



# ANNUAL REPORT 2022-2023



SOUTH AFRICAN LOCAL  
GOVERNMENT ASSOCIATION

**SALGA**

*Inspiring service delivery*



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# PRESENTATION OF THE SALGA ANNUAL REPORT

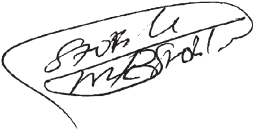
I am pleased to submit to the Parliament of South Africa the 2022-2023 Annual Report of the South African Local Government Association (SALGA). The submission is aligned with the terms of the SALGA Constitution and Governance Framework as adopted by the National Member's Assembly in March 2008.

The report highlights SALGA's developmental mandate and reviews its performance during the financial period 1 April 2022 to 31 March 2023.

The Auditor-General of South Africa audited the performance information and annual financial statements presented in this report.

The National Executive Committee endorsed the document, based on the assurance of accuracy from SALGA's management and internal audit function.

SALGA remains committed to transforming local government into a well-governed sphere of government that is accountable, responsive, people-centred and developmental in providing quality of life for its citizens and an enabling environment for long-term sustainability.



**Cllr Bheke Stofile**  
SALGA President  
31 August 2023



*SALGA's strategic role is clear: to represent the interests of local government within the overall system of government and support its members to fulfil their developmental and service delivery obligations.*





# HIGHLIGHTS 2022-2023



## 11<sup>th</sup> Clean Audit

Achieved an **11<sup>th</sup>** clean audit in a series of **14** consecutive unqualified audits since 2009.



## 98%

Met **54** of **55** performance targets, or **98%**, for the 2022-23 financial year, consistent with an average of a **90%** achievement of meeting annual performance targets for the past 14 years.



**6.5%** increase in membership levy revenue to **R730.6 million** (2022: **R686 million**).



## R643.1 million

Positive increase in net assets to **R643.1 million** (2022: **R565.9 million**).



Lobbying initiatives led to legislative reforms, grants and pooled funding instruments that have simplified municipalities' work environment.



The Local Government Week, convened under the auspices of the NCoP, contributed towards advancing our collective effort to enhance oversight and accountability in the local sphere of government.



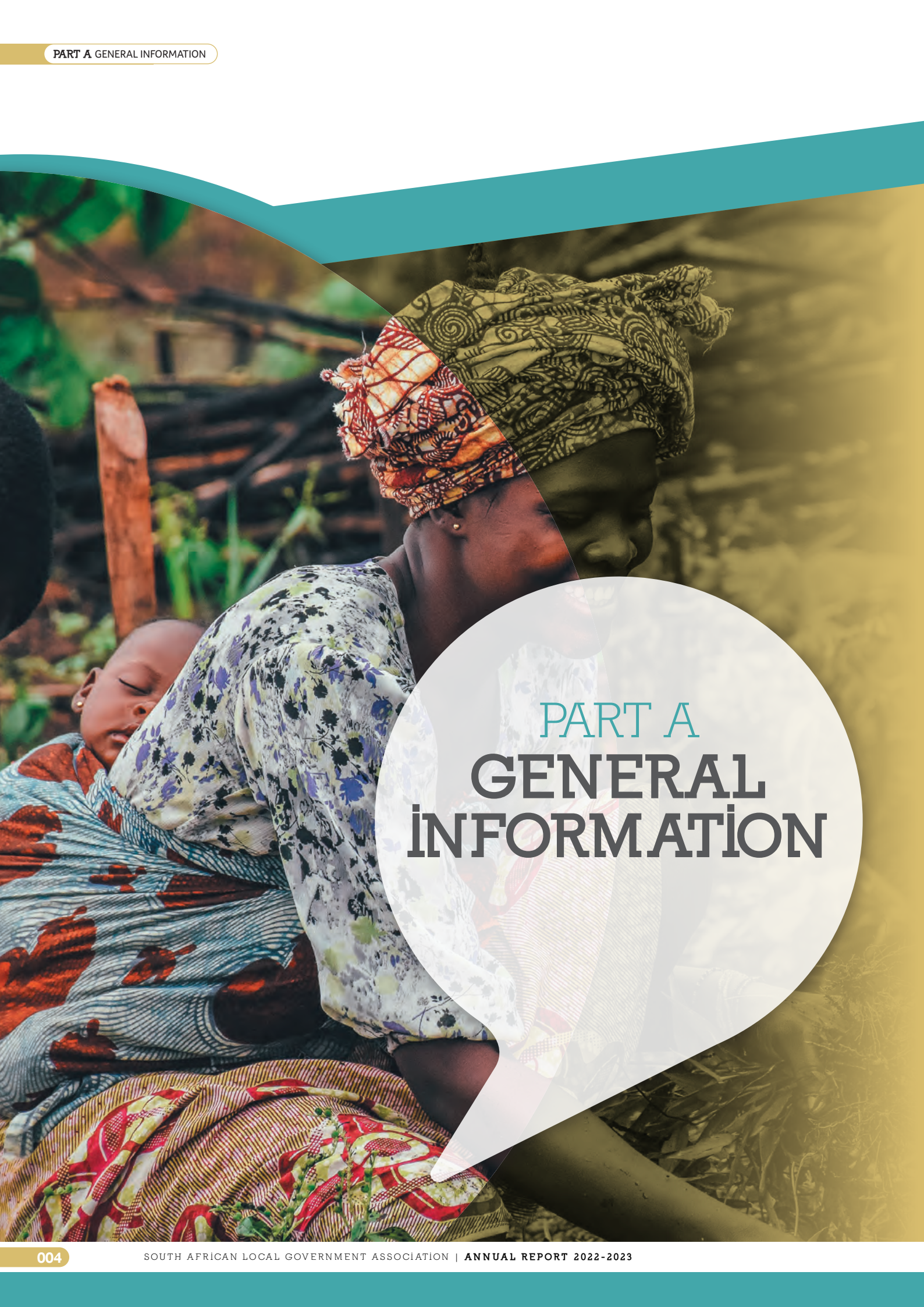
SALGA is assisting small and rural municipalities with skills training and development to increase their ability to improve service delivery.



Implemented the Collective Bargaining Agreement, with a resulting continuation of labour peace and stability that assisted municipalities to achieve their medium-term budgeting objectives.



SALGA negotiated several local partnerships, including PPPs, and again attracted international support and learning programmes that focus on strengthening municipal governance, policy making and developmental capacity.

A photograph of a woman in traditional African attire, including a patterned headwrap and a floral-patterned top, carrying a baby on her back. The baby is wrapped in a blue and red patterned cloth. The woman is looking down at the baby. The background is a blurred outdoor setting with green foliage and a wooden structure. A large white circular graphic is overlaid on the right side of the image, containing the text 'PART A GENERAL INFORMATION'.

PART A  
**GENERAL  
INFORMATION**



## REGISTERED INFORMATION

<b>Registered name:</b>	South African Local Government Association (SALGA) Registered employer body in terms of the Labour Relations Act, 66 of 1996
<b>Registration number:</b>	LR/2/6/3/350
<b>Registration date:</b>	22 May 1998
<b>Registered address:</b>	Menlyn Corporate Park, Block B, 175 Corobay Avenue, cnr Garsfontein Road, Waterkloof Glen Ext 11, Pretoria 0181
<b>Postal address:</b>	PO Box 2094, Pretoria 0001
<b>Tel:</b>	+27 (0)12 369 8000
<b>Fax:</b>	+27 (0)12 369 8001
<b>Email:</b>	info@salga.org.za
<b>Website:</b>	<a href="http://www.salga.org.za">http://www.salga.org.za</a>
<b>External auditor:</b>	Auditor-General of South Africa, 4 Daventry Street, Lynnwood Bridge Office Park, Lynnwood Manor 0081, Pretoria
<b>Bankers:</b>	ABSA
<b>Contact person for this report:</b>	Mr Lance Joel, Chief of Operations
<b>Tel:</b>	012 369 8000
<b>Email:</b>	ljoel@salga.org.za
<b>Reporting period:</b>	1 April 2022 to 31 March 2023
<b>Reporting cycle:</b>	Annually



# LIST OF ABBREVIATIONS

<b>4IR</b>	Fourth Industrial Revolution
<b>5IR</b>	Fifth Industrial Revolution
<b>AFS</b>	Annual Financial Statements
<b>AGSA</b>	Auditor-General of South Africa
<b>AOP</b>	Annual Operational Plan
<b>APP</b>	Annual Performance Plan
<b>ARC</b>	Audit and Risk Committee
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment
<b>CLLR</b>	Councillor
<b>CoGTA</b>	Department of Cooperative Government and Traditional Affairs
<b>CoS</b>	Cost-of-Supply
<b>CPI</b>	Consumer Price Index
<b>CSI</b>	Corporate Social Investment
<b>CSR</b>	Corporate Social Responsibility
<b>DALRRD</b>	Department of Agriculture, Land Reform and Rural Development
<b>DDM</b>	District Development Model
<b>DFFE</b>	Department of Forestry, Fisheries and the Environment
<b>DWS</b>	Department of Water and Sanitation
<b>DM</b>	District Municipality
<b>DMRE</b>	Department of Mineral Resources and Energy
<b>DoA</b>	Delegation of Authority
<b>DoRA</b>	Division of Revenue Amendment Bill
<b>DPE</b>	Department of Public Enterprises
<b>DPWI</b>	Department of Public Works and Infrastructure
<b>DRM</b>	Disaster Risk Management
<b>DWS</b>	Department of Water and Sanitation
<b>EDI</b>	Electricity Distribution Industry
<b>EMT</b>	Executive Management Team
<b>ERA</b>	Employee Recognition Awards
<b>ERP</b>	Employee Recognition Programme
<b>ERWAT</b>	Ekurhuleni Water Care Company
<b>EVP</b>	Employee Value Proposition
<b>EXCO</b>	Executive Committee
<b>FFC</b>	Financial and Fiscal Commission
<b>GGMI</b>	Good Governance Maturity Index
<b>GIZ</b>	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (German development agency)
<b>HC</b>	Human Capital
<b>HCCS</b>	Human Capital and Corporate Services
<b>HCM</b>	Human Capital Management
<b>HR</b>	Human Resources
<b>IAF</b>	Internal Audit Function
<b>IDS</b>	Infrastructure Delivery, Spatial Transformation and Sustainability
<b>IGR</b>	Intergovernmental Relations
<b>IMC</b>	Integrated Marketing Communication
<b>JET</b>	Just Energy Transition
<b>KPI</b>	Key Performance Indicator
<b>LDP</b>	Leadership Development Programme
<b>LED</b>	Local Economic Development
<b>LGSETA</b>	Local Government Sector Education Authority
<b>LGSS</b>	Local Government Service Standards
<b>LLF</b>	Local Labour Forum
<b>LM</b>	Local Municipality
<b>MANCOM</b>	Management Committee
<b>MASP</b>	Municipal Audit Support Programme
<b>MFMA</b>	Municipal Finance Management Act
<b>MICI</b>	Municipal Investment Competitiveness Improvement
<b>MinMEC</b>	Ministers and Members of Executive Councils
<b>MLCAC</b>	Municipal Leadership Competency Assessment Centre
<b>MMC</b>	Member of the Mayoral Committee
<b>MOE</b>	Municipal Owned Entity
<b>MoU</b>	Memorandum of Understanding
<b>MSA</b>	Municipal Systems Act, 32 of 2000
<b>MTEF</b>	Medium-Term Expenditure Framework
<b>MTSF</b>	Medium-Term Strategic Framework
<b>NC</b>	National Conference
<b>NCoP</b>	National Council of Provinces
<b>NDMC</b>	National Disaster Management Centre
<b>NDP</b>	National Development Plan
<b>NEC</b>	National Executive Committee
<b>NMA</b>	National Members' Assembly
<b>NT</b>	National Treasury
<b>NTRMF</b>	National Treasury Risk Management
<b>PC</b>	Provincial Conference
<b>PCC</b>	Presidential Coordinating Council
<b>PCF</b>	Premier's Coordinating Forum
<b>PFMA</b>	Public Finance Management Act
<b>PMA</b>	Provincial Members' Assembly
<b>PPP</b>	Public-Private Partnership
<b>RemPanel</b>	Performance Management and Remuneration Panel
<b>SACN</b>	South African Cities Network
<b>SALGA</b>	South African Local Government Association
<b>SALGBC</b>	South African Local Government Bargaining Council
<b>SAMWU</b>	South African Municipal Workers' Union
<b>SCM</b>	Supply Chain Management
<b>SDBIP</b>	Service Delivery Budget an Implementation Plan
<b>SDF</b>	Spatial Development Framework
<b>SHE</b>	Safety, Health and Environment
<b>SLA</b>	Service Level Agreement
<b>SPLUMA</b>	Spatial Planning and Land Use Management Act, 16 of 2013
<b>ToR</b>	Terms of Reference
<b>WRC</b>	Water Research Council

## SALGA PROFILE

The South African Local Government Association (SALGA) is a member-based association that acts as a unifying body that represents the interests of the diverse range of local government authorities in South Africa. SALGA serves as a collective voice for municipalities, advocating for their needs and priorities at the national and provincial levels of government.

SALGA's main purpose is to promote, strengthen and advance the interests of local government by supporting and advising municipalities to fulfil their mandate – the delivery of basic services – electricity, water, sanitation – effectively and efficiently to all citizens to foster societal well-being.

All 257 municipalities in the country are members of SALGA, including metropolitan, district and local municipalities. A primary function is to lobby public and private sector stakeholders on behalf of and advocate for its members to influence policy decisions and secure resources for projects and initiatives within local government.

Member support entails capacity-building programmes, training workshops and knowledge-sharing across numerous platforms to enhance skills, capabilities, competence and capacity within local government to optimise efficiencies and improve service delivery.

SALGA also conducts research on local governance best practices and develops policy recommendations to address municipal challenges. As such, the organisation is integral to shaping the legislative and policy frameworks that govern local government.

Collaboration locally and with international partners focuses on development agencies, academic institutions and civil society organisations to identify and benchmark against best practices and stimulate innovation within the public sector.

Annually, SALGA brings together municipal leaders, government officials and other stakeholders to discuss the issues and challenges of local government and find collaborative, innovative and sustainable solutions.



*Participating in discussions with national government about important policy issues that affect local government is integral to SALGA's advocacy and lobbying role and central to our mission to act as a catalyst for a developmental local government. – Cllr Bheke Stofile, SALGA President*





## FOREWORD BY THE PRESIDENT

*Cllr Bheke Stofile*

**S**ALGA's 2022-2023 annual report outlines our activities and achievements for the past financial year. Building on positive progress made in the past and responding to the challenges the sector face, we placed emphasis on agility, adaptation and collaboration with our members and stakeholders. We seized opportunities and, importantly, worked toward a shared goal of providing our cities, communities and our country with tangible results to create societal well-being for our people.

I would like to thank Mr Xolile Gerohe, who served as SALGA's Chief Executive Officer (CEO) for 16 years, for his stellar leadership of the organisation and significant contributions to the sector. We wish him well in his new position as Secretary to the Parliament of South African.

I also welcome Mr Sithole Mbanga, who joined SALGA on 1 July 2023 as its new CEO at a critical juncture in our trajectory going forward, as reflected in our 2022–2027 Strategic Plan. He brings on board extensive executive-level experience in public sector governance and a wealth of knowledge and expertise in many fields, including operations and strategic planning.

With his hand on the tiller, he will set the strategic course for an important and critical journey ahead and I look forward to working with him.

There is no doubt that the past year has been eventful and challenging. During the reporting period, the first year of the five-year term of municipal councils, SALGA continued to provide municipal councillors and employees with training and development programmes to increase their knowledge, skills and competence to meet the demands of a sector that is in a constant state of flux.

A total of 5 503 new and returning municipal councillors and officials participated in 24 training programmes that helped them to adjust to their roles, familiarise themselves with their duties and accomplish the priorities and objectives of their respective municipalities.

SALGA's advocacy and lobbying role entails participating in discussions with national government about important policy issues that affect local government and is integral to our mission to act as a catalyst for a developmental local government.



One such debate is local government's share of nationally raised revenue. SALGA argued that the share allotted to local government was insufficient to fund the provision of essential basic services, such as electricity, water and sanitation. The situation was exacerbated by a weak economy and declining sources of municipal revenue, due mainly to high levels of poverty and unemployment.

I am pleased to report that SALGA succeeded in influencing National Treasury to increase the equitable share granted to local government by 1.4%, which lessened the financial burden on municipalities. SALGA will continue to work on this front in the forthcoming period.

I am also proud to report that SALGA continued to set an example in governance excellence with its 11<sup>th</sup> consecutive clean audit. While SALGA must be commended for the noteworthy consistency of this achievement, we remain concerned about the ongoing failures in accountability and performance at municipal-level, as evidenced by a continuation of disappointing municipal-level audit outcomes for the past financial year.

Despite pockets of improvement, specifically those municipalities that maintained a clean audit status as reported by the Auditor-General of South Africa, there was little improvement overall with a decrease in municipalities with clean audits. Going forward, SALGA regards its assistance to municipalities to improve their audit outcomes as a critical priority.

During the past year, SALGA assisted 21 municipalities with their financial sustainability plans to address major problems and gradually improve their financial health and ability to function as sustainable business entities. We also assisted three municipalities to successfully address specific concerns raised by the Auditor-General and will continue with similar interventions for our members in the forthcoming financial year. The provision of sustainable and affordable electricity, and the role of municipalities in the country's energy sector, is increasingly taking centre stage in our national debate. SALGA has worked hard on behalf of its members to promote new business models for municipalities in the electricity sector. This included advocating for legislative reforms that allow municipalities to produce their own electricity and buy electricity from independent power producers (IPPs) to ease Eskom's power generation constraints.

The Electricity Distribution Industry (EDI) reform roadmap and action plans was one of SALGA's interventions. This will assist municipalities to develop innovative and long-term business models for delivering electricity services. Reform in the industry is critically important and we will use the EDI road map to lobby national government for support in its implementation.

Coalition politics is another issue that has become a reality in South Africa's local government landscape, particularly after the 2016 and 2021 municipal elections. The emergence of hung councils, with no absolute majority for a single political party has resulted in coalition governing to enable effective governance.

The rise in hung councils, from 27 after the 2016 elections to 81 after the 2021 elections, highlights challenges and complexities in achieving stable governance. Instability in municipal coalition governments can lead to issues such as frequent turnover of mayors, sluggish service delivery and difficulties in performing essential financial and policy duties.

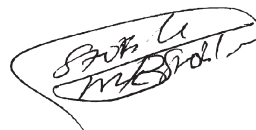
SALGA has collaborated with the Dullah Omar Institute to develop a Framework for Coalitions in Local Government to guide political parties in forming efficient, transparent and enduring coalitions to prevent the disruption of essential service delivery to communities.

The adoption of this framework as a standard for coalition governance will establish a norm that promotes cooperation, stability and service-orientation within coalition governments. The ultimate goal is to improve governance and service delivery and prioritise the needs of the people and communities they serve.

SALGA will continue to promote this framework over the next year, as well as influence the practices and behaviours of political parties involved in coalition governments to achieve a more effective and stable local governance in South Africa.

My second annual report foreword as President of SALGA coincides with a period of significant change for the organisation. I am proud that, despite the turbulence, we achieved all but one of our targets for the past year and I remain privileged to lead an organisation with such an important role in the transformation of local government in and for the country.

I thank our member municipalities for their support and want to reassure them, as well as our partners and stakeholders, that the results shown in this report justify their investment, trust and collaboration. SALGA will continue to vigorously pursue a transformed local government that is accountable, responsive and intent on improving the lives of all South Africans.



With gratitude

**Cllr Bheke Stofile**

President

31 August 2023



## CHIEF EXECUTIVE OFFICER'S OVERVIEW

*Mr Sithole Mbanga*

**I**t gives me great pleasure to present the annual report and financial statements of the South African Local Government Association (SALGA) for the period 1 April 2022 to 31 March 2023.

The publication of this report coincides with the start of my role as CEO, which took effect on 1 July 2023. I am deeply honoured to work alongside SALGA President, Cllr Bheke Stofile, and the executive team to support the organisation and its member municipalities to adjust to and thrive in this complex and unpredictable local government environment.

I regard the year ahead as a period of building on the successes of my predecessors to enhance the efficiency and effectiveness of our operations, improve services to our members, foster financial growth and maintain the public's confidence in the organisation's financial resource management.

As we proceed through the next phase of our five-year strategic plan (2022–2027), all our efforts will be centred on a single, overarching theme: to re-establish municipalities as the cornerstones of sustainable service delivery that affect all of us in our daily lives. I look forward to playing an active role in making this happen.

This report details SALGA's operating and financial performance and highlights the organisation's activities during the past financial year.

SALGA's performance during each annual reporting period is measured against its strategic outcomes that are aligned with the organisation's strategic plan.

The outcomes form the basis of SALGA's value proposition and serve as indicators of how well we achieve our strategic goals. They also direct our assistance and support to municipalities to address pressing problems and take advantage of opportunities to enhance service delivery to the people and communities they are tasked to serve.

Given this context, I'm pleased to report that SALGA's non-financial performance score for the period under review was 98%, up 6% over the previous year. I am gratified by this level of performance, as it delivered outcomes with impact that provide lasting value for our members.

The past financial year was also significant because it marked our 11<sup>th</sup> consecutive clean audit as determined by the Auditor-General of South Africa (AGSA). This accomplishment, which is

rare for both public and private sector organisations, further entrenched SALGA's solid base from which to maintain the achievement.

Locally, there is little doubt that the public is becoming more and more frustrated with the financial irresponsibility of public sector organisations. In contrast, SALGA's clean audits and achievements reported on in this and previous annual reports, attest to our continued commitment to lead by example as an accountable steward of public funds. We will continue to encourage and assist our members to practice sound financial management and adhere to good governance principles to re-establish the public's trust in local government.

As we look ahead to the coming year, we are aware of the significant impact that energy reforms will have on our members. Our lobbying and advocacy efforts will be more crucial than ever. We will continue our efforts, as a robust lobbyist and powerful advocate for municipalities, to ensure that they can benefit from existing and emerging opportunities.

In closing, I want to congratulate SALGA's executive team and all our technical, support and professional staff for achieving 98% of set targets for the 2022-2023 financial year. I thank them for their commitment and hard work in pursuit of our mandates.

I am also grateful to our member municipalities for their support and confidence in our ability to implement and steer a strategy that will influence, affect and direct the transformation of local government.

While honoured and humbled by the opportunity to lead SALGA during these times of great change, I am also confident and excited that we will rise to the occasion and succeed in recreating local government as integral to sustainable societal well-being.



**Sithole Mbanga**  
Chief Executive Officer  
31 August 2023



# STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

As SALGA's Chief Executive Officer, I am responsible for preparing the performance information for and judgements made in the annual report.

I am also responsible for implementing SALGA's Annual Performance Plan that gives effect to its 2022-2027 Strategy and for the system of internal controls that provides reasonable assurance about the integrity and reliability of the performance information.

In my opinion, the performance information in this annual report reflects fairly on our achievements against planned targets for the financial year ended 31 March 2023.

The external auditors and SALGA's accounting authority examined and approved the contents of this report.



**Sithole Mbanga**  
Chief Executive Officer  
31 August 2023









# STRATEGIC OVERVIEW



## OUR VISION

An association that leads innovation through cutting-edge quality and sustainable service delivery to our member municipalities for better services to communities.



## OUR MISSION

To be consultative, informed, mandated, credible and accountable to our members to protect their interests and act as a catalyst for a developmental local government.



## OUR VALUES – LIVING THE VALUES

**Responsive:**

Being quick and flexible in responding to member needs.

**Excellence:**

Serving members with pride and excellence.

**Innovative:**

Exploring new ways of doing things and providing members with fresh and unconventional services.

**Dynamic:**

Being flexible and adapting to change to service members effectively and efficiently.

## PRINCIPLES – MANIFESTING THE VALUES

These principles reflect SALGA's DNA and ensure that we manifest our values as part of a lived organisational culture.

**Resolve:**  
Strive to explore new ways of doing things and provide members with fresh and unconventional services.

**Resilience:**  
Strive to remain true to the cause and fight through until suitable solutions are found for municipalities.

**Return:**  
Strive to refine processes that will result in returning the state of municipalities to a better position.

**Reimagine:**  
Strive to relook at how we do things to enhance the functioning of Local Government.

**Reform:**  
Strive to build a new approach and resolve to go beyond the difficulties of the moment.



## IMPACT

To create an accountable, responsive and people-centred developmental local government that provides quality of life for its citizens and an enabling environment for long-term sustainability.

# SALGA STRATEGY 2022-2027

*SALGA's new five-year strategy has set a course for the organisation to address the issues within local government that hamper timeous and expeditious service delivery. The strategy was informed by substantive research and an insightful analysis of SALGA's business environment to ensure that, over the forthcoming five years, the organisation can respond decisively and effectively to members' needs and challenges.*

## CHALLENGES AND DEMANDS WITHIN LOCAL GOVERNMENT

More than ever before, citizens have been using the media and other platforms, such as social media and (sometimes violent) service delivery protests, to express their dissatisfaction and frustration with the continued failure by local government to deliver essential services.

During the year under review, the situation was exacerbated by a sluggish economy and high unemployment rate, concomitant continued allegations of mismanagement, maladministration and corrupt practices in dysfunctional municipalities with council and administrative instability and crumbling municipal infrastructure. The growing intolerance in communities towards poor service delivery also continued to erupt in violence against municipal officials and councillors.

The need for transformation remains urgent and was again emphasised by the Auditor-General of South Africa (AGSA) in the recent Consolidated General Report on Local Government Audit Outcomes (MFMA 2021-22). The report highlighted the root causes of municipal problems as a continuation of inadequate skills and capacity, governance failures and the lack of accountability and consequences.

The AGSA report called to action the broader accountability ecosystem, specifically municipal leadership, councils (including mayors), legislatures, provincial leadership and coordinating institutions and their executive authorities demand ethical behaviour, good governance and accountability and create a culture that will reignite trust and confidence in local government among the citizenry nationwide.

