

BLUE CRANE ROUTE MUNICIPALITY (EC102)



ANNUAL REPORT 2022/2023

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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

Section 127(2) of the Municipal Finance Management Act (MFMA) 56 of 2003 enjoins the Mayor to table to the municipal Council the Annual Report for a financial year under review. It is for this purpose that the Draft Annual Report for 2022/23 financial year is prepared for the Council and the community of Blue Crane Route Municipality. The purpose of such a report is to provide a record of the activities of the municipality during the financial year in which it relates. This report is prepared in recognition of our obligation as an accountable and transparent government. It reflects how we fared in the implementation of our Integrated Development Plan (IDP) and Budget for 2022/2023 financial year.

During the year under review, collective efforts of both Political and Administration strived to achieve the outcomes of service delivery for all residents of Blue Crane Route Municipality. Although there were many impediments in providing service delivery such as aging infrastructure, theft and vandalism, service delivery protests and heavy rains, the municipality strove to ensure its objectives.

BCRM has consistently received Unqualified Audit Opinions over the past 8 years. Despite the huge financial constraints the municipality managed to keep afloat and was able to meet the third-party obligations.

It is therefore a pleasure to present the Draft Annual Report for 2022/2023 financial year.

CLLR B.A MANXOWENI
MAYOR

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

This 2022/23 Annual Report is prepared in terms of Section 121 of the MFMA of 2003, Section 46 of the Municipal Systems Act No. 32 of 2000 and National Treasury Circular No. 63, which seeks to give effect to BCRM legislative and constitutional mandate.

Blue Crane Route Municipality is a Category B municipality entrusted with discharging Section 155 and 156 of the Constitution of RSA (Act 108 of 1996) and Section 83 and 84 of the Municipal Systems Act.

The following services are performed on a shared basis: Fire and Disaster Management, Land Use, Environmental Health (SBDM), Housing Development (DHS), Rural Roads (Dept. Of Roads & Transport), Library Services (DSRAC) and Local Economic Development (Cacadu Development Agency).

From a governance and Institutional Arrangement perspective the municipality is functional. All Senior Management positions have been filled. The Audit and Performance Committee and the Internal Audit Unit are fully effective as they continue to discharge their respective statutory obligations. The municipality obtained an Unqualified Audit opinion for 2022/23 financial year with reduction of matters of emphasis.

The following are the top 5 strategic risks the municipality has identified during the year under review:

- Revenue collection.
- Inadequacy in the implementation of MSCOA.
- Records Management
- Leave management.
- Going concern

May I take this opportunity to thank our Council and staff for their commitment and dedication in ensuring that Blue Crane Route Municipality continues to discharge its constitutional and statutory obligations despite the challenges.

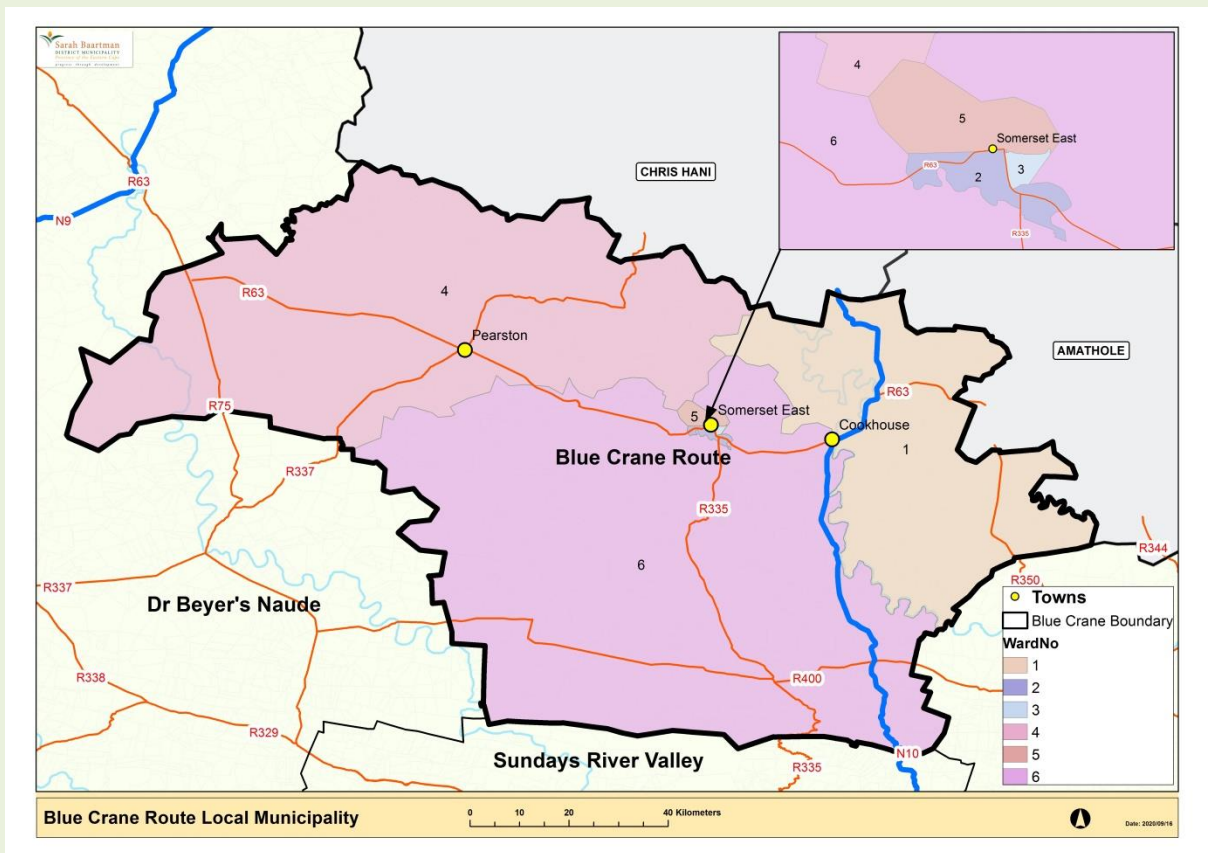
MR M.P NINI
MUNICIPAL MANAGER

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.2.1 INTRODUCTION TO BACKGROUND DATA

This section includes an analysis of the demographic, socio-economic and infrastructure development dimensions. The statistical information was sourced from Stats SA 2001 to 2011, Community survey 2016 and IHS global insight 2021. The district perspective is presented to provide a better understanding of the context within which the BCR municipality operates.

1.2.2 POPULATION AND ENVIRONMENTAL OVERVIEW



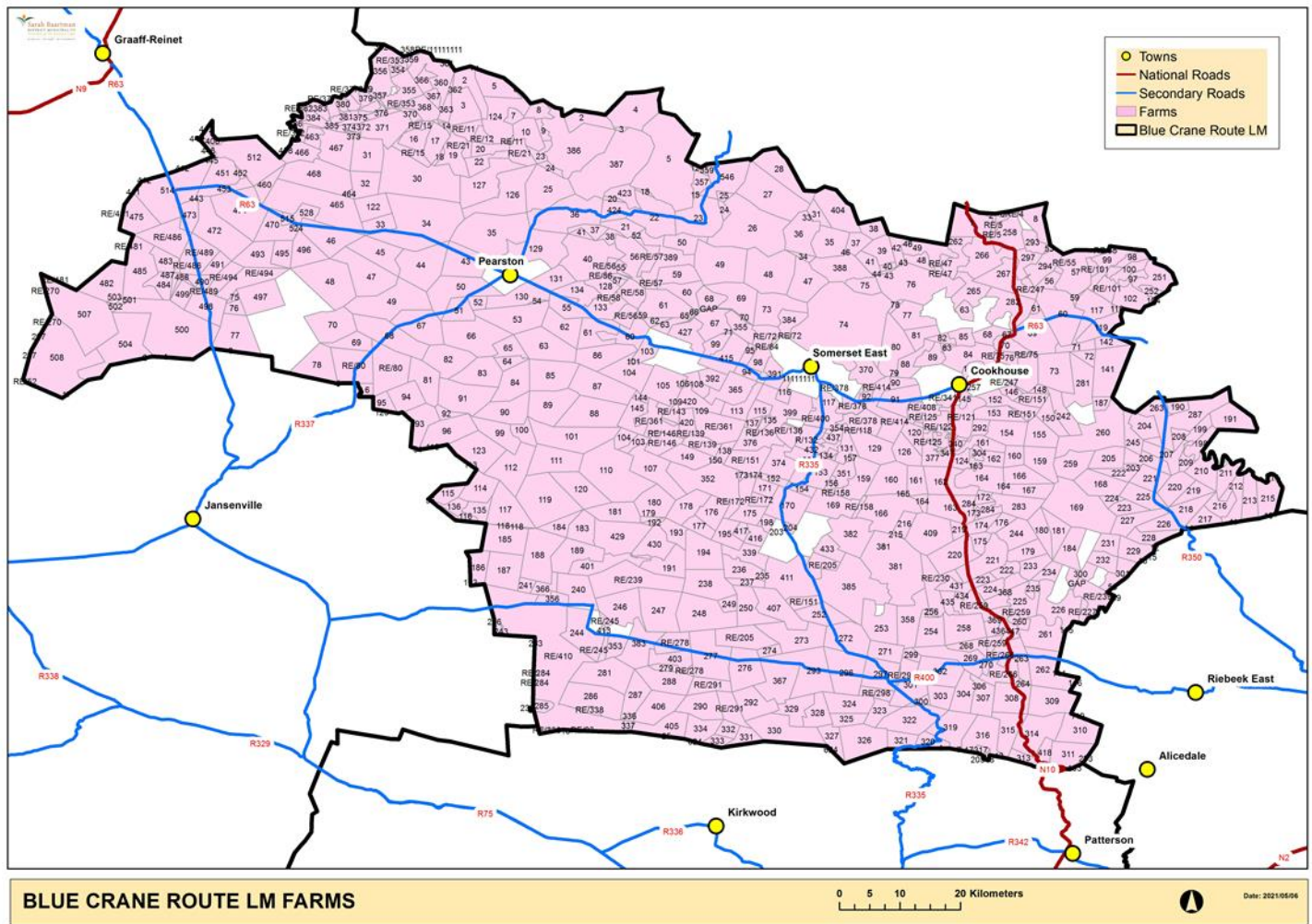
The Blue Crane Route Municipality falls within the jurisdiction of the Sarah Bартman District Municipality. The Municipality's area is bordered on the North-east of Raymond Mhlaba Municipality

(Amathole DM), North-west of Inxuba Yethemba municipality (Chris Hani DM), South of Makana Municipality and the South-west of Sundays River Valley municipality. The Blue Crane Route Municipality is located at 67 Nojoli Street, Somerset East.

The Blue Crane Route area comprises of the primary node of Somerset East, which is the main commercial hub, two secondary service centres i.e Pearston and Cookhouse, and vast rural commercial farmlands. Per the Community survey that was conducted 2016, the municipality's population has moved from 36 002 to 36 063, 1.7% growth rate. The figures below reflect the findings per Census 2011, the community survey 2016 reflects the overall growth of the area not at ward level:

- Somerset East (Wards 2, 3 and 5 = 19172)
 - Town Area, Vosloodal, Chris Hani, Francisvale, Aeroville, Clevedon, Mnandi, Old Location, New Brighton, Westview and Uitkeer.
- Cookhouse (Wards 1 and 6 = 10 898)
 - Bhongweni and Newtown
 - Golden Valley and Middleton rural nodes
 - Town area and Cradock place
- Pearston (Ward 4 = 5 933)
 - Town Area, Millenium Park, Nelsig and Khanyiso

Somerset East is the administrative seat of the municipality and situated at the foot of the Boschberg Mountain. Blue Crane Route Municipality has 6 Wards and the total of eleven (11) Councillors who constitute Council. The map below reflects farms that are within the Blue Crane Route Municipality.



DEMOGRAPHIC PROFILE

Table 1: Population and extent of Area km² - EC, CDM and BLM

Stats SA 2011	Province of the Eastern Cape	Sarah Baartman District Municipality	Blue Crane Route Local Municipality
Total Population	6 562 053	450 584	36 002
Total Population (Community Survey 2016)	6 996 976	479923	36063
Area km ²	168 966 km ²	58 243.3 km ²	11 068.56 km ²

Source: StatsSA 2011

As indicated by the statistical information above, Blue Crane Route accounts for 8% of the Sarah Baartman District and 0.5% of the Provincial population. Geographically Blue Crane Route makes up 19% of the District municipality's landmass with a population density of 3.25 per km².

According to StatsSA -Census 2011, the total population of Blue Crane Route is 36 002, however as per the Community Survey conducted 2016, the population figures have increased from 36002 to 36063. This then therefore indicates that the growth rate of the population is very slow due to number of issues flowing from migration, death and birth rate.

The most significant roads passing through the area are the; **N10, R61, R63, and R390,**

The approximate distance between the towns is:

- Somerset East to Pearston : 50 Km.
- Somerset East to Cookhouse : 25 Km.
- Cookhouse to Pearston : 75km.

1.2.3 DEMOGRAPHICS PER WARD

Table 2: Age Distribution, Gender, Population Grouping and Head of Household

DEMOGRAPHICS								
Age distribution	00 - 04	05 – 09	10 – 14	15 – 34	35 - 64	65 - 85+	Ward Total	%
Ward 1	549	454	422	1555	1566	203	4749	13.2
Ward 2	814	583	591	1882	2265	611	6747	18.7
Ward 3	705	671	601	2185	2320	498	6979	19.4
Ward 4	661	668	570	1788	1817	428	5933	16.5
Ward 5	542	526	475	1628	1804	470	5446	15.1
Ward 6	686	550	449	2068	2083	313	6148	17.1
Grand Total BCRM	3956	3453	3108	11106	11856	2523	36002	100
Gender	Male	%	Female	%	Total			
Ward 1	2390	50.3	2359	49.7	4749			
Ward 2	3289	48.7	3458	51.3	6747			
Ward 3	3311	47.4	3668	52.6	6979			
Ward 4	2938	49.5	2995	50.5	5933			
Ward 5	2547	46.8	2899	53.2	5446			
Ward 6	3206	52.1	2943	47.9	6149			
Grand Total BCR	17680	49.1	18322	50.9	36002			
Population Group	Black	Coloured	White	Indian/Asian	Other	Ward Total		

Ward 1	3278	1143	289	10	28	4749		
Ward 2	3169	2370	1128	37	44	6747		
Ward 3	6493	378	68	19	21	6979		
Ward 4	2211	3365	287	26	43	5933		
Ward 5	1813	3387	203	15	28	5446		
Ward 6	4283	1246	479	10	131	6148		
Grand Total BCR	21247	11888	2453	118	295	36002		
Head Household: Gender	Male	%	Female	%	Total Ward			
Ward 1	823	70.1	351	29.9	1174			
Ward 2	1048	56.8	797	43.2	1845			
Ward 3	1161	57.5	859	42.5	2019			
Ward 4	914	57.6	671	42.3	1586			
Ward 5	769	51.7	719	48.3	1488			
Ward 6	1212	73.5	436	26.4	1649			
Grand Total BCR	5927	60.7	3834	39.3	9761			

Source: StatsSA 2011

1.2.4 DEMOGRAPHIC TRENDS

Table 3: Age distribution, Gender, Population Grouping and Head of Household

DEMOGRAP HICS	STATSSA 2001	STATSSA 2011	%	GROWTH % p.a.	COMSURVEY 2016	GRO WTH %
BCRM Total Population	35407	36002		0.17	36063	1.7%
Age distribution	35 005	36 003				
0-14	10 293	10517	29.2	0.2	11825	2.34
15-64	22 485	22962	63.8	0.2	21892	-0.96
65+	2 227	2524	7.0	1.3	2347	-1.45
Gender	35 003	36 002			36063	
Male	16806	17680	49.1	0.5	-	-
Female	18197	18322	50.9	0.1	-	-
Population Grouping	35 003	36 001				
Black	20861	21247	59.0	0.19	-	-
Coloured	11515	11888	33.0	0.32	-	-
White	2606	2453	6.8	-0.6	-	-
Indian/Asian	21	118	0.3	46.2	-	-
Other	0	295	0.8	-	-	-
Head of Household: Gender	9 595	9 761				

DEMOGRAP HICS	STATSSA 2001	STATSSA 2011	%	GROWTH % p.a.	COMSURVEY 2016	GRO WTH %
BCRM Total Population	35407	36002		0.17	36063	1.7%
Male	6 486	5 927	60.7	-0.9	-	-
Female	3 109	3 834	39.3	2.3	-	-

Source: StatsSA

StatsSA 2011 reflects that 29% of the population are young and under 15 year of age, which requires intergovernmental planning efforts to jointly focus on improved education and providing sport and recreation facilities. Sport plays an important part in youth development and relevant role-players should form partnerships to promote sport initiatives and youth programmes in Blue Crane Route. The high number of children could also be an indication of a dependency on child support grants.

