

OVERSIGHT REPORT



ALFRED NZO
DISTRICT MUNICIPALITY

ANNUAL REPORT FOR THE YEAR ENDING JUNE 2022

1. ACRONYMS

AG	Auditor General
ANDA	Alfred Nzo District Municipality
FY	Financial Year
IDP	Integrated Development Plan
LED	Local Economic Development
LM	Local Municipality
MPAC	Municipal Public Accounts Committee
M & E	Monitoring and Evaluation
MIG	Municipal Infrastructure Grant
MFMA	Municipal Finance Management Act
MMC	Member of Mayoral Committee
NDP	National Development Plan
NKPA	National Key Performance Areas
OCA	Operation Clean Audit
PMS	Performance Management System
SDBIP	Service Delivery Budget Implementation Plan
SPU	Special Programmes Unit
SMME	Small Micro Medium Enterprises

2. BACKGROUND

The 2021/2022 Annual Report of the Alfred Nzo District Municipality (ANDM) and the Annual Report of the Municipality Entity, Alfred Nzo District Municipality (ANDA) were tabled in the Council on 31st January 2023. Annual reports provide the Alfred Nzo District Municipality with the opportunity to report on the performance of the District Municipality and its entity. The Council of Alfred Nzo District Municipality Council took a resolution to defer the annual reports, tabled before the full Council by the Executive Mayor, to the Municipal Public Accounts Committee (MPAC).

The committee was mandated to consider and evaluate the content of the report and present an oversight report with recommendations to the Council in the next Council Meeting. It is imperative to note that the oversight function of Council over the executive and administration is not an event but a process that unfolds throughout the course of the year. Effective oversight played by Council over administration would result to better performance of the municipality. Critically, the oversight occurs at various levels in the municipality, including Senior Management, Accounting Officer, Executive Mayor and Mayoral Committee, Standing Committee and the Council.

In this regard, the role of the MPAC is to consider the annual performance report for the purpose of quality assurance and recommending to Council on whether to adopt or reject the report.

Key to this exercise, the MPAC endeavoured to ensure that the executive and administrative leadership are held accountable for performance in their respective departments/units during the financial year under consideration.

The 2021/22 Annual Report was prepared in terms of the provisions of the Municipal Finance Management Act, No. 56 of 2003. The Act aims to modernize budget and financial management while simultaneously promoting transparency and accountability. It gives further impetus to Annual Reporting (more stringent than MSA

requirements) in terms of which municipalities are required to report against commitments in the IDP, business Plans and other supporting planning documents.

As stated earlier, the 2021/2022 Annual report was tabled to Council on 31 January 2023. In terms of Section 127 (2) of the MFMA, the Executive Mayor must submit the Annual Report within seven (7) months after the end of the financial year, which means that the report was submitted on the 31st January 2023.

In terms of Section 129 of the MFMA the Municipal Council is required to engage with, and finalize the annual report within two months after the end of the financial year, which is before 31 March 2023. The 2021/22 Annual Report was submitted to Council in time, 31 January 2023 owing to timeous finalization of the Consolidated Annual financial Statements' Audit opinions

3. THE PURPOSE OF THE OVERSIGHT REPORT.

It is imperative to have some understanding of the accountability framework for municipalities in order to correctly understand the role of the Oversight Report as distinct from the Annual Report and any other reports required from the municipality. It further important note that the oversight function of Council over the executive and administration is not an event but a process that unfolds throughout the course of the year. Effective oversight on administration would result to better performance of the municipality. Oversight occurs at various levels in the municipality as confirmed below:

Accountability Framework for Local Government

	Responsible for:	Oversight over:	Accountable to:

Council	Approving policies, IDP and Budget	Executive Mayor and members of the Mayoral Committee	Community
Executive Mayor	Policy, Budgets, service delivery outcomes and Management of/oversight over Municipal Manager.	Municipal Manager	Council
Municipal Manager	Outputs and implementation of policies and SDBIP.	The Administration	Executive Mayor
CFO and Senior Managers	Outputs and implementation of SDBIP	Financial Management and Operational Functions	Municipal Manager

The Oversight Report is the final major step in the annual reporting process of a municipality. Section 129 of the MFMA requires the council to council to consider the annual report of its municipality and to adopt an “oversight report” containing the council’s comments on the annual report.

The Oversight Report follows consideration and consultation processes by the Municipal Public Accounts Committee (MPAC) on the Annual Report and is considered to be report of the Municipal Council to the community. It closes the level of success or otherwise, obtained the Integrated Development Plan (IDP) of the municipality and meeting the priority needs and stated desires of the community as contained in the IDP.

4. COMPOSITION OF THE COMMITTEE

The National Treasury: MFMA Circular (National Treasury issued Circular No.32 of 15 March 2006) expresses appreciation of the difficulties that could be experienced in trying to discuss the Annual Report within full council meetings. It thus recommends that the Council considers the Constitution of an Oversight Committee (Municipal Public Accounts Committee) as provided for in terms of Section 129(4), to discuss the Annual Report leading to the adoption of the Oversight Report.

The Council of Alfred Nzo District Municipality established the Municipal Public Accounts Committee (MPAC) by resolution to consider and evaluate the content of the quarterly and annual reports and advise the council for adoption.

Council recognizes that it has the responsibility to oversee the performance of the municipality as well as that of its entity, Alfred Nzo Development Agency as contained in the Constitution, Municipal Finance Management Act (MFMA) and Municipal Systems Act. These legislation prescripts recognize that council has a critical role to play to ensure better performance by municipal departments and its entity. There is now a linkage between the strategic goals, set by the council through the integrated development plan (IDP), which are translated into the budget and the delivery of those goals which is reported in the annual report.

The Council meeting of the 7th July 2011 established the MPAC as a mechanism to enable all councillors (and the public) to fully digest and discuss the contents. With reference to National Treasury: MFMA Circular No. 32 of 15 March 2006, the role of the MPAC is to analyze and review quarterly and annual reports in detail and recommend to the Council on whether to adopt or reject the quarterly or annual report.

Key to this role is ensuring that the executive and administrative leadership are held accountable for performance.

The MPAC is made up of five non-executive councilors confirmed in the table below:

Name	Designation / Representing
S. A Sello (Chairperson)	Councillor
F Mbuyelwa(BEWU)	Councillor
M Magadla	Councillor
B Sobhayi	Councillor
M Sophaqa	Councillor

The MFMA assumes a separation between councillors serving on the executive (i.e. mayoral committee) and non-executive councillors.

