	-	-	0,0%	0,0%
Fines, penalties and forfeits	6 909	1 107	1 105	9 575	764,9%	766,3%
Licences and permits	137	153	153	89	-41,9%	-41,9%
Agency services	286	120	300	294	144,9%	-2,0%

Description	2021/2022	2022/2023			2022/2023 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Transfers and subsidies	33 159	34 260	36 492	37 290	8,8%	2,2%
Other revenue	541	621	716	593	-4,5%	-17,2%
Gains	1 718	540	619	707	0,0%	0,0%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>82 553</b>	<b>80 160</b>	<b>99 386</b>	<b>91 457</b>	<b>14,1%</b>	<b>-8,0%</b>
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						

Table 148 - Performance by Source

## 5.1.2 OPERATIONAL SERVICES PERFORMANCE

The table below indicates the Operational Services performance for the 2022/2023 financial year:

FINANCIAL PERFORMANCE OF OPERATIONAL SERVICES						
Description	2021/2022	2022/2023			2022/2023 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
<b>OPERATING COST</b>						
Water Management	5 548	5 519	16 875	6 214	12,6%	-63,2%
Waste Water Management	4 038	4 359	7 606	4 688	7,5%	-38,4%
Energy Sources	17 592	20 907	19 442	19 126	-8,5%	-1,6%
Waste Management	4 285	3 097	2 892	9 219	197,6%	218,7%
<b>Component A: sub-total</b>	<b>31 463</b>	<b>33 882</b>	<b>46 816</b>	<b>39 246</b>	<b>15,8%</b>	<b>-16,2%</b>
Road Transport	9 611	9 181	10 907	12 015	30,9%	10,2%
<b>Component B: sub-total</b>	<b>9 611</b>	<b>9 181</b>	<b>10 907</b>	<b>12 015</b>	<b>30,9%</b>	<b>10,2%</b>
Planning and Development	722	106	258	239	125,8%	-7,3%
Housing	–	–	200	–	#DIV/0!	-100,0%
<b>Component C: sub-total</b>	<b>722</b>	<b>106</b>	<b>458</b>	<b>239</b>	<b>125,8%</b>	<b>-47,8%</b>
Community and Social Services	2 844	3 212	3 404	3 117	-3,0%	-8,4%
Executive and Council	7 074	7 125	7 563	7 264	2,0%	-3,9%
Finance and Administration	20 625	22 225	24 722	23 433	5,4%	-5,2%

<b>FINANCIAL PERFORMANCE OF OPERATIONAL SERVICES</b>						
<b>Description</b>	<b>2021/2022</b>	<b>2022/2023</b>			<b>2022/2023 Variance</b>	
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustments Budget</b>	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustments Budget</b>
	<b>R'000</b>				<b>%</b>	
<b>Public Safety</b>	7 882	2 257	2 210	10 279	355,5%	365,2%
<b>Sport and Recreation</b>	1 389	1 900	1 859	1 804	-5,1%	-3,0%
<b>Corporate Policy Offices and Other</b>	—	—	—	—	0,0%	0,0%
<b>Tourism</b>	270	270	270	270	0,0%	0,0%
<b>Component D: sub-total</b>	40 083	36 990	40 027	46 167	24,8%	15,3%
<b>Total Expenditure</b>	<b>81 879</b>	<b>80 158</b>	<b>98 209</b>	<b>97 668</b>	<b>21,8%</b>	<b>-0,6%</b>
<b>In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</b>						

Table 149 - Financial Performance of Operational Services

## 5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

### 5.2.1 WATER MANAGEMENT

Description	2021/2022	2022/2023			Variance to Budget
	Actual	Original Budget	Adjustments Budget	Actual	
	R'000				
<b>TOTAL OPERATIONAL REVENUE</b>	6 898	20 790	31 886	12 096	-62,06%
<b>EXPENDITURE:</b>					
Employees	1 580	1 466	1 646	1 653	0,47%
Materials	168	120	120	92	-23,42%
Depreciation	1 270	1 416	1 416	1 328	-6,24%
Other	2 530	2 516	13 694	3 141	-77,07%
<b>Total Operational Expenditure</b>	<b>5 548</b>	<b>5 519</b>	<b>16 875</b>	<b>6 214</b>	<b>-63,18%</b>
<b>Net Operational (Service)</b>	<b>11 351</b>	<b>15 272</b>	<b>15 010</b>	<b>5 883</b>	<b>-60,81%</b>
<b>Variances are calculated by dividing the difference between the actual and adjustment budget by the adjustment budget.</b>					

Table 150 - Financial Performance per Municipal Function: Water Management

## 5.2.2 WASTEWATER MANAGEMENT

Description	2021/2022	2022/2023			Variance to Budget
	Actual	Original Budget	Adjustments Budget	Actual	
	R'000				
<b>TOTAL OPERATIONAL REVENUE</b>	4 349	5 096	6 640	6 234	-6,11%
<b>EXPENDITURE:</b>					
<b>Employees</b>	936	1 179	1 097	1 075	-2,03%
<b>Materials</b>	8	16	14	11	-21,71%
<b>Depreciation</b>	1 400	1 397	1 397	1 526	9,19%
<b>Other</b>	1 693	1 767	5 098	2 076	-59,27%
<b>Total Operational Expenditure</b>	4 038	4 359	7 606	4 688	-38,37%
<b>Net Operational (Service)</b>	311	738	(966)	1 546	-259,97%
<b>Variations are calculated by dividing the difference between the actual and adjustment budget by the adjustment budget.</b>					

Table 151 - Financial Performance per Municipal Function: Wastewater Management

### 5.2.3 ENERGY SOURCES

Description	2021/2022	2022/2023			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
	R'000				
<b>TOTAL OPERATIONAL REVENUE</b>	19 123	20 926	21 101	18 581	-11,94%
<b>EXPENDITURE:</b>					
<b>Employees</b>	379	388	450	449	-0,21%
<b>Bulk purchases</b>	15 796	18 404	17 000	16 197	
<b>Materials</b>	76	80	70	65	-7,37%
<b>Depreciation</b>	616	286	286	671	134,61%
<b>Other</b>	725	1 749	1 636	1 745	6,61%
<b>Total Operational Expenditure</b>	17 592	20 907	19 442	19 126	-1,62%
<b>Net Operational (Service)</b>	1 531	20	1 659	(545)	-132,87%
<b>Variations are calculated by dividing the difference between the actual and adjustment budget by the adjustment budget.</b>					

Table 152 - Financial Performance per Municipal Function: Energy Sources



#### 5.2.4 WASTE MANAGEMENT

Description	2021/2022	2022/2023			Variance to Budget
	Actual	Original Budget	Adjustments Budget	Actual	
	R'000				
<b>TOTAL OPERATIONAL REVENUE</b>	2 239	2 547	3 123	2 846	-8,87%
<b>EXPENDITURE:</b>					
Employees	1 152	1 213	1 008	894	-11,34%
Materials	198	205	190	176	-7,47%
Depreciation	(137)	123	123	2 993	2335,69%
Other	3 072	1 556	1 571	5 156	228,18%
<b>Total Operational Expenditure</b>	<b>4 285</b>	<b>3 097</b>	<b>2 892</b>	<b>9 219</b>	<b>218,73%</b>
<b>Net Operational (Service)</b>	<b>(2 046)</b>	<b>(551)</b>	<b>231</b>	<b>(6 373)</b>	<b>-2859,56%</b>
<b>Variations are calculated by dividing the difference between the actual and adjustment budget by the adjustment budget.</b>					

Table 153 - Financial Performance per Municipal Function: Waste Management

## 5.2.5 ROAD TRANSPORT

Description	2021/2022	2022/2023			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
	R'000				%
<b>TOTAL OPERATIONAL REVENUE</b>	1 815	1 287	1 511	1 511	0,00%
<b>EXPENDITURE:</b>					
<b>Employees</b>	6 085	6 203	7 396	7 066	-4,46%
<b>Materials</b>	-	-	-	-	#DIV/0!
<b>Depreciation</b>	865	1 040	1 040	1 445	38,93%
<b>Other</b>	2 660	1 937	2 471	3 503	41,80%
<b>Total Operational Expenditure</b>	9 611	9 181	10 907	12 015	10,16%
<b>Net Operational (Service)</b>	(7 796)	(7 893)	(9 396)	(10 504)	11,79%
<b>Variances are calculated by dividing the difference between the actual and adjustment budget by the adjustment budget.</b>					