## STRATEGIC FRAMEWORK

SALGA's strategic framework is encapsulated in its 2022-2027 Strategic Plan and aligned with Government's commitment to spatial transformation and economic growth to achieve a sustainable local government by 2030.

SALGA's intended impact, informed by its legislative and policy mandates, is to develop an accountable, responsive and people-centred developmental local government that provides quality of life and an enabling, long-term sustainable environment for all citizens. This impact provided the context for the 55 targets in the 2022-2023 Annual Performance Plan (APP) as given effect to during the period under review.

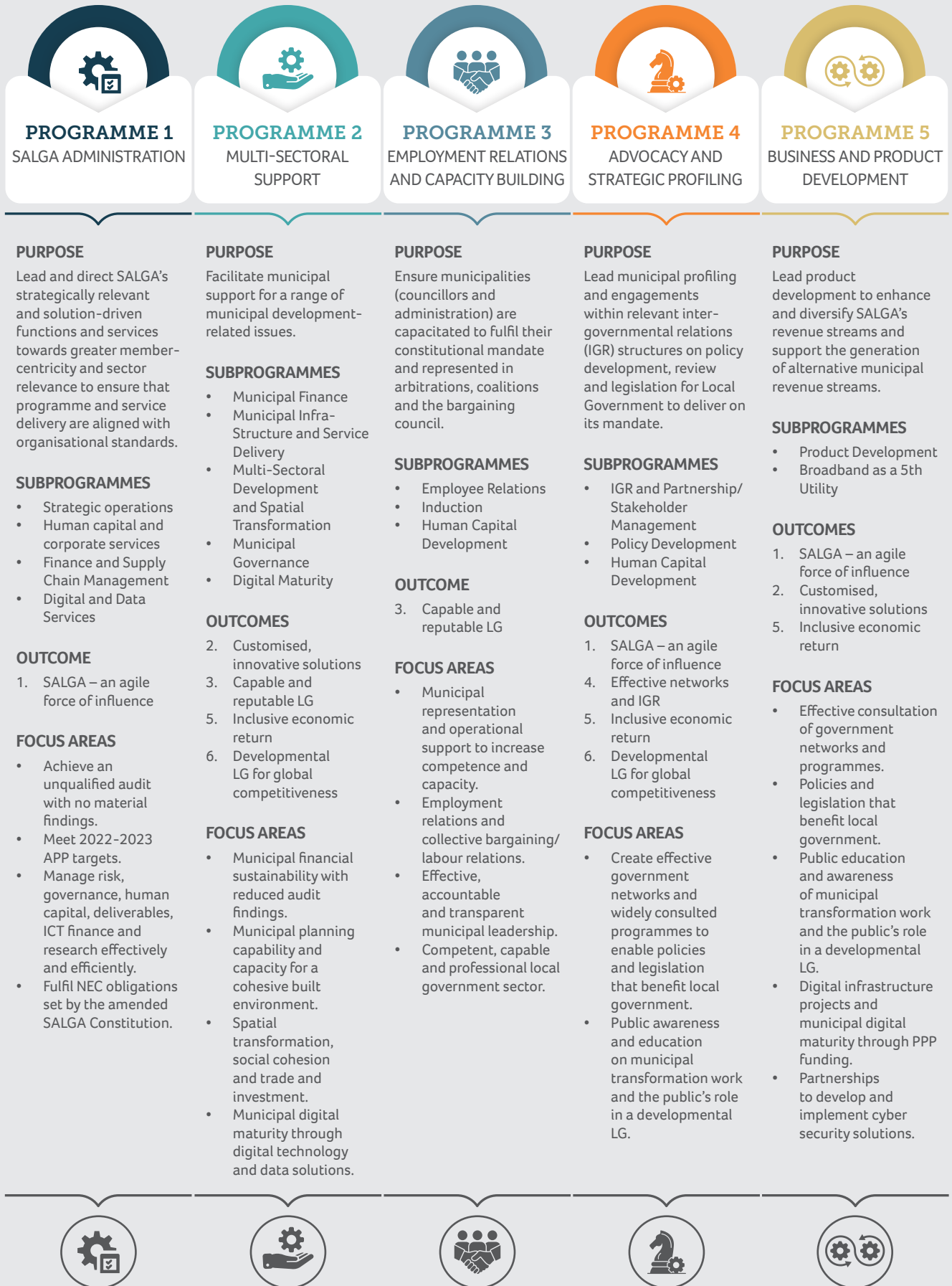
## PERFORMANCE OUTCOMES

The organisation's performance targets are distributed across five operational programmes that give effect to six performance outcomes. The outcomes are aligned with the seven priorities identified for SALGA by the 6th Administration Government Medium-Term Strategic Framework (MTSF).

The focus is on creating an agile force of change for effective governance and an administrative system that is people-centred and drives customised innovative solutions. The intention is to create a capable and reputable local government with effective networks and constructive strategic engagements that will stimulate developmental growth and realise socio-economic return to position local government on a global competitive platform.

SALGA's programmes, outcomes and focus areas that frame the activities in its 2022-2027 Strategic plan are reflected below.





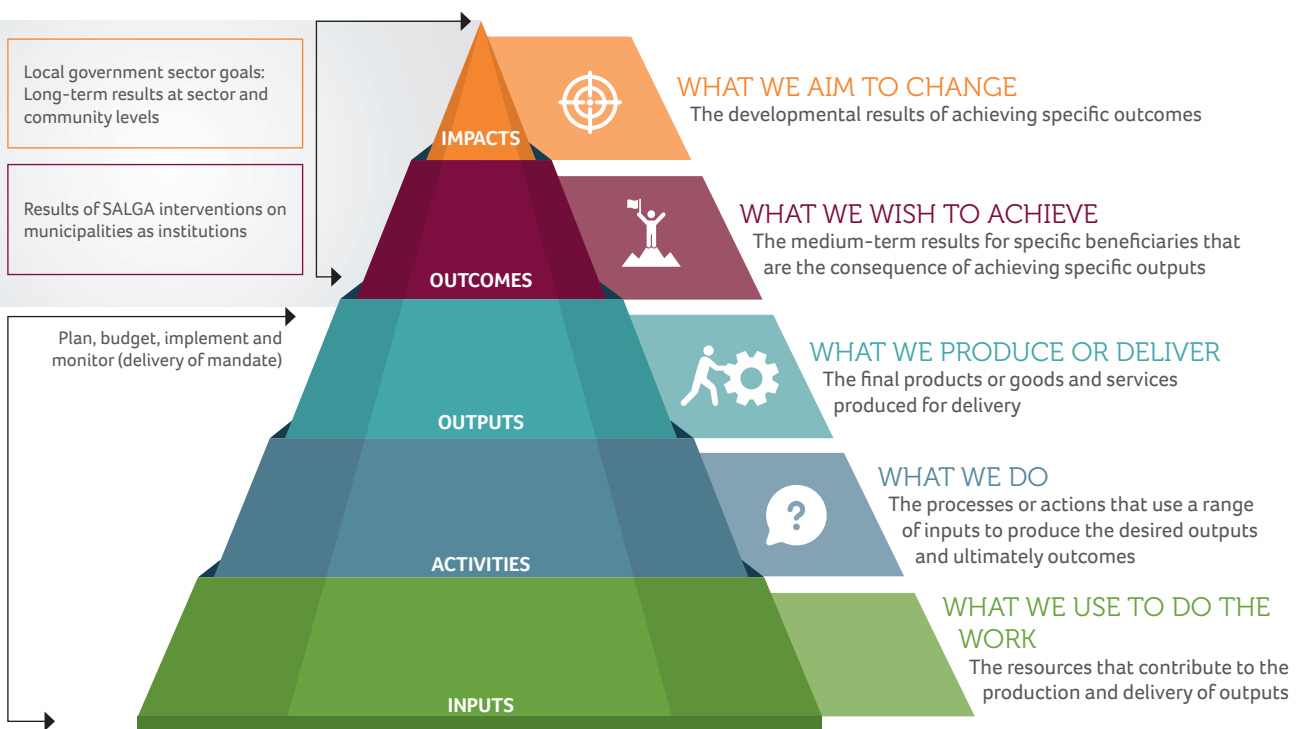
# ANNUAL PERFORMANCE PLANNING

This report reflects organisational performance during the first financial year of SALGA's 2022-2027 Strategic Plan, which ended on 31 March 2023. The 2022-2023 Annual Performance Plan (APP) again contained key performance indicators (KPIs) that determined the inputs, activities, outputs, outcomes, performance measures and envisaged sector impact of SALGA's activities during the period under review.

During the APP planning process, our Management Team (EMT) outlines the APP programmes and priorities, identifies emerging issues and determines risk mitigation and solutions. These are discussed at outcome-directed planning sessions with cluster participants and with municipal members at the Provincial Members' Assembly (PMA) meetings.

Each APP consists of an updated operational plan with targets and quarterly activities that indicate the achievement measures for reporting on organisational performance. As a management information tool, the operational plan monitors progress to ensure that SALGA's performance and resource allocation remain aligned with achieving our annual targets to ensure that we implement the APP effectively.

SALGA again adopted National Treasury's 2010 Outcomes-Orientated Framework for Strategic Plans and APPs, as reflected in the figure below, to develop its 2022-2023 APP. This results-based planning approach ensures that SALGA's activities (guided by its mandate), deliverables (scorecards, annual operational plan (AOP) and APP) and impact on its member environment (at the outcome and impact level of its strategic plan) are aligned with its overall vision, mission and mandates.



Source: Revised Framework for Strategic Plans and APP - Oct 2019

**Figure 1:** National Treasury Framework for Strategic Plans and Annual Performance Plans.

# SALGA MANDATE

## TRANSFORM LOCAL GOVERNMENT TO FULFIL ITS DEVELOPMENTAL MANDATE



### LOBBY, ADVOCATE & REPRESENT

Lobby, advocate protect and represent the interest of Local Government at relevant structures and platforms.



### EMPLOYER BODY

Act as an employer body representing all municipal members and, by agreement, associate members.



### CAPACITY BUILDING

Build municipal institutional capacity, as well as the leadership and technical capacity of Councillors and officials.



### SUPPORT & ADVISE

Support and advise our members on a range of issues to assist them with the effective execution of their mandate.



### STRATEGIC PROFILING

Build the profile and image of Local Government within South Africa and outside the country.



### KNOWLEDGE & INFORMATION SHARING

Serve as the custodian of Local Government intelligence and the Knowledge Hub for the sector.

### INSPIRING SERVICE DELIVERY

SALGA's performance is guided by its membership-determined mandate, as well as by intergovernmental legislative, national and international mandates.

# SALGA MANDATE FROM SALGA'S CONSTITUTION

The SALGA Constitution, as amended, identifies the organisation as a unitary body with a national association and nine provincial associations. As a registered Schedule 3A Public Entity and in accordance with the Public Finance Management Act, 1 of 1999 (PFMA), SALGA's executive authority vests in the Minister of Cooperative Governance and Traditional Affairs (CoGTA). A National Executive Committee (NEC) serves as the SALGA accounting authority and the Chief Executive Officer as the accounting officer.

SALGA's Constitution, as amended, outlines its member-identified mandates as follows – SALGA shall:

- represent, promote and protect the interests of local government in the intergovernmental system
- transform local government to fulfil its developmental role
- be a consultative body of local government
- enhance the role and status of municipalities
- develop common approaches for local government as a distinct sphere of government
- enhance cooperation, mutual assistance and sharing of resources among members
- find solutions for local government problems, generally
- ensure the full participation of women in organised local government, including striving for equal gender representation in all SALGA's governance structures
- increase knowledge sharing and improve the communication capacity, as well as vertical and horizontal connectivity of organised local government and municipalities
- be the national employers' association representing all municipal members and, by agreement, associate members
- regulate the relationship between members and their employees within the meaning of Section 213 of the Labour Relations Act, 66 of 1995 (as amended)
- encourage dispute settlement among members and between members and their employees or trade unions through cooperative governance or labour law principles
- affiliate with and participate in the affairs of any international organisation that will serve the interests of SALGA members
- ensure that South African local government plays a critical role in furthering Africa's development at regional, continental and international levels, and
- act lawfully in the interest of the organisation and its members in ways that are not inconsistent with the objectives or any matter specifically provided for in SALGA constitution.

SALGA gives effect to its mandate by supporting local government transformation in a highly complex environment with a diverse municipal membership base. Member interaction is guided by its Constitution, which does not give SALGA statutory executive authority over its members. SALGA's participation in intergovernmental relations (IGR), as the voice for local government interests, is to recommend and promote common policy positions and solutions for an effective local government.





# LOCAL GOVERNMENT (LG) MANDATES

## CONSTITUTIONAL, LEGISLATIVE AND POLICY MANDATES

### CONSTITUTION OF RSA, 1996

Organised local government will have national and provincial organisations to:

- Consult with the national or a provincial government.
- Designate 10 representatives to participate in the National Council of Provinces (NCoP).
- Nominate two persons to the Financial and Fiscal Commission (FFC).

### MUNICIPAL SYSTEMS ACT, 32 OF 2000

SALGA must seek to:

- Develop common approaches for LG as a distinct sphere.
- Find solutions for LG problems.
- Enable cooperation, mutual assistance and shared resources between municipalities.
- Facilitate compliance with the principles of cooperative governance and IGR.

### CONSTITUTIONAL OBJECTIVES OF LOCAL GOVERNMENT

- Provide democratic and accountable government for local communities.
- Ensure the provision of services to communities in a sustainable manner.
- Promote social and economic development.
- Promote a safe and healthy environment.
- Encourage involvement of communities and community organisations in Local Government matters.

### WHITE PAPER ON LG, 1998

SALGA to lead in supporting the developmentally orientated transformation of LG through a strong contribution to the development of municipalities:

- Provide specialised services to strengthen LG capacity.
- Disseminate research and information.
- Facilitate shared learning between municipalities.
- Develop human resources and leadership ability and capacity.

### INTERGOVERNMENTAL RELATIONS (IGR) FRAMEWORK ACT, 13 OF 2005

National and Provincial IGR structures:

- SALGA participates, as a full member and on behalf of LG in, inter alia, the PCC\*, MinMECs\*, PCFs\*, etc).

\* PCC: Presidential Coordinating Council; MinMEC: Ministers and Members of Executive Councils  
PCF: Premier's Coordinating Forum





## NATIONAL MANDATES

### NATIONAL DEVELOPMENT PLAN (NDP) VISION 2030

The NDP sets out to eliminate poverty and reduce inequality by 2030. SALGA's strategic priorities are aligned with critical NDP success factors, including sustainable leadership, institutional reform, resource mobilisation and trade-offs, as well as clearly defined responsibilities in each area.

### MEDIUM-TERM STRATEGIC FRAMEWORK (MTSF) 2019-2024

The priorities of this five-year implementation plan and integrated monitoring framework promotes alignment, coordination and, ultimately, full integration of all development planning instruments into an integrated framework. Alignment with the MTSF and its district-based delivery model will eliminate duplication, role conflict or development contradictions and improve coordination.

Further information on these global and national mandates are available on the SALGA website.

### ORGANISED LOCAL GOVERNMENT ROLE

SALGA's strategic role in representing the interests of local government within the overall system of government assists members to fulfil their developmental obligations. SALGA also participates actively in intergovernmental relations to support a partnership policy, voice local government interests and provide solutions to local government challenges.

## GLOBAL MANDATES

### SUSTAINABLE DEVELOPMENT GOALS (SDGS) VISION 2030

SDG 11: make cities inclusive, safe, resilient and sustainable to create a future in which cities provide opportunities for all, with access to basic services, energy, housing, transportation and more. Achieving this goal requires local governments to be inclusive, economically productive, environmentally sustainable and resilient to climate change and related risks through, inter alia, the use of renewable energy and sustainable provision of water and sanitation for all. SALGA regards SDG Goal 11 as pertinent to the commitment by the organised local government sector to address South Africa's developmental challenges.

### PARIS ACCORD ON CLIMATE CHANGE (COP21)

This accord calls for zero net anthropogenic greenhouse gas emissions by the second half of the 21st century and commits signatories to limiting global warming to 1.5 °C. This will require replacing fossil fuels almost entirely with clean energy in the second half of this century.

### AFRICAN UNION AGENDA 2063 – THE AFRICA WE WANT

The agenda advocates structural transformation and economic independence for Africa through agro-based industrialisation, innovation, new technologies and partnerships that provide food security, jobs and cultural reorientation and rejuvenation.



## MEMBERS

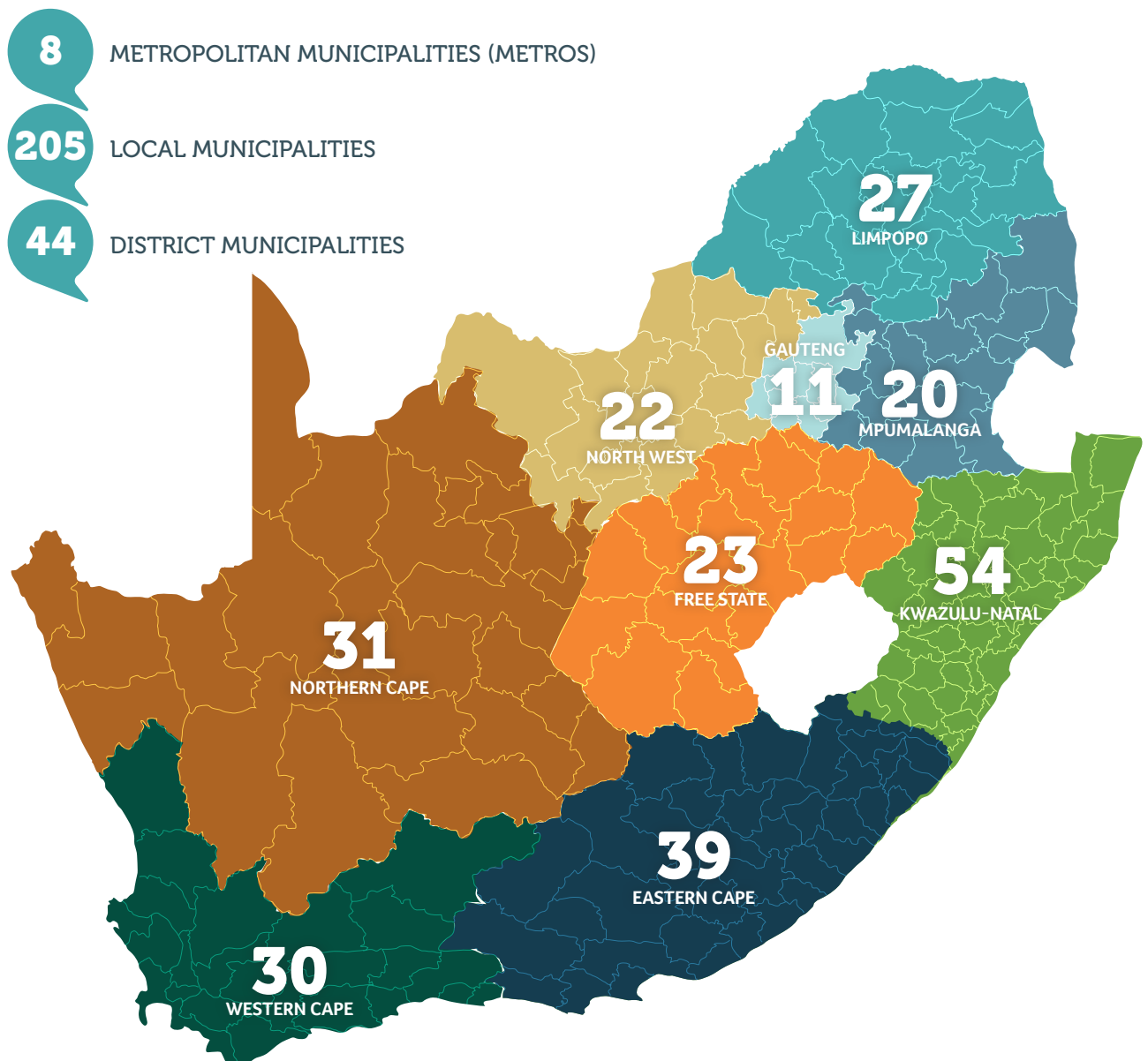
*SALGA operates as an association of municipalities, acting as a unifying body that represents the interests of the diverse range of local authorities across the country. All 257 municipalities, including metropolitan, district and local municipalities located across all nine provinces, are members of the organisation and collectively, constitute local government as an independent, interdependent and inter-related sphere of government.*

SALGA is mandated to serve, support and guide its members to optimise service delivery opportunities, address challenges and meet citizen expectations.

Municipal members range from those in deep rural areas that deal with severe service delivery and institutional challenges to sophisticated cities with significant resource and technological capacity.

The Municipal Structures Act, 117 of 1998, classifies municipalities as metropolitan (Category A), local (Category B) or district (Category C) entities or service utilities according to size, financial viability, technical skills, quality of services provided, challenges confronted daily, responsiveness to community needs, political and administrative stability and governance.

Municipalities pay a membership levy that enables SALGA to respond to a vast range of member needs. SALGA's response to members is enacted through the implementation of its strategic plan. The 2022-23 financial year, which is the focus of this report, was the first year of implementation of its new five-year 2022-2027 Strategic Plan.



# STAKEHOLDERS AND PARTNERS

SALGA adopts an inclusive and transparent approach towards creating meaningful and mutually beneficial stakeholder and partner relationships. Such inclusivity involves understanding, prioritising and trading-off interests to balance interests, needs and expectations. Decisions in this regard are made on a case-by-case basis but always in the best interests of fulfilling SALGA's mandate over the longer-term.

Collaboration with stakeholders and contributions from partners support the work of local government and add significant value to SALGA's ability to meet a growing variety of member-specific needs. Managing our stakeholder and partner relationships, therefore, is integral to supplementing, complementing and enabling promoting and protecting the interests of local government and.

SALGA remains committed to fostering collaborative and interactive relationships with local and international stakeholders and partners to further embed its capacity to represent, support and service its members as the voice for local government.

The figures below reflect the mapping of SALGA's external and internal stakeholders.

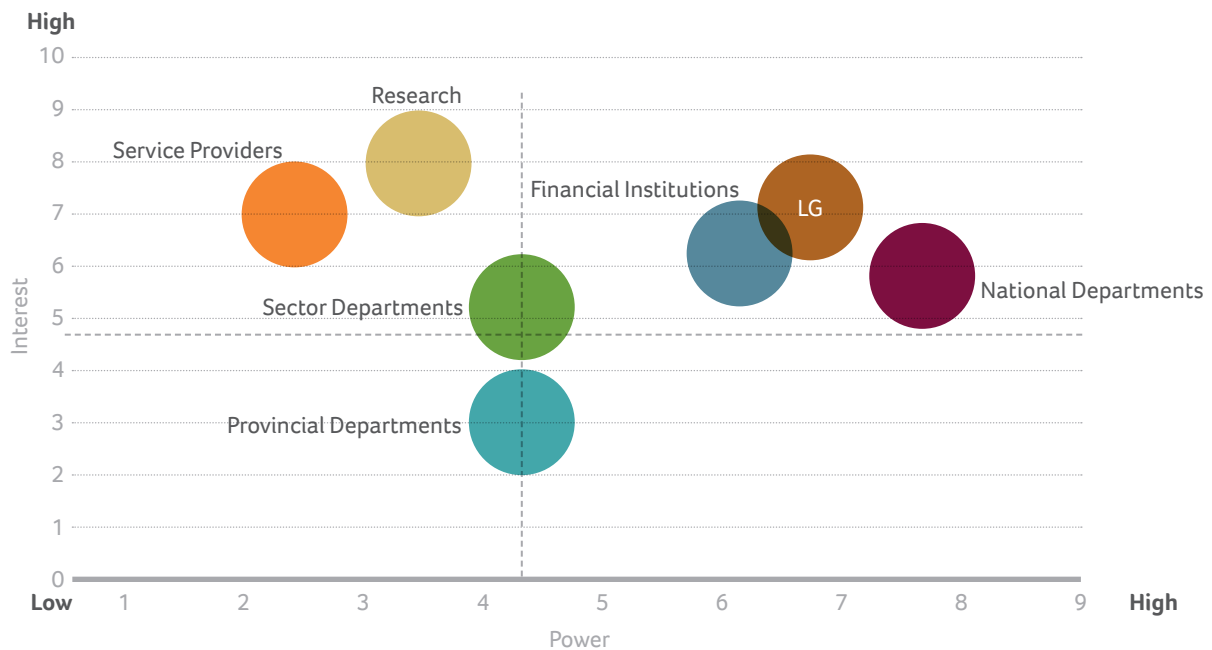


Figure 2: External stakeholder map.