This separation is vital to ensure that council maintains oversight for the performance of specific responsibilities and delegated powers to the Executive Mayor or executive mayoral committee.

5. LIST OF DEPARTMENTS/UNITS APPEARED BEFORE THE COMMITTEE

Below is the list of Departments/units that have been subpoenaed and responded to appear before the MPAC for purposes of providing clarities to the annual report.

- All Departments were invited but only IDP and PMS Manager was present and an apology was rendered by the Senior Manager CPS

6. SUMMARY OF COMMENTS ON THE ANNUAL REPORT

6.1 MPAC PROJECT VISITS

The Municipal Public Accounts Committee (MPAC) conducted road shows to the following areas from Tuesday, 07th March 2023 to Monday, 20th March 2023 in gathering inputs/ comments on the Annual Report 2021/22:

Number	Local Municipality	Project	Ward
1.	Matatiele LM	Elufefeni Sanitation Project	5 and 7
		Epiphany Water Supply	18 and 22
		RBIG – Khoapa Villagw	06
		Mohakamisi Mhlaba Zone Centre in Mangolong	23
2.	Winnie Madikizela Mandela LM	Thaleni Water Supply	27
		Eluthulini Water Supply	
3.	Ntabankulu LM	Ntabankulu Water purification and sewer	
		Ntabankulu Ward 12 Water Supply - Phase 2	12
		Mhleleni water Supply	4
4.	Umzimvubu LM	Umzimvubu Water Bulk	
		Toleni Crop Production	21

		Mntwana VIP Toilets	19
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The following is a brief note of comments/ inputs raised during the said sessions with regards to the Annual Report 2021/22:

6.1.1 ELUFEFENI SANITATION PROJECT

1. Project Name:

MATATIELE WARD 5 PART E

Municipality: MATATIELE LM

Funder: MIG

Ward and Villages: 5 : MATOLWENI

Awarded Service Providers:

Engineers : In House Engineers

Contractor : Alutha Holding JV Timeless

Household impact

130 H/H

Project Schedule

Date : 15 June 2022

Du

Commencement ration : 04 Months

Completion Date : 31 November 2022

Contract Amount:

- Appointed Contract sum : **R 1, 561, 300.00**

Project Scope : 120 UNITS

- Site establishment;
- Excavation of pit
- Building of the lining
- Assembling of the top structure
- Backfilling and compaction
- Cleaning, levelling and raking of all excessive soil around the structure.

2. Project Name:

- **MATATIELE WARD 5 PART F**
- **Municipality: MATATIELE LM**
- **Funder: MIG**
- **Ward and Villages: 5 :Mavundleni**
- **Awarded Service Providers:**
- **Engineers : In House Engineers**
- **Contractor : Buzwana Holding**
- **Household impact**
- 100 H/H

Project Schedule:

Commencement Date : 15 June 2022

Duration : 04 Months

Completion Date : 31 November 2022

Contract Amount:

- Appointed Contract sum : **R 1, 616 736.66**

Project Scope : 100 UNITS

- Site establishment;
- Excavation of pit
- Building of the lining
- Assembling of the top structure
- Backfilling and compaction
- Cleaning, levelling and raking of all excessive soil around the structure.

3. Project Name:

- **MATATIELE WARD 5 PART G**
- **Municipality:** MATATIELE LM
- **Funder:** MIG
- **Ward and Villages:** 5 : Mhlangeni
- **Awarded Service Providers:**
- **Engineers** : In House Engineers
- **Contractor** : Power Damane Civil Constrcutrion
- **Household impact**
- 75 H/H

Project Schedule:

Commencement Date : 15 June 2022

Duration : 04 Months

Completion Date : 31 November 2022

Contract Amount:

- Appointed Contract sum : **R 1, 065, 877.50**

Project Scope : 75 UNITS

- Site establishment;
- Excavation of pit

- Building of the lining
- Assembling of the top structure
- Backfilling and compaction
- Cleaning, levelling and raking of all excessive soil around the structure

4. Project Name:

- ***MATATIELE WARD 5 PART D***
- ***Municipality: MATATIELE LM***
- ***Funder: MIG***
- ***Ward and Villages: 5 : POTE, SIFOLWENI & MANZI***
- ***Awarded Service Providers:***
- ***Engineers : In House Engineers***
- ***Contractor : ATS CIVILS JV NSG 122011 TRADING***
- ***Household impact***
- ***130 H/H***

Project Schedule:

Commencement Date : 15 June 2022

Duration : 04 Months

Completion Date : 31 November 2022

Contract Amount:

- Appointed Contract sum : **R 1, 774, 082.00**

Project Scope : 130 UNITS

- Site establishment;

- Excavation of pit
- Building of the lining
- Assembling of the top structure
- Backfilling and compaction
- Cleaning, levelling and raking of all excessive soil around the structure.

COMMENTS FROM THE MUNICIPALITY

- ✓ The project does exist
- ✓ The community was happy with the project as they all received the VIP Toilets

6.11.2 MATATIELE WARD 18 AND 22 WATER SUPPLY

Project Name:

MATATIELE WARD 18 & 22 WATER SUPPLY SCHEME 2

Municipality: MATATIELE LM

Funder: MIG

Ward and Villages: 18 : Epiphany and Phalane

Awarded Service Providers:

Engineers: Makhaotse, Narasimulu & Associates

Contractor: Cycle Civils and Projects

Population Impacted:

5602 people **Project Schedule:**

Commencement Date: 8th September 2020

Duration: 12 Months + 69 days EOT

Completion Date 12th December 2021

Contract Amount:

- Appointed Contract sum: **R24 190 874.27 incl. VAT**
- Expenditure to Completion: **R24 017 131.98 incl. VAT**

Project Scope :

- Construction of 12km rising main pipelines
- Construction of 23km reticulation pipelines
- Construction of 534kl steel reservoir
- Construction of 67 standpipes
- Construction of Booster Pumpstation and Buffer Tank
- Fencing at Pumpstation and Reservoir
- Installation of marker posts along pipeline route
- Installation of associated valves, fittings and chambers
- Equipping of 3no. Boreholes
- Installation of Diesel Genset
- Maintenance of the above for a period of 12 months after the issue of the Certificate of Completion;
- Compliance to all relevant regulations relating to Health & Safety and Environmental Management Acts.