According to StatsSA 2011 a 7% increase has occurred, from 32% to 39%, in respect of female headed households between 2001 and 2011. The increase is relatively high considering that the population growth rate has been very low over a 10-year period and the male to female sex ratio has only risen marginally. This could be reflective of males migrating in search of employment opportunities outside of the municipal area or the occurrence of single mothers deciding to create a basis for their young with the option of marriage later in life.

A large segment (50.1% -StatsSA 2011) of the population speaks IsiXhosa, followed by 42.2% communicating in Afrikaans. Black South Africans account for 59% of the population, followed by 33% Coloured South Africans. Stats 2011 also indicates that 95.5% of the population were born in South Africa.

1.2.5 WATER AND SANITATION PROVISION

Table 4: Water and Sanitation Provision

BASIC SERVICE / INFRASTRUCTURE	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.	BLUE CRANE ROUTE AREA (CS 2016) %
Total number of households	9 595	9 761		1.7%	
Sanitation	9 470	9 760		3.06%	
Flush toilets	4439	7856	80.5	7.7	88.4
Flush septic tank	390	395	4.0	0.1	-
Chemical	244	25	0.3	-9.0	0.1
VIP	127	83	0.9	-3.5	-
Pit latrines without ventilation	752	327	3.4	-5.7	4.1
Bucket latrine	1921	277	2.8	-8.6	2.9
None	1597	617	6.3	-6.1	3.5
Other		180	1.8	-	-
Water – Access to piped water	8 530	9 740		12.4%	91.2
Household	2289	5022	51.5	11.94	-
In yard	5027	3903	40.0	-2.24	-
Community stand <200 m	526	323	3.3	-3.86	-
Community Stand >200m	688	172	1.7	-7.50	-

No access to piped (tap) water		340	3.5		8.8
Water – Source of water		9 760			
Water scheme operated by municipality or other WSP		7830	80.2		-
Borehole	128	955	9.8	64.6	-
Spring	5	30	0.3	50.0	-
Rain tank	196	275	2.8	4.0	-
Dam/stagnant water	207	317	3.2	5.3	-
River/stream	201	53	0.5	-7.4	-
Water vendor	17	31	0.3	8.2	-
Water Tanker		132	1.4	-2.7	-
Other	180	137	1.4		-

Source: StatsSA 2011 and CS 2016

The level of waterborne system/connection shows a growth of 7.7% p.a. over a period of 10 years (2001 to 2011). The number of bucket latrines reflects a negative growth of -8.6% p.a. over the same period which in effect means that bucket toilets have been reduced by 85.6% from 20.3% in 2001 to 2.8% in 2011. The standard and provision of sanitation and water shows a significant improvement from 2001 to 2011. The BCRM has a total of 8929 houses which has access to drinking water and basic level of sanitation. Three hundred and fifty (350) households which make (4%) of the households are people living in the informal settlements, their access to sanitation is in a form of bucket system and have access to drinking water in a form of community stand pipes which are within 200m walking distance from the households.

1.2.6 ELECTRICITY

Table 5: Energy for Lighting

BASIC SERVICE / INFRASTRUCTURE	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.	BLUE CRANE ROUTE AREA (CS 2016) %
Total number of households	9 595	9 761			
Energy (Access)	9 470	9 760		3.06%	
Electricity	6 161	8 486	86.9	3.8	88.9
Gas	23	17	0.2	-2.6	-
Paraffin	2 135	306	3.1	-8.6	-
Candles	1 057	876	9.0	-1.7	-
Solar	34	36	0.4	0.6	-
Other	60	0	0.0	-10.0	11.1
None		39	0.4		-

Source: StatsSA 2011: Community Survey 2016

Access to electricity has improved from 65.1% in 2001 to 86.9% in 2011. Community survey conducted in 2016 also shows a slight change from 86.9% to 88.9%. The dependency on paraffin and candles were reduced from 22.5% and 11.2% in 2001 to 3.1% and 9.0% in 2011. BCRM also supply's farm areas that are >100km radius. The current backlogs in those different lines are the rotten / old network, with falling poles due to its life span. Regular routine maintenance is done but due financial constraint this exercise is not improving in most areas but in some areas, it is improving. There are constant power failures occurring in those lines. Electricity is supplied to all schools, hospital (Andre Vosloo) and Somerset East correction services.

1.2.7 SOLID WASTE MANAGEMENT

Table 6: Refuse Removal Services

BASIC SERVICE / INFRASTRUCTURE	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.	BLUE CRANE ROUTE AREA (CS 2016) %
Total number of households	9 595	9 761			
Refuse Removal	9 467	9 761	%	3.10%	
How often by municipality?					
a) @ least once a week	6351	7842	80.3	2.35	86.1
b) Less often	28	51	0.5	8.21	0.4
How often is refuse bags provided	Once in 3 months	Once in 3 months			
Mode Disposal					
a) Communal dumping	59	78	0.8	3.22	4.3
b) Own dump	2440	1444	14.8	-4.08	6.4
c) No disposal	589	195	2.0	-6.69	2.6
Other	0	151	1.5		0.1
No of Licensed Landfill sites		3			
No of un-licensed landfill sites		0			

Source: StatsSA 2011 and CS 2016

In 2011, 80.3% of households in the BCRM had access to a weekly refuse removal service as compared to 67.1% in 2001. In 2016 it has increased to 86.1. All residential areas, excluding farm areas, have access to refuse removal services. There is a fixed schedule for household and business refuse collection. Both household and business refuse are collected once a week. The municipality does not have a schedule for garden refuse. Waste Collection Strategies include skip bins and kerb side collections on a weekly basis. The Illegal dumping sites are cleared monthly. This is not without challenges due to availability of equipment as well as fleet.

Municipal Environmental Programme is supported with Community Works Programs (CWP) and Expanded Public Works Programme (EPWP) on an on-going basis. Community awareness programmes are conducted to educate the community about environmental issues; however communities have not fully embraced the concept of keeping the area clean and there are still illegal dumping spots. There is a private company conducting on site recycling.

1.2.8 ECONOMIC ANALYSIS

Local economic development is vital to the future development of the BCRM; the economy of this Municipality is based primarily on agriculture and Tourism. In essence the activities that dominate are: Agriculture: Intensive Farming operations (Cash crops/ Lucerne production, dairy's, etc) Extensive farming operations: Cattle & Goat farming, game farming. Agriculture dominates the district's economy, contributing 28% of all value added and amounting to 41% of formal employment.

Summary of the Economic Sector:

Agriculture: Farming (livestock abattoir), Game hunting, Exotic Fruits, Citrus Fruits and Manufacturing (dairy)

Agro - processing: Mohair

Tourism: Museum, Art gallery, game reserves, Hiking trails with waterfall, B'nB's and Hotels and Bestershoek Lodge

Renewable energy: Wind Farms and potential Hydro- energy and solar panels

Largest threats: Climate change, localised droughts, cheap imports, changing economic climate in South Africa, Disasters (floods), unemployment and crime rate.

The municipality is in the process of capacitating LED unit. The following are the economic infrastructure/projects within the municipal area which are being implemented through the Cacadu Development Agency:

1. Somerset East Industrial Park

This project has the potential to be the ultimate economic driver for the municipal economy. Launch and handover of bulk infrastructure at the Industrial Park was done. Funding for the project is R28m. The municipality in partnership with the CDA are in the process of engaging potential investors to utilise the industrial park in order to create sustainable jobs and change the economic outlook of the municipality.

2. Somerset East Aerodrome

The construction of the Somerset East Aerodrome was completed in 2016 and registered with South African Civil Aviation Authority. The Aerodrom was vandalised and CDA is in the process of refurbishing (fencing and installation of a runway lights) it.

3. Boschberg Tourism Hub

Currently the Boschberg Tourism Hub is a responsibility of CDA. The current challenge with the Tourism Hub is the lack of security. The building is vandalised and the Lease Agreement between BCRM and the Lessee has lapsed and not renewed. However, CDA is in the process of appointing service provider to do costing for renovations.

Other LED Projects

1. R355 Road Project

The R355 road project is underway.

2. Renewable Energy (Wind farms)

There are windfarms within the Province of the Eastern Cape. There are five (5) within Blue Crane Route jurisdiction situated in Cookhouse area. This wind farm has made contribution to social development projects focusing on early childhood development programmes.

3. Revitalisation of the rail

The project was implemented in Cookhouse by Transnet and +- 100 job opportunities were created.

1.2.9 SOCIO ECONOMIC DIMENSION

Table 7: Socio Economic

SOCIO ECONOMIC ANALYSIS	BLUE CRANE ROUTE (STATSSA 2001)	BLUE CRANE AREA (STATSSA 2011)	%	GROWTH % p.a.
Total Population				
No disability/Unspecified	32292	28152	87.85	-1.28
Sight	571	2294	7.16	30.18
Hearing	221	350	1.09	5.84
Communication	78	82	0.26	0.51
Physical / Walking	1118	465	1.45	-5.84
Intellectual / Remembering	133	265	0.83	9.92
Emotional / Self Care	298	438	1.37	4.70
Multiple disability	300	0	0.00	-10.00
Not applicable		3956		
	35 011	36 002		

Source: StatsSA 2011

StatsSA indicates that there has been an overall decline of -1.28% p.a. in the number of population with disabilities. People with a sight disability have increased drastically by 5.6% from 1.6% in 2001 to 7.2 in 2011.

Table 8: Income Category

SOCIO ECONOMIC ANALYSIS	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.
Total Population				
Income 15 to 65				
No Income	180	10 504	46.09	573.6
R1 – R400	3 454	1 254	5.50	-6.4
R401 – R800	1 557	1 198	5.26	-2.3
R801 - R1600	929	4 924	21.61	43.0
R1601 – R3200	794	1 582	6.94	9.9
R 3 201 - R 6 400	566	933	4.09	6.5
R 6 401 - R 12 800	239	763	3.35	21.9
R 12 801 - R 25 600	58	489	2.15	74.3
R 25 601 - R 51 200	27	101	0.44	27.4
R 51 201 - R 102 400	32	30	0.13	-0.6
R 102 401 - R 204 800	7	28	0.12	30.0
R 204 801 or more	3	12	0.05	30.0
Unspecified	0	973	4.27	
	7 846	22 791		

Source: StatsSA

StatsSA 2011 reflects that poverty levels are high with 46.1% of the population not receiving any income, and a further 10.8% earn less than R801 per month, therefore technically falling under the poverty line. This is exacerbated by the fact that 65.7% of the potential labour force are not working. The population lack buying power which makes it difficult to exploit local economic development

opportunities and the situation implies a high dependency on social grants. Interventions must be created and expedited to support poor communities.

The potential economic active labour force accounts for 60.2% of the total population which reinforces the need to boost the economy and stimulate job growth.

Table 9: Labour Status

BLUE CRANE ROUTE AREA (STATSSA 2011)			%	GROWTH % p.a.
Employed	7839	7434	34.3	-0.52
Unemployed	5355	3300	15.2	-3.84
Non-economically active	9471	10935	50.5	1.55
	22665	21669		

Source: StatsSA

StatsSA indicates that 15.2% of the potential workforce is unemployed and a further 50.5% are not economically active in 2011. The remaining 34.3% of the labour force is employed. The overall dependency ratio is 56.8 persons per hundred population of working age. StatsSA 2011 also concludes that 1 953 of the youth in Blue Crane Route are unemployed.

Table 10: Education Levels 20 year +

SOCIO ECONOMIC ANALYSIS	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.	BLUE CRANE ROUTE AREA (Community Survey 2016) %
Total Population					
Level of education 20 +					
No schooling	4 088	2 592	8.24	-3.7	6.3
Some primary	5 956	10 895	34.65	8.3	21.7

SOCIO ECONOMIC ANALYSIS	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.	BLUE CRANE ROUTE AREA (Community Survey 2016) %
Total Population					
Level of education 20+					
Complete primary	1 977	2 516	8.00	2.7	9.9
Some secondary	5 361	9 577	30.46	7.9	38.9
Std 10/Grade 12	2 437	4 420	14.06	8.1	20.7
Higher	1 075	1 392	4.43	2.9	2.5
Unspecified	0	49	0.16		0

Source: StatsSA and CS 2016

Stats SA 2011 shows that 8.24% of the population over 20 years of age have not received any schooling. The figure is moderate and furthermore shows a decline or negative growth of -36.6% for the past decade (since 2001), when 4 088 or 19.6% of the population over 20 years had not undergone any schooling.

1.2.10 POWERS AND FUNCTIONS OF THE MUNICIPALITY

The municipal mandate stems from the section 155 and 156 of the Constitutions (Act 108 of 1996) which assigns powers and functions drawing from the schedules 4b & 5b. In terms of the Part B of schedule 4 and 5 of the Constitution, Blue Crane Route Municipality has the following powers & functions:

Schedule 4 Part B	Schedule 5 Part B
Powers exercised by the BCRM	Powers exercised by the BCRM
<ul style="list-style-type: none"> ○ Air pollution ○ Building regulations ○ Electricity and gas reticulation ○ Firefighting services ○ Local tourism ○ Municipal planning ○ Municipal public works ○ Stormwater management systems in built-up area ○ Trading regulations ○ Water and sanitation services 	<ul style="list-style-type: none"> ○ Amusement facilities ○ Billboards and the display of advertisements in public places ○ Cemeteries ○ Cleansing ○ Control of public nuisances ○ Control of undertakings that sell liquor to the public ○ Facilities for the accommodation, care and burial of animals ○ Fencing and fences ○ Licensing and control of undertakings that sell food to the public ○ Local amenities ○ Local sport facilities ○ Municipal abattoirs ○ Municipal parks and recreation ○ Municipal roads ○ Noise pollution ○ Pounds ○ Public places ○ Refuse removal, refuse dumps and solid waste disposal ○ Street trading ○ Street lighting ○ Traffic and parking

1.3. ORGANISATIONAL DEVELOPMENT OVERVIEW

During the year under review, the organisational structure undergone a review process which was subjected to intense engagements with all internal stakeholders. This culminated into an organogram being adopted by Council. The municipality has a workforce of 271 permanent employees and 147 temporary employees. All the senior management positions are filled. Organisational policies and bylaws were developed, some reviewed and approved by Council. Performance Management Framework and Individual Performance Management Policy were also reviewed; performance management has not cascaded to other levels of management except for Senior Management.

COMMENT ON THE ANNUAL REPORT PROCESS

The annual report is a product of inputs by various departments and relevant stakeholders on the activities and programmes that were implemented and those that were not achieved against the annual plan of the municipality. The year under review has been a relatively successful but challenging year in ensuring that the municipality complies with good governance principles, laws and regulations and adherence to the annual report processes and deadlines.

1.4 FINANCIAL OVERVIEW

The Municipality is still largely dependant of the Equitable Share and other grant funding. In addition the Municipality has a fair consumer base, however shows signs of deterioration with Services Charges are evident. An under collected of Service Charges have been experienced in the 2022/2023 Financial Year. In line with the under collection of Services rendered, Debt Impairment increased as a result of debtors not being able to pay their Municipal accounts. It should be noted that the Municipality has an indigent rate of 48% and this by itself is a major contributing factor to the Financial sustainability of the Municipality and remains a challenge in the current year. Management have embarked on approaches to implement the revenue enhancement approaches that were developed to address the challenges faced by the Municipality in this regard.

Financial Overview: Year 2022/2023			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	95 812	115 023	108 231
Taxes, Levies and			

tariffs	208 982	196 258	166 371
Other	10 692	13 233	17 606
Sub Total	315 486	324 515	292 208
Less: Expenditure	342 280	345 798	321 533
Net Total*	(26 795)	(21 283)	(29 325)
* Note: surplus/(defecit)			T 1.4.2

Operating Ratios: 2022/2023	
Detail	%
Employee Cost	30%
Repairs & Maintenance (Inventory consumed)	3%
Finance Charges	1%
Depreciation and Impairment charges	26%
Bulk Purchases	35%
Other	6%
	100%

Employee Related costs are within the norm with 30%. Repairs and Maintenance are below norm at 3% as the Municipality's budget is severely under constraint and not being able to fund the repairs and maintenance of assets in the vicinity of R1 billion. This filters through to the fact that Depreciation and Impairment is at 26%.

