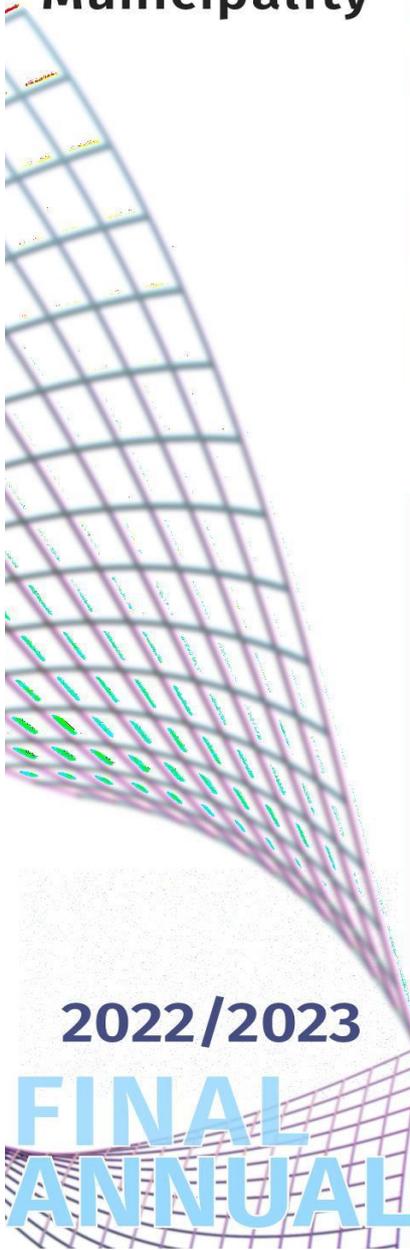




**Dannhauser
Local
Municipality**



2022/2023

**FINAL
ANNUAL**

Dannhauser Local Municipality

REPORT

**OFFICE OF THE
MUNICIPAL
MANAGER**

Table of contents

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY	
Component A: Mayors Foreword	8
Component B: Executive Summary	10
Component C: Municipal Overview	12
1.3.1 Wards and Traditional Authority	13
1.3.2 Demographic and Economic Profile	16
1.3.3 Population Growth/Decline	16
1.3.4 Education Level	18
1.3.5 Multiple Deprivations Index	19
1.3.6 Employment/Unemployment Rate	20
1.3.7 Household Income	20
1.3.8 Current Income	21
1.3.9 Vision	22
1.3.10 Mission	22
CHAPTER 2: PERFORMANCE HIGHLIGHTS	
Component A: Service Delivery	23
2.1.1 Electricity Infills	23
2.1.2 Mast Lights	23
2.1.3 Water and Sanitation	23
2.1.4 Waste Removal/Management	24
2.1.5 Infrastructure Provision and Maintenance	24
Rural Roads	24
Public Amenities	24
2.1.6 Environmental Management	25
2.1.7 Housing	26
2.1.8 Free Basic Services and Indigent Support	28
2.1.9 Local Economic Development	28
Small, Medium and Micro Enterprises (SMMEs)	28
CHAPTER 3: HUMAN RESOURCE AND OTHER ORGANISATIONAL MANAGEMENT	
Component A: Governance Structures	29
3.1.1 Political Governance	29
3.1.2 Committee Allocation and Council Attendance	32
3.1.3 Committees and Purposes of Committees	34
3.1.4 Administrative Governance Structures	35
3.1.5 Third Tier Administrative Structure	35
Component B: Intergovernmental Relations (IGR)	43
Component C: Public Accountability and Participation	46
Component D: Corporate Governance	47
3.4.1 Risk Management	47
3.4.2 Anti-Corruption and Fraud	48
3.4.3 Supply Chain Management	48
3.4.4 By-Laws	49
3.4.5 Websites	49
3.4.6 Public Participation on Municipal Services	50

Component F: Municipal Workforce	51
Component G: Managing Municipal Workforce	51
Component H: Capacitating Municipal Workforce	52
Component I: Injuries and Sickness	53
Component J: Suspensions	54
CHAPTER 4: AUDITED STATEMENTS AND RELATED FINANCIAL INFORMATION	
Component A: Statement of Financial Performance	55
4.1.1 Revenue	55
4.1.2 Expenditure	55
4.1.3 Surplus for the Year	57
Component B: Spending Against Capital Budget	57
4.2.1 Capital Expenditure	57
4.2.2 Capital Grants	57
Municipal Infrastructure	57
Component C: Cash Flow Management and Investment	57
4.3.1 Cash Flow from Operating Activities	57
Receipts	57
Payments	57
Cash Flow from Investing Activities 2022/23	58
Cash Flow from Financing Activities 2022/23	58
Component D: Other Financial Matters	58
4.4.1 Financial Position	58
Current Assets	58
Non-Current Assets	58
Liabilities	58
Operating Grants	59
4.4.2 Financial Ratios	59
Current Ratio	59
Cost Coverage	59
Employee Cost	59
Repairs and Maintenance	60
Debtors Collection Rate	60
Audit Outcome	60
Component E: Implementation of Supply Chain Management Policy	60
4.5.1 Supply Chain Management Policy	60
4.5.2 Amendment of the Supply Chain Management Policy	61
4.5.3 Delegation of Supply Chain Management Powers and Duties	62
4.5.4 Sub-delegations	62
4.5.5 Oversight Role of Council	63
4.5.6 Supply Chain Management Unit	64
CHAPTER 5: FUNCTIONAL AREA SERVICE DELIVERY REPORTING	
Component A: Organisational Performance	65
5.1.1 Background	65
5.1.2 Legislative Requirements	65
5.1.3 Performance Management System (PMS) Overview and process	67

Performance Management Overview	67
5.1.4 Development of Indicators and Target (Smart Principle)	68
5.1.5 The process of managing Organisational and Individual Performance	69
Performance Planning	70
Performance Monitoring	70
Performance Measurement	71
Performance Reporting and Review	72
5.1.6 Performance Audit Committee	74
Mandate	74
Members and Attendance at Meetings	74
Responsibility	75
5.1.7 Performance Review	75
5.1.8 Annual Performance Reporting 2022/23 High Level Summary	76
5.1.9 In-Year Performance Reporting and Review	77
5.1.10 Annual Performance Reporting and Review (S46)	77
5.1.11 Performance Evaluation Panels	80
5.1.12 Key Challenges Facing Municipality 2022/23	80
5.1.13 Detailed Annual Performance Report	81
5.1.14 Tender Awarded in 2022/23	104
CHAPTER 6: CONCLUSION	
6.1 Component A: Conclusion	

Abbreviation

Councillor (Cllr)

Municipal Finance Management Act (MFMA)

Intergovernmental Relations (IGR)

Department Of Cooperative Governance and Traditional Affairs (COGTA)

Key Performance Indicators (KPIs)

Integrated Development Plan (IDP)

KwaZulu-Natal (KZN)

Human Resource (HR)

Municipal Systems Act (MSA)

Chief Financial Officer (CFO)

Municipal Public Account Committee (MPAC)

Public Facilities Advisory Committee (PFAC)

Auditor General (AG)

Dannhauser Local Municipality (DLM)

Statistics South Africa (Stats SA)

National Development Plan (NDP)

Provincial Index of Multiple Deprivation (PIMD)

Service Delivery Budget Implementation Plan (SDBIP)

Key Performance Areas (KPA)

Municipal Infrastructure Grant MIG

Central Business District (CBD)

Department of Forestry, Fisheries and Environmental Affairs (DFFE)

Department of Economic Development, Tourism and Environmental Affairs (EDTEA)

South African Police Service (SAPS)

Road Traffic Inspectorate (RTI)

Local Economic Development (LED)

Small, Medium and Micro Enterprises (SMMEs)

Executive Committee (EXCO)

Unauthorized, Irregular, Fruitless and Wasteful Expenditure (UIFWE)

Proportional Representative (PR)

Management Committee (MANCO)

Municipal Manager (MM)

Head of Department (HOD)

District Development Model (DDM)

Non-governmental Organizations/ Non-profit Organisations (NGOs/NPOs)

Fourth Industrial Revolution (4IR)

Supply Chain Management (SCM)

Key Performance Indicators (KPI)

National Government's Strategic Key Performance Areas (NKPA's)

Performance Management System (PMS)

Top Layer (TL)

Portfolio of Evidence (POE)

Audit Committee (AC)

Annual Performance Report (APR)

Standard Operating Procedure Manual (SOP)

Personal Protective Equipment (PPE)

Glossary

Appendices Description

Appendix A: Councillors, Committee Allocation & Councillors Attendance

Appendix B: Committees and Committees Purpose

Appendix C: Third Tier and Administrative Structure

Appendix D: Functions of the Municipality/Entity

Appendix E: Ward Reporting

Appendix F: Ward Information

Appendix G: Recommendations of the Municipal Audit Committee

Appendix H: Long Term Contracts and Public Private Partnership

Appendix I: Municipal Entity/ Service Provider Performance Schedule

Appendix J: Disclosure of Financial Interest

Appendix K: Revenue Collection Performance

Appendix K(I): Revenue Collection Performance by Vote

Appendix K(II): Revenue Collection Performance by Source

Appendix L: Conditional Grants Received: Excluding MIG

Appendix M: Capital Expenditure-New & upgrade/Renewal Programmes: including MIG

Appendix M(I): Capital Expenditure-New Assets Programme

Appendix M(II): Capital Expenditure-Upgrade/Renewal Programme

Appendix N: Capital Programme by Current Year

Appendix O: Capital Programme by project ward current year

Appendix P: Service Connection Backlogs at Schools and Clinics

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

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

Appendix S: Declaration of Returns not Made in due Time- MFMA s71.

Appendix T: National and Provincial Outcome for Local Government

VOLUME II: ANNUAL FINANCIAL STATEMENTS

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1 Component A: MAYOR'S FOREWORD



Honourable Mayor

Cllr B.A Radebe

On behalf of the Dannhauser Local Municipal Council, I am honoured to present the Annual Report of the Dannhauser Local Municipality for the 2022/2023 financial year. The purpose of the report is to outline the performance for the year 2022/2023.

The mandate of the Dannhauser Municipal Council is clearly enshrined in the Constitution of the Republic of South Africa Act No. 108 of 1996 Chapter 7, and other key legislations that governs the sphere or tier of local government, thus the report is prepared in line with the relevant legislations (**MFMA**) and circulars.

The financial year under review is characterised by many unbearable challenges which has negatively affect the municipality on issues of development and service delivery overall, change in leadership and management has significantly derail the fulfilment of the development goals and fully complied with Chapter7 of the constitution. We are committed to improve the performance of the municipality which will benefit residents of Dannhauser in particular.

Overall performance of the municipality is limited as other basic services do not fall in the scope of Dannhauser Local Municipality, whilst other services are performed by other sector departments and district municipality, it is unfortunate that we are in the forefront of our residents as nearest and closest sphere of government, and we are unable to account for such challenges. For the past 2 financial years we experience public protests on Water, Sanitation and Electrification infills demands, when we explore IGR mechanism, we fall short or frustrated.

Adding to that, we as Dannhauser Municipality established a Task Team to deal with this issue and thus have written a formal letter that outlines all our needs and requests to the National COGTA Champion to intervene and assist while waiting for the permanent solution from Amajuba District Municipality, COGTA and Department of Water and Sanitation, Council further resolve to invoke section 78 in terms of Water, Sanitation and Electricity as a measure to resolve the matter.

During the 2022/2023 financial year Key Performance Indicators (KPIs) totalled **144**, total Achieved is 81, total not achieved 63 therefore the percentage of achievement is 53%. Achieving good performance has been difficult due to limited resources and capacity constraints which is caused by high vacancy rate on critical positions. With all the good programmes that the municipality has planned over the years, performance has always left much room for improvement. In the 2022/2023 financial year, the majority of our targets set continued per department, enables more focus on empowering council to exercise effective oversight over the implementation of the targets.

The municipality has adopted the directives from the Constitution, the Batho Pele Principles, the Back to-Basics Campaign, Operation Sukuma Sakhe, the Municipal Systems Act 32 of 2000, Municipal Finance Management Act and other related Acts that govern local government. All Performance Management related matters have been publicly consulted with the affected communities and aligned to the Integrated Development Plan (IDP) 2022/2023) and the Budget (2022/2023).

In summary to the above, the municipality is committed to ensuring that it contributes to the strive to grow South Africa together, the development of a conducive economic and social climate that is able to create jobs, thereby reducing poverty and unemployment. Our performance must further reach the limelight of a top performing municipality and must be aligned to the directives of the Amajuba District Development Framework, KZN Human settlement Sector Plan, KZN Provincial Growth & Development Strategy 2035, together with other sector plans and other guiding policies and strategies. The overall 2022/2023 performance is commendable as we have managed to obtain an Unqualified Audit Opinion.

The municipality will continue to ensure that its most valuable resource, the staff, is highly valued and supported. Trainings, personal development, career-pathing, talent management, coaching and mentoring are some of the specific interventions that will need to be enhanced, and filling of vacant posts will be prioritised as some have been advertised and undergone HR processes. It is recommendable to note the improvement in relation to our spending and expenditure patterns, but we need to do more. The ever-present excuse of lack of resources might be a legitimate one, but the key question is how effective we are using adequately the resources at our disposal.

We are committed to a positive direction as we are presenting this 2022/2023 Annual Report, challenge ahead going forward a roadmap will be developed on improving our performance and ultimately the service delivery.

.....

HON. MAYOR

CLLR B.A RADEBE

.....

DATE

1.2 Component B: EXECUTIVE SUMMARY



Municipal Manager

Mr M.S Sithole

Dannhauser Municipality is a Category B Municipality with powers and functions assigned in terms of Sections 155 and 156 of the Constitution of the Republic of South Africa. These powers and functions are exercised subject to Chapter 5 of the Municipal Structures Act, 117 of 1998 and Chapter 3 of the Local Government Municipal Systems Act, 32 of 2000.

The Municipality covers an area of 1,516 km² and consists of 13 wards. In line with the Municipal vision to achieve radical economic transformation through a financially viable municipality that delivers integrated quality basic services, the municipality has adopted a performance management system to set its performance objectives, measure and monitor its performance in line with the MSA and other related

regulations.

The municipality has, over the past consecutive years obtained Qualified Audit Opinion (2020/2021) and obtained Unqualified Opinions for two consecutive years (2021/2022 & 2022/2023), there is improvement as the municipality is committed to improve the situation and regularly comply with all relevant legislations that governs the sphere of local government. 2022/2023 Annual Report has been compiled in accordance with the following legislative provisions.

- Section 46 of the Municipal Systems Act (MSA) 32 of 2000 and read in line with Section 121 of the Municipal Finance Management Act (MFMA) 56 of 2003.

The main accountabilities of the Accounting Officer are the six key Legislative Mandate and Key Performance Areas which includes:

- Basic Service Delivery
- Local Economic Development
- Municipal Financial Viability and Management
- Good governance and Public Participation
- Municipal Transformation and Organisational Development ; and
- Spatial and Environmental Management.

For the year under review, we do experience high turnover on the staff compliment, and it is due to change in administration, resignation, and retirement in some

instances, this then affect the ability of the administration to fully functional and provide support to governance adequately. High vacancy rate in the top management structure has affected daily management of the system. For the year under review only Municipal Manager, Director Community Services and the CFO, while other positions were vacant and others were on suspension, and other positions Council appointed personnel.

The overall performance of the Municipality is 67% of the targets that were set which is exceptional compared to the previous year's overall performance, the Municipality is committed and willing to assist the community by creating job opportunities, alleviating poverty through the Expanded Public Works Programme. In the current financial year, the total revenue per the approved budget was **R 233 755 236 after the adjustment budget. The actual revenue collected was R181 095 561 which is 77% as compared to the approved budget.**

The Municipality had a total expenditure of R 138 826 152 which is 99% of the Total budget of R 30 547 000.00, though the Municipal Infrastructure Grant(MIG) was not 100%but it was 83% spent, during the 2022/2023 Financial year 1665 households were provided with refuse removal and 35 Electrification infills beneficiaries.

I would like to express my sincere gratitude to the Political leadership, Council and oversight structures (MPAC, Portfolio Committees, and PFAC) of Council of the Dannhauser Municipality for the trust placed on me as the Accounting Officer of this Municipality, the management and staff of Dannhauser Municipality remains the driving force behind the achievements and commitments to address the existing challenges. It is with outmost respect and unwavering dedication that the Municipality remains committed in ensuring that the constitutional and legislative mandates are fulfilled.

The Municipality had successfully executed a plan for accountability and improved governance. In ensuring that the Municipality addresses the AG concerns, the Municipality developed an action plan which aimed at closely monitoring all the findings that were highlighted by the Auditor General. The action plan has been closely monitored and reported on. Hence, we have managed to get Unqualified Audit Opinion for 2022/2023 Financial Year.

MUNICIPAL MANAGER

MR M.S SITHOLE

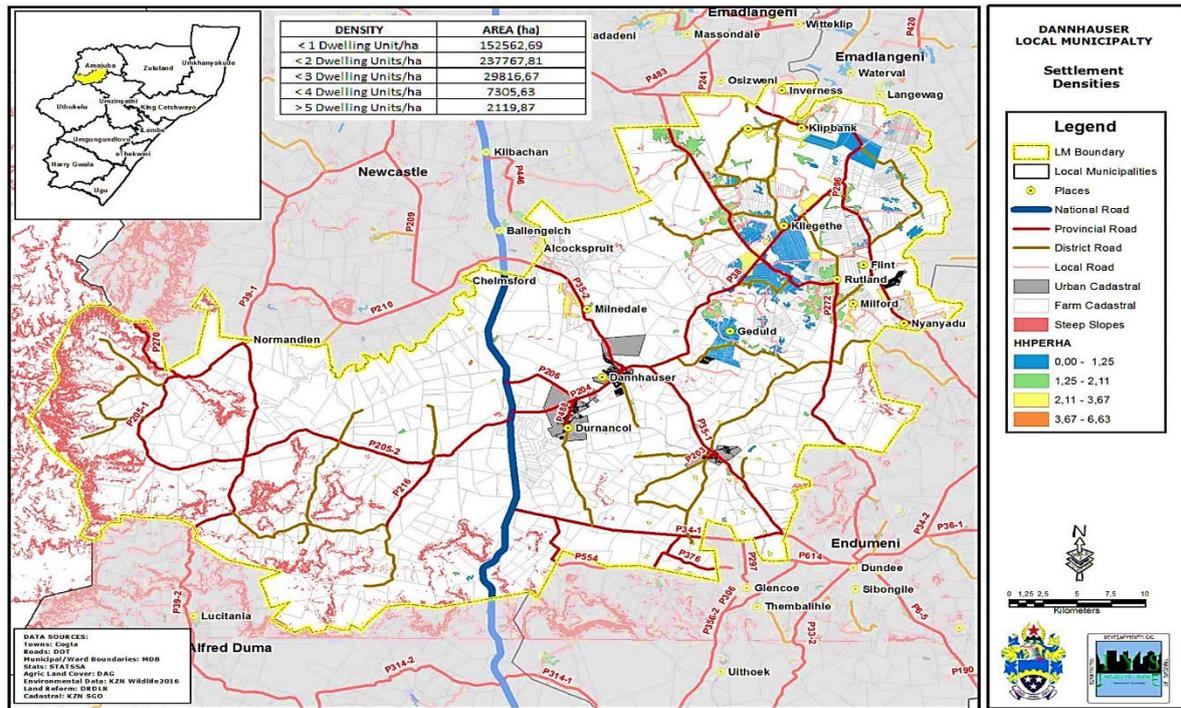
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1.3 Component C: MUNICIPAL OVERVIEW

Dannhauser Local Municipality (LM) (KZN 254) is located north in the Kwa-Zulu Natal Province in Amajuba District with Newcastle Local Municipality and Emadlangeni Local Municipality as part of its family. It is the smallest of three local municipalities within the district: with area coverage of approximately 1516 square kilometers. Dannhauser LM is a predominantly rural municipality and classified as a “Class B” municipality by national government. Mining towns with some residential areas were established within the jurisdiction prior to the 1980’s as a result of the numerous mines situated within and around the municipal area. These include Dannhauser Town, Hattingspruit, and other main towns such as Inverness, Kilegethe, Klipbank, Milford, Normandien, Nyanyadu, Rutland, Tendeka, Witteklip.

The municipality in 2022/2023 Financial Year constitutes thirteen (13) wards with a combined total of 58 settlement areas. Dannhauser Town is the main node within the municipal area and currently is currently surrounded by some of the largest coal producing mines in KwaZulu-Natal. The municipality is strategically positioned in a midway point along a main railway line that provides linkage between Durban and Johannesburg and is located approximately eight (8) kilometers off a national road (N11). The landscape of the local municipality is characterized by numerous rivers that flow through the municipal area, the Ngagane and uMzinyathi Rivers are amongst the largest of these rivers. The western portion of the municipality is endowed with scenic landscapes.

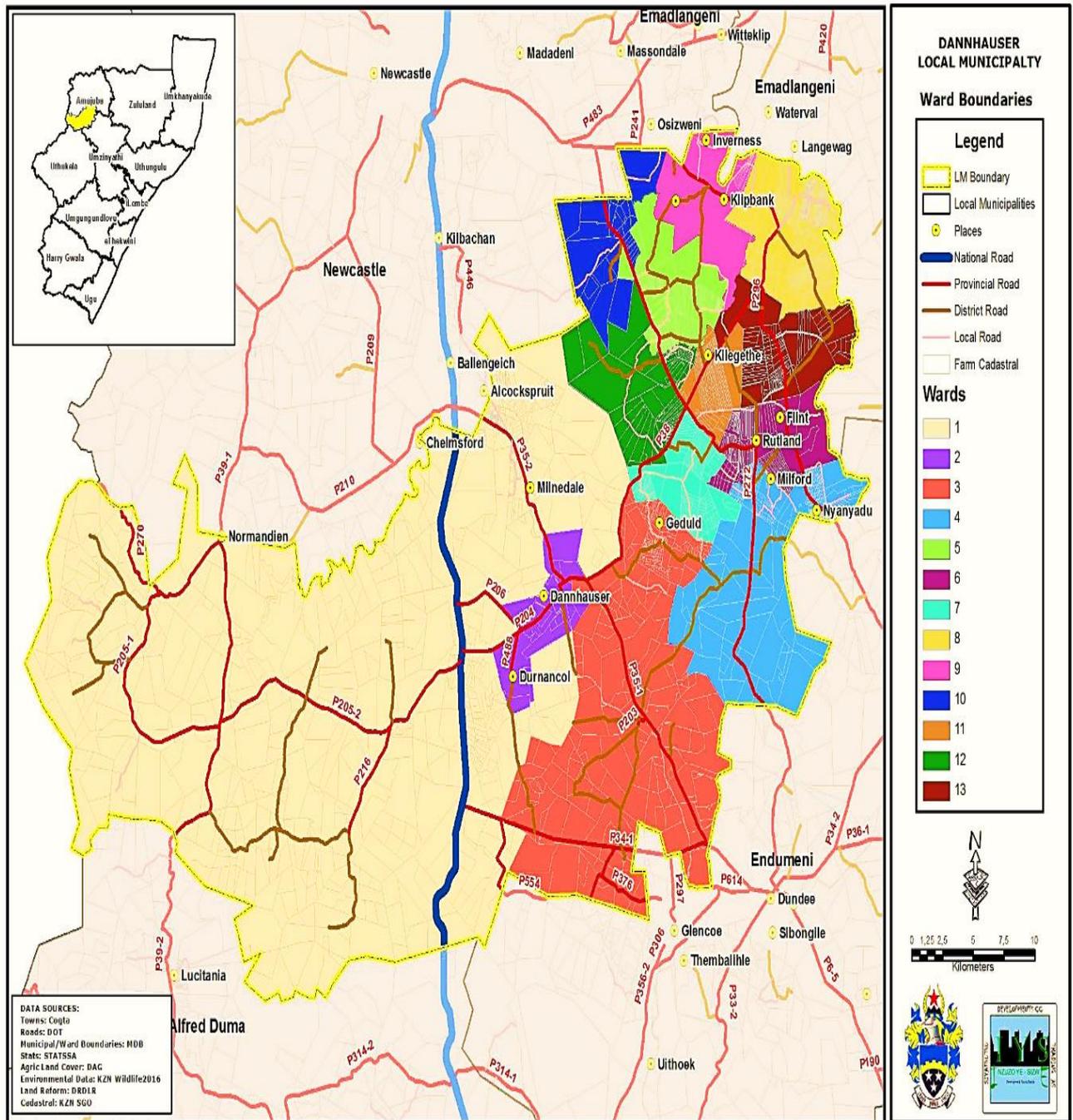
MAP 1: DANNHAUSER LOCALITY



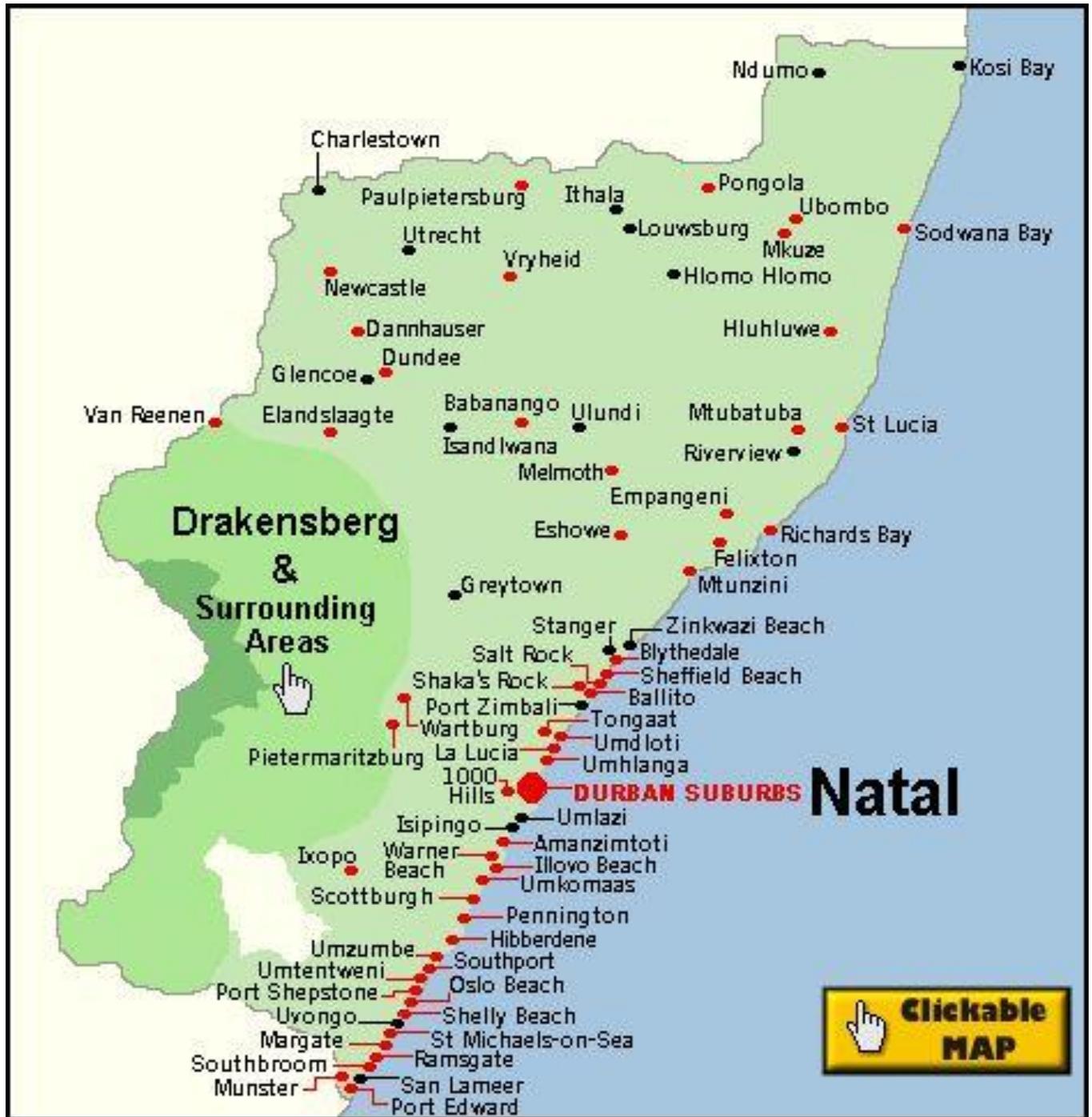
1.3.1 Wards and Traditional Authority

The north-eastern portion of the Dannhauser municipal area is largely land under the administration of traditional councils. It includes a portion of Ubuhlebomzinyathi Community Authority (that falls within Dannhauser Municipality), covering an area of approximately 13, 395 km² in extent and Nyanyadu Traditional Council area which accounts for about 1, 1190 km² of the total municipal area, the other Council Authorities are Ingwe, Emdlangeni and Gule. Municipal Wards and Tribal Authority Boundaries.