COMMENTS FROM THE COMMUNITY

- ✓ The project hasn't worked since 02 September 2022 as they have not received the diesel since the project was handed over.
- ✓ The diesel was delivered in the morning the day that the MPAC went for road shows for the and they have been asking for the diesel from the municipality without for months and the phones were not answered.

6.1.3 MATATIELE RBIG – KHOAPA

COMMENTS FROM THE COMMUNITY

- ✓ In Bhakaneng village there were trenches that were left by the service provider and there is no water in certain areas. Most of the time they don't get diesel from the municipality.
- ✓ There are boreholes that were drilled but there is no water.
- ✓ The water should start from their villages before going to town as they have the main source of water.
- ✓ They also requested that the person that negotiated with the community for the boreholes to be drilled in their village should be honored and the project be named after him.
- ✓ The pipe that releases smoke in the generator has not been installed as promised.
- ✓ There were two pumps that were installed two years ago and hasn't worked since is installed.

6.1.4 MPHAkamisi MHLABA ZONE CENTRE– MANGOLONG MATATIELE

For the development of local SMMEs in the region, the LED Unit called on local SMMEs to provide proposals for the management and utilisation of the Zone Centres with an **Implementation Plan, a Monitoring and Evaluation Framework** and **Financial Projections**

The main objective of the programme is to support SMMEs and promote locally based manufacturing of building material in order to create employment opportunities, maximize profit for local enterprises, and in turn reduce economic leakages ascribed from missed economic opportunities within the District. The programme is aimed at capitalising on the value chain in the construction industry.

ANDM entered into a three year contract with Takitsi Investments for the implementation of the Zone Centres Development Programme. The contract value for the three-year period: R2, 980, 650.00

The scope of the programme includes:

- SMME Business Skills Training Programme;
- Compliance:
 - o Undertake registration of business entities (or activation) for the SMMEs participating in the programme
 - o SARS registration (or activation) for the SMMEs participating in the programme
 - o Ensure SMMEs in the programme have active Bank Accounts
 - o Ensure SMMEs are registered on the Central Supplier Database (CSD)
 - o Technical/Practical Training

MPHAKAMISI MHLABA ZONE CENTRE

Mphakamisi Mhlaba Zone Centre is operational, operated by Kamva Elihle Bricks Cooperative. The Zone Centre is fully fledged, and has the following facilities:

- Office Block, Storage Facility
- Water supply with domestic borehole
- Electricity supply with three phase (recently upgraded)
- Domestic backup generator (old)
- Water tanks
- SMME possesses a water use license and sand mining permit

Through the intervention of the programme, the SMME has grown significantly, and currently possesses assets such as:

Tipper Truck, Drop side Truck x3, TLB, water tanks, multi-production automated concrete making machine, electrical 4 drop pellet x2, etc.

RAND VALUE BY ANDM: An estimated value of R500 000 towards the Mphakamesi Mhlaba Zone Centre.

Through support provided by the ANDM Resource Mobilisation Programme, DEDEAT and commitment by the SMME, the SMME secured funding through the DEDEAT LRED Fund: R1,9 million grant to purchase:

- TLB
- TRUCK
- CRUSHER and for
- Training on the blocks making machine.

ADDITIONAL ACTIVITIES THAT ENHANCE THE VALUE CHAIN:

ANDM Special Programmes Unit (SPU) approved the SMME for support with concrete pillar moulds that have enhanced the Zone Centre facility’s production line.

The SMME has a small paint manufacturing facility on-site, which is also operational. This gives Kamva Elihle a competitive edge, and sets them apart from their competitors; customers are able to purchase a variety of products from one stop.

GEOGRAPHIC LOCATION

SMME	Site Name	Municipality	Ward	Village
Kamva Elihle Coop	Mphakamisi Zone Centre	Matatiele	23	Mongolong

SSME DIRECTORSHIP

SMME	Male	Age Group	Female	Age Group
Kamva Elihle Coop	4 Males	Youth	1 Female	Youth

JOBS CREATED

SMME	Permanen t	Age Group	Gender	Temporar y	Age Group	Gender
Kamva Elihle Coop	19	12x Youth 7x Adult	1x F; 18x M	02	2x Youth	2x M

CORE PRODUCTS

SMME	Core Products	Average Daily production	Extended products	Average Daily Production
Kamva Elihle Coop	Stock bricks, Hallow Blocks, Concrete Pillars, Sand mining	2000 blocks; 500 stock bricks; ten loads of sands; 5 concrete pillars	Paint (different colors)	20x20l; 10x10l; 10x5l

COMPETITORS TO KAMVA ELIHLE COOPERATIVE

SMME	Competitor	Area of Location
Kamva Elihle Coop	Donning Crushers; Imida Yam; Matat Coop; Ikamva Lelethu, Umzumbe Concrete from Port Shepstone	Matatiele and Port Shepstone

CAPITAL EXPENDITURE BY ANDM

SMME	Value of investment by ANDM	Support
Kamva Elihle Coop	500 000	Trainings (classroom and technical; Painting of building and guard house; Pole replacement; Ceiling replacement Electricity upgrade, wiring and cabling; electricity bill; assessments

DESCRIPTION OF STRUCTURE AND INFRASTRUCTURE

SMME	Form of structure	Infrastructure
Kamva Elihle Coop	Zone Centre	Water supply; access of sufficient Power supply; Building; Storerooms, Security services; Production slab

ASSETS

SMME	FLEET	EQUIPMENT
Kamva Elihle Coop	5x Trucks; 1x Forklift; 1x TLB;	Automated Block Making Machine; x3 Electrical Block Making Machine; Old Backup generator; 3x water tanks; Borehole; Pump

ASSETS FUNDED BY ANDM

SMME	Fleet	Equipment
Kamva Elihle Coop	None	Backup generator;

		2x water tanks; Borehole; pump
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OTHER FUNDING INSTITUTIONS AND LIST ITEMS FUNDED BY THOSE/THAT INSTITUTION

SMME	ITEMS	INSTITUTION/S
Kamva Elihle Coop	Automated Block Making Machine; 3x Electrical Block Making Machine 5x Trucks; 1x Forklift; 1x TLB;	Kamva Elihle and DEDEAT LRED Funding

MARKETS

SMME	TARGET MARKET	SECURED CONTRACT/MARKET
Kamva Elihle Coop	Community members and Hardware' Stores in Matatiele and Mount Fletcher villages	1x Hardware in Matatiele and 1x Hardware in Mount Fletcher 1x Hardware in Xaxazana Village on the way to Mount Fletcher