Table 154 - Financial Performance per Municipal Function: Road Transport

## 5.2.6 PUBLIC SAFETY

Description	2021/2022	2022/2023			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
	R'000				
<b>TOTAL OPERATIONAL REVENUE</b>	7 328	1 375	1 553	9 954	540,73%
<b>EXPENDITURE:</b>					
Employees	1 037	1 480	1 435	1 244	-13,27%
Materials	-	-	-	-	#DIV/0!
Depreciation	177	191	191	70	-63,42%
Other	6 667	586	584	8 965	1435,88%
<b>Total Operational Expenditure</b>	<b>7 882</b>	<b>2 257</b>	<b>2 210</b>	<b>10 279</b>	<b>365,21%</b>
<b>Net Operational (Service)</b>	<b>(554)</b>	<b>(882)</b>	<b>(656)</b>	<b>(326)</b>	<b>-50,37%</b>
<b>Variances are calculated by dividing the difference between the actual and adjustment budget by the adjustment budget.</b>					

Table 155 - Financial Performance per Municipal Function: Public Safety

## 5.2.7 SPORT AND RECREATION

Description	2021/2022	2022/2023			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
	R'000				
<b>TOTAL OPERATIONAL REVENUE</b>	12	12	312	19	-93,83%
<b>EXPENDITURE:</b>					
Employees	890	1 498	1 440	1 381	-4,09%
Materials	33	45	45	33	-26,64%
Depreciation	197	202	202	225	11,26%
Other	270	154	172	165	-4,24%
<b>Total Operational Expenditure</b>	<b>1 389</b>	<b>1 900</b>	<b>1 859</b>	<b>1 804</b>	<b>-2,98%</b>
<b>Net Operational (Service)</b>	<b>(1 377)</b>	<b>(1 888)</b>	<b>(1 547)</b>	<b>(1 785)</b>	<b>15,34%</b>
<b>Variances are calculated by dividing the difference between the actual and adjustment budget by the adjustment budget.</b>					

Table 156 - Financial Performance per Municipal Function: Sport and Recreation

### 5.2.8 EXECUTIVE AND COUNCIL

Description	2021/2022		2022/2023		
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
	R'000				%
<b>TOTAL OPERATIONAL REVENUE</b>	26 995	26 970	28 285	28 297	0,04%
<b>EXPENDITURE:</b>					
<b>Employees</b>	2 091	2 057	1 815	1 819	0,18%
<b>Materials</b>	–	–	–	–	#DIV/0!
<b>Depreciation</b>	43	34	34	54	62,40%
<b>Other</b>	4 941	5 034	5 714	5 391	-5,64%
<b>Total Operational Expenditure</b>	7 074	7 125	7 563	7 264	-3,94%
<b>Net Operational (Service)</b>	19 921	19 845	20 723	21 033	1,50%
<b>Variations are calculated by dividing the difference between the actual and adjustment budget by the adjustment budget.</b>					

Table 157 - Financial Performance per Municipal Function: Executive and Council

### 5.2.9 FINANCE AND ADMINISTRATION

Description	2021/22	2022/23			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
	R'000				
<b>TOTAL OPERATIONAL REVENUE</b>	13 856	12 827	18 034	16 002	-11,27%
<b>EXPENDITURE:</b>					
Employees	8 312	10 877	11 421	12 192	6,75%
Materials	22	40	40	40	-0,24%
Depreciation	311	561	561	416	-25,79%
Other	11 980	10 747	12 700	10 785	-15,08%
<b>Total Operational Expenditure</b>	<b>20 625</b>	<b>22 225</b>	<b>24 722</b>	<b>23 433</b>	<b>-5,21%</b>
<b>Net Operational (Service)</b>	<b>(6 769)</b>	<b>(9 399)</b>	<b>(6 687)</b>	<b>(7 430)</b>	<b>11,11%</b>
<b>Variations are calculated by dividing the difference between the actual and adjustment budget by the adjustment budget.</b>					

Table 158 - Financial Performance per Municipal Function: Finance and Administration

5.2.10 PLANNING & DEVELOPMENT (IDP)

Description	2021/2022	2022/2023			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
	R'000				
<b>TOTAL OPERATIONAL REVENUE</b>	50	56	56	56	0,00%
<b>EXPENDITURE:</b>					
Employees	623	–	182	170	-6,55%
Materials	–	–	–	–	#DIV/0!
Depreciation	–	–	–	–	#DIV/0!
Other	99	106	77	70	-9,22%
<b>Total Operational Expenditure</b>	<b>722</b>	<b>106</b>	<b>258</b>	<b>239</b>	<b>-7,34%</b>
<b>Net Operational (Service)</b>	<b>(672)</b>	<b>(50)</b>	<b>(202)</b>	<b>(183)</b>	<b>-9,37%</b>
<b>Variances are calculated by dividing the difference between the actual and adjustment budget by the adjustment budget.</b>					

Table 159 - Financial Performance per Municipal Function: Planning and Development (IDP)

## 5.2.11 COMMUNITY AND SOCIAL SERVICES

Description	2021/2022	2022/2023			Variance to Budget
	Actual	Original Budget	Adjustments Budget	Actual	
	R'000				
<b>TOTAL OPERATIONAL REVENUE</b>	2 808	2 383	2 293	2 512	9,56%
<b>EXPENDITURE:</b>					
<b>Employees</b>	2 077	2 568	2 445	2 224	-9,04%
<b>Materials</b>	68	33	18	12	-34,48%
<b>Depreciation</b>	164	223	223	353	57,83%
<b>Other</b>	535	388	718	529	-26,32%
<b>Total Operational Expenditure</b>	2 844	3 212	3 404	3 117	-8,43%
<b>Net Operational (Service)</b>	<b>(35)</b>	<b>(829)</b>	<b>(1 111)</b>	<b>(605)</b>	<b>-45,55%</b>
<b>Variations are calculated by dividing the difference between the actual and adjustment budget by the adjustment budget.</b>					

Table 160 - Financial Performance per Municipal Function: Community and Social Services



5.2.12 OTHER

Description	2021/2022	2022/2023			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
	R'000				
<b>TOTAL OPERATIONAL REVENUE</b>	–	–	–	–	#DIV/0!
<b>EXPENDITURE:</b>					
<b>Employees</b>	–	–	–	–	#DIV/0!
<b>Materials</b>	–	–	–	–	#DIV/0!
<b>Depreciation</b>	–	–	–	–	#DIV/0!
<b>Other</b>	270	270	270	270	0,00%
<b>Total Operational Expenditure</b>	270	270	270	270	0,00%
<b>Net Operational (Service)</b>	(270)	(270)	(270)	(270)	0,00%
<b>Variations are calculated by dividing the difference between the actual and original budget by the actual.</b>					

Table 161 - Financial Performance per Municipal Function: Other

### 5.2.13 OPERATING TRANSFERS AND GRANTS

Description	2021/2022	2022/2023			2022/2023 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>27 333</b>	<b>29 833</b>	<b>29 625</b>	<b>29 596</b>		
Local Government Equitable Share	24 054	26 548	26 548	26 548	0,0%	0,0%
Local Government Financial Management Grant	1 650	1 650	1 650	1 650	0,0%	0,0%
Expanded Public Works Programme	1 243	1 237	1 237	1 237	0,0%	0,0%
Municipal Infrastructure Grant	386	398	190	161	-59,5%	-15,0%
Water Services Infrastructure Grant	--	--	--	--		
COVID-19 Pandemic Grant	--	--	--	--	#DIV/0!	#DIV/0!
<b>Provincial Government:</b>	<b>2 470</b>	<b>2 203</b>	<b>2 844</b>	<b>2 742</b>	<b>24,5%</b>	<b>-3,6%</b>
Financial Management Support (WC_FMGSG)	231	--	316	--	#DIV/0!	-100,0%
Library Grant	2 089	1 947	1 947	1 947	0,0%	0,0%
Community Development Workers	50	56	56	56	0,0%	0,0%
Capacity Building	100	--	325	539	#DIV/0!	65,9%

Description	2021/2022	2022/2023			2022/2023 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Thusong Service Centre	--	150	150	150	0,0%	0,0%
Road Maintenance	--	50	50	50	0,0%	0,0%
Infrastructure Skills Development Grant	--	--	--	--	#DIV/0!	#DIV/0!
Regional Socio-economic Project	--	--	--	--		
Public Employment Support Grant	572	--	224	224		
Human Settlements Development Grant	--	--	200	180		
Municipal Drought Relief Grant	--	--	--	--		
Development Sport Facilities	--	--	--	--		
Municipal Interventions Grant	--	--	1 200	--		
Load-Shedding Relief Grant	--	--	175	--		
District Municipality:	331	--	--	69	#DIV/0!	#DIV/0!
SKDM Disaster Relief Grant	331	--	--	69	#DIV/0!	#DIV/0!
Other grant providers:	2 453	2 224	2 224	4 478	101,4%	101,4%
Skills Development Fund Levy	36	24	24	42	73,2%	73,2%
Service in kind (Audit Fees)	1 462	2 200	2 200	1 932	-12,2%	-12,2%