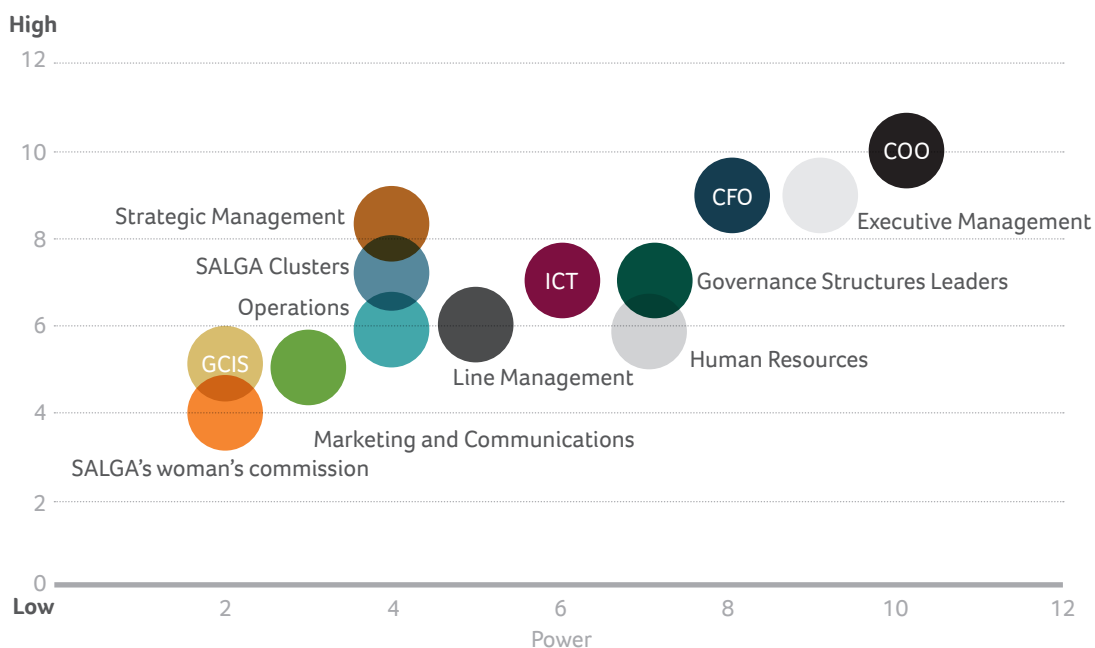


Figure 3: Internal stakeholder map.



# VALUE-ADDING PARTNERSHIPS

Understanding partner and stakeholder expectations and needs remains integral to the pursuit of our vision of creating a municipal landscape at the cutting-edge of quality and sustainable service delivery.

Stakeholder inclusivity involves balancing needs and expectations over time by prioritising and trading-off interests as required. Decisions about achieving this balance are made on a case-by-case basis, as circumstances and exigencies require but is always done in the best interests of fulfilling SALGA's mandate over the longer-term.

During the reporting period, SALGA signed 12 MoUs to establish value-adding partnerships with public and private sector entities, including the Gauteng Department of Economic Development (GDED), Old Mutual, the University of Johannesburg (UJ), Association of Local Authorities in Namibia (ALAN), Centre for Municipal Asset Management (CMAM), AgriSETA, Light Tech, Southern African Emergency Services Institute (SAESI), Isle Utilities Limited Incorporated (ISLE), Department of Water and Sanitation (DWS), Development Bank of Southern Africa (DBSA), Local Government Skills and Education Training Authority (LGSETA) and the University of Cape Town (UCT).

These partnerships are aligned with some of the pillars of SALGA's mandate and support the organisation's assistance to member municipalities to resolve a range of challenges, with a specific focus on:

- Local economic development in our communities to develop township economies that will increase economic activity and improve the socio-economic conditions in communities.
- Financial education for councillors and administrators to improve their ability to manage and plan their institutional finances and discharge their oversight roles.
- Capacity building to improve the ability of municipalities to deliver water and sanitation services as envisaged in the constitution.
- Research and skills development to help capacitate municipalities and other regional associations with the skills to deal effectively with billing challenges.
- The digitalisation of local government.

We are especially grateful to our partners' sponsorship contributions in the amount of R175k, including an in-kind sponsorship of R100k from the South African Labour Law Reports (SALLR), to support our knowledge-sharing, skills development and training interventions. Funds went towards, inter alia, hosting the National Fund for Municipal Workers (NFMW) seminar, a Labour Law seminar and the Rural Development Indaba.

SALGA also partnered with:

- the National Council of Provinces (NCoP) to host their Local Government Week and mobilised Mayors/Deputy Mayors, Speakers, Chief Whips, Members of Mayoral Committees and Municipal Managers to participate in the event.

Participants represented all the municipal categories, with 178 as attendees at the event and 178 as virtual participants

- the Department of Forestry, Fisheries and the Environment to convene the Local Government Environment Indaba from 22-24 March 2023.

Our ongoing and mutually beneficial cooperation with provincial legislatures and national and provincial governments, including CoGTA, National Treasury, Premiers' Offices, Provincial Houses of Traditional Leaders, municipalities and tertiary institutions, such as the University of the North-West, contributed significantly towards skills development and training that enhance the ability of municipalities to deliver services effectively.

## INTERNATIONAL DONOR PROJECTS

Coordination locally is critical for the successful implementation of internationally-funded donor projects. Such projects add significant value to SALGA's local government developmental initiatives in the form of additional financial resources, sharing sector-specific or thematic experience and knowledge and providing technical assistance where needed. Donors also serve as brand ambassadors/spokespeople, which results in more support for SALGA.

During the past year, we developed two annual narrative reports for the Compact-PARI and VVSG projects and submitted them to the donors for approval. This is a requirement for all budget allocations, which are performance-based.

The key achievements in the four donor-coordinated projects included.

## COMPACT EU-PARI

Launched in February 2023, following the inception confirmation of the 12 beneficiary municipalities. Developed and submitted the Phase 1 action research and annual narrative reports, as well as the project expenditure verification, to the EU for approval.

## THE ASSOCIATION OF FLEMISH CITIES AND MUNICIPALITIES (VVSG)

This is a programme focusing on waste management benefiting a select few municipalities from South Africa. SALGA conducted training for the seven beneficiary/participating municipalities, namely Bergvliet, Witzenberg, Nquthu, Mbashe, Kouga, Newcastle and Mogale City, coordinated the development of best practices and lessons learned by the Centre for Municipal Research and Advice (CMRA) and facilitated knowledge-sharing sessions with intermediate cities in this regard.

## SWEDISH INTERNATIONAL CENTRE FOR LOCAL DEMOCRACY (ICLD)

This programme benefits female councillors from South Africa and Swedish municipalities. SALGA hosted the inception programme for Women in Political Leadership in Stellenbosch, Cape Town and a study tour for the Fallun Municipality in Sweden and Mogale City in South Africa. The programme

benefits female councillors from South African and Swedish municipalities. We also coordinated and supported the municipal missions to Mogale City and Sunday River Valley and assisted both municipalities to develop a project planning workbook. We coordinated and attended the Human Rights conference in Lund, Sweden where SALGA introduced the SALGA /ICLD partnership and the Stellenbosch and Mogale City municipalities shared their project proposals.

### **PARTICIPATION IN REGIONAL AND GLOBAL LOCAL GOVERNMENTS**

SALGA is a member of several international organisations, including the United Cities and Local Governments (UCLG) and Commonwealth Local Government Forum (CLGF). As such, we engage with other local government associations from around the world and participate in global discussions on issues affecting local government. SALGA also participates in various global events and conferences. These include the World Urban Forum and World Summit of Local and Regional Leaders, where we share experiences and learn from other local government associations.

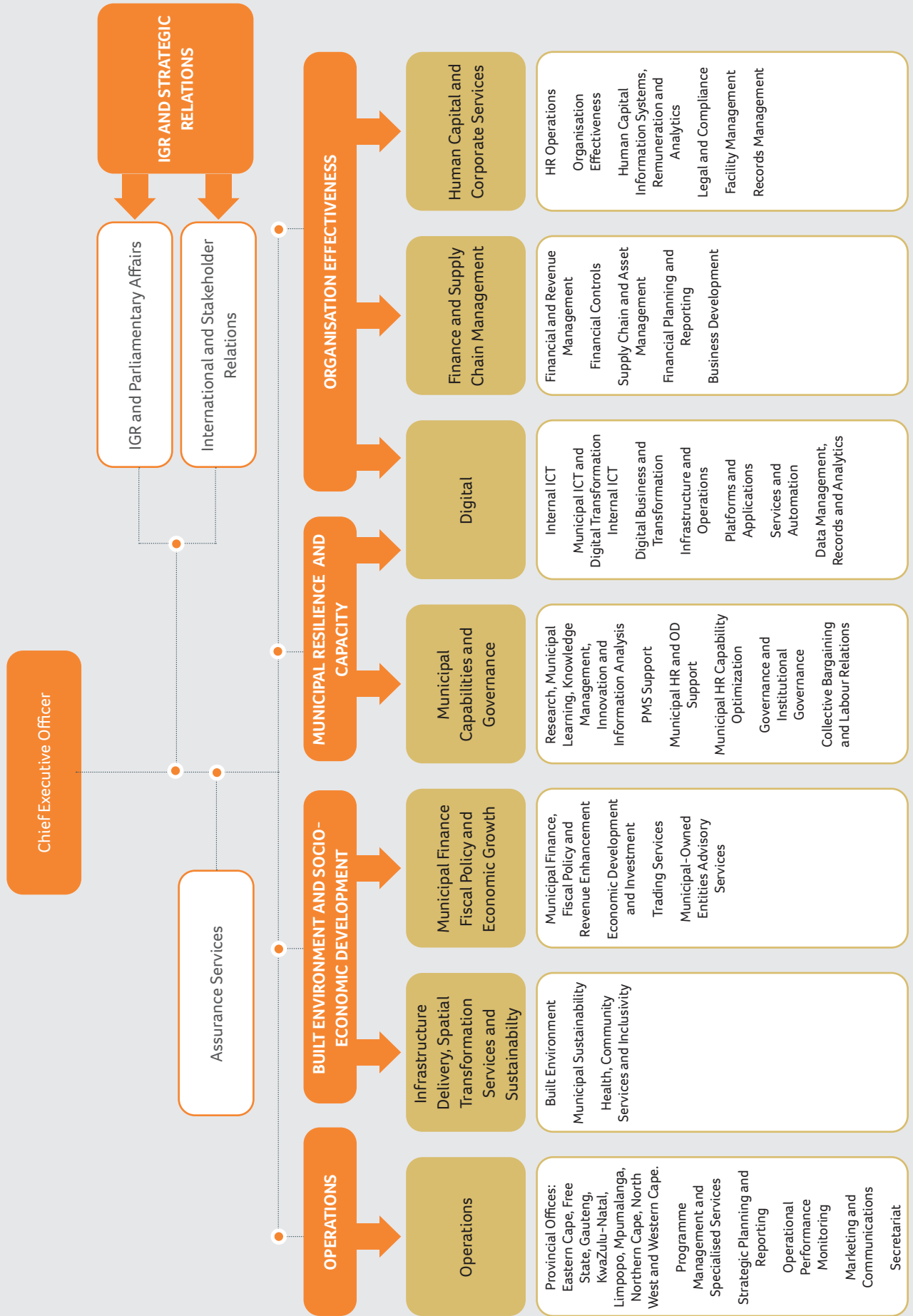
SALGA has signed several international cooperation agreements and MoUs with regional and global local government associations to facilitate cooperation and knowledge-sharing about issues of mutual interest. Participation in the global local government agenda is important, as it allows the organisation to stay abreast of global trends and best practices in local governance and represent the interests and priorities of South African local government at the global level.

Key achievements in this regard during the period under review included the election of the SALGA President, Cllr Bheke Stofile as one of five UCLG Co-Presidents and SALGA signed a Memorandum of Cooperation with the Association of Local Authorities in Namibia (ALAN).

Additional information about SALGA's stakeholder collaboration and partnerships are discussed in this report under Part B: Performance Information and in our Annual Performance Plan, included as Appendix A.



# ORGANISATIONAL STRUCTURE





# NATIONAL STRUCTURE

## EXECUTIVE MANAGEMENT TEAM



**Sithole Mbanga**  
Chief Executive Officer



**Lance Joel**  
Chief of Operations



**Thembeke Mthethwa**  
Chief Financial Officer



**Kutlwano Chaba**  
Chief Digital Officer



**Rio Nolutshungu**  
Chief Officer  
Municipal Capabilities and  
Governance



**Zamo Gwala**  
Acting Chief Officer  
Municipal Finance, Fiscal Policy  
and Economic Growth



**Mthobeli Kolisa**  
Chief Officer  
Infrastructure Delivery, Spatial  
Transformation and Inclusive  
Communities



**Pindiwe Gida**  
Chief Officer  
Human Capital and Corporate  
Services



PART B  
**PERFORMANCE  
INFORMATION**



## OVERVIEW OF PERFORMANCE

Internal and external events and trends in SALGA's business environment affect its ability to address issues timeously as the voice of local government. Monitoring performance continuously and changing course when necessary is integral to responding effectively and timeously to members' needs and the ongoing changes within the public and private sectors locally and across the globe.

### CHALLENGING BUSINESS ENVIRONMENT

The past financial year was again challenging, with a GDP growth for 2022 2%, down from 4.9% in the previous fiscal. Economic instability globally continued to affect the local economy, further impacting on already constrained municipal finances, while growing expectations and intolerance by communities often led to violence against municipal officials and councillors.

#### MANDATE: STRATEGIC PROFILING

The Auditor-General's Consolidated General Report on Local Government Audit Outcomes (MFMA 2021-22) highlighted the many persistent failures in accountability and performance at municipalities. However, there has been some improvement, with continued excellence from the municipalities that maintained their clean audit status.



*"I invite all South Africans to be active participants in improving local government and holding those responsible to account. All role players in the accountability ecosystem must actively make local government their priority if improvement is to be realised."*

*– Auditor-General of South Africa, MFMA 2021-2022*



In the year ahead, SALGA will actively and robustly heed the AG's call for urgent action to create a culture of accountability within local government that will improve service delivery.

## STRATEGIC AND REPORTING FRAMEWORKS

SALGA's strategic framework is encapsulated in its 2017-2022 Strategic Plan and aligned with Government's intent to use spatial transformation and economic growth to achieve a sustainable local government by 2030.

The organisation's performance are distributed across five programmes that frame its performance:



**PROGRAMME 1**  
ADMINISTRATION



**PROGRAMME 2**  
MULTI-SECTORAL  
SUPPORT



**PROGRAMME 3**  
EMPLOYMENT RELATIONS  
AND CAPACITY BUILDING



**PROGRAMME 4**  
ADVOCACY AND  
STRATEGIC PROFILING



**PROGRAMME 5**  
BUSINESS AND PRODUCT  
DEVELOPMENT



# STRATEGIC OUTCOMES 2022-2023

SALGA's performance against its strategic outcomes is the measure of its success. The outcomes frame the predetermined targets and enablers of each Annual Performance Plan to direct the organisation's performance during a specific financial year. This creates a platform for partners and stakeholders to help develop and transform local government.

SALGA revised the focus and number of strategic outcomes for the 2022-2023 reporting period in line with its new 2022-2027 five-year strategy, as indicated below.



## ANNUAL PERFORMANCE PLAN IMPLEMENTATION

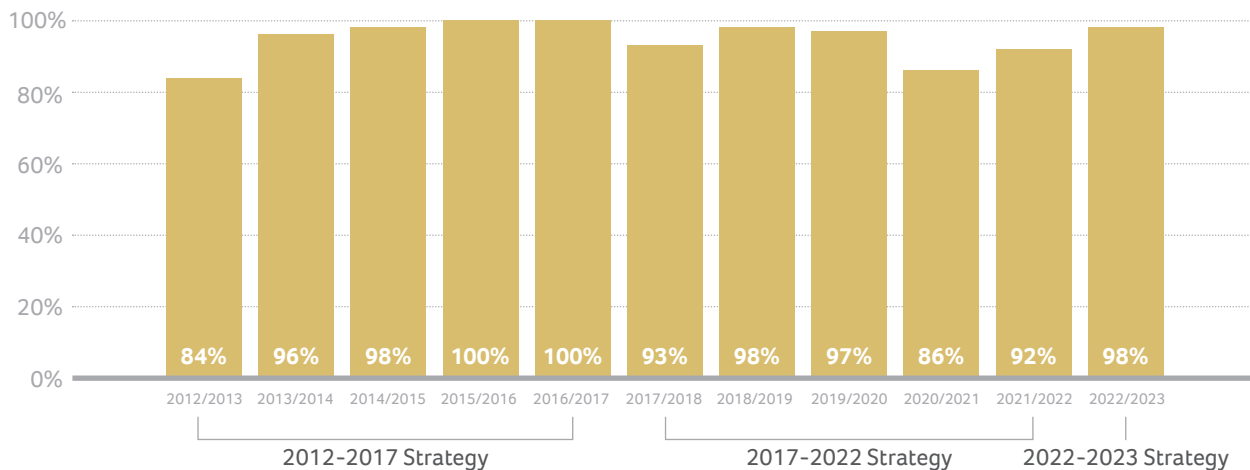
SALGA uses a phased approach to plan and implement its Annual Performance Plan (APP). This optimises our support and advice to municipal members towards improved service delivery. The six phases indicated below are aligned with achieving strategic goals, fulfilling member mandates and using enablers to report on performance.



## ELEVEN-YEAR PERFORMANCE OVERVIEW (2012'13 TO 2022'23)

SALGA implemented its 2022-23 APP as the first to give effect to the organisation's new five-year 2022-2027 Strategic Plan, which outlines our strategic targets, outputs and key performance indicators for our five programmes and related six performance outcomes.

Despite the many challenges in SALGA's business environment and within local government that the organisation had to grapple with during the reporting period, SALGA achieved its 11<sup>th</sup> consecutive clean audit.

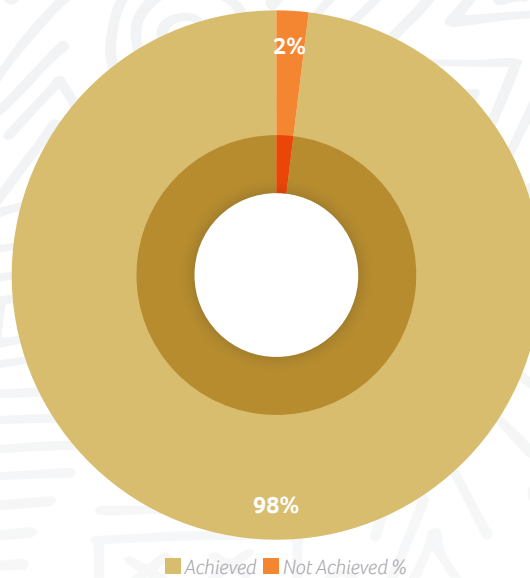


**Graph 1:** Audited performance against predetermined targets since the 2012'13 financial year.

## AUDITED PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

During the past financial year, SALGA continued its trajectory of consecutive unqualified audits with an 11<sup>th</sup> clean audit in a year-on-year series of 14 since 2009. The organisation met 54 of the 55 performance targets in its 2022-2023 Annual Performance Plan, or 98% overall of all targets for the financial year. This is consistent with SALGA's performance of achieving 90%-plus of APP targets year-on-year for close to a decade-and-a-half.

With this achievement, SALGA improved its performance against preset targets with 6% over the previous year (2021: 92%).



SALGA achieved 98% of its 55 predetermined targets for the 2022-2023 financial year, which is a 6% improvement over the previous year. Only one target (or 2%) set for the reporting period was not achieved.

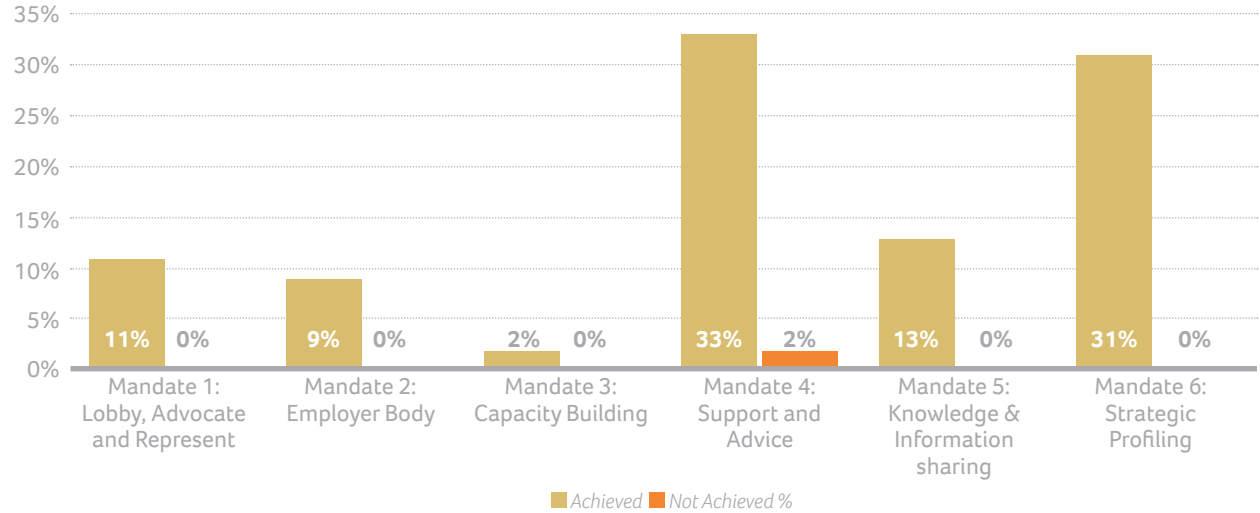
**Graph 2: 2022-2023 overall performance against predetermined targets.**

The targets in SALGA's approved APP for each financial year are monitored on the assumption that each target will be implemented fully. Provisions are made in the technical indicator descriptors during the planning stage for any anticipated changes/challenges during the implementation period.

The reason for the 2% variance or achieving 54/55 targets for the reporting period was that SALGA could not engage with the two Municipal Owned Entities (MOEs) initially identified to receive support to reduce adverse audit findings. One of the MOEs was closing and the other was non-responsive to the offer of support. SALGA selected two replacement MOEs and engaged successfully with one while again received no response from the other. SALGA succeeded in selecting and engaging successfully with the third replacement MOEs selected to receive support to reduce audit findings.

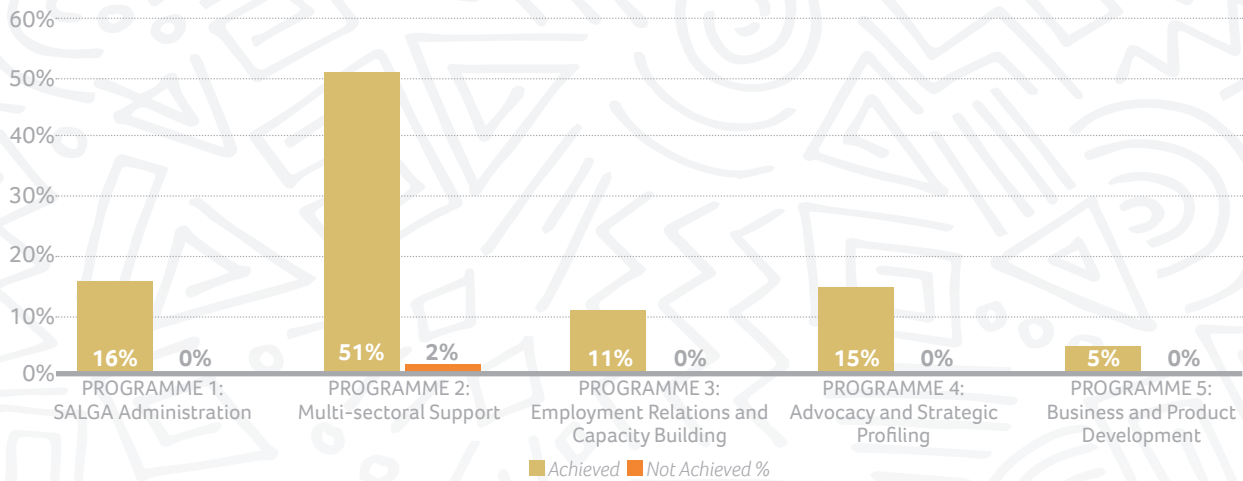
SALGA's support of the two MOEs resulted in a decrease in overall adverse audit findings and will, over time, incrementally improve audit outcomes and service delivery.

The graphs below reflect SALGA's performance aligned with its mandates, programmes and outcomes.

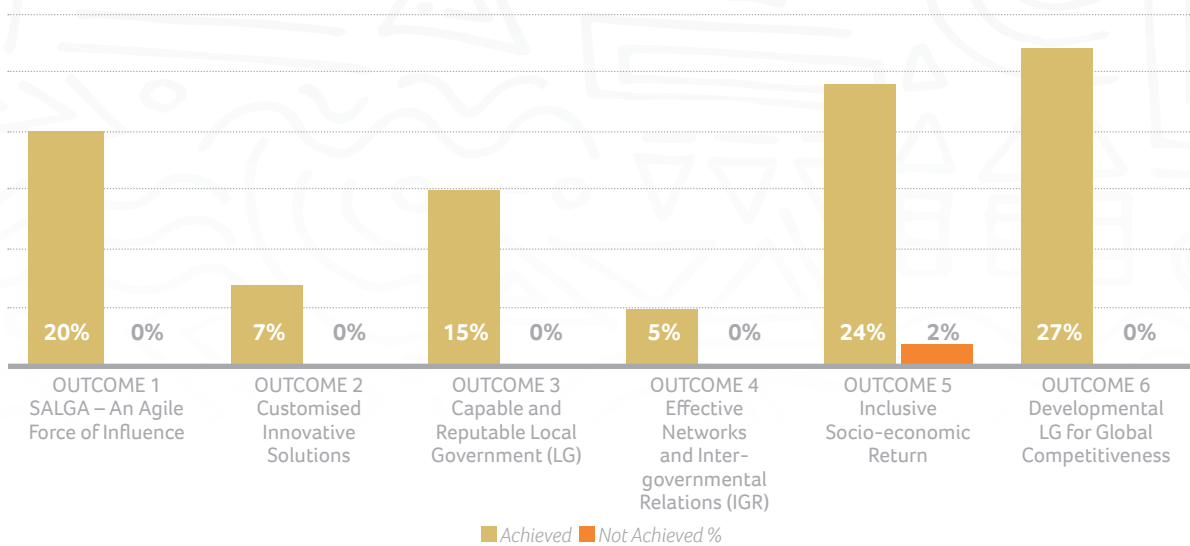


**Graph 3: 2022-2023 Performance per Mandate**





**Graph 4: 2022-2023 Performance per Programme**



**Graph 5: 2022-2023 Performance per Outcome**

## OVERALL PERFORMANCE AGAINST PREDETERMINED OUTCOMES FOR THE FIRST YEAR OF THE 2022-2027 STRATEGIC PLAN PERIOD

OUTCOMES 2022-2023		2022'23
1	SALGA – an Agile Force of Influence	11/11
2	Customised Innovative Solutions	4/4
3	Capable and Reputable Local Government	8/8
4	Effective Networks and IGR	3/3
5	Inclusive Socio-economic Return	13/14
6	Developmental LG for Global Competitiveness	15/15
<b>PERFORMANCE OVERALL 2022-2023</b>		<b>54/55</b>
		<b>98%</b>

### NOTE TO STAKEHOLDERS AND READERS

Brief summaries of SALGA's performance for the 2022-2023 financial year are provided on the following pages in this section with a focus on key achievements, impact, challenges and future activities under Outcomes 1-6. A comprehensive, tabulated APP is appended to this document as Appendix A.