CHALLENGES AND SOLUTIONS

SMME	CHALLENGES	SOLUTIONS
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Kamva Elihle Coop	There is no Backup generator with equal capacity as Automated Block Making Machine, Borehole is old and burnt out	To procure Backup generator, Borehole and Solar panels in the future
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ANDM INTERVENTIONS AND TIME FRAME

SMME	INTERVENTIONS	TIME FRAME
Kamva Elihle Coop	Backup generator	30 June 2023
To procure Borehole		30 June 2024
To procure Solar panels		30 June 2025

PROGRESS MADE BY ANDM TO ADDRESS CHALLENGES

SMME	PROGRESS
Kamva Elihle Coop	Procurement of New Backup generator is underway, quotation has been requested

COMMENTS FROM THE BENEFICIARIES AND COMMUNITY

- ✓ The project does exist and they were producing bricks and cement for the community and they also mix, sell paint and paint if the customer needs their houses to be painted
- ✓ The community is happy with the project as they don't have to go town to buy bricks and cement.
- ✓ They also employ people in the community but the youth doesn't seem to want to work as they will come for few days and leave.
- ✓ They are also helping in the development

6.1.5 THALENI

Project Name:

Greater Mbizana Water Supply Phase 1A: Thaleni Village Reticulation in Mbizana Ward 27

Municipality: ANDM

Funder: MIG

Wards and Villages: Ward 27

Awarded Service Providers:

Engineers : S Zoko Consulting cc

Contractor : Mathew Group

ISD Consultant : Urban Traders

OHS Consultant : GW Health

Project Schedule:

Project duration : 5 months

Construction commencement : 26 October 2021

Final completion : 26 April 2022

Appointed Contract sum : R 7 909 185.94 (Incl. VAT)

Expenditure to date : R 7 419 371.49 (Incl VAT)

Balance : R 489 814.45 (Inl.VAT)

Project Scope :

- Site establishment

- 100 KL Prestressed steel reservoir

- Construction of reticulation network with 63mm diameter HDPE to 6400m, 63mm diameter MPVC to a length of 900m and 65mm diameter klembon steel to a length of 200m.

- Construction of valve chambers and 15 standpipes.

- Security fencing at Reservoir.

- Removal of establishment and trimming of site.
- Maintenance of the above for a period of 12 months after the issue of the Certificate of Completion.
- Compliance to regulations relating to Health and Safety and the Environmental Management Acts

Description	Units	Planned Quantity	Completed to date	% Complete
Site Establishment & De-establishment	No	1	0.5	50%
Excavation	m	7500	8146	100%
Pipework	m	7500	8146	100%
Testing	No	7500	5000	100%
Reservoir (100KL)	No	1	1	100%
Tap Stands	No	15	20	100%
BPT's	No	2	0	100%
Air Valves	No	10	9	100%
Scour Valves	No	10	4	100%
Isolating Valves	No	2	7	100%
Pipe Markers	No			
OVERALL PROGRESS				99%

EXPENDITURE AND CASH FLOW

MONTH	DATE	ACTUAL EXPENDITURE	PROJECTED CASHFLOW	PROJECTED CASHFLOW (Cumulative)
November 2021	22 Nov 2022	R 449 165.71	R 449 165.71	R 449 165.71

December 2021	08 Dec 2021	R 1 285 505.42	R 1 285 505.42	R 1 734 671.13
January 2022	21 Jan 2022	R 1 057 433.11	R 1 057 433.11	R 2 792 104.24
February 2022	18 Feb 2022	R 2 000 970.04	R 2 000 970.04	R 4 793 074.28
March 2022	18 Mar 2022	R 1 661 751.91	R 1 661 751.91	R 6 454 826.19
April 2022	25 Apr 2022	R 964 545.79	R 964 545.79	R 7 419 371.98
May 2022			R 231 549.48	R 7 650 921.46
May 2023			R 231 549.48	R 7 882 470.94
TOTAL		R 7 419 371.98		R 7 882 470.94

CHALLENGE

- ✓ Project has reached Practical Completion and the Contractor is busy attending to the snag list.

OHS AND ISD MATTERS

ISD MATTERS

- The PSC has identified all the snags for the Contractor to attend to.

OHS MATTERS

- The Contractor has no deviations and all is in order.

Environmental Matters

- The Environmental Consultant for the project is Matangana & Associates and no issues have been identified.

COMMENTS FROM THE COMMUNITY

- ✓ The project does exist and they were happy with the outcome as they have water with no complaints.

6.1.6 ELUTHULINI

COMMENTS FROM THE COMMUNITY

- ✓ The project does exist but they don't have water.
- ✓ When the testing was done it was found out that the water does not get to the tank it goes to the valve that is next to the tank what needs to be done is redirect the water to the tank so that everyone can get water.

6.1.7 NTABANKULU WASTE WATER TREATMENT WORKS

Project Name:

NTABANKULU WASTE WATER TREATMENT WORKS: ANDM/IDMS-PMU/240/28/02/13

Implementing Agent : Alfred Nzo District Municipality

Funding Agent : MIG

Ward and Villages : Ward 8

Awarded Service Provider:

Engineers : Aurecon/Zutari

ISD : Alfred Nzo District Municipality

ECO : Alfred Nzo District Municipality
OHS Consultant : LP Health and Safety
Contractor : Egxeni T/A UMpisi Plant Hire Construction (Pty) Ltd

Economic Impact:

Local labour = 30 employed

SMME's = 3

Household Impact

Households served: ± 1000 Erfs

Project Schedule:

Commencement Date : 11 October 2013

Original Duration : 18 Months

Original Completion Date : 19 June 2015

Anticipated Completion Date : 13 February 2022

Project Scope:

- Construction of 1.2 ML activated sludge process plant with:
- Biological Reactor
- Inlet Works
- 2 x Clarifiers
- 1 x Sludge Return Pump station
- 1 x Leachate Return Pump station
- Chlorine Contact Tank
- 12 x Sludge drying beds
- Interconnecting Pipework

- 1 x Admin Building
- 1 x Supervisor house
- 4 x Operator houses
- Access Roads, Internal Roads & Storm water drains
- Security Fence

PROGRESS – CIVIL

Item	Sched Qty	Comp Qty	Planned (%)	Progress	Prog (%)
Inlet Works	1	1	100		100
Bioreactor	1	1	100		100
Clarifiers	2	2	100		100
Chlorine Tank	1	1	100		100
Sludge Drying Beds	12	12	100		100
Internal Roads	1.236km	1.236km	100		100
Admin Building	1	1	100		100
Interconnecting pipework	1.151km	1.151km	100		100
Supervisor House	1	1	100		100
Operator Houses	5	5	100		100
Access Road	4.5km	4.5km	100		100