Description	2021/2022	2022/2023		2022/2023 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Service in kind (DBSA - Revise water master plans)	-	-	-	1 026		
Service in kind (MISA)	956	-	-	1 040		
Service in kind (BE - development of apps)	-	-	-	438		
<b>Total Operating Transfers and Grants</b>	<b>32 587</b>	<b>34 260</b>	<b>34 693</b>	<b>36 886</b>	<b>7,7%</b>	<b>6,3%</b>

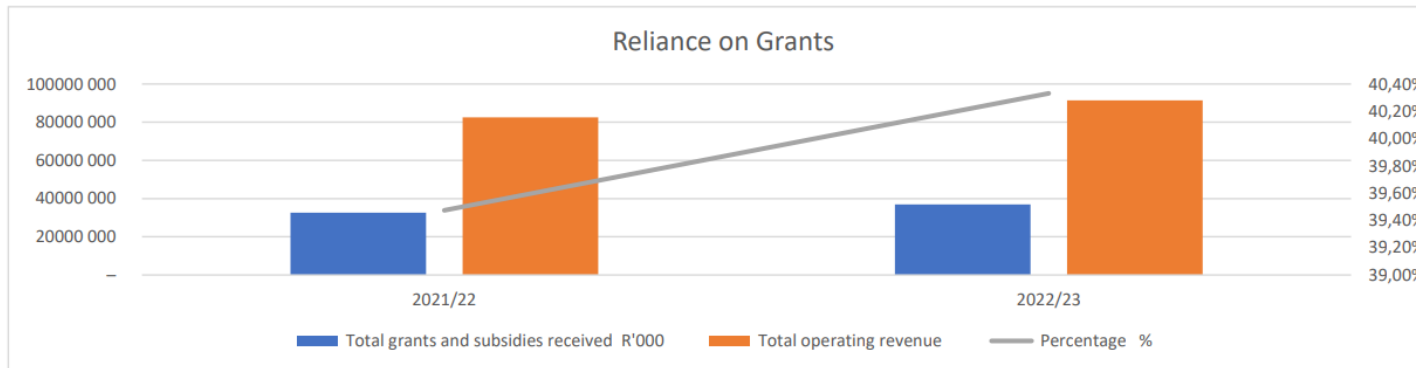
Table 162 - Operating Transfers and Grants

**5.2.14 RELIANCE ON GRANTS**

FINANCIAL YEAR	TOTAL GRANTS AND SUBSIDIES RECEIVED	TOTAL OPERATING REVENUE	PERCENTAGE
	R'000		%
2019/2020	30 980	67 962	45,58%
2020/2021	30 947	78 575	39,39%
2021/2022	32 587	82 553	39,47%
2022/2023	36 886	91 457	40,33%

Table 163 - 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 Prince Albert 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.

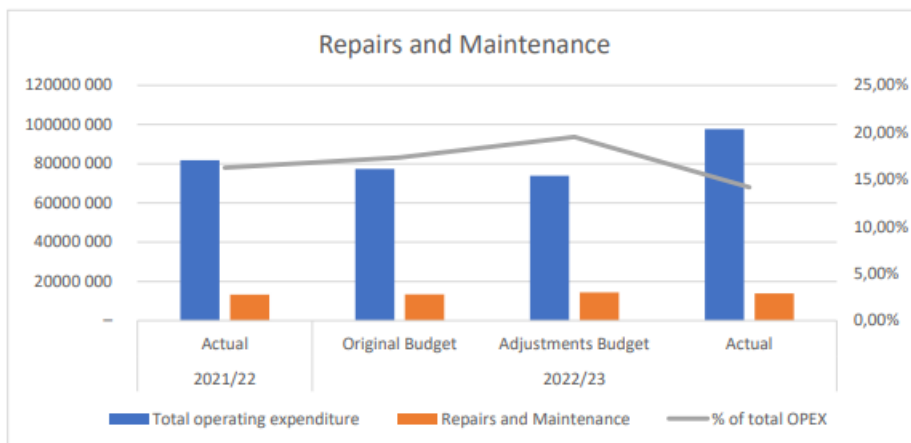
### 5.3.1 REPAIRS AND MAINTENANCE

Description	2021/2022	2022/2023			Variance to Budget
	Actual	Original Budget	Adjustments Budget	Actual	
Total operating expenditure	81 879	80 158	98 209	97 668	-0,6%
Repairs and Maintenance	13 885	14 112	15 907	15 304	-3,8%
% of total OPEX	16,96%	17,61%	16,20%	15,67%	

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 164 - 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	2020/2021	2021/2022	2022/2023
		Audited outcome	Audited outcome	Audited outcome
<b>Current Ratio</b>	Current Assets / Current Liabilities	2,63	4,29	3,04
<b>Current Ratio adjusted for aged debtors</b>	Current Assets less debtors > 90 days / Current Liabilities	2,67	4,33	3,01
<b>Liquidity Ratio</b>	Monetary Assets / Current Liabilities	2,60	4,24	3,01

Table 165 - Financial Viability Indicators: Liquidity Ratio

#### 5.4.1.2 FINANCIAL VIABILITY INDICATORS

Description	Basis of calculation	2020/2021	2021/2022	2022/2023
		Audited outcome	Audited outcome	Audited outcome
<b>Cost Coverage</b>	(Available cash + Investments – Unspent Grants)/monthly fixed operational expenditure	7,63	6,29	5,17
<b>Total Outstanding Service Debtors to Revenue</b>	Total outstanding service debtors/annual revenue received for services	0,45	0,59	0,71
<b>Debt Coverage</b>	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) X 365	143215,73	171516,71	451419,54

Table 166 - Financial Viability Indicators



### 5.4.1.3 EMPLOYEE COSTS

Description	Basis of calculation	2020/2021	2021/2022	2022/2023
		Audited outcome	Audited outcome	Audited outcome
Employee costs	Employee costs / (Total Expenditure)	34%	31%	31%

Table 167 - Employee Costs

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.5 SOURCES OF FINANCE

Source of Finance	2021/2022	2022/2023
<b>Total Revenue</b>	<b>82 553 021</b>	<b>91 457 277</b>
<b>Government Grants and Subsidies - Operating</b>	<b>33 158 746</b>	<b>37 289 813</b>
<b>Investment Revenue</b>	<b>2 346 796</b>	<b>4 071 462</b>
<b>Other Own Revenue</b>	<b>12 114 732</b>	<b>13 254 416</b>
<b>Property Rates</b>	<b>4 380 380</b>	<b>5 073 221</b>
<b>Services Charges</b>	<b>30 552 368</b>	<b>31 768 365</b>
	<b>82 553 021</b>	<b>91 457 277</b>

Table 168 - Source of Finance

The total revenue for the 2022/23 financial year equates to R 91, 457, 277 in comparison to the 2021/22 financial year which reflects an amount of R 82, 553, 021.

### 5.6 CAPITAL SPENDING ON THREE LARGEST PROJECTS

Projects with the highest capital expenditure in 2022/23:

Name of Project	2022/2023				
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
<b>Road Transport</b>	<b>3 104</b>	<b>3 104</b>	<b>2 935</b>	<b>-5%</b>	<b>-5%</b>
<b>Finance and Administration (RSEP)</b>	<b>6 569</b>	<b>6 569</b>	<b>2 492</b>	<b>-62%</b>	<b>-62%</b>
<b>Finance and Administration (ICT)</b>	<b>-</b>	<b>1 630</b>	<b>1 417</b>	<b>100%</b>	<b>-13%</b>
<b>* Projects with the highest capital expenditure in Year 1</b>					

Table 169 - 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.