MAP 2: Amajuba District Map



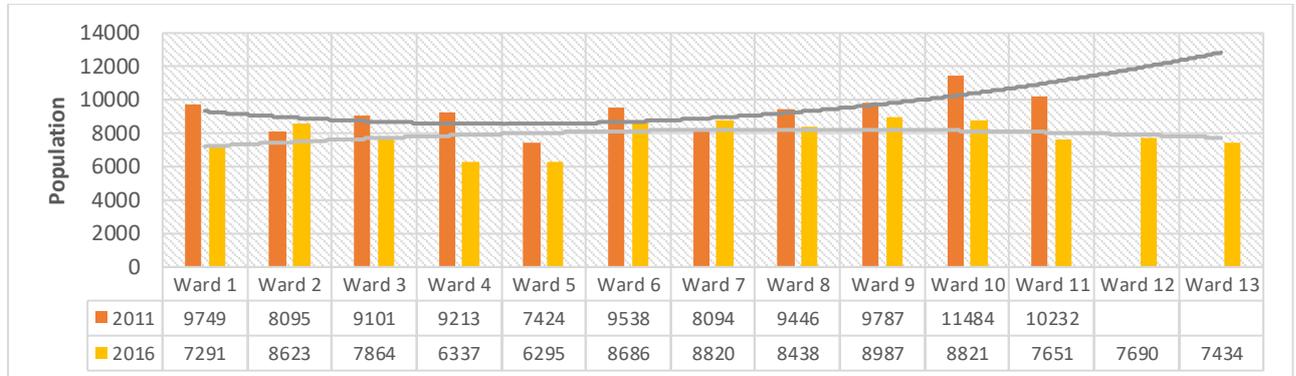
MAP 3: KwaZulu-Natal Map



1.3.2 Demographic and Economic Profile

The population of the Dannhauser Municipality was recorded at 105 341 people review in 2016 compared to a total of 102 161 in 2011. This is evident of an increase of 3 180 people between 2011 and 2017. The population is distributed unevenly among the 13 municipal wards. The population is anticipated to grow beyond this as many migrate into Dannhauser in search of job opportunities in the existing operational mining companies.

POPULATION DISTRIBUTION



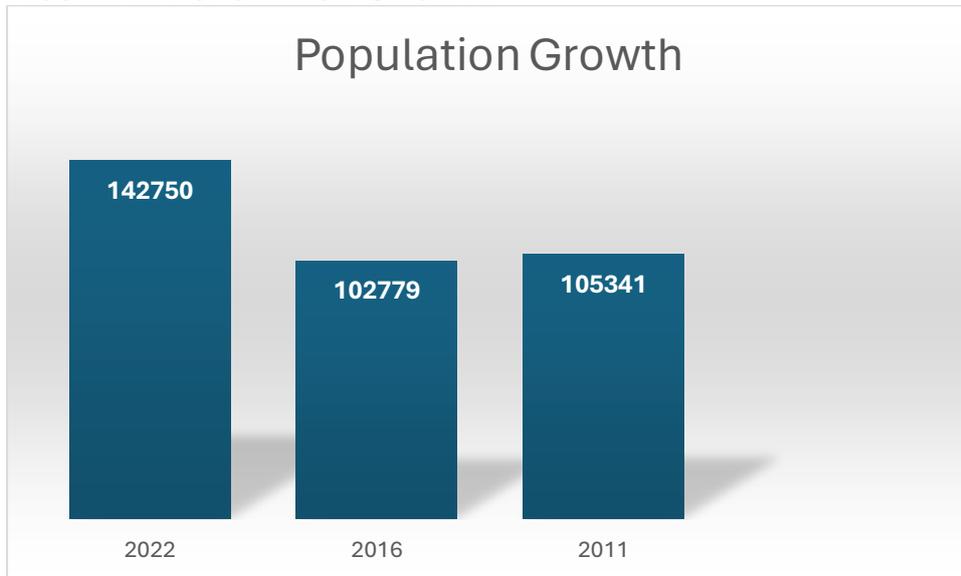
The population in the wards differed based on the addition of two wards from the initial 11 wards as at census 2011 to census 2016. Some of the population groups from the then existing 11 wards relocated into the two new wards, which are wards 12 and 13. The additional wards were based on the increase in demographics within the municipality as the population grew.

1.3.3 Population Growth / Decline

Population densities are highest in the Traditional Council areas in the north-eastern portion of the municipal area and in Dannhauser Town. The town functions as a primary node (providing commercial service facilities, agricultural industries, industrial park, public social infrastructure, economic infrastructure, and government services). The local economy is largely defined by the mining and agricultural sectors, these currently contribute to minimal employment within the jurisdiction. Residents rely on the larger urban centres of Dundee and Newcastle for employment opportunities and higher order goods and services.

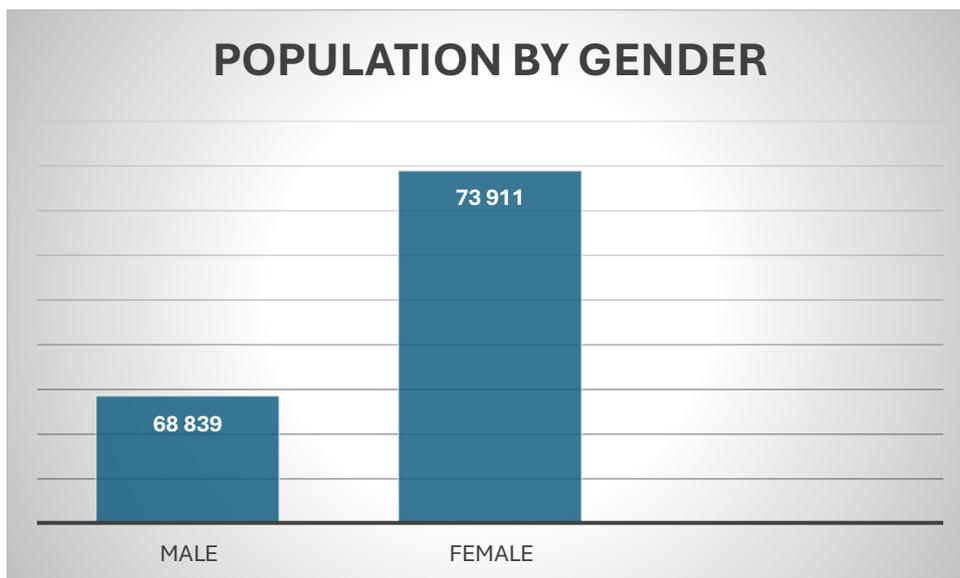
The population growth within the jurisdiction can be attributed to several issues including receiving quality government services, immigration by residents moving from neighbouring areas such as Newcastle, Emadlangeni and other municipalities, increased housing development by Human Settlements, availability of land for agricultural activities, etc. If the growth rate persists, it is likely to encourage development in the area. The situation therefore warrants interventional measures that could encourage people to remain within the municipality to the municipality.

FIGURE 1: POPULATION GROWTH



(Stats SA: Census 2022)

The was increased from 2016 and 2022 in terms of gender growth. Approximately 68 839 total male population in 2022, female total population 73 911 inn 2022.



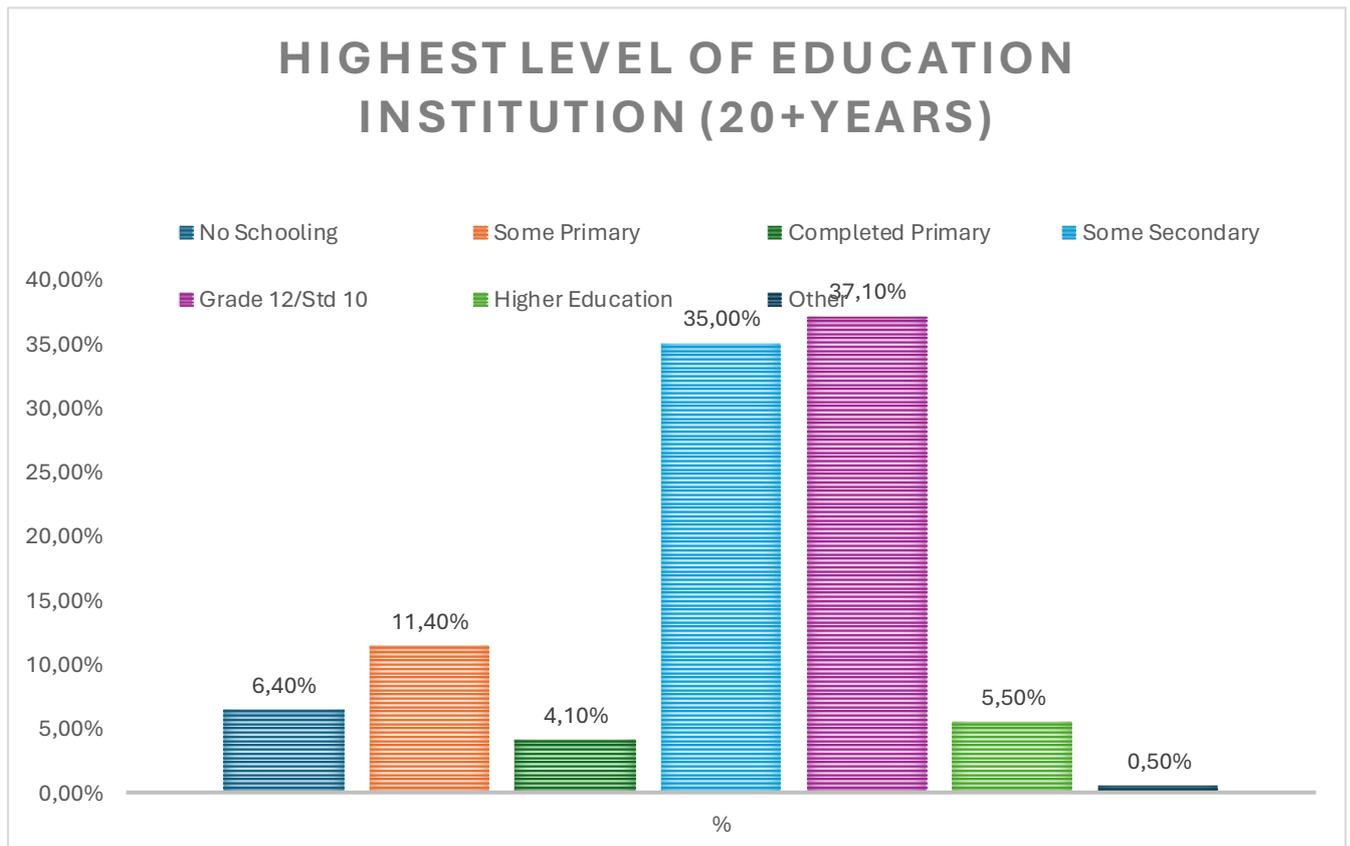
(Stats SA: Census 2022)

1.3.4 Education Level

Education plays an important role in economic development. It provides skilled labour that is key in producing goods and services in an economy. In 2016, of the total population of 105 341, only 1.9% had obtained tertiary educational attainments and only 16.4% had matriculated. People with no schooling increased to 14.7% 2011. This can be attributed to a lower level of primary school enrolment that was experienced in the municipal area in 2014-2015. Only a handful of those who finish matric pursue further studies.

If the population levels continue to rise, and education is not addressed, the jurisdiction may end up having a community that is highly uneducated thus increasing the levels of poverty and dependency. It is important to address this challenge, through development of rural education facilities and support given to children who come from highly impoverished backgrounds. The NDP 2030 points out the need to develop rural communities to attain levels as those in urban areas. There is a need to develop a program that will monitor or ensure that pupils that enrol in primary education are encouraged to complete secondary education and further their studies. Figure.3 below indicates the population levels and their levels of qualifications within Dannhauser.

Figure 2: Education Level



(Stats SA: Census 2022)

1.3.5 Multiple Deprivations Index

The KwaZulu-Natal Provincial Index of Multiple Deprivation (PIMD) (2001) identifies poverty levels per municipality at a ward level. In terms of how it was determined, the PIMD (2001) was constructed by combining the five transformed domain scores with equal weights. The five domain indices are as follows:

- ✓ Income and Material Deprivation;
- ✓ Employment Deprivation;
- ✓ Health Deprivation;
- ✓ Education Deprivation; and
- ✓ Living Environment Deprivation.

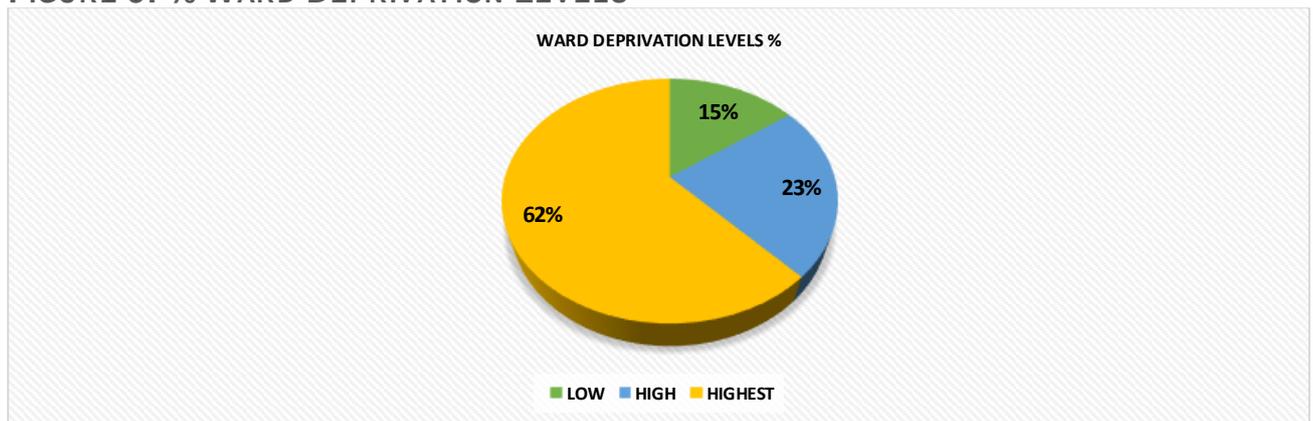
TABLE 1: MULTIPLE DEPRIVATIONS INDEX (CENSUS 2016)

WARDS	LEVEL OF DEPRIVATION
Ward 1	High
Ward 2	Low
Ward 3	Most
Ward 4	Most
Ward 5	Most
Ward 6	Most
Ward 7	High
Ward 8	Most
Ward 9	High
Ward 10	Most
Ward 11	Low
Ward 12	Most
Ward 13	Most

(The table above indicates the high levels of pervers within the municipal jurisdiction as at 2020/2021).

The figures below of the following graphs in this chapter have not changed due to that statics from census have not been updated.

FIGURE 3: % WARD DEPRIVATION LEVELS -



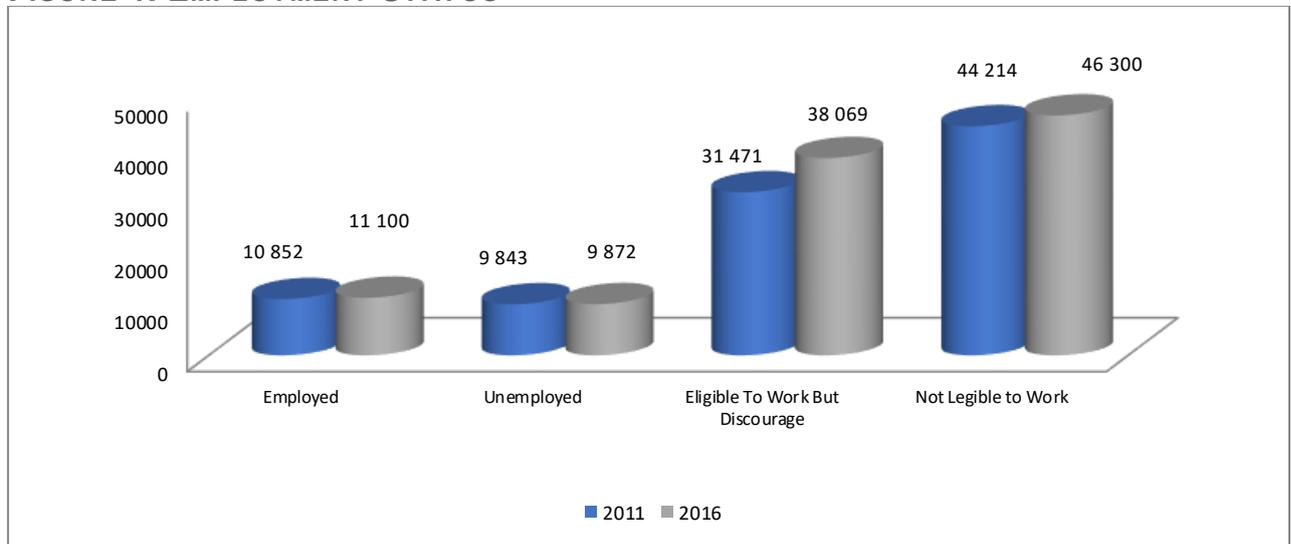
(Stats SA: Census: 2016)

1.3.6 Employment / Unemployment Rate

The municipality experienced a slight increase in the number of people employed from 2011 to 2018, this is however offset by the large numbers of people who are eligible for employment but are not employed. This can be attributed to low education levels which compromise the employability of residents within the municipality and a lack of employment opportunities due to a lack of economic activities in the municipal area. High unemployment levels pose several challenges and are associated with a number of social ills, particularly for the youth.

The results of the above circumstances prone to engage in activities such as drug abuse, crime, alcohol abuse, etc. Efforts should be made to address these challenges. The figure below indicates the employment status of the municipality; The marked slight improvement of employment has been contributed by the local economic development programmes that the municipality is engaging in with sector departments and private stakeholders.

FIGURE 4: EMPLOYMENT STATUS



1.3.7 Household Income

TABLE 2: HOUSEHOLD INCOME LEVELS

HOUSEHOLD INCOME	
INCOME BRACKET	NUMBER OF HOUSEHOLD
No Income	3 544
R1 – R 4 800	1 124
R 4 801 – R 9 600	2 142

R 9 601 – R 19 200	4 979
R 19 201 – R 38 400	4 852
R 38 401 – R 76 800	2 427
R 76 801 – R 153 600	1 022
R 153 601 – R 307 200	458
R 307 201 – R 614 400	226
R 614 401 – R 1 228 800	32
R 1 228 801 – R 2 457 600	13
R 2 457 601 or More	18
Unspecified	1
Not Applicable	5
GRAND TOTAL	20 844

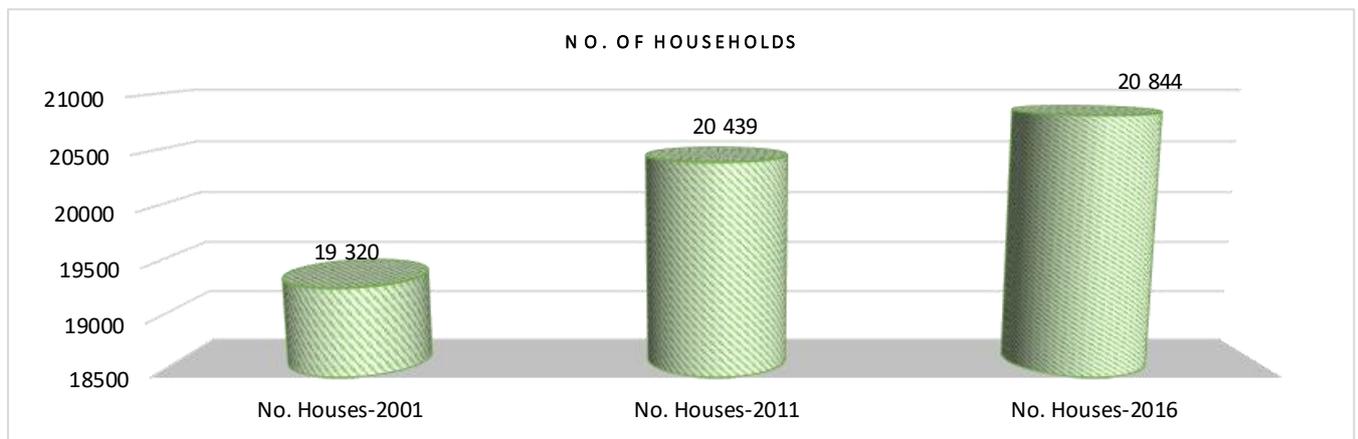
(Stats SA: Census 2016)

It is clear from the above data that there are more households living in poverty, this impacts negatively on the revenue generating stream of the municipality. It also serves as an indicator that more employment opportunities (job creating activities) must be implemented to reduce the poverty margins.

1.3.8 Current Household Status

The number of households in the municipal area slightly increased from 20 439 in 2011 to 20 844 in 2017. These households are mostly located in rural settlements and are scattered in space in an inefficient manner. These scattered households pose a great challenge in terms of providing basic services such as water, roads, electricity.

FIGURE 5: No OF HOUSEHOLDS



(Stats SA: Census 2016)

1.3.9 Vision

A trusted, and caring local municipality that promotes good governance, inclusive and sustainable development.

1.3.10 Mission

We are a united and trusted local municipality that prioritizes service delivery through co-operative governance and public participation.

CHAPTER 2: PERFORMANCE HIGHLIGHTS

2.1 Component A: SERVICE DELIVERY

This chapter considers municipal performance that are derived from the IDP, provision of sufficient, affordable, and quality basic services is considered a core function of Local governments, the Dannhauser Local Municipality provides the following services for its community: electricity infills; water and sanitation; waste removal/ management; infrastructure provision and maintenance and environmental management.

Dannhauser Local Municipality uses scorecard that is aligned with the SDBIP to manage performance of different functions. 2022/2023 was a very challenging year for the municipality as there was a change in Administration and election and inauguration of the new Council, the municipality had to adjust in changes whilst ensuring that services are delivered to the community as it is our duty to ensure that the Batho Pele principles are met. The overall score for the KPA on a year -on-year basis expressed as a percentage of %. The Basic Service Delivery initiatives that the municipality offers includes:

2.1.1 Electricity Infills

For the year under review (2022/2023) the projects for infills were implemented in the following Wards, Ward1, 2, 3, 9 and 10, the project funding was limited due to limited revenue and high rates of unemployment, whilst the demand for infills eradication is high. The municipality is not a licensed authority for electrification it is a responsibility of ESKOM, which the municipality provides infrastructure and then transferred to ESKOM.

2.1.2 Mast Lights

As part of ensuring that the community is safer the municipality further provided public light projects where Mast Lights were provided at the following Wards: (5,12,10,9,6,7 &3). The municipality is owning this infrastructure, and it is maintained through maintenance.

2.1.3 Water and Sanitation

Amajuba District Municipality is the Water services Authority over Dannhauser Local Municipality, whereby this Water Services Authority was empowered to perform the functions and exercise the powers referred to in Section84(1) (b) & (d) of the Municipal Structures Act (117 of 1998) which provides for the provision of potable water supply and domestic wastewater & sewage disposal systems sanitation systems. In terms of Section 11 of the Water Services Act (108 of 1997), every Water Services Authority is obligated to ensure the adequate sustainable access to water and sanitation to all consumers within their area of jurisdiction. The authority of the District Municipality is further enshrined in the Constitution 108 of 1996, Section 156 & 229, and read in line with the Municipal Structures Act (117 of 1998) section (83) (3).