Overall Progress				100%
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PROGRESS ELECTRICAL AND MECHANICAL

Item	Sched Qty	Comp Qty	Planned Progress (%)	Prog (%)
Mechanical manufacturing and supply	1	1	100	100
Electrical manufacturing and supply	1	1	100	100
Mechanical installation on site	1	1	100	100
Electrical installation on site	1	1	100	100
Overall Progress				100%

PROJECT EXPENDITURE

Contract Amount (Incl. VAT)	
Appointment Contract Amount	R 39,579,757.48
Revised Contract Amount (VO 1, VO 2 Plus Extension of Contract)	R 61,377,005.86
WWTW Project Expenditure To date	R 53,149,264.10
Balance Amount	R 8,227,741.76
Supplementary Agreement value	R 4,775,784.90
Supplementary Expenditure	R 4, 686, 063.77
Total WWTW + Supp Agreement Expenditure	R 57,835,327.87

COMMENTS BY THE COMMUNITY

- ✓ The project does exist and it has helped the community of Ntabankulu to have their dignity as they were no longer using bucket system.
- ✓ The community was so thankful and appreciated the project.

6.1.2 NTABANKULU WARD 12 WATER SUPPLY: Water Supply to Villages: Mzalwanini, Mnceba, Mjelweni, Tsita, Luxwesa, Saphukanduku, Ntshamanzi, Manzamnyama, Mngazana & Qingqa Mjelweni, Luxwesa, Saphukanduku, Ntshamanzi & Manzamnyama

PHASE1: Mzalwanini, Mnceba, Mjelweni, Tsita, Luxwesa, Saphukanduku, Ntshamanzi, Manzamnyama, Mngazana & Qingqa

Project Team & Details

- Funding Agent : MIG by DWS
- Implementing Agent : Alfred Nzo District Municipality
- Contractor : Magnacorp 485 cc T/A K2S Construction
- Consulting Engineers : Deedscon Consult

Project schedule (Start and End date)

Project construction commenced 11th July 2019.

The Project is anticipated to take 12 months and is scheduled to be completed 31st May 2020, then revised to 15th December 2020.

Project Value:

R 28 881 418.41Inc. Vat

The required works will entail construction of bulk water supply components namely:

- Construction of steel SBS Reservoirs: 1x1015kL; 1x800kL and 450kL;
- Construction of 1 Ml/d packaged water treatment plant;
- 4xBorehole equipping;
- 4 x pump stations with electric pumps and a standby diesel generator for each pump station
- Construction of Pumping main: 1km x 90mm dia steel; 5.93km x DN65mm dia steel; 3.4km x 63mm dia HDPE and 4.02km x 50mm dia HDPE including all the necessary fittings;

PHASE 2a

Ntabankulu Cluster 3: Ward 12 Water Supply Project Phase 2

Municipality: Ntabankulu LM

Funder: Department of Water and Sanitation

Wards and Villages: Ward 12

Awarded Service Providers:

Engineers : Deedscon Consult (Pty) Ltd

Contractor : Mazangwa Construction

Project Schedule:

Project duration : 12 months

Construction commencement : 6 April 2021

Final completion : 5 March 2022

Contract Amount:

Appointed Contract sum : R 28 282 936.78(Incl. VAT)

Project Scope :

Construction of bulk water supply components, namely

- ✓ Concrete reservoirs: 1 x 130kl including fencing;
- ✓ Bulk Supply Pipelines: 160mmø x 8.745km uPVC; 110mmø x 6.43km uPVC including the necessary fittings.
- ✓ Reticulation Pipelines: 10.46km x 160mmø; 4.94km x 110mmø; 11.31km x 90mmø; 24.88km x 75mmø; 3.10km x 50mmø; and 5.50km x 25mmø;
- ✓ 150 x community standpipes within 200m radius of each household as per RDP standards, with a minimum flow of 0.17l/s per standpipe.

PHASE 2b: Mjelweni, Luxwesa, Saphukanduku, Ntshamanzi & Manzamnyama.

Project Name:

Ntabankulu Cluster 3: Ward 12 Water Supply Project Phase 2B

Municipality: Ntabankulu LM

Funder: Department of Water and Sanitation

Wards and Villages: Ward 12

Awarded Service Providers:

Engineers : Deedscon Consult (Pty) Ltd

Contractor : Mabona Civils & Plant Hire

Project Schedule:

Project duration : 8 months

Construction commencement : 15 January 2022

Final completion : 22 September 2022

PROGRESS

All pipework is laid.

All reservoirs constructed.

All pump stations constructed

REMAINING WORKS

- Pipe testing on phase 2a
- Eskom connections
- Practical completion of phase 1.

PROJECT EXPENDITURE PHASE 1

Contractor's Interim Payment Certificate	Amount Invoiced	Date of Submission	Payment Due Date	Date Paid	Status
IPC 1 -27 th June 2019	R 1 506 942.06	27 th June 2019	27 th July 2019		Paid
IPC 2 -20 th August 2019	R 1 345 715.27	19 th Sept 2019	19 th Oct 2019		Paid
IPC 3 -13 th Nov 2019	R 6 955 729.19	14 th Nov 2019	14 th Dec 2019		Paid

IPC 4 -31 ST Jan 2020	R 974 861.34	31 st January 2020	29 th February 2020		Paid
IPC 5 -18 th May 2020	R 1 626 031.49	22 nd May 2020	22 nd June 2020		Paid.
IPC 6 -6 th July 2020	R 1 408 567.00	6 th July 2020	5 th August 2020		Paid
IPC 7 -26 th Oct 2020	R 2 270 909.65	26 th Oct 2020	25 th Nov 2020		Paid
IPC 8 - 14th Dec 2020	R 2 388 361.73	14th Dec 2020	14th Jan 2021		Paid
IPC 9 - 26th April 2021	R 2 926 837.75	26th April 2021	25th May 2021		Paid
IPC 10 -26th May 2021	R 1 189 698.81	26th May 2021	25th June 2021		Paid
IPC 11 -25 th Jun 2021	R 1 013 890.00	25 th June 2021	24 th July 2021		Paid
IPC 12 -26 th Oct 2021	R 918 569.55	25 th Oct 2021	24 th Nov 2021		Paid
TOTAL	R 24 526 113.84				