Total Capital Expenditure: Year 2020/2021 to 2022/2023			
	R'000		
Detail	2020/2021	2021/2022	2022/2023
Original Budget	37 580	43 411	22 276
Adjustment Budget	45 448	54 380	45 613
Actual	29 575	31 719	37 923

The Capital budget increased from R22 million to R46 million from the Original Budget to the latest Adjustment Budget done in June 2023. The Municipality received a roll over approval for Conditional Grants to the value of R9.5 million and additional funds allocated the Municipality in the last month of

the financial year of R3.2 million. Own funds were also allocated to the capital budget to increase the efficiency of operations.

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

In terms of the Municipal Structures Act, Blue Crane Route Municipality is a Collective type, which means it has an Executive Committee (EXCO) led by the Honorable Mayor. EXCO has a role of processing all items for consideration by the Council which is led by the Honorable Speaker.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Section 151(3) of the Constitution of RSA allows the Municipal Council to govern on its own initiative and local government affairs of the local community. The municipality has four standing committees aligned to the four (4) Directorates of the municipality. The committees sit once per quarter and special meetings when there is a need. The committee meetings are attended by all Councillors, Management and staff members of their respective directorates. Council meetings sit once per quarter and special Council meetings when there is a need for a Council resolution. The Council meetings are chaired by the Speaker and attended by all Councillors, Management and members of the community.

Blue Crane Route Municipality is comprised of eleven (11) Councillors; six (6) of which are ward Councillors, and five (5) proportional representative Councillors. The Speaker is a proportional representative (PR) Councilor. The ward Councillors are responsible for the wards they are representing, and PR Councillors provide support to wards. The structure of Council constituted as follows:

- 1 Cllr B.A Manxoweni – Mayor : ANC
- 2 Cllr N. Nkonyeni-Yantolo – Speaker : ANC
- 3 Cllr Z. S Baskiti- Ward 1 (ANC)
- 4 Cllr A. Heynse- Ward 2 (DA)
- 5 Cllr A. Dyantyi- Ward 3(ANC)
- 6 Cllr M.K Mali- Ward 4(ANC)
- 7 Cllr C. Nel- Ward 5 (DA)
- 8 Cllr P. Sonkwala- Ward 6 (ANC)
- 9 Cllr E. Miggels – EFF :PR
- 10 Cllr J. Martin – DA :PR
- 11 Cllr F. Brown – DA: PR

Blue Crane Route Municipality has established a Municipal Public Account Committee (MPAC) which is an Oversight Committee. MPAC is comprised of both ward and PR Councillors, with Councillor Z.S

Baskiti as the Chairperson. It provides Council with comments and recommendations on the Annual Report. During the year under review the MPAC convened at least 2 meetings as part of its oversight responsibilities. During the financial year, the municipality had a functional Audit & Performance Committee. Four (4) ordinary and 2 special meetings were held during the year. The Audit & Performance committee is currently serving its first year of its 3-year contract. Audit & Performance Committee charter was reviewed and submitted to Council for consideration and approval.

The municipality has a functional Disciplinary Board which also functions as MFMA Section 32 Committee to assist Council in investigation of Unauthorized, Irregular and Fruitless and Wasteful expenditure.

The municipality has a functional internal audit unit which constitute: Manager: IA, Internal Auditor and two IA Interns. Internal Audit Charter was reviewed and submitted to Audit Committee for approval.

2.1 POLITICAL GOVERNANCE

POLITICAL STRUCTURE

Cllr B. A Manxoweni: **MAYOR**

**CHAIRPERSON: CORPORATE SERVICES STANDING COMMITTEE, AND
FINANCE STANDING COMMITTEE.**

Cllr N Yantolo Nkonyeni: **SPEAKER OF THE COUNCIL**

Cllr P Sonkwala: **CHIEF WHIP**

Cllr Z.S Baskiti: **MPAC CHAIRPERSON**

Cllr J Martin: **CHAIRPERSON COMMUNITY SERVICES STANDING COMMITTEE**

Cllr M.K Mali: **CHAIRPERSON TECHNICAL SERVICES STANDING COMMITTEE**

POLITICAL DECISION-TAKING

The process of Council decision commences at the Standing Committee level through recommendations, which are later tabled at the EXCO and passed for adoption/Approval by Council. All Council resolutions become final and binding. Political decisions and resolutions are taken at the Council meeting. Decisions are taken through consensus, or a majority vote of the Councillors present in the meeting. A resolution register developed from decisions taken by Council is maintained, monitored and tabled for tracking / oversight in all ordinary Council meetings.

2.2 ADMINISTRATIVE GOVERNANCE

The BCRM has the following Directorates in its organizational structure. These are, Office of the Municipal Manager, Corporate Services, Community Services, Financial and Technical Services

TOP ADMINISTRATIVE STRUCTURE	Function
MUNICIPAL MANAGER (Mr M.P Nini)	Oversee the functioning and performance of the following Directorates, i.e <ul style="list-style-type: none">• Corporate Services• Finance• Community Services• Technical and Infrastructure Services• Office of the Municipal Manager
DIRECTOR CORPORATE SERVICES: (Mrs Novuko Kubone)	<ul style="list-style-type: none">• Administration• Human Resources• ICT• Customer Care
DIRECTOR: FINANCIAL SERVICES (Mr Nigel Delo)	<ul style="list-style-type: none">• Income and Expenditure• Budget and Financial Reporting• Assets and Supply Chain Management
DIRECTOR: COMMUNITY SERVICES (Mrs Yolisa Mniki)	<ul style="list-style-type: none">• Parks and Recreation• Environmental Health and cleansing• Fire and Rescue Services• Traffic Services• Environmental Management• Library Services
DIRECTOR: TECHNICAL SERVICES (Mr Ayanda Gaji)	<ul style="list-style-type: none">• Roads and Stormwater• Projects Management Unit

- Electro-Mechanic
- Water Services
- Human Settlements
- Town Planning and Land Use Management

COMPONENT B: INTERGOVERNMENTAL RELATIONS

The concept of Integrated Development Planning (IDP) is embedded on the principle of co-operation amongst various spheres of government for the purpose of providing better co-ordination and services to the community. It is in this context that co-operative governance and inter-governmental relations becomes of utmost importance. Blue Crane Route Municipality has no functional Inter-Governmental Relations Forum (IGR) due to poor attendance by other stakeholders.

2.3 INTERGOVERNMENTAL RELATIONS

The municipality continues to have good working relations with the following stakeholders and associations; however IGR forum needs to be strengthened.

- South African Local Government Association (SALGA)
- Dept of Co-operative and Traditional Affairs (COGTA)
- National and Provincial Treasury
- Sarah Baartman District Municipality (SBDM)
- Dept of Rural Development and Land Reform
- Dept of Energy
- Dept of Water and Sanitation
- Department of Human Settlements
- Dept of Social Development
- South African Police Service
- Independent Electoral Commission
- Auditor General
- Cacadu Development Agency (CDA)
- Office of the Premier
- Dr Beyers Naude Local Municipality and

- Ndlambe Local municipality

2.3.2 RELATIONSHIP WITH MUNICIPAL ENTITY

The BCRM has good relations with the Cacadu Development Agency (CDA). These relations were strengthened by the decision of the BCRM Council to dis-establish its previous entity, the BCDA. Currently the CDA oversees the co-ordination and implementation of BCRM Local Economic Developments programmes. This is managed through a Service Level Agreement (SLA) signed between the two parties.

2.3.3 DISTRICT INTERGOVERNMENTAL STRUCTURES

The municipality enjoys good relations with the Sarah Baartman District Municipality. Councilor P Sonkwala is the BCRM Representative in the District Municipality. The municipality also participates in the following district structures:

- District Mayor's Forum
- District Speakers' Forum
- District Women Commission
- District MM's Forum
- District Wide Infrastructure Forum
- District PMS Forum
 - District IDP Rep Forum
 - District-wide Disaster Management Forum
 - District Legal Advisors Forum
 - Internal Audit & Risk Forum
 - District Disaster JOC (Joint Operations Committee) Forum
 - District HR Forum

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Public accountability and participation play an important role in the promotion of democracy in local government. The municipality uses the Ward Based Planning model to engage the community on matters relating to Performance Management, IDP and Budget. This places public accountability and participation at the basic level of community engagements.

The municipality has a public participation system in place that informs interaction between the municipality and the communities. Public engagements were conducted throughout the year using different forums, meetings, events, Media and BCRM websites. The following structures have been established to enhance public participation:

- **IDP/BUDGET/PMS REPRESENTATIVE FORUM**

IDP/Budget/PMS Representative Forum sits once a quarter. The forum is chaired by the Mayor, Cllr B Manxoweni and is attended by Councillors, Government departments, organized structures in the community, Community Development Workers (CDW's) and BCRM Management. The IDP/PMS/Budget Representative Forum is the structure which facilitates and co-ordinates participation in the IDP/Budget/PMS Process.

- **WARD COMMITTEES**

Ward Committees are meant to deepen public participation in the governance of the municipality and to encourage participation by communities. The main task of the ward committee members is to be a channel between the municipality and its communities and to ensure that the communities are informed of pending activities of Council. On the other hand, they bring genuine community interests to the attention of the municipality. The ward committee meetings are not sitting as they are supposed to.

- **PUBLIC/COMMUNITY MEETINGS**

Public meetings are held in two ways, at times they are requested by community through petition to the Office of the Speaker to address issues that affect service delivery such as water and electricity crisis. At times they are requested by the municipality to address any communal issues.

- **MAYORAL OUTREACH /IMBIZO AND WARD BASED PLANNING MEETINGS**

Mayoral outreach /imbizo and ward-based planning meetings are conducted twice a year to give feedback to the community on the municipal performance against ward-based plans which were implemented in the previous financial year and to get inputs for the review/planning process for the next financial. These platforms allow communities to participate in the drafting and finalization of IDP and Budget.

2.4 IDP PARTICIPATION AND ALIGNMENT

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

COMPONENT D: CORPORATE GOVERNANCE

2.5 RISK MANAGEMENT

The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial control, risk management and internal control...” The purpose of the Risk Management is to:

- Advance the development and implementation of modern management practices and to support innovation throughout the municipality.
- Contribute to building a risk-smart workforce and environment that allows for innovation and responsible risk-taking while ensuring legitimate precautions are taken to protect the public interest, maintain public trust, and ensure due diligence.
- BCRM has an Enterprise Risk Management Framework policy in place that guided Council and management in identifying, rating, responding, monitoring and evaluating as well communicating risks within the municipality. A strategic risk assessment workshop was held during the beginning of the financial year with the assistance of Internal Audit Unit. High risks, medium and low risks were identified within the risk appetite of the municipality and actions to mitigate risks were identified and captured on a risk register.

- Mitigation plans were developed to curb the level and impact of risks on achieving municipal objectives. The plans were regularly reviewed on a quarterly basis. Reports on the quarterly reviewed were regularly tabled to Audit Committee. Departments are also appraised of the status of their risks quarterly. For the 2021/22 financial year, the following are high risk areas identified by the municipality:
 - Inability to collect revenue that is due to the municipality
 - Slow spending of grant money
 - Inadequate MSCOA financial management
 - Inadequate implementation of asset management policies, regulations, and procedures
 - Ineffective Records Management processes
 - Inadequate leave administration

2.6 ANTI-CORRUPTION AND FRAUD

All actual or suspected incidents should be reported without delay to immediate line manager. Should an employee be concerned that the immediate line manager is involved; the report can be made to any other member of management, the Municipal Manager and/or the Chairperson of the Audit Committee. The Municipal Manager will initiate an investigation into the matter.

A whistle-blowing facility is one of the most effective tools in identifying fraud occurring within an organization. The fraud prevention plan indicates that employees and other parties are encouraged to report their suspicions of fraud without fear of reprisal.

The following general provisions apply to whistle-blowing facilities:

- All employees and suppliers can contact the hotline to voice any concern that they have relating to fraudulent behavior that has a bearing on Blue Crane;
- Trained operators will respond to calls in most of the official languages in South Africa;
- Operators will probe callers for specific facts to record as much information and understand the incident as clearly as possible; and
- Although callers may choose to tell the whistleblowing consultants who they are, the call report will never reveal their identity unless the caller specifically allows this, thereby protecting the caller's anonymity.

If employees or the community wish to report allegations of fraud and corruption anonymously, they can contact the whistleblowing hotline operated by the Public Services Commission on 0800 701 701,

all calls to this number are through a secured answering service and are treated with utmost confidence. Employees or the community can also make use of the presidential hotline 17737.

Duties of Internal and external auditor

The MFMA stipulates that a Municipality must maintain a system of internal audit under the control and direction of an audit committee. Furthermore, the internal audit function of Blue Crane is required to report on matters relating to:

- Internal Control:
- Accounting procedures and practices;
- Risk and risk management thereof;
- Loss control; and
- Compliance with applicable legislation.

Blue Crane Route Municipality has an Internal Audit unit, that reports to the Accounting Officer administratively and to the Audit Committee functionally. In terms of the Audit Committee Charter, the primary role of the Audit Committee is to:

- Evaluate the performance of internal audit unit
- Review the internal audit function compliance with its mandate as approved by the Audit Committee;
- Review and approve the internal audit charter, internal audit plans and internal audit unit conclusions on internal control;
- Review significant difference of opinion between management and internal audit function;
- Evaluate the independence and effectiveness of internal auditors; and
- Review the co-operation and co-ordination between the internal and external audit function

The anti-corruption capacity within Blue Crane Route Municipality is responsible for the investigation of allegations of fraud and corruption that is brought to its attention. Additionally, it will support the risk management procedures from a fraud risk identification perspective.

2.7 SUPPLY CHAIN MANAGEMENT

The Municipality has a Supply Chain Management Policy, SCM Policy for Infrastructure Procurement and Delivery Management as per the requirements of the National Treasury Standard for Procurement Delivery Infrastructure Management. The objective of these policies is to provide a policy framework within which the Municipal Manager, Chief Financial Officer and other Senior Managers must institute

and maintain a Supply Chain Management System which is transparent, efficient, equitable, and competitive. The policies also ensure the principles of best value for money for the municipality are outlined; applies the highest possible ethical standards; and promotes local economic development. By adopting the policies, the Council further pledged itself and the municipal administration to the full support of the Proudly South African campaign and to the observance of all applicable national legislation, including specifically the:

- Preferential Procurement Policy Framework Act No. 5 of 2000 and its regulations;
- Broad Based Black Economic Empowerment Act. No. 53 of 2003 and any applicable code of practice promulgated in terms of that Act; and
- Where applicable, the Council also pledges itself to observe the requirements of the Construction Industry Development Board (CIDB) Act No. 38 of 2000 and its regulations.

Reports on the implementation of the SCM policy are submitted quarterly to the Accounting Officer; the Mayor; and Council. The SCM Annual report on the implementation of the SCM policy for the 2022/2023 financial year was submitted to the Accounting Officer; Mayor and the Council. The unit has a full staff compliment, and the staff are aware of the SCM Code of Conduct. Service Provider Performance is regularly monitored with the help of Project Managers / End Users. Tax matters for all transactions above R15 000 were confirmed to be in order through the Central Supplier Database.

Declarations of interest are checked for all transactions; a register of Related Parties is kept and forms part of the AFS Notes. The municipality has a functional Bid Committee system.

Challenges were experienced during the year leading to delays in the procurement of some service delivery projects. There were tenders that had to be re-advertised due to non-responsiveness of bidders and contract management is also one of the issues that have been highlighted by the Office of the Auditor General. Transformation to pro-activeness of the unit is one of the improvements that the municipality is working on.

2.8 BY-LAWS

Section 11 (3) of the Municipal Systems Act, 2000 empowers Municipal Council to exercise executive and legislative authority to pass and implement by-laws and policies. By-laws were reviewed in the year under review. The workshop for Councillors, Senior Management and Middle management was conducted.