# PROGRAMME 1

## ADMINISTRATION

This programme leads and directs SALGA's administration and operations to become more member-centric and relevant to the sector by strengthening vertical and horizontal linkages and ensuring programme and service delivery standards.

### OUTCOME 1: SALGA - AN AGILE FORCE OF INFLUENCE

#### INTERNAL ICT SUPPORT – CYBER RESILIENCE AND DIGITISATION

##### MANDATE: STRATEGIC PROFILING

SALGA's ICT processes have been increasingly automated, which has increased organisational efficiency in, among others, project productivity and the allocation of time and resources for SALGA's new project-based operating model.

The organisation also strengthened its cyber resilience and threat intelligence capabilities by implementing an AI-enabled cyber security solution that affects SALGA's entire technology environment. We also distributed "Tips and Tricks" emails, implemented internet surveys and launched a Digital Security Awareness campaign to increase cyber security awareness among all employees. Knowledge-sharing about employee wellness, mental health and productivity were also introduced through VIVA insights to ensure employees perform optimally without placing strain on their well-being.

The implementation of the Scientrix system streamlined and automated SALGA's four main business process areas for planning, risk management, project operations and monitoring and evaluation. The cloud-based Human Resources system was also optimised with additional performance management and analytics modules.

Overall, during the reporting period, SALGA's digital environment experienced zero downtime and no disruptions across all business applications. The ensured business continuity and productivity, further enhanced by the fact that the organisation experienced zero successful cyber-attacks within its business environment.

#### BASELINE FOR NET ENGAGEMENT SCORE (NES)

##### MANDATE: STRATEGIC PROFILING

During the reporting period, SALGA established an organisational baseline for a NES – founded on our organisational culture journey – to measure employee engagement with and within the organisation and, relatedly, develop relevant programmes and culture initiatives that underpin and enhance our Employee Value Proposition (EVP)

During the reporting period, our culture transformation work included a leadership development programme, Women's Forum and Employee Recognition Programme, as well as team effectiveness sessions for identified clusters and provinces (reported on in PART D: Human Resource Management of this report).

#### DATA MANAGEMENT AND DATA SOLUTIONS

##### MANDATE: STRATEGIC PROFILING

We developed an integrated data management and analytic platform with a range of services that ingest, store, process, enrich and serve data and insights based on a variety of internal, external and third-party data sources. As such, domain specific models and use cases were enabled to provide SALGA and municipalities with insights and analytics that support key operational areas.

These were published on SALGA PULSE, an integrated web-based platform for our data insights and analytic products. PULSE seeks to provide and empower SALGA and municipalities with the right insights, business intelligence and advanced analytics for improved planning, monitoring, tracking, sense-making and decision-support.

Four member-facing data solutions were deployed with the insights and analytics to support municipal decision-making processes across a number of work functions, namely a Financial Managers Dashboard, Municipal Investment Competitive Index Dashboard, Municipal Sentiment Analysis Dashboard (citizen analytics) and an Incident Reporting Dashboard.

The adoption of these solutions will improve municipal data maturity levels over time.

Internally, four use cases were enabled as first versions of internally facing data solutions, namely a Financial and Supply Chain Reporting Dashboard, 3G Usage-Analysis Dashboard, HR Analytics Dashboard and a SALGA Satisfaction Survey Analytic Dashboard.

The development of SALGA PULSE along with the use cases was a significant milestone that has enhanced the internal data maturity and capabilities of SALGA as a data-driven organisation.

#### MUNICIPAL PROFILES

##### MANDATE: STRATEGIC PROFILING

During the reporting period, we compiled five municipal socio-economic profiles which were disseminated to municipalities

and stakeholders through SALGA's Provincial Offices. The profiles included an analysis of Stats SA's General Household Survey (GHS) for 2021; a Non-Financial Socio-Economic Census of Municipalities (NFCM); Gender Series Volume IX: Women Empowerment 2017; the Bucket Toilet System; and a Quarterly Labour Force Survey (QLFS).

The profiles were disseminated in the Free State, Gauteng, Limpopo, Mpumalanga, Northern Cape, North-West and the Western Cape. Ten SALGA knowledge products were also uploaded to the SALGA Mobi App.

## CUSTOMER SATISFACTION SURVEY

### MANDATE: STRATEGIC PROFILING

In addition, the organisation finalised two internal assessments that evaluated productivity (*inter alia*, through consistent

monitoring) and internal customer (employee) satisfaction. The latter established an employee satisfaction baseline and identified areas for improvement, including efficiency, turnaround times, the quality of deliverables and customer satisfaction. Most employees (70-71%) were satisfied with the organisation's strategic alignment with its mandates and national priorities, as well as its accessibility, helpfulness, knowledge and expertise – all of which are integral to its ability to serve its members effectively.

### IMPACT

Strengthening of SALGA's internal capacity, productivity, efficiency and employee well-being reinforces its ability to act as a role model for conducting the business of local government and fulfilling its member-driven services and support mandates.







## PROGRAMME 2

### MULTI-SECTORAL SUPPORT

The purpose of this programme is to facilitate SALGA's support to municipalities across a range of development-related issues. The issues focus on creating municipal financial sustainability with fewer audit findings; improved planning capability and capacity to create a cohesive built environment; more effective spatial transformation to create social cohesion and encourage trade and investment within local government; and an enhanced digital maturity within municipalities through competence in the use and application of digital technologies and data solutions.

Programme performance during the reporting period was measured against the following outcomes and APP 2022'23 targets:

### OUTCOME 2: CUSTOMISED, INNOVATIVE SOLUTIONS

#### SUPPORT TO MUNICIPALITIES ON WATER TECHNOLOGIES AND INNOVATION SOLUTIONS

##### MANDATE: SUPPORT AND ADVISE

SALGA lobbied the Department of Cooperative Governance and Traditional Affairs (CoGTA) and Department of Water and Sanitation (DWS) for capex funding in the 2023-2024 Division of Revenue Act (DoRA) grant frameworks for conditional grants to local government to include innovative, technological solutions to improve basic water services delivery. The significant result of this intervention is indicated below under "Impact".

SALGA and the Water Research Commission lobbied National Treasury's Chief Procurement Office to participate in a research reference group to encourage the municipal (public sector) uptake of emerging water and sanitation innovations (technology and process solutions).

SALGA supported six municipalities with technical and innovative solutions to resolve water and sanitation challenges:

- The City of Cape Town's Memorandum profiled the ISO 5001 standard through SALGA TV and its Memorandum of Understanding (MoU) with the Water Research Council (WRC) and the Gates Foundation will fund the deployment of water recirculation technology.
- The eThekweni Metropolitan Municipality's Sanitation Policy will facilitate the deployment of technology solutions and better management of faecal sludge management.
- The uMhlathuze Local Municipality profiled drone technology through SALGA TV.
- The Tshwane Metropolitan Municipality profiled various innovations with the youth through SALGA TV.

- The Mbombela Local Municipality received training in sanitation management from India's Centre of Science and Environment.
- The Ekurhuleni Metropolitan Municipality, through its entity, the Ekurhuleni Water Care Company (ERWAT), will benefit from viability and validation for innovation support.

##### IMPACT

A significant and constructive improvement in the management and delivery of water services throughout the country due to the breakthrough, joint decision by CoGTA and DWS that the Municipal Infrastructure Grant (MIG), Water Infrastructure Grant (WSIG) and Regional Bulk Infrastructure Grant (RBIG) will, in future, require all Water Services Authorities to consider innovative solutions in their Infrastructure built programme. Going forward, National Treasury's participation in the water and sanitation research reference group will encourage and enable an increase in the municipal uptake of new and innovative water and sanitation technologies.

#### MUNICIPAL DIGITAL MATURITY-LEVEL ASSESSMENT

##### MANDATE: SUPPORT AND ADVISE

SALGA conducted 66 Municipal Digital Maturity Assessments during the reporting period and provided support to at least 46 municipalities to address the issues raised in the assessment report. The individual assessments identified a maturity baseline and SALGA's support ensured that those municipalities could start measuring their maturity levels to identify areas for improvement in the next financial year.

##### IMPACT

The incremental improvement in municipal digital maturity levels will create ICT/digital environments geared to strategically support internal and citizen-facing municipal objectives with the desired outcome of improved service delivery.

#### RESEARCH LINKED TO MEMBERS' NEEDS

##### MANDATE: KNOWLEDGE AND INFORMATION SHARING

Enacting the activities in the new programmes of SALGA's 2022-2027 Strategic Plan requires research to produce evidence-based data that is used for policy and legislative reform within local government. Such data enables SALGA to fulfil its knowledge and information-sharing mandate and provide multi-sectoral support to its members.

During the past year, SALGA produced the following six research reports aligned with members' needs:

- Supporting Public Participation and Planning in Local Government.
- Public-Private Partnership (PPP) models for broadband services in Municipalities.
- Systematic Review of the Professionalisation Landscape for Local Government.
- Municipal Senior Managers Remuneration Study Report.
- Municipal Capabilities Assessment Report.
- Social Cohesion Research-based Policy Brief.

#### IMPACT

Assistance with fact-based decision-making to improve the focus areas highlighted in the respective research papers.

## OUTCOME 3: CAPABLE AND REPUTABLE LOCAL GOVERNMENT

### GOOD GOVERNANCE MATURITY ASSESSMENT

#### MANDATE: SUPPORT AND ADVISE

The continuous assessment of the state of governance in municipalities helps to identify areas of institutional weakness and assists in targeting interventions to strengthen governance functions in all municipalities over time.

The assessment report underpinned the roll-out of SALGA's Good Governance Maturity Index (GGMI) to identified municipalities during the reporting period. Workshops with municipalities introduced them to the index and illustrated the benefits of using the assessment tool.

#### IMPACT

Targeted interventions will strengthen adherence to good governance principles and the governance functionality in municipalities over time.

## OUTCOME 5: INCLUSIVE ECONOMIC RETURN

### MUNICIPAL AUDIT ASSESSMENT

#### MANDATE: SUPPORT AND ADVISE

SALGA selected three district municipalities – the Ngaka Modiri Molema, Mopani and Chris Hani DMs – to provide them with hands-on support for a period of five years to reduce their audit findings, as identified by the Auditor-General. During the period under review, all three DMs reported a reduction in audit findings of 29%, 28% and 24%, respectively.

#### IMPACT

Significant increase in good governance with, on average, a reduction of more than 20% in audit findings in each of the three municipalities between the 2020-2021 and 2021-2022 financial years.

## MUNICIPAL FINANCIAL SUSTAINABILITY

SALGA supported 21 municipalities with their financial sustainability plans. The support consisted of a detailed fiscal analysis and outcomes report that was shared with each municipality discuss key issues and possible solutions. SALGA will work with each municipality over a period to support them to, incrementally, improve their financial health.

#### IMPACT

Improved municipal fiscal health, financial sustainability and service delivery in the 21 targeted municipalities.

## REVISED FISCAL ALLOCATION TO LOCAL GOVERNMENT

#### MANDATE: LOBBY, ADVOCATE AND REPRESENT

SALGA successfully lobbied National Treasury for a 1.4% improvement in the fiscal allocation (vertical allocation) to Local Government.

#### IMPACT

Accelerated improvement in municipal service delivery.

## NEW AND SUSTAINABLE GENERATION IN MUNICIPALITIES

#### MANDATE: SUPPORT AND ADVISE

SALGA and its partners supported 40 municipalities with their new and sustainable generation through small-scale embedded generation, cost-of-supply, grid impact and bi-directional training. Advisory services to several of the municipalities included:

- An energy needs assessment to develop an energy strategy and plan
- The Just Energy Transition (JET) project and its impact in local communities
- Municipal power procurement scenarios
- Harvesting methane gas for alternative energy
- Incorporating JET projects in municipal IDP guidelines.

#### IMPACT

Cost-of-supply (CoS) studies embedded as a pre-requisite for the approval of structural tariff changes. Five municipalities (Dr Beyers Naude, Ekurhuleni, Inxuba Yethemba, Polokwane and Saldanha Bay) have submitted their CoS studies to NERSA to date and, individually, their electricity tariff increase for the 2023'24 financial period will be CoS-based and cost-reflective.

## ELECTRICITY DISTRIBUTION INDUSTRY REFORM ROADMAP

#### MANDATE: SUPPORT AND ADVISE

The current electricity supply and distribution model is unsustainable. Fragmentation and a lack of service delivery agreements within the electricity distribution industry (EDI) with different tariffs across neighbouring households, as well as

insecure municipal finances compound the problem. The urgent need for new and sustainable business models for the provision of electricity services by local municipalities is indisputable. The SALGA-developed EDI roadmap with action plans clearly outlined an EDI reform approach that entails finding case-by-case solutions within an overall national reform framework.

### IMPACT

This roadmap is key to the reform of the EDI and will be used to lobby as a support tool when approaching the national government.

## ALTERNATIVE AND WORKABLE WASTE MANAGEMENT SOLUTIONS

### MANDATE: SUPPORT AND ADVISE

SALGA developed and implemented a hands-on support programme within 17 municipalities to improve their performance across the waste management value chain. The programme prioritised key aspects such as separation at source, waste-to-energy initiatives and the use of mobile waste applications (apps).

During the reporting period, the Department of Forestry, Fisheries and the Environment (DFFE) approved approximately R100 million to procure waste specialised vehicles and yellow plants through the revised Municipal Infrastructure Grant Framework in response to applications from 33 municipalities.

SALGA's development and roll-out of a Waste Mobile Application (app) resulted in a greater uptake of waste management innovation and technologies by municipalities, such as the use of the app by the Witzenberg Local Municipality that increased citizen participation in waste management matters within the municipality.

SALGA also secured a seat on the PRO Alliance steering committee that oversees private sector recycling project within municipalities.

### IMPACT

Improved private sector/local government collaboration and enhanced municipal/citizen engagement to accelerate recycling initiatives and increase citizen participation in municipal waste management matters.

## WATER SERVICES SECTOR COLLABORATIVE PROGRAMME

### MANDATE: KNOWLEDGE AND INFORMATION SHARING

SALGA's lobbying, advocacy, representation, advice and capacity building created benefits for 78 municipalities from the Water Services Collaborative Programme through the following key achievements:

- Initiated a five-year Councillor Development Strategy with induction into the water sector in all nine provinces

- Co-developed a Green Drop Support Programme that supported municipal Green Drop Corrective Action Plans
- Co-developed 48 Climate Change Action Plans to secure water resilience
- Co-established a National Water Partnership Office with private sector investment of R60 million in municipal water and sanitation infrastructure
- Supported nine municipalities with poor conditional infrastructure grant spending with standard operating procedures to implement infrastructure projects
- Hosted knowledge-sharing events to support metros, secondary cities and all other municipalities.

### IMPACT

Reliable and sustainable water and sanitation service delivery to communities from Municipal Water Service Authorities.

## SPATIAL TRANSFORMATION AND SPLUMA-COMPLIANT LAND-USE SCHEMES

### MANDATE: SUPPORT AND ADVISE

The Spatial Planning and Land-Use Management Act (SPLUMA), 16 of 2013, provides a framework for spatial planning and land-use management through inclusive, developmental, equitable and efficient planning by the different spheres of government. The Act also guides the monitoring, coordinating and reviewing of spatial planning and land-use systems.

In its strategic drive towards spatial transformation in municipalities, SALGA acknowledged spatial inequities and used a set of barometers to measure the extent to which municipalities are implementing spatial transformation.

SALGA provided technical guidance to 39 municipalities with their land-use schemes. The municipalities received Ministerial condonation regarding the timeframe to comply fully with Section 24 of the Act that requires them to develop and adopt land-use schemes. The project was achieved through good collaboration and cooperation between SALGA/CoGTA and the Department of Agriculture, Land Reform and Rural Development (DALRRD).

Additional activities included spatial transformation monitoring in 20 selected municipalities, a national spatial transformation monitoring webinar and related report, as well as a National Rural Development Indaba and related report that was tabled at the National Working Group on 29 March 2023.

### IMPACT

The realisation of spatial equity, justice, inclusivity and sustainability and the recognition of rural municipalities as part of the country's developmental eco-system. The anticipated additional impact includes municipal management and control of orderly development to improve economic development and service delivery, as well as improve compliance with SPLUMA and regulate implementable policies that inform orderly land-use management and development in municipal jurisdictions.



## EVIDENCE-BASED MUNICIPAL USE OF THE FREE BASIC SERVICES GRANT

### MANDATE: KNOWLEDGE AND INFORMATION SHARING

SALGA conducted a study on municipal use of the Free Basic Services Grant to enhance municipal targeting of and expenditure on the poor and indigent through free basic service delivery.

### IMPACT

Equitable and fair basic services delivery for all communities and specifically to indigent communities. For this exercise to be achieved, it will require municipalities to have a fair account on services rendered to indigent communities through Free Basic Services.

## OUTCOME 6: DEVELOPMENTAL LOCAL GOVERNMENT FOR GLOBAL COMPETITIVENESS

### BIENNIAL MUNICIPAL INVESTMENT COMPETITIVENESS (MICI) AND BUSINESS CLIMATE IMPROVEMENT ASSESSMENT

#### MANDATE: KNOWLEDGE AND INFORMATION SHARING

SALGA disseminated the results of an investment competitiveness assessment within municipalities to national, provincial and local stakeholders for input on methodology and indicators before presenting the consolidated methodology improvement report to its governance structures.

During the roll-out of the related pilot programme, SALGA implemented the Municipal Investment Guidelines in 12 selected municipalities. SALGA assessed their LED strategies, identified gaps, recommended remediation and, jointly with the municipalities, developed their technical support plans to enact the recommendations.

### IMPACT

Municipalities and other stakeholders are using the MICI assessment report as a point of reference for municipal investment benchmarking, while some municipalities are updating their LED strategies with recommendations from the investment guidelines.

## ROAD ASSETS MANAGEMENT SYSTEMS (RAMS) IMPLEMENTATION

### MANDATE: SUPPORT AND ADVISE

SALGA used the District Development Model (DDM) to support 11 district and two metropolitan municipal areas with their RAMS implementation to improve the planning for and management of road upgrades and maintenance in their areas of jurisdiction.

The intention is to equip municipalities with the ability to prioritise which roads to maintain on a limited budget to

still improve the quality of municipal roads at an acceptable standard, as well as improve access to areas where services are needed.

### IMPACT

Greater municipal accountability to constituents to deliver and maintain the roads infrastructure in their jurisdiction at an acceptable standard despite a limited budget to improve the quality of life in communities.

## THE STATE OF SUBSIDISED BUS SERVICES IN METROPOLITAN AND DISTRICT MUNICIPALITIES

### MANDATE: SUPPORT AND ADVISE

SALGA initiated an assessment report on the state of municipal bus services in metro and district municipalities to prepare them for the impending enactment of the National Land Transport Act, 5 of 2009. The Act directs a devolution of subsidised bus contracts from provinces to municipalities, where municipalities can determine the conditions of the devolution agreement to better manage future risk. The Act also empowers municipalities to reject such an agreement with non-acceptable conditions.

### IMPACT

An effective and efficient public transport system that caters for all citizens.

## COMMUNITY SAFETY

The high levels of crime in South Africa creates an unfavourable economic environment with a negative impact on municipalities. SALGA partnered with GIZ in a programme that seeks to continuously respond to issues of community safety. Critical for the success of the programme is a local government with the requisite knowledge and competence to provide citizens with “free of fear” business and living environments. Local government must also be empowered to participate in legislation that will enhance security, community safety and the continuous provision of basic public services.

During the past year, the SALGA/GIZ community safety programme provided 27 municipalities with an assessment tool that determined the state of by-law enforcement at a local government level to assist those municipalities to address their by-law implementation challenges. The assessments identified intervention focus areas as by-law promulgation, public participation and enforcement.

### IMPACT

The creation of communities where it is safe to conduct business, live without fear and enjoy recreational activities.

## MAINSTREAMING VULNERABLE GROUPS IN MUNICIPALITIES

### MANDATE: STRATEGIC PLANNING

Municipal constitutional obligations entail, *inter alia*, the seamless inclusion of vulnerable groups in communities

within their jurisdictions. SALGA's work in this regard seeks to provide municipalities with strategies and tools to create such communities. Stakeholder engagements helped to identify indicators for an assessment tool to mainstream vulnerable groups and 77 municipalities were capacitated to use the tool.

### IMPACT

Municipal accountability for the inclusion of vulnerable groups in municipal planning, budgeting and service delivery to meet specific community needs that will create inclusive communities where the vulnerable feel cared for and can live in harmony as full members of society.

## IGR PROGRAMME TO RESPOND TO MIGRATION CHALLENGES FOR MUNICIPALITIES

### MANDATE: LOBBY, ADVOCATE AND REPRESENT

Municipalities are the hardest hit by migration challenges, including the provision of services, shelter and economic opportunities. In response to a directive by its National Conference, SALGA is coordinating a structured process to address migration challenges and improve the coordination of government's responses in this regard. During the past year, this included a discussion document on the impact and management of migration by municipalities, a national migration seminar with all strategic partners and an outcomes report presented to the National Working group, as well as a related coordination agreement with SALGA's Inter-governmental Relationship (IGR) partners.

### IMPACT

A local government with the competence and capacity to create socially cohesive communities that support the integration of migrants.

## NATIONAL LOCAL GOVERNMENT SOCIAL COHESION STRATEGY

### MANDATE: STRATEGIC PROFILING

All three tiers of local government are responsible for addressing the complex challenge of creating socially cohesive communities. A capable local government sector is central to coordinating social cohesion programmes to create a society with a value system that is immune to all forms of prejudice and discrimination. SALGA developed a National Social Cohesion Strategy that was adopted at the National Working Group on the 28 March 2023.

### IMPACT

A society where the effective implementation of a social cohesion strategy enables all people to live in harmony without prejudice and discrimination.

## ENVIRONMENTAL SECTOR LOCAL GOVERNMENT SUPPORT PROGRAMME ON CLIMATE CHANGE

### MANDATE: SUPPORT AND ADVISE

The SALGA-DFFE Local Government Environment Sector Support Programme is informed by a five-year strategy to build capacity within local government to deal with environmental challenges. During the period under review, SALGA implemented the following programme deliverables:

- **Councillor induction training in all nine provinces.** The councillor induction programme entailed integrated training that covered all the aspects of environmental management. The training also included a capacity building session on climate change adaptation implementation with the DFFE's Adaptive Capacity Facility and the Government of Flanders to support district municipalities to build adaptive capacity to deal with specific climate hazards.
- **A municipal advisory guide to climate-proof infrastructure development.** The guide assists municipalities to identify, assess, prepare and package climate change-related projects, as well as undertake municipal-to-municipal peer reviews of the quality of identified projects and share best practices about securing climate change-related project funding.
- **Four capacity building interventions as part of the Local Government Adaptation Programme on climate change (secondary cities and metros).** SALGA partners in these sessions included National Treasury's Cities Support Programme, the South African Cities Network (SACN), DFFE and the Government of Flanders. Knowledge-sharing between session participants focused on climate change risks and preparedness, specifically the challenges, successes and progress with adaptation strategies to build resilience against climate hazards such as floods and partnering and collaborating with the private sector, NGOs, civil society and communities to improve access to water and sanitation services.
- **A capacity building workshop on the Coastal Climate Change Risk and Vulnerability Assessment Tool.** A SALGA/DFFE training session for district municipalities led by the DFFE.
- **Local Government Environment Indaba.** The event was co-hosted by the DFFE and focused on working towards local environmental sustainability which is aligned with the local government support strategy.

SALGA also capacitated municipalities to perform their environmental management mandates, assisted them with monitoring strategy implementation and legislative compliance and recommended solution to dealing with municipal capacity challenges.

## LOCAL GOVERNMENT CLIMATE CHANGE SUPPORT PROGRAMME

### MANDATE: SUPPORT AND ADVISE

During the reporting period, SALGA supported nine municipalities to develop climate action plans. This project is enabling municipalities to develop internal organisational capacity and skills to develop their own climate action strategies and comply with the requirements of the Climate Change Bill when it becomes an Act. It is also building much-needed capacity and awareness in municipalities for the Just Transition Agenda and its implication for local government.

### IMPACT

Climate change action plans integrated into the broader municipal plans to drive sustainable climate change performance within local government.

## DRM, FIRE SERVICES AND MUNICIPAL HEALTH POWER AND FUNCTIONS ASSESSMENT

### MANDATE: SUPPORT AND ADVISE

SALGA lobbied members of mayoral committees and National Treasury to readjust powers and functions between local and district municipalities and reallocate the equitable share based on the readjustment. Municipalities must be authorised to perform municipal services to ensure legislative compliance.

SALGA assessed five district municipalities for the appropriate location of their disaster risk management (DRM), fire services and municipal health functions and powers. The assessment highlighted the challenges of allocating powers and functions effectively and improving the coordination and management of functions. Such challenges could affect the approval for readjusting powers and functions from the councils of the respective municipalities.

### IMPACT

Well-resourced municipalities with the internal organisational capacity and skills to manage disaster risk, fire services and municipal health services effectively, resulting in a significant improvement, overall, in municipal service delivery.

## CITY SUSTAINABILITY SUPPORT PROGRAMME

### MANDATE: SUPPORT AND ADVISE

The programme is providing insights to secondary cities and metros about integrating environmental sustainability and climate change resilience into their planning, budgeting and implementation processes, across all city operations.