PROJECT EXPENDITURE PHASE 2

Certificate Number	Date of Certificate	Payment Date	Net Cashflow	Cumulative Cashflow	
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Cert No 1	19 March 2021	03/04/2021	R 2 409 905.81	R 2 409 905.81	Actual
Cert No 2	23 April 2021	10/05/2021	R 1 123 909.24	R 3 533 815.05	Actual
Cert No 3	May 2021	28/05/2021	R 3 389 556.38	R 6 923 371.43	Actual
Cert No 4	June 2021	06/07/2021	R 4 567 320.64	R 11 490 692.07	Actual
Cert No 5	July 2021	04/08/2021	R 3 007 613.98	R 14 498 306.05	Actual
Cert No 6	August 2021	16/09/2021	R 3 952 016.79	R 18 450 322.84	Actual
Cert No 7	September 2021	04/10/2021	R 3 762 668.95	R 22 212 991.79	Actual
Cert No 8	October 2021	04/11/2021	R 3 405 568.13	R 25 975 660.74	Actual

PROJECT EXPENDITURE 2 b

Month	Cert number	Projected Amount	Accumulative Amount	Actual Amount	Accumulative amount
January 2022	1	R 865 000	R 865 000	R 2 997 919.52	R 2 997 919.52

February 2022	2	R 1 320 000	R 2 185 000	R 0.00	R 2 997 919.52
March 2022	3	R 1 480 000	R 3 665 000	R 1 096 877.23	R 4 094 796.75
April 2022	4	R 2 250 000	R 5 915 000	R 1 041 467.67	R 5 136 264.42
May 2022	5	R 2 450 000	R 8 365 000	R 2 673612.31	R 7 809 876.73
June 2022	6	R 2 500 000	R 10 865 000	R 1 928 261.60	R 9 738 138.34
July 2022	7	R 1 685 000	R 12 550 000		
August 2022	8	R 1 450 000	R 14 000 000		
September 2022	9				

CHALLENGES

- Community refusing the project in Saphukanduku village.
- Delay in Eskom connection to power the pumphouses

COMMENTS BY THE PSC

- ✓ Most of the scope is done they were waiting for the taps to be installed.

- ✓ Testing was done and there were no leaks.

COMMENTS BY THE COMMUNITY

- ✓ At Mzalwaneni village the taps are too far from the households.
- ✓ The contractor removed the taps that were there before he started working and they want them back as they were closer to their households.
- ✓ There was no water, the pipes were installed but they are just lying exposed in the road.
- ✓ There was someone who promised some members of the community to pay R 2 500. 00so that he can connect water to their household but is no - where to be found without finishing what he promised.
- ✓ In Tsita village they have not had water for more than 10 years and the water they had was disconnected by the new contractor.
- ✓ They also have left trenches and they need to come back and cover up those trenches.

6.1.8 MHLELENI WATER PROJECT

- **Project description:** Mhleleni water project was an intervention project project that was awarded to DLV Construction for a contract amount of **R8,501,167.00** with a construction duration of 3 months.
- **Commencement Date:** 01 July 2016
- **Due Completion Date:** 30 September 2016
- **Contract Duration:** 3 months
- **Status:** Completion stage

- **Location**: The Mhleleni water project is located on the north eastern upper part of Ntabankulu town, which falls under the jurisdiction of the Alfred Nzo District Municipality in the North-Eastern part of the Eastern Cape Province.
- **Household Impact / to be Impacted**
- 121 Households to be served
- **Jobs impact**: The total Cumulative employment was 12 and the project has been completed.
- **Tendered contract amount** : R 8,501,167.00 incl. vat
- **Projected cost at Completion**
- R 8,501,167.00
- **Project Scope**: Equipping of a borehole, an intermediate booster pump station with sump, rising main, Galaxy tank as the terminal reservoir.
- **Issues** : The community of Sdakeni where the source is, were complaining that they did not have enough water so they were refusing to let the contractor take the water to Nkumba and Rwantana. The ward councillor, project stake holders, traditional leaders and the community resolved the issue.

COMMENTS

- ✓ The engine they had is always faulty and they need electricity.
- ✓ The last time they had water was last year.
- ✓ The contractor performance was good.
- ✓ The challenge is with ESKOM as the municipality already paid for the transformer and ESKOM has not delivered.

6.1.10 KWABHACA BULK REGIONAL WATER SCHEME

- **Project Name**: Kwabhaca bulk Water Supply Project

- **Municipality:** Alfred Nzo District Municipality (ANDM)
- **Funder:** MIG
- **Ward and Villages:** Ward Bulk & Reticulation Networks
- **Awarded Service Provider:** KARA SA (PTY) LTD
- Alfred Nzo District Municipality appointed KARA SA (PTY) LTD Construction to Construct Bulk & Reticulation Networks Area **Jobs impact:**
- Direct project construction jobs: **34**
- **Household impact**
- Households served:
- **Contract Amount:** R 38 524 120.76
- **Expenditure to date :** **R 30 935 027.13**
- **Balance :** **R 7 589 093.63**
- **Duration** : 10 Months
- **Start Date** : 11 November 2021
- **Original Completion Date** : 09 September 2022
- **Hand over Date** : 20 March 2023
- **Project Scope:**
- Site establishment
- Construction of elevated tank
- Construction of 7.8Km bulk pipeline connecting reservoirs
- Construction of 21.8Km reticulation pipeline
- Installation of 39 standpipes
- Construction of 52 chambers **Progress / Work Done:**
- Site establishment 100% done

- Construction of elevated tank 99% done
- Construction of 7.8Km bulk pipeline connecting reservoirs 90% done
- Construction of 21.8Km reticulation pipeline 95% done
- Installation of 39 standpipes 95% done
- Construction of 52 chambers 93% done

Challenges

- SMME strike for two months
- Rain delays

Conclusion

- Project is 4months behind its original completion date but the contractor has submitted extension of time request.

COMMENTS BY THE PSC

- ✓ They had nothing major except in the beginning of the project they had an issue with SMME's and it was later resolved.
- ✓ They worked well with the service provider as he was upfront with everything.

COMMENTS BY THE COMMUNITY

- ✓ Some pipes are exposed and it will be easy for them to be vandalised.
- ✓ In some areas there were only stand pipes with no taps.
- ✓ In some areas taps are too far from the households.
- ✓ At Semeni village they only hear that there was a project but have not seen anything yet.
- ✓ At Ntenetyana village they were happy with the progress.