2.9 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	YES	07-07-2023
All current budget-related policies	YES	11-08-2023
The previous annual report (Year -1)	YES	14-04-2023
The annual report (Year 0) published/to be published		
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	YES	22-08-2022
All service delivery agreements (Year 0)	YES	11-08-2023
All long-term borrowing contracts (Year 0)	YES	11-08-2023
All supply chain management contracts above a prescribed value (give value) for Year 0	YES	11-08-2023
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	NO (no assets have been disposed of)	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	YES	11-08-2023
Public-private partnership agreements referred to in section 120 made in Year 0		
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	YES	11-08-2023

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The municipal website serves as a key communication tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. All the required information is regularly updated on the municipal website and its official address is <https://www.bcrm.gov.za>. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the;

- IDP,
- annual budget,
- adjustments budgets and
- budget related documents
- policies.
- Performance Management Reports
- Strategic documents

- Contract Agreements

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

INTRODUCTION

COMPONENT A: BASIC SERVICES

This component includes water; wastewater (sanitation); electricity; waste management; housing services; and a summary of free basic services.

3.1 WATER AND WASTE WATER SERVICES

This section includes – water reticulation, sewer reticulation, and water regulation

BCRM is composed of 3 towns: Somerset East, Pearston & Cookhouse. The BCRM covers an area of 11 068 square kilometers which makes up 19% of SBDM geographical area. Based on the Statistical overview, the population of this WSA grew by an annual average of 0.72% - 38 800 residents in 2020. There are 10 604 households in Blue Crane Route Local Municipality. The average number of people per households is 3,7. BCRM has an estimated water availability of ± 6000 kl/day = 180 ML/Month

In terms of water sources in the towns it is found that:

- Cookhouse is dependent on water from Great Fish River Water User Association Water Canal and has no surface or borehole sources.
- Pearston obtains its water solely from boreholes, there is no surface water available.
- Somerset East water is obtained from surface water, which is seasonal and dependent on rainfall, as well as water from the Orange Fish River irrigation scheme which is the only reliable source in town. The town extracts water from:
 - i. Wellfields and Kalela Fountain
 - ii. The canal
 - iii. Bestershoek dam

Boreholes:

Pearston Area: The town of Pearston heavily relies on ground water for the purpose of potable and irrigational use. Currently the town has 5 x existing production boreholes of which only 3 x borehole is in operation. The existing 5 x production boreholes has a potential of supplying 1.27MI/day .

The current 3 x production borehole delivers a safe sustainable yield of 0.84MI per day. The municipality is currently in the process of drilling additional two boreholes. Somerset East Area: Somerset East has 7 production boreholes, 3 in operation. The town of SE current yield is 2.8 ML/day.

Cookhouse Area: No boreholes.

Water Reticulation, Sewer Reticulation & Water Regulation Operational Matters:

- 187km water pipelines.
- 2 of 4 Water Treatment Works operating beyond design capacity (Bestershoek & Cookhouse).
- 3x Waste Water Treatment Works partially functional for all three towns (some have Operational and Maintenance issues).
- 5x Sewer pumpstation need to be upgraded in Somerset East.
- 5x Raw water storage dams are available (Cookhouse, Bestershoek, Van de Walt, Lake Bertie, Mountain (Bosberg).
- 14x Raw Water Reservoirs in all three towns.
- Draft Water By-Law in place.
- 92% of sewer and water complaints attended to in the second & third quarter.
- The municipality water and sanitation budget for Operations & Maintenance is less than 2% for this current 2022/2023 FY. This is less than the norm of 10%. This adversely affects the Operational and Maintenance plans implementation.
- 11 process controllers managing 4x WTW and 3x WasteWater Treatment Works
- Chemical (quarterly) and Biological (monthly) sample collection and testing.

3.2 ELECTRICITY SERVICES: THIS SECTION INCLUDES – PLANNING, DISTRIBUTION, PROTECTION, AND PROJECTS

INTRODUCTION TO ELECTRICITY

Blue Crane Route Municipality is the electricity distribution licence holder with licence number NER/D/EC102, and supplies electricity to Somerset East, Cookhouse and Pearston. It has one bulk supply point with an installed capacity of 18 MVA and a maximum demand of 17.2 MVA. The network consists of 28 km of medium voltage (MV) underground cable, 928 km of low voltage (LV) underground cable, 2 600 km of MV overhead lines and 128 km of LV overhead lines.

The Municipality has 8 411 customers, which are categorised as follows: 6 696 prepaid domestic; 768 domestic credit meters; 354 commercials; 572 agricultural and 21 industrial customers.

Overhead Lines:

In general, the overhead network of the Blue Crane Route Local Municipality is old and most of it has been in service for more than 50 years. However, certain 22 kV distribution lines, particularly the ones transmitting from the Main Substation to farmers at Zuurberg, were installed in 1965 and an urgent replacement programme was needed to ensure continuous supply of power. The Swartzhoek and Pearston were also needed maintenance.

Planning, Distribution, Protection, and Projects Operational Matters:

- Dilapidated infrastructure.
- Prolonged lead time on fault findings due to geographical and extent of the areas.
- Ineffective customer care system.
- Two-way radio system not in place.
- 8 x vehicles in our possession: 80% is not in good condition.
- Substation capacity: 2 x 10MVA transformers = 20MVA.
- 2nd largest overhead lines after ESKOM.
- Approx. 1400km electrical network.
- Outdated lifespan of the electrical lines +/- 45 years.
- Lack of resources a to attend to electrical faults

3.3 HUMAN SETTLEMENT

This section includes – Housing projects monitoring and evaluation; needs register; registration of unregistered properties; issuing of title deeds; administration of housing subsidies; agreement of sales; upgrading of informal settlements.

INTRODUCTION TO HOUSING

The Blue Crane Route Municipality (BCRM) is in the Eastern Cape Province and forms part of the Sarah Baartman District Municipality. The followings towns and areas forms part of the Blue Crane Route Municipality:

- Somerset East
- Pearston
- Cookhouse

Since 1997, Housing Implementation has been a success within the Blue Crane Route Municipal area. The Municipality has done well as the Developer and projects have been monitored and evaluated according to the funding agreements between the Provincial Department of Housing, Local Government & Traditional Affairs (currently known as Dept of Human Settlements).

Housing Operational Matters:

(a) Registration of unregistered properties:

The registration of unregistered properties within the BCRM it's an on-going project that is funded by the DHS to restore the dignity of all beneficiaries that benefited in the olden days and were never given ownership of their benefited properties. The programme includes only those pre 1994 housing projects. (Old Mnandi, Aeroville, West View, Francisvale, Old Location, New Brighton, Khanyiso in Pearston, Bongweni Location in Cookhouse.) The Unit encourages all the above-mentioned location to visit the office if their said properties are still unregistered for their application or registration for title/ownership.

HOUSING PROJECTS:

1. SUPPORT OF DEPARTMENT OF HOUSING TO BLUE CRANE ROUTE LM

The Department of Housing has appointed one (1) Senior Regional Manager (**M. Ndoni**), two (2) Chief Construction Project Managers (**Mr. V. Nana and Ms. A. Lwana**) and two (2) Construction Project Managers (**Ms. T. Pango, Ms. T. Zozi and Mr. S. Siguba**) to assist the Blue Crane Route Municipality to manage their projects. The Administrative Staff of the Department of Human Settlements is also involved on all the projects on an ongoing basis.

The Department of Housing & Local Government has also allocated 3 Control Works Inspector (**Mr. L. Sigudla & Ms. S. Mguzulwa**) to assist the Blue Crane Route LM to monitor progress and quality on site.

The department has an institutional arrangement of working together through Housing Delivery by monitoring and tripartite accountability in certification of work done (Value created).

2. PROJECT STATUS

Effective communication and cooperative support between the Municipality and the Department has led to housing delivery of more than 3178 houses and 2407 transfers. The current status of all the projects in the Blue Crane Route Municipality is summarised as follows:

Management Area	Total No of Projects	Projects Completed	Projects Cancelled	Projects Running	Projects on Procurement	Projects Blocked
Blue Crane Route LM	19	15	0	3	1	1
TOTAL	19	15	0	3	1	1

a) **Projects Completed**

In the Blue Crane Route area, a total of nine (19) projects have been identified as completed in terms of infrastructure and housing construction. Although some of these projects are completed in terms of the above there are still some administrative issues (beneficiaries, transfers, etc) to be dealt with in order for these projects to be closed off.

Progress report up to 2018/19 FY

The following projects have been completed to date:

Projects	Units	Completed units	Units Registered	Budget	Expenditure
Cookhouse Bhongweni	360	360	356	R 6,015,554.00	R 6,015,554.00
Cookhouse Phase 2	313	313	255	R 7,455,622.00	R 7,455,622.00
Pearston Nelsig 132 A	69	69	69	R 877,930.00	R 877,930.00
Pearston Khanyiso 132 B	92	92	89	R 1,386,406.00	R 1,386,406.00
Pearston Central 132 C	10	10	0	R 177,500.00	R 177,500.00
Pearston 300	300	300	296	R 7,111,770.00	R 7,111,770.00
Somerset East 102	102	102		R 1,612,212.00	R 1,612,212.00
Somerset East Aeroville	261	261	260	R 2,619,617.28	R 2,619,617.28
Somerset East KwaNojoli	140	140	140	R 2,397,750.00	R 2,397,750.00

KwaNojoli Hostel				R 163,314.06	R 163,314.06
Somerset East Phase 1	221	221	221	R 2,687,360.00	R 2 687 360.00
Somerset East Phase 2	681	681	681	R 11,663,781.00	R11,663,781.00
Old Location 200	200	200	169	R 13,141,411.65	R13,011,422.57
Chris Hani 400	400	396	385	R30, 950,283.28	R30,101,139.28
Aeroville 33	33	33		R 2,759,698.00	R 2,592,298.00
Cookhouse Bhongweni 150	150	150		R20, 700, 000.00	R20, 700, 000.00
Somerset East: Old Mnandi 93	93	14		R12, 834, 000.00	R1, 932, 000.00
Pearston 50 (34 units) phase 1	50	34		R3 800 000.00	R2 584 000.00
Pearston 50 (11 units) phase 2	50	11		R1 680 000. 00	R1 680 000.00
Blue Crane Route Municipality – 10 destitute cases	10	10		R1 560 000.00	R1 560 000.00

b) Projects on Procurement

Projects	Comment on the Project Readiness Status
Kwanojoli 140 & Aeroville 261	<p>The confirmation of the actual size of the Project is yet to concluded since some beneficiaries are refusing to be part of the Project. The Social Facilitation team of the Department and Municipality is yet to finalize this task.</p> <p>The procurement stage will only be completed upon the conclusion of the above task.</p>
Blue Crane Destitute (55 units)	The Department appointed Coega Development Corporation (CDC) to be an Implementing Agent (IA) of this Project. The CDC is busy finalizing appointment of a Professional Service Provider (PSP) to render professional services on the Project.

3. CHALLENGES IN THE BLUE CRANE ROUTE MUNICIPALITY

General challenges in the BCR Municipality:

- Old Projects not yet closed out.
- The municipality has insufficient official dealing with the implementation of housing projects i.e. no inspectorate.
- Delays with registration of individual transfers and signing up of beneficiaries.
- Upgrading of Bulk Infrastructure is a BIG challenge for new development.

4. INTERVENTIONS IN MEETING CHALLENGES

- Departmental inspector involved in the construction stage to do quality monitoring of houses but also planning to have recently appointed graduates to assist directly in the municipal area projects.
- Planning to have monthly meetings where we shall discuss the following items:
 - Project Management Plans and Project Implementation Plans
 - Registrations and Beneficiary Administration
 - Quality Monitoring and Evaluation
 - Processing of claims timeously

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

INTRODUCTION TO WASTE MANAGEMENT

Refuse collection services are provided as per the collection schedule to all the household and businesses of Blue Crane Route Municipality in Somerset East, Cookhouse and Pearston. Household and Business waste is collected at least once per week on different days in residential areas of Somerset East. Household and business refuse is collected in Cookhouse on a Tuesday and Pearston on a Monday.

Illegal dumping sites is a challenge within the municipality. There is no fixed collection schedule for the collection of garden waste due to a lack of resources.

There are three landfill sites within the municipality of which all three landfill sites are licensed but none is compliant with the license conditions.

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

MIG funded the municipality R3.6 million and the municipality procured a Front-End Loader and the municipality is in the process of procuring a refuse vehicle. Funding was received from DEDEA and the municipality implemented the following projects:

1. Fencing of the Somerset East Landfill Site (R1 200 000.00).
2. Construction of a Guardhouse at the Cookhouse Landfill Site (R 190 000.00)
3. Implementation of landfill site remediation plan (R650 000.00).

The Somerset East Landfill site have reached its useful life, a new site needs to be established and the old site must be closed.

3.5 ROADS & STORMWATER SERVICES: (POTHOLE PATCHING, AND STORMWATER MAINTENANCE)

INTRODUCTION TO ROADS & STORMWATER SERVICES

The road network within the Blue Crane Route Local Municipal Area falls under the jurisdiction of three (3) authorities, namely:

- South African National Roads Agency Limited (SANRAL), who is responsible for National Route R63 and R67, which traverses the area.
- Eastern Cape Department of Transport, who is responsible for provincial trunk, main, district and minor roads within the area; and
- The BCRLM, who is responsible for all municipal roads.

BCRM road network is above 147km road in length (municipal roads). ± 30% of the municipal road is in poor state. Different categories of roads needs various maintenance options such as Routine Maintenance, Event Driven Maintenance, Responsive Maintenance, Condition Responsive Maintenance etc.

The road network within BCRM is composed as follows:

Category	Road Length (km)	Percentage
National (SANRAL)	278.9	10.0%
Provincial	2 367.6	84.7%
Sub-Total	2 646.5	94.7%
Municipal (Blue Crane Route LM)		
Cookhouse	19.6	0.7%
Pearston	28.6	1.0%
Somerset East	97.5	3.5%
Other	2.2	0.1%
Sub-Total	147.8	5.3%
Total	2794.3	100.0%

The total road network within the Blue Crane Route Local Municipal Area and under the jurisdiction of the municipality consists of 147.8km, of which 66.2km (or 44.8%) are Paved roads.

It be noted that: Paved roads comprise flexible (tar), block and concrete roads. Unpaved roads comprise gravel and earth (in-situ) roads as well as tracks.

The below table shows different town road category and their length:

Town	Municipal Road Length (km)		
	Paved	Unpaved	Total
Cookhouse	8.9	10.7	19.6
Pearston	7.6	21.0	28.6
Somerset East	49.6	48.0	97.5
Other	0.1	2.0	2.2
Total	66.2	81.7	147.8
Percentage	44.8%	55.2%	100.0%

Maintenance plans:

Every five years, the municipality requests five streets per ward and do proper planning for construction. Depending on the available budget (MIG), some streets are not implemented due to limited budget, length, width and other factors.

Stormwater management plan in place for Somerset East, it is still pending for other two Towns/areas (Pearston & Cookhouse). The municipality has roads maintenance plan for all the three towns. The condition of each town is depicted as follows:

Town	Paved Road Condition: Road Length (km)					Total Length
	Very Good	Good	Fair	Poor	Very Poor	
Cookhouse	0.0	4.4	4.1	0.4	0.0	8.9
Pearston	0.1	1.6	5.9	0.0	0.0	7.6
Somerset East	4.7	24.1	16.2	4.2	0.1	49.2
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total	4.8	30.1	26.1	4.5	0.1	65.7
Percentage	7.3%	45.9%	39.8%	6.9%	0.2%	100.0%

3.6 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

Overview: Include Traffic Law Enforcement, Motor Vehicle Licensing, Driver's License testing and renewals, Roadworthy Test & Technical Services (Street Painting), Pound and Commonage services.

Description of activities:

Traffic Law Enforcement: The key function of the Traffic Dept. is to provide safer roads for all stakeholders within the BCRM area:

The Municipality has a mandate to:

1. Conduct preventative traffic patrols and enforce traffic legislation.
2. Enforce speed limits.
3. Attend to traffic accidents.
4. Enforce parking legislation.
5. Enforce municipal by laws.

The key objective of this function is to ensure safe and free flow of traffic within BCRM Municipal area Driving Licenses. These services include all drivers testing functions.

The Municipality has a responsibility to:

- Test applicants and issue learner license
- Test applicants and issue driver's license
- Renew driving license cards.
- Renew and issue Professional Driving Permits (PrDP).