Dannhauser Local Municipality integrates with the District Municipality through the Intergovernmental Relations Act, through the obligations to be fulfilled by the District in the Structures Act, Section (83)(3) (a) to (d), but Dannhauser has no authority to undertake any implementation of water & liquid sanitation services to households, businesses, and the rest of the community. All licensing of water and liquid sanitation related activities for Dannhauser are undertaken by the district.

2.1.4 Waste Removal/Management

The municipality provides this service at the Main towns (Dannhauser, and Hattingspruit), Durnacol Village, Emafusini Township. This service is further extended to the small holdings’ areas which mainly Mdakane area, and other surrounding areas. The waste removal is paid by those who are the customers as per debtors registered data base.

2.1.5 Infrastructure Provision and Maintenance

The municipality is committed to provide infrastructure as part of basic services provision and budget for maintenance at an annual basis. For the year under review

Rural Roads

The provision of the rural roads is the primary responsibility of the local municipality depending on the description of the roads, the funding also determines the funding part. Some roads were falling under maintenance, that part was covered under maintenance vote though the funding was limited. For the year under review the Roads were constructed at Ward8 and 12 through MIG Funding. Over and above that the municipality provided Tar Roads in Ward2 and 3, the project was funded through MIG.

Public Amenities

The following Public Amenities were constructed and is still under construction:

Description	Purpose	Wards	Status	Reasons
Community Hall	Public Gathering, and Social Activities	5	Completed	None
Community Hall	Public Gathering, and Social Activities	4	Completed	None
Childcare Facility	Early Childhood Development Infrastructure	1	Completed	None
Community Hall	Public Gathering, and Social Activities	4	Not completed	Delayed to social issues

2.1.6 Environmental Management

Environmental and Spatial Management is key performance area that deals with issues spatial planning, environmental management as well as disaster management. 8 Targets were set out for this financial year and in keeping with its constitutional mandate, section 24 of the Bill of Rights, 'Everyone has the right- to an environment that is not harmful to their health or well-being and to have an environment protected for the benefit of present and future generations through reasonable legislative and other measures that:

- a). Prevent pollution and ecological degradation,
- b) Promote conservation and secure ecological sustainable development and the use of natural resources while promoting justifiable economic and social development. In meeting the above mandates, the following is the weekly schedule for Refuse Removal:

- Monday: Dannhauser CBD, and Business as well as KwaMdakane Taxi Rank.
- Tuesday: Hattingspruit.
- Wednesday: Durnacol.
- Thursday: Dannhauser Residential.
- Friday: Emafusini and Koppie Allen.

The waste collection backlog services that still exist especially in rural areas has caused the municipality to extend waste collection services to areas such as KwaMdakane and Koppie Allen, though some of the communities around these areas are still not serviced. The delay in waste collection due to vehicle breakdown sometimes which result in waste being dumped illegally, all that has been noted. Community services has also successfully secured a specialised vehicle for waste management from the national Department of Forestry, Fisheries and Environmental Affairs (DFFE).

Responding on the constitutional mandate to raise environmental education and awareness. The municipality conducted one (1) environmental education and awareness campaign on the 7th of September 2022 in ward 9 (Ramlan Area). The municipality was approached by the group of young people requesting that the

municipality should assist with resources for clean-up campaign. The awareness was then conducted in partnership with EDTEA. The community was cautioned about the anticipated Disaster incidents that are likely to happen during summer season.

After the municipality has received numerous complaints concerning illegal dumping of waste. Sites inspection was conducted on the 19th of August 2022. To combat this illegal dumping issue which cause health hazard and the effect of littering on the nearby community, the municipality has erected 4 No Dumping Signs on the 16th of September 2022.

The schedule for gardening and greening maintenance including sport grounds, and cemeteries are as follows:

- Monday: Dannhauser (Newton and White City).
- Tuesday: Dannhauser (South Park and Emafusini)
- Wednesday: Durnacol
- Thursday: Hattingspruit.
- Friday: Dannhauser- CBD, Cemeteries and Sports fields.

Landfill Site Cell: The topographical survey and geotechnical surveys have been complete, and the new cell is to be complete. The latter is necessary for efficient and effective waste management, as the cell is full. The Animal Pound Services are ongoing in partnership with SAPS, RTI and the community in general. The Department has successfully acquired land from Exxaro for a new cemetery at No 2 Durnacol, all studies have been complete, and cemetery is ready for use after fencing and road access is completed.

2.1.7 Housing

Housing or Human settlement function is not the primary responsibility of the Dannhauser Municipality; however, the municipality is responsible for coordinating implementation of the housing projects in consultation with the Department of Human Settlement in the province. For the year under review the following projects were implemented and still under implementation:

PROJECT NAME	DESCRIPTION	WARD	IMPLEMENTING AGENT TO 30 JUNE 2022	HOUSES COMPLETED
Ubuhlebomzinyathi Housing Projects Phase1	CONSTRUCTION OF 500 HOUSES	9&10	NTOKOZWENI DEVELOPERS	40

PROJECT NAME	DESCRIPTION	WARD	IMPLEMENTING AGENT TO 30JUNE 2022	HOUSES COMPLETED
	FOR PERIOD OF 36MTHS			
Ubuhlebomzinyathi Housing Project Phase2	CONSTRUCTION OF 300HOUSES	9&10	MASEKO HLONGWA & ASSOCIATES	0, PLANNING PHASE IN PROGRESS
Ubuhlebomzinyathi Housing Project Phase3, Philip farm Rural Housing Project Ward11 &13, Implementing Agent is Ziqoqe Construction.	CONSTRUCTION OF 300HOUSES	11&13	ZIQOQE	0, PLANNING PHASE IN PROGRES
Dannhauser Housing Project Ward2, Implementing Agent is Stedone Development.	CONSTRUCTION OF 1000HOUSES	2	STEDONE DEVELOPMENT	0, CURRENTLY CONSTRUCTING BULK SERVICES
Stein Drive-Inn Housing Project, Ward3 Informal Settlement Upgrade, Implementing Agent is Siyakhula Civils	CONSTURCTION OF 500HOUSES, CURRENT WITH PLANNIG	3	SIYAKHULA CIVILS	0, PLANING PHASE
Striljbank Retification Project, Ward3 Housing Retification Project, Implementing Agent appointment	RETIFICATION OF 247 HOUSES STILL IN PLANNING PHASE	3	FEZEKA DEVELOPMENT	0, PLANNING PHASE

- Department is currently under capacitated, and additional staff be priorities going forward. With the appointment of the Director Planning and Economic Development the performance will improve in terms of the execution of such projects.

2.1.8 Free Basic Services and Indigent Support

The municipality implements the provision of the free basic services for the Waste removal which is mainly in the urban node (Dannhauser town and surroundings, South Park, Newtown, Emafusini Township, Durnacol Village, Hattingspruit). The service is implemented through registered debtors, and which has the categories for indigent. The beneficiaries for registered indigent are 95. The municipality also provides free basic services on electricity, which is primarily the responsibility of ESKOM, a total number of 1365 registered beneficiaries were approved for the year under review.

2.1.9 Local Economic Development

Local Economic Development's main objective is to promote economic growth and local economies in partnership with key stakeholders and through aligning LED Initiatives with government programmes.

The municipality assists the Dannhauser community through this Local Economic Development office with the following:

- Business licence compliance certificate
- Business start-up / business development
- Business monitoring and evaluation
- Production of trading permits.

Small, Medium and Micro Enterprises (SMMEs)

The municipality assists SMMEs by creating opportunities for their developments through the following intervention:

- LED Databa

CHAPTER 3: HUMAN RESOURCE AND OTHER ORGANISATIONAL MANAGEMENT**3.1 Component A: GOVERNANCE STRUCTURES****3.1.1 Political Governance**

Dannhauser Local Municipality (DLM) exists in terms of Municipal Systems Act No.32 of 2000 with its amendments. The municipality is a collective council in terms of the Constitution. Through local government elections, DLM is composed by different political Parties and the Council is chaired by the Speaker and Comprises of 25 Councilors. The municipality has political structures where councilors are spread across their proposition to serve in these structures. This includes the following:

- Municipal Council which is the mother body of the municipality and a decision maker structure. This structure has an authority to resolve any municipal matters, other legislative functions of the Council include approval of by-laws, policies, the Integrated Development Plan (IDP), rates and tariffs.



Council: 2021-2026

Standing: Cllr MS Mkhumane, Cllr WS Ndelela, Cllr LN Khumalo, Cllr MP Mathebula, Cllr KB Khanye, Cllr EN Buthelezi, Cllr FR Simelane, Cllr BS Sikhakhane, Cllr MS Mthembu, Cllr N Mthembu, Cllr MT Mabaso, Cllr MJ Nkabinde, Cllr SM Kunene and Cllr M Kunene.

Seated: Cllr RS Langa, Cllr SE Myaka, Cllr BA Radebe, Cllr RN Made, Cllr BT Langa, Cllr XM Nkosi, Cllr SEC Kunene, Cllr S Nzuzi, Cllr GV Ngcane, Cllr SE Kunene and Cllr MS Dhlamini.

- **Executive Committee (EXCO):** This committee is a sub-committee of council which is Chaired by the Honorable Mayor and the chairpersons of portfolio committees form part thereof.
- **Municipal Public Accounts Committee (MPAC):** Is an oversight committee of Council which its role is to investigate matters raised by Council mostly pertaining Unauthorized, Irregular, Fruitless and Wasteful Expenditure (UIFWE). DLM have this committee to ensure that its matters are investigated in manner which is transparent to their decision making comprising the write-offs.
- **Portfolio Committees:** Portfolio Committees are established in terms of Section 79 of Municipal Structure Act No. 33 (a) of 1998. The municipality consists of five (5) departments, namely:
 1. Municipal Manager Department
 2. Corporate Services
 3. Budget and Treasury Office
 4. Technical Services
 5. Community Services
 6. Planning and Economic Development

Portfolio Committees are spread amongst the departments in terms of monitoring and operations, Portfolio Committees meets as per schedule developed and approved by Council. Departmental reports especially service delivery and budget management all are scrutinised and review committees, and these submissions are approved by Council. Portfolio Committees are chaired by members of Council who are appointed by Council.

Political Party	Ward Allocation	PR Allocation	Number of seats in Council
IFP	6	2	8
ANC	6	3	9
EFF	0	3	3
TSSA	0	1	1
ABC	0	1	1

Independent	1	0	1
CPF	0	1	1
DA	0	1	1
TOTAL	13	12	25

Table illustrating Council Election (2021-2026)

3.1.2 Committee Allocation and Council Attendance 2022 - 2023 (JULY 2021 TO OCTOBER 31)

Name of the Member of Council	ORGANISATION	WARD	Committees Allocated	Meeting in the year	Meetings attended	Percentage Council Meetings Attendance	Percentage Apologies for nonattendance
SEC KUNENE	IFP	11	EXCO	4	4	100	
S NZUZA	EFF	11	TECHNICAL SERVICES				
XM NKOSI	IFP	9	COUNCIL				
VG NGCANE	TSS	9	TECHNICAL				
MS MKHUMANE	ANC	1	TECHNICAL/MPAC				
M KUNENE	ANC	2	CORPORATE				
MS MTHEMBU	IFP	3	LED/PLANNING				
BTD LANGA	ANC	4	COMMUNITY				
MJ NKANBINDE	ANC	5	CORPERATE				

DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

SW NDLELA	IFP	6	COMMUNITY				
FR SIMELANE	IFP	7	CORPERATE				
RN MADE	IFP	8	LED				
N MTHEMBU	ANC	10	PLANNING/LED				
BA RADEBE	ANC	11	CORPERATE				
CMF MAPHISA	IFP	12	CORPERATE SERVICES				
BS SIKHAKHANE	IFP	13	TECHNICAL				
MP MATHEBULA	ANC	13	TECHNICAL				
EN BUTHELEZI	IFP	9	COMMUNITY				
ES KUNENE	DA	2	COMMUNITY				
KB KHANYE	EFF	4	CORPERATE				
SM KUNENE	ANC	6	COMMUNITY				
MT MABASO	EFF	3	PLANNING				

SE MYAKA	CPF	6	COMMUNITY				
NP KHUMALO	ANC	8	LED				
RS LANGA		5	TECHNICAL				

3.1.3 Committees and Purposes of Committees

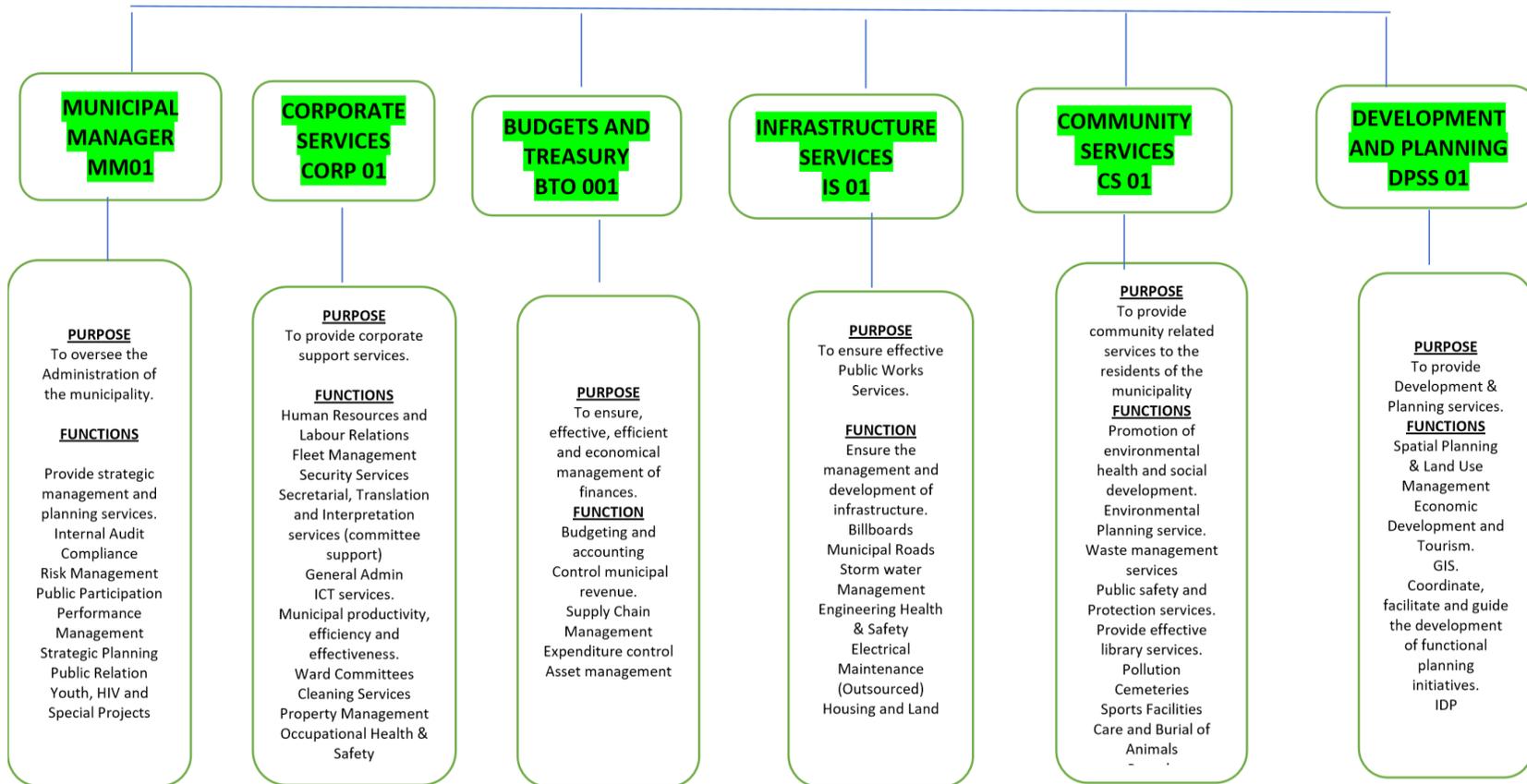
Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
MPAC	The Municipal Public Accounts Committee (MPAC) has been established by Council in terms of Section 79 of the Municipal Structures Act, Act 117 of 1998. The purpose of the Committee is to perform an oversight function on behalf of the Council over the executive functionaries of the Council to the extent set out herein
Portfolio Committee	The Portfolio committee has been established by Council in terms of Section 80 of the Municipal Structures Act, Act 117 of 1998. The purpose of the Committee is to perform an oversight function on behalf of the Council over the executive functionaries of the Council to the extent set out herein
Audit Committee	The committee must review and assess the qualitative aspects of financial reporting, the municipality's processes to manage business and financial risk, governance processes and compliance with applicable legal, ethical, and regulatory requirements.
EXCO	The Executive committee is the management or principal committee of the municipality. It receives reports from other committees of council and must forward these reports together with its recommendations to the full council.
MANCO	The Management Committee carries out a vital role within the Municipality. Their role is not necessarily about doing, it is about ensuring things are done. Usually, the day-to-day management of the municipality will be delegated by the Municipal Manager.

3.1.4 Administrative Governance Structures

Administratively, DLM is led by the Municipal Manager, Mr S Cele who was appointed for on the 3 July 2022 and previously the duties of the Municipal Manager were fulfilled as per the appointment, which is in terms of Section 54 of Municipal Systems Act No.32 of 2000 and its amendments and Section 60&61 of Municipal Finance Management Act of 2003, outlines the roles and responsibilities of the Municipal manager as an Accounting Officer.

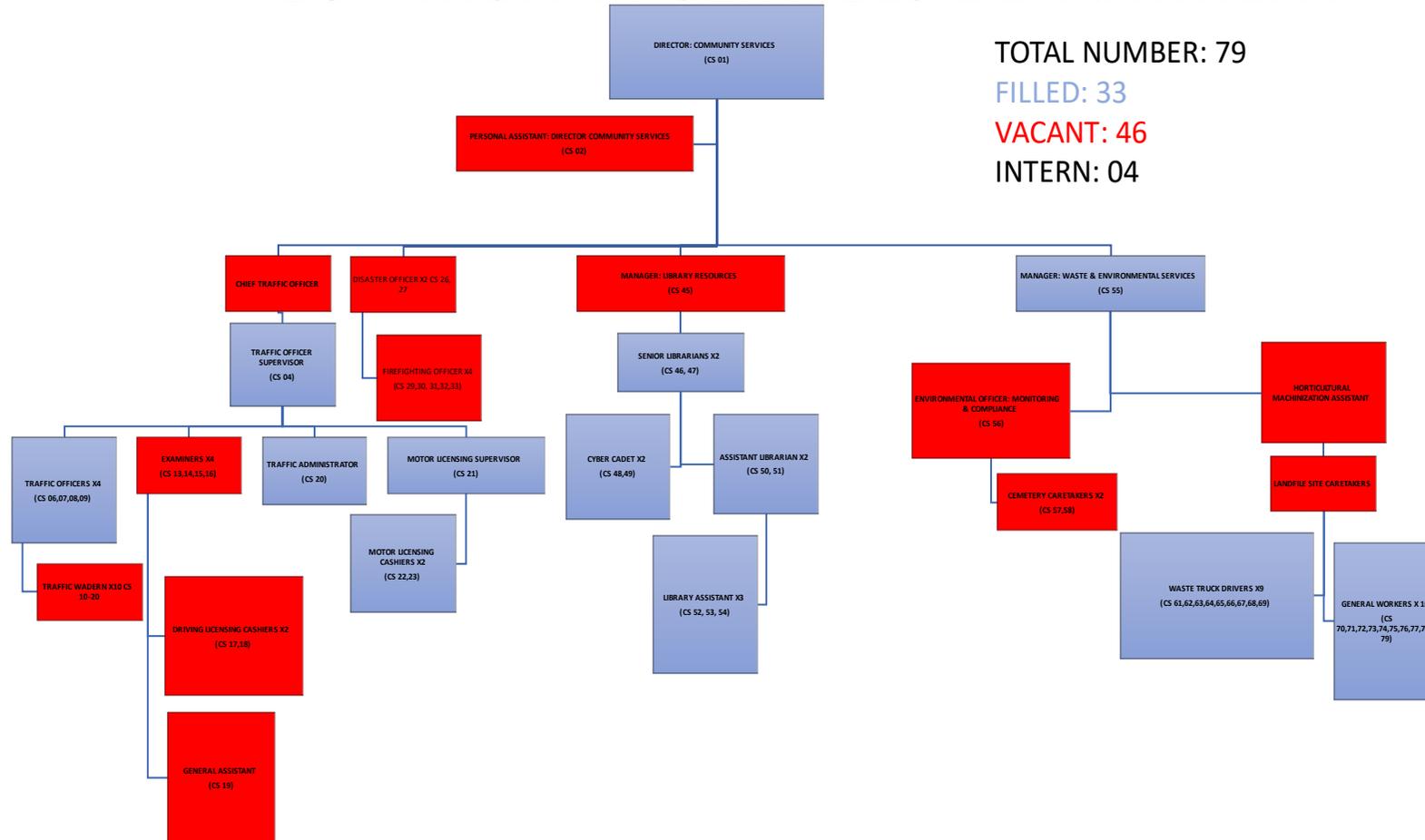
3.1.5 Third Tier Administrative Structure

Third Tier Structure	
Directorate	Director/Manager (State title and name)
MM	Mr. S Cele
Infrastructure & Planning Development	Mr. M Nene/Mrs L Gcabashe
Budget and Treasury Office	Mrs. DM Mohapi
Corporate Services	Mr.MV Ntanzi
Community Services	Mr. S Naidoo
Planning and Development	Ms NP Ndaba



NB: Approved Organogram with resolution attached below.