SALGA delivered on all its City Sustainability Support Programme targets:

- Four capacity building interventions for the Local Government Adaptation Programme (secondary cities and metros).
- Cross-cutting sustainability knowledge exchange event co-hosted with SACN and DFFE.
- Profiled the environmental management and climate change actions of the Cities Sustainability Support Programme and submitted quarterly reports on participation by metros and secondary cities.

There is no doubt that city officials are recognising the value of knowledge sharing, peer learning and working with intermediaries/facilitators with existing trust relationships with the relevant actors. Similarly, that learning networks for waste, water and energy provide a catalyst for unlocking new knowledge, partnering, innovative thinking and experimentation within cities.

SALGA partnered with the South African Cities Network (SACN) to convene the City Waste Managers' Forum and Water Resilient Cities events and with Sustainable Energy Africa (SEA) and the Urban Energy Network. Intermediaries bring additional capacity and new knowledge to existing internal city knowledge, which reinforces experimentation and supports city practitioners, particularly when developing relationships with citizens and communities.

### IMPACT

Secondary cities and metropolitan municipalities integrate relevant responses to environmental sustainability in their planning, budgeting and implementation processes across all operations to ensure climate change preparedness and resilience.

## ALIGNMENT OF CORPORATE SOCIAL INVESTMENT AND RESPONSIBILITY PLANS WITH MUNICIPAL DEVELOPMENT PLANS

### MANDATE: STRATEGIC PROFILING

SALGA consulted relevant role players in all nine provinces to develop an Assessment Report on the Alignment of Corporate Social Investment (CSI) and Corporate Social Responsibility (CSR) Plans with municipal development plans.

### IMPACT

Greater effectiveness and efficiency in responding to business and community needs through the improved alignment of development with the social labour plans of mining companies.





## PROGRAMME 3

### EMPLOYMENT RELATIONS AND CAPACITY BUILDING

Implementing the activities of this programme ensure that municipalities (councillors and the administration) are fully capacitated to fulfil their constitutional mandate and represented effectively in arbitrations, coalitions and the bargaining council.

The specific focus areas are providing municipal members with representation and operational support to increase their competence and capacity; enhancing employment relations and collective bargaining/labour relations; enabling effective, accountable and transparent municipal leadership; and helping to create a competent, capable and professional local government sector.

SALGA's performance under this programme during the reporting period was measured against the following outcome and APP 2022'23 targets:

### OUTCOME 3: CAPABLE AND REPUTABLE LOCAL GOVERNMENT

#### MUNICIPAL CAPABILITY ASSESSMENT

##### MANDATE: EMPLOYER BODY

The assessment of municipal capability gaps and challenges informs SALGA's interventions to support municipalities to fulfil their developmental agenda.

During the reporting period, SALGA developed the Municipal Capability Assessment Tool, administered it to 13 municipalities and produced an assessment report.

##### IMPACT

Capable municipalities with the competence and capacity to identify and deal with the challenges that could affect their ability to implement the developmental imperatives.

#### AGREEMENTS/OUTCOMES OF THE COLLECTIVE BARGAINING NEGOTIATIONS

##### MANDATE: EMPLOYER BODY

SALGA represented all 257 municipalities in the collective bargaining for the Main Collective Agreement and Wage Curve and for the Retirement Fund Collective Agreement. The resultant multi-year agreement contained costs, since the annual increase did not exceed CPI, while also ensuring labour stability in the sector.

##### IMPACT

Labour stability within the local government workforce.

#### MUNICIPAL REPRESENTATION IN DISCIPLINARY MATTERS, CONCILIATION, ARBITRATION AND LABOUR COURT ON DEMAND

##### MANDATE: EMPLOYER BODY

SALGA represented 75 municipalities in 49 disciplinary hearings, 101 arbitrations, 28 conciliations and two Labour Court matters.

##### IMPACT

Regulatory and legislative representation support helps to mitigate the potential negative effects of unresolved municipal disputes on service delivery.

#### BUILDING CAPACITY WITHIN LOCAL GOVERNMENT

##### MANDATE: CAPACITY BUILDING

SALGA rolled out 24 training programmes across all 257 municipalities during the 2022-2023 financial period. In total, 5 503 municipal officials were trained, consisting of 3 837 municipal councillors and 1 666 municipal officials participated in the training.

The capacity building programmes contributed to the knowledge, skills and competence of municipal councillors and officials.

The successful implementation of the training programmes resulted from effective planning, preparation and stakeholder engagement to determine training needs, while mobilising funding and leveraging resources for the programmes ensured that SALGA could meet the training demands from municipalities.

#### PROFESSIONALISATION OF LOCAL GOVERNMENT

##### MANDATE: EMPLOYER BODY

SALGA's Local Government Professionalisation Programme addresses governance-related issues that impair the sustainable delivery of services and erode trust between municipalities and the citizens they serve. Issues range from poor oversight and performance management systems to non-compliance with senior management appointment regulations. While the Local Government Professionalisation Framework (2013) provides checks and balances with standards of competence, work practices, ethical behaviour and a servant-leadership attitude, it is not a silver-bullet remedy for the challenges in the sector.

The professionalisation of local government requires a repurposed implementation model that clarifies stakeholder roles and responsibilities and measurable milestones.

During the reporting period, SALGA implemented the following activities to drive the professionalisation agenda:

- **Local Government Professionalisation Indaba.** SALGA convened this event to create a platform for municipalities, public sector regulators, professional bodies and other relevant stakeholders, such as institutions of higher education, to give meaningful effect to the professionalisation of local government and as a modality towards repurposing the implementation model of the Local Government Professionalisation Framework (2013) to achieve the developmental objectives of local government and sustainable service delivery.
- **Annual Local Government Talent Management Seminar.** The seminar attracted 383 municipal delegates from all provinces. Participants discussed key talent management value chain elements, including managing remote working; talent optimisation; developing digital skills; talent search at senior managerial level; data collection and management; and managing change and other pandemic-induced dynamics ranging from workplace policy reforms to business continuity.
- **Annual Local Government Governance and Performance Management Seminar.** The two-day event attracted 850 delegates with 43 speakers drawn from municipalities, government departments, partner organisations, thought leaders and academia. Discussions focused on effective governance and performance management systems with the aims of keeping the municipal political leadership, senior management and practitioners abreast of important topic-related developments and creating a networking platform to share best practices based on grassroots experiences and engage with industry thought leaders.
- **Annual Local Government Labour Law Seminar.** SALGA has invested in collective bargaining to maintain labour peace and stability in the local government sector. The seminar, attended by 500 delegates, examined how to navigate collective bargaining during difficult times. Discussion explored innovative ways of dealing with politically-motivate disruptions within coalition governments, specifically fuelled by political deployments in structures like Local Labour Forum (LLF).
- **Implemented strategic recruitment plans.** Despite legislation to professionalise municipal administration and prohibit nepotism and appointing staff without formal qualifications, expertise and experience, financial irregularity, non-compliance, malpractice, corruption, audit disclaimers, lack of responding to community needs and political interference continues to mar good governance and effective and efficient service delivery.

The administrative leadership role remained under scrutiny, raising eyebrows about the calibre of senior managers being appointed, as well as flawed screening processes and the credibility of selection panels.

SALGA conferences resolved to establish a Municipal Leadership Competency Assessment Centre (MLCAC) to help

validate personal credentials and undertake integrity vetting and psychometric competency evaluation of candidate senior managers. This initiative is part of the professionalisation programme and SALGA's Transition Management Plan. The assessment centre aids municipalities to adhere to 2014 Local Government Regulations for the Appointment and Conditions of Employment of Senior Managers.

SALGA MLCAC assisted 36 municipalities with recruitment plans during the year under review. The implementation of those recruitment plans resulted in the vetting of 369 candidate senior managers, mostly municipal managers in the North-West province, with the validation of their credentials for fiscal 2022-2023. In addition, the SALGA MLCAC offered 89 psychometric evaluations during the same period.

- **Profiled the Municipal Human Capital Management (HCM) Maturity Capability in four municipalities.** SALGA profiled the capability maturity level of the human capital function at the Mantsopa, Metsimaholo, Greater Letaba and Ba-Phalaborwa local municipalities and discussed the outcomes and remedial roadmaps with them.
- **Implemented service standards.** SALGA assisted 78 municipalities to implement their Local Government Service Standards (LGSS) according to its LGSS Framework that maps out local government service delivery standards aligned with the relevant local Government and Municipal Service Charter legislation. The Framework also provides service standards guidelines to measure service delivery satisfaction and recommends dispute resolution/ redress mechanisms to address citizens' complaints.
- **HCM Guidelines for the DDM Blueprint.** SALGA advocated for the adoption of its Human Capital Management (HCM) strategy to assist municipalities with the implementation of their District Development Model plans and assisted 53 district municipalities with the adoption of the HCM Blueprint. Specific outcomes of the blueprint include a service delivery/operating model; a DDM strategy, implementation guidelines and roadmap with a focus on human capital management, organisational design, development, renewal and change management; interventions/models to address identified challenges; business processes and workflow; and services amenable to outsourcing business processes and shared services.

## MUNICIPAL ORGANOGRAM REVIEW SUPPORT

### MANDATE: EMPLOYER BODY

In the aftermath of the local government elections, SALGA experienced a high demand for support from municipalities to review their organograms. Since SALGA is mandated to support members who request assistance, the organisation implemented its Organogram Review Support Programme in 61 municipalities through provincial workshops.

### IMPACT

A professional, capable and reputable local government with capacitated practitioners who pride themselves on service delivery excellence.



## PROGRAMME 4

### ADVOCACY AND STRATEGIC PROFILING

This SALGA programme leads municipal profiling and engagements within relevant inter-governmental relations (IGR) structures that focus on policy development, review and legislation for local government to deliver on its mandate.

Activities are aligned with establishing effective government networks and widely consulted programmes to facilitate policy development and legislation that benefit local government, creating public awareness and providing information about the transformation work of municipalities and the public's role in a developmental local government.

During the year under review, this programme's performance was measured against the following outcomes and APP 2022'23 targets:

#### OUTCOME 1: SALGA – AN AGILE FORCE OF INFLUENCE

##### INTEGRATED MARKETING COMMUNICATION (IMC)

###### MANDATE: STRATEGIC PROFILING

The implementation during the reporting period of SALGA's IMC strategy served to create visibility and increased awareness about SALGA and the activities of local government, as well as increased municipal support and media reach and monitoring.

It is critical for South African citizens to remain well-informed about the work of local government as the coalface of service delivery. During the past year, SALGA intensified its marketing and communication activities to boost relations between the public and local government by profiling the latter locally and internationally. The NEC approved three campaigns to showcase related milestones and achievements and address sector challenges, namely Monthly Thematic Calendar, Local Government Transition and SALGA 101.

- **The Thematic Calendar** applied a structured approach to content development and distribution to communicate the role of local government across multichannel platforms and within the broader national framework. Examples include celebrating human rights, women and transport in June, August and October respectively. Municipalities used opportunities to share and highlight their related activities and milestones.
- **SALGA 101** focused on how the organisation continues to deliver value to its members, such as IGR initiatives and safeguarding members. The launch of SALGA TV during the past year provides SALGA with a repository of good news stories about municipal projects and achievements, while

municipalities have access to a platform to showcase their stories.

- **The LG Transition campaign** focused on the sector's transition to the 5<sup>th</sup> administration. The campaign achieved its objectives to increase awareness about local government (governance, mandate, powers and functions), showcase the municipal value chain and service delivery over the past 20 years, create a good news story repository and give insight into the desired future state of local government through owned, bought and earned media.

SALGA also embarked on its first ever national mass media campaign in April 2022 to reignite the social contract between citizens and local government. Themed *Asisho! Let's Say It*, the campaign opened conversations with citizens to encourage active participation in local government and with local government to place citizens at the centre of service delivery.

*Asisho!* was launched in six provinces across all available media channels and marketing technologies. The TV show *Kasi to Kasi*, which aired under the SABC's education umbrella featured collisions between citizens and local government and reached between 1.5 million and 2 million people on a weekly basis. The 12 episodes featured young people as active changemakers in their communities in collaboration with local government in achieving real visible changes in the communities.

The launches achieved a total of R682 000 in unpaid Public Relations value. *The Asisho! Let's Say It* campaign's media monitoring results reflected a notable 73% neutral/positive brand sentiment and generated a significant hike in social media activity. The radio campaign featured weekly broadcasts, scheduled across provinces, and achieved a reach of 4 155 200 Cumulative Community Stations at an average of 461 000 per province. The static and digital billboards and murals achieved nationwide coverage with a Cumulative Traffic Count of 12 000 000, while taxi rank advertising and digital screen and platform advertising also indicated significantly impressive audience reaches.

SALGA again celebrated Nelson Mandela Day in 2022 with numerous events that gave expression to the theme "Do what you can, with what you have, where you are". Our endeavours as an organisation focused on promoting communities and backyard gardens, supporting fruit and indigenous tree planting and creating awareness of the intersections between food security and climate change.

SALGA's national and provincial offices planned and participated in events that started on 18 July in Gauteng and ended in the Eastern Cape on 12 May 2023. The events presented an opportunity to SALGA employees to honour the legacy of Nelson



Mandela with in-cash contributions or in-kind participation in SALGA's campaigns that supported the underprivileged to drive positive change, raise awareness and expand the reach of Nelson Mandela's values – fighting injustice, helping people in need and practicing reconciliation.

#### IMPACT

More visibility and increased awareness about SALGA and local government, as well as increased municipal support and media reach and monitoring, resulting in a better profiled sector and organisation.

## OUTCOME 4: EFFECTIVE NETWORKS AND INTERGOVERNMENTAL RELATIONS

### VALUE-ADDING STRATEGIC PARTNERSHIPS

#### MANDATE: STRATEGIC PROFILING

SALGA signed Memoranda of Understanding (MoUs) with 12 strategic partners to assist with financial viability, improved governance and increased councillors capacity to discharge their oversight role and address local government challenges within their respective municipalities.

### SALGA'S INFLUENCE IN INTERGOVERNMENTAL RELATIONS

#### MANDATE: LOBBY, ADVOCATE AND REPRESENT

During the reporting period, SALGA had several engagements with legislatures on different matters relating to local government, including participating in different IGR platforms with the intention of influencing policy decisions. SALGA Presidency, Provincial Office Bearers, relevant national and provincial Working Group Chairpersons, National Council of Provinces (NCoP) and Provincial Legislature representatives were deployed to different IGR and legislature engagements and were accompanied by relevant technical teams who ensured that representatives are fully briefed and adequately prepared for these engagements.

SALGA participated in numerous engagements during the past financial year. These included 54 in Parliament, 74 in provincial legislature and 59 and 117 national and provincial IGR engagements, respectively.

SALGA also developed 16 position papers on local government matters and submitted proposals (comments and recommendations on behalf of local government) on policies and bills to the relevant governmental structures.

#### IMPACT

SALGA's extensive, well-prepared and well-informed engagement with legislatures and across IGR platforms supported the significance of its role in shaping local government policies and advocating for the interests of local

communities. SALGA's position papers, recommendations and participation in legislative processes contributed to more informed and collaborative decision-making processes that impact local governance.

## OUTCOME 5: INCLUSIVE SOCIO-ECONOMIC RETURN

### MUNICIPAL REGULATORY ENVIRONMENT AND INSTITUTIONAL CAPACITY

#### MANDATE: LOBBY, ADVOCATE AND REPRESENT

Public-Private Partnerships (PPPs) provide a solid foundation for collaborating and strengthening working relationships with other sectors to support economic development in municipalities. Similarly, engaging with the private sector enables municipalities to increase their capacity to improve the delivery of infrastructure services.

SALGA conducted a study of existing PPPs with municipalities and submitted a report with recommendations for enhancing PPPs between the private sector and local government.

#### IMPACT

The creation of a collaborative public/private sector platform with joint programmes that promote economic growth and the development of communities within municipal jurisdictions.

## OUTCOME 6: DEVELOPMENTAL LOCAL GOVERNMENT FOR GLOBAL COMPETITIVENESS

### CUSTOMER PERCEPTION SURVEY

#### MANDATE: STRATEGIC PROFILING

SALGA completed a Stakeholder and Brand Perception Survey (customer of the customer) that targeted municipal officials, the media, SALGA employees across all levels, the private sector, general public and donor community. The 1 686 respondents represented the general public (1 325), private sector (77, including the donor community), media (24), mayors (41) and SALGA employees (219).

The survey report reflects internal and external stakeholder perceptions about SALGA as a constitutionally mandated representative body of local government.

#### IMPACT

Improved stakeholder engagement practices that add value to organisational outcomes as outlined in SALGA's 2022-2027 Strategic Plan.

## MUNICIPAL DISASTER MANAGEMENT, FIRE SERVICES AND ENVIRONMENTAL HEALTH FUNCTIONS

### MANDATE: LOBBY, ADVOCATE AND REPRESENT

SALGA lobbied the Department of Health, municipalities, CoGTA and National Treasury through the Interprovincial Environmental Health and Working Committee meetings for the inclusion of environmental health functions in the review

criteria of integrated development plans (IDPs), Service Delivery Budget an Implementation Plan (SDBIP) and budgets.

The inclusion of the indicated review criteria will contribute significantly to improving the delivery of health services to communities.

### IMPACT

Well-resourced and well-trained municipal resources with the competence and capacity to manage their functions.



## PROGRAMME 5 BUSINESS AND PRODUCT DEVELOPMENT

Programme activities are centred around leading product development that will enhance and diversify SALGA revenue streams and support alternative municipal revenue generation streams.

The related focus areas are on effective government networks and programme consultation; policies and legislation that benefit local government; public awareness about municipal transformation work and the public's role in a developmental local government; digital infrastructure projects and municipal digital product maturity through PPP financing/funding; and partnerships to develop and implement cyber security solutions.

During the reporting period, the performance of this programme was measured against the following outcomes and APP 2022'23 targets:

### OUTCOME 2: CUSTOMISED INNOVATIVE SOLUTIONS

#### DIGITAL SOLUTIONS TO INCREASE MUNICIPAL DIGITAL MATURITY

##### MANDATE: KNOWLEDGE AND INFORMATION SHARING

Deploying digital solutions in municipalities increase their digital product maturity, while the development of digital solutions enhances SALGA's product development capabilities and supports the creation of a SALGA digital factory to build and deploy common and fit-for-purpose digital solutions that address local government challenges and drive municipal digitalisation.

During the reporting period, SALGA deployed three digital solutions to municipalities, namely:

- IDP Automated Platform/Blueprint (SALGA MATRIX) to the Ray Nkonyeni Local Municipality and Letjweleputswa District Municipality.
- Penetration Testing and Vulnerability Assessment to the Ray Nkonyeni Local Municipality.
- Backup and digital response as a service to the Ngaka Modiri District Municipality.

### IMPACT

A digitally mature local government with the competence and capacity to apply fit-for-purpose digital solutions to resolve municipal challenges and improve service delivery.

### OUTCOME 5: INCLUSIVE SOCIO-ECONOMIC RETURN

#### BROADBAND FRAMEWORK AS A FIFTH UTILITY

##### MANDATE: KNOWLEDGE AND INFORMATION SHARING

During the past financial year, SALGA developed a PPP broadband framework for municipalities to participate in and launch broadband offerings. This framework, which is available within local government, serves as a reference for municipalities to explore and adopt PPP broadband business models that provide greater market efficiencies and, importantly, an additional revenue stream for municipalities.

### IMPACT

More affordable and universally accessible internet and an additional revenue stream for municipalities.







PART C  
**GOVERNANCE**

## BACKGROUND TO GOVERNANCE STRUCTURES

SALGA adheres to a governance framework that clarifies the roles and responsibilities of its national and provincial political and administrative governing bodies and working groups. The framework outlines the mandates and reporting requirements for the national and provincial offices.

SALGA prides itself on governance structure and practices aligned with the guidelines of the King Report on Corporate Governance (King IV), as well as independent experts with informed insights into governance best practices.

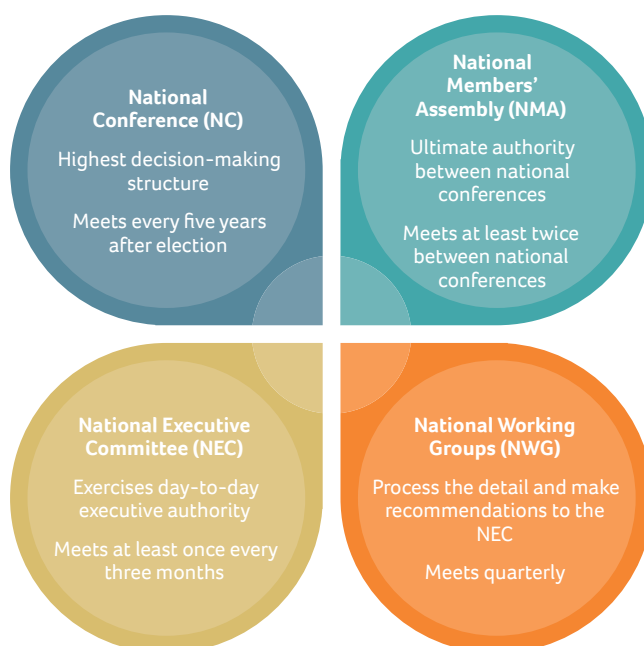
The framework advocates accountability, transparency, responsiveness, consensus and client-orientation. Organisational conduct must comply with SALGA-relevant legislation and operations with equity, inclusivity, efficiency and effectiveness and a separation of powers between the political and administrative wings. Adherence to governance and the *Batho Pele* principles, as well as compliance with administrative justice, are additional hallmarks of the framework. Compliance with the framework remains current.

The National Members' Assembly (NMA) adopted the governance framework in March 2008 to coordinate and align governance structures at national and provincial levels. These structures consist of one national and nine provincial conferences and similarly of national and provincial members' assemblies, executive committees and working groups, as well as a Women's Commission and mayors' and speakers' forums.

SALGA's Constitution determines when national and provincial conferences take place and independent external parties monitor the most important elections to guarantee free and fair processes.

The framework also facilitates effective consultation, reporting and decision-making between and within SALGA's national governance structures.

## NATIONAL GOVERNANCE STRUCTURES



The structures include the SALGA Women's Commission and Working Groups that are replicated at provincial levels and focus on similar issues. The meetings of governance structures with related objectives are appended to this report as Appendix B: Governance Structure Meetings.

## THE POLITICAL WING NATIONAL CONFERENCE (NC)

The National Conference is SALGA's highest decision-making body with the powers and duty to elect the members of the National Executive Committee; establish and review SALGA's oversight bodies as and when the law requires; consider the association's audited Annual Financial Statements (AFS); approve SALGA's strategic plan and the accompanying budget; and review the association's performance.

The five-year term of the National Conference is linked directly to the political term of municipal councils and local government elections. The National Conference was constituted after the local government elections of 1 November 2021.

## PROVINCIAL CONFERENCES (PC)

The National Conference is represented at provincial level by Provincial Conferences with resolutions feeding into the National Conference.

## NATIONAL MEMBERS' ASSEMBLY (NMA)

In between National Conferences, SALGA's ultimate authority resides in the National Members' Assembly (NMA) whose powers and duties range from acting in accordance with the directions of the National Conference and considering the audited Annual Financial Statements to adopting the association's NEC-approved strategic plan and budget reviewing its financial performance, considering reports from working groups and oversight bodies and dealing with any other matter that may arise from SALGA's Constitution.

## PROVINCIAL MEMBERS' ASSEMBLY (PMA)

Similar to the Provincial Conferences, the PMAs play a similar role as the NMA but at a provincial level.

## SALGA PRESIDENCY

The SALGA Presidency comprises a President and three Deputy Presidents, each representing a municipal category and all from different provinces to ensure representativity. Article 14 of the SALGA Constitution (as amended by the National Conference of 29 November 2016) gives effect to the existence of this structure.

## DUTIES OF THE SALGA PRESIDENCY

The main tasks of the Presidency are to:

- Oversee the implementation of NC, NMA and NEC decisions within all SALGA governance structures and by all its functionaries
- Report on the state and performance of governance structures within SALGA
- Ensure the implementation and management of the Members' Compact in the Constitution
- Present reports on compliance with the Code of Conduct within relevant SALGA structures
- Build effective member relationships and resolve disputes between SALGA and its members
- Oversee the development and implementation of SALGA's Strategic Plan during the NEC's term of office
- Take responsibility for political communication between SALGA, its members and stakeholders
- Take political responsibility for overseeing fundraising and sponsorships for SALGA events
- Perform other NEC-delegated duties in accordance with SALGA's Framework of Delegation.
- Meeting attendance during the reporting period by members of the Presidency are reflected in the list of Governance Structure Meetings in this report.

SALGA's new President, Cllr Bheke Stofle and three Deputy Presidents, Cllr Xola Pakati, Cllr Flora Noliqwa Boltman and Cllr Xanthea Limberg, joined the Presidency on 1 April 2021.



**Cllr Bheke Stofle**

President



**Cllr Xola Pakati**

Deputy President



**Cllr Flora Noliqwa Boltman**

Deputy President



**Cllr Xanthea Limberg**

Deputy President



## NATIONAL EXECUTIVE COMMITTEE (NEC)

The SALGA NEC consists of the Presidency, 14 additional members, nine SALGA provincial chairpersons (ex-officio members), SALGA National Women's Commission chairperson (ex-officio member), SALGA Chief Executive Officer (non-voting member) and not more than three co-opted members.

The SALGA NEC is the elected leadership of SALGA. The new NEC was elected in March 2022 at the organisation's 6<sup>th</sup> National Conference in Cape Town, Western Cape. SALGA is delighted to welcome members of the newly elected NEC who will set and guide the organisation's policy priorities over the next five years.

The organisation would also like to thank all outgoing NEC members for their contributions over the past five years and for ensuring a smooth transition. They handed over an organisation with an exceptional reputation for good governance, strong leadership and an abiding commitment to improving local government.