The key objective of this function is to ensure safety on the roads by ensuring a high level of competency amongst vehicle drivers.

Roadworthy Testing: This service includes all vehicles testing functions. The Municipality has a responsibility to:

- Test motor vehicles for roadworthiness
- Issue roadworthy certificates
- The VTS was upgraded with new software

The key objective of this function is to ensure safety on our roads by ensuring roadworthy vehicles

Staff Complement:

1. 1 x Chief Traffic Officer and 1 x Examiner Driver License Traffic Officers. 2 x Traffic Officer appointed in August 2023.
2. 1 x E-natis Supervisor & 1 X E-natis Clerk (Registering Authority).
3. VTS – Examiner Motor Vehicles - Position Vacant (Roadworthy Centre).
4. DLTC – Three examiners that also do law enforcement.
5. Commonage & Pound – 1 x Pound Master & 1 x Assistances.

Challenges:

1. Lack of equipment and resources (vehicles are old and resealing of K53 test yard) hamper services delivery.
2. Vacant positions could not be filled due to financial constraints.
3. Superintendent Traffic Officer (No Management Representative)
4. Lack of co-operation from live-stock owners, contributing to an increase of stray animals.

3.7 LIBRARIES; AND COMMUNITY FACILITIES; OTHER

Blue Crane Route Municipal Libraries provide services at 6 public libraries across the Municipal area. Anyone may use these libraries, but only members may loan library material and use the computers. The Library Service aims to provide information resources in various formats to the entire BCRM population and to foster a life-long reading culture.

- Functions provided by the libraries: Provide updated information to scholars and the community.

- Computers in the libraries are outdated and need to be upgraded, but no internet. Colour printers and competitive prices for printing help to give good service. Some of the libraries have tablets to provide clients with further information.
- Outreach programmes are conducted for adults and children.
- Educational programmes for pre-scholars and scholars.
- Holiday programmes for children.
- 3 Libraries have Jungle gyms
- 3 Libraries have a hall for meetings and other activities

These programmes ensure that every interested member of the community is reached and supplied with relevant information. Different programmes were held during the year under review and it reached different sections of the community.

International literacy day was held during October 2023. This initiative encourages the nation to value reading as a fun and pleasurable activity and to showcase how read can easily be incorporated in one's everyday life. All the libraries did different displays according to the theme of this week. During December, all the libraries had Christmas programmes and they made Christmas decorations and cards. World Read Aloud day was held during February 2023. The librarians held programmes that suited them. One hundred and twenty children participated. The National Library week was held in March 2023. The theme was "Libraries telling powerful stories". The libraries had different activities, and these includes Maths 24, Reading in 3 languages and book review. In June 2023, youth day celebrated and the libraries had displays depicting this very important day.

3.7.1 SERVICE STATISTICS FOR LIBRARIES

- 4 Qualified librarians
- 2 Assistant librarians
- 3 librarians seconded by DSRAC
- 6 Cleaners
- TOTAL of 15 staff members
- Small libraries have approximately 15 000 and larger libraries have approximately 20 000 books. Total of approximately 95 000 books. These include DVD's and books of CD.

Circulation for 2022/23 =

Adults	14625
Children	14779

Total 29404

Construction of the Cookhouse Library is complete and will be handed over in 2024. Extension for the Pearston Library is planned for 2024.

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

3.8 CEMETORIES AND CREMATORIUMS

INTRODUCTION TO CEMETORIES & CREMATORIUMS

Blue Crane Route Municipality has nine cemeteries. The municipality residents are still utilising method of burial which is digging of graves. Other methods of burial have not been fully explored especially amongst the black communities. With the increased number of funerals taking place weekly, the cemeteries are reaching full capacity. It will be important for the communities to consider other methods of burial to ensure that cemeteries do not fill quickly. Land must be identified for a new cemetery in Cookhouse and all cemeteries need to be fenced.

The new Aeroville cemetery In Somerset East has been established as per the Record of Decision from the Department of Environmental Affairs and approval for burials was granted by the Department of Environmental Affairs.

The maintenance of cemeteries is performed by a group of employees who are also responsible for the parks and open spaces. It is difficult to separate expenditure for cemeteries as there is no separate budget for them. This is for both general expenditure and employee expenses. The municipality is assisted mostly by the CWP participants to clean cemeteries due to shortage of staff and resources. The function is not performed effectively as there is currently lack of resources and the staff allocated to do the function are poorly coordinated. The department plans to coordinate the three programs assisting with cemetery cleansing function.

3.9 ENVIRONMENTAL PROTECTION

Environmental protection is a function that is performed by an Environmental Management. The municipality does not have an Environmental Management Unit yet. A provision for the appointment of the Environmental Management Officer has been made in the organogram. There is no funding for this position as a result some of the functions of this unit are performed by Environmental Health Practitioners.

Health inspections are integral part of the function of Municipal Health Services. The function of Municipal Health Services was absorbed by the Sarah Baartman District as of 1 January 2022. Abattoir licencing is a function of the Department of Agriculture who also have their own inspectors to conduct inspections at the abattoir.

COMMENT ON THE PERFORMANCE OF HEALTH INSPECTIONS, Etc OVERALL:

The Environmental Health Practitioners (EHP) are responsible for Health inspections as part of their scope of practice. The scope of work includes;

- Water quality monitoring
- Food control
- Health surveillance of premises
- Surveillance and prevention of communicable diseases
- Waste management

The EHP's perform their functions within the BCRM area of jurisdiction, and their reports are submitted to Council after being discussed in a Council standing committee on monthly basis. The same reports are submitted to the district on a quarterly basis.

Water quality monitoring is done monthly in terms of SANS 241 and all deviations are attended to and reported to the Technical Services for further intervention. Food control is done through health inspections on food handling premises in terms of Food, Cosmetic and Disinfectant Act Regulations (i.e. R638). Those food handling premises that are not compliant with the Regulations are given notices to rectify the conditions with a specified timeframe. Health surveillance of premises is also conducted in the same manner.

Waste management is a function of the municipality and EHP's are required to ensure compliance with the Waste Management Act and also to prevent occurrence of diseases that could be as a result of waste not being properly managed. The municipality has teams that do the actual collection, transportation and disposal of waste. The two units work together to ensure waste is managed in an acceptable manner.

3.10 POLLUTION CONTROL

INTRODUCTION TO ENVIRONMENTAL PROTECTION

This component includes pollution control; biodiversity and landscape; and costal protection.

Since BCRM does not have a unit performing environmental protection, the functions that overlap with those of Environmental Health are performed by the Environmental Health Practitioners (EHP). Urban areas in the BCRM are primary centres of activity that generate air quality impacts. This includes particulate and other emissions. They are as a result of either concentrated traffic volumes, industrial activities including household fires.

Old infrastructure with insufficient capacity results in sewerage spillages and thus health risks. This also has a potential of water pollution which can lead to a spread of diseases.

SERVICE STATISTICS FOR POLLUTION CONTROL

Currently, the municipality does not have own Air Quality Management Plan. Ordinarily such plans are prepared by the District municipality.

Old infrastructure with insufficient capacity results in sewerage spillages and thus health risks. This also has a potential of water pollution which can lead to a spread of diseases. For the year under review no complaints were received regarding noise pollution.

COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

Pollution control in the form of prevention of nuisances such as illegal dumps is done by the Environmental Services Department.

Air pollution is the function of the district municipality and Sarah Baartman District Municipality involved all municipalities in its district to develop an Air Quality Management Plan to deal with issues of air pollution. Pollution control due to nuisance is dealt with in terms of the Health Act, National Norms and Standards for Environmental Health and local Municipal Bylaws.

3.11 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

The Blue Crane Route Municipality is a home to a wide variety of vegetation including Albany Thicket, Azonal vegetation, Fynbos and Grassland. The condition of these habitats varies considerably throughout the municipal area. The municipality continues to experience a challenge of stray animals. Although BCRM does have commonage, not all animals are kept in the commonage. Again, the municipality does not have a pound facility yet, it is still under construction, to be completed in the 2023/24 financial year.

SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

There are a number of formally protected biodiversity conservation areas within and surrounding BCRM. Within the municipal area, there is Bosberg Nature reserve near Somerset East and a portion of the Addo Elephant National Park in the South. In total 4% of the municipal area falls within formally protected areas.

COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND OTHER OVERALL:

The municipality form part of the District Coastal and Environmental Committee. A climate risk profile and climate change adaption plan was drafted for the Sarah Baartman District.

This component includes ,police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

3.12 FIRE

INTRODUCTION TO FIRE SERVICES

A year under review generally had a significant decrease in fires mainly informal dwelling and an increase in formal dwellings, landfill site and vegetation fires. The Fires Services also continued with Community Awareness education and commercial entity inspections were there was an increased. The municipality is considering tariff implementation levy for services rendered as well as bylaw enforcement.

Santam Insurance sponsored the municipality with one 5000L tank and two 10000L tanks. Golden Valley windfarm sponsored ten 9kg DCP fire extinguishers. Ablution facilities were constructed at the Cookhouse Satellite Station. One fully equipped Local Response Vehicle was procured for rescue services. PPE for fire services was procured.

127 Fire Safety and prevention inspections were conducted in commercial entities and public amenities. 24 Disaster and fire awareness campaigns were conducted. Below is a list of some key objectives:

- Prompt reporting of emergencies and disaster call centre number
- Classes of fire
- Fire behaviour
- Extinguishing methods
- Safe evacuation methods and procedures
- Stop drop and roll method
- Fire safety tips at home
- What to do in the event of fire and disaster.
- Disaster preplanning and resilience
- Risk and hazard mitigation methods
- Proper use of portable fire equipment

Annual Incident and awareness Information

CATEGORY	Grand Total 2022/2023
NUMBER OF FIRES AS FOLLOWS	
BUILDINGS	1
DWELLINGS (formal - brick & mortar)	9
INFORMAL DWELLINGS (Shacks/mud/hut etc.)	19
ELECTRICAL	7
RUBBISH	29
VEGETATION	40
TRANSPORT (Cars/busses/trains/aircraft/ship)	7
OTHER (not specified above)	3

NUMBER OF FATALITIES	Grand Total 2022/2023
Fires	1
Accidents	0

NUMBER OF INJURIES:	Grand Total 2022/2023
Fires	3
Accidents	13

Staff Complement

1 x Chief Fire Officer

4x Fire Fighters

9x Retainer fire fighters

This component includes community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

INTRODUCTION TO SPORT AND RECREATION

Blue Crane Route Municipality has three children parks one for each town. The only park that is complete and fully equipped is the one in Pearston. The other two are incomplete and Technical Services is responsible for their completion. In Somerset East there are three parks utilised by adults. These are Victoria Park, Rest-a-While and Bestershoek Picnic and Caravan Park. Pearston has one park as well as Cookhouse.

3.13 SPORT AND RECREATION

SERVICE STATISTICS FOR SPORT AND RECREATION

Due to financial constraints of the council, none of these parks is well maintained. There is no equipment to maintain the parks. With regards to the sport fields, the same financial situation is affecting sport fields. Very little maintenance is done due to lack of equipment.

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

With regards to the sport fields, the same financial situation is affecting sport fields. Very little maintenance is done due to lack of equipment. Technical Services through MIG grant is busy upgrading the Aeroville Sportsfield.

BCRM has a multi-purpose Centre located at Aeroville and a Youth Center located at Old location in Somerset East. Unfortunately, both centres are not well equipped. The municipality has also 10 camp sites located at Besterhoek. Because of economic downturn, occupancy rate has been very low for the period under review.

3.14 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Information and communication technology section is the internal ICT service provider to the municipality. ICT section under the Directorate of corporate services has a task of providing ICT services for all BRCM employees through efficient and effective support, to ensure stability of IT systems and associated infrastructure.

ICT section is tasked with the support of core ICT systems and infrastructure within the municipality. This support for all ICT services is provisioned through incident and service request management processes.

Summary of ICT services

- IT Systems support – Both Hardware and Software
- Network and System Infrastructure
- Management of printing services
- ICT security and Risk management
- Business Continuity and Disaster Recovery
- Communication services; Phones, email, Internet access and mobile phones and mobile data access
- ICT governance

KEY ACHIEVEMENTS

Implementation of ICT Governance

In support of the ICT governance Framework and ICT policy framework the following policies and the ICT Strategy were reviewed and adopted by council:

- Telephone Management Policy
- IT Network Security Policy
- ICT Disaster Recovery Plan
- ICT Strategy

Implementation of Business continuity

Two standby generators were procured to address loadshedding challenges at Corporate services and Townhall offices.

KEY CHALLENGES

Challenges

Equipment Failures and instability

IT infrastructure (Servers, network, computer equipment) has reached the end of life. Insufficient funding is the major challenge which has resulted to equipment failures.

Scarce skills

A need to upskill IT staff in hardware platforms increases as new technologies become available. To meet these increasing demands becomes a challenge due to limited skills and budgets.

Funding

Funding to maintain and provide required server infrastructure and storage remains a challenge due to high costs of implementing cloud infrastructure.

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

ICT had a limited budget for Capital projects for the year under review. R200 000.00 for end-user computer equipment and R1.2 million for standby generators.

Six (6) laptops were procured out of the R200k equipment budget for the for the new councillors. Two (2) Standby Generators and UPSs were Installed at corporate Services and Townhall as part of Capital Projects.

Effective ICT governance was ensured by reviewing four (4) ICT policies and Information and communication Technology Strategy.

ORGANISATIONAL PERFORMANCE SCORECARD

This component includes Annual Performance Report for the year under review. The annexure is attached with the detailed performance information of the municipality.

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

COMPONENT A: MANAGING THE MUNICIPAL WORKFORCE

In accordance with the requirements of s67 of the MSA 2000 that necessitates municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration. During the year under review the municipal council developed, reviewed, and adopted the following policies.

4.1 WORKFORCE POLICY DEVELOPMENT

1. Acting policy
2. Dress code, uniform & protective clothing policy
3. Municipal night shift allowance
4. Overtime policy
5. Standby policy
6. Employment policy
7. Municipal bereavement policy
8. Remuneration policy
9. Leave encashment policy
10. Employee relations policy
11. Termination of services policy
12. Employee Assistance policy
13. HIV & AIDS Policy
14. Smoking policy
15. Substance abuse policy
16. Sexual harassment policy
17. Inclement weather policy
18. Labour relations policy
19. OHS Policy
20. Employment equity & affirmative action policy
21. Training and development policy
22. Individual performance management policy

OTHER POLICIES IN PLACE

- Leave management policy – not reviewed
- Retention strategy – not reviewed
-

4.2 INJURIES, SICKNESS AND SUSPENSIONS

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	4	2	50%	1	R5 547
Temporary total disablement	73	3	4%	15	R107 526
Permanent disablement					
Fatal					
Total	77	5	6%	15	R113 073

COMMENT ON INJURY AND SICK LEAVE:

In cases of temporal disablement injuries and similar injuries or injuries that happen in the same place more often, investigative inspections are conducted by the OHS Officer and the Department/Business Unit SHE Representative. If the injuries happened due to faulty equipment/tools the use of such is immediately prohibited and Departments are made aware of such actions, as these are some of the measurements taken to minimise injuries at work. SHE Committee Meetings are also held regularly / as mandated and safety precautionary measures are discussed, and recommendations made are forwarded to Management for decision taking.

BCRM does not have their own doctors and injured employees are referred to our local hospitals and clinics for immediate attention and some are referred to Specialists that are outside the BCRM jurisdiction but are transported there by the Municipality. Sick leave due to an injury on duty is not treated the same as the normal sick leave, we use leave books that clearly indicate the IOD Sick Leave and the normal Sick Leave.

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Watercare Superintended	Gross Insubordination	22-Jun-23	The employee is subjected to the disciplinary hearing, we are facilitating only the sitting date.	The employee is subjected to the disciplinary hearing, we are busy facilitating the sitting date.

Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
CASHIER	THEFT OF MONEY	Theft of money, the municipality lost R8095.20, but the money will be recouped from the employee, since she still have monies that are still in the position of the municipality.	Currently HR Section is in the process of money deductions for all the amount that was lost.

4.3 PERFORMANCE REWARDS

No Performance bonuses were awarded during the year under review.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

The position of Skills Development Facilitator is vacant, and the duties were assigned to another official. This is aimed at ensuring continuous identification, introduction and implementation of programs that will give access to employment opportunities and further personal empowerment towards improved service delivery. These objectives are well documented in a workplace skills plan which inter alia seeks to redress employment inequalities.