COMMUNITY SERVICES DEPARTMENT



TOTAL NUMBER: 79

FILLED: 33

VACANT: 46

INTERN: 04

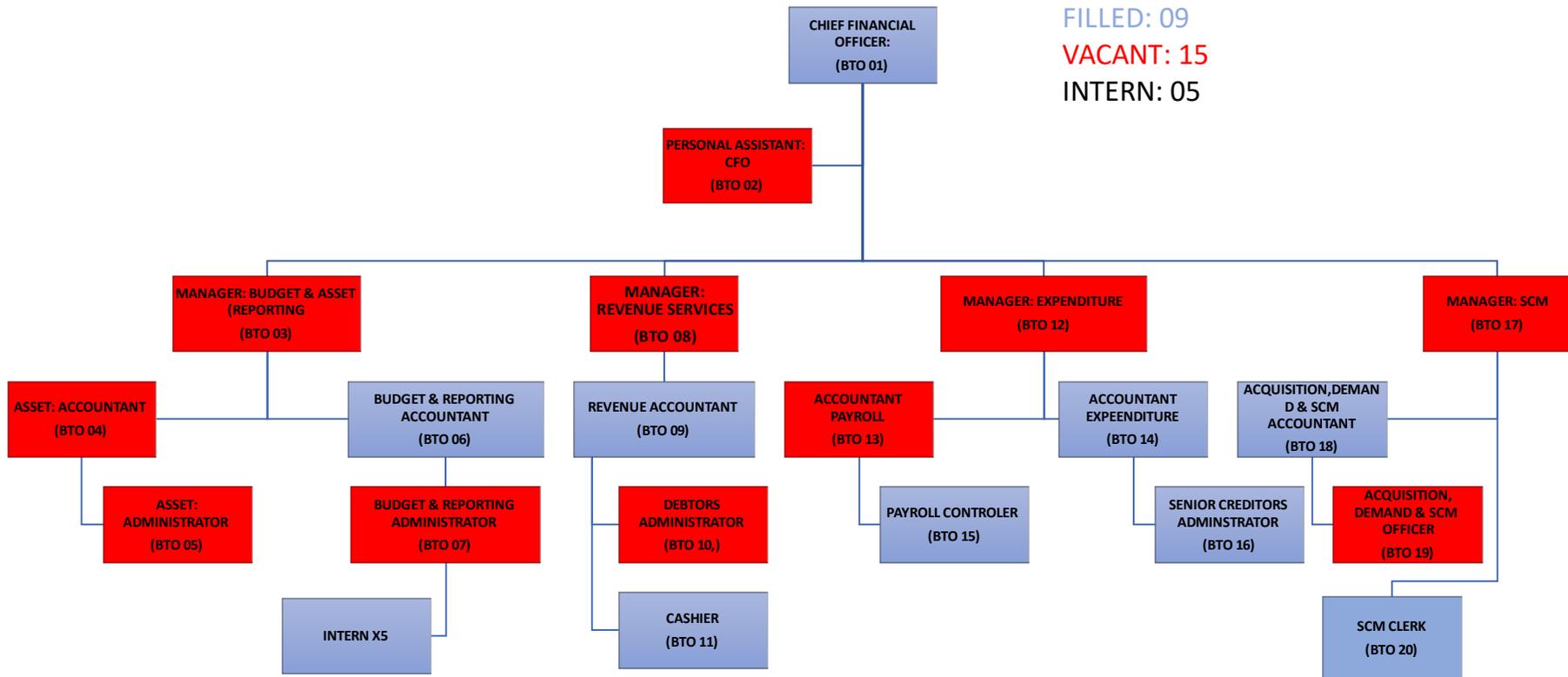
BUDGET & TREASURY OFFICE

TOTAL NUMBER: 24

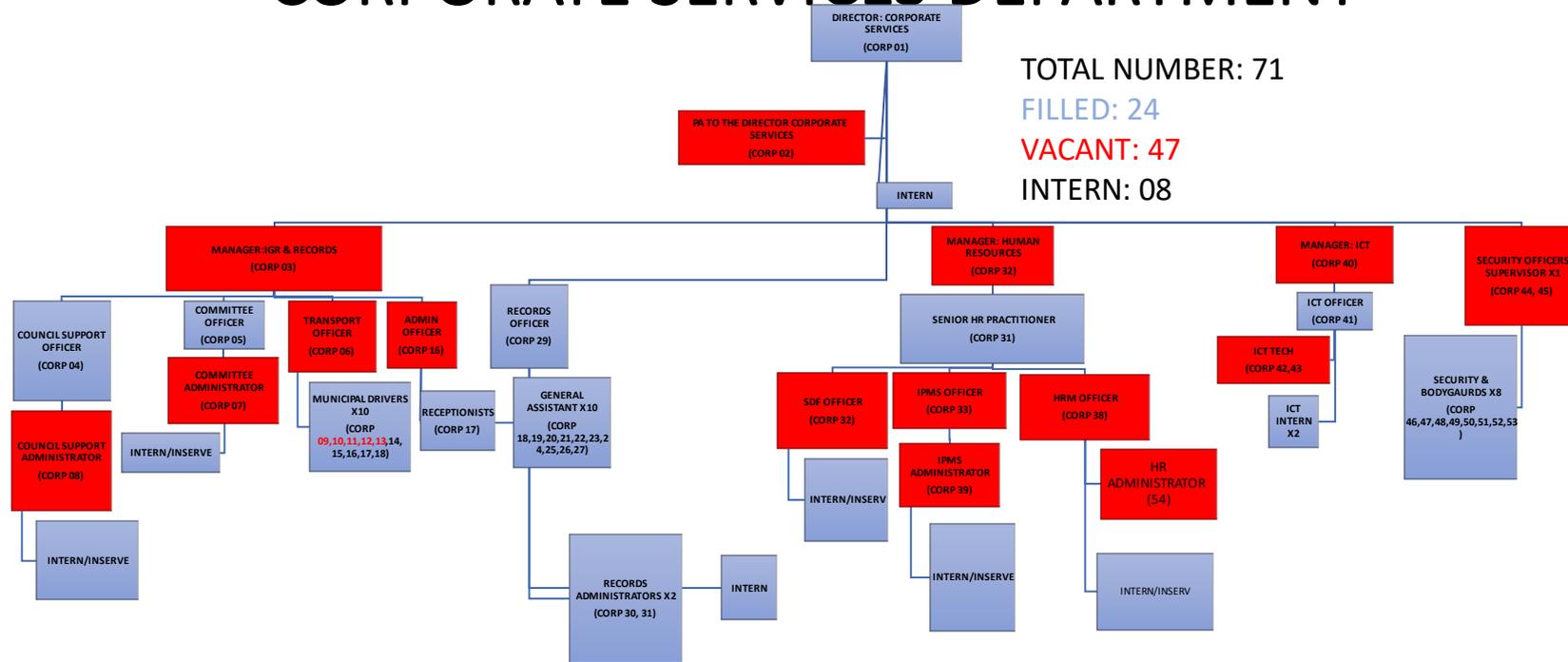
FILLED: 09

VACANT: 15

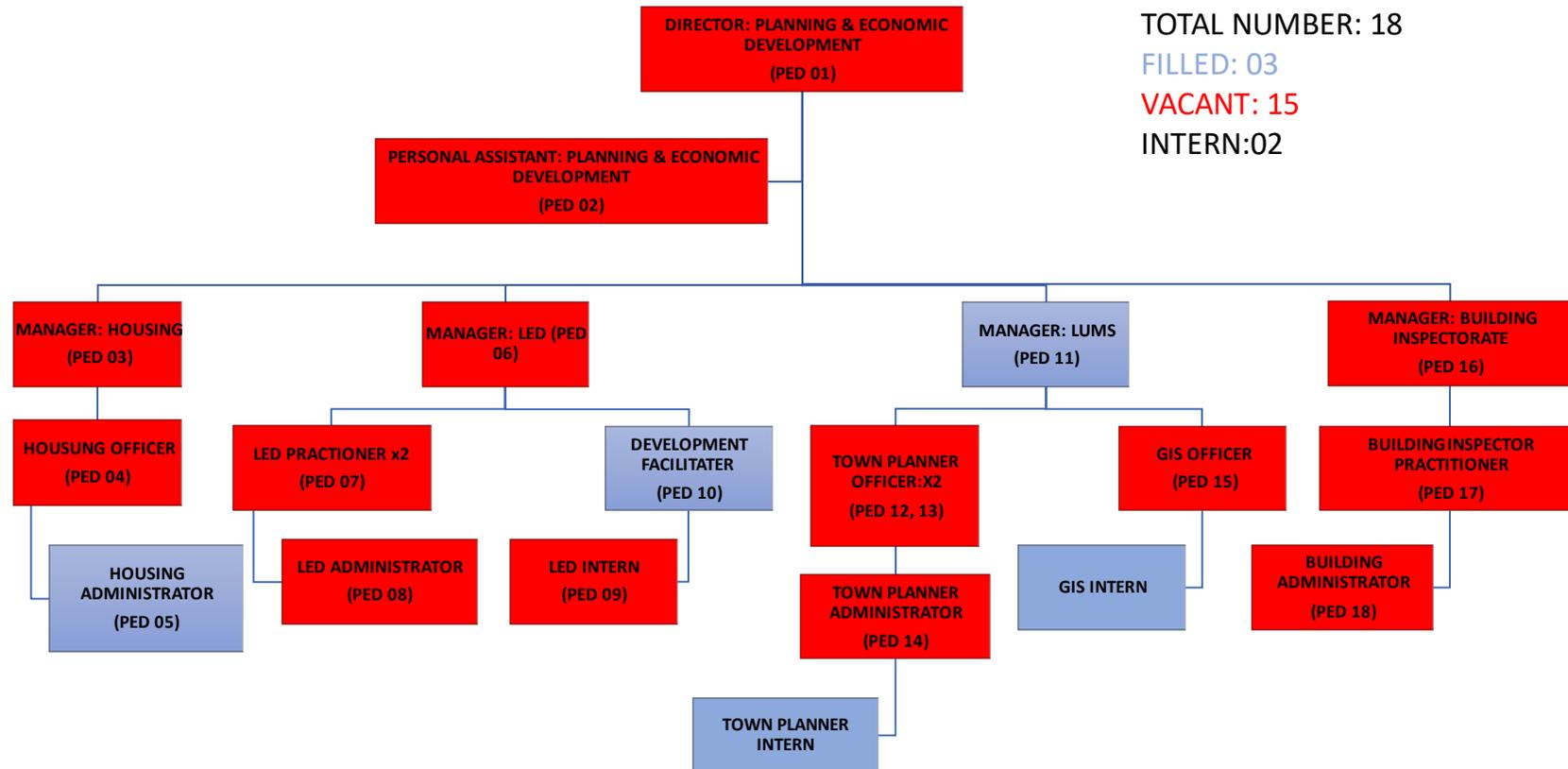
INTERN: 05



CORPORATE SERVICES DEPARTMENT



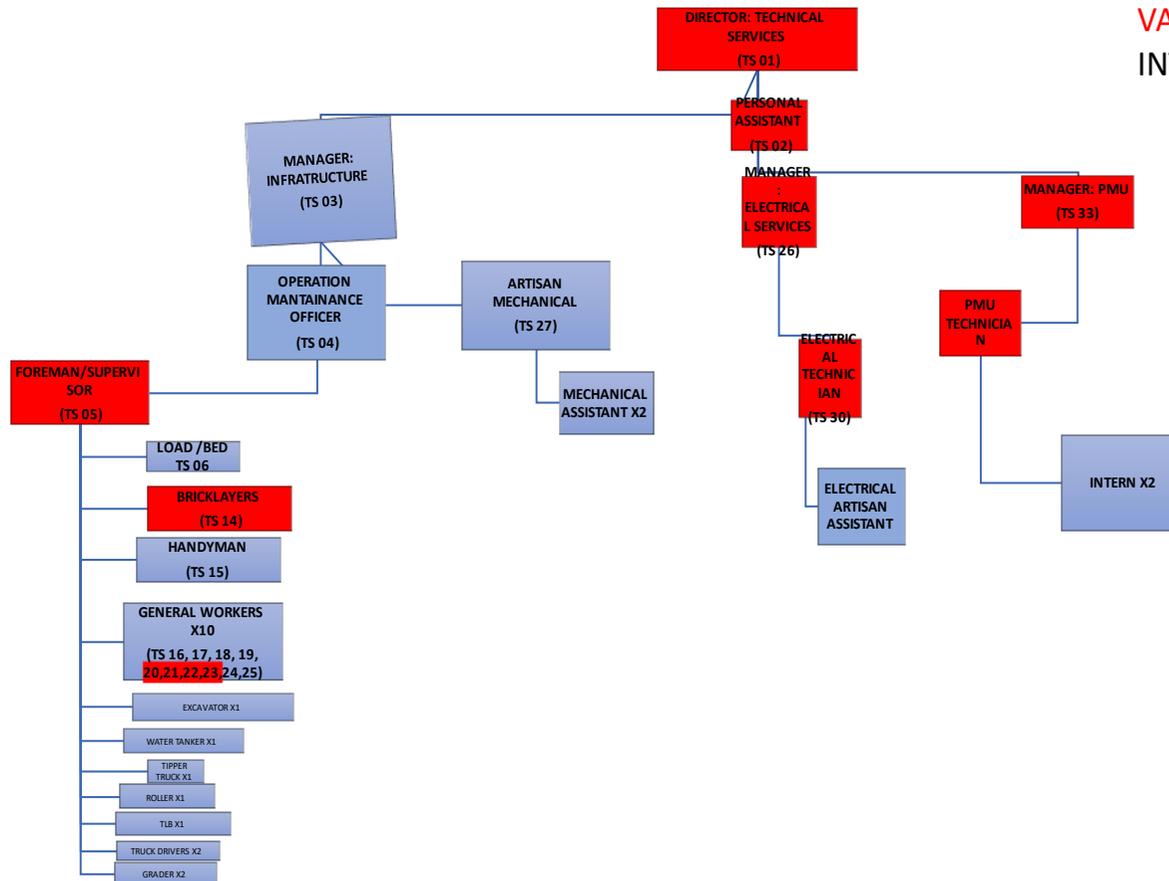
PLANNING & ECONOMIC DEVELOPMENT



TOTAL NUMBER: 18
 FILLED: 03
 VACANT: 15
 INTERN:02

TECHNICAL SERVICES DEPARTMENT

TOTAL NUMBER: 34
 FILLED: 16
 VACANT: 15
 INTERN: 02



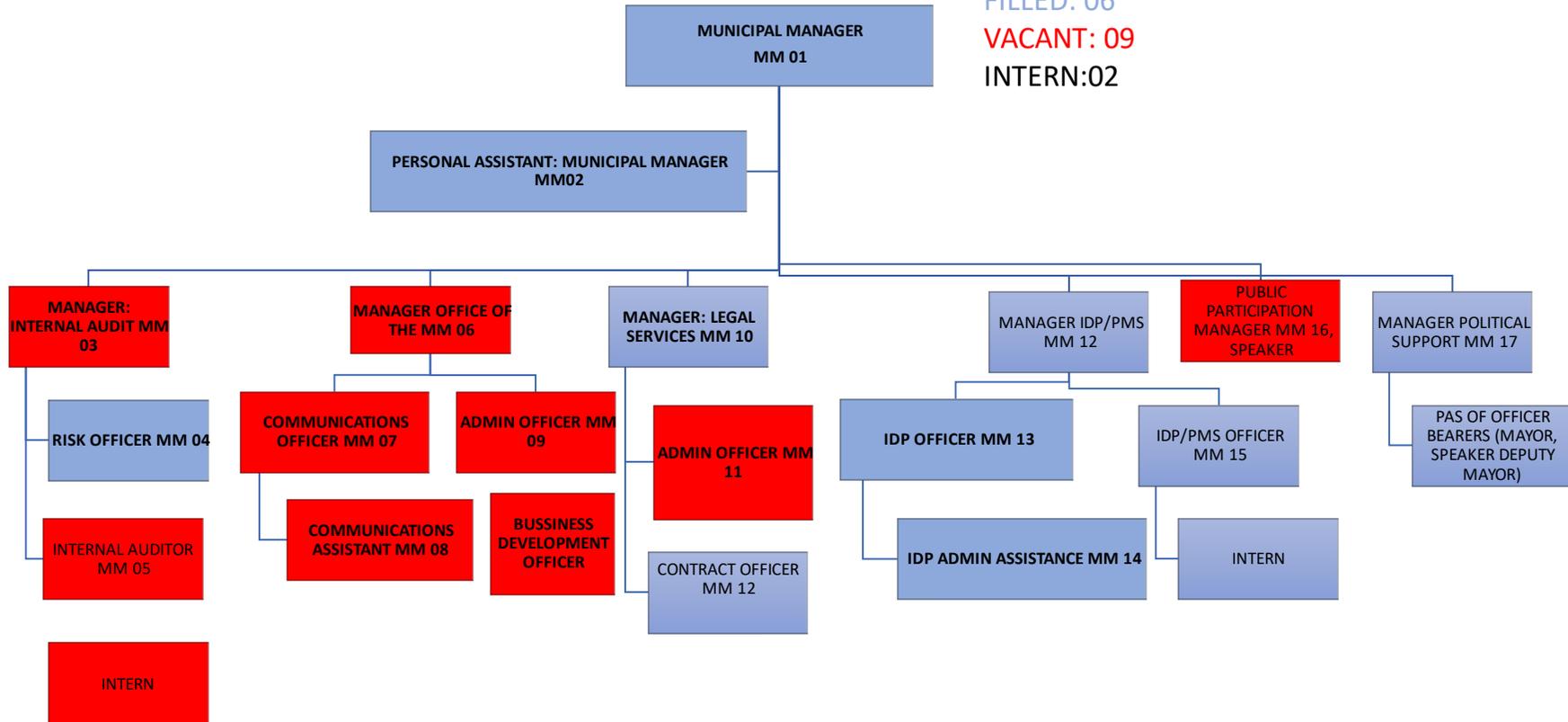
OFFICE OF THE MUNICIPAL MANAGER

TOTAL NUMBER: 12

FILLED: 06

VACANT: 09

INTERN:02



The municipality approved the organogram which is in line with the IDP to maximize the operational capacity in executing duties, that seek achievement as per the set-out targets. DLM consist of six (6) departments of which one serves as an executive office (Municipal Manager) and five (5) departments are led by Senior Managers who report directly to the Municipal Manager. The departments are as follows:

Position	Status Due	Intervention
Director technical service	Suspension/resignation	Acting director
Director planning and economic development	Resignation	Acting director
Chief financial officer	Suspension	Acting CFO
Director corporate services	Resignation	No appointment
Municipal manager	Employed	N/A
Director community services	Employed	N/A

Dannhauser Municipality employees report to the Heads of Department (HODs) - who are Directors of different Departments. The HODs sit in Portfolio Committee meetings and discuss matters pertaining to their respective areas of operation. The relevant Portfolio Committee advises the HODs regarding solutions on how departmental programmes and projects, for service delivery to the community, should be tackled. When the issues have been analysed, the Management Committee, consisting of Municipal employees at management level, assembles and finalizes the individual Portfolio Committee’s outcomes to form one report which will be tabled to Council for Resolutions.

3.2 Component B: INTERGOVERNMENTAL RELATIONS (IGR)

Amajuba District Municipality is the custodian of Intergovernmental relations where different committees are coordinated for the synergy of healthy working environment among the district family of municipalities. DLM support the National, Provincial and District Municipality mandates as it aligns itself with all National Development Plan, Provincial Growth Development Strategy, and the District Growth Development Strategy in ensuring that all programmers undertaken are in line with government priorities. The municipality consistently report to Cooperative Governance and Traditional Affairs on matters pertaining to its functionality most particular good

governance and report to treasury in terms of financial management. DLM plays a role in participating to all district forums that envisage to address community challenges and enhance service delivery. The municipality takes part to the following forums:

No	Name/ Description	Purpose	Status Quo
1.	Mayors' Forum	For governance engagement and decision making in terms of matters falling on the District Municipality, which forms part of intergovernmental relation framework principle	Not functional
2.	Municipal Manager's Forum	For governance engagement and decision making in terms of matters falling on the District Municipality, which forms part of intergovernmental relation framework principle	Not functional
3.	CFO's Forum	The purpose is to assist the CFOs with challenges in their municipalities and when there are new regulations to be implemented.	Not functional
4.	Corporate Services Forum	The forum provides engagement on the Corporate Services within the district municipality, where matters are facilitated, and support provided thereof	Not functional
5.	Community Services Forum	To coordinate and align Community and Social development programs within the district. This includes Library Services, Disaster Management, Sport, Arts and Culture as well as Social Development and welfare Outreach programs. The Forum also addresses Environmental	The Quarterly meetings have been changed to D.D.M Cluster meetings which sit monthly. The relevant Cluster is the Social Development Cluster. There is

DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

		justice and Environmental compliance issues.	however overlap with the Justice, Economic and Governance Clusters.
6.	Technical Services Forum	Technical Services forum is the structure coordinated by the district municipality where issues falling on the service delivery for both district and local municipalities where support and intervention is recommended and provided.	Not functional
7.	Planners Forum	Align district development planning	Functional
8.	DTAC	Forum is responsible for coordination and alignment on matters of Performance Management System, where support and intervention is provided when is necessary.	Not functional
9.	Internal Auditors Forum	Forum is responsible for coordinating issues relating Internal Audit, where district municipality is coordinating the structure. It further provides support and intervention when is necessary.	Not functional

Over and above the mentioned forums, Dannhauser Local Municipality plays a fundamental role in the District Development Model (DDM) where the Mayor of District Municipality serves as the convenor of the different committees and the Municipal Manager as the coordinator for the whole district. It must be noted that this structure was initially introduced by President Cyril Matamela Ramaphosa in March 2019 with

an idea to address the silo planning mentality and development of one plan, one budget in one district.

The DDM for Amajuba District Municipality, and Dannhauser Municipality is the participant or the member in terms of the district composition, and different subcommittees are not in good standing in terms of performing their roles, this is due to high vacancy rates in the district, in some instances non-participation of the respective municipalities in other committees.

3.3 Component C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Chapter 4 of Municipal Systems Act No.32 of 2000 and its amendment talks to community involvement. This chapter put emphasis on involving the public in all decision making, meaning the government must always consult the public in decision making and plan with them not for them. Dannhauser Local Municipality has consistently implemented this mandate to ensure that the services rendered to the communities are the ones that are request by them. Through public participation, the municipality in 2022/23 financial year have established new ward committees after election in November 2021. Ward committees serves as a link between the community and the municipality. This structure is imperative to ensure that communication reach all corners of the municipal jurisdiction. DLM consist of 13 ward which results to 130 ward committees as each ward consist of 10. The ward meetings are therefore called and chaired by the ward councilor and minutes are kept for record.

Through IDP/Budget Process Plan that was developed and adopted by council on the 30 August 2022, the municipality has ensured that all roles and responsibilities as per the plan are undertaken by those affected bodies to ensure conducive working environment. The municipality has engaged with different stakeholder in the development and the review of the IDP and budget through IDP/Budget Representative forum. This forum is an engine in aligning sector departments programmers with those of the municipality.

DLM have also established war rooms in all wards where all sector departments, parastatals (NGOs/NPOs) and the municipality form part to address social challenges identified through community social assessment. This structure strongly assists to tackle social ills that are affecting the communities.

The municipality further communicate and involve its public through municipal website which serves as a Fourth Industrial Revolution (4IR). This assist to ensure that those who cannot access newspapers and notice board they still access the website for municipal affairs. Radio slots are also used to convey message on upcoming events of the municipality.

3.4 Component D: CORPORATE GOVERNANCE

3.4.1 Risk Management

Risk management is therefore recognised as an integral part of sound organisational management and is being promoted internationally and in South Africa as a good practice applicable to the public and private sector. The accounting officer and the heads of the departments are responsible for ensuring that operational activities are undertaken legally.

The Dannhauser Local Municipality guided by the risk Register and Risk Policy/Framework Assist the Municipal Manager in discharging his or her accountability for risk management by reviewing the effectiveness of the municipality's risk management systems, practices, and procedures, and providing recommendations for improvement.

The municipality has established the risk management committee to oversee risk management process. The risks that were identified have been monitored monthly throughout the year. The risk committee also considered all the risks in the risk profile of the municipality and the action plans that have been put in place to ensure that those risks do not materialise.

3.4.2 Anti- Corruption and Fraud

In terms of Section 83 (c) of the Municipal Systems Act (MSA) Act 32 of 2000, if a municipality decides to provide a municipal service through service delivery agreement with a person referred to in section 80 (1) (b), it must select the service provider through selection processes which minimize the possibility of fraud and corruption.

The Municipality has developed the following strategies to prevent fraud and corruption.

- Risk Management Policy.

- The Anti-Corruption Strategy and Fraud Prevention Plan

3.4.3 Supply Chain Management

Sections 110 – 119 of the Municipal Finance Management Act, Act 56 of 2003, Supply Chain Management (SCM) Regulations 2005 and relevant MFMA Circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money, and minimize the opportunities for fraud and corruption.

SCM Processes are being updated on an ongoing basis to ensure full compliance with the Municipal Finance Management Act (MFMA) and the Regulations issued under the MFMA. The Chief Financial Officer as well as the SCM Accountant complies with the MFMA minimum competency levels.

Approximately 90% of the officials in the SCM Unit are competent with the regulations on minimum competency levels.

SCM Policy was reviewed in line with the approval of the final budget for the year under review, was reviewed during the 2022/2023 financial year and was tabled at Council on **30 May 2022**. To further strengthen controls, the policy dealing with the acceptance of grants, donations and sponsorships was again reviewed during the year under review.

3.4.4 By-Laws

MUNICIPAL BY-LAWS	STATUS
Outdoor Advertising Municipal By-Laws	Adopted and gazetted
Animal Pound By-Laws	Adopted and gazetted
Health a nuisance By-Laws	Adopted and gazetted
Cemeteries, Cremation and Undertakers Municipal By-Laws	Adopted and gazetted
Municipal Public Transport Municipal By-Laws	Adopted and gazetted
Dannhauser Spatial Planning and land use Management By-Laws	Adopted and gazetted

3.4.5 Websites

The importance of the Website is outlined in MFMA regarding documents which should be published on the Website. It is monitored by National Treasury as part of compliance. Municipal Website is updated regularly to ensure that all information required by the Municipal Finance Management Act, and other legislation are promptly and appropriately displayed on the Website.

Dannhauser Local municipality Website is one of a variety of communication tools available in the Municipality.

The Municipality did not conduct public satisfaction on municipal services in **2022/23**, however the municipality is in a process of establishing the team to verify the public satisfaction to ensure that this area is undertaken, and the municipality is aware of the needs of the communities.

3.4.6 Public Participation on Municipal Services

The Municipality did not conduct public satisfaction on municipal services in 2022/23, however the municipality is in a process of establishing the team to verify the public satisfaction to ensure that this area is undertaken, and the municipality is aware of the needs of the communities.

3.6 Component F: MUNICIPAL WORKFORCE

Department	Number of incumbents
Office of the municipal manager	7
Corporate services	11
Financial services	8
Protection services	9
Engineering services	23
Community services	25
Development Planning & Strategic	4
Total number of staff	87

3.7 Component G: MANAGING MUNICIPAL WORKFORCE

Employment category	%of staff	Dominant group	% of age below age 55	Comment
Managers	11%	Of the 10 members of the management, Africans are a dominant group (8) with 2 Indians. Gender representation is seats at 50/50 with 5 males and 5 females. Neither whites nor coloureds are represented in the management level.	90%	Dannhauser LM has a fairly young management, has a fair representation of gender groups and a fair representation of dominant population groups in the area.
Professionals	11%	African females are dominant followed by African males with no whites, Coloureds and Indians.	90%	The Dannhauser local municipality professionals are a true reflection of the demographics of the area in that females dominate, and blacks also dominate.
Technicians and trade workers	11%	African males are dominant followed by African females, no Indians, coloureds, and Whites.	100%	New targets should be placed on slightly increasing the females in this category. The staff is fairly young but not reflective of other race groups found in area.
Clerical support workers	14%	African females are dominant followed by African males, and Indian female. There is no representation for whites and coloureds.	92%	The Dannhauser local municipality clerical support workers are a true reflection of the demographics of the area in that females dominate, and blacks also dominate.
Sales and service workers	7%	African males and females are equally represented	100%	This is one category that is fairly represented in terms of gender

		with no Indians, coloureds, and whites.		and age, an inclusion of an Indian population groups would be good.
Machine operators and drivers	11%	African males are dominant. There are no coloureds, whites and Indians and no females at all	70%	New targets should be placed to increase the number of young people as well as females in this category.
Elementary workers	27%	African males are dominant followed by African females. There are no Indians, Whites, and coloureds.	59%	New targets should be placed to increase the number of young people as well as females in this category.