<b>Municipal Infrastructure Grant (MIG)* Expenditure 2022/23 on Service backlogs</b>					
<b>Details</b>	<b>Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance</b>	
				<b>Budget</b>	<b>Adjustment Budget</b>
	<b>R'000</b>			<b>%</b>	
<b>Infrastructure - Road transport</b>	<b>3 885</b>	<b>4 390</b>	<b>3 012</b>	<b>-22%</b>	<b>-31%</b>
<b>Roads, Pavements &amp; Bridges</b>	<b>2 604</b>	<b>3 109</b>	<b>2 596</b>	<b>0%</b>	<b>-17%</b>
<b>Storm water</b>	<b>1 281</b>	<b>1 281</b>	<b>416</b>	<b>-68%</b>	<b>-68%</b>
<b>Infrastructure - Sanitation</b>	<b>506</b>	<b>-</b>	<b>-</b>	<b>-100%</b>	<b>0%</b>
<b>Waste Water Treatment Works</b>	<b>506</b>	<b>-</b>	<b>-</b>	<b>-100%</b>	<b>0%</b>
<b>Other Specify:</b>	<b>1 803</b>	<b>1 984</b>	<b>214</b>	<b>-88%</b>	<b>-89%</b>
<b>Upgrading of sports fields</b>	<b>1 803</b>	<b>1 984</b>	<b>214</b>	<b>-88%</b>	<b>-89%</b>
<b>Total</b>	<b>6 194</b>	<b>6 375</b>	<b>3 226</b>	<b>-48%</b>	<b>-49%</b>
<p>* 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.</p>					

Table 170 - 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 organisation 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

Description	2021/22		2022/23		
	Audited Outcome	Original Budget	Adjustment Budget	Actual	
	R'000				
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>RECEIPTS</b>					
Property rates	4 185	5 798	4 996	4 914	
Service charges	25 651	39 417	30 227	25 882	
Other revenue	1 616	2 552	1 836	2 280	
Government - operating	30 931	32 258	34 790	34 627	
Government - capital	10 361	14 110	15 110	14 522	
Interest	2 347	2 376	3 647	4 071	
<b>PAYMENTS</b>					
Suppliers and employees	(67 177)	(68 927)	(71 034)	(67 290)	
Finance charges	(13)			(6)	
Transfers and Grants	(621)			(704)	
<b>Net cash from/(used) operating activities</b>	<b>7 279</b>	<b>27 585</b>	<b>19 573</b>	<b>18 296</b>	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
<b>RECEIPTS</b>					
Purchase of Property, Plant and Equipment					
Purchase of Intangible Assets					
Disposal of Fixed Assets					
<b>PAYMENTS</b>					
Capital assets	(13 263)	(16 342)	(21 957)	(11 663)	
<b>Net cash from/(used) investing activities</b>	<b>(13 263)</b>	<b>(16 342)</b>	<b>(21 957)</b>	<b>(11 663)</b>	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					

Description	2021/22	2022/23		
	Audited Outcome	Original Budget	Adjustment Budget	Actual
	R'000			
<b>Receipts</b>				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
<b>Payments</b>				
Repayment of borrowing	(92)			(98)
<b>Net cash from/(used) financing activities</b>	<b>(92)</b>	<b>-</b>	<b>-</b>	<b>(98)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(6 076)</b>	<b>11 244</b>	<b>(2 385)</b>	<b>6 534</b>
Cash/cash equivalents at the year begin:	51 937	47 860	45 861	45 861
Cash/cash equivalents at the year-end:	45 861	59 104	43 476	52 395
<b>Source: MBRR SA7</b>				

Table 171 - Cash Flow

## 5.9 GROSS OUTSTANDING DEBTORS PER SERVICE

Financial Year	Property Rates	Trading Services	Economic Services	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)		
R'000					
2021/2022	2 408	19 810	10 196	6 045	38 459
2022/2023	2 753	9 885	8 256	6 717	27 612
Difference	346	(9 925)	(1 940)	672	(10 847)
% movement year on year	14,35%	-50,10%	-19,02%	11,12%	-28,20%

Table 172 - Gross Outstanding Debtors per Service

## 5.10 TOTAL DEBTORS AGE ANALYSIS

Financial Year	Current (0 - 30 days)	31 - 60 Days	61 - 90 Days	+ 90 Days	Total
	R'000				
2020/21	2 606	1 233	1 134	27 624	32 597
2021/22	3 012	3 286	884	31 276	38 459
2022/23	5 098	1 274	1 349	19 890	27 612
Difference	2 086	(2 011)	465	(11 386)	(10 847)
% growth year on year	69,24%	-61,22%	52,54%	-36,41%	-28,20%
<b>Note: Figures exclude provision for bad debt</b>					

Table 173 - 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	2020/2021	2021/2022	2022/2023
	R'000		
Finance Leases	233	141	43

Table 174 - Actual Borrowings

### 5.11.2 MUNICIPAL INVESTMENTS

Instrument	2020/2021	2021/2022	2022/2023
	R'000		
Deposits - Bank	51 937	45 861	52 395

Table 175 - 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 recognised accounting practice referred to as Standards of Generally Recognised 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.



## APPENDICES

THE APPLICABLE APPENDICES WILL FORM PART THE FINAL 2022/2023 ANNUAL REPORT

### Appendix A: Councillors, Committee Allocation and Council Attendance

COUNCIL MEMBER	FULL-TIME	PART-TIME	POLITICAL PARTY	WARD REPRESENTING OR PROPORTIONAL (PR)	PERCENTAGE COUNCIL MEETINGS ATTENDED	PERCENTAGE APOLOGIES
Councillor, S Botes	Yes		DA	Ward Councillor, Ward 2	77.77%	n/a
Councillor, L Jaquet	Yes		DA	Ward Councillor, Ward 2	100%	0%
Councillor, S Koonthea	Yes		DA	Ward Councillor, Ward 3	100%	0%
Councillor, M Jaftha	Yes		DA	Ward Councillor, Ward 4	100%	0%
Councillor KH Baadjies	Yes		KGP	Ward Councillor, Ward 1	100%	0%
Councillor, N Claassen		Yes	DA	PR Councillor	n/a	n/a
Councillor, E Maans		Yes	ANC	PR Councillor	77.77%	22.22%
Councillor, A Mackay		Yes	PA	PR Councillor	88.89%	11.11%

Councillor S Botes, sadly passed away during May 2023. Councillor N Claassen was sworn-in during 27 July 2023.

## Appendix B: Committee and Committee Purpose

MUNICIPAL COMMITTEES	PURPOSE OF THE COMMITTEE
Municipal Public Accounts Committee	To perform oversight function on behalf of the Council over the executive functionaries of the Council.
Audit Committee	<p>In terms of Section 166(2) of the MFMA, an audit committee must advise the municipal council, the political office bearers, the accounting officer and the management staff of a municipality, on matters relating to:</p> <ul style="list-style-type: none"> <li>• Internal financial control and internal audits;</li> <li>• Risk management;</li> <li>• Accounting policies;</li> <li>• The adequacy, reliability and accuracy of financial reporting and information;</li> <li>• Performance management;</li> <li>• Effective governance;</li> <li>• Compliance with the MFMA, the annual Division of Revenue Act and any other applicable legislation;</li> <li>• Performance evaluation; and</li> <li>• Any other issues referred to it by the municipality</li> </ul>
Local Labour Forum	To regulate Human Resources matters.

### Appendix C: Third Tier Administrative Structure

DEPARTMENT	CAPACITY
Corporate and Community Services	Senior Manager: Operations, Mr. G van der Westhuizen
	Manager: Community Services, Mr. C Jafta
	Manager: Support Services (vacant/unfunded)
Financial Services	Manager: revenue Services (vacant)
	Manager: Financial Services (vacant)
	Manager: Expenditure, Mr. DL Willemse
Technical Services	Senior Manager: Technical Services, Mr. A America

## Appendix D: Functions of Municipality

MUNICIPAL FUNCTIONS	FUNCTION APPLICABLE TO MUNICIPALITY	
	YES	NO
<b>Constitution of the Republic of South Africa, 1996 – Schedule 4, Part B functions</b>		
Air Pollution	✓	
Building regulations	✓	
Child care facilities	✓	
Electricity and gas reticulation	✓	
Firefighting services	✓	
Local tourism	✓	
Municipal airports		✓
Municipal planning	✓	
Municipal health services		✓
Municipal public transport		✓
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other	✓	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping		✓
Stormwater management systems in built-up areas	✓	
Trading regulations	✓	
Water and sanitation services limited to potable water supply systems and domestic waste – water and sewerage disposal system	✓	
<b>Constitution of the Republic of South Africa, 1996 – Schedule 4, Part B functions</b>		
Beaches and amusement facilities		✓
Billboards and the display of advertisements in public places	✓	
Cemeteries, funeral parlours and crematoria	✓	
Cleansing	✓	
Control of public nuisances	✓	
Control of undertakings that sell liquor to the public	✓	
Facilities for the accommodation, care and burial of animals		✓
Fencings and fences	✓	

MUNICIPAL FUNCTIONS	FUNCTION APPLICABLE TO MUNICIPALITY	
	YES	NO
Licensing of dogs	✓	
Licensing and control of undertakings that sell food to the public		✓
Local amenities		✓
Local sport facilities	✓	
Markets	✓	
Municipal abattoirs		✓
Municipal parks and recreation	✓	
Municipal roads	✓	
Noise pollution	✓	
Pounds		✓
Public spaces	✓	
Refuse removal, refuse dumps and solid waste disposal	✓	
Street trading	✓	
Street lighting	✓	
Traffic and parking	✓	