## MEMBERS OF SALGA'S NATIONAL EXECUTIVE COMMITTEE



**Cllr Bheke Stofle**  
President



**Cllr Xola Pakati**  
Deputy President



**Cllr Flora Noliqwa Boltman**  
Deputy President



**Cllr Xanthea Limberg**  
Deputy President



**Cllr Mesuli Ngqondwana**  
Chairperson  
SALGA Eastern Cape



**Cllr Bongani Mathae**  
Chairperson  
SALGA Free State



**Cllr Jongisizwe Dlabathi**  
Chairperson  
SALGA Gauteng



**Cllr Arthur Thamsanqa Ntuli**  
Chairperson  
SALGA KwaZulu-Natal



**Cllr John Mpe**  
Chairperson  
SALGA Limpopo



**Cllr Jesta Sidel**  
Chairperson  
SALGA Mpumalanga



**Cllr Khumalo Molefe**  
Chairperson  
SALGA North West



**Cllr Micheal Segede**  
Chairperson  
SALGA Northern Cape



**Ald Donovan Joubert**  
Chairperson  
SALGA Western Cape



**Cllr Pule Shayi**  
Chairperson  
Capability and  
Institutional Resilience



**Cllr Jane Naidoo**  
**Chairperson**  
 Community  
 Development and  
 Security



**Cllr Neo Masegela**  
**Chairperson**  
 Development Planning  
 and Rural Development



**Cllr Lerato Maloka**  
**Chairperson**  
 Economic Development  
 and Job Creation



**Cllr Thamsanqa  
 Ngubane**  
**Chairperson**  
 Electricity and Energy  
 Provision and Public  
 Works



**Cllr Mluleki Ronald  
 Nkosi**  
**Chairperson**  
 Emergency Services and  
 Disaster Management



**Cllr Xolani Ngwezi**  
**Chairperson**  
 Environmental  
 Management and  
 Climate Resilience



**Cllr Samkelo Janda**  
**Chairperson**  
 Governance and  
 Intergovernmental  
 Relations



**Cllr Xolani Sotashe**  
**Chairperson**  
 Human Settlement and  
 Urban Agenda



**Cllr Lesetja Dikgale**  
**Chairperson**  
 Municipal Finance and  
 Fiscal Policy



**Cllr Sebang Motlhabi**  
**Chairperson**  
 Public Transport and  
 Roads



**Cllr Nikiwe Num**  
**Chairperson**  
 Water and Sanitation



**Cllr Bahula Maladimo  
 Maitula**  
**Additional Member**



**Cllr Prudence  
 Ntombenkosi Pepping**  
**Additional Member**



**Cllr Gillian Pieters**  
**Additional Member**



**Cllr Annelie Rabie**  
**Additional Member**

# GOVERNANCE STRUCTURE MEETINGS

	06/04/ 2022	04/05/ 2022	11/05/ 2022	01/06/2022	06/07 2022	28/07 2022	31/08/ 2022	19/09/2022	30/11/2022	Total
<b>Members of the Presidency</b>										
Cllr Bheke Stofile	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Cllr Flora Maboja-Boltman	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Cllr Xola Pakati	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Cllr Xanthea Limberg	✓	✓	✓	✓	✓	x	✓	x	✓	9/9
<b>Quorum</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>9 meetings</b>

## SALGA NEC MEETINGS AS OF 31 MARCH 2023

	13/04/2022	23/06/2022	13/07/2022	22/09/2022	13/12/2022	27/01/2023	14/02/2023 (lekgotla)	14/03/ 2023	Total
<b>Members of NEC</b>									
<b>Cllr Bheke Stofile</b>	✓	✓	✓	✓	✓	✓	✓	✓	8/8
<b>Cllr Flora Maboja-Boltman</b>	✓	✓	✓	✓	✓	✓	✓	✓	8/8
<b>Cllr Xola Pakati</b>	✓	✓	✓	✓	✓	✓	x	x	6/8
<b>Cllr Xanthea Limberg</b>	✓	✓	✓	✓	✓	✓	✓	x	7/8
Cllr Mina Bahula-Maitula	✓	✓	✓	✓	x	✓	x	✓	6/8
Cllr Pule Shayi	✓	x	✓	✓	x	✓	x	x	4/8
Cllr Annelie Rabie	✓	x	✓	✓	x	✓	x	✓	5/8
Cllr Mapaseka Mothibi-Nkoane	✓	✓	x	✓	✓	✓	x	✓	6/8
Cllr Lesetja Dikgale	✓	x	x	✓	✓	✓	✓	✓	6/8
Cllr Ntombenkosi Pepping	✓	x	✓	x	✓	✓	x	✓	5/8
Cllr Xolani Ngwezi	✓	x	x	x	x	x	x	✓	2/8
Cllr Xolani Sotashe	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Cllr Samkelo Janda	✓	✓	✓	✓	✓	✓	x	✓	7/8
Cllr Thamsanqa Ngubane	✓	✓	✓	✓	✓	✓	✓	x	7/8
Cllr Jane Naidoo	✓	✓	✓	x	x	✓	✓	x	5/8
Cllr Lerato Maloka	✓	✓	✓	v	✓	✓	x	✓	7/8
Cllr Mluleki Ronald Nkosi	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Cllr Brenda Mpamba*	x	x	x	x	x	R	R	R	0/5
Cllr Neo Masegela	✓	✓	x	x	✓	✓	✓	x	5/8
Cllr Sebang Motlhabi	✓	✓	✓	x	✓	✓	x	x	5/8
Cllr Nikiwe Num	✓	✓	✓	x	x	✓	x	✓	5/8
Cllr Mesuli Ngqondwana	✓	x	✓	✓	✓	✓	✓	x	6/8
Cllr Mathabo Leeto	✓	x	x	x	x	x	x	x	1/8
Cllr Gillian Pieters	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	1/1
Cllr Jongisizwe Dlabathi	✓	✓	✓	x	✓	✓	✓	✓	7/8
Cllr Thamsanqa Ntuli	✓	x	x	x	x	x	x	x	1/8
Cllr Jesta Sidell	✓	x	x	✓	x	✓	x	✓	4/8
Cllr Micheal Segede	✓	✓	x	x	x	x	✓	✓	4/8
Cllr Khumalo Molefe	✓	✓	✓	x	x	✓	x	✓	5/8
Ald: Donavan Joubert	✓	x	✓	✓	✓	✓	✓	✓	7/8



	13/04/2022	23/06/2022	13/07/2022	22/09/2022	13/12/2022	27/01/2023	14/02/2023 (lekgotla)	14/03/2023	Total
<b>Members of NEC</b>									
Cllr John Mpe	x	x	x	x	✓	✓	x	✓	1/5
Cllr Ntandokazi Capa	N/A	N/A	N/A	✓	x	✓	✓	x	3/5
<b>Quorum</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>8 meetings</b>

Key: ✓ = present x = absent with apology R= Resigned D= Deceased N/A = Not yet co-opted N/I Not invited \*Replaced by Gillian Pieters

### EASTERN CAPE PEC MEETINGS AS AT 31 MARCH 2023

Designation	Name	Municipality	12/05/2022	19/05/2022	18/07/2022	11/10/2022	12/10/2022	24/11/2022	22/03/2023	Total
Chairperson	Cllr Mesuli Ngqondwana	OR Tambo	✓	✓	x	✓	✓	✓	✓	6/7
Deputy	Cllr Noncedo Zonke	Inxuba Yethemba	✓	✓	✓	x	x	x	✓	4/7
Deputy	Cllr Nomhle Gaga	Sarah Baartman	✓	✓	✓	✓	✓	✓	✓	7/7
Deputy	Cllr Humphrey Maxegwana	Buffalo City	✓	✓	x	✓	✓	✓	✓	6/7
PEC Member	Cllr Thokozile Sokanyile	OR Tambo	✓	✓	✓	✓	x	✓	✓	6/7
PEC Member	Cllr Mamello Leteba	Elundini	✓	✓	✓	x	x	✓	✓	4/5
PEC Member	Cllr Wongama Gela	Chris Hani	✓	✓	x	x	x	x	x	2/7
PEC Member	Cllr Buyelwa Mafaya	Nelson Mandela	✓	✓	✓	✓	x	✓	✓	6/7
PEC Member	Cllr Nomvuzo Mlombile Cingo	Port St Johns	✓	✓	✓	x	✓	x	x	4/7
PEC Member	Cllr Horatio Hendricks	Kouga	x	✓	✓	✓	✓	✓	✓	5/7
PEC Member	Cllr Sixolile Mehlomakhulu	Alfred Nzo	x	✓	✓	x	✓	✓	✓	5/7
PEC Member	Cllr Nanziwe Rulashe	Amathole	x	✓	✓	x	x	✓	x	3/7
PEC Member	Cllr Monica Qaba	Mnquma	x	✓	✓	✓	x	✓	✓	5/7
Current SWC Chairperson	Cllr Nomvuyo Mposelwa	Joe Gqabi	x	x	✓	x	x	✓	✓	3/7
Current Ex-officio Member	Chief Mpumalanga Gwadiso	House	x	x	✓	✓	✓	x	✓	4/7
NEC Member	Cllr Lerato Maloka	Sedibeng LM	x	x	x	✓	✓	✓	✓	3/7
NEC Member	Cllr Xolani Ngwezi	Umhlathuze	✓	x	x	x	x	x	✓	0/7
<b>Quorum</b>			<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>7 meetings</b>

Key: ✓ = present x = absent with apology R= Resigned D= Deceased N/A = Not yet co-opted N/I Not invited

### FREE SATE PEC MEETINGS AS AT 31 MARCH 2023

Designation	Name	Municipality	01/05/2022	23/08/2022	13/10/2022	14/11/2022	22/11/2022	23/03/2023	Total
Chairperson	Cllr Mathabo Leeto	Lejweleputswa DM	✓	✓	✓	✓	✓	R	4/5
Deputy	Cllr Victoria de Beer-thombeni	Ngwathe LM	✓	✓	✓	✓	✓	✓	5/6

Designation	Name	Municipality	01/05/2022	23/08/2022	13/10/2022	14/11/2022	22/11/2022	23/03/2023	Total
Deputy	Cllr Mxolisi Siyonzana	Mangaung Metro	✓	✓	✓	✓	✓	R	2/5
Deputy	Cllr Conny Msibi	Thabo-Mofutsanyana DM	✓	✓	✓	✓	✓	✓	5/6
PEC Member	Cllr Gilbert Mokotso	Maluti-a-Phofung LM	x	✓	✓	✓	✓	✓	1/6
PEC Member	Cllr Malefu Vilakazi	Thabo-Mofutsanyana DM	x	✓	✓	✓	✓	✓	1/6
PEC Member	Cllr Thanduxolo Khalipha	Matjhabeng LM	x	✓	✓	✓	✓	✓	2/6
PEC Member	Cllr Bonolo Mocwaledi	Letsemeng LM	✓	✓	✓	✓	✓	✓	4/6
PEC Member	Cllr Selloane Khiba	Moqhaka LM	✓	✓	✓	✓	✓	✓	6/6
PEC Member	Cllr Puseletso Seleke	Mangaung Metro	✓	✓	✓	✓	✓	✓	4/6
PEC Member	Cllr Sidney Pittaway	Fezile-Dabi DM	N/A	✓	✓	✓	✓	✓	3/5
PEC Member	Cllr Mokgoro Shasha	Xhariep DM	N/A	✓	✓	✓	✓	✓	5/5
PEC Member	Cllr Jafta Zwane	Metsimaholo LM	N/A	✓	✓	✓	✓	✓	3/5
PEC Member	Cllr Motloheloa Mokatsane	Moqhaka LM	N/I	✓	✓	✓	✓	✓	3/5
PEC Member	Cllr Kenalemang Phukuntsi	Tswelopele LM	N/I	✓	✓	✓	✓	✓	2/5
PEC Member	Cllr Matshepo Mokotla	Dihlabeng LM	N/I	✓	✓	✓	✓	✓	3/5
PEC Member	Cllr Mojalefa Buti	Matjhabeng LM	N/I	✓	✓	✓	✓	✓	1/5
PEC Member	Cllr Irene Mehloakulu	Xhariep DM	N/I	✓	✓	✓	✓	✓	3/5
NEC Deployee	Cllr Samkelo Janda	Mbhashe LM	N/I	✓	✓	✓	✓	✓	2/5
NEC Deployee	Cllr Brenda Mpamba	Thembelihle LM	N/I	✓	✓	✓	✓	R	0/4
NEC Deployee	Cllr Gillian Pieters	Namakwa DM	N/A	NA	N/A	N/A	N/A		0/1
<b>Quorum</b>			<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>Yes</b>	<b>6 meetings</b>

Key: ✓ = present    x = absent with apology    R= Resigned    D= Deceased    N/A = Not yet co-opted    N/I Not invited

### GAUTENG PEC MEETINGS AS AT 31 MARCH 2023

Designation	Name	Municipality	12/05/2022	30/06/2022	09/09/2022	30/09/2022	09/12/2022	Total
Chairperson	Jongizizwe Dlabathi	City of Ekurhuleni	✓	✓	✓	✓	✓	5/5
1st Deputy Chairperson	Thulani Elvis Mphithikezi	Merafong Local Municipality	✓	x	✓	✓	✓	4/5
2nd Deputy Chairperson	Nonkoliso Tundzi-Hawu	West Rand District	✓	✓	✓	✓	✓	5/5
3rd Deputy Chairperson	Dino Peterson	City of Ekurhuleni	✓	✓	✓	x	x	3/5
Chairperson: Women's Commission	Eunice Mgcina	City of Joburg	✓	✓	✓	✓	✓	5/5
Additional Member	Loyiso Masuku	City of Joburg	✓	✓	✓	x	✓	4/5
Additional Member	Mbuyiselo Kantso	Emfuleni Local Municipality	✓	x	✓	✓	✓	4/5
Additional Member	Mamohale Emmarentia Fatimah-Zahra Moloji	Sedibeng District	✓	✓	✓	✓	✓	5/5
Additional Member	Sipho Radebe	Emfuleni Local Municipality	✓	x	x	x	✓	2/5

Designation	Name	Municipality	12/05/2022	30/06/2022	09/09/2022	30/09/2022	09/12/2022	Total
Additional Member	Margaret Sheron Arnolds	City of Joburg	✓	✓	✓	x	x	3/5
Additional Member	Cllr. Mpho Moerane	City of Johannesburg	✓	✓	D	D	D	2/2
NCOP Representative	Aaron Mokgale Maluleka	City of Tshwane	✓	✓	✓	✓	✓	5/5
NCOP Representative	Merriam Mogoje	Mogale City Local Municipality	✓	✓	✓	✓	x	4/5
NCOP Representative	Lesiba Johannes Mojapelo	City of Ekurhuleni	✓	✓	✓	✓	✓	5/5
Provincial Legislature	Thandiwe Nontenja	City of Joburg	✓	✓	✓	x	✓	4/5
Provincial Legislature	Thapelo Amad	City of Joburg	✓	✓	✓	x	x	3/5
Provincial Legislature	Lloyd Eisenhower	City of Joburg	x	✓	✓	x	x	3/5
NEC Deployee	Pule Shayi	Mopani Municipality	x	x	x	x	x	0/5
NEC Deployee	Nikiwe Num	Kenneth Kaunda District Municipality	x	x	x	✓	x	1/5
<b>Quorum</b>			<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>5 meetings</b>

Key: ✓ = present    x = absent with apology    R= Resigned    D= Deceased    N/A = Not yet co-opted    N/I Not invited

#### KWAZULU NATAL PEC MEETINGS AS AT 31 MARCH 2023

Designation	Name	Municipality	08/04/2022	26/05/2022	03/06/2022	11/10/2022	6/12/2022	29/03/2023	Total
Chairperson	Cllr T Ntuli	King Cetshwayo DM	✓	✓	✓	✓	✓	✓	6/6
Deputy	Cllr N Gumede	EThekweni Metro	✓	✓	✓	✓	✓	✓	6/6
Deputy	Cllr X Dube	Newcastle LM	✓	✓	✓	✓	x	✓	1/6
Deputy	Cllr V Sikhosana	UPhongolo LM	✓	✓	✓	✓	x	✓	1/6
NEC Member	Cllr Sotashe	City of Cape Town	✓	✓	✓	✓	✓	✓	2/6
NEC Member	Cllr A Rabie	Overstrand LM	✓	✓	✓	✓	✓	✓	3/6
PEC Member	Inkosi NB Shabalala	UThukela DM	✓	✓	✓	✓	✓	✓	5/6
PEC Member	Cllr N Ngubane	UMhlatuze LM	✓	✓	✓	✓	x	✓	1/6
PEC Member	Cllr Z Sokhabase	EThekweni Metro	N/A	✓	x	✓	✓	✓	3/5
PEC Member	Cllr D Memela	Zululand DM	✓	✓	✓	✓	✓	✓	5/6
PEC Member	Cllr QT Xulu	Umlalazi LM	✓	✓	✓	✓	✓	✓	6/6
PEC Member	Cllr V Bam	Amajuba DM	✓	✓	✓	✓	x	N/A	3/5
PEC Member	Cllr W Ntshangase	Ulundi LM	✓	✓	✓	✓	✓	✓	3/6
PEC Member	Cllr J Holmes	Umgeni LM	✓	✓	x	✓	x	✓	3/6
PEC Member	Cllr S Khathi	Umdoni LM	N/A	✓	✓	✓	✓	✓	1/5
PEC Member	Cllr M Myeza	Inkosi Langalibalele LM	N/A	✓	✓	✓	✓	✓	2/5
<b>Quorum</b>			<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>			<b>4 meetings</b>

Key: ✓ = present    x = absent with apology    R= Resigned    D= Deceased    N/A = Not yet co-opted    N/I Not invited



## LIMPOPO PEC MEETINGS AS AT 31 MARCH 2023

Designation	Name	Municipality	14/06/2022	19/08/2022	31/08/2022	04/11/2022	23/03/2023	Total
Chairperson	Cllr. John Mpe	Polokwane LM	✓	✓	✓	✓	✓	5/5
Deputy	Cllr. Julia Mathebe	Sekhukhune DM	✓	✓	✓	✓	R	4/4
Deputy	Cllr. Moses Maluleke	Collins Chabane LM	✓	D	D	D	D	1/1
Deputy	Cllr. Shadrack Maluleke	Collins Chabane LM	N/I	N/I	N/I	N/I	✓	1/1
Deputy	Cllr. Thandi Zitha	Greater Giyani LM	✓	✓	x	✓	x	3/5
PEC Member	Cllr. Mihloti Muhlope	Vhembe DM	✓	x	✓	✓	x	3/5
PEC Member	Cllr. Gerson Molapisaane	Greater Tzaneen LM	✓	✓	✓	✓	x	4/5
PEC Member	Cllr. Eddie Edwin Maila	Fetakgomo-Tubatse	x	x	x	✓	✓	2/5
PEC Member	Cllr. Pheladi Olifant	Mogalakwena LM	x	✓	✓	✓	x	3/5
PEC Member	Cllr. Mamedupi Teffo	Capricorn DM	✓	x	x	✓	✓	3/5
PEC Member	Cllr. Morris Mataboge	Waterberg DM	✓	x	✓	x	✓	3/5
PEC Member	Cllr. Regina Molokomme	SWC	✓	✓	✓	✓	✓	5/5
PEC Member	Hosi Pheni Ngove	Provincial House of Traditional Leaders	N/I	N/I	N/I	✓	✓	2/2
NEC Deployee	Cllr Lesetja Dikgale	Thembisile Hani Local Municipality	x	x	x	✓	✓	2/5
NEC Deployee	Cllr Nonkosi Pepping	Ingquza Hill local municipality	x	x	x	x	x	0/5
<b>Quorum</b>			<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>5 meetings</b>

Key: ✓ = present    x = absent with apology    R= Resigned    D= Deceased    N/A = Not yet co-opted    N/I Not invited

## MPUMALANGA PEC MEETINGS AS 31 MARCH 2023

Designation	Name	Municipality	27/05/2022	01/09/2022	23/11/2022	23/02/2023	Total
Chairperson	Cllr Jesta Sidell	Ehlanzeni District	✓	✓	✓	✓	4/4
Deputy	Cllr Leah Mabuza	Nkangala District	✓	✓	✓	x	3/4
Deputy	Cllr Sylvia Nxumalo	Bushbuckridge Local	✓	✓	✓	✓	4/4
Deputy	Cllr Walter Mngomezulu	Gert Sibanda District	✓	✓	✓	✓	4/4
PEC Member	Cllr Mduduzi Nkosi	Emalaheni Local	✓	✓	x	x	2/4
PEC Member	Cllr Khethiwe Moeketsi	Dipaleseng Local	✓	✓	x	✓	3/4
PEC Member	Cllr Sabina Mtsweni	Dr JS Moroka Local	x	✓	✓	✓	3/4
PEC Member	Cllr Teboho Hlakutse	Dr Pixley Ka Isaka Seme	✓	x	✓	✓	3/4
PEC Member	Cllr Million Shongwe	Ehlanzeni District	✓	x	x	x	1/4
PEC Member	Cllr Hendrik Frederick Niemann	Steve Tshwete Local	✓	✓	✓	✓	4/4
PEC Member	Cllr Mapulane Precious Nkosi	Msukaligwa Local	x	✓	✓	✓	3/4
PEC Member	Cllr Busi Hlumbane	Emalaheni Local	✓	✓	✓	x	3/4
PEC Member	Cllr Fridah Nkadimeng	Thaba Chweu Local	✓	x	✓	✓	3/4
PEC Member	Cllr Sibongile Makushe	City of Mbombela Local	✓	x	x	x	1/4
NEC Deployee	Cllr Mina Bahula	Makhuduthamaga Local	x	x	x	x	0/4
NEC Deployee	Cllr Mluleki Nkosi	Lesedi Local	✓	✓	✓	✓	4/4
<b>Quorum</b>			<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>4 meetings</b>

Key: ✓ = present    x = absent with apology    R= Resigned    D= Deceased    N/A = Not yet co-opted    N/I Not invited

## NORTHERN CAPE PEC MEETINGS AS AT 31 MARCH 2023

Designation	Name	Municipality	04/05/2022	21/06/2022	22/08/2022	30/11/2022	15/02/2023	Total
Chairperson	Cllr Michael Segede	Dawid Kruiper Municipality	✓	✓	✓	✓	✓	5/5
Deputy Chairperson	Cllr Gillian Pieters	Namakwa DM	✓	✓	✓	✓	✓	4/5
Deputy Chairperson	Cllr Lulamile Nkumbi	Emthanjeni LM	✓	✓	✓	✓	✓	5/5
Deputy Chairperson	Cllr Rodney Kritzinger	Namakhoi municipality	✓	✓	✓	✓	✓	3/5
PEC Member	Cllr Irene Williams	Kgatelopele	✓	✓	✓	✓	✓	5/5
PEC Member	Cllr Dineo Leutlwetse – Tshabalala	Joe Morolong LM	✓	✓	✓	✓	✓	4/5
PEC Member	Cllr Motshabi Mokgatlhanyane	Francis Baard DM	✓	✓	✓	✓	✓	5/5
PEC Member	Cllr Monica Kivedo	Emthanjeni municipality	✓	✓	✓	✓	✓	5/5
PEC Member	Cllr Monray Maczali	Kareeberg municipality	✓	✓	✓	✓	✓	5/5
PEC Member	Cllr Susarah Nero	Kamiesberg municipality	✓	✓	✓	✓	✓	5/5
PEC Member	Cllr Neo Mase	Magareng municipality	✓	✓	✓	✓	✓	5/5
PEC Member	Cllr Rhooide Itumeleng	Pixley Ka Seme DM	✓	✓	✓	✓	✓	5/5
PEC Member	Cllr Pulane Mogatle	John Taolo Gaetsewe Municipality	✓	✓	✓	✓	✓	4/5
PEC Member	Cllr Felicity Olifant	Dawid Kruiper Municipality	✓	✓	✓	✓	✓	5/5
PEC Member	Kgosi Pelonomi Toto	Provincial Traditional Leader	x	x	✓	x	✓	0/5
PEC Member (NCoP Rep)	Cllr Cornell Knoph	Richtersveld Municipality	x	✓	✓	✓	✓	4/5
PEC Member (NCoP Rep)	Cllr Mzwandile Toto	Umsobomvu municipality	x	✓	✓	✓	✓	3/5
PEC Member (NCoP Rep)	Cllr Helena English	ZFM district municipality	x	x	x	x	✓	1/5
PEC Member (Provincial Legislature Rep)	Cllr Unondumiso Buda	Frances Baard DM	x	?	✓	✓	✓	2/5
PEC Member (Provincial Legislature Rep)	Cllr Pasqueline Van Heerden	Namakwa DM	x	x	✓	✓	✓	3/5
PEC Member (Provincial Legislature Rep)	Cllr Kagiso Sonyoni	Sol Plaatje	x	✓	x	x	✓	1/5
NEC Deployee	Cllr Mapaseka Nkoane	Mangaung Metro	N/I	N/I	N/I			1/5
NEC Deployee	Cllr Sebang Motlhabi	Lekwa-Teemane	N/I	N/I	N/I			0/5
<b>Quorum</b>			<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>		<b>4 meetings</b>

Key: ✓ = present    x = absent with apology    R= Resigned    D= Deceased    N/A = Not yet co-opted    N/I Not invited