3.8 Component H: CAPACITATING MUNICIPAL WORKFORCE

HR Policies and Plans			
#	Name of Policy	Completed %	Date adopted by council or comment on failure to adopt
1	Code of Conduct	Currently being implemented	2010
2	HIV/AIDS Policy	In process for compilation	2010
3	HIV/AIDS Strategy	Currently being implemented	2007
4	Sexual Harassment Policy	Currently being implemented	2010
5	Smoking Policy	Currently being implemented	2010
6	Recruitment Policy	Currently being implemented	2009
7	Subsistence and Travelling Allowance Policy	New Policy Adopted on Feb 2014	2014
8	Overtime Policy	Currently being implemented	2010
9	Skills Development Policy	Currently being implemented	2010

10	Mayoral Vehicle Policy	Currently being implemented	2010
11	Supply Chain Management Policy	Currently being implemented	2011
12	Employment Equity Policy	Currently being implemented	2007
13	Property Rates Policy	Currently being implemented	2009/2010
14	Indigent Policy	Currently being implemented	2011

3.9 Component I: INJURIES AND SICKNESS

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

3.10 Component J: SUSPENSIONS

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspensions	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
CFO, Director Technical Services	Financial Misconduct	04/07/2022	Not resolved, hearing not finalised	Not finalised
Director Technical Services	Financial Misconduct	19/09/2022	Matter waiting hearing dates to sit	30April 2022

CHAPTER 4: AUDITED STATEMENTS AND RELATED FINANCIAL INFORMATION

4.1 Component A: STATEMENT OF FINANCIAL PERFORMANCE

4.1.1 Revenue

In the current financial year, the total revenue per the approved budget was R 224 806 198 after the adjustment budget. The actual revenue collected was R 176 729 785 which is 78% as compared to the approved budget. The contributing items of revenue are,

a. Government Grants and subsidies –	
	R142 175 520
b. Property Rates	-
	R 30 853 236
c. Service charges	-
	R 1 345 288
d. Licences and permits	-
	R 468 889
e. Other Revenue	-
	R 5 102 764
f. Interest on investments	-
	R 1 149 864

Revenue			
Description	Budget	Actuals	Percentage
Property Rates	30,285,000.00	30,853,236.00	102
Services Charges	1,865,760.00	1,345,288.00	72
Licence & Permits	512,698.00	468,889.00	91
Investment on Investment	1,200,000.00	1,149,864.00	96
Government Grants & Subsidies	147,422,000.00	139,097,259.00	94
Other Revenue	43,520,740.00	8,181,025.00	19
Total	224,806,198.00	181,095,561.00	81

There is an improvement of 9% revenue collected when comparing the revenue collected previous year of R 166 375 791

Amongst the general expenses is the impairment of consumer debtors of R 8 314 481.00 which is an increment from the previous year of R 6 152 287.00. The gross balance of debtors is sitting at R 41 905 995.00 as of 30 June 2023. The current collection rate as at 50%

4.1.2 Expenditure

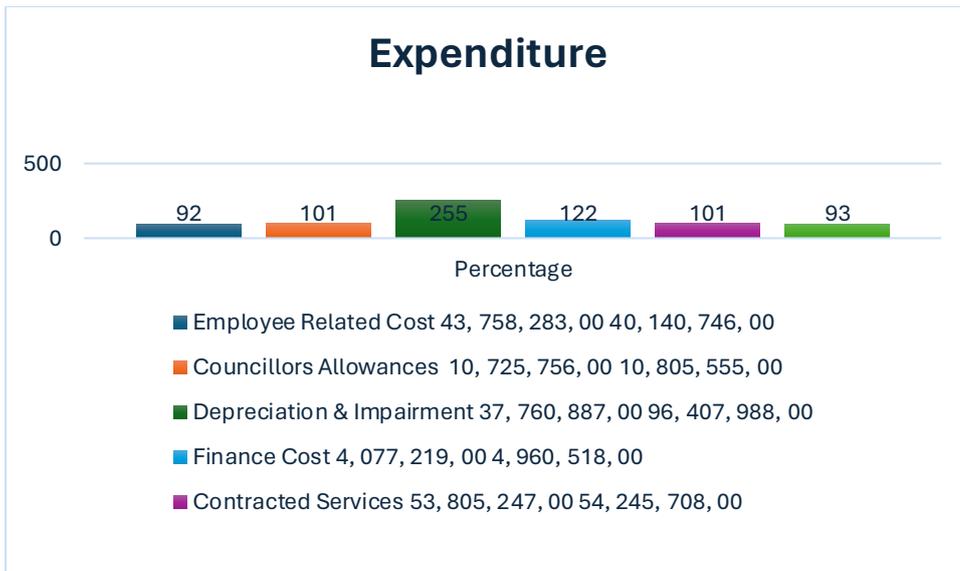
Total actual expenditure in the current year is R 235 234 140.00 whereas the approved budget after adjustments was R 181 023 102.00. The net over expenditure recognised

was R 54 211 038.00. based on the approved budget. There was a 22% decrease in the total expenditure of the current year compared to previous year.

The contributing items of operating expenditure are as follows with percentage per total expenditure,

a. Employee related costs	-	R 40 140 764	21%
b. Councillors' remuneration		R 10 805 555	5%
c. Depreciation		R 44 520 326	24%
d. Contracted Services		R 54 253 708	29%
e. Finance costs		R 4 960 518	2%
f. General Expenses		R 28 665 607	15%

Expenditure			
Description	Budget	Actual	Percentage
Employee Related Cost	43,758,283.00	40,140,764.00	92
Councillors Allowances	10,725,756.00	10,805,555.00	101
Depreciation & Impairment	37,760,887.00	96,407,988.00	255
Finance Costs	4,077,219.00	4,960,518.00	122
Contracted Services	53,805,247.00	54,245,708.00	101
General Expenses	30,012,411.00	27,782,745.00	93
Total	180,139,803.00	234,343,278.00	130



An unauthorised expenditure of R 64 654 101.00 was disclosed in the audited Annual Financial Statements for 2022/23 financial year of which R 56 147 061.00 was for non-cash items and R 8 507 040.00 was for cash items.

4.1.3 Surplus for the year

The municipality's Statement of Financial Performance reflect a deficit of R 52 766 2022/23. This is decline comparing to 2021/22 which was a surplus of R 17 852 094.00

4.2 Component B: SPENDING AGAINST CAPITAL BUDGET

4.2.1 Capital Expenditure

The capital approved budget after adjustments was totalling to R 63 168 307.00. The funding for the capital budget was as follows;

a. Government Grants	R35 587 000.00
b. Internal Funding	R 27 581 307.00

The total capital expenditure incurred as at 30 June 2022 was R 43 411 686.00 which is 68 % expenditure.

4.2.2 Capital Grants

Municipal Infrastructure Grant

The Municipality received the following government transfers and grants during the 2022/23 financial year,

PROJECT	BUDGET	EXPENDITURE
ELECTRIFICATION	5 040 000.00	3 078 262.87
COMMUNITY HALLS	11 728 962.00	9 684 503.11
RURAL ROADS	12 618 037.00	9 191 843.30

4.3 Component C: CASH FLOW MANAGEMENT AND INVESTMENTS

4.3.1 CASH FLOWS FROM OPERATING ACTIVITIES

RECEIPTS

2023

2022

Receipts from taxpayers rendering of services and other	23 870 894	26 567 957
Grants	137 091 597	139 410 000
Interest income	1 149 864	667 866
Other receipts		3 251 150

PAYMENTS

2023

2022

Employee costs	(49 395 190)	(41 554 871)
Suppliers	(68 978 997)	(65 438 236)
Finance costs	(2 845 674)	(4 863 214)
Net cash flows from operating activities	41 892 494	58 070 652

Cash flow from investing activities 2023 2022

Purchase of Property, Plant and Equipment	(43 875 742)	(50 174 957)
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Cash flows from financing activities 2023 2022

Repayment of other financing activities	(5 195 528)	(5 195 528)
Net cash flows from financing activities	(5 195 528)	(5 195 528)
Net increase /(decrease)in cash and cash equivalents	(7 178 776)	2 700 167
Cash and cash equivalents at the beginning of the year	14 966 620	12 266 453
Cash and cash equivalents at the end of the year	7 787 844	14 66 620

4.4 Component D: OTHER FINANCIAL MATTERS**4.4.1 Financial Position****Current assets**

Included in the current asset as at 30 June 2023,

- a. Receivable from non-exchange transactions and receivables from exchange

Included in the two items are the consumer debtors from the property rates and refuse removal. The reported balances (R 19 052 307+ 3 004 439) R22 056 746.00 net of debt impairment.

- b. Cash and cash equivalent

Cash and cash equivalent is of R7 787 844 (R14 966 620, 2022) reported in the current year. R 6 491 356.00 of the cash and cash equivalent balance are short term investments.

Non-current assets

Property plant and equipment, Investment property and heritage assets

The balance PPE decreased from R 574 339 481 in 2021/22 financial year to R 529 208 120.00 in this year of audit. Amongst other asset additions in the current year is the building of the new offices for Dannhauser municipality. The offices are expected to be completed in the 2023/24 financial year.

Liabilities

The municipality had the following debts as at 30 June 2023,

a. DBSA	-	R 18 194 995
b. Unspent conditional grants		R 1 421 117

c. Provision	R10 703 068
d. Payables (Suppliers)	R 45 342 414

Operating Grants

PROJECT	BUDGET	EXPENDITURE	UNSPENT BALANCE
Financial Management Grant	1 950 000	1 950 000	0
Library Grants	1 645 079	407 783	1 237 296
EPWP	950 000	950 000	0

4.3.2 Financial Ratios

Current Ratio

The current ratio is calculated on the basis of current assets divided by current liabilities. The current ratio is a measure of the ability of the Municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the Municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a current ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

Current year (2022/23) ration is 0.64:1 as compared to previous financial year (2021/22) of .092:1. The ratio shows regression from the municipality as compared to the previous year. It is very concerning that the municipality cannot afford to pay all its current liabilities.

Cost Coverage

The cost coverage ratio is the ratio of the available cash plus investments divided by monthly fixed operational expenditure. The ratio indicates the municipality's ability to meet at least its monthly fixed operational commitments from cash and short-term investments without collecting any additional revenue during that month. The norm ranges between 1 to 3 months. It implies that the more cash reserves the municipality has available, the lower the risk of it being unable to fund monthly fixed operational expenditure and to continue rendering services.

The ratio is 1.26months as compared to 2020/21 of 1.03 months. The municipality improved in the current year.

Employee Costs

Employee costs are calculated as a percentage of total operating expenditure.

The Municipality's employee cost ratio showed a decrease from the previous year from 29.6 % in 2022/23 to 21% in the 2021/22 financial year.

Repairs and Maintenance

Repairs and Maintenance costs are calculated as a percentage of the Municipality's total operating expenditure. This ratio indicates whether sufficient provision is made, in respect of repairs and maintenance for property, plant and equipment.

The ratio is 6%, 2022/23 compared to 2021/22 of 3 %, the ration has increased by 3%. It is still below the norm of 8%.

The Municipality's repairs and maintenance ratio showed a increase from the previous year.

Debtors Collection Rate

The Municipality's debt recovery rate for 2022/23 is 50% which is a decrease from the previous year's 84%. The debt recovery rate is based on the last 12 months receipts divided by the last 12 months billing. Debt recovery is deemed a priority, and the Municipality will be investigating alternative debt collection methods and implemented a strategic revenue enhancement action plan during 2023/24. The increase in the rate could be attributed to a more effective credit control procedures, and the appointment of the service provide for credit control management.

Audit Outcome

Dannhauser Municipality received an Unqualified Audit Opinion in the 2022/23 year under audit. The audit outcome of the previous years is as follows;

2021/2022	Unqualified Opinion
2020/2021	Qualified Opinion
2019/2020	Qualified Opinion
2018/2019	Qualified Opinion

The municipality maintained unqualified audit and commits itself that all internal controls will be put in place as well as following all SCM procedures and policy in improving the audit status to clean audit in the upcoming years.

4.5 Component E: IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

4.5.1 Supply Chain Management Policy

- (1) All officials and other role players in the supply chain management system of the municipality must implement this Policy in a way that –
 - (a) gives effect to –
 - (i) section 217 of the Constitution; and
 - (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
 - (b) is fair, equitable, transparent, competitive and cost effective;

- (c) complies with –
 - (i) the Regulations; and
 - (ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
- (d) is consistent with other applicable legislation;
- (e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
- (f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.
- (2) This Policy applies when the municipality –
 - (a) procures goods or services.
 - (b) disposes of goods no longer needed.
 - (c) selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
 - (d) selects external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.
- (3) This Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including –
 - (a) water from the Department of Water Affairs or a public entity, another municipality, or a municipal entity; and
 - (b) electricity from Eskom or another public entity, another municipality, or a municipal entity.

4.5.2 Amendment of the Supply Chain Management Policy

- (1) The municipal manager must –
 - (a) at least annually review the implementation of this Policy; and
 - (b) when the municipal manager considers it necessary, submit proposals for the amendment of this Policy to the council.
- (2) If the municipal manager submits proposed amendments to the council that differs from the model policy issued by the National Treasury, the accounting officer must –
 - (a) ensure that such proposed amendments comply with the Regulations; and

- (b) report any deviation from the model policy to the National Treasury and the relevant provincial treasury.
- (3) When amending this supply chain management policy, the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

4.5.3 Delegation of supply chain management powers and duties

- (1) The council hereby delegates all powers and duties to the municipal manager which are necessary to enable the municipal manager –
 - (a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of –
 - (i) Chapter 8 or 10 of the Act; and
 - (ii) this Policy;
 - (b) to maximise administrative and operational efficiency in the implementation of this Policy;
 - (c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and
 - (d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.
- (2) Sections 79 and 106 of the Act apply to the sub-delegation of powers and duties delegated to an accounting officer in terms of sub-paragraph (1).
- (3) The municipal manager may not sub-delegate any supply chain management powers or duties to a person who is not an official of municipality or to a committee which is not exclusively composed of officials of the municipality.
- (4) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

4.5.4 Sub-delegations

- (1) The municipal manager may in terms of section 79 or 106 of the Act sub-delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this Policy, but any such sub-delegation must be consistent with sub-paragraph (2) of this paragraph and paragraph 4 of this Policy.
- (2) The power to make a final award –

- (a) above R10 million (VAT included) may not be sub-delegated by the municipal manager;
 - (b) above R2 million (VAT included), but not exceeding R10 million (VAT included), may be sub-delegated but only to –
 - (i) Chief Financial Officer;
 - (ii) Director Technical Services; or
 - (iii) Director Corporate Services;
 - (c) not exceeding R2 million (VAT included) may be sub-delegated but only to –
 - (i) Chief Financial Officer;
 - (ii) Other departments Senior Managers; or
 - (iii) a bid adjudication committee.
- (3) An official or bid adjudication committee to which the power to make final awards has been sub-delegated in accordance with subparagraph (2) must within five days of the end of each month submit to the municipal manager a written report containing particulars of each final award made by such official or committee during that month, including–
- (a) the amount of the award;
 - (b) the name of the person to whom the award was made; and
 - (c) the reason why the award was made to that person.
- (4) Sub-paragraph (3) of this paragraph does not apply to procurements out of petty cash.
- (5) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.
- (6) No supply chain management decision-making powers may be delegated to an advisor or consultant.

4.5.5 Oversight Role of Council

- (1) The council reserves its right to maintain oversight over the implementation of this Policy.
- (2) For the purposes of such oversight the municipal manager must –
 - (a) (i) Within 30 days of the end of each financial year, submit a report on the implementation of this policy, to the council of Dannhauser Local Municipality; and

- (ii) Whenever there are serious and material problems in the implementation of this policy, immediately submit a report to the council
- (3) The municipal manager must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor.
- (4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.

4.5.6 Supply Chain Management Unit

- (1) A supply chain management unit is hereby established to implement this Policy.
- (2) The supply chain management unit operates under the direct supervision of the chief financial officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

CHAPTER 5: FUNCTIONAL AREA SERVICE DELIVERY REPORTING

5.1 Component A: ORGANISATIONAL PERFORMANCE

5.1.1 Background

This report covers the performance information from 01 July 2022 to 30 June 2023 and focuses on the implementation of the Service Delivery and Budget Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development Plan (IDP) for the year under review. This report reflects the actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for 2022/2023 fiscal year.

The format of the report will reflect the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Area (KPA). Each KPA has several focus areas which had been deliberately designed by the Dannhauser Municipality to focus its development initiatives on an attempt to achieve the desired future as enshrined in the IDP.

This report is structured to present to Council with regards to Municipality's performance in terms of the six (6) National Government's Strategic Key Performance Areas (NKPAs) or Developmental priorities for local government, which are:

- 1) Basic Service Delivery.
- 2) Local Economic Development
- 3) Municipal Institutional Transformation and Development.
- 4) Municipal Financial Viability and Management,
- 5) Good Governance and Public Participation, and
- 6) Cross cutting measures

The report emanates from the Municipal organizational scorecard and performance is measured based on the targets set and agreed upon at the beginning of the financial year.

5.1.2 Legislative Requirements

Outlined in Section 40 of the Municipal Systems Act of 2000 (MSA), Municipalities must establish mechanisms to monitor and review its Performance Management System (PMS) to measure, monitor, review, evaluate and improve performance at organisational, departmental and employee levels.

Section 41(1) of the Municipal Systems Act of 2000 (MSA) states that:

A municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed –

- a. set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan;*
- b. set measurable performance targets with regard to each of those development priorities and objectives;*
- c. with regard to each of those development priorities and objectives and against the key performance indicators and targets set in terms of paragraphs (a) and (b) –*
 - (i) monitor performance; and*
 - (ii) measure and review performance at least once per year;*
- d. take steps to improve performance with regard to those development priorities and objectives where performance targets are not met; and*
- e. establish a process of regular reporting to –*
 - (i) the council, other political structures, political office bearers and staff of the municipality; and*
 - (ii) the public and appropriate organs of state.*

The Municipal Planning and Performance Management Regulations (2001) stipulates that a “municipality’s performance management system entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players” (Chapter 3, Section 7, Municipal Planning and Performance Management Regulations, 2001).

This Annual Performance Report has been compiled in compliance with the requirements of section 46(1) of the Local Government: Municipal Systems Act, 32 (Act 32 of 2000) which stipulates as follows:

A municipality must prepare for each financial year a performance report reflecting –

- a. The performance of the municipality and of each external service provider during the financial year.*

- b. A comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and*
- c. Measure taken to improve performance.*

The above legislation shows that Performance management is not only applicable to the organisation, but also to the external service providers whose performance must be assessed.

5.1.3 The Performance Management System (PMS) Overview and Process

Performance Management Overview

To improve on performance planning, implementation, measurement and reporting, the Municipality implemented the following actions: Departmental Scorecards (operational plans) were developed for monitoring and reporting operational programmes; these emanate from the performance plans signed by HODs at the beginning of the financial year.

A manual performance management system is operational within the Municipality. The same system forms the basis of performance evaluations of the HODs i.e., S.56 Managers reporting directly to Municipal Manager. The Municipality endeavoured during the development of the Top Layer Service Delivery and Budget Implementation Plan (SDBIP) as well as with the development of the Departmental scorecards that inform the SDBIP that the “SMART” principle be adhered to in the setting of indicators and objectives. Emphasis was placed on ensuring that targets were specific and time bound, thus making them measurable.

The Dannhauser Integrated Development Plan (IDP) was reviewed in the financial year 2022/23 as the strategic document that informs all operations at a Municipal level, as per Municipal Systems Act 32 of 2000 in terms of Sections 28 and 32. Dannhauser IDP has been reviewed for 2022/2023 and adopted by Council. It remains the primary document that informs all plans of the Municipality. The IDP review process facilitates the process of monitoring, reviewing, and reporting on the performance indicators and provides for an opportunity for public participation in line with the IDP structures.

DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

The process of managing performance at organisational level in the Dannhauser Municipality involves the stages as set out in the following diagram.

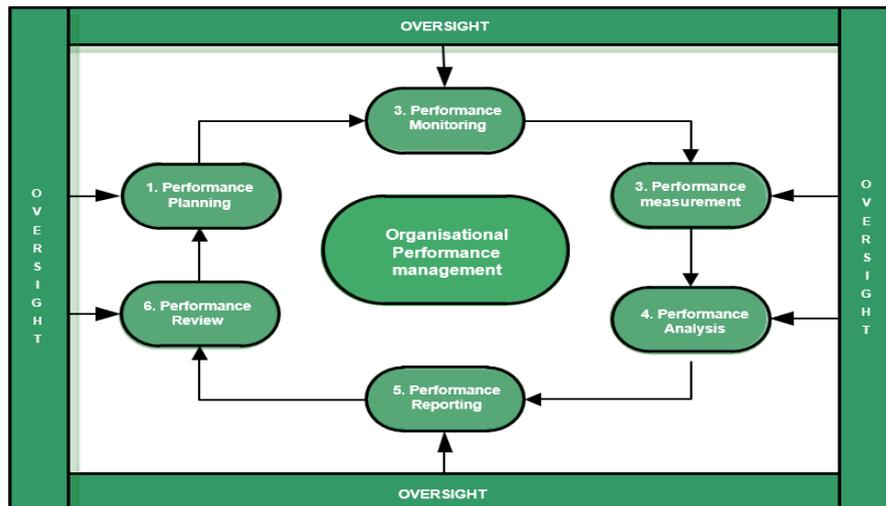


FIGURE 6: PMS Framework milestones.

The Organisational Performance Management function of Dannhauser local Municipality is entrusted to an internal Performance Management Unit within the Office of the Municipal Manager. The Performance Management unit currently consists of two employees, i.e., one post of Manager: IDP/Performance Manager and the Admin officer. The post of PMS officer is currently vacant yet its key in the functioning of the unit.

5.1.4 Development of Indicators and Targets (SMART PRINCIPLE)

Dannhauser Municipality developed performance indicators which are both qualitative and quantitative that indicate whether progress is being made in achieving the objectives and targets. Indicators are important because they:

- Enable the review of objectives.
- Provide a common framework for measuring and reporting.
- Translate complex concepts into simple operational measurement variables.
- Help to provide feedback to an organization, its staff, and stakeholders.
- Help when comparing the municipality's performance to that of others.

Defining a good performance indicator requires careful analysis on what is to be measured and a thorough understanding of the nature of the **input, output, activities,** and desired outcome.

Each year when developing the Municipal SDBIP, the Heads of Department (HODs) sit with the PMS office to **develop performance indicators** (KPIs) and to test KPIs to meet the following criteria:

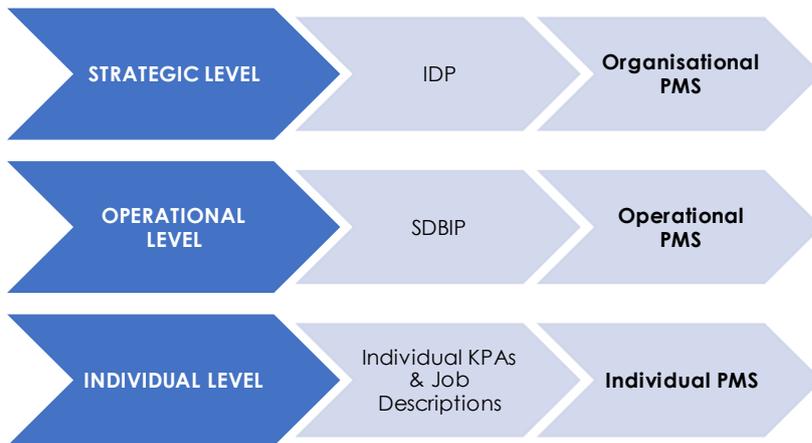
- Reliable - accurate enough for its intended use.
- Well-defined-clear and unambiguous.
- Cost effective - usefulness of collecting data must satisfy the cost.
- Verifiable-processes and system that produced the indicator can be validated.
- Relevant-relates to the municipalities mandate.
- Appropriate-encourage service delivery.

Once suitable indicators have been set, the required level of performance was established using the SMART principle. This is to ensure that the targets set meet the SMART criteria:

- Specific- measure only those dimensions that the municipally intends to measure.
- Measurable-easy to calculate from data that can be generated speedily, easily & at reasonable cost.
- Attainable-to attain the objectives (knowing the resources and capacities at the disposal of the community);
- Realistic-able to obtain the level of change reflected in the objective.
- Time bound-achievable within a defined time scale (this would not be applicable to a standing objective).

5.1.5 The Process of Managing Organisational and Individual Performance

The process of managing performance at organisational level in the Dannhauser Municipality involves the stages as set out in the following diagram:



The annual process of managing performance at organizational level in the Dannhauser Municipality involves the steps as set out in the diagram below:

Performance Planning

The performance of the Municipality is managed in terms of its IDP and the process of compiling an IDP and the annual review thereof constitutes the process of planning for performance. The last component of the cycle is that of performance review and the outcome of such a review process must inform the next cycle of IDP compilation/review by focusing the planning processes on those areas in which the Municipality has under-performed.

Performance Monitoring

Performance monitoring is an ongoing process by which a manager accountable for a specific indicator as set out in the organizational scorecard (and a service delivery target contained in the SDBIP) continuously monitors current performance against targets set. The aim of the monitoring process is to take appropriate and immediate interim (or preliminary) action where the indication is that a target is not going to be met by the time that the formal process of performance measurement, analysis, reporting, and review is due.

Dannhauser local Municipality chose to report on organizational performance of the Municipality on a quarterly basis to the **Audit Committee** and the **Executive Committee**. The same applies to the various Top Layer and Departmental SDBIPs.

Performance monitoring requires that in between the said formal cycle of performance measurement appropriate action be taken should it become evident that a specific performance target is not going to be met.

In each section the **responsible Manager is** assigned (as stated on the right-hand column of each unit's performance plan) who becomes responsible for reporting on the respective indicator, devise methods to improve performance and detect early warning signs.

Performance Measurement

Performance measurement refers to the formal process of collecting and capturing performance data to enable reporting to take place for each key performance indicator and against the target set for such indicator. The Municipality currently relies on a manual process to manage its performance provision therefore the data collection occurs through the organizational (TL) and departmental scorecards per indicator.

Submission: after the end of each quarter, the following are submitted to the MMs office:

- 1) Completed Departmental scorecards,
- 2) A file of **POEs** correctly labeled with a contents page reference as per KPI No.
- 3) **Signed by the HOD** to ascertain completeness & reliability of reported information.
- 4) Date on which the POE is received will be stamped by the MMs office.

The performance information should be submitted by the 15th of the month following quarter-end. These dates are meant to ensure the PMS office is allowed enough time to prepare a report to be tabled to EXCO. The documents listed above are submitted to the MMs office by the 15th of the month of the new quarter, i.e.

- 1) Quarter 1- report is due on the **15th of October**
- 2) Quarter 2- report is due on the **15th of January**
- 3) Quarter 3- report is due on the **15th of April**

4) Quarter 4- report is due on the **15th of July**

These target dates have however been a challenge to meet due to limited capacity in terms of human resources, systems, and space in the municipality.