CHAPTER 5 – FINANCIAL PERFORMANCE

The information of the financial performance is contained on the attached Audited Annual Financial Statement.

EC102 Blue Crane Route - Reconciliation of Table A1 Budget Summary										
Description	2022/2023							2021/2022		
	Original Budget	Budget Adjustments (i.Lo. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Balance to be recovered	Restated Audited Outcome
R thousands										
Financial Performance										
Property rates	20 669	1 893	22 563	24 316		1 753	107,8%	117,6%		23 488
Service charges	188 312	(14 617)	173 696	142 056		(31 640)	81,8%	75,4%		144 326
Interest earned - external investments	818	157	975	1 102		127	113,1%	134,9%		935
Transfers recognised (Operational)	71 721	(790)	70 931	71 257		325	100,5%	99,4%		70 754
Other own revenue	9 874	2 384	12 258	16 503		4 245	134,6%	167,1%		13 419
Total Revenue (excluding capital transfers and contributions)	291 395	(10 972)	280 423	255 234	-	(25 190)	91,0%	87,6%		252 922
Employee related costs	95 381	(164)	95 217	95 641		424	100,4%	100,3%		91 419
Remuneration of councillors	4 852	254	5 106	4 547		(558)	89,1%	93,7%		4 443
Debt impairment	21 883	4 000	25 883	30 231		4 348	116,8%	138,1%		29 613
Depreciation & asset impairment	58 959	(646)	58 314	53 415		(4 898)	91,6%	90,6%		56 450
Finance charges	2 147	1 367	3 514	3 687		173	104,9%	171,7%		3 371
Materials and bulk purchases	124 829	(5 760)	119 069	111 177		(7 892)	93,4%	89,1%		115 201
Transfers and subsidies	1 002	34	1 036	1 036		(0)	100,0%	103,4%		927
Other expenditure	33 227	4 433	37 660	21 798		(15 862)	57,9%	65,6%		21 359
Loss on disposal of PPE				-						153
Total Expenditure	342 280	3 518	345 798	321 533	-	(24 265)	93,0%	93,9%	-	322 935
Surplus/(Deficit)	(50 886)	(14 490)	(65 375)	(66 299)		(924)	101,4%	130,3%		(70 013)
Transfers recognised - capital	24 091	20 001	44 092	36 974		(7 118)	83,9%	153,5%		27 087
Contributions recognised - capital & contributed assets	-	-	-	-		-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	(26 795)	5 511	(21 283)	(29 325)		(8 042)	137,8%	109,4%		(42 926)
Share of surplus/ (deficit) of associate	-	-	-	-		-	-	-		-
Surplus/(Deficit) for the year	(26 795)	5 511	(21 283)	(29 325)		(8 042)	137,8%	109,4%		(42 926)
Capital expenditure & funds sources										
Capital expenditure										
Transfers recognised - capital	20 948	17 811	38 759	32 281		(6 478)	83,3%	154,1%		23 980
Public contributions & donations	-	-	-	-		-	-	-		-
Borrowing	-	4 337	4 337	4 226		(111)	97,4%	-		2 071
Internally generated funds	1 328	1 189	2 517	1 416		(1 101)	56,3%	106,6%		5 668
Total sources of capital funds	22 276	23 337	45 613	37 923		(7 690)	83,1%	170,2%		31 719
Cash flows										
Net cash from (used) operating	25 904	(3 238)	22 666	27 014		4 348	119,2%	104,3%		18 867
Net cash from (used) investing	(22 276)	(23 337)	(45 613)	(37 101)		8 512	81,3%	166,6%		(28 450)
Net cash from (used) financing	(957)	(1)	(958)	(1 353)		(395)	141,4%	-		5 323
Cash/cash equivalents at the year end	2 712	(5 191)	(2 479)	9 986		12 465	-402,8%	368,2%		21 426

5.2 GRANTS

Grant Performance						
						R' 000
Description	2021/2022	2022/2023		Year 2022/2023 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	65 255	63 385	63 385	68 506	7,48%	7,48%
Equitable share	58 179	63 385	63 385	63 385	0,00%	0,00%
Audit Support	642	–	–			
Finance Management Grant	2 450	2 450	2 450	2 450	0,00%	0,00%
EPWP	3 984	1 302	1 302	2 671	51,26%	51,26%
Provincial Government:	2 300	2 300	2 300	2 300	0,00%	0,00%
Sports and Recreation	2 300	2 300	2 300	2 300	0,00%	0,00%
District Municipality:	300	–	–	3 082	100,00%	100,00%
<i>Sarah Baardman District Municipality</i>	300			3 082	100,00%	100,00%
Other grant providers:	–	–	–	–		
<i>[insert description]</i>						
Total Operating Transfers and Grants	67 855	65 685	65 685	73 888	11,10%	11,10%
<i>Variiances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.</i>						T 5.2.1

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The asset base of the Municipality is integral to the Municipality's ability to provide services to the community in terms of its constitutional Mandate such as the provision of water, electricity, sanitation and maintenance of roads. It is the duty of the Municipality in terms of its asset management policy to ensure that assets are safeguarded and maintained so that they are operating in the manner intended for its use and are not unproductive or idle. Assets that are unproductive, idle or not operating in the manner intended or to sufficient capacity are assessed on an ongoing basis for impairment and written off and replaced if where applicable.

COMMENT ON ASSET MANAGEMENT:

The Municipality assets are managed through an asset register for infrastructure, land and buildings, investment properties and moveable assets. All moveable assets are verified during the year and the life spans adjusted if it is found that the assets are not properly maintained or not in good working condition. Assets are also insured on an annual basis and the value of all assets are adjusted in the insurance renewal policy each year to match the replacement values. The value of the assets in the Annual Financial statements is according to their original cost less accumulated depreciation.

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 2022/2023				
Asset 1				
Name	Paving of gravel roads in the three towns - Pearston, Somerset East and Cookhouse			
Description	MIG Funds utilised to pave gravel roads			
Asset Type	Roads			
Key Staff Involved	Job Creation			
Staff Responsibilities	External			
Asset Value				Year 2022/2023 9 292 639
Capital Implications	Depreciation and Maintenance			
Future Purpose of Asset	Roads			
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 2				
Name	Upgrade of Orange Fish WTW in Somerset East			
Description	Better water treatment in Somerset East			
Asset Type	Water Infrastructure			
Key Staff Involved	Management			
Staff Responsibilities	Control			
Asset Value				Year 2022/2023 13 152 732
Capital Implications	Depreciation and Maintenance			
Future Purpose of Asset	Better water quality			
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 3				
Name	Replace Transport vehicles in Technical services department			
Description	Purchase bakkies from External Loan for Electricity and water services			
Asset Type	Transport assets			
Key Staff Involved	Supervisors/drivers			
Staff Responsibilities	Transport staff			
Asset Value				Year 2022/2023 2 103 716
Capital Implications	Depreciation and Maintenance			
Future Purpose of Asset	Transport staff			
Describe Key Issues				
Policies in Place to Manage Asset				
				T 5.3.2

Repair and Maintenance Expenditure: Year 2022/2023				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Inventory Consumed	9 570	9 069	8 209	14%
<i>T 5.3.4</i>				

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and Municipal own funds/surpluses. Component B deals with capital spending indicating where the funding comes from and whether the municipality is able to spend the available funding as planned.

5.4 CAPITAL EXPENDITURE

The graph below depicts the ratio between Capital and Operating budgets as percentages of the total expenditure budget. The municipality is severely constrained with its Capital Budget as there are no cash surpluses to fund Capital Expenditure. The municipality is therefore largely dependent on Grant funding.

5.5 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: Year 2021/2022 to Year 2022/2023						
R' 000						
Details	2021/2022	Year 2022/2023				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans	2 071	0	4 337	4 226	100,00%	100,00%
Public contributions and donations		0	0	0	0,00%	0,00%
Grants and subsidies	23 980	20 948	38 759	32 281	85,02%	54,10%
Other	5 668	1 328	2 517	1 416	89,53%	6,63%
Total	31 719	22 276	45 613	37 923	104,76%	70,24%
<i>Percentage of finance</i>						
External loans	6,5%	0,0%	9,5%	11,1%	100,00%	100,00%
Public contributions and donations	0,0%	0,0%	0,0%	0,0%	0,00%	0,00%
Grants and subsidies	75,6%	94,0%	85,0%	85,1%	-9,64%	-9,48%
Other	17,9%	6,0%	5,5%	3,7%	-7,44%	-37,37%
Capital expenditure						
Water and sanitation	19 345	9 406	17 519	16 290	86,25%	73,19%
Electricity	3 550	1 399	2 699	1 103	92,92%	-21,16%
Housing	0	0	0	0	0,00%	0,00%
Roads and storm water	2 755	6 826	15 899	10 275	132,92%	50,53%
Other	6 069	4 645	9 496	10 255	104,43%	120,78%
Total	31 719	22 276	45 613	37 923	104,76%	70,24%
<i>Percentage of expenditure</i>						
Water and sanitation	61,0%	42,2%	38,4%	43,0%	-9,04%	1,73%
Electricity	11,2%	6,3%	5,9%	2,9%	-5,78%	-53,69%
Housing	0,0%	0,0%	0,0%	0,0%	0,00%	0,00%
Roads and storm water	8,7%	30,6%	34,9%	27,1%	13,75%	-11,58%
Other	19,1%	20,9%	20,8%	27,0%	-0,16%	29,68%
<i>T 5.6.1</i>						

5.6 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	2022/2023			Variance: 2022/2023	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Upgrade of Orange Fish WTW in Somerset East	0	11 495	13 153	100%	14%
Paving of gravel roads in the three towns - Pearston, Somerset East and Cookhouse	7 279	8 863	9 293	-28%	-22%
Replace Transport vehicles in Technical services department	0	2 450	2 104	100%	-14%
Rehab & Upgrading of 5 Sportsfields	3 913	2 287	1 715	56%	42%
Pearston bulk water supply Augmentation (Phase 2)	3 478	4 289	1 345	61%	-23%
Name of Project - A					
Upgrade of Orange Fish WTW in Somerset East					
Objective of Project	Better water quality				
Delays					
Future Challenges	Cost of maintenance				
Anticipated citizen benefits					
Name of Project - B					
Paving of gravel roads in the three towns - Pearston, Somerset East and Cookhouse					
Objective of Project	Upgrading of streets				
Delays					
Future Challenges	Cost of maintenance				
Anticipated citizen benefits					
Name of Project - C					
Replace Transport vehicles in Technical services department					
Objective of Project	Transport of employees to do maintenance work				
Delays					
Future Challenges	Cost of maintenance				
Anticipated citizen benefits					
Name of Project - D					
Rehab & Upgrading of 5 Sportsfields					
Objective of Project	Better sport fields for residents				
Delays					
Future Challenges	Lease Agreement to ensure proper accountability				
Anticipated citizen benefits					
Name of Project - E					
Pearston bulk water supply Augmentation (Phase 2)					
Objective of Project	Better water quality				
Delays					
Future Challenges	Cost of maintenance				
Anticipated citizen benefits					
T 5.7.1					

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

R'000				
Description	Year 2021/2022	Current: 2022/2023		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	141 317	238 582	206 875	135 168
Government - operating	65 400	71 721	70 931	69 052
Government - capital	37 841	24 091	24 091	24 952
Interest	5 373	800	950	9 341
Dividends				
Payments				
Suppliers and employees	(229 763)	(307 741)	(278 597)	(209 731)
Finance charges	(373)	(547)	(547)	(733)
Transfers and Grants	(927)	(1 002)	(1 036)	(1 036)
NET CASH FROM/(USED) OPERATING ACTIVITIES	18 868	25 904	22 667	27 013
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	4			
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments	614			(734)
Payments				
Capital assets	(29 068)	(22 276)	(45 613)	(36 367)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(28 450)	(22 276)	(45 613)	(37 101)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing	6 398			
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing	(1 075)	(957)	(958)	(1 353)
NET CASH FROM/(USED) FINANCING ACTIVITIES	5 323	(957)	(958)	(1 353)
NET INCREASE/ (DECREASE) IN CASH HELD	(4 259)	2 670	(23 905)	(11 441)
Cash/cash equivalents at the year begin:	25 685	42	21 426	21 426
Cash/cash equivalents at the year end:	21 426	2 712	(2 479)	9 985
<i>Source: MBRR A7</i>				<i>T 5.9.1</i>

5.7 BORROWING AND INVESTMENTS

Actual Borrowings: Year 2020/2021 to Year 2022/2023			
			R' 000
Instrument	2020/2021	2021/2022	2022/2023
Municipality			
Long-Term Loans (Non-Current)	0	3 103	4 152
Long-Term Loans (Current)	444	958	1 050
Local registered stock			
Instalment Credit			
Financial Leases	0		381
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	444	4 061	5 583

5.8 SUPPLY CHAIN MANAGEMENT

The Blue Crane Route Municipality has a Supply Chain Management Unit as reflected in the Financial Services Organogram. The Supply Chain Management (SCM) is up and running within the BCRM and strict control measures are in place according to the MFMA, SCM Regulations, MFMA Circulars and the BCRM SCM Policy.

There are eight (8) posts within the Supply Chain Management section; they have been filled.

The following three (3) Bid Committees have been established and has the relevant meetings when tenders/bids, etc. are placed as per MFMA and Supply Chain Regulations:

- 1) Specification Bid Committee
- 2) Evaluation Bid Committee
- 3) Adjudication Bid Committee

The Supply Chain Management Policy that was adopted and implemented by the Sarah Baartman District Municipality (SBDM) has been adopted by the Blue Crane Route Municipality (BCRM) after the relevant changes were made to comply with the Blue Crane Route Municipality's requirements, keeping the SCM regulations in mind. The policy has been reviewed in the 2021/22 financial year. Reports on the implementation of the SCM policy are submitted quarterly to the Accounting Officer; the Mayor; and Council. The SCM Annual report on the implementation of the SCM policy for the 2022/2023 financial year was submitted to the Accounting Officer; Mayor and the Council.

Vendor performance is regularly monitored with the help of Project Manager/ End Users. Tax matters for all transactions above R15 000 were confirmed to be in order through the Central Supplier Database. There were tenders that had to be re-advertised due to non-responsiveness of bidders and also contract management is also one of the issues that have been highlighted by the Auditor General. Transformation to proactiveness of the unit is one of the improvements that the municipality is working on.

CHAPTER 6 –AUDITOR GENERAL REPORT AUDIT FINDINGS

Contents of this Chapter are contained in the attached as Annexure: Auditor General Report and Audit Action Plan.

CHAPTER 7 – LOCAL GOVERNMENT KEY PERFORMANCE INDICATORS

This chapter reflects on the performance of per each Key Performance Area (KPA) as required by COGTA

BASIC SERVICE DELIVERY (KPA 1)

Annual performance as per key performance indicators in water services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year	Comments
1	Percentage of households with access to potable water	8558	0	0	8558	100%	All household have access to potable water except the rural farms which depend on boreholes.
2	Percentage of indigent households with access to free basic potable water	3932	0	0	3932	100%	
3	Percentage of clinics with access to potable	100%	0	0	100%	100%	

	water						
4	Percentage of schools with access to potable water	100%	0	0	100%		
5	Percentage of households in formal settlements using buckets	1%	350	0			The informal settlement need bulk infrastructure for these services which BCRM cannot currently afford.

Annual performance as per key performance indicators in electricity services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year	Comments
1	Percentage of households with access to electricity services	8558	1%	0			Backlog is only in the informal settlement.
2	Percentage of indigent households with access to basic electricity services	3932	0	0		100%	

3	Percentage of indigent households with access to free alternative energy sources	0	0	0	0	0	
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Annual performance as per key performance indicators in sanitation services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year	Comments
1	Percentage of households with access to sanitation services	8558	350	0		0	
2	Percentage of indigent households with access to free basic sanitation services	3932	4.2%	0		0	
3	Percentage of clinics with access to sanitation services	100%		0		0	
4	Percentage of schools with access to sanitation services	100%		0		0	

Annual performance as per key performance indicators in waste management services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to refuse removal services	9761	0	9761	9761	100%
2	Existence of waste management plan	There is a plan in place but it is due for reviewal				

Annual performance as per key performance indicators in housing and town planning services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements	4000	800	300	0	0
2	Percentage of informal settlements that have been provided with basic services	90%	4000		300	80%

3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses					
4	Existence of an effective indigent policy	The municipality has an existing Indigent policy				
5	Existence of an approved SDF	The municipality has an existing approved SDF.				
6	Existence of Land Use Management System (LUMS)	The municipality consults the District for SPLUMA.				