## Appendix E: Ward Reporting

<b>WARD NUMBER</b>	<b>COMMITTEE ESTABLISHED YES / NO</b>	<b>NUMBER OF REPORTS SUBMITTED TO THE SPEAKERS OFFICE</b>	<b>NUMBER MEETINGS HELD DURING THE YEAR</b>	<b>NUMBER OF QUARTERLY MEETINGS HELD DURING YEAR</b>
<b>1</b>	<b>Yes</b>	<b>79</b>	<b>4</b>	<b>4</b>
<b>2</b>	<b>Yes</b>	<b>34</b>	<b>4</b>	<b>4</b>
<b>3</b>	<b>Yes</b>	<b>84</b>	<b>4</b>	<b>4</b>
<b>4</b>	<b>Yes</b>	<b>82</b>	<b>4</b>	<b>4</b>

## Appendix F: Ward Information

The table below provides an overview of the capital projects for the 2022/2023 financial year as at end-June 2023, which includes the ward/town information in the description of the project

PROJECT	2022/2023 BUDGET
CRR: Thusong Extension Phase 2 (Co-funding)	1 300 000
CRR: Computer equipment and software	430 000
CRR: Fencing of municipal facilities	200 000
MIG - Upgrading of Klaarstroom Sportsfield	378 720
MIG - Upgrading of Prince Albert (North-End) Sport	1 984 469
CRR - Tools and equipment (Technical Services)	150 000
CRR - Sidewalks and road paving	500 000
MIG - Prince Albert New Sidewalks	2 603 507
CRR: Electrification of Tortelduif Street	300 000
CRR: Street lighting in municipal area	500 000
CRR - Smart Water Meters	1 000 000
WSIG: Borehole Development	5 569 200
CRR: Upgrading of sewer reticulation	300 000
MIG - Upgrade Stormwater System in Leeu-Gamka	1 281 231
CRR: Landfill Site Fencing and Access Control measures	100 000
PT - Streeks en socio ekonomiese Projek (New municipal office)	1 000 000
PT - Prince Albert Sports Fields (DCAS)	260 870
CRR: Light Motor Vehicle (Traffic Services)	280 000
CRR: New 1-tonner Bakkie (Technical Services)	445 000
CRR: New Sewage truck	1 630 000
CRR: Office equipment and Telemetry System Additions	43 000
PT - Disaster Recovery Centre & Solar System	434 783
PT - Business Hubs (Beehives)	608 696
CRR- DCAS co-funding vir PA Sport Fields	150 000
MIG - L/G Nuwe Sypaadjies	505 550
PT - Emergency Municipal Load-Shedding Relief Grant	152 174
<b>TOTAL</b>	<b>22 107 200</b>



## Appendix G: Recommendations of the Municipal Audit Committee

### **PRINS ALBERT MUNICIPALITY**

#### **Report of the Audit Committee for the year ended 30 June 2023**

##### **Recommended to be included in Annual Report 2022/2023**

The Audit Committee is an independent advisory body to the council, accounting officer and the management and staff of the municipality on matters relating to internal financial control and internal audits, risk management, accounting policies, the adequacy, reliability and accuracy of financial reporting and information, performance management, effective governance, the MFMA and any other applicable legislation and issues.

The role of the Audit Committee is to promote accountability and service delivery through evaluating and monitoring responses to risks and overseeing the effectiveness of the internal control environment, including financial and performance reporting and compliance with legislation.

The Audit Committee is also expected to review the annual financial statements to provide an authoritative and credible view of the municipality, its efficiency and effectiveness and its overall level of compliance with applicable legislation.

#### **1. Terms of Reference**

Audit Committee Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –

- internal financial control;
- risk management;
- IT management;
- performance management; and
- effective Governance.

The Audit Committee has adopted formal terms of reference (charter) that has been approved by Council (and is reviewed annually), and has executed its duties during the past financial year in accordance with these terms of reference.

The Auditor-General Final Management Report Communicated to the accounting officer 30 November 2023 indicated that the Audit Committee do provide assurance and concluded as follows:

*"The audit committee must be an independent advisory body to the accounting officer and the management and staff of the municipality on matters relating to internal financial control and internal audits; risk management; accounting policies; the adequacy, reliability and accuracy of financial reporting and information; performance management; effective governance; the MFMA and any other applicable legislation; performance evaluation and any other issues.*

*The audit committee is also expected to review the annual financial statements to provide an authoritative and credible view of the municipality, its efficiency and effectiveness and its overall level of compliance with the applicable legislation.*

*The audit committee is in place and has carried out their functions in accordance with their mandate. The committee convened at least quarterly to evaluate the findings and control weaknesses identified and all legislative requirements pertaining to the audit committee have been adhered to."*

#### **a) Functions of the Audit Committee**

The Audit Committee has the following main functions as prescribed in section 166 (2) (a-e) of the Municipal Finance Management Act, 2003 and the Local Government Municipal and Performance Management Regulation:

- To advise the Council on all matters related to compliance and effective governance.
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual Division of Revenue Act (DoRA) and other applicable legislation.
- Respond to the council on any issues raised by the Auditor-General in the audit report.
- To review the quarterly reports submitted to it by internal audit.
- To evaluate audit reports pertaining to financial, administrative and technical systems.
- The compilation of reports to Council, at least twice during a financial year.

- To review the performance management system and make recommendations in this regard to Council.
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimised.
- To review the annual report of the municipality.
- Review the plans of the Internal Audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- Provide support to the Internal Audit function.
- Ensure that no restrictions or limitations are placed on Internal Audit.
- Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation.
- In addition to above the Audit Committee also performs the function of a performance audit committee. Functions of the Performance Audit Committee regulating the process in terms of Section 14(4) (a) of the Regulations the performance audit committee has the responsibility to –
  - i) review the quarterly reports produced and submitted by the internal audit process;
  - ii) review the municipality's performance management system and make recommendations in this regard to the council of the municipality; and
  - iii) at least twice during each financial year submit a performance audit report to the council of the municipality.

## **2. Members of the Audit and Performance Audit Committee**

The Committee consists of three independent non-executive members duly appointed in terms of section 166(4) of the MFMA Act

Members of the Committee for the period 1 July 2022 – 30 June 2023 included:

NAME	POSITION	PERIOD
A Dippenaar	Chairperson	1 July 2022 – 30 June 2023
S Ngwevu	Member	1 July 2022 – 30 June 2023
G Jacobs	Member	1 July 2022 – 30 June 2023

The Municipal Manager, the Chief Financial Officer, Managers from departments and representatives from the internal auditors attend the committee meetings. The Committee also values the involvement by the Executive Mayor. This also served to improve communication between the Committee and Council.

The external and internal auditors have unrestricted access to the Committee

### 3. Meetings

The Audit Committee held four meetings during this period. Details of the Committee members attendance at meetings is set out in the table below. The Chairperson attended a two meeting with the AG office during the financial year.

MEMBER	30 August 2022	13 December 2022	3 May 2023	30 June 2023
A Dippenaar	Present	Present	Present	Present
S Ngwevu	Present	Present	Present	Present
G Jacobs	Present	Present	Present	Present

### 4. Statutory Duties

The Audit Committee did receive all the monthly financial and performance reports for the period of this Report, The Audit Committee duly applied its mind as to the reliability and accuracy of reports presented to the Committee as required by section 166(2)(a)(4) of the MFMA

The audit committee has discharged its functions as follows:

#### 1.1 . Reviewed the year-end financial statements as at 30 June 2023.

In the course of its review the committee:

Took appropriate steps to ensure that the financial statements are prepared in accordance with generally recognized accounting practice prescribed in terms of Section 91(1) (b) of the Public Finance Management Act

**Considered;**

- when appropriate, made recommendations on internal financial Controls and internal audit;
- the adequacy, reliability and accuracy of financial reporting and information;
- performance, risk and IT management;

**Dealt with;**

- the auditing or content of annual financial statements;
- Internal financial controls;
- Risk based Internal Audit Plan approved.

**1.2 . Review of Financial and related Reports**

Reviewed the reports required to be compiled in terms of the MFMA in respect of the financial year under review, as well as the Adjustment Budget. The financial position of the municipality remains relative stable under challenging circumstances.

The municipality will however have to keep practising good financial management disciplines which include daily expenditure monitoring, effective debt collection and protecting its income base. Decisions made by Council and management must always meet the principle of affordability.

**1.3. Performance Management Processes.**

Performance management is a process which seeks to measure the implementation of the municipality's service delivery, budget and implementation plan (SDBIP). It is also a management tool designed to plan, monitor, measure and review the performance of the various departments and directorates, and it provides the mechanism to measure whether the strategic goals, objectives and set targets of the municipality have been met.

The Audit Committee has pleasure in reporting on the performance management, as required by section 14 of the Municipal Planning and Performance Management Act of 2001.