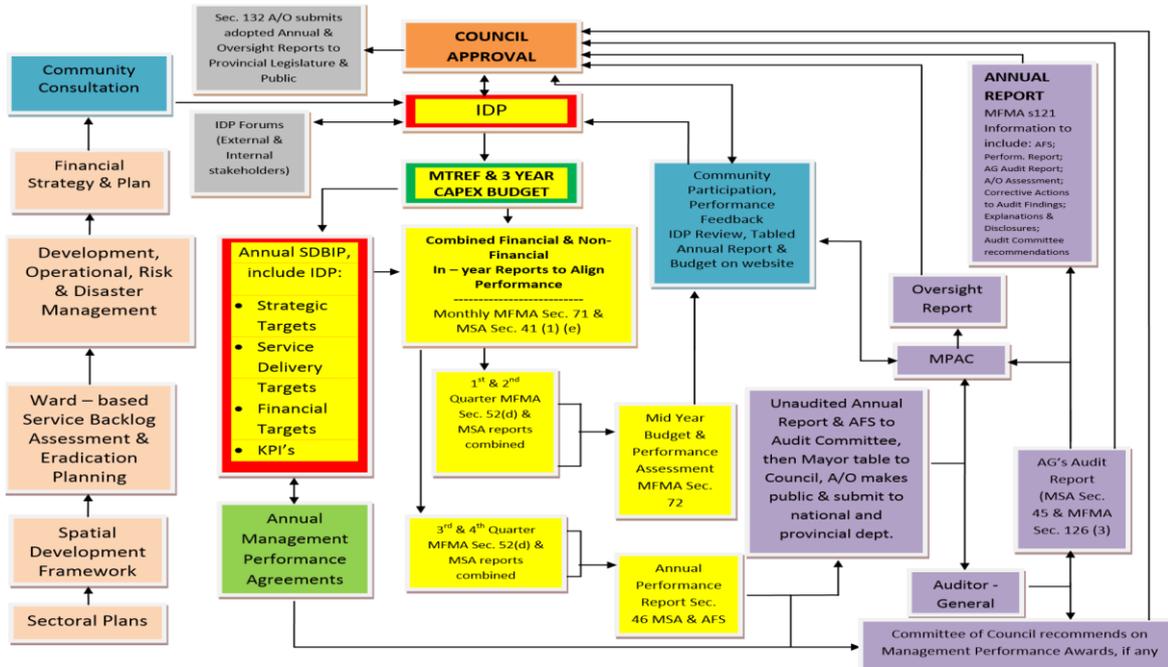
Where targets have not been met, performance analysis requires that the reasons therefore should be examined, and corrective action be stated. Where targets have been met or exceeded, the key factors that resulted in such success are documented and shared to ensure organizational learning.

In practice the entails that the Manager responsible for each indicator, after capturing the performance data against targets on the Top Layer/organizational or departmental scorecards, analyze the underlying reasons why a target has not been met and capture a summary of his/her findings on the scorecard. The Manager thereafter compiles a recommendation in terms of the corrective action proposed in instances where a target has not been achieved and capture this on the relevant scorecard. Provision has been made on the reporting format of the organizational and Departmental scorecards to capture both the '**reasons for variance**' and the '**corrective action**' proposed clearly marked in the scorecard as "*measures taken to improve performance*".

Performance Reporting and Review

Performance reporting and performance review will be dealt with at the same time. The diagram below reflects the entire reporting process:

DANNHAUSER LOCAL MUNICIPALITY
DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT



Municipal Vision

To achieve the successful implementation of radical economic transformation through a financially viable municipality that delivers integrated quality basic services, infrastructure development and socio-economic development and growth for the community and external stakeholders by 2030

The Vision for Dannhauser Municipality is intended to provide a clear statement of the preferred future that is aligned with the National Development Plan of 2030. This statement is informed by the historical understanding and knowledge of the area.

In addition to the above, the following components have been identified as being key to the development of the communities of Dannhauser, namely:

Key Developmental Objectives as per Municipal IDP

- Municipal Transformation & institutional Development
- Basic Service Delivery
- Local Economic Development
- Good Governance & Public Participation
- Environmental & Spatial Management
- Municipal Financial Viability & Management

5.1.6 Performance Audit Committee

The Performance Audit Committee has been established in terms of Section 14(2) (a) of the Local Government: Municipal Planning and Performance Management Regulations of 2001.

Mandate

The Dannhauser Municipality established an Audit Committee (AC) in terms of section 166 of the MFMA, section 14(2) of the Local Government Municipal Planning and Performance Regulations, 2001 (Regulations) and MFMA Circular No.65 issued by the National Treasury in November 2012. Consideration has also been given to the recommendations contained in the King Report on Governance for South Africa 2017 (King IV).

Members and Attendance at Meetings

The AC is comprised of four (4) independent, external members and the AC members are Mr M Ngubane (Chairperson – Audit Committee), Mr B Mbange, Ms N Skhakhane and Ms B Mokgatle. The AC is required to meet at least 4 times per annum, in line with S166 of the MFMA.

The Audit Committee and Performance Committee held meetings on the following dates in the 2022/2023 financial year:

1. 14 July 2022
2. 12 January 2023
3. 23 January 2023
4. 24 January 2023
5. 05 April 2023

Responsibility

The legal responsibilities of the AC are set out in terms of section 166 of the MFMA and operate within the terms of the Audit and Performance Committee Charter approved by the Council.

In the conduct of its duties, the AC has performed the following statutory duties relating to the year ending 30 June 2022.

5.1.7 Performance Review

Performance Monitoring underpins the Municipality's Integrated Development Plan in terms of reviewing progress regularly in achieving the priorities and delivering value for money services. Early investigation into variances enables remedial action taken where appropriate.

To improve on performance planning, implementation, measurement and reporting, the Municipality implemented the following actions: Departmental Scorecards (operational plans) were developed for monitoring and reporting operational programmes; these emanate from the performance plans signed by HODs at the beginning of the financial year.

A manual performance management system is operational within the Municipality. The same system forms the basis of performance evaluations of the HODs i.e., S.56 Managers reporting directly to Municipal Manager. The Municipality endeavoured during the development of the Top Layer Service Delivery and Budget Implementation Plan (SDBIP) as well as with the development of the Departmental scorecards that inform the SDBIP that the "SMART" principle be adhered to in the setting of indicators and objectives. Emphasis was placed on ensuring that targets were specific, and time bound, thus making it measurable.

Dannhauser Municipality IDP is regular review on an annual basis which is linked to the Budget and PMS processes.

As the Municipal Systems Act 32 of 2000, Sections 28 and 32 allows, Dannhauser IDP has been reviewed for 2022/23 and adopted by Council on the 29 May 2022. The five-year strategic plan (IDP) remains the primary document that informs all plans of

the Municipality. The IDP review process facilitates the process of monitoring, reviewing, and reporting on the performance indicators and provides for an opportunity for public participation in line with the IDP structures.

The process of managing performance at organisational level in the Dannhauser Municipality involves the stages as set out in the following diagram as depicted in the Municipal PMS framework as depicted in Figure 1: PMS framework milestones.

5.1.8 Annual Performance Reporting 2022/23 High Level Summary

The Annual Performance Report highlights the key performance measures included in the Integrated Development Plan (IDP) review for the 2022/2023 financial year. These priority objectives that are enshrined in the Dannhauser Organisational Performance Scorecard (Including the Top Layer of the SDBIP on basic service delivery targets) for 2022/2023.

The Annual Performance Reporting on the 2022/2023 financial year has been presented as per the Organisational Performance Scorecard table format (as prescribed by KwaZulu Natal Department of Corporate Governance and Traditional Affairs as an APR reporting format).

In compliance with the legislation, the Draft Annual Performance Report is presented in compliance with Section 46 of the Municipal Systems Act and will be presented to the Auditor General on the 31st of August 2023 for auditing purposes together with the Annual Financial Statements and a Draft Annual report 2022/2023. The unaudited Draft Performance report, Draft Annual Report and draft Annual Financial Statements were tabled to Audit Committee in its meeting on the 23 August 2023 to advance accountability and expedite corrective measures with the updated documents submitted afterwards to ensure that their comments were incorporated.

This Annual Performance Report (Tables the Top Layer of Service Delivery Targets set in the Service Delivery Budget Implementation Plan) should be read in conjunction with the Dannhauser Draft Annual Report, including the Annual Financial Statements as well as (Auditor General Report once available) on the Annual Financial Statements and Performance on Predetermined Objectives for the 2022/2023 financial year.

5.1.9 In-Year Performance Reporting and Review

The submission of the scorecards to the Executive Committee for consideration and review of the performance of the Municipality is the next step in the process. The organizational and Departmental scorecards are submitted to the Internal Auditor, Audit Committee and the Executive Committee for consideration and review on a quarterly basis.

The review in January coincided with the mid-year performance assessment as per section 72 of the MFMA. The said section determines that the accounting officer must by 25 January of each year assess the performance of the municipality and report to the Council on inter alia its service delivery performance during the first half of the financial year and the service delivery targets and performance indicators as set out in its SDBIP.

Performance review is the process where the leadership of an organization, after the performance of the organization have been measured and reported to it, reviews the results, and decided on appropriate action. The Audit Committee and the Executive Committee in reviewing the organisational and departmental scorecards submitted to it ensures that targets committed to in the scorecard have been met, where they have not, that satisfactory and sufficient reasons have been provided by senior management and that the corrective action being proposed is sufficient to address the reasons for poor performance. If satisfied with the corrective action as proposed, these are adopted as formal resolutions of Council, minutes and actioned accordingly.

5.1.10 Annual Performance Reporting and Review (S46)

On an annual basis a comprehensive report on the performance of the Municipality is compiled. The requirements for the compilation, consideration, and review of such an annual report are set out in chapter 12 of the MFMA, the detailed required information has been articulated in Circular 63 of the MFMA of 2012. In summary it requires that:

- All municipalities for each financial year compile an Annual Report.
- The annual report be tabled within seven months after the end of the financial year i.e., January.

DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

- The annual report immediately after it has been tabled be made public and that the local community be invited to submit representations thereon.
- The municipal Council considers the annual report within nine months after the end of the financial year and adopt an oversight report containing the council's comments on the annual report, i.e., March.
 - *The **Annual Report 2022/2023** was submitted on 25 January 2023 to Council.*
 - *The **oversight report** was adopted by Council on the 30th of March 2023 and immediately made public.*
- The annual report was tabled, and the Council's oversight was forwarded to the Auditor-General, the Provincial Treasury and DCOGTA - the department responsible for local government in the province; and
- The annual report was tabled, and the Council's oversight report was submitted to the Provincial legislature.
- Various forms of media including radio, newspaper - Isolezwe and Municipal website were used to convey the annual report.
- The public was invited to submit comments on the annual report via Post, telephone, and email.
- Making use of existing structures such as ward and/or development committees to disseminate the annual report and invite comments.
- Hosting public meetings and roadshows to invite inputs from the public on the draft annual report, Covid 19 protocols were adhered to, ensuring the limited number of attendees during these meetings, other means of communications were also utilised.
- Posting the annual report on the council website and inviting input.

Dannhauser Local Municipality has ensured the following actions:

DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

- Reduction of KPI's reported on, this enables a greater focus on addressing the municipal strategic objectives identified in the IDP while applying an outcomes-based approach.
- The SDBIP has a column of the Strategic Objectives cross-linked with rows of KPI's for each municipal operational unit and interlinked with a column which represents the Portfolio of Evidence (P.O.E).
- The IDP Manager undertakes the functionality of the Performance Management System as there is a shortage of staff within the municipal structures.
- The municipality currently uses a "Top Layer" system, this only monitor and evaluates the performance of Section 56 & 54 managers. A "Middle Layer" which evaluates staff members below Section 56 & 54 appointments is planned for implementation. The SDBIP developed considers the "SMART" principles in the setting of indicators and objectives.
- In 2022/2023 financial year, the municipality drafted and developed the "Standard Operating Procedures" to evaluate performance in the 2022/2023 financial year. During the year under review (2022/2023) the municipality utilized the SOP for 2022/2023 as a guideline.
- A Performance Management Policy is currently in place, and it is reviewed on a yearly basis.
- Council adopted the IDP/Budget Process Plan in July of each year. Council adopted the IDP Review and the Budget for 2022/2023 on 30 May 2022; the 2022/2023 IDP Review and Budget was adopted by Council timeously on 30 May 2022. Council adopted the PMS Framework Review 2022/2023 on 27 July 2022. Once the 2022/2023 IDP Review and Budget were adopted by Council, the SDBIP 2022/2023 was finalized as prescribed by the MSA, MFMA and MFMA Circular 13.

- Council approved this SDBIP on 27 July 2022. Assessments of the SDBIP were conducted on a quarterly basis, reports of which were submitted to Council for consideration.

5.1.11 Performance Evaluation Panels

Performance Evaluation Panels are established for the assessment of performance of the Municipal Manager as well as Managers directly accountable to the Municipal Manager.

Performance assessment/ evaluation meetings were not held in the current year mainly due to the instability brought about by the local government elections as well as the resignations that happened at senior management level.

The Annual performance evaluation will commence once the Annual Report for 2022/2023 has been adopted by the Council for consideration of performance bonuses in terms of the Regulations.

5.1.12 Key Challenges Facing Municipality 2022/23

The municipality in the 2022/23 financial year faced the following challenges:

- Limited Revenue for funding development activities.
- Limited resources in terms of the Plant and Equipment or tools, and aged equipment.
- Capacity constraints, limited resources, office space, Resignation of Senior Managers, and suspension of personnel.
- Capacity challenges, for the year under review municipality experienced a high vacancy rate across all department.
- Most of the land is in the hands of private owners, trusts, and other stakeholders something that limits opportunity for social and economic developments, impeding the municipality from growing and aligning itself with the surrounding municipalities and region.

DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

- The municipality is highly dependent on grants from National and Provincial Government. However, the grants are minimal to address all areas that require intervention, and the limited income collected from Rates, Refuse Collection, Traffic Fines, and Licensing, and other services does not address the critical areas that have been long outstanding.
- Private Sector contribution to development is minimal; this is due to the slow pace in infrastructure development within the municipal jurisdiction.

5.1.13 Detailed Annual Performance Report

The performance reporting of the municipality is done in line with the 6 national KPA's and is the focus of the MSA Section 46 requirements and therefore reflects the performance of the municipality for the financial year, comparisons to performance of the previous financial year and measures taken to improve performance.

Legend:

- ✓ **Blue** – Performance not measured in the year under review.
- ✓ **Green** – Performance meets target.
- ✓ **Red** – Performance does not meet target.

DANNHAUSER LOCAL MUNICIPALITY
DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

MTV 6	To transform the Dannhauser into a performance driven Municipality	Effective strategic planning	Number of Strategic Planning Meetings conducted in the year ending 30 June 2023	Conduct 1 x Strategic Planning Meetings in the year ending 30 June 2023	1 x Strategic Planning meetings conducted in the year ended 30 June 2022	1 x Strategic Planning meetings not held	N/A	2x strategic planning meetings were successfully conducted	N/A	N/A	Office of the Municipal Manager	
MTV 7	To transform the Dannhauser into a performance driven Municipality	Outsourced services effectively managed	% of Performance assessment conducted on all service providers with signed SLAs on a quarterly basis in the Year ended 30 June 2023	4xQuarterly Assessment of 100% of the service providers with signed SLA for performance in the year ending 30 June 2023	4xQuarterly Performance reports prepared in the year ended 30 June 2022	N/A	100% passment of performance of service providers with signed SLAs	4x Quarterly reports were submitted	N/A	N/A	Finance Services	
MTV 8	To keep the Municipal Workforce well informed	Effective management of Municipal Workforce	Number of quarterly Departmental meetings conducted & submitted to MANCO in the year ending 30 June 2023	4 x Quarterly Departmental meetings conducted & submitted to ManCo in the year ending 30 June 2023	2 x Quarterly departmental meetings conducted in the year ended 30 June 2022	2 x Quarterly departmental meetings not conducted	2 x Quarterly departmental meetings not conducted.	4x meetings successfully held as per targeted	N/A	N/A	Finance Services	
MTV 9	To provide skills development programmes for Staff, Councillors Councillors	Workplace Skills Plan (WSP) in line with the Employment Equity Plan (EEP)	Date of Compilation and submission of the 2023/2024 WSP in the year ending 30 June 2023	submission of the 2023/2024 WSP to LGSETA by 30 April 2023 in the year ending 30 June 2023	The 2022/2023 WSP submitted to LGSETA in the 2022 Financial Year.	N/A	N/A	WSP was submitted on stipulated date to LGSETA	N/A	N/A	Corporate Services	
MTV 10		Effective management of Municipal Workforce	Number of quarterly Departmental meetings conducted & submitted to MANCO in the year ending 30 June 2023	4 x Quarterly Departmental meetings conducted & submitted to ManCo in the year ending 30 June 2023	2 x Quarterly departmental meetings conducted in the year ended 30 June 2022	2 x Quarterly departmental meetings not conducted	2 x Quarterly departmental meetings per semester conducted	4x departmental meetings	N/A	N/A	Corporate Services	
MTV 11		Review & Approval of the Human Resource Development Strategy by 25 Oct 2022	Date of review & approval of the Human Resource Development Strategy in the year ending 30 June 2023	Review & approve of the Human Resource Development Strategy and adoption by Council by 25 Oct 2022 in	Human Resource Development Strategy not reviewed by 25 Oct 2021	The Review of the Human Resource Development Strategy and	Review of Human Resource Development Strategy and adoption by Council by 25 Oct 2022	Submitted and adopted	N/A	N/A	Corporate Services	

DANNHAUSER LOCAL MUNICIPALITY
DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

				the year ending June 2023		adoption by Council						
MTV 12		Skilled workforce (Employees & Councillors)	Number of Employees and Councillors Trained per Quarter by 30 June 2023	4 x quarterly Progress reports on the Employees and Councillors trained by 30 June 2023	Annual Progress report on the Employees and Councillors trained	N/A	2 Progress report on the Employees and Councillors trained	4x reports were submitted quarterly	N/A	N/A	Corporate Services	
MTV 13	To implement a refined organisational structure	Annual refinement of Organisational Structure	Date of review of the 2022/2023 organisational structure for the year ended 30 June 2023	Review and adoption of Organisational Structure before by Council by 30 July 2022	The organisational structure was last reviewed & adopted in, 30 May 2019	N/A	N/A	the municipal organogram was not adopted by council			Corporate Services	
MTV 14		Recruitment for critical posts completed	Number of vacant posts filled in the year ending 30 June 2023	Filling of 3 Vacant posts in the year ending 30 June 2023	3 Vacant posts have been filled in the year ended 30 June 2022	3 Vacant post needs to be filled	2 x Progress report prepared and submitted by the end of each Quarter	vacant post was not filled as per initially targeted			Corporate Services	
MTV 15		Outsourced services effectively managed	% of Performance assessment conducted on all service providers with signed SLAs on a quarterly basis in the Year ended 30 June 2023	4xQuarterly Assessment of 100% of the service providers with signed SLA for performance in the year ending 30 June 2023.	4xQuarterly Performance reports prepared in the year ended 30 June 2022	N/A	100% passment of performance of service providers with signed SLAs	4 x report submitted	N/A	N/A	Corporate Services	
MTV 16	To ensure proper implementation of Municipal policies	Review and adoption of municipal policies by Council	Review and Adoption of Municipal policies by Council in the year ending 30 June 2023	Review and Adoption of all municipal policies (HR, ICT Finance and General Frameworks) by Council in the year ending 30 June 2023	Review and Adoption of Municipal policies by Council in the year ending 30 June 2023	0	N/A	Municipal Policies were not reviewed nor adopted	N/A	N/A		
MTV 17	To transform the Dannhauser into a performance driven Municipality	Outsourced services effectively managed	% of Performance assessment conducted on all service providers with signed SLAs on a quarterly basis in the Year ended 30 June 2023	4 x Quarterly Assessment of 100% of the service providers with signed SLA for performance in the year ending 30 June 2023.	4xQuarterly Performance reports prepared in the year ended 30 June 2022	N/A	100% passment of performance of service providers with signed SLAs	4 x report submitted	N/A	N/A	Community services	

DANNHAUSER LOCAL MUNICIPALITY
DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

MTV 18	To keep the Municipal Workforce well informed	Effective management of Municipal Workforce	Number of Departmental meetings conducted per quarter & submitted to MANCO in the year ended 30 June 2023	4 x Quarterly Departmental meetings conducted in the year ended 30 June 2023	2 x Quarterly departmental meetings conducted in the year ended 30 June 2022	2 x Quarterly departmental meetings not conducted	2 x Quarterly departmental meetings per semester conducted	4x meetings were conducted accordingly	N/A	N/A	Community services	
MTV 19	To transform the Dannhauser into a performance driven Municipality	Outsourced services effectively managed	% of SLA's signed within one month of awarding of the contracts in the year ending 30 June 2023	Sign 100% of SLAs within one month of the awarding of the contract in the year ending 30 June 2023	100% of SLAs signed within 1 month of awarding of contracts in the year ended 30 June 2022	N/A	2 x Progress report on external service providers with signed SLA within 1 month prior to commencement	4 x report submitted	N/A	N/A	Technical Services	
MTV 20	To keep the Municipal Workforce well informed	Effective management of Municipal Workforce	Number of quarterly Departmental meetings conducted & submitted to MANCO in the year ending 30 June 2023	4 x Quarterly Departmental meetings conducted & submitted to ManCo in the year ending 30 June 2023	2 x Quarterly departmental meetings conducted in the year ended 30 June 2022	2 x Quarterly departmental meetings not conducted	2 x Quarterly departmental meetings per semester conducted	inconsistence in holding departmental meetings			Technical Services	
Basic Service Delivery												
BS 1	To facilitate the provision of housing in line with the national and provincial norms and standards	Provision of Disaster Houses Project for individuals who disaster victims & lost their houses (wards 3,6, &11)	Number of houses constructed for victims of disaster in wards 4 for year ended 30 June 2023	5 Houses constructed in the year ending 30 June 2023	New	0	2 x Progress reports on 5x houses constructed for victims of disaster per ward	4x reports submitted	N/A	N/A	Planning and Economic Development	
BS 2			Number of houses constructed for victims of disaster in wards 5 for year ended 30 June 2023	5 x Houses constructed for victims of disaster in the year ending 30 June 2023	New	0	2 x Progress reports on 5x houses constructed for victims of disaster per ward	4x reports submitted	N/A	N/A	Planning and Economic Development	
BS 3			Number of houses constructed for victims of disaster in wards 7 for year ended 30 June 2023	5 x Houses constructed for victims of disaster in the year ending 30 June 2023	New	0	2 x Progress reports on 5x houses constructed for victims of disaster per ward	4x reports submitted	N/A	N/A	Planning and Economic Development	

DANNHAUSER LOCAL MUNICIPALITY
DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

BS 4			Number of houses constructed for victims of disaster in wards 13 for year ended 30 June 2023	5 x Houses constructed for victims of disaster in the year ending 30 June 2023	New	0	2 x Progress reports on 5x houses constructed for victims of disaster per ward	4x reports submitted	N/A	N/A	Planning and Economic Development	
BS 5		Phase 1 of Ubuhlebomzinyathi Housing Project: Implementation	facilitate and monitor the implementation of Ubuhlebomzinyathi housing projects for year ended 30 June 2023	4x progress reports	167 Houses constructed in the year ending 20 June 2022	0	50 Houses constructed in Ubuhlebomzinyathi by 31 Dec 2022	4x reports submitted	N/A	N/A	Planning and Economic Development	
BS 6	'To provide educational and recreational services to the community	Library books exchange programs	Number of book exchange programmes conducted in the financial year ended 30 June 2023	Conduct 2 annual book exchange programmes in the year ending 30 June 2023	New	N/A	1x Exchange Program conducted	conducted 2 instead of 3			Community Services	
BS 7		Promoting access to library services	Number of annual library week programmes conducted	Conduct 1 X library week program in the year ending 30 June 2023	New	N/A	N/A	1x library week conducted	N/A	N/A	Community Services	
BS 8	To direct law enforcement to improve safety and security	Municipal Roadblock conducted	Number of roadblocks conducted per quarter in the financial year ending 30 June 2023	Conduct 20 Roadblocks in the year ending 30 June 2023	14 Roadblocks conducted in the year ended 30 June 2022	6 roadblocks not conducted	Conduct 10 x Roadblocks by 31 December 2022	conducted less than anticipated			Community Services	
BS 9	To direct law enforcement to improve safety and security	Multidisciplinary Roadblock conducted	Number of roadblocks conducted per quarter with Stakeholders (RTI & SAPS) in the year ending 30 June 2023	Conduct 4 x quarterly roadblocks with Stakeholders (RTI & SAPS) in the year ending 30 June 2023	Conducted 4 x quarterly roadblocks with Stakeholders (RTI & SAPS) in the year ended 30 June 2022	N/A	2 x Roadblocks with Stakeholders (RTI & SAPS)	4x roadblocks conducted successfully	N/A	N/A	Community Services	
BS 10	To regularly provide effective services to the Community in order to create	Provision of Refuse Removal to the municipal area	The percentage of households with access to electricity and solid waste removal.	% 100 Households with access to solid waste removal	1665 HH provided with refuse removal in the year ended 30 June 2022	N/A	Provision of 1665 HHs with refuse removal	Target met adjusted	N/A	N/A	Community Services	

DANNHAUSER LOCAL MUNICIPALITY
DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