## NORTH WEST PEC MEETINGS AS AT 31 MARCH 2023

Designation	Name	Municipality	15/06/2022	19&20/07/2022	05/09/2022	07/11/2022	09/11/2022	13/03/2023	Total
Chairperson	Cllr Khumalo Molefe	Ngaka Modidi Molema DM	x	✓	✓	✓	✓	✓	5/6
Deputy Chairperson	Cllr Stella Mondlane	City of Matlosana	x	✓	✓	✓	x	✓	4/6
Deputy Chairperson	Cllr Magdeline Nonzaba	Bojanala Platinum DM	✓	x	✓	✓	x	x	3/6
Deputy Chairperson	Cllr Tshireletso Marabutse	Kagisano Molopo LM	x	x	x	✓	x	x	1/6
Member	Cllr Nomathemba Mvala	Mamusa LM	x	x	x	✓	✓	✓	3/6
Member	Cllr Freda Mapela	Moretele LM	✓	✓	✓	✓	✓	✓	6/6
Member	Cllr Tumisang Gaoralwe	Greater Taung LM	x	x	x	x	x	x	0/6
Member	Cllr Meso Dassie	JB Marks	✓	x	✓	x	x	x	2/6
Member	Cllr Gugu Mtshali	Moses Kotane LM	✓	✓	✓	✓	✓	✓	6/6
Member	Cllr Douglas Maimane	Madibeng LM	x	✓	✓	x	✓	✓	4/6
Co-opted Member	Cllr Shiela Mabale-Huma	Rustenburg LM	✓	✓	✓	x	✓	✓	5/6
Co-opted Member	Cllr Doctor Batsi	Mamusa LM	x	x	x	✓	✓	✓	3/6
Co-opted Member	Cllr Koketso Mogomotsi	Rustenburg LM	x	✓	✓	x	✓	x	3/6
SWC	Cllr Gago Mathe	Mahikeng LM	✓	✓	✓	x	x	x	5/6
NEC Deployee	Cllr Neo Masegela	Gasegonyana LM	NI	NI	NI	✓	✓	x	0/3
NEC Deployee	Cllr Zoleka Capa	OR Tambotriect	N/A	N/A	NI	NI	NI	x	0/1
<b>Quorum</b>			<b>NO</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>	<b>5 meetings</b>

Key: ✓ = present    x = absent with apology    R= Resigned    D= Deceased    N/A = Not yet co-opted    NI/ Not invited

## WESTERN CAPE PEC MEETINGS AS AT 31 MARCH 2023

Designation	Name	Municipality	14/04/2022	12/05/2022	21/07/2022	20 & 21 /10/2022	03/11/2022	16/11/2022	25/01/2023	Total
Chairperson	Cllr Donovan Joubert	Cape Winelands DM	✓	✓	✓	✓	✓	✓	✓	7/7
Deputy Chairperson	Cllr Anthony Moses	City of Cape Town	✓	✓	✓	✓	✓	✓	✓	7/7
Deputy Chairperson	Ald Memory Booysen	Garden Route DM	✓	✓	✓	✓	x	✓	?	5/7
Deputy Chairperson	Ald Aidan Stowman	Drakenstein	✓	✓	✓	✓	✓	✓	✓	7/7
PEC Member	Ald Georlene Wolmarans	Garden Route DM	✓	✓	✓	✓	x	x	✓	5/7
PEC Member	Cllr Ryan Don	Saldanha Bay	N/A	N/A	✓	✓	x	✓	✓	4/5
PEC Member	Cllr Jacoline Visser	City of Cape Town	✓	✓	✓	?	✓	✓	✓	6/7
PEC Member	Cllr Elsabe Maans	Prince Albert	NA	✓	R	R	R	R	R	1/1



Designation	Name	Municipality	14/04/2022	12/05/2022	21/07/2022	20 & 21 /10/2022	03/11/2022	16/11/2022	25/01/2023	Total
PEC Member	Ald Dr Helena von Schlicht	Cape Winelands DM	x	✓	✓	✓	✓	✓	✓	6/7
PEC Member	Ald Randall Swarts	Bergrivier	✓	✓	✓	✓	x	✓	✓	6/7
PEC Member	Cllr Andre Truter	Saldanha Bay	✓	x	✓	✓	x	x	✓	4/7
PEC Member	Cllr Carl Pophaim	City of Cape Town	✓	✓	✓	✓	✓	✓	✓	7/7
PEC Member	Cllr Linda Jaquet	Prince Albert	x	?	✓	?	✓	✓	✓	4/7
PEC Member	Cllr Chad Louw	Oudtshoorn	N/A	✓	✓	✓	?	✓	✓	5/6
NCOP Representative	Cllr Kyle Carls	City of Cape Town	x	✓	✓	✓	✓	✓	x	5/7
NCOP Representative	Cllr Thershia Prince	Beaufort West	N/A	N/A	N/A	N/A	N/A	x	✓	1/2
NCOP Representative)	Cllr Elmarie Maxim	Knysna	✓	✓	x	✓	✓	x	x	4/7
PEC Member (Provincial Legislature Rep)	Ald Gert Combrink	Drakenstein	✓	✓	✓	x	x	x	✓	4/7
PEC Member (Provincial Legislature Rep)	Cllr Carl Punt	City of Cape Town	✓	✓	✓	x	x	x	✓	4/7
PEC Member (Provincial Legislature Rep)	Cllr Paul Swart	Cape Agulhas	x	✓	✓	✓	x	✓	✓	5/7
SWC Chairperson	Cllr Helen Coetzee	Overstrand	x	✓	✓	✓	✓	✓	✓	6/7
Invited NEC Member	Ald Xanthea Limberg	City of Cape Town	x	✓	✓	x	✓	x	x	3/7
Invited NEC Member	Ald Dr Annelie Rabie	Overstrand Municipality	x	x	x	x	x	x	x	0/7
NEC Deployee	Cllr Thamsanqa Ngubane	Mvoti Local Municipality	x	x	✓	✓	✓	✓	x	4/7
NEC Deployee	Cllr Jane Naidoo	eThekweni Metropolitan	x	✓	x	x	x	x	x	1/7
<b>Quorum</b>			<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>7 meetings</b>

Key: ✓ = present    x = absent with apology    R= Resigned    D= Deceased    N/A = Not yet co-opted    N/I Not invited

## MINIMISING CONFLICTS OF INTEREST

SALGA strives to create a culture of ethics and trust by setting the right tone at the top. A clear understanding of the organisation's approach to and policies for managing conflicts of interest among all employees contribute to creating a safe environment for employees to disclose conflicts of interest.

SALGA's policies in this regard are intended to create an open business environment free from unfair discrimination or business or personal conflicts of interest. The policy guidelines stipulate the processes and procedures for actions to prevent fraud, maintain high levels of corporate governance and professional conduct. All policies are regularly updated with the latest developments in governance and changes in legal requirements.

SALGA'S Human Resources Policy Manual, in particular clause 2.13 states as follows:

### CONFLICT OF INTEREST AND PERSONAL INTEREST

In the interests of fairness, equity and transparency, SALGA seeks to avoid actual and perceived inequities caused by conflicts of interest or personal interests in all areas of its operations. The interests of SALGA will take precedence over the personal interests of employees. To this end, SALGA requires that:

- Any interests which might cause a conflict are disclosed.
- All employees may not take up outside employment without the prior approval of the CEO or his/her delegate.
- On commencement of employment, employees must complete a conflict-of-interest declaration. This declaration will be handed to SALGA's Compliance Unit within seven (7) days of the employee commencing employment or being appointed notwithstanding the declarations referred to above, employees must disclose any real or perceived conflict of interest, by completing the conflict-of-interest declaration as soon as practicable after the employee becomes aware of any potential conflict. The employee must thereafter not participate in the discussion or decision in relation to the disclosure of the conflict of interest, unless invited to do so.
- An employee must not take part in any transaction between SALGA and any company, firm or enterprise in which the employee, or any member of the employee's family, have an interest, without declaring such interest and having been specifically authorised by the CEO or in the case of the CEO, SALGA's Chairperson.
- An employee will not act on behalf of SALGA in such a way as to be acting in his/ her personal interest.
- Employees never request or solicit personal gifts, favours, entertainment, or services. Employees must also not offer or accept gifts of cash or cash equivalents.

The following circumstances are examples (not a complete list) where a conflict of interest may arise:

- Accepting a gift or loan from a vendor or a business partner which is intended to influence the recipient.
- Acquiring an interest in property or other assets if the employee becomes aware of these assets through their work at SALGA, without first offering the opportunity to SALGA.
- Using confidential SALGA information or other corporate assets for personal profit.
- Using SALGA property and resources to conduct business for another business.
- Doing business with organisations that employ immediate or close family members or close personal friends, or in which such individuals have an interest.

The policy includes crucial points that are communicated to all employees, who are familiarised through interactive with the policy to minimise conflict in the organisation. Penalties are imposed for a failure to maintain SALGA's standards or for unsatisfactory or unacceptable behaviour. Repeat offences could lead to dismissal.

## CODE OF CONDUCT

Chapter 2 of SALGA's Policies Manual is the Code of Ethics and Business Conduct. This code guides employees with regard to their conduct while performing their duties within and outside SALGA.

SALGA believes that ethical principles and positive business conduct produce the best long-term results for the organisation and all our stakeholders.

The objective of the Code of Ethics and Business Conduct is to:

- ensure that everyone involved with SALGA conducts business with the highest standards of ethics, integrity, desired business conduct and professional behaviour
- ensure that the integrity of SALGA and its employees are not compromised.

SALGA is committed to:

- Understanding its stakeholders and local government needs and exceeding their expectations.
- Adhering to the principles of fairness, equity, transparency, non-discrimination, integrity, reliability and honesty in all its operations to avoid harm through any of its activities.
- Contributing to the community.
- Developing its staff, creating an environment free from any form of unfair discrimination, maintaining an open business environment free from conflicts of interest and personal interest, taking action to prevent fraud, maintaining high levels of corporate governance and ensuring that it is constantly updated around challenges to professional conduct, governance and changes in legal requirements.
- Complying with the applicable legislation and regulations.
- Maintaining clear and unequivocal policies in line with legislation and SALGA's code of ethics and business conduct.

## COMPLIANCE WITH LAWS AND REGULATIONS

SALGA's institutional integrity and reputation relies on the consistent adherence to its regulations and to the availability of sound, vibrant, ethical and informative policies as mandated by SALGA's Constitution. SALGA's legislative and regulatory compliance ensure that it meets its obligations in an ethical and pro-active manner. All employees and relevant stakeholders are obliged to comply with the relevant legislation, regulations and internal policies.

Compliance in SALGA is an integrated, decentralised function. All clusters and business units are structured to deal with the legislation that affects its activities, for instance, labour law matters are included in the Human Resources process, while our role in labour bargaining councils complies with the prescriptions of Labour Relations Act, 66 of 1995, as part of SALGA as an Employer Body under the cluster dealing with Municipal Capabilities and Governance.

The Auditor-General is part of SALGA's audit imperatives and conducts the organisation's annual audits, which SALGA has passed for 11 consecutive years without any negative findings.

Our employee scorecards also include a KPI that requires compliance with the legislation and regulation within their area of responsibility.

Wilful non-compliance with SALGA's regulatory obligations poses an unacceptable risk to SALGA's vision, mission, effective operations and damaging its reputation. SALGA'S responsibility to monitor regulatory compliance is a shared and day-to-day collective responsibility.

Each and every employee of SALGA, from the top down, is required to comply with the regulations that shapes the universe insofar as it is applicable to their role and responsibilities by ensuring they are aware of SALGA's legislative and regulatory obligations, complying with SALGA s legislative and regulatory obligations, understanding the implications of compliance failures, reporting any incidents of compliance failures, being honest, unbiased, fair and trustworthy in all their dealings, and taking action to ensure that policies and laws are fully complied with.

Compliance in SALGA is an integrated decentralised function meaning that all Clusters and Business Units of the organisation are structured to deal with the pieces of legislation that affect the particular business unit. The need to assess the provisions of legislation applicable to SALGA and a comparative analysis of our compliance to legislation, created the need to procure an online system that allows the user to track amendments to legislation with automated alerts, ensuring compliance management is always up to date with changes that impact our organization the most.

Regulatory compliance requires SALGA to continuously analyse its unique requirements and any mandates specific to the

organisation to develop processes to meet obligations. The following steps have been taken by SALGA to achieve regulatory compliance which include the following:

- **Identifying applicable regulations and requirements** – determine which laws and compliance regulations apply to the SALGA's operations and the requirements of each regulation that are relevant to the organisation and how they will be implemented.
- **Documenting compliance processes** – clearly document compliance processes, with specific instructions for each role involved in maintaining compliance.
- **Monitoring changes in the regulation universe** - compliance requirements are updated constantly and changes are monitored continuously to determine if they are relevant to SALGA.
- **Preparing in-house audits** – these help to prepare for externally conducted formal compliance audits carried out by the Auditor-General of South Africa.

The focus of the compliance functionality is to develop a well-defined regulatory/compliance universe for SALGA to ensure that the policy and processes align with continued and effective compliance.

## COMPLIANCE AND RISK SOLUTION

On 19 May 2021, SALGA appointed Exclaim Innovations and Solutions (Pty) Ltd ("Exclaim") to assist with the provision of an online compliance software to, *inter alia*, detail SALGA's regulatory universe, monitor compliance associated risk and track amendments to legislation with automated alerts and important regulatory changes for the organisation.

The Compliance Unit supported by Exclaim has identified SALGA's:

- Regulatory universe.
- Key penalties associated with the respective legislation for non-compliance.
- Legislation associated risk ratings.

The Compliance Unit has since the procurement of Exclaim, identified SALGA's Act owners, who are accountable for using the Exclaim software and advising whether SALGA is compliant with each identified applicable legislation.

## HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

All SALGA facilities were regularly cleaned and well maintained throughout the year. We adhered to Occupational Health and Safety protocols at all times, including COVID-19 regulations as stipulated by the National Department of Health.

Compliance with the Occupational Health and Safety Act, 85 of 1993 as amended, is a statutory requirement. Health and safety matters were reported on quarterly through SALGA's Health and Safety (SHE) Committee.



SALGA's SHE Committee convenes once a quarter. During the 2022-2023 financial year, the following meetings were held:

Quarter	Meeting date	Meeting type
Quarter 1	30 June 2022	Virtual via MS Teams
Quarter 2	30 September 2022	Virtual via MS Teams
Quarter 3	13 December 2022	Virtual via MS Teams
Quarter 4	17 March 2023	Virtual via MS Teams

In adherence to OHS rules and regulations, the committee developed a standard checklist that guides members' conduct during OHS inspections in all SALGA buildings. The purpose of inspections is to identify any potential incidents or hazards that may occur in the workplace.

All reports are first analysed by the forum and collective recommendations are made to non-complying offices on how to resolve OHS non-conformance matters or how to implement mitigating factors to prevent possible hazards or incidents to occur. In some instances, the committee invites the Department of Employment and Labour to provide expert advice on identified OHS risks.

## B-BBEE COMPLIANCE PERFORMANCE INFORMATION

### THE BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE) AMENDMENT ACT, 46 OF 2013, REPORTING REQUIREMENTS

In terms of section 13G.(1) of the B-BBEE Act, 46 of 2013, all public entities must report on their B-BBEE compliance in their audited annual financial statements and annual reports required under the Public Finance Management Act, 1 of 1999.

The reporting requirements per Part 2 of B-BBEE Regulation 12(1)(a) and (b) require SALGA to reports its compliance in respect of the following elements:

- Ownership where applicable.
- Management control.
- Skills development.
- Enterprise and supplier development.
- Socio-economic development; and
- Any other sector specific element.

Tabulated below is a summary of SALGA's fulfilment of its scorecard requirements.

Element	Target Score	Bonus Points	Achieved Score
Ownership	25 points	N/a	N/a
Management and Control	20 points	0	18.63
Skills Development	30 points	5	1.64
Enterprise and Supplier Development	54 points	4	32.00
Socio-Economic Development	5 points	5	5
<b>Total Score</b>	<b>109 points</b>	<b>100+9</b>	<b>57.26</b>
Empowering Supplier Status			<b>Yes</b>
Recognised Procurement Recognition Level			<b>10.00%</b>
Discounting Principle Applicable			<b>Yes</b>
Recorded Procurement Recognition Level			<b>0%</b>
<b>Final B-BBEE Status Level</b>			<b>8</b>

**SALGA'S B-BBEE STATUS**

BEE Recognition Level	10%
BEE Status	Level 8
Subminimum Discount Applied (already discounted above if applicable)	
Black Ownership	0%
Female Black Ownership	0%
Qualifying Enterprise Supplier Development Beneficiary	No
Empowering Supplier Status	Yes
Applicable BEE Codes	DTI Generic Code
Financial Period Measured	1 April 2021 to 31 March 2022
Verification Date	30/08/2022
Issue Date	23/09/2022
Expiry Date	22/09/2023
Certificate Number	B-BBEE: 01/GENERIC/S/23/09/2022

**SALGA'S CONTRIBUTIONS TO THE ELEMENTS AND OUTCOME OF THE SCORECARD IN TERMS OF THE CODES OF GOOD PRACTICE**

Element	Contribution
Ownership	N/a
Management and Control	<ol style="list-style-type: none"> <li>1. Black female representation as board members.</li> <li>2. Black female representation as executive directors.</li> <li>3. Black middle management as percentage of all middle management.</li> <li>4. Black junior management as percentage of all junior management.</li> <li>5. Black employees with disabilities as percentage of all employees.</li> </ol>
Skills Development	<ol style="list-style-type: none"> <li>1. Skills spend on black people as percentage of leviable.</li> <li>2. Skills spend on disabled staff as percentage of leviable.</li> <li>3. Learnerships and categories B, C and D programmes for black people.</li> <li>4. Bonus point: Number of black people absorbed by entity or entity.</li> </ol>
Enterprise and Supplier Development *QSE: Qualifying Small Enterprise *EME: Exempted Micro Enterprise	<p>Preferential Procurement:</p> <ol style="list-style-type: none"> <li>1. Total BEE procurement with empowering suppliers.</li> <li>2. Total BEE procurement from QSEs* as a percentage of total procurement.</li> <li>3. Total BEE procurement from EMES* as a percentage of total procurement.</li> <li>4. Total BEE procurement from 50% black-owned suppliers.</li> <li>5. Total BEE procurement from 50% black-owned suppliers.</li> <li>6. Bonus point: Procurement spend with designated groups.</li> </ol> <p><b>Supplier Development</b></p> <ol style="list-style-type: none"> <li>1. Supplier development contributions as a percentage of annual budget.</li> </ol> <p><b>Enterprise Development</b></p> <ol style="list-style-type: none"> <li>1. Enterprise development contributions as a percentage of annual budget.</li> <li>2. Bonus points: Graduation of one or more enterprises; for one or more jobs created as a direct result of graduation.</li> </ol>
Socio-Economic Development	<ol style="list-style-type: none"> <li>1. Socio-economic development contributions as a percentage of annual budget.</li> </ol>

**LABOUR RELATIONS COMPLIANCE PERFORMANCE INFORMATION****LABOUR RELATIONS ACT, 66 OF 1995, REPORTING REQUIREMENTS**

Section 98(2)(b)(i) of the LRA requires that "Every registered trade union and every registered employers' organisation must arrange for an annual audit of its books and records of account and its financial statements by an auditor who must report in writing to the trade union or employers' organisation and that report must express an opinion as to whether or not the trade union or employers' organisation has complied with those provisions of its constitution in relation to financial matters; and..."

## MVB AUDIT AND ADVISORY: REASONABLE ASSURANCE OPINION

“In our opinion, the South African Local Government Association complied with the compliance requirements of Section 98(2)(b) (i) of the Labour Relations Act, 66 of 1995, for the year ended 31 March 2022, in all material respects and in accordance with the constitution.”

In terms of the LRA Section 100(a), the organisation as an employer body for the local government sphere is required to certify that it accords with its records and reports on the number of its members on 31 March 2022.

The Secretary certifies the fulfilment of these requirements as follows:

### EMPLOYER BODY CERTIFICATION

I, Thembeka Mthethwa, hereby certify that the South African Local Government Association accords with its records. The organisation had 257 members as at 31 March 2023. The names of members are appended to this annual report as *Appendix B Municipal Members and Contact Details* on pages 196 to 209.



**Thembeka Mthethwa**  
Duly authorised

31 August 2023







*Joyce Moloi-Moropa*  
Chairperson

## REPORT OF THE PERFORMANCE MANAGEMENT AND REMUNERATION PANEL

The Performance Management and Remuneration Panel (RemPanel) is pleased to present its report for the year ended 31 March 2023. The RemPanel is a subcommittee of the National Executive Committee (NEC) and supports the implementation and institutionalisation of the performance management and remuneration system at SALGA. The panel is an advisory body to the NEC and is authorised to review, guide and support SALGA in the effective implementation of the organisation's Performance Management Policy and procedures, remuneration philosophy and strategy to successfully deliver the strategy of the organisation.

### RESPONSIBILITIES OF THE REMANEL

The main purpose of the committee is to ensure the adoption of performance and remuneration policies that attract and retain top talent, aligned with the SALGA Employee Value Proposition (EVP). The aim of the EVP is to create a great place to work where employees have an opportunity to grow their careers through experiences and connections that inspire them to make an impact on local government.

The RemPanel's Terms of Reference (ToR) include the following responsibilities:

- Adhere to the organisational Performance Management Policy and procedures and the remuneration philosophy

and strategy, as well as other policies aligned with SALGA's approved organisational strategy and business goals and objectives.

- Ensure that the remuneration strategy is market-related and competitive.
- Determine specific executive management remuneration packages that include short- and long-term performance-based incentives that consider the relationship between executive management and employee remuneration.
- Approve the design of short-term incentive schemes that include determining targets and participation thresholds.
- Approve the design of the long-term incentive schemes that include determining allocation criteria and performance conditions.
- Review and monitor progress in people management.
- Provide oversight of targets to ensure that these remain challenging and reflect SALGA's strategic objectives.
- Recommend and suggest actions to achieve agreed targets or assist where deviations from targets are probable.
- Provide the Chief Executive Officer with performance coaching.

### COMPOSITION OF THE COMMITTEE

Committee members comprise external public sector officials, private sector professionals and SALGA NEC members as ex-



officio members. The Committee is independent of SALGA's management structures and endeavours to retain and preserve its objectivity at all times.

Name	Role	Profession	Qualification/Expertise
<b>Ms Joyce Moloji-Moropa</b>	Chairperson	National Treasurer General of South African Communist Party (SACP) 2012 to date. Executive Chairperson, Masincazelane Investments (Pty) Ltd.	<ul style="list-style-type: none"> <li>Diploma in Administration and Business Communication, Vista University.</li> <li>BA, University of Limpopo.</li> <li>Postgraduate Diploma in Higher Education, University of Limpopo.</li> <li>Hons (Arts Literacy Studies), University of Limpopo.</li> </ul>
<b>Mr Sisa Njikelana</b>	Member	Board member of many organisations (1998 to date). Research Fellow in the Centre for Competition, Regulation and Economic Development by the Faculty of Economic and Financial Sciences, University of Johannesburg, 2015 to 2018. Councillor and Executive Committee member, Eastern Metropolitan Local Council, Greater Johannesburg Metro Council, 1995 to 1998.	<ul style="list-style-type: none"> <li>Diploma in Applied Social Studies, Ruskin College, Oxford University (UK) (1993).</li> <li>Certificate in Leadership Communication, Rhodes University (2006).</li> </ul>
<b>Ms Manching Benedicta Monama</b>  *CMPD: College of People Management and Development	Member	Admitted Attorney of the High Court of South Africa (1990).	<ul style="list-style-type: none"> <li>BProc, University of the North (1982).</li> <li>LLB, Wits University (1987).</li> <li>Executive Leaders in Development Programme, Harvard University (Boston) (2001).</li> <li>Finance for Non-Financial Managers, Wits Business School (2001),</li> <li>Senior Executive Programme, Harvard University (Boston) (2003).</li> <li>Project Management, Wits Business School (2005).</li> <li>Transport Planning Methodologies, Stellenbosch University (2010).</li> <li>Certificate CMPD* (Municipal Finance), Wits University (2014-2015).</li> </ul>
<b>Ms Barbara Lombard</b>	Member (until 31 July 2022)	Executive: Corporate Services Non-executive director on various other boards and board subcommittees. Nominated by CEO Communications Magazine for "Most Influential Women in Business and Government 2014 Awards".	<ul style="list-style-type: none"> <li>Diploma in General Nursing and Midwifery, Baragwanath Hospital.</li> <li>Industrial Relations, Wits Business School.</li> <li>Executive Development Programme, CTS (New School of Social Research New York, USA).</li> <li>International Registry of Organisation Design, Louw Du Toit &amp; Associates (UK).</li> <li>Telecommunications Network Engineering [Matthew Bolton, UK]</li> </ul>
<b>Ms Rosetta Xaba</b>	Member (until 31 July 2022)	Chartered Accountant (SA) Director	<ul style="list-style-type: none"> <li>BSc, Wits University.</li> <li>Postgraduate Diploma in Education, University of Eswatini, Swaziland.</li> <li>BCompt (Hons), Unisa.</li> <li>Postgraduate Diploma in Accounting, University of KwaZulu-Natal.</li> <li>Accounting Professional Training, University of Johannesburg and University of Cape Town.</li> </ul>

Name	Role	Profession	Qualification/Expertise
<b>Mr Zakhele Kganaga</b> *ICASA: Independent Communications Authority of South Africa	Member (from 1 August 2022)	Experience in executive roles. Served as HR and REMCO Executive at ICASA*.	<ul style="list-style-type: none"> <li>Global Executive Development Programme, GIBS, South Africa (2019).</li> <li>Master's in Public and Development Management (Specialisation in Change Management), Wits University, South Africa (2014).</li> <li>Certificate in Public and Development Management, Wits University, South Africa (2008).</li> <li>Senior Teachers Diploma, Kwena Moloto College of Education, South Africa (incomplete) (1997).</li> </ul>
<b>Mr Ulrich Le Kay</b>	Member (from 1 August 2022)	Certified Director and Independent Rewards Specialists	<ul style="list-style-type: none"> <li>Postgraduate Diploma in Business Administration, UNISA SBL (2013-2014).</li> <li>Certificate in Senior Leadership Development, University of Stellenbosch (2013-2014).</li> <li>BCom (Hons) in Human Resources, University of Pretoria (2003-2004).</li> <li>BCom (Statistics, Business Management, Industrial Psychology), University of Pretoria (2001-2003).</li> </ul>

## RECORD OF COMMITTEE MEETINGS AND ATTENDANCE

Committee meetings are scheduled according to the RemPanel ToR. NEC members and the SALGA CEO attend meetings by invitation. The Committee Chairperson reports to the NEC on RemPanel activities. The Committee met four times during the 2022-2023 financial year.