The Committee is satisfied that the Prins Albert municipality did utilize mechanisms, systems and processes for auditing the results of performance measurement as part of its internal audit processes, including assessments of the functionality of the performance management system whether the system complied with the requirements of the MSA, and include assessments of the extent to which the performance measurements were reliable in measuring the performance of the municipality on key as well as general performance indicators.

The internal auditors did audit the performance measurements on a continuous basis and submitted quarterly reports on their audits to the municipal manager and the Committee. The Committee unequivocally endorses the priority implementation of all recommendations made by the internal and external auditors.

The PMS system seems to comply with functionality and in general the information obtained via the system can be seen as reliable and relevant. However, information is still not always available or complete, and the monitoring thereof under question in some cases.

The Audit Committee requested Internal Audit to report back on all actions undertaken by Management to correct shortcomings and also to report on the actions taken to correct any aspect raised by the Auditor-General in the 2021/2022 Management Report.

It remains extremely important by the Audit Committee that repeat findings must not occur and that the action plan based on the findings of the AG, be dealt with as a standing item.

The Audit Committee understand the challenge of limited capacity but do want again to urge management to make a serious attempt to address the cascading down of the PMS to all employees even in a limited way.

The Performance Evaluation of the Municipal Manager and senior managers reporting to the Municipal Manager was attended by the Chairperson. The Audit Committee is satisfied with the quality of the process. The Municipal Manager must however ensure that evaluations are performed on the Key Performance Indicators as set in the signed Performance Agreements to ensure consistency with the top layer SDBIP.

The Audit Committee concurs with the Auditor General's opinion November 2023 related to **Strategic objective 4: To provide quality, affordable and sustainable services on an equitable basis.**

*"The indicators are focused on basic service delivery which is part of the core mandate of the municipality and of significant community interest. Therefore, the delivery of basic services impacts the lives of ordinary citizens on a day-to-day basis.*

*We evaluated the reported performance information for the selected programme against the criteria developed from the performance management and reporting framework. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users of the report on the municipality's planning and delivery on its mandate and objectives.*

*We 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*
- *the indicators are well defined and verifiable to ensure that they are easy to understand and consistently applied, and that we 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 is presented in the annual performance report in the prescribed manner*
- *there is adequate supporting evidence for the achievements reported and for the measures included that are taken to improve performance.*

#### *1.4 Oversight of risk management*

Risk Management is a logical and systematic process of identifying opportunities and mitigating losses. As such, it requires the commitment of the administrative, political and governance agencies of a local authority.

The committee has received assurance that the process and procedures followed by the internal auditors are adequate to ensure that financial risks are identified and monitored. The committee wants to emphasise the need for ongoing monitoring and management of identified risks in a more rigorous and structured manner.

Satisfied itself that the following areas have been appropriately addressed:

- Financial reporting, Internal financial controls and
- Fraud risks as it relates to financial reporting and Supply Chain Management.

#### *1.5. Internal financial controls*

The Committee has:

- reviewed the effectiveness of the municipality's system of internal financial controls, including receiving assurance from management, internal and external audit;

- reviewed the effectiveness of internal controls, including amongst others, risks relating to the SCM system specifically, as it is one of the key fraud risk areas;
- reviewed the municipality's compliance with applicable laws and regulations, including compliance with the SCM regulations and
- reviewed significant issues raised by the internal audit process.

Based on the processes and assurances obtained, the Committee believes that internal financial controls are in place and generally effective but attention is drawn to the AG Management Report identification of internal control deficiencies that need attention.

#### 1.6. Annual financial statements and report as on 30 June 2023

The financial statements are prepared in accordance with the South African Standards of Generally Recognized Accounting Practice and in the manner required by the Local Government: Municipal Finance Management Act of South Africa (Act 56 of 2003) and the Division of Revenue Act of South Africa, 2011(Act 6 of 2011)

#### 1.7. External Audit

Based on processes followed and assurances received, nothing has come to the attention of the Committee with regards to the external auditor's independence.

#### 1.8. Internal Audit Internal Audit Activity: Function sourced out for the period under review

The Committee has:

- reviewed and recommended the internal audit terms of reference (Charter) for approval;
- evaluated the independence, effectiveness and performance of the internal audit function and compliance with its mandate;
- satisfied itself that the internal audit function has the necessary resources, budget, standing and authority within the Municipality to enable it to discharge its functions;
- approve the internal audit risk-based plan; and
- encourage cooperation between external and internal audit.



The head of the internal audit function reported functionally to the Committee and had unrestricted access to all members of the Committee.

#### 1.9. Finance Function

Based on the processes and assurances obtained, the Committee believes the accounting practices are sufficiently effective.

The following key matters raised by the AG in their financial assessment need attention: "The debtor impairment provision as a percentage of accounts receivable has decreased from 92% to 89%. The percentage decreased slightly compared to the previous year however still remains high due to debtors being unable to pay their debts due to economic circumstances and the low recovery rate on traffic fines. The municipality is therefore not recovering its debts in a timely manner, and this could contribute to cash flow problems in the future.

It is noted above that the financial viability indicates that there was an increase in the debtor collection period from 53 to 62 days in the current year which indicates that the collections slowed slightly in this year. The debtors provision from exchange and non-exchange saw a decrease from the prior year of R3,6 million. This decrease in the provision is mainly due to the significant write off of debt in the current year which resulted in bad debts written off of R18 210 309. This is also due to the municipality not being able to implement its strict credit control over the Eskom areas, the inability to recover cash from fines issued and the lingering effects of COVID 19 on the ability of debtors to settle their outstanding amounts.

The asset management position remained positive and strong compared to the previous year with a healthy cash balance of R52,3 million at year-end compared to the R45,8 million in the previous year.

There has been an increase in cash inflows from operating activities from R7,2 million to R18,2 million. This increase was mainly driven by the increase in receipts from government grants and subsidies and a decrease in payments to suppliers compared to the previous year. This impacted on the overall cash movement from the prior year being an increase of R6,5 million. The municipality also generated a surplus of R0,6 million for the year, which is lower than the R13,5 million surplus in the previous year which is mainly attributable to the bad debts written off in the current year as highlighted above."

## 5. Conclusion

The Audit Committee is pleased with the continued process of thriving toward a high level of performance. The Audit Committee fully agree with the AG assessment of the going concern status of the Municipality: *"Our audit included an evaluation of the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements and whether any material uncertainties exist about the municipality's ability to continue as a going concern. We did not identify any events or conditions that cast significant doubt on the municipality's ability to continue as a going concern."*

The Committee values the sound relation with Council and Staff and without compromising on independence, feels that a good relationship is imperative for the smooth functioning of the Committee. The Committee cherishes its role as a watchdog, but also respects the role of Council and Staff to make decisions without interference from the Audit Committee.

The Council and Management takes a keen interest in the activities of the Committee in order to identify potential problems at an early stage and in such a manner that they can be addressed in time in order to achieve a clean Audit Report and good governance. The Unqualified with findings Opinion issued by the Auditor General Office can be considered as a great achievement based on all the challenges that the Municipality had to face during the year. A special word of thanks to the Audit Committee members for their dedication.

On behalf of the Audit Committee  
ABJ DIPPENAAR (10 January 2024)



## Appendix I: Municipal Entity/Service Provider Performance Schedule

It is notable in the 2022/2023 Audited Annual Performance Report that the Service Provider Performance is omitted. The Municipality will ensure that the Service Provider Performance Schedule forms part of the next reporting financial years and beyond.

## Appendix J: Disclosure of Financial Interest

As a standard practice, guided by legislation, both Council and the Administration disclose financial interest on an annual basis.