KPA 2: ORGANISATIONAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

No	Indicator Name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement % during the year	Comments on the gap
1.	Vacancy rate for all approved and budgeted posts	15	7	51%	There was institutional instability.
2.	% of appointments in strategic positions (MM and S57)	100%	100%	100%	
3.	% of S56 Managers including MM who attended at least one skills development training course within the FY	0	0	0	Due to budget constraints.
4.	% of Managers in Technical services with a professional qualification	2	100%	100%	100%
5.	Level of PMS Effectiveness in the LM	It is implemented on a higher level (MM and s57).			

6.	% of staff that have undergone a skills audit (including competency profiles)	4	4	100%	
7.	% of Cllrs who attended a skills development training course within the current 5 year term	11	100%	100%	
8.	% of staff compliment with disability	0	0	0	They don't apply for the jobs.
9.	% of female employees	25%	25%	5%	Due to the nature of Our business.
10.	% of employees that are aged 35 or younger	8%	8%	8%	Due to lack of education.
11.	Adoption and implementation of a District wide / local performance management system	0	0	0	0

KPA 3 : Local Economic Development

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year	Comments
1	Existence of LED unit	0	0	0	The unit is not yet established. The municipality does not have a dedicated person to carry the LED Functions
2	Percentage of LED Budget spent on LED related activities.	0	0	0	0
3	Existence of LED strategy	There is an existing strategy however the strategy is due for reviewal. The municipality is in the process of reviewing it.			
4	Number of LED	0	0	0	

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year	Comments
	stakeholder forum meetings held				
5	Plans to stimulate second economy	0	0	0	0
6	Percentage of SMME that have benefited from a SMME support program				12 SMME's have been supported financially through SBDM and SALGA funding
7	Number of job opportunities created through EPWP	165	165	100%	
8	Number of job opportunities created through PPP	0	0	0	

KPA 4 : Municipal Financial Viability and Management

	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage expenditure of capital budget	R51 638	R43 293	84%
		Target set for the year (35%) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the operational budget

2	Salary budget as a percentage of the total operational budget	32%	30%	94%
		Target set for the year (20% or less) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the actual revenue
3	Trade creditors as a percentage of total actual revenue	20%	29%	-45%
		Target set for the year (80% and more) R(000)	Achievement level during the year R(000)	Achievement percentage during the year
4	Total municipal own revenue as a percentage of the total actual budget	94%	89%	95%
		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
5	Rate of municipal consumer debt reduction	5%	0	0
6	Percentage of MIG budget appropriately spent	100%	100%	100%
7	Percentage of FMG budget appropriately spent	100%	100%	100%
8	AG Audit opinion	Unqualified Audit Report	Unqualified Audit Report	100%
9	Functionality of the Audit Committee	100%	100%	100%
10	Submission of AFS after the end of financial year	Submitted on due date	Submitted on due date	100%

KPA 5 : Good governance and Public Participation

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year	Comments
1	% of ward committees established	100%	100%	100%	
2	% of ward committees that are functional	100%	100%	100%	
3	Existence of an effective system to monitor CDWs	The performance of the CDW's is monitored at a provincial level			
4	Existence of an IGR strategy	No strategy in place			
5	Effective of IGR structural meetings	The meetings are combined with IDP Rep Forum, they sit quarterly.			
6	Existence of an effective communication strategy	The strategy was adopted in July 2021			
7	Number of mayoral imbizos conducted	Twice in all wards	Twice in all wards (April/May and September)	75%	.
8	Existence of a fraud prevention mechanism	There is a policy in place and reviewed annually			

APPENDICES

APPENDIX A – COMMITTEES AND COMMITTEE PURPOSES

Committees (Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Finance	To deliberate on matters related to finances of the municipality e.g. income, expenditure and
	Supply Chain Management Functions.
Corporate Services	To deliberate on matters related to Administration, Human Resources and Records Management.
Community Services	To deliberate on matters related to Environmental Health Traffic, Parks and Open Spaces,
	Libraries, Waste Management, Commonage and Pound, Disaster Management and Protection Services
Technical Services	To deliberate on matters related to Electricity, Roads and Stormwater, Mechanical Workshop
	MIG, Water and Sanitation and Housing and Land Use.
LLF	To discuss labour related issues
MPAC	Oversight on municipal overall performance
Internal Audit	Ensures implementation of internal control
Land Committee	Attend to issues related to municipal land and properties.

APPENDIX B –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director / Manager (State title and name)
Municipal Manager Office	Municipal Manager: Mr M.P Nini
	Manager: Internal Audit- Ms Phelokazi Ndumndum
	Manager: IDP/Performance Management- Ms Samela Hanabe
Finance Department	Director Financial Service (CFO)- Mr N.B Delo
	Manager: Revenue and Expenditure- Mr Julius Maputha
	Manager: Financial and Audit Matters- Mr Martin Meyer
	Manager: Supply Chain Management- Ms Ayanda Mbebe

Community Services	Director Community Services- Mrs Y Mniki
	Manager: Environmental Health Services- Mr Francois Trichard
	Chief: Protection Services- Mr Roland Hare
	Chief: Fire and Disaster- Mr John Conway

Technical Services	Director Technical Services – Mr A Gaji
	Manager: Electrical Services- Mr Vuyani Apollis
	Manager: PMU- Mrs Nonkqubela Dlova
	Manager: Maintenance and Infrastructure: Mr Albertus Swanepoel

Corporate Services	Director Corporate Services – Mrs N Kubone
	Manager: ICT- Mr Mzwandile Gush

APPENDIX C – FUNCTIONS OF MUNICIPALITY / ENTITY

Schedule 4 Part B	Schedule 5 Part B
Powers exercised by the BCRM	Powers exercised by the BCRM
<ul style="list-style-type: none"> ○ Air pollution ○ Building regulations ○ Electricity and gas reticulation ○ Firefighting services ○ Local tourism ○ Municipal airports ○ Municipal planning ○ Municipal public works ○ Stormwater management systems in built-up area ○ Trading regulations ○ Water and sanitation services 	<ul style="list-style-type: none"> ○ Amusement facilities ○ Billboards and the display of advertisements in public places ○ Cemeteries ○ Cleansing ○ Control of public nuisances ○ Control of undertakings that sell liquor to the public ○ Facilities for the accommodation, care and burial of animals ○ Fencing and fences ○ Licensing and control of undertakings that sell food to the public ○ Local amenities ○ Local sport facilities ○ Municipal abattoirs ○ Municipal parks and recreation ○ Municipal roads ○ Noise pollution ○ Pounds ○ Public places ○ Refuse removal, refuse dumps and solid waste disposal ○ Street trading ○ Street lighting ○ Traffic and parking

APPENDIX D- WARD COMMITTEE MEMBERS AND ALLOCATION

WARD 1

1. Kula Nomvume Jeanette : Agriculture Association, Farm Workers and Employment
2. Fani Vuyokazi : Business & Informal Traders
3. Mbenya Khanyisa : Community Based Organization
4. Mali Unathi : Community Safety Forum
5. Kwatsha Busisiwe Zelda : Education
6. Maqenge Xabiso : Environment & Tourism
7. Mtana Noxolo : Health & Welfare and People living with disabilities
8. Dywili Ngubengwe Armstrong : Religious Groups & Senior Citizens
9. Xhaso Vuyiswa : Sport, Culture and Youth
10. Sixaxa Andiswa : Women

WARD 2

1. Gegesi Abednego : Arts. Sport & Culture
2. Webb Willem : Community Based Organisation and Community Safety Forum
3. Isaacs Gaywin Andrew : Employment
4. Mbunge Vuyiseka : Environment, Health & Welfare
5. Nel Emile Riaan : Farm workers
6. Toni Neliswa Charmaine : People living with disabilities
7. Jacobs Josef : Rate Payers & Civic Association
8. Jordaan Michelle Zelda : Religions Groups
9. Sekori Kegomoditshwe Sinnah : Women & Senior Citizens
10. Brander Mzoxolo Norman : Youth

WARD 3

1. Asisipho Wonderboy Nywebeni : Community Based Organisation & Community Safety Forum
2. Silumko Wiseman Lawrence : Education
3. Mandilakhe Melville Storm : Employment
4. Mandisi Justice Memese : Health & Welfare
5. Nonceba Priscilla Heka : Religious Grouping
6. Nosiphenkosi Mbotya : Sports, Culture and Youth
7. Thuleka Pamela Gcume : People living with disabilities
8. Julia Blouw : Women
9. Ntombizanele Primrose Mahobe : Senior Citizens

** Only 9 members could be elected and not 10 as these were the only sectors nominated.

WARD 4

- | | |
|-----------------------------|---------------------------------------|
| 1. Pumzile Matthews Danster | : Agricultural Association & Business |
| 2. Gerald Zongezile Danster | : Community Safety Forum |
| 3. Thembakazi Precious Jas | : People Living with disabilities |
| 4. Verryne Piet | : Education |
| 5. Anele Andrew Kulati | : Senior Citizens |
| 6. Ivan Setiele | : Unemployed & Employed |
| 7. Annie Kamin | : Health & Welfare |
| 8. Mandile Afrika | : Sport & Art and Culture |
| 9. Mina Malgas | : Women |
| 10. Luyanda Ncingolo | : Youth |

WARD 5

- | | |
|-------------------------------|---|
| 1. Xaluva Sonwabile Siviwe | : Agriculture |
| 2. Hartsenberg Tamarah Reinel | : Business |
| 3. Stofile Ntombomzi Cynthia | : Community Based Organisation & Community Safety Forum |
| 4. Storm Wellington Vuyo | : Education |
| 5. Malambile Phumula Doreen | : Employment |
| 6. Zoeloe Deon Martin | : Health & Welfare and People Living with Disabilities |
| 7. Memese Thembisa Elsie | : Religious Groups & Senior Citizens |
| 8. Arends Rose Mary | : Sport & Culture and Youth |
| 9. Faku Nonkonzo Veronica | : Traditional Leaders |
| 10. Gogo Noluthando Junior | : Women |

WARD 6

- | | |
|-----------------------------|---|
| 1. Antoni Trinity Loyiso | : Agriculture Association & Farm Workers and Employment |
| 2. Piliso Noma-Afrika | : Environment |
| 3. Mjekula Sindiswa | : Business |
| 4. Mbombiya Mandla Xolani | : Community Based Organisation & Community Safety Forum |
| 5. Silimeni Sinazo | : Education |
| 6. Baskiti Anelisa | : Health & Welfare and People living with Disabilities |
| 7. Dwane Ntombizanele Ethel | : Rate Payers & Civil Association |
| 8. Mtengwana Lungelwa | : Religious Groups |
| 9. Fani Melisizwe | : Sport & Youth |

** Sindiswa Mjekula was also single - nominated under the women sector. She could not be endorsed again under a different sector and so there are 9 members elected instead of 10.

APPENDIX F – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2022/23

1. OBJECTIVE

The Audit Committee has prepared this report in full accordance with the applicable laws and regulations as supplemented by the Audit Committee Charter. The purpose of this report is to present the Audit Committee's progress to date in carrying out its oversight responsibilities, including oversight for the statutory audit process including the Audit Committee's review meetings to 30 June 2023.

2. TERMS OF REFERENCE

The mandate of the Audit Committee is legislated in terms of section 166 of the Municipal Finance Management Act, 2003 (MFMA) which requires the Audit Committee to advise the Accounting Officer and Council. The Audit Committee is also required to fulfil the functions of a Performance Management Committee constituted in terms of sections 38 and 41 of the Municipal Systems Act No 32 of 2000 and Regulation 14(2) of the Local Government: Municipal Planning and Performance Management Regulations, 2001: Review and advise in terms of the provisions of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers.

The advisory expected from the Audit Committee guided by the above stated tenets of legislation includes the following: Internal Financial Control and Internal Audits; Risk Management; Adequacy, Reliability and Accuracy of Financial Reporting and Information; Accounting Policies; Performance Management and Evaluation; Effective Governance; Compliance with the MFMA, the Annual Division of Revenue Act (DORA) and any other applicable legislation and / or policies and any other issues referred to it by the municipality.

The Audit Committee assists Council in fulfilling its oversight responsibilities in helping to ensure high quality financial and performance management reporting as well as effective internal control. The MFMA also requires the Audit Committee to review the Annual Financial Statements, respond to Council on matters raised by the Auditor General South Africa (AGSA) and carry out investigations into the financial affairs of the Municipality.

3. AUDIT COMMITTEE COMPOSITION AND ATTENDANCE

The Audit Committee is made up of three independent members. The Municipal Manager, Honourable Mayor, MPAC Chairperson, and the Auditor General South Africa have a standing invitation to all Committee meetings. An independent member appointed by Council chairs the committee. Both the Internal and External Auditors have unrestricted access to the Audit Committee. The Audit Committee have held meetings as outlined below from July 2022 to June 2023:

Name of member	Appointed	Number of Meetings Attended
Mr. M.K. Mafani	01 July 2021	5
Prof. W. Plaatjes	01 July 2021	5
Mr. S. Mbewu	01 July 2021	4

I. INTERNAL FINANCIAL CONTROL AND INTERNAL AUDITS

The Internal Audit unit completed and issued final reports in respect of 100% of its original audit plan for the 2022/23 financial year. This is a remarkable performance achieved under trying conditions and as such the Internal Audit Unit was able to provide the Municipality with some assurance required in the institution's environment of acceptable risks. The continued risk management activities under the Internal Audit Unit stewardship continue to be a concern for an independent assurance in terms of giving a fair assurance on risk activities.

The Internal Audit Unit continues to be a force to be recon with as most reports for review are dispatched to the Audit Committee on time, there is still for improvement though. The Internal Audit sub-directorate reports to the Audit Committee on a quarterly basis in respect of the progress achieved in executing the audit plan. Amendments to the audit plan are approved by the Audit Committee.

Internal Audit review:

- The Audit Committee reviewed the adequacy, reliability and accuracy of financial reporting and information.
- The Audit Committee reviewed and agreed to the Accounting Policies in place when reviewing the Annual Financial Statements (AFS) at the Special Audit Committee meeting to review the AFS prior to submission to the AGSA.
- Internal financial controls were considered in reviewing the findings of internal audits.
- Management draw conclusions on the adequacy and effectiveness of the system of internal controls through the review of Internal Audit assurance reports.
 - The Audit Committee note a continued lack of attention by management in effectively addressing reported weaknesses in control, deficiencies in systems and recommendations for improvement. A low response rate to addressing reported weaknesses is evident together with a high failure rate to adequately and effectively address noted control weaknesses by Internal Audit and the Auditor General. This is a repeat noted concern by the Audit Committee where the general lack of addressing Internal Audit and Auditor General findings result in continued serious control weaknesses and new findings by the Auditor General. The lack of capacity within the

MPAC has been raised and communicated to the Council by the Audit Committee for consideration.

- In reviewing whether management encourage ethical and lawful behaviour, financial discipline and accountability for the use of public resources, consideration should be given to greater accountability and consequence management being implemented in cases of mismanagement of resources.
- The Audit Committee note that little / no consequence management is evident in respect of senior managements' non-performance in dealing with high-risk Internal Audit and Auditor General findings. There appears to be no mechanism available to the Accounting Officer to deal with continued long term non-performance by management in addressing the reported findings.
- Internal Audit have prepared, in consultation with the Audit Committee and for their approval:
 - An Annual Internal Audit Plan
 - Internal Audit plans indicate the scope of each audit in the annual internal audit plan.
- The Audit Committee have noted that Internal Audit perform an internal self-assessment on an annual basis.
- The Audit Committee reviewed the Internal Audit Charter and the Audit Committee Charter, with amendments having been made thereto and approved.
- In the evaluating of the adequacy of performance of the Internal Audit sub-directorate, including the degree of co-operation with External Auditors, the Audit Committee consider the performance of Internal Audit to be at an acceptable level and beneficial to the Blue Crane Route Municipality.
- The assurance reports issued together with recommended remedial action is considered adequate. Effective action by management in addressing high risk findings remains inadequate. The repeat findings, year on year, are the result of management not effectively addressing noted high risk findings.
- Assurance reports are often concerning, indicating 'extreme' findings. Executive Directorship and management should actively work on addressing those agreed upon findings, together with implementing the recommended and agreed-to remedial actions. A close proactive working relationship between Executive Management and Internal Audit is essential. In the absence of such a working relationship, repeat findings are likely to remain the norm.
- The Audit Committee have noted that no restrictions or limitations are placed on the Internal Audit sub-directorate in the execution of their mandate, and we attest on that the Municipal Manager provides the necessary support to the Unit.
- A review of the quarterly performance reports submitted by Internal Audit takes place and amongst other includes:
 - Supply Chain Management, Irregular Expenditure, Financial Management, Compliance with Policies and Regulations, Corporate, compliance with the Division of

Revenue Act (DORA), HR effectiveness, Assistance to the Poor programme, and the critically important area of mSCOA implementation.