BS 11	clean and safe environment	Provision of Refuse Removal to the municipal area	Number of Business units provided with refuse removal in the year ending 30 June 2023	Provision of 135 business units with refuse removal in the year ending 30 June 2023	135 business units were provided with refuse removal in the year ended 30 June 2022	N/A	Provision of 135 business units with refuse removal	135 business unit are provided with refuse removal	N/A	N/A	Community Services	
BS 12			Number of small holdings households in the outlying areas of Dannhauser provided with refuse removal services in the year ending 30 June 2023	Provision of 3 034 small HHs with refuse removal services in the year ending 30 June 2023	3034 small HHs provided with refuse removal services in the year ended 30 June 2022	N/A	Provision of 3 034 small HHs with refuse removal services	3034 households are provided with refuse removal			Community Services	
BS 13			Number of indigent households earning less than R3800 per month with access to Refuse removal provided with free refuse removal in the year ending 30 June 2023	Provision of 94 indigent HHs with free refuse removal in the year ending 30 June 2023	94 indigent HHs provided with free refuse removal in the year ended 30 June 2022	19	Provision of 94 indigent HHs with free refuse removal	shortfall in providing 94 households with access to free refuse removal			Community Services	
BS 14			The percentage of households with access to electricity and solid waste removal.	% 100 Households with access to solid waste removal	1665 HH provided with refuse removal in the year ended 30 June 2022	N/A	Provision of 1665 HHs with refuse removal	Target met adjusted	N/A	N/A	Community Services	
BS 15	Construction of New Municipal Offices and Municipal Office Road	Building of New Offices - Phase 1 (ward 2)	% stage of Completion of the Construction of the Municipal Office Building and Urban Road in the year ending 30 June 2023	100% stage of Completion of the Construction of the Municipal Office Building and Urban Road in the year ending 30 June 2023	4 x Progress Reports on the Construction of New Offices and Urban Road by 30 June 2022	0		municipal office is still not completed			Technical Services	
BS 16		Provision of Child Care Facility (Ward 1)	% stage of Completion of the Construction of Childcare facility in the year ending 30 June 2023	100% completion of the construction of a Childcare facility in the year ending 30 June 2023	60% completion of the construction of a Childcare facility in the year ending 30 June 2022	40%	100% completion of the construction of a Childcare facility by 31 Dec 2022	facility completed	N/A	N/A		

DANNHAUSER LOCAL MUNICIPALITY
DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

BS 17		Construction of Ward 13 Community Hall	% stage of Completion of the Construction of a Community Hall (Ward 13) in the year ending 30 June 2023	100% completion of the construction of the Community Hall (Ward 13) in the year ending 30 June 2023	60% completion of the construction of the Community Hall (Ward 13) in the year ending 30 June 2022	40%	100% Completion of the construction of the Community Hall (Ward 13)	community hall constructed and completed			Technical Services	
BS 18		Construction of Ward 9 Community Hall	% stage of Completion of the Construction of a Community Hall (Ward 9) in the year ending 30 June 2023	50% completion of the construction of the Community Hall (Ward 9) in the year ending 30 June 2023	0% completion of the construction of the Community Hall (Ward 9) in the year ending 30 June 2022	50%	Appointment of service provider and handing over of service provider	Hall not completed			Technical Services	
BS 19		Construction of Ward 10 Community Hall	% Stage of Completion of the Construction of a Community Hall (Ward 10) in the year ending 30 June 2023	50% completion of the construction of the Community Hall (Ward 10) in the year ending 30 June 2023	0-	50%	Appointment of service provider and handing over of service provider	Hall not completed			Technical Services	
BS 20		Durnacol Sports Centre	Constructions of the Durnacol Sports Center in the year ending 30 June 2023	completion of the construction of the Durnacol Sports Center in the year ending 30 June 2023	upgrade of the Durnacol Sports Center in the year ending 30 June 2023	0%	Completion of Durnacol Sports Centre Ward 2	upgrade on Durnacol sports complex not completed			Technical Services	
BS 21		Water Harvesting	% stage completion of the construction of Water Harvesting in Ward 1 in the year ending 30 June 2023	Completion of 100% construction of Water harvesting ward 1 in the year ending 30 June 2023	Completion of 60% construction of Water harvesting ward 1 in the year ending 30 June 2022	40%	100% construction of Water Harvesting	ward 1 water harvesting not completed			Technical Services	
BS 22		Water Harvesting	% stage completion of the construction of Water Harvesting in Ward 3 in the year ending 30 June 2023	Completion of 100% construction of Water harvesting ward 3 in the year ending 30 June 2023	Completion of 60% construction of Water harvesting ward 3 in the year ending 30 June 2022	New	100% Construction of Water Harvesting	ward 3 water harvesting not completed			Technical Services	
BS 23		Road Network Constructed	Length of road rehabilitated through construction of the	Completion of 1.71km constructions of the Rural gravel road rehabilitation in	New	0	Completion of SCM process by 31 Dec 2022	not completed			Technical Services	

DANNHAUSER LOCAL MUNICIPALITY
DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

			Rural gravel road in Ward 5	Ward 5 in the year ended 30 June 2023								
BS 24	To ensure safe Rural Road infrastructure networks	Road Network Constructed	Length of road rehabilitated through construction of the Rural gravel road in Ward 11	Completion of 1.71km constructions of the Rural gravel road rehabilitation in Ward 11 in the year ended 30 June 2023	New	0	Completion of SCM process by 31 Dec 2022	not completed			Technical Services	
BS 25		Road Network Constructed	Length of road rehabilitated through construction of the Rural gravel road in Ward 12	Completion of 1.71km constructions of the Rural gravel road rehabilitation in Ward 12 in the year ended 30 June 2023	New	0	Completion of SCM process by 31 Dec 2022	Completed			Technical Services	
BS 26		Electrification of the household-infills in Wards 4,7,8 & 12	Number of houses provided with electrification infill (Ward 4,7,8 & 12) in the year ending 30 June 2023	houses to be provided with electrification infill (Ward 4,7,8 & 12 in the year ending 30 June 2023	houses provided with electrification infill (Ward 4,7,8 & 12 in the year ending 30 June 2022	0	1 x Progress Report on Households electrification- Infill in Ward 3,4,8 & 12	not completed			Technical Services	
BS 27		Electrification of the household-infills in Wards 1 & 2	Number of houses provided with electrification infill (Ward 1 & 2) in the year ending 30 June 2023	houses to be provided with electrification infill (Ward 1 & 2) in the year ending 30 June 2023	houses provided with electrification infill (Ward 1 & 2) in the year ending 30 June 2022	0	1 x Progress Report on Households electrification- Infill in Ward 1 & 2	Completed	N/A	N/A	Technical Services	
BS 28		Access to basic Services	The percentage of indigent households earning less than R3800 per month with access to free basic services (electricity)	100% of indigent applications granted access to electricity	100% of indigent applications granted access to electricity	0	100% of indigent applications granted access to electricity	100% are granted	N/A	N/A	Technical Services	
Local Economic Development												
LED 1	To develop a comprehensive strategy to	Adoption of Comprehensive LED Strategies by date	Date of Adoption of the Comprehensive LED Strategies by date	Appoint service provider to develop LED strategy and	LED Strategy Not Adopted by council by 26 May 2022	The adoption of the Comprehen	TOR's and SCM process finalised	Strategy adopted by council	N/A	N/A	Planning and Economic	

DANNHAUSER LOCAL MUNICIPALITY
DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

	empower SMMEs & Co-ops			inception report by 30 June 2023		sive LED Strategy by council					Developm ent	
LED 2	To develop a comprehensive strategy to empower SMMEs & Co-ops	Ensuring LED programmes are implemented, monitored, reviewed and evaluated	establishment of LED Forum by 30 June 2023	Establishment of the LED Forum in the fourth quarter in the year ending 30 June 2023	LED Forum not established by council	Establishm ent of LED Forum by council	N/A	LED forum still not established			Planning and Economic Developm ent	
LED 3			Monitor business licensing	4 x Quarterly reports of business licenses issued	New	new	2 x quarterly Report on informal traders issued with permit	reports were submitted quarterly	N/A	N/A	Planning and Economic Developm ent	
LED 4			Support of the Informal Economy	4 x Quarterly reports on the total number of informal traders supported	New	new	2 x Quarterly reports on the total number of informal traders supported with trainings	reports were submitted quarterly	N/A	N/A	Planning and Economic Developm ent	
LED 5			Implementation of Municipal EPWP	4 x Progress Report on the implementation of the Municipal EPWP program	New	new	2 x Progress Report on the implementation of the Municipal EPWP program	3x reports submitted	N/A	N/A	Planning and Economic Developm ent	
Good Governance and Public Participation												
GG 1	To implement and maintain effective enterprise-wide risk management system.	Implementation of Risk Management Action Plan (Develop Planning)	% implementation of the risk management action plan (Develop Planning) for the year ending 30 June 2023	100% implementation of the Risk Management Action Plan (Develop Planning) in the year ending 30 June 2023	New	New	Implement 50% of the Risk Management Plan (Develop Planning)	Risk not implemented as per targeted			Planning and Economic Developm ent	
GG 2		Review and implementation of 2022/2023 PMS Policy Framework	Date of adoption of reviewed 2022/23 PMS Policy Framework by council in the year ending 30 June 2023	Adoption of Reviewed PMS Policy Framework 2022/2023 before 31 July 2022 by Council in the year ending 30 June 2023	PMS Policy Framework Review 2021/2022 adopted by Council by 09 September 2020	N/A	Adoption of PMS Policy Framework Review 2022/2023 by Council by 31 July 2022	PMS policy approved	N/A	N/A	Office of the Municipal Manager	
GG 3			Number of Quarterly Organisational	submit 4 x Quarterly Organisational	1 x Quarterly Organisational PMS report	3 x Quarterly Organisatio	2 x Organisational PMS reports to be	reports were submitted quarterly	N/A	N/A	Office of the	

DANNHAUSER LOCAL MUNICIPALITY
DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

			PMS Reports submitted to Council in the year ending 30 June 2023	PMS implementation reports to Council in the year ending 30 June 2023	submitted to Council in the year ended 30 June 2022	nal PMS Reports	submitted to Council				Municipal Manager	
GG 4	To ensure progressive compliance with institutional and governance requirements		Number of Performance Agreements signed by 31 July 2022 and uploaded on website and submitted to MEC within 14 days of approval	5xPAs signed within one calendar month after beginning of financial year (31 Jul 2022) and uploaded on website within 14 days and submitted to MEC within 14 days of approval (14 Aug 2022)	5 PAs signed within one calendar month after beginning of financial year (31 Jul 2021) and uploaded on website within 14 days and submitted to MEC within 14 days of approval (14 Aug 2021)	None	5 PA's signed within one calendar month after beginning of financial year (31 Jul 2022) and uploaded on website within 14 days and submitted to MEC within 14 days of approval (14 Aug 2022)	PA submitted	N/A	N/A	Office of the Municipal Manager	
GG 5			Number of Quarterly performance assessments coordinated and conducted (Sect 54/56 Managers) in the year ending 30 June 2023	4 x quarterly Performance assessments to be conducted (2 x Informal/verbal & 2 x Formal) in the year ending 30 June 2023	1 x Informal assessment conducted in quarter 2	3 x Quarterly Performance Assessments (1 x Informal & 2x Formal)	2 x performance assessments (1 x Informal & 1 x Formal) to be conducted	Assessments not conducted			Office of the Municipal Manager	
GG 6			Date of adoption of 2022/23 Mid-year Performance Report by council in the year ending 30 June 2023	Submit 2022/23 Mid-year performance report and adoption by Council by 25 Jan 2023 in the year ending 30 June 2023	Prepared and submitted 2021/2022 Mid-year performance report to Council by 20 Jan 2022	None	N/A	mid-year report submitted		N/A	N/A	Office of the Municipal Manager
GG 7		Functional Internal Audit Unit	Date of approval of IA Plan by Audit Committee by 31 July 2022	Approval of the 2022/23 IA Plan by AC by 31 July 2021 in the year ending 30 June 2023	IA plan approved by AC by 09 December 2020	N/A	Approval of the 2022/23 IA Plan by AC by 31 July 2022	plan approved	N/A	N/A	Office of the Municipal Manager	
GG 8	To provide reasonable assurance on the adequacy and effectiveness of		% implementations of the 2021/2022 Internal Audit Plan in the year ending 30 June 2023	Perform 100% implementation of the Internal Audit Plan in the year	Performed 100% of IA Plan in the year ended 30 June 2022	N/A	Perform 57% of IA Plan	IA plan was approved and adopted later than anticipated, which led to inconsistency in implement the plan			Office of the Municipal Manager	

DANNHAUSER LOCAL MUNICIPALITY
DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

	internal control systems			ending 30 June 2023									
GG 9	To Ensure Functional Audit Committee	Functional Audit Committee	Number of Quarterly Audit Committee meetings coordinated in the year ending 30 June 2023	Co-ordinate 5xAC Quarterly AC meeting in the year ending 30 June 2023	5xquarterly AC meetings coordinated in the year ended 30 June 2022	N/A	Co-ordinate 2 x Quarterly AC meetings	meeting successfully conducted	N/A	N/A	Office of the Municipal Manager		
GG 10	To ensure achievement of Unqualified Audit Opinion for 2021/2022 with no matters	Achieve Unqualified Audit Opinion	% of Findings Addressed from 2021/2022 AG Action Plan in the year ending 30 June 2023	Address 100% of Findings from 2021/22 AG Action Plan in the year ending 30 June 2023	100% of Findings from 2020/21 AG Action Plan Addressed	N/A	N/A	not all findings addressed			Office of the Municipal Manager		
GG 11	To implement and maintain effective enterprise-wide risk management system	Implementation and maintenance of effective enterprise-wide risk management system (EWRMS)	Number of Quarterly Risk Management Committee meetings coordinated in the year ending 30 June 2023	Co-ordinate 4 x quarterly RMC meeting in the year ending 30 June 2023	No RMC meetings coordinated in the year ended 30 June 2022	4 x RMC meetings	Co-ordinate 2 RMC meetings by 31 December 2022	no meeting held			Office of the Municipal Manager		
GG 12			Number of Risk Assessment Workshops coordinated in the year ending 30 June 2023	Conduct 2 x Risk Assessment Workshops in the year ending 30 June 2023	NO Risk Assessment Workshop conducted in the year ended 30 June 2022	2 Risk Assessment Workshops	Conduct 1x Risk Assessment Workshop	workshops conducted successfully	N/A	N/A	Office of the Municipal Manager		
GG 13			Date of Adoption of the Reviewed 2022/23 Risk Management Policies and Strategies by Council in the year ending 30 June 2023	Review and adopt the 2022/23 RM policies and strategies by Council before 31 July 2022 in the Year ended 30 June 2023	2021/22 RM policies and strategies Not reviewed and adopted by RMC and Council by 31 July 2022	Adoption of the reviewed 2021/22 RM policies and strategies by RMC and Council	2022/23 RM policies and strategies reviewed and adopted by RMC and Council by 31 July 2022	policies and strategies not in place			Office of the Municipal Manager		
GG 14			% of Implementation of the 2021/22 EWRMS Action Plan in the year	100% Implementation of the 2021/22 EWRMS Action Plan in the year	0 EWRMS Action Plan implementation reports and submission to RMC	4 EWRMS Action Plan implementation reports and	Implement 50% of the 2021/22 EWRMS Action Plan	Action plan not submitted			Office of the Municipal Manager		

DANNHAUSER LOCAL MUNICIPALITY
DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

			ending 30 June 2022	ending 30 June 2023		submission to RMC						
GG 15	Establishment of Service Delivery and Budget Implementation Plan (SDBIP)		Date of approval of 2023/24 draft SDBIP by the Mayor by legislative dates	Approval of 2023/24 SDBIP Draft by Mayor within 14 days after 2023/24 budget approval	Approved the 2023/24 SDBIP Draft by Mayor within 14 days after 2022/23 budget approval	N/A	N/A	Draft SDBIP was not submitted on the stipulated date due to council instability			Office of the Municipal Manager	
GG 16			Date of approval of 2023/24 Final SDBIP by the Mayor by legislative dates	Approval of 2023/24 Final SDBIP by Mayor within 28 days after 2023/24 budget approval	2022/23 Final SDBIP approved 23 June 2022 by Mayor within 28 days after 2022/23 budget approval	N/A	N/A	Draft SDBIP was not submitted on the stipulated date due to council instability			Office of the Municipal Manager	
GG 17	To ensure progressive compliance with institutional and governance requirements	Adoption of the Annual Report	Date of Adoption of the 2021/22 Draft Annual Report by Council by Legislative dates	Adoption of Draft AR 2021/22 by Council before 31 January 2023 in the year ending 30 June 2023	Draft AR for 2020/2021 adopted by Council by 25 January 2022	N/A	N/A	submitted	N/A	N/A	Office of the Municipal Manager	
GG 18			Number of days of Advertisement of Draft AR after adoption by Council as per legislation	Advertise Draft AR 2021/2022 for 21 days after adoption by council	Draft AR 20/21 Advertised on 9 April 2022 for 21 days after adoption	N/A	N/A	Advertised	N/A	N/A	Office of the Municipal Manager	
GG 19			Date of Adoption of Oversight Report (OR) on final AR by Council in the year ending 30 June 2023	Adoption of OR on Final AR 2021/22 by Council before 31 March 2023	OR on Final AR 2020/21 adopted by Council by 31 May 2022	None	-	Adopted	N/A	N/A	Office of the Municipal Manager	
GG 20			Number of days of Advertisement of Final OR after adoption by Council as per legislation	Advertise Final OR on the 2021/2022 AR for 21 days after adoption by council	New	New	N/A	Advertised	N/A	N/A	Office of the Municipal Manager	
GG 21				Number of Quarterly IDP Representative Forum meetings facilitated in the year ending 30 June 2023	Facilitate 4 x Quarterly IDP RF meetings in the year ending 30 June 2023	No IDP RF meeting facilitated in the year ended 30 June 2022	Facilitation of 4 x Quarterly IDP RF meetings	Facilitation of 2 x IDP RF meetings by 31 December 2022	IDP RF has never been facilitated due to Administration challenges			Office of the Municipal Manager

DANNHAUSER LOCAL MUNICIPALITY
DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

GG 22		A credible IDP developed 2023/2024	Date of adoption of the 2023/2024 IDP/Budget Process Plan by ExCo in the year ending 30 June 2023	Adoption of 2023/24 IDP/Budget Process Plan by ExCo by 31 July 2022 in the year ending 30 June 2023	2022/2023 IDP/Budget Process Plan Approved by council 09 September 2021	N/A	Adoption of 2023/24 IDP/Budget Process Plan by ExCo by 31 July 2022	process plan was approved	N/A	N/A	Office of the Municipal Manager	
GG 23	Date of adoption of the 2023/2024 Draft IDP by Council in the year ending 30 June 2023		Adoption of 2023/24 Draft IDP by Council before 31 March 2023 in the year ending 30 June 2023	Draft IDP adopted by Council by 30 March 2022	N/A	N/A	draft IDP was approved	N/A	N/A	Office of the Municipal Manager		
GG 24	Number of IDP/Budget Roadshows conducted in the year ending 30 June 2023		Conduct 2 IDP/Budget Roadshow in the year ending 30 June 2023	Conducted 1 x IDP/Budget Roadshow in the year ended 30 June 2022	1 x IDP/Budget Roadshow not conducted	N/A	IDP Roadshows were conducted	N/A	N/A	Office of the Municipal Manager		
GG 25	Date of Adoption of 2023/24 Final IDP by Council in the year ending 30 June 2023		Adoption of 2023/24 Final IDP by Council by 31 May 2023 in the year ending 30 June 2023	2022/23 Final IDP adopted by Council on 26 May 2022	N/A	N/A	not adopted in May			Office of the Municipal Manager		
GG 26		Budgeting	Date of Adoption of the 2022/23 Adjustment Budget by Council in the year ending 30 June 2023	Adoption of 2022/23 Adjustment Budget by Council by 28 Feb 2023 in the year ending 30 June 2023	2021/2022 Adjustment budget adopted by council by 24 February 2022	N/A	N/A	Adopted	N/A	N/A	Finance Services	
GG 27	Date of Adoption of the 2023/24 draft Budget by Council in the year ending 30 June 2023		Adoption of 2023/2024 Draft Budget by Council by 31 March 2023 in the year ending 30 June 2023	2022/2023 Draft budget adopted by Council by 30 March 2022	N/A	N/A	Draft Adopted	N/A	N/A	Finance Services		
GG 28	Date of Adoption of the 2023/24 Final Budget by Council in the year ending 30 June 2023		Adoption of 2023/24 Final Budget by Council by 31 May 2023 in	2022/2023 Final Budget adopted by Council by 26 May 2022	N/A	N/A	not adopted in May			Finance Services		

DANNHAUSER LOCAL MUNICIPALITY
DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

				the year ending 30 June 2023								
GG 29	To ensure progressive compliance with institutional and governance requirements	Financial Reporting	Number of monthly section 71 reports submitted to council in the year ending 30 June 2023	Submission of 12 X Monthly Section 71 reports to Council in the year ending 30 June 2023	Submitted of 12 Monthly Section 71 reports to Council in the year ended 30 June 2022	N/A	Submission of 6 Monthly Section 71 reports to Council	9x monthly Section 71 submitted			Finance Services	
GG 30			Date of submission of section 72 report to the Mayor by MM	Submission of Sect 72 Report to the Mayor by MM by 25 Jan 2023	Submitted Sect 72 Report to the Mayor by MM by 25 Jan 2022	N/A	N/A	Sec 72 submitted	N/A	N/A	Finance Services	
GG 31			Date of Submission of 2021/22 annual financial statements to AG	Submission of '2021/22 AFS to AG by 31 Aug 2022	2020/21 AFS submitted on 31 Aug 2021	N/A	Submission of '2021/22 AFS to AG by 31 Aug 2022	AFS submitted	N/A	N/A	Finance Services	
GG 32			Date of Submission of 2022/23 interim financial statements to Council in the year ending 30 June 2023	Submission of 2022/23 interim financial statements to Council by 28 Feb 2023	2021/22 Interim FS submitted to Council on 25 Jan 2022	N/A	N/A	Interim AFS not submitted			Finance Services	
GG 33	To ensure progressive compliance with institutional and governance requirements	Management of Indigent households	Date of Adoption of the Updated and Reviewed Indigent Policy by Council in the year ending 30 June 2023	Adoption of an Updated and reviewed indigent Policy by Council by 31 May 2023	Indigent register Updated and reviewed and adopted Council by 26 May 2022	N/A	N/A	policy adopted	N/A	N/A	Finance Services	
GG 34			regularly monitor Indigent register in the year ending 30 June 2023	Review the Indigent register before 31 May 2023	Indigent register reviewed by 31 May 2022	N/A	N/A	indigent register not reviewed			Finance Services	
GG 35	To provide reasonable assurance on the adequacy and effectiveness of internal control systems	Asset Management	Number of Asset Verification performed in the year ending 30 June 2023	Perform 1x Asset Verification in the year ending June 2023	2021/2022 Asset Verification Register reviewed by 30 June 2022	N/A	N/A	Asset register reviewed			Finance Services	

DANNHAUSER LOCAL MUNICIPALITY
DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

GG 36	To ensure progressive compliance with institutional and governance requirements	Supply Chain Management (SCM)	Number of Implementation reports SCM Policy Implementation Reports submitted to ExCo & FINCO per month by 30 June 2023	Prepare and Submit 12 SCM Implementation Reports to ExCo and Other Stakeholders (PT, NT) by 30 June 2023	Prepared and Submitted 12 SCM Implementation Reports to ExCo and Other Stakeholders (PT, NT) by 30 June 2022	0	Prepare and Submit 6 SCM Implementation Reports to ExCo and Other Stakeholders (PT, NT)	3 quarterly reports submitted			Finance Services	
GG 37	To implement and maintain effective enterprise-wide risk management system	Risk Management	% of implementation of the risk management action plan for the year ending 30 June 2023	100% implementation of the Risk Management Plan (Finance) in the year ending 30 June 2023	2 x Progress reports on implementation of Risk Management Action Plan (Finance) submitted in the year ending 30 June 2022	2 x Progress reports on implementation of Risk Management Action Plan (Finance) not submitted	Implement 50% of the Risk Management Plan (Finance)	only 1 meeting successfully conducted			Finance Services	
GG 38	To ensure progressive compliance with institutional and governance requirements	Financial Reporting	Number of quarterly returns submitted to exco, Council and other stakeholders by the 10th day after quarter end in the year ending 30 June 2023	Prepare and submit 4 x quarterly returns to EXCO, Council and other Stakeholders by the 10th day after quarter end in the year ending 30 June 2023	Prepared and submitted 4 x quarterly returns to EXCO, Council and other Stakeholders the 10 days after quarter end in the year ended 30 June 2022	-	Prepare and submit 2 x quarterly returns within 10 days after quarter ends to Exco, Council and Other Stakeholders (PT, NT)	3 Quarterly reports submitted			Finance Services	
GG 39	To ensure achievement of Unqualified Audit Opinion for 2022/2023 with no matters	Achieve Unqualified Audit Opinion	% of Addressed Findings from the 2021/2022 AG Action Plan in the year ending 30 June 2023	100% Address of Findings from the 2021/2022 AG Action Plan in the year ending 30 June 2023	-	0	100% Address of Findings from the 2021/2022 AG Action Plan in the year ending 30 June 2023	findings not entirely addressed			Finance Services	
GG 40	To ensure progressive compliance with institutional and governance requirements	Performance Management	Number of Quarterly Council Meetings Coordinated in the year ending 30 June 2023	conduct 4 X Council Meetings in the year ending 30 June 2023	4 X Quarterly Council Meetings in the year ending 30	N/A	2x Council Meeting	4x meetings submitted	N/A	N/A	Corporate Services	
GG 41			Number of monthly EXCO Meetings Coordinated in the	Conduct 12 EXCO meetings in the year ending 30 June 2023	12 X EXCO Meetings in the year ending 30 June 2023	N/A	co-ordinate 6x EXCO meetings	11x meetings conducted			Corporate Services	