## Appendix K: Revenue Collection Performance

The table below indicates the summary of the financial performance for the 2022/2023 financial year:

FINANCIAL SUMMARY						
Description	2021/2022	2022/2023			2022/2023 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
<b>FINANCIAL PERFORMANCE</b>						
Property rates	5 428	6 240	7 190	5 125	-17,9%	-28,7%
Revenue cost of free services provided: Property rates	(1 048)	(1 271)	(65)	(52)	-95,9%	-20,0%
Services charges	37 255	39 417	52 075	37 577	-4,7%	-27,8%
Revenue cost of free services provided: Service charges	(6 702)	(5 967)	(5 409)	(5 808)	-2,7%	7,4%
Investment revenue	2 347	2 376	3 647	4 071	71,4%	11,6%
Transfers recognised - operational	33 159	34 260	36 492	37 290	8,8%	2,2%
Other own revenue	12 115	5 104	5 456	13 254	159,7%	142,9%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>82 553</b>	<b>80 160</b>	<b>99 386</b>	<b>91 457</b>	<b>14%</b>	<b>-8%</b>
Employee costs	25 313	29 080	30 485	30 317	4,3%	-0,6%
Remuneration of councillors	3 226	3 456	3 228	3 018	-12,7%	-6,5%
Debt impairment	10 972	4 160	20 138	14 572	250,3%	-27,6%

FINANCIAL SUMMARY						
Description	2021/2022	2022/2023			2022/2023 Variance	
	Actual Audited (Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Depreciation & asset impairment	5 354	5 474	5 474	9 081	65,9%	65,9%
Actuarial losses	171	100	100	—	-100,0%	-100,0%
Finance charges	1 940	489	489	2 099	329,6%	329,6%
Bulk purchases	15 796	18 404	17 000	16 197	-12,0%	-4,7%
Inventory consumed	572	539	497	428	-20,6%	-13,8%
Contracted services	6 215	5 183	5 624	7 183	38,6%	27,7%
Transfers and grants	621	490	806	704	43,7%	-12,6%
Other expenditure	11 698	12 783	14 369	14 069	10,1%	-2,1%
<b>Total Expenditure</b>	<b>81 879</b>	<b>80 158</b>	<b>98 209</b>	<b>97 668</b>	<b>22%</b>	<b>-1%</b>
Surplus/(Deficit)	674	2	1 177	(6 211)	-317293%	-627%
Transfers recognised - capital	12 746	14 110	15 609	6 831	-51,6%	-56,2%
Contributions recognised - capital & contributed assets	174	—	—	—	#DIV/0!	#DIV/0!
Surplus/(Deficit) after capital transfers & contributions	13 594	14 112	16 786	621	-96%	-96%
<b>CAPITAL EXPENDITURE &amp; FUNDS SOURCES</b>						

<b>FINANCIAL SUMMARY</b>						
<b>Description</b>	<b>2021/2022</b>		<b>2022/2023</b>		<b>2022/2023 Variance</b>	
	<b>Actual (Audited Outcome)</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustments Budget</b>
<b>Transfers recognised - capital</b>	11 197	13 142	15 779	6 840	-47,9%	-56,7%
<b>Public contributions &amp; donations</b>	—	—	—	—	#DIV/0!	#DIV/0!
<b>Borrowing</b>	—	—	—	—	#DIV/0!	#DIV/0!
<b>Internally generated funds</b>	1 959	3 200	6 328	4 823	50,7%	-23,8%
<b>Total sources of capital funds</b>	<b>13 155</b>	<b>16 342</b>	<b>22 107</b>	<b>11 664</b>	<b>-28,6%</b>	<b>-47,2%</b>
<b>FINANCIAL POSITION</b>						
<b>Total current assets</b>	54 156	48 022	53 840	61 832	28,8%	14,8%
<b>Total non-current assets</b>	191 542	209 081	207 789	195 337	-6,6%	-6,0%
<b>Total current liabilities</b>	12 631	37 307	35 473	20 323	-45,5%	-42,7%
<b>Total noncurrent liabilities</b>	27 836	7 290	5 518	30 995	325,2%	461,7%
<b>Community wealth/Equity</b>	205 230	<b>226 617</b>	<b>237 424</b>	205 851	-9,2%	-13,3%
<b>CASH FLOWS</b>						
<b>Net cash from (used) operating</b>	7 279	27 585	19 573	18 296	-33,7%	-6,5%
<b>Net cash from (used) investing</b>	(13 263)	(16 342)	(21 957)	(11 663)	-28,6%	-46,9%
<b>Net cash from (used) financing</b>	(92)	—	—	(98)	100,0%	100,0%



<b>FINANCIAL SUMMARY</b>							
<b>Description</b>	<b>2021/2022</b>	<b>2022/2023</b>			<b>2022/2023 Variance</b>		
	<b>Actual (Audited Outcome)</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustments Budget</b>	
<b>Cash/cash equivalents at the year end</b>	45 861	56 195	43 476	52 395	-6,8%	20,5%	
<b>CASH BACKING/SURPLUS RECONCILIATION</b>							
<b>Cash and investments available</b>	45 861	62 270	45 417	52 395	-15,9%	15,4%	
<b>Application of cash and investments</b>	16 362	36 438	13 768	25 102	-31,1%	82,3%	
<b>Balance - surplus (shortfall)</b>	29 499	25 832	31 650	27 293	6%	-14%	
<b>ASSET MANAGEMENT</b>							
<b>Asset register summary (WDV)</b>	191 542	187 420	199 395	195 337	4,2%	-2,0%	
<b>Depreciation &amp; asset impairment</b>	5 879	7 372	7 372	5 107	-30,7%	-30,7%	
<b>Renewal of Existing Assets</b>	1 075	9 857	12 037	5 261	-46,6%	-56,3%	
<b>Repairs and Maintenance</b>	13 885	14 112	15 907	15 304	8,5%	-3,8%	
<b>FREE SERVICES</b>							
<b>Cost of Free Basic Services provided</b>	-	-	-	-	#DIV/0!	#DIV/0!	
<b>Revenue cost of free services provided</b>	7 750	7 238	5 474	5 860	-19,0%	7,1%	
<b>HOUSEHOLDS BELOW MINIMUM SERVICE LEVEL</b>							
<b>Water:</b>	-	-	-	-	-	-	



<b>FINANCIAL SUMMARY</b>									
<b>Description</b>	<b>2021/2022</b>		<b>2022/2023</b>			<b>2022/2023</b>			
						<b>Variance</b>			
	<b>Actual</b>	<b>(Audited Outcome)</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Budget</b>	
<b>Sanitation/sewerage:</b>									
<b>Energy:</b>									
<b>Refuse:</b>									
<b>Financial Performance 2022/23</b>									

## Appendix K (I) Revenue Collection Performance by Vote

The table below indicates the revenue collection performance by VOTE for the 2022/2023 financial year:

Vote Description	2021/2022	2022/2023			2022/2023 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
1.1 - MUNICIPAL MANAGER	24 540	26 946	27 063	27 255	1%	1%
1.2 - COUNCIL GENERAL EXPENSES	2 455	24	1 223	1 042	4209%	-15%
2.1 - FINANCIAL SERVICES	7 668	7 112	10 164	9 109	28%	-10%
2.2 - PROPERTY RATES	4 380	4 969	7 125	5 073	2%	-29%
3.1 - IDP	-	-	-	-	#DIV/0!	#DIV/0!
3.2 - STRATEGIC SERVICES	50	56	56	56	0%	0%
3.3 - CORPORATE SERVICES	1 634	746	746	1 820	144%	144%
4.1 - CEMENTRIES	21	21	21	18	-16%	-16%
4.2 - LIBRARY	2 163	1 952	1 952	1 952	0%	0%
4.3 - DISASTER MANAGEMENT	354	100	10	74	-26%	643%
4.4 - COMMUNITY HALLS	270	309	309	468	51%	51%
4.5 - TRAFFIC CONTROL	7 328	1 375	1 553	9 954	624%	541%

Vote Description	2021/2022	2022/2023			2022/2023 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
4.6 - HOUSING	-	-	200	180	#DIV/0!	-10%
4.7 - SPORT AND RECREATION	12	12	312	19	61%	-94%
4.8 - TOURISM	-	-	-	-	#DIV/0!	#DIV/0!
5.1 - ELECTRICITY SERVICES	19 297	20 926	20 926	18 581	-11%	-11%
5.2 - WATER SERVICES	16 898	20 790	31 886	12 096	-42%	-62%
5.3 - SEWERAGE	4 349	5 096	6 640	6 234	22%	-6%
5.4 - REFUSE	2 239	2 547	3 123	2 846	12%	-9%
5.5 - PUBLIC WORKS	1 815	1 287	1 511	1 511	17%	0%
<b>Total Revenue by Vote</b>	<b>95 473</b>	<b>94 270</b>	<b>114 820</b>	<b>98 289</b>	<b>4%</b>	<b>-14%</b>

Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3. It should also be noted that the Equitable share was originally budgeted between the services revenue, but had to be taken out due to mSCOA and displayed under Council General expenses, 1.2 from now onwards.