- Internal Audit conducted guided by its Annual Plan specific reviews of the AG action plan for 2022/23 (Audit Implementation Plan) which show that most directorates achieved limited progress in addressing Auditor General high-risk findings. The Municipality remains exposed to the risk of future qualifications or new emphasis of matters. There is limited evidence of action or lack of appetite taken to address high risk repeat audit findings. No consequence management is evident in the lack of addressing these high-risk findings by management.
- Only high-risk findings are reported on through the Audit Implementation Plan. With the lack of progress noted in addressing Internal Audit and Auditor General high-risk findings, it must be assumed that similarly, limited progress is being achieved in addressing medium / lower risks identified. This is a repeat observation by the Audit Committee.
- The lack of progress in addressing audit findings results in the municipality:
 - Conducting operations in a weak control environment,
 - Being exposed to increased high risks of inaccurate information and errors,
 - Management being unable to detect incidents of possible fraud.
- Ideally both Internal Audit and the Audit Committee should review the Annual Financial Statements prior to submission thereof to the Auditor General, the Audit Committee was not provided an opportunity to review the set of AFS prior to be submitted to AGSA for the year under review.
- The Committee represented by the Chairperson received copies of all Communications of Audit Findings throughout the regularity audit. The final Auditor General Audit Report and Management Report were also considered.

II. AUDITOR GENERAL – EXTERNAL AUDIT

- The Audit Committee met with the Auditor General to review whether the Auditor General felt there were any restrictions placed on the external audit. The Auditor General noted that there were no restrictions.
- The audit plan was provided to the Audit Committee for review by the external Auditors, AGSA.
- No significant disagreements between External Auditors and Management were noted.
- No material unsolved accounting and auditing problems were noted.
- The Audit Committee did not have any significant audit matters to disclose that arose from the audit.
- The Audit Committee did not meet with Internal and External Auditors during the year without management being present so as to create an opportunity for views and concerns to be raised that may not be appropriate in an open forum.

- The Audit Committee considers the performance of External Auditors to be adequate.

III. FINANCIAL REPORTING

- The Audit Committee have reviewed the expertise, resources and experience of the municipalities finance function which are considered to be adequate.
- The Audit Committee is of the view that with the recent court outcome favouring the fund for the payment of around R30ml, the financial position of the Municipality would be negatively impacted. As reflected in the audit outcome, the financial position as a going concern is an indication of revising its stance on revenue collection, different revenue streams amongst other strategies to be considered.
- The Annual Financial Statement review process, the Audit Committee consider them to be of high quality, value and effectiveness of financial information produced together with the Accounting Policies.

IV. PERFORMANCE MANAGEMENT AND EVALUATION

- The Audit Committee is responsible to report to Council, the Political Office Bearers, the Accounting Officer and Management on matters relating to Performance Management:
 - The Audit Committee reviewed the Performance Management Report for the 2022/2023 financial year. The Performance Management Report was considered accurate by the Audit Committee.
- The Audit Committee reviewed the relevance of noted indicators together with their measurability in relation to services performed.
- Where the performance reviews are not scheduled and conducted during the first quarter of a new year, little / no value is secured through relevant noted non-performance and the appropriate remedial actions being taken.
- The Chairperson of the Audit Committee did chair the required performance reviews, though the statutory timeframe was slightly missed.

V. ICT GOVERNANCE

- ICT governance within the Blue Crane Route Municipality remains a concern, the Audit Committee is of the view that Management has to prioritise this space and allocate sufficient resources to augment what is currently in place.

VI. RISK MANAGEMENT AND GOVERNANCE

- It must be noted that the Blue Crane Route Municipality does not have a stand-alone sub-directorate entrusted with the risk management function, such work is performed by Internal Audit Unit. The Audit Committee has advised on numerous engagements to separate these two units with the view to improve governance.
- The Audit Committee together with the Management considers that the Internal Audit work carried out will assist in improving the effectiveness of risk management, control and governance processes.
- The Audit Committee continues to review those recommendations made by the Internal Audit Unit.
- The Internal Audit Unit continues to contribute effectively to identifying high risk areas. The Internal Audit Unit remains under capacitated where additional resources would contribute to identifying additional risks providing for an improved control environment.
- The lack of commitment by the service provider developing mSCOA has resulted in the absence of an integrated system, and this might lead to future audit findings and thus reverse to good work performed in improving the control environment. This also compromises credibility of reports and thus exposes the Institution to potential system manipulation. The Audit Committee observed that, no evidence of any consequence management in this matter has been noted.
- The Audit Committee express disappointment that previous concerns noted regarding dysfunctional mSCOA implementation have not been rectified and this remains a material matter in respect of on-going non-compliance.

VII. INVESTIGATIONS

- The Audit Committee wishes to register that there has never been any investigation report tabled by both Management and MPAC on our engagements, thus the Committee is of the opinion that, there exist no cases to be considered for further investigation.

4. CONCLUSION

Guided by the reports presented by Internal Audit and deliberations between the Audit Committee, Council and Management there is a high probability of improving on performance and governance in general. It is inevitably that resource allocation will always be the impediment in key set targets and indicators intended to address issues of service delivery, hence it is of utmost importance that the Blue Crane Route Municipality ought to decisive on prioritising areas which would portray it as a machinery driving service delivery at a local level.

The Audit Committee note the following areas of concern.

- The continued court cases which might have a negative impact on the finances of the Municipality and thus its financial viability should the outcomes find the Municipality liable.
- The separation of Internal Audit function from the Risk Management function
- Addressing high risk findings by the Auditor General and Internal Audit.
- Evaluation of mSCOA compliance and the way forward with the existing service provider.
- Matters relating to continue under performance by certain directorates of the Municipality, which risks future reduction on Grant funding.

A handwritten signature in black ink, appearing to read 'M.K. Mafani', is displayed within a white rectangular box.

M.K. Mafani, (CFE)

Chairperson: Audit and Performance Committee

15 February 2023

APPENDIX G – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

The municipality does not have long term contracts and Public Private Partnerships. All contracts do not exceed a maximum of 3-year term/period.

Information relating to the following **APPENDICES** is reflected in the attached Audited Annual Financial Statements:

APPENDIX H – DISCLOSURES OF FINANCIAL INTERESTS

APPENDIX I: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX I (i): REVENUE COLLECTION PERFORMANCE BY VOTE

APPENDIX I (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

APPENDIX J: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

APPENDIX K: CAPITAL EXPENDITURE– NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 2022/23

BLUE CRANE ROUTE MUNICIPALITY - EC 102			
CAPITAL BUDGET- 2022/2023			
CAPITAL ITEM/DESCRIPTION	FUNDING	CURRENT ADJ BUDGET 2022/2023	PROPOSED ADJ BUDGET 2022/2023
ACCOUNTING OFFICER			
Office Equipment	Municipal own Funds	12 000	12 000
		12 000	12 000
BUDGET PLANNING & IMPLEMENTATION			
Office Equipment	Municipal own Funds	12 000	12 000
		R 12 000	R 12 000
TECHNICAL SERVICES : ELECTRICITY			
Equipment and Tools	Municipal own Funds	60 000	60 000
Pre- Engineering of electrical infrastructure for RDP Houses	INEP	539 130	539 130
Upgrading of Somerset East Main sub station (Roll over grant not appro	Municipal own Funds	600 000	600 000
3 X Auto Reclosers	Municipal own Funds	600 000	600 000
Ringfencing projects from Electricity revenue			
Capital Expenditure: Transformers	Municipal own Funds	800 000	800 000
Operation Expenditure - Material for maintenance/contractor services			
		R 2 599 130	R 2 599 130
TECHNICAL SERVICES : WATER			
Upgrade of Cookhouse Water Treatment Works	WSIG	2 911 543	737 630
Upgrade of Orange Fish WTW in Somerset East	WSIG	11 494 799	11 494 799
Pearston Bulk water supply Augmentation	WSIG	2 115 397	4 289 310
Water equipment and tools	Municipal own Funds	50 000	50 000
		R 16 571 739	R 16 571 739
TECHNICAL SERVICES : MIG			
Upgrading of Aeroville Sportfields (Phase 2 and 3)	MIG Grant	1 742 389	1 742 389
Paving of Gravel roads: Pearston	MIG Grant	1 739 130	1 739 130
Paving of Gravel roads: Cookhouse	MIG Grant	2 608 696	3 015 832
Paving of Gravel roads: Somerset East	MIG Grant	4 179 807	4 179 807
Upgrading of Ward 5 stormwater drainage - Berm Rehabilitation	MIG Grant	358 261	290 168
Upgrade Westview Sportfields	MIG Grant	434 783	95 739
Refurbishment of Glen Avon and Mayila Streets	MIG Grant	521 739	521 739
Upgrading of Somerset East Sewer Pumpstations (Riverlane, Memese, M	MIG Grant	600 000	600 000
Refurbishment of Khanyiso Water Booster Pump	MIG Grant	1 301 500	1 301 500
		R 13 486 304	R 13 486 304
COMMUNITY, SAFETY & SOCIAL SERVICES : ADMINISTRATION			
Office Equipment	Municipal own Funds	12 000	12 000
		R 12 000	R 12 000
COMMUNITY, SAFETY & SOCIAL SERVICES : REFUSE SERVICES			
Skip Tractor	External Loan	150 000	150 000
TLB	External Loan	0	0
Rehabilitaion of Landfill Site Fencing	EPWP	2 752 970	2 752 970
		2 902 970	2 902 970
COMMUNITY, SAFETY & SOCIAL SERVICES : FIRE SERVICES			
Skid Unit - Replace JDY 699 EC - Insurance Claim top up	SBDM	360 000	360 000
Satellite Ablution Containers	SBDM	600 000	600 000
Control Room Equipment	SBDM	600 000	600 000
Fire Hydrants	SBDM	250 000	250 000
Fire Equipment	SBDM	448 390	448 390
Disaster Grant Projects	MDRG		3 200 000
		2 258 390	5 458 390
COMMUNITY, SAFETY & SOCIAL SERVICES : COMMONAGE			
Construction of pound	External Loan	450 000	450 000
		R 450 000	R 450 000
CORPORATE SERVICES: ADMINISTRATION			
ICT Equipment/computers	Municipal own Funds	250 000	250 000
Office Equipment	Municipal own Funds	12 000	12 000
		R 262 000	R 262 000
GRAND TOTAL OF CAPITAL BUDGET		R 42 413 233	R 42 413 233
		PROPOSED ADJ BUDGET 2022/2023	PROPOSED ADJ BUDGET 2022/2023
SUMMARY OF CAPITAL FUNDING			
Grants		R 33 300 143	R 36 500 143
SBDM		R 2 258 390	R 2 258 390
Municipal own Funding from surplus funds		R 2 528 000	R 2 528 000
External Loan		R 4 326 700	R 4 326 700
		R 42 413 233	R 45 613 233

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

WARD 1 & 6

PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS TO DATE	CUSTODIAN	TIMEFRAME
Bhongweni Rectification		Rectification is in progress	D Tech S	To be determined by the department
Backlog: Informal Settlement (200 Units)		The matter has been referred to the DHS.	D Tech S	To be determined by the department
Health Services				
Expansion of clinic and 24hr clinic services	The project is implemented	Work is in progress	D. Community Services	To be determined by the department
Rural Development and Agrarian Reform				
Fencing for the main dam	Currently lobbying funds		DTS	To be determined by the department
Education and Training				
Construction of FET College in Cookhouse	To engage with DOE further	A letter of request was written to the Department highlighting the need of the community in this regard. No response was received from the department	MM	To be determined by the department
Skills Development Programmes For Young People				
Construction of a library		In progress	D Com Serv	To be determined by the department
Economic and Infrastructure Development: Infrastructure to support Local Economic Growth and Development		Infrastructure plans have been developed and submitted to relevant departments for funding	DTS	To be determined by the department
Upgrading Of Rural Roads (Roads And Transport)		This is a provincial government function. Engagements are on going.	Mayor / MM / DTS	To be determined by the department

Ward 2

PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS TO DATE	CUSTODIAN	TIMEFRAME
Construct a walkway along the R335 road to Aeroville		Both roads are not municipal roads(R63/R335)	DTS	To be determined by the departments involved
Restoration of burnt and abandoned houses		Application has been submitted to DHS	D Tech Serv	To be considered by the department
Installation of streetlights at (R335 Road towards Fire Station, from R335 intersection to the bridge near Clevedon and Nojoli Street towards Pearston (R63 road)		The project is in progress	DTS	To be determined by the departments involved
Construction of a Primary School in Aeroville	Proposal submitted to DOE	Awaiting response from the department	Mayor / MM	To be determined by DOE
Access to land for emerging farmers	The matter is receiving attention of DRDAR and the municipality		Mayor / MM	To be determined by DRDAR
Maintenance of rural roads	Matter referred to the Provincial Dpt of Roads and Public Works	Awaiting response from the department		To be determined by DRPW
Dipping tanks	The matter was referred to DRDAR.	A response received was that there is no budget currently.	D Comm	To be determined by DRDAR
Construction of school for the kids with disability	The matter to be referred to the department of Education		MM/Mayor	To be determined by Dept of Education

WARD 3

PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS TO DATE	CUSTODIAN	TIMEFRAME
Community Hall		Project will be implemented by the Department of Human Settlements.	DTS	To be considered by the DHS

WARD 4

WARD 4				
PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS TO DATE	CUSTODIAN	TIMEFRAME
Khanyiso and Nelsig Bridge		Business plan has been developed. The municipality has approached the Office of the Premier for funding.	DTS	To be determined by OTP (awaiting response)
Renewable energy (solar panels)	Funding application submitted and awaiting response from Department of Energy.	Application for funding is in progress to be made with the Department of Energy for renewable energy projects	DTS	To be determined by DOE
Sustainable Human Settlement		The matter has been referred to DHS	DTS	To be determined by Dept of HS
Libraries		The matter with regards to the extension of the library was referred to DSRAC. An assessment will be done by the department. A follow up was made with the department and the indication is that this will not be done in this financial year as they will be constructing a new library in Cookhouse.	DCS	To be determined by DSRAC

WARD BASED PLANNING 2020/2021: WARD 5

PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS TO DATE	CUSTODIAN	TIME FRAME
Sustainable Human Settlement • Uninhabited Houses (Old Location)	The matter is being attended by DoHS .	Destitute cases are being attended to and the list has been submitted to the DHS.	D.Tech S	To be considered by the department
Extension of previously constructed houses (2 rooms)		Project 300 for demolition and rebuilding is submitted to DHS.		To be considered by the Department of Human Settlement
Rectification of Houses	The matter is being attended by DoHS.	Destitute cases are being attended to and the list has been submitted to the DHS.	D Tech S	To be considered by the Department of Human Settlement

Installation of Jojo tanks	The matter has been referred to DRDAR		D Tech S	To be considered by the department
Solar panels	Funding application submitted and awaiting response from Department of Energy.	Application for funding is in progress to be made with the Department of Energy for renewable energy projects	D Tech S	To be considered by the department

APPENDIX P – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

All MFMA s71 reports were submitted timeously except for June 2022; due to the financial system glitches.

APPENDIX Q – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services	Communities continue to be provided with services	80%
Output: Implementation of the Community Work Programme	All the wards have CWP's	100%
Output: Deepen democracy through a refined Ward Committee model	Ward Committees meet quarterly and some sit monthly	100%
Output: Administrative and financial capability	Municipality is not viable and is still grant dependant	95%