- ✓ At Magxeni Village they were happy with the project progress but the taps are far from the householdas.
- ✓ In Cwalinkungu village the project hasn't even started they had no water.
- ✓ In Mntwana village the contractor does not close trench holes and they don't even put the danger tape and they were worried about their kids and livestock.
- ✓ In ward 27 the contractor was last seen in December 2022 and they were not informed.
- ✓ Ward 15 there were areas that don't have pipelines and the taps are also far from households.
- ✓ In Ward 19 they only did a reservoir there are no taps.
- ✓ In Mbodleni village there were only stand pipes without the taps.

6.1.11 THOLENI CROP PRODUCTION

Overall objective

- To increase the level of production within the agricultural sector, to intensify food security where the intended outcome is to reduce high levels of unemployment and stimulate District economic growth and development.

1.1 2021/22 financial year:

In 2021/2022 FY, the Municipality budgeted for production of Yellow Maize (600.6 ha), Dry Bean (142ha), Potato (52ha), Sweet Potato (20 ha) and Cabbage (51 ha). In relation to the Infrastructure Development Project, the District has also set aside budget for electrical cabling of the Agro-Processing Hub, construction of 2 retaining walls and installation of one tank as well as erection of fencing in 7.76

kms. In terms of Marketing and Branding Project, the Municipality budgeted for the installation of signage boards, procurement of banners and packaging material.

Farmer Beneficiation Per Project:

A number of famers have benefited through the implementation of the Agri-Park Programme across the Alfred Nzo District Municipality.

Cropping Development Project - initially the Municipality approved 98 beneficiaries throughout the District. However, due to lack of commitment and other issues experienced in several implementation areas some farmers were disqualified from participating in the programme as guided by the Agricultural Development Policy and the current beneficiary’s amount to 90 farmers for 2021/22 FY.

Infrastructure Development Project – the Municipality fenced 225 ha (7.76 km) fenced in 3 farmers in Ntabankulu and Winnie Madikizela Mandela Local Municipality.

Marketing and branding project - 15 farmers were supported with the installation of signage boards into their farm sites across the District.

2. AGRI-PARK SUMMARY BENEFICIATION

AGRI-PARK PROGRAMME: CROPPING DEVELOPMENT PROJECT BENEFICIATION SUMMARY				
NO.	LOCAL MUNICIPALITY	COMMODITY	ALLOCATION PER LM	HACTORAGE
1.	MLM	Cabbage	5 ha	51 ha
	ULM		28 ha	
	WMMLM		10 ha	
	NLM		8 ha	

2.	MLM	Potato	12 ha	52 ha
	ULM		10 ha	
	WMMLM		20 ha	
	NLM		10 ha	
3.	WMMLM	Sweet Potato	20 ha	20 ha
4.	MLM	Dry Bean	45 ha	142 ha
	ULM		40 ha	
	WMMLM		37 ha	
	NLM		20 ha	
5.	MLM	Yellow Maize	255 ha	600.6 ha
	ULM		120 ha	
	WMMLM		98.6 ha	
	NLM		127 ha	
Total Hectarage for all Commodities				865.6 ha

AGRI-PARK PROGRAMME: THOLENI FARMER'S SUPPORTED

NAME OF ENTITY	VILLAGE AND WARD	HA	COMMODITY	YIELD HARVESTED	CREATED JOBS	CONTACT PERSON	CONTACT NO.
Each One Feed One Primary Cooperative	Toleni Village, Ward 21	15ha	Maize	75 Tons	19- Seasonal employees	Mr. L. Mbebe	071 760 5826/ 078 235 6193
Sva Gqolo Trading (Pty) Ltd	Toleni Village, Ward 21	3ha	Vegetable (Cabbage)	82 000 heads	3- Permanent employees 13- Seasonal employees	Mr. S. Ngongoma	078 799 2133

COMMENTS BY THE COMMUNITY AND BENEFICIARIES

- ✓ It was reported that there were 5 beneficiaries, One for maize, two for dry beans and two for potatoes.
- ✓ The community agreed that the project does exist and they were happy that the municipality can help them kick start their businesses and so that they can feed their families.
- ✓ The beneficiaries said that the crops they were promised by the municipality, they received them and they were also helped to plant their crops

6.1.12 UMZIMVUBU WARD 19 VIP Toilets Project

- **Municipality:** Alfred Nzo District Municipality (ANDM)
- **Funder:** MIG
- **Ward and Villages:** Ward 19
- **Awarded Service Provider:** Power Damane civils R 672 928.00, Sir proj & Prop Projects R679 828.00, Bavix trading R 687 620.00, Sbala trading R607 200.00, Vanquish business solutions R676 800.00
- **Jobs impact:** 42
- **Household impact**
- Households served: 250
- **Contract Amount:** R 3 324 010.00
- **Expenditure to date :** R 3 240 633.25
- **Balance :** R 83 376.75
- **Duration** : 2 Months
- **Start Date** : 12 January 2022
- **Original Completion Date** : 09 March 2022

- **Project Scope:**
- Site establishment
- Excavation of the Pit
- Construction of the pit lining
- Assembling of the top structure

Progress / Work Done:

Site establishment 100% done

Excavation of the pit lining 100% done

Construction of the pit lining 100% done

Assembling of the top structure 100% done

Challenges

- None

Conclusion

- Project complete.

COMMENTS FROM THE COMMUNITY

- ✓ All 250 VIP toilets were constructed and were in good condition.
- ✓ There were delays caused by the weather but everything was completed and some PSC said they worked well with the service providers except for Damane, the steering committee was expected to do the job of the Forman as he disappeared for a month without explanation.

- ✓ One of the PSC members was not paid for registering the number of community members that were supposed to receive the services.