DANNHAUSER LOCAL MUNICIPALITY
DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

			year ending 30 June 2023									
GG 42	To ensure progressive compliance with institutional and governance requirements		number of Monthly MPAC meetings coordinated and conducted in the year 30 June 2023	conduct 4x MPAC meetings in the year ending 30 June 2023	conduct 4x MPAC meetings in the year ending 30 June 2022	N/A	Conduct 2x MPAC Meetings	no MPAC meetings conducted			Corporate Services	
GG 43			Number of Monthly Portfolio (Technical/Community/LED/Corporate) Committee Meetings Coordinated in the year ending 30 June 2023	Conduct 18 Portfolio (Technical/Community/Corporate/Finance and Planning) Committee Meetings in the year ending 30 June 2023	coordinate 20 portfolio (Technical/Community/Corporate/Finance and Planning) Committee Meetings in the year ending 30 June 2023	N/A	Conduct 10x Portfolio (Technical/Community/Corporate/Finance and Planning) Committee Meetings	no seatings			Corporate Services	
GG 44			Number monthly Labour Forum (LLF) meetings coordinated and held in the year ending 30 June 2023	Conduct 2x LLF meetings in the year ending 30 June 2023	conduct 4x LLF Meetings in the year ending 30 June 2023	N/A	conduct 8x LLF meetings in the year ending 30 Dec 2023	only 1 meeting was conducted			Corporate Services	
GG 45			Number of Performance Agreements signed by 31 July 2022 and uploaded on website and submitted to MEC by legislative timeframe	6x Pas (Performance Agreements) signed within one calendar month after the beginning of financial year (31 July 2022) and uploaded on website within 14 days and submitted to MEC within 14 days of Approval (14 Aug 2022)	6x Pas signed within one Calendar month after the beginning of financial year (31 July 2022) and uploaded on website within 14 days and submitted to MEC within 14 days of approval (14 Aug 2022)	N/A	6x Pas signed within one Calendar month after the beginning of financial year (31 July 2022) and uploaded on website within 14 days and submitted to MEC within 14 days of approval (14 Aug 2022)	PA successfully submitted	N/A	N/A	Corporate Services	
GG 46		To ensure achievement of Unqualified Audit Opinion for 2022/2023 with no matters	Achieve Unqualified Audit Opinion	% implementation of the AGSA action plan for the year ending 30 June 2023	100% implementation of the 2021/2022 AGSA Action Plan	New	New	N/A	not 100% resolved			Corporate Services

DANNHAUSER LOCAL MUNICIPALITY
DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

GG 47	To implement and maintain effective enterprise-wide risk management system	Implementation of Risk Management Action Plan (Corporate)	% of Implementation of the 2021/22 Risk Management Action Plan (Corporate) in the year ending 30 June 2023	100 % implementation plan of Risk Management Action Plan (Corporate) In the year ending 30 June 2023	2 x Quarterly progress reports on implementation of Risk Management Action Plan (Corporate) submitted	2 x Quarterly progress reports on implementation of Risk Management Action Plan (Corporate)	50% implementation of the Risk Management Plan	not 100% implemented			Corporate Services	
GG 48	To ensure progressive compliance with institutional and governance requirements	A credible IDP developed 2023/2024	Number of Quarterly Constituency meetings conducted in the year ending 30 June 2023	Conduct 52 x constituency meetings in the year ending 30 June 2023 (2 meetings per ward)	26 x Constituency meetings conducted in the year ended 30 June 2022 (2 meetings per ward)	N/A	Conduct 52 x constituency meetings (1 meeting per ward)	meetings not conducted			Corporate Services	
GG 49	To ensure Public Participation and Corporate Governance	Effective and functional Ward Committees System	Number of Monthly Ward Committee meetings conducted in the year ending 30 June 2023	Conduct 156 x Monthly Ward Committee Meetings (12 meetings per Ward) in the year ending 30 June 2023	Conducted 66 ward committee meetings in the year ended 30 June 2022	90 x Ward Committee meetings not conducted	Conduct 78 x Ward Committee meetings (6 meetings per ward)	ward meetings held	N/A	N/A	Office of the Municipal Manager	
GG 50	To ensure that IGR structures function effectively within the district	Functional IGR Structures	Number of Quarterly Disaster Forum meetings attended as per District Municipality (DM) invitation in the year ending 30 June 2023	Attend 4 x Disaster Forum meetings as per DM invitation in the year ending 30 June 2023	Attended 4 x Disaster Forum meetings as per DM invitation in the year ending 30 June 2022	0	Attend 2 x Quarterly Disaster Forum meetings as per DM invitation	disaster forums held	N/A	N/A	Community Services	
GG 51	To ensure that IGR structures function effectively within the district	Functional Sukuma Sakhe Programmes	Number of quarterly meetings conducted on the Sukuma Sakhe programme for the year ending 30 June 2023	Conduct 4 x quarterly Sukuma Sakhe Programme Meetings in the year ending 30 June 2023	Conduct 4 x quarterly Sukuma Sakhe Programme Meetings in the year ended 30 June 2022	0	Conduct 2 x quarterly Sukuma Sakhe Programme / Meeting	Sukuma Sakhe meetings held	N/A	N/A	Community Services	
GG 52	To ensure compliance with the development and implementation of	Disaster Management	Date of Adoption of the 2022/2023 disaster management plan by council in the	Adoption of the 2022/2023 disaster management plan by council before 31 March 2023	2021/2022 Disaster Management Plan Reviewed by Council by 24 March 2022	No	N/A	plan was reviewed	N/A	N/A	Community Services	

DANNHAUSER LOCAL MUNICIPALITY
DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

	disaster management plan		year ending 30 June 2023									
GG 53	To ensure compliance with the development and implementation of waste management plan	Waste Management	Date of Approval of the 2023/2024 Waste Management Plan by MEC by 28 May 2023	Approval of the 2023/2024 Waste Management Plan by MEC by 28 May 2023	2022/2023 Waste Management Plan Approved by Council by 22 May 2022	None	N/A	plan was not adopted in May			Community Services	
GG 54	To ensure the Implementation of the gazetted Animal Pound By-Law and its enforcement within the municipal jurisdiction	Animal Pound By-Law Enforcement	Number of quarterly reports submitted to exco on animal pound conducted in the financial year ended 30 June 2023	4 x progress report on the implementation of Animal Pound By-Law in the year ending 30 June 2023	4 x progress report on the implementation of Animal Pound By-Law submitted	0	Prepare 2 quarterly progress reports on the implementation of Animal Pound By-Law	4x progress reports on Animal pound submitted	N/A	N/A		
GG 55	To implement and maintain effective enterprise-wide risk management system	Implementation of Risk Management Action Plan (Community)	% implementation of the risk management action plan (Community) for the year ending 30 June 2023	100% implementation of the Risk Management Action Plan (Community) in the year ending 30 June 2023	100% of the Risk Management Action Plan (Community) implemented in the year ended 30 June 2022	0	Implement 50% of the Risk Management Plan (Community)	inconsistence in implementing the Risk Management Action Plan			Community Services	
GG 56	To ensure achievement of Unqualified Audit Opinion for 2022/2023 with no matters	Achieve Unqualified Audit Opinion	% implementation of the AGSA action plan for the year ending 30 June 2023	100% implementation of the 2021/2022 AGSA Action Plan	New	0	N/A	only 55% not 100% resolved			Community Services	
GG 57	To implement and maintain effective enterprise-wide risk management system	Implementation of Risk Management Action Plan (Technical)	% of implementation of Risk Management Action Plan (Technical) in the year ending 30 June 2023	100% implementation of the Risk Management Plan (Technical) in the year ending 30 June 2021	2 x Progress reports on implementation of Risk Management Action Plan (Technical) submitted in the year ending 30 June 2022	2 x Progress reports on implementation of Risk Management Action Plan (Technical) not submitted	Implement 50% of the Risk Management Plan (Technical)	inconsistence in implementing the Risk Management Action Plan			Technical Services	

DANNHAUSER LOCAL MUNICIPALITY
DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

GG 58	To ensure achievement of Unqualified Audit Opinion for 2022/2023 with no matters	Achieve Unqualified Audit Opinion	% implementation of the AGSA action plan for the year ending 30 June 2023	100% implementation of the 2021/2022 AGSA Action Plan	75% implementation of the AGSA action plan for the year ended 30 June 2022	25% implementation of the 2020/2021 AGSA action plan	N/A	only 55% not 100% resolved			Technical Services	
Environmental and Spatial Management												
ESM 1	To ensure that the Spatial Development Framework is prepared and aligned with LUMS	Effective Monitoring & Evaluation of Implementation of Spatial Development and Town Planning	Date of Adoption of the reviewed 2022/23 SDF by council in the year ending 30 June 2023	Adoption of 2022/23 SDF Review by Council by 31 May 2023 in the year ending 30 June 2023.	Council Resolution attached for 2021/22 SDF by 26 May 2022	N/A	N/A	SDF reviewed and adopted	N/A	N/A	Planning and Economic Development	
ESM 2	To provide services to the community in developing a Cemetery plan and maintaining cemeteries in the Urban and Rural Areas	Provision of Greening & Gardening in municipal and public areas	Number of parks provided with gardening and greening maintenance on a quarterly basis in the year ending 30 June 2023	2 x parks provided with gardening and greening maintenance on a quarterly basis in the year ending 30 June 2023	2 x parks provided with gardening and greening maintenance on a quarterly basis in the year ended 30 June 2022	N/A	'2 x parks provided with gardening and greening maintenance	Gardening and Greening for parks provided	N/A	N/A	Community Services	
ESM 3			Number of sports grounds provided with gardening and greening maintenance on a quarterly basis in the year ending 30 June 2023	1 x Sports field to be with provided gardening and greening maintenance in the ending 30 June 2023	New	N/A	N/A	Gardening and Greening for sports field provided	N/A	N/A	Community Services	
ESM 4	To ensure functional disaster management	Fire and other disaster incidences managed effectively	% of the reported incidents responded to within 48 hours in the year ending 30 June 2023	100% of reported incidents to be responded to within 48 hours in the year ending 30 June 2023	100% of reported incidents were responded to within 48 hours in the year ended 30 June 2022	N/A	Respond to 100% of reported incidents within 48 hours	100% reported incidents attended to	N/A	N/A	Community Services	
ESM 5			% of victims of disaster provided with relief support in the year ending 30 June 2023	100% of victims of disaster provided with relief support in the year ending 30 June 2023	100% of victims of disaster provided with relief support in the year ended 30 June 2022	0	Provide 100% of victims of disaster with relief support	100% relief support provided to disaster victims	N/A	N/A	Community Services	

DANNHAUSER LOCAL MUNICIPALITY
DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

ESM 6	To provide services to the community in developing a Cemetery plan and maintaining cemeteries in the Urban and Rural Areas	Development and Maintenance of Rural and Urban Cemeteries on monthly basis	Number of cemeteries provided with grass cutting maintenance per quarter in the year ending 30 June 2023	57 x Cemeteries provided with grass cutting services per quarter in the year ending 30 June 2023	New	N/A	100 x Cemeteries to be provided with grass cutting services	cemeteries provided with grass cutting	N/A	N/A	Community Services
ESM 7	To regularly provide effective services to the Community in order to create clean and safe environment		Number of times the landfill sites is maintained per quarter in the year ending 30 June 2023	4 x Quarterly Maintenance to be conducted on the landfill site in the year ending 30 June 2023	4 x Maintained of the Landfill site conducted in the year ended 30 June 2022	0	2 x Quarterly Maintenance to be conducted on the Landfill site	landfill site consistently monitored	N/A	N/A	Community Services
Municipal Financial Viability and Management											
MFV 1	To improve expenditure control	Facilitation of funds to be received from Human Settlement for housing projects - Ubuhlebomzinyathi; Stein Drive Inn; Strijbank Rectification	Number of Reports submitted to Human Settlement	prepare 4 progress report on follow-up on funds to be provided by Human Settlement by 30 June 2023	New	N/A	prepare 2 progress report on follow-up on funds to be provided by Human Settlement	reports Quarterly submitted.	N/A	N/A	Planning and Economic Development
MFV 2	To effectively manage financial conditional grants	Effective management of grant dependent projects	% of the monthly Grants spent in the year ending 30 June 2023	Spend 100% of the Monthly Grants budget in the year ending 30 June 2023	100% of the Monthly Grants budget spent in the year ended 30 June 2022	N/A	Spend 50% of the monthly Grants budget	100% spent	N/A	N/A	Office of the Municipal Manager
MFV 3	To improve expenditure control	Departmental budget actually spent within dept budget	% dept budget actually spent against approved dept budget in the year ending 30 June 2023	no more than 100% spent of the dept annual budget in the year ending 30 June 2023	no more than 100% spent of the dept annual budget in the year ended 30 June 2022	N/A	no more than 50% spent of the dept annual budget	100% spent	N/A	N/A	Office of the Municipal Manager
MFV 4	To Develop a sustainable and efficient Municipal based on sound financial management	Ensure a financially viable municipality.	Number of Quarterly reports on irregular, fruitless and unauthorized expenditure in the	4 x Quarterly Reports on Irregular, Fruitless and unauthorized Expenditure in the year ending 30 June 2023	4 x Reports on Irregular, Fruitless and unauthorized Expenditure in the year ended 30 June 2022	N/A	2 x Reports on Irregular, Fruitless and unauthorized Expenditure	100% spent	N/A	N/A	Office of the Municipal Manager

DANNHAUSER LOCAL MUNICIPALITY
DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

			year ending 30 June 2023										
MFV 5	To improve expenditure control	Effective management of Creditors	Number of monthly creditors reconciliations performed in the year ending 30 June 2023	Number of monthly creditors reconciliations performed in the year ending 30 June 2023	12x monthly creditors reconciliations performed in the year ended 30 June 2022	N/A	Perform 6 monthly reconciliation of creditors	creditors recons monthly performed.	N/A	N/A	Finance Services		
MFV 6			The average number of days it takes to pay creditors from date of invoice in the year ending 30 June 2023	Payment of creditors within 30 days from date of invoice in the year ending 30 June 2023	Creditors were paid within 30 days from date of invoice in the year ended 30 June 2022	N/A	payment of creditors within 30 days from invoice date		N/A	N/A	Finance Services		
MFV 7		Financial management	Number of monthly bank reconciliations performed in the year ending 30 June 2023	Perform 12x monthly bank reconciliations in the year ending 30 June 2023	Perform 12 monthly bank reconciliations in the year ending 30 June 2022	N/A	Perform 6 monthly reconciliations of bank balances	not all 12 are performed	N/A	N/A	Finance Services		
MFV 8	To improve the procurement system	Effective Implementation of SCM Policy	Date of Submission of 2022/23 procurement plan to MM Council in the year ending 30 June 2023	Develop and Submit 2022/23 Procurement Plan to MM and Council by 31 July 2022 in the June 2023 financial year	2021/22 Procurement Plan in place	N/A	Submit Procurement plan to MM and Council by 31 July 2022	Procurement plan submitted as per required	N/A	N/A	Finance Services		
MFV 9			% of progress on Implementation of Procurement Plan	Implement 100% of the 2022/23 Procurement Plan in the year ending 30 June 2023	Implemented 100% of the 2021/22 Procurement Plan in the year ending 30 June 2022	N/A	Implement 50% of the Procurement Plan	procurement plan implemented	N/A	N/A	Finance Services		
MFV 10			Number of days taken for requisition to be converted to a purchase order in the financial year ended 30 June 2023	Conversion of requisition to a Purchase order within 10 Working Days after requisition	8 Working Days to convert requisitions to a Purchase order	N/A	Conversion of requisition to a Purchase order within 10 Working Days	target met after adjustment		N/A	N/A	Finance Services	
MFV 11			Number of days taken to finalise the bid specification	Finalisation of the specification of a Bid/Tender within	Finalisation of the specification of a Bid/Tender within	N/A	Finalisation of the specification of a	target not met				Finance Services	

DANNHAUSER LOCAL MUNICIPALITY
DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

			after the requisition by the user department in the year ending 30 June 2023	10 Working days after requisition	10 Working days after requisition		Bid/Tender within 10 Working days					
MFV 12			Number of days it takes to evaluate a tender document after the closing of the tender in the financial year ending 30 June 2023	Finalisation of the Evaluation of a Bid/Tender within 20 Working days after the closing date	50 Working Days taken to finalise evaluation of bids or tender after closing date	5 days	Finalisation of the Evaluation of a Bid/Tender within 20 Working days	target not met				
MFV 13			Number of days it takes to adjudicate tender documents after receipt of the evaluation in the financial year ending 30 June 2023	Finalisation of the Adjudication Process of a Bid/Tender within 10 Working days after the evaluation process is complete	Finalisation of the Adjudication Process of a Bid/Tender within 20 Working days after the evaluation process is complete	N/A	Finalisation of the Adjudication Process of a Bid/Tender within 10 Working days after the evaluation process is complete	target not met			Finance Services	
MFV 14	To Improve Municipal Revenue Base	Management of customers' database	Percentage of customers billed/Total No. of Customers-database by 30 June 2023	100% of customers billed as per customer database in the year ending 30 June 2023	100% of customers billed as per customer database in the year ended 30 June 2022	N/A	100% of customers billed as per customer database	100% billed	N/A	N/A	Finance Services	
MFV 15		Debt Collection	Percentage of outstanding debts collected in the year ending 30 June 2023	80% collection of debt in the year ending 30 June 2023	73% of debt collected in the year ended 30 June 2022	% outstanding debt	100% collection	80% collection of debt not met			Finance Services	
MFV 16		Debt coverage	Implementation of a target debt ratio of 1:1 [(Total operating revenue received) - (operating grants received) / debt service payments due, including interest and capital] in the year ending 30 June 2023	Debt coverage Ratio of 1:1 [(Total operating revenue received) - (operating grants received) / debt service payments due, including interest and capital] in the year ending 30 June 2023	Debt Coverage Ratio of 1.69:1 [(Total operating revenue received) - (operating grants received) / debt service payments due, including interest and capital] achieved in the year ending 30 June 2022	Yes	Debt Coverage Ratio of 1:1 [(Total operating revenue received) - (operating grants received) / debt service payments due, including interest and capital]	debt coverage ratio target met	N/A	N/A	Finance Services	

DANNHAUSER LOCAL MUNICIPALITY
DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

MFV 17		Outstanding service debtors to revenue	Number of days debtors are outstanding (Total outstanding debtors / Actual revenue received for services) x 100 by 30 June 2023	110 days	120 days	30 days	90 Days	number of days outstanding not met			Finance Services	
MFV 18		Cost coverage	Implementation of a cost coverage ratio of 1:1 for the year ending 30 June 2023	cost coverage ratio of 1:1 for the year ending 30 June 2023	cost coverage ratio of 1.035:1 for the year ended 30 June 2022	Yes	cost coverage ratio of 1:1	target not met			Finance Services	
MFV 19	To Develop a sustainable and efficient Municipal based on sound financial management	Ensure a financially viable municipality.	Number of Quarterly reports on irregular, fruitless and unauthorized expenditure in the year ending 30 June 2023	4 x Quarterly Reports on Irregular, Fruitless and unauthorized Expenditure in the year ending 30 June 2023	Submitted 4 x Quarterly Reports on Irregular, Fruitless and unauthorized Expenditure in the year ended 30 June 2022	N/A	2 x Reports on Irregular, Fruitless and unauthorized Expenditure	reports submitted			Finance Services	
MFV 20	To improve expenditure control	Departmental budget actually spent within dept budget	% dept budget actually spent against approved dept budget in the year ending 30 June 2023	no more than 100% spent of the dept annual budget in the year ending 30 June 2023	Not more than 100% spent of the dept annual budget in the year ended 30 June 2022	N/A	no more than 50% spent of the dept annual budget		N/A	N/A	Community Services	
MFV 21		Revenue Generated Through Drivers Licensing	Revenue (in Rands) Generated Through Driver Licensing in the year ending 30 June 2023	Generate R 144 428,00 Through Drivers Licensing by 30 June 2023	R317 917 generated through drivers licensing in the year ended 30 June 2022	N/A	Generate R 72 214 Through Drivers Licensing		N/A	N/A	Community Services	
MFV 22		Revenue Generated Through Motor Licensing	Revenue (in Rands) Generated Through Motor Licensing (Commission/Payment to Council) in the year ending 30 June 2023	Generate R 857 298,00 Through Motor Licensing in the year ending 30 June 2023	R1 369 330 generated through motor licensing in the year ended 30 June 2022	N/A	Generate R 428 649 Through Motor Licensing		N/A	N/A	Community Services	
MFV 23		Revenue Generated Through Traffic Fines	Key Performance Indicators	Generate R 403 002,00 Through Traffic Fines in the	R205 100 generated through traffic fines in the	N/A	Generate R 201 600 Through Traffic Fines		N/A	N/A	Community Services	

DANNHAUSER LOCAL MUNICIPALITY
DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

				year ending 30 June 2023	year ended 30 June 2022							
MFV 24		Facilitation of funds to be received from Human Settlement for housing projects - Ubuhlebomzinyathi; Stein Drive Inn; Strijbank Rectification	Number of Reports submitted to Human Settlement	prepare 4 progress report on follow-up on funds to be provided by Human Settlement by 30 June 2023	New	N/A	prepare 2 progress report on follow-up on funds to be provided by Human Settlement	4X reports Submitted	N/A	N/A	Planning and Economic Development	
MFV 25		Capital budget actually spent on capital projects identified in 2022/2023 IDP	% of Capital budget actually spent on capital projects identified in 2022/2023 IDP in the year ending 30 June 2023	100% capital budget spent in the year ending 30 June 2023	86% capital budget spent in the year ended 30 June 2022	Capital annual budget underspent by 14%	55% capital budget spent		N/A	N/A	Technical Services	
MFV 26		Departmental budget actually spent within dept budget	% of dept budget actually spent against approved dept budget in the year ending 30 June 2023	no more than 100% spent of the dept annual budget in the year ending 30 June 2023	Not more than 100% spent of the dept annual budget in the year ended 30 June 2022	N/A	no more than 50% spent of the dept annual budget		N/A	N/A	Technical Services	

DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT**ASSESSMENT OF THE PERFORMANCE OF EXTERNAL SERVICE PROVIDERS**

The monitoring of the service provider performance is ensured through the signing of the Service Level Agreement. It is currently being done at user department level. The end user department provides monthly reports to the SCM unit as well. Service providers who fail to perform are reported to SCM and the necessary action is taken including the termination of the contract or cancellation of an order.

Assessment Key

Assessment	Description
Good (G)	The service has been provided at acceptable standards and within the time frames stipulated in the SLA/Contract
Satisfactory (S)	The service has been provided at acceptable standards and outside of the timeframes stipulated in the SLA/Contract
Poor (P)	The service has been provided below acceptable standards.

NB: It must be noted some of the projects are behind schedule not necessarily due to poor delivery by the Service provider but mainly due to delays on the Municipality side emanating from delays in funding, Stakeholder delays or internal processes.

DANNHAUSER LOCAL MUNICIPALITY
DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

5.1.14 Tenders awarded in 2022/23

REF	CONTRACT NUMBER	BID/ QUOTATION NUMBER	APPOINTED BIDDER	RESPONSIBLE DEPARTMENT	DESCRIPTION OF GOODS/SERVICES/PROJECTS	CONTRACT VALUE AS PER CONTRACT	CONTRACT START DATE	CONTRACT END DATE	2022/2023: Assessment of Service Providers Performance
									Previous year performance
6/1/379	6/1/379	18/09/2023	Manatty Trading	TECHNICAL DEPARTMENT	Rehabilitation of Rural Road in Ward 1	R4 645 130.60	2023/12/14	2024/06/30	
6/1/380	6/1/380	19/09/2023	Deezlo Trading	TECHNICAL DEPARTMENT	Rehabilitation of Rural Road in Ward 3	R4 742 106.08	2023/09/22	2024/06/30	
6/1/381	6/1/381	20/09/2023	VEZOKUNGCONO TRADING	TECHNICAL DEPARTMENT	Rehabilitation of Rural Road in Ward 6	R5 132 939.50	2023/09/22	2024/06/30	
6/1/372	6/1/372	14/09/2023	SIKHUMBULAKWENZA TRADING ENTERPRISIS	TECHNICAL DEPARTMENT	Rehabilitation of Rural Road in Ward 7	R2 164 990.57	2023/05/03	2026/05/04	
6/1/383	6/1/383	15/09/2023	DALEKA TRADING ENTERPRISE	TECHNICAL DEPARTMENT	REHABILITATION OF RURAL ROAD IN WARDS 3	R6 100 000.00	2023/09/22	2024/06/30	

DANNHAUSER LOCAL MUNICIPALITY
DANNHAUSER LOCAL MUNICIPALITY: ANNUAL REPORT

6/1/384	6/1/384	17/09/2022	INTELLIGENCE EVERYWHERE ENTERPRISES	CORPORATE SERVICES	Microsoft office 365 license renewal for a period of 12 months	R579 997.33	2023/12/01	2023/12/31	
6/1/385	6/1/385	24/10/2022	INDALO DEVELOPMENT CONSULTANT	PLANNING DEPARTMENT	GIS SOFTWARE LICENCE AND PLOTA	R294 400.00	2023/12/01	2024/01/31	
6/1/386	6/1/386	24/10/2022	ISBANI SETHU ENTERPRISE	TECHNICAL DEPARTMENT	Design plan and pegging of Durnacol Cemetery site on portion 1/17900	R270 000.00	2023/12/01	2024/02/28	
6/1/388	6/1/388	22/09/2023	Versatile Interiors	TECHNICAL DEPARTMENT	SUPPLY AND DELIVERY OF FURNITURE FOR NEW OFFICES	R3 195 670.00	2023/12/21	2024/03/31	
6/1/389	6/1/389	05/10/2023	Indumeni Trading	COMMUNITY SERVICES	Fire Truck for Fire and Rescue Service	R1 926 250.00	2023/12/21	2024/03/31	

CHAPTER 6: CONCLUSION

During 2022/23 financial year, the municipality managed to deliver on its developmental mandate of improving the quality of life and providing quality service to its entire community, although there are challenges that municipality encountered, such as high level of crime, unemployment, etc. The Dannhauser Municipality continued to face revenue, resource, and organisational challenges, which the municipality had to deal with in the past year because of the stagnant economic growth and lack of employment opportunities in the municipality, having aged infrastructure leading to patchy service delivery and culture of non-payment for rates and municipal services. Great appreciation goes to the Council of Dannhauser Local Municipality, Members of the Executive Committee, the Portfolio Committees of Council, Management, the Municipal Public Accounts Committee, Audit Committee and the entire community for guidance and the support given to Management and Staff of the municipality during the 2022/2023 financial year period.

Volume II: Annual Financial Statements

Attached on the file will be consolidated to one report once all the comments have been finalised.