## Appendix K (ii) Revenue Collection Performance by Source

The table below indicates the revenue collection performance by source for the 2022/2023 financial year:

Description	2021/2022	2022/2023			2022/2023 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Property rates	5 428	6 240	7 190	5 125	-17,9%	-28,7%
Property rates - penalties & collection charges	-	-	-	-	#DIV/0!	#DIV/0!
Service charges - electricity revenue	20 609	21 703	21 703	19 537	-10,0%	-10,0%
Service charges - water revenue	7 691	7 273	18 368	6 160	-15,3%	-66,5%
Service charges - sanitation revenue	5 871	6 894	8 000	7 877	14,3%	-1,5%
Service charges - refuse revenue	3 084	3 547	4 003	4 003	12,8%	0,0%
Less: Subsidy to Indigent Households	(7 750)	(7 238)	(5 474)	(5 860)	-19,0%	7,1%
Rental of facilities and equipment	591	551	551	680	23,3%	23,3%
Interest earned - external investments	2 347	2 376	3 647	4 071	71,4%	11,6%
Interest earned - outstanding debtors	1 933	2 011	2 011	1 317	-34,5%	-34,5%
Dividends received	-	-	-	-	0,0%	0,0%
Fines, penalties and forfeits	6 909	1 107	1 105	9 575	764,9%	766,3%
Licences and permits	137	153	153	89	-41,9%	-41,9%

Description	2021/2022	2022/2023			2022/2023 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Agency services	286	120	300	294	144,9%	-2,0%
Transfers and subsidies	33 159	34 260	36 492	37 290	8,8%	2,2%
Other revenue	541	621	716	593	-4,5%	-17,2%
Gains	1 718	540	619	707	0,0%	0,0%
Total Revenue (excluding capital transfers and contributions)	82 553	80 160	99 386	91 457	14,1%	-8,0%

Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.

## Appendix L: Conditional Grants Received: Excluding MIG

The table below is an extract from the 2022/2023 Audited Annual Financial Statements and reflects the conditional grants received for the reporting financial year. It must be noted that the MIG does not form part of the reporting under this section.

<u>Conditional</u>	13,136,566	19,433,020
Local Government Financial Management Grant (FMG)	1,650,000	1,650,000
Expanded Public Works Programme Integrated Grant	1,237,000	1,243,000
Library Grant	1,947,000	2,089,000
WC Capacity building (Bursaries)	214,305	231,046
WC Capacity building (Public Employment Support Grant)	223,774	571,857
Community Development Workers	56,000	49,799
Western Cape Financial Management Grant	325,000	100,000
District Municipality - Community Safety Grant	69,250	330,750
Local Government SETA	41,895	35,545
Municipal Infrastructure Grant	4,004,418	9,718,000
Water Services Infrastructure Grant	1,987,925	-
Western Cape - Maintenance of Roads	50,000	-
Human Settlements Development Grant	180,000	-
Municipal Drought Relief Grant	-	994,227
Regional Socio-economic Project	1,000,000	2,419,797

**Appendix M: Capital Expenditure – New & Upgrade/ Renewal Programmes: Including MIG**

<b>CAPITAL EXPENDITURE ON THE RENEWAL OF EXISTING ASSETS</b>		
<b>DESCRIPTION</b>	<b>ORIGINAL BUDGET (R'000)</b>	<b>ADJUSTMENTS BUDGET (R'000)</b>
<b>Roads Infrastructure</b>	0	506
<b>Electrical Infrastructure</b>	300	300
<b>Water Supply Infrastructure</b>	6, 569	6, 721
<b>Sanitation Infrastructure</b>	806	(506)
<b>TOTAL</b>	<b>7, 675</b>	<b>7, 021</b>

## Appendix M (i) Capital Expenditure – New Assets Programme

CAPITAL EXPENDITURE ON NEW ASSETS BY ASSET CALSSIFICATION		
DESCRIPTION	ORIGINAL BUDGET (R'000)	ADJUSTMENTS BUDGET (R'000)
<b>INFRASTRUCTURE</b>		
Roads Infrastructure	3 104	3 104
Stormwater Infrastructure	1 281	1 281
Electrical Infrastructure	500	500
<b>TOTAL</b>	<b>4 885</b>	<b>4 885</b>
<b>OTHER ASSETS</b>		
Operational Buildings	1 000	2 000
<b>TOTAL</b>	<b>1 000</b>	<b>2 000</b>
<b>INTANGIBLE ASSETS</b>		
Computer Equipment	200	430
Machinery and Equipment	100	100
<b>TOTAL</b>	<b>300</b>	<b>530</b>
<b>TOTAL CAPITAL EXPENDITURE ON NEW ASSETS</b>	<b>6 185</b>	<b>7 415</b>



## Appendix M (ii) Capital Expenditure – Upgrade/ Renewal Programme

The information in this table is contained in Appendix M, but will be displayed in detail below:

CAPITAL EXPENDITURE ON RENEWAL OF EXISTING ASSETS		
DESCRIPTION	ORIGINAL BUDGET (R'000)	ADJUSTMENTS BUDGET (R'000)
<b>INFRASTRUCTURE</b>		
<b>Water Supply Infrastructure</b>	<b>6 569</b>	<b>6 569</b>
<i>Boreholes</i>	5 569	5 569
<i>Distribution</i>	1 000	1 000
<b>Electrical Infrastructure</b>	<b>300</b>	<b>300</b>
<i>MV Substation</i>	300	-
<b>Sanitation Infrastructure</b>	<b>806</b>	<b>806</b>
<i>Waste Water Treatment Works</i>	806	806
<b>TOTAL</b>	<b>7 675</b>	<b>7 675</b>
<b>COMMUNITY ASSETS</b>		
<b>Sport and Recreation Facilities</b>	<b>2 482</b>	<b>2 482</b>
<i>Outdoor Facilities</i>	2 482	2 482
<b>Transport Assets</b>	<b>-</b>	<b>2 310</b>
<i>Transport Assets</i>	-	2 310
<b>TOTAL</b>	<b>2 482</b>	<b>4 792</b>

<b>CAPITAL EXPENDITURE ON RENEWAL OF EXISTING ASSETS</b>		
<b>DESCRIPTION</b>	<b>ORIGINAL BUDGET (R'000)</b>	<b>ADJUSTMENTS BUDGET (R'000)</b>
<b>TOTAL CAPITAL EXPENDITURE ON RENEWAL OF EXISTING ASSETS</b>	<b>10 157</b>	<b>12 467</b>

**Appendix N: Capital Programme by Project current year**

<b>PROJECT DESCRIPTION</b>	<b>ORIGINAL BUDGET (R'000)</b>	<b>ADJUSTMENTS BUDGET (R'000)</b>
MIG – L/G Nuwe Sypaadjies		506
MIG: Sportfield Prince Albert		2 774
Generators		150
Electricity Infrastructure MV networks Acquisition		300
Raw water storage		152
INEP - Grant		500
Borehole equipping		5 569
New side walks		500
Storm water drainage		1 281
RSEP Programme for municipal offices		2 952
Nuwe rekenaars		865
Transport assets		2 355
Side walks Klarstroom		2 604
MIG: Klarstroom upgrade WWTW		300
Outdoor facilities		300

Solid waste Acquisition		1 000
<b>TOTAL</b>		<b>22 108</b>

#### Appendix O: Capital Programme by project by Ward current year

PROJECT DESCRIPTION	WARD/AREA	ORIGINAL BUDGET	ADJUSTMENTS BUDGET
		(R'000)	(R'000)
MIG – L/G Nuwe Sypaadjies	Whole of the Municipality	-	506
MIG: Sportfield Prince Albert	Whole of the Municipality	-	2 774
Generators	Whole of the Municipality	-	150
Electricity Infrastructure MV networks Acquisition	Whole of the Municipality	-	300
Raw water storage	Klaarstroom	-	152
INEP - Grant	Whole of the Municipality	-	500
Borehole equipping	Whole of the Municipality	-	5 569
New side walks	Whole of the Municipality	-	500
Storm water drainage	Whole of the Municipality	-	1 281
RSEP Programme for municipal offices	Whole of the Municipality	-	2 952
Nuwe rekenaars	Whole of the Municipality	-	865
Transport assets	Whole of the Municipality	-	2 355
Side walks Klaarstroom	Whole of the Municipality	-	2 604
MIG: Klaarstroom upgrade WWTW	Klaarstroom	-	300

<b>PROJECT DESCRIPTION</b>	<b>WARD/AREA</b>	<b>ORIGINAL BUDGET (R'000)</b>	<b>ADJUSTMENTS BUDGET (R'000)</b>
<b>Outdoor facilities</b>	Whole of the Municipality	-	300
<b>Solid waste Acquisition</b>	Whole of the Municipality	-	1 000
<b>TOTAL</b>		-	<b>22 108</b>

#### **Appendix P: Service Connection Backlogs at Schools and Clinics**

No service connection backlogs at schools or clinics.

#### **Appendix Q: Service Backlogs Experienced by the Community where another Sphere of Government is Responsible for Service Provision**

No service backlogs to report on for the reporting period.

#### **Appendix R: Declaration of Loans and Grants Made by the Municipality**

No declaration of loans and grants made by the Municipality for the reporting financial year.

#### **Appendix S: Declaration of Returns not Made in due Time under MFMA S71**

No declaration of returns not made in due time under MFMA S71 for the reporting financial year.

#### **Appendix T: National and Provincial Outcome for local government**

Matters pertaining to National and Provincial outcomes for local government are noted in this report and its annexures.