6.2 ANDM ANNUAL REPORT 2021/2022

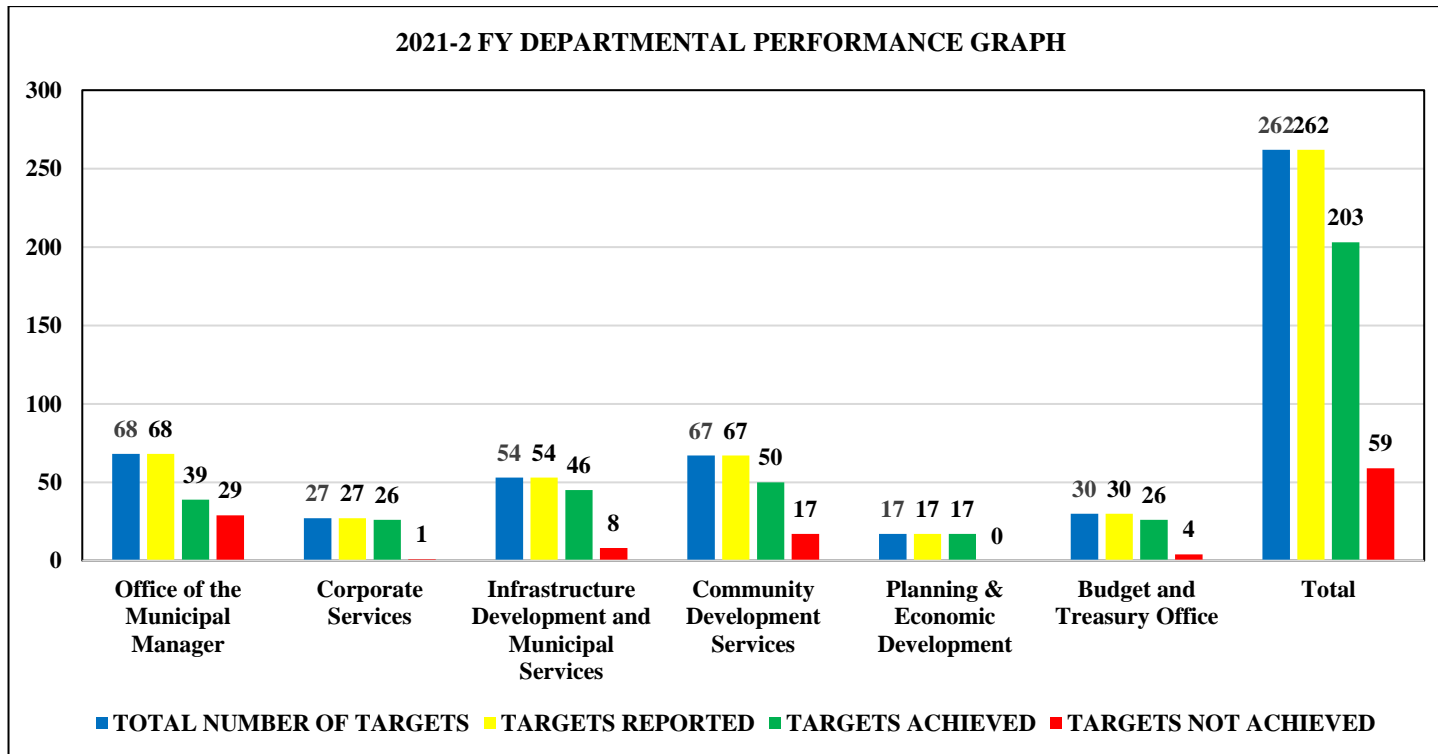
It was reported that National Treasury issued circular No 63 which guides Municipalities and Municipal Entities on process required for credible annual report. The Annual Report template/ format was introduced by National Treasury and it was essential to note that the ANDM had structured the annual report as such.

ANDM ANNUAL PERFORMANCE REPORT

2021 - 2022 FY DEPARTMENTAL PERFORMANCE

DEPARTMENT	TOTAL NUMBER OF TARGETS	TARGETS REPORTED	TARGETS ACHIEVED	PERCENTAGE ACHIEVED	TARGETS NOT ACHIEVED	PERCENTAGE NOT ACHIEVED
Office of the Municipal Manager	68	68	39	57.4%	29	42.6%
Corporate Services	27	27	26	96.2%	1	3.8%
Infrastructure Development and Municipal Services	54	54	46	85.2%	8	14.8%
Community Development Services	67	67	50	74.6%	17	25.4%

Planning & Economic Development	17	17	17	100%	-	0%
Budget and Treasury Office	30	30	26	86.7%	4	13.3%
Total	263	263	204	77.6%	59	22.4%



KEY PERFORMANCE AREA 2021/2022 PERFORMANCE SUMMARY

KEY PERFORMANCE AREA	TOTAL NUMBER OF TARGETS	TARGETS REPORTED	TARGETS ACHIEVED	PERCENTAGE ACHIEVED	TARGETS NOT ACHIEVED	PERCENTAGE NOT ACHIEVED
Basic Service Delivery	48	48	40	83.3%	8	16.7%
Cross Cutting Issues	4	4	3	75%	1	25%
Financial Viability and Financial Management	30	30	26	86.7%	4	13.3%
Good Governance And Public Participation	124	124	85	68.5%	39	31.5%
Local Economic Development	9	9	9	100%	-	-
Municipal Transformation and Organizational Development	48	48	41	85.4%	7	14.6%
Total	263	263	204	77.6%	59	22.4%

6.2.3 AUDIT REPORT

The Alfred Nzo District Municipality received Unqualified Opinion from the Auditor General. It is equally concerned that the internal control environment and the internal capacity to perform sound financial management in the municipality has not improved to the desired state.

A consideration by the Municipal Public Accounts Committee in terms of section 129 of the Local Government: Municipal Finance Management Act no 56, 2003 regarding the likely adoption of the annual report.

The ANDM had a qualified audit performance.

RECOMMENDATIONS AND STATEMENT

It is Recommended that:

1. That the Council **NOTES** the report of the MPAC on the roadshows conducted as a means to solicit the comments/ inputs of the members of the public and stakeholders on the Annual Report 2021/2022;
2. The Council having fully considered the annual report for 2021/2022 of the district municipality and comments thereon, **Adopts** the oversight report; and
3. The Council **Approves** the annual report without reservations;
4. The community have confirmed the completion of scope of projects and there is a need for the MPAC to go back to visit some projects that had challenges. The Council **Approves**

that the MPAC visit the projects that experienced challenges during the road shows by the end of April 2023 to check progress;

5. IDMS and BTO to forward a full comprehensive report on what the management is going to take including the procurement processes in the supplying of diesel from ANDM to the schemes to MPAC within 14 working days;
6. Consequence management processes need to be followed.\
7. Customer Care needs to forward a detailed report on customer dissatisfaction regarding the issue of diesel to the MPAC within 14 working days.
8. Management should submit an Audit Action Plan for the outcomes that were raised by the AG
9. There are no corrective measures, Issues that are outstanding should be in planning for the next financial year.

Signed:

Cllr. S.A. Sello
Chairperson (MPAC)

Date

7.