## THE PERFORMANCE MANAGEMENT AND REMUNERATION COMMITTEE (REMPANEL) MEMBERS, MEETINGS AND ATTENDANCE FOR THE 2022-2023 FINANCIAL YEAR

Name	Membership	Meeting dates and record of member attendance					
		11/07/2022	31/08/2022	12/12/2022	13/01/2023	28/02/2023	05/05/2023
Ms Joyce Moloi-Moropa	Chairperson	x	✓	✓	✓	x	✓
Ms Barbara Lombard	Member	✓	Contract ended				
Ms Rosetta Xaba	Member	✓	Contract ended				
Mr Sisa Njikelana	Member	✓	✓	✓	✓	✓	x
Ms Manching Benedicta Monama	Member	✓	✓	✓	✓	✓	✓
Mr Zakhele Kganaga	Member		✓	✓	✓	✓	✓
Mr Ulrich Le Kay	Member		✓	✓	✓	✓	Resigned
Cllr Flora Maboab-Boltman	NEC Member	✓	✓	✓	✓	✓	✓
Cllr Pule Shayi	NEC Member	✓	✓	x	✓	✓	x

## REMUNERATION PHILOSOPHY

SALGA's remuneration philosophy is designed to attract, develop and retain passionate, committed and talented people to implement SALGA's overall strategy effectively and benefit its members. The remuneration strategy for executive management is based on the principles of retaining key and critical skills and driving performance, aligned with SALGA's strategy, through guaranteed pay and short- and long-term incentives. A significant portion of the total potential executive management remuneration is performance related. This embeds behaviour that optimises organisational performance within any prevailing economic environment.

The RemPanel and NEC approved the SALGA Remuneration and Benefits Policy, which reflects the organisation's remuneration philosophy. The policy stipulates, *inter alia*, that all positions are evaluated for relative size, scope and impact according to the HAY job evaluation methodology.

### SALGA REWARDS STRATEGY

The organisation recognises that to attract and retain high calibre employees with specialised skills, it needs to provide a holistic, competitive and flexible reward offering that encompasses both financial and non-financial aspects. During the reporting period, the RemPanel reviewed the Rewards Framework and discussed the outcomes with the Executive Management Team. The proposed Rewards Framework will be finalised in the 2023-2024 financial year.

### PERFORMANCE MANAGEMENT FRAMEWORK

The Performance Management Framework enables line of sight as a key principle of focused delivery and contribution to the implementation of the 2022-2027 SALGA Strategy. The alignment between individual, team and organisational performance is built on an Employee Value Proposition pillar of "Opportunity for Impact", fostering a culture of high performance. The fair and consistent application of the framework is managed through the targeted standards agreed to during the performance planning phase and performance that is moderated at line level.

### APPROVAL AND MONITORING OF ORGANISATIONAL PERFORMANCE AS AGREED THROUGH THE ANNUAL PERFORMANCE PLAN (APP)

The Committee monitors and reviews organisational performance on a quarterly basis. SALGA's commendable performance during the past year of attaining 98% of its targets against pre-determined objectives attests to the Committee's consistent and effective oversight of organisational performance.

### MONITORING OF HUMAN CAPITAL PERFORMANCE

The RemPanel approved the 2022-2027 Human Capital and Corporate Service (HCCS) strategy that aligns to and enables the 2022-2027 SALGA strategy under the Agile Force of Influence outcome. The strategy, which is designed to deliver value to SALGA employees, culminates in this promise to employees:

*"Our promise to our employees is to give them an opportunity to grow their careers through experiences and connections that inspire them to make an impact" because "We don't do what we do because it is our jobs but our commitment to our municipalities and communities".*

### KEY RESOLUTIONS

The RemPanel took the following resolutions during the 2022-2023 period:

1. Recommended the implementation of the Performance Rewards for the 2021-/2022 financial year in terms of the Performance Management Policy to the National Executive Committee.
2. Noted that the Employee Recognition Awards event which is used to recognise employees who contributed beyond expectation to the success of SALGA.
3. Noted the Develop Dynamic Talent management strategies to meet SALGA's objectives and demands of the workforce of the future through the Talent Management Framework.
4. Noted the design of the Workforce Productivity Analysis tool to ensure that the implementation of remote work is measured and its productivity level is measurable.
5. Noted the development of the Employment Equity plan to ensure that it complies with the Labour Department's requirements and contributes to the country's drive towards meaningful, fair and equitable employment.
6. Approved the permanent appointment of senior managers and the applicable remuneration processes to retain and remunerate them strategically optimally.
7. Approved the alignment of the job evaluation approach to ensure fairness and consistency per job family and level.
8. Noted the 2023 Organisational Culture results as a means to create a workplace environment conducive to high performance.
9. Noted the organisational financial and non-financial performance as indicated below:
  - Noted the organisational quarterly financial and non-financial performance reports on the implementation of the Annual Performance Plan.
  - Noted the Annual Report for the 2021-2022 financial year.
  - Noted that the reports were submitted to CoGTA as part of PFMA compliance reporting and that the draft Annual Report was ready for submission for the external audit process.

### WAY FORWARD

The 2023- 2024 financial year will start with the strategy and performance review of the RemPanel as a governing structure and NEC sub-committee. The new financial year plan includes implementing the new Performance Management Framework, appointing a new Chief Executive Officer, cascading talent management to senior management level and implementing the Rewards Framework, along with implementing the new annual plans that seek to make an impact on local government.



**Joyce Moloi-Moropa**

Chairperson

Pretoria

31 July 2023



*Amanda Mazibuko*  
Chairperson

## REPORT OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee is pleased to present its report for the financial year ended 31 March 2023.

The SALGA Audit and Risk Committee is constituted in terms of section 77(a) of the Public Finance Management Act (PFMA), 1 of 1999, as well as Treasury Regulations 27.1.1; 3 and 4 and meets according to its approved Terms of Reference (ToR) and calendar.

The Audit and Risk Committee is a sub-committee of the National Executive Committee (NEC). The objectives of the committee are as follows:

- To provide oversight over the effectiveness, efficiency and transparency of systems of financial reporting, risk management and internal control maintained by SALGA, which contribute to the efficient and effective utilisation of resources, safeguarding of assets and the accomplishment of established strategic objectives for the operations and programmes of SALGA.
- To promote the efficiency and effectiveness of accounting and management information systems.
- To monitor that, in accordance with SALGA's responsibility to its members, justifiable decisions pertaining to service rendering are taken as indicated in policy statements and practices.

- To ensure that the organisation has put measures in place to enable compliance with applicable laws and regulations.
- To act as a distinct and clear communication channel between the NEC, Executive Management Team and external and internal auditors.
- To monitor the effectiveness of the Internal Audit function.
- To monitor management, internal audit and external audit with reference to the drafting, reviewing and auditing, respectively, of the financial statements.
- To enhance the objectivity and credibility of reporting to stakeholders.
- To receive, evaluate and conclude on the fair presentation of SALGA's annual financial statements.

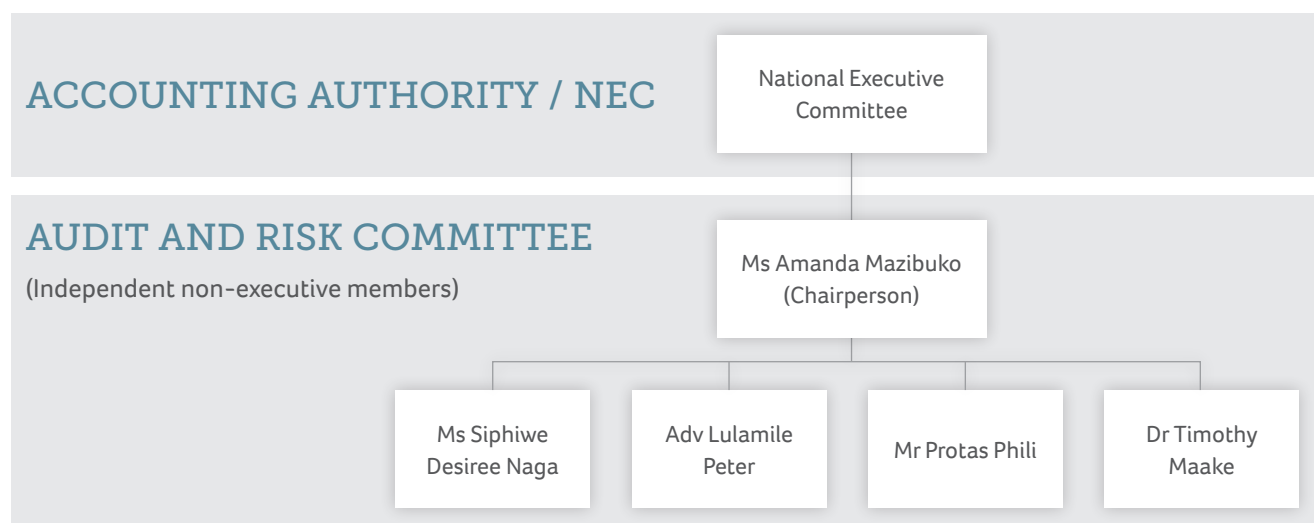
The Audit and Risk Committee is empowered to access all information necessary to assess and act upon and to convene meetings, including in-committee meetings, as deemed necessary to achieve its objectives.

### AUDIT AND RISK COMMITTEE MEMBERS

The Committee comprises independent members who are external professionals. It functions independently of management structures within SALGA and endeavours to retain and preserve its objectivity at all times.



The Audit and Risk Committee consists of the following independent non-executive members who are not members of the accounting authority/NEC:



### QUALIFICATIONS AND OTHER ROLES; BOARD MEMBERSHIP (PAST AND PRESENT)

Member	Profession	Qualifications
Ms Amanda Mazibuko	Certified Internal Auditor (CIA)(SA).	<ul style="list-style-type: none"> <li>BCompt, UNISA.</li> <li>BCompt (Hons), UNISA.</li> <li>MBA, University of KwaZulu-Natal.</li> </ul>
Adv Lulamile Peter	Admitted Advocate of the High Court of South Africa (2006).	<ul style="list-style-type: none"> <li>LLB, University of the Western Cape (2002).</li> <li>LLM, University of the Western Cape (2003).</li> <li>MSc (Medicine), Wits University (2009).</li> <li>Postgraduate Diploma in Drafting and Interpretation of Contracts, University of Johannesburg (2007).</li> <li>Postgraduate Diploma in Compliance Management, University of Johannesburg (2013).</li> <li>MPhil (Fraud Risk Management), University of Pretoria (2022).</li> </ul>
Mr Protas Phili	Chartered Accountant (CA) (SA).	<ul style="list-style-type: none"> <li>BCom, University of KwaZulu-Natal (1998).</li> <li>Postgraduate Diploma in Accountancy, University of KwaZulu-Natal (2000).</li> <li>Advanced Certificate in Auditing, Accounting Professional Training (APT) (2002).</li> <li>MCom (Taxation), University of KwaZulu-Natal (2006).</li> <li>Chartered Accountant South Africa (CA)(SA), SA Institute of Chartered Accountants (SAICA) (2006).</li> </ul>
Dr Timothy Maake	Doctor of Philosophy in Public Administration, University of Pretoria (2016).	<ul style="list-style-type: none"> <li>BAdmin (Public Administration and Local Government), University of Durban Westville (1996).</li> <li>Diploma in Financial Management, Damelin Management School (2003).</li> <li>Master of Public Administration, University of the North (2001).</li> <li>Certificate in Directorship, Institute of Directors (2008).</li> <li>Certificate in Business and Life Skills Coaching, University of Johannesburg (2010).</li> <li>Certificate in Management Development, Wits Business School (2013).</li> </ul>
Ms Siphwe Desiree Naga	Certified Internal Auditor (CIA). Certification in Control Self-Assessment (CCSA).	<ul style="list-style-type: none"> <li>BCom (Accounting), University of the North-West.</li> </ul>

## AUDIT AND RISK COMMITTEE MEMBERS' ATTENDANCE

The Committee met six times during the 2022–2023 financial year. The meetings were attended by the external auditors (Auditor-General), Chief Executive Officer, Chief Financial Officer, the Head of Internal Audit and other designated corporate office officials.

The Chairperson of the Audit and Risk Committee reports on Committee activities in terms of its Charter to the National Executive Committee. All members declared any personal or financial interests at each Audit and Risk Committee meeting in respect of matters on the agenda.

## AUDIT AND RISK COMMITTEE MEMBERS' RECORD OF MEETING ATTENDANCE DURING 2022–2023

Member	Record of Attendance					
	6 May '22	27 Jun '22	28 Jul '22	9 Dec '22	15 Dec '22	24 Mar '23
Ms Amanda Mazibuko Chairperson	N/a	N/a	N/a	✓	✓	✓
Adv Lulamile Peter Member	N/a	N/a	N/a	✓	✓	✓
Mr Protas Phili Member	N/a	N/a	N/a	✓	✓	✓
Dr Timothy Maake Member	N/a	N/a	N/a	✓	✓	✓
Ms Sipiwe Desiree Nage Member	✓	✓	✓	✓	✓	✓
Mr Andrew Mashifane Chairperson	✓	✓	✓	×	×	×
Adv Nosisa Kekana Member	✓	✓	✓	×	×	×
Mr Zukisani Samsam Member	✓	✓	∞	×	×	×
Mr Victor Songelwa Member	✓	✓	✓	×	×	×

### Legend:

- N/a New ARC member, term started 1 August 2022.
- ✓ Member attended the meeting.
- ∞ Member did not attend the meeting.
- × No longer ARC member, term ended on 31 July 2022.

## AUDIT AND RISK COMMITTEE RESPONSIBILITIES

The Audit and Risk Committee complied with its responsibilities arising from Section 51(1)(a)(ii) and Section 76(4)(d) of the PFMA, as well as Treasury Regulations 27.1. The Audit and Risk Committee adopted appropriate formal Terms of Reference (ToR) as its Audit and Risk Committee Charter and regulated its affairs according to the ToR and discharged all its responsibilities as contained therein.

## EFFECTIVENESS OF THE SYSTEM OF INTERNAL CONTROL

The review of the effectiveness of the system of internal control by the Audit and Risk Committee is informed by the reports submitted by the Internal Audit function, external auditors (Auditor-General) and management. Management is responsible for the development and maintenance of an efficient and effective internal controls system.

No significant findings have been included in the reports issued by the Internal Audit function and the Auditor-General.

Management continues to address the weaknesses in internal controls identified by assurance providers.

## INTERNAL AUDIT FUNCTION (IAF)

The Audit and Risk Committee monitored the work of the IAF against the approved Internal Audit Charter and the Internal Audit Coverage Plan throughout the financial year through its quarterly Committee meetings. The Committee is satisfied that the IAF addressed the risks pertinent to the organisation in its audits and that the resulting reported conclusions were independent and in full compliance with the approved Internal Audit Charter.

## RISK MANAGEMENT

SALGA follows an enterprise-wide risk methodology that is governed by its approved risk management framework. This process of identifying risks ensures that the entire risk universe of the organisation is covered. The identification of risks differentiates between strategic and operational risks to assign the required level of management and focus to the

identified risks. The strategic risks are elevated to the Risk Management Committee and ultimately to SALGA's Audit and Risk Committee, while the operational risks are managed by SALGA's line management.

The Risk Management Committee is responsible for ensuring that management strategies adopted in response to various risks are commensurate with the approved organisational approach. Operational risks are constantly monitored based on their frequency and occurrence to ensure that controls are adapted based on the risk exposure of each risk.

The Audit and Risk Committee is satisfied that SALGA's risk management process is effective and efficient to ensure that strategic and operational risks are identified early and managed.

### FINANCE AND SUPPLY CHAIN MANAGEMENT FUNCTIONS

The Audit and Risk Committee plays an oversight role over the Finance and Supply Chain Management (SCM) functions of the organisation through quarterly and ad-hoc reports that serve at the Committee during the financial year. The Committee is satisfied that the Finance and SCM functions are sufficiently resourced to execute their roles and responsibilities of safeguarding the assets of the organisation, maintaining effective internal financial controls and sound supply chain management practices in accordance with laws and regulations that govern the organisation.

The Committee is satisfied with the quality, clarity and adequacy of the information contained in the financial reports that served before it during the financial year and recommended the reports for approval by the National Executive Committee and

the Executive Authority. Equally, the Committee is satisfied with the SCM function, which is an integral unit under the direction of the Chief Financial Officer. The Committee also received corroboration on the effectiveness and adequacy of the Finance and SCM functions through the reports of the Auditor-General.

### REVIEW AND EVALUATION OF ANNUAL FINANCIAL STATEMENTS AND PERFORMANCE REPORT

The Audit and Risk Committee has:

- Reviewed and evaluated the annual financial statements of SALGA for the period ended 31 March 2023.
- Reviewed and evaluated the annual performance report of SALGA for the period ended 31 March 2023.
- Reviewed the Auditor-General's report and management letter, including management's response thereto.
- Recommended the audited annual financial statements and annual performance report for the period ended 31 March 2023 for approval by the Accounting Authority.

The Audit and Risk Committee concurs and accepts the conclusion by the Auditor-General on the annual financial statements and annual performance report. The Committee is of the opinion that the audited financial statements and annual performance report can be accepted and read in conjunction with the report of the Auditor-General.



**Amanda Mazibuko**  
Chairperson  
Pretoria  
31 July 2023



## CHIEF FINANCIAL OFFICER'S REVIEW

**Thembeka Mthethwa**  
Chief Financial Officer

### OVERVIEW OF OPERATING RESULTS

The results of operations for the year ended 31 March 2023 reflect a surplus of R77.2 million (2022: R192.8 million), which is a decrease of 59.9 percent.

### STATEMENT OF FINANCIAL PERFORMANCE

<i>R million</i>	2023	2022	2023 % change
Operating revenue	801.9	749.2	7.0
Operating expenditure	(783.6)	(591.6)	32.5
<b>Operating surplus</b>	<b>18.3</b>	<b>157.6</b>	<b>(88)</b>
Net non-operating revenue	59.0	35.2	67.2
<b>Surplus</b>	<b>77.2</b>	<b>192.8</b>	<b>(59.9)</b>

Total operating revenue increased by 7.0 percent to R801.9 million (2022: R749.2 million). The increase in operating revenue is due primarily to an increase of 6.5 percent in membership levies, which is attributable to inflationary adjustments and organic growth of the base used to derive the membership levy amount.

Total operating expenditure increased by 32.5 percent to R783.6 million (2022: R591.6 million). The increase in operating expenditure was attributable to increased activity as the economy opened up after Covid-19 that led to an increase in spending on the planned activities aimed at aiding municipalities.

Comparatively the expenditure trend, excluding the impact of the allowance for doubtful debt, indicates an increase in operating expenditure by 16.9 percent to R756.3 million (2022: R647.0 million). The trend indicates the increased efforts to assist municipalities, as can be seen by the increase in targets achieved from 92% in 2022 to 98% in 2023.

Net non-operating revenue increased by 67.2 percent to R59.0 million, due to an increase in bank interest received because of increased cash and cash equivalents held.



## MEMBERSHIP LEVIES

SALGA's formula to calculate membership levies is as follows:

### MEMBERSHIP LEVY FORMULA

Category of municipality	Applicable formula
Metropolitan municipalities	Flat rate of plus 1 percentage point above the Consumer Price Index (CPI).
Local and district municipalities	Prior year approved annual salary budget plus CPI with a minimum of R500 000.

Membership levy revenue comprises 91.0 per cent of SALGA's operating revenue streams. The rate at which levies are paid remains a key performance indicator for the organisation, as it determines the rate at which programme implementation is rolled out, as well as the organisation's operational sustainability.

### MEMBERSHIP LEVY PAYMENT LEVELS

As at 31 March 2023, the levy collection rate overall increased to 78 percent (2022: 76 per cent), while the collection rate for the current year bill increased to 91 per cent (2022: 88 per cent).

The convening of the PMAs assisted SALGA in ensuring that the levy payment levels increased, despite the subdued economic climate.

The prevailing subdued economic climate remains a major strategic risk for SALGA's ability to collect revenue from its members and, as such, SALGA is fast-tracking its alternate revenue generating capacity with a view to mitigate the possible deterioration in membership levy payment levels.

The payment levels per province for the 2022-2023 and 2021-2022 financial years are tabulated below.

### MEMBERSHIP PAYMENT LEVELS PER PROVINCE

<i>Percentage</i>	2023		2022	
	Current year	Overall	Current year	Overall
Eastern Cape	106	87	86	71
Free State	76	61	81	71
Gauteng	86	86	93	84
KwaZulu-Natal	89	83	94	88
Limpopo	95	77	91	78
Mpumalanga	96	92	86	85
Northern Cape	71	45	69	44
North West	80	62	68	55
Western Cape	97	93	97	93
<b>Organisational payment levels rate</b>	<b>91</b>	<b>78</b>	<b>88</b>	<b>76</b>

## REVENUE

The operating revenue for the year was R801.9 million (2022: R749.2 million).

### TOTAL OPERATING REVENUE

The organisation is funded primarily from membership levies charged to member municipalities. Membership levy revenue remained the main source of income for SALGA for the year under review and comprised 93 per cent (2022: 91 per cent) of total revenue.

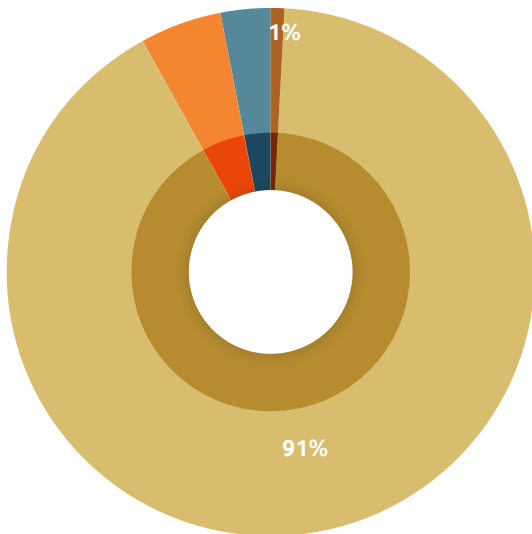
<i>R million</i>	2023	2022	2023 % change
Rendering of services - Membership levies	730.6	686.0	6.5
Transfers and subsidies - Executive Authority	36.3	35.4	2.6
Revenue from capacity building programmes	-	-	-
Delegate registration fee revenue - exchange transactions	10.6	10.6	-
Other revenue from exchange transactions	-3.7	-2.1	75.6
<b>Total operating revenue</b>	<b>801.9</b>	<b>749.2</b>	<b>7.0</b>

Membership levy revenue increased by 6.5 per cent to R730.6 million (2022: R686.0 million), due largely to inflationary adjustment, as well as the organic growth in the number of budgeted municipal headcount.

Total operating revenue increased by 7.0 per cent to R801.9 million (2022: R749.2 million).

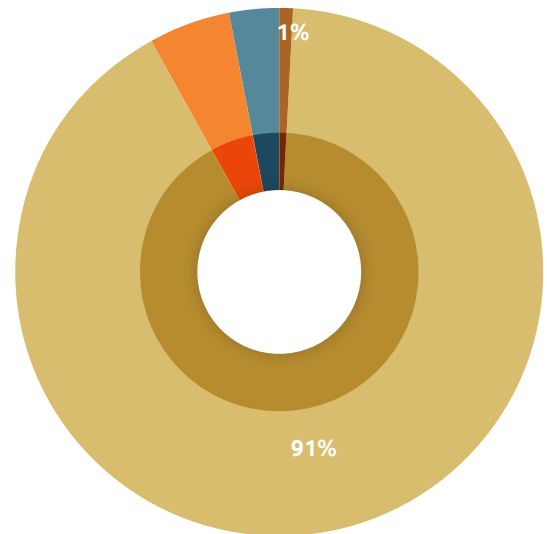
Transfers and subsidies from the Executive Authority increased by 2.6 per cent to R36.3 million (2022: R35.4 million). The revenue from non-exchange transactions increased by 45.6 per cent due to the implementation of donor-funded programmes.

The operating revenue and expenditure distribution for the 2023 and 2022 financial years are indicated below:



■ Rendering of services - Membership levies  
 ■ Transfers and subsidies Executive Authority  
 ■ Revenue from non-exchange transactions  
 ■ Other revenue

**Figure 1:** Operating revenue distribution (2022-2023).



■ Rendering of services - Membership levies  
 ■ Transfers and subsidies Executive Authority  
 ■ Revenue from non-exchange transactions  
 ■ Other revenue

**Figure 2:** Operating revenue distribution (2021-2022).

## EXPENDITURE

The expenditure for the year was R591.6 million (2021: R579.7 million).

### TOTAL OPERATING EXPENSES

<i>R million</i>	2023	2022	2023 % change
Employee-related cost	112.3	100.8	11.3
Programme cost	453.2	389.8	16.3
Administrative overheads	97.9	9.7	913.9
Depreciation and amortisation	5.2	5.2	0.0
Other operating expenses	114.9	86.6	32.5
<b>Total operating expenditure</b>	<b>783.6</b>	<b>591.6</b>	<b>32.5</b>

Employee-related costs increased by 11.3 per cent to R112.3 million (2022: R100.8 million) due to an increase in the organisation's headcount.

Programme costs increased by 16.3 per cent to R453.2 million (2022: R389.8 million) as a result of increased activity in assisting municipalities, as well as the convening of the Provincial Members Assembly (PMA).

Administrative overheads increased to R97.9 million (2022: R9.7 million), due primarily to an increase in allowance for doubtful debt by R27.2 million (2022: a decrease by R55.1 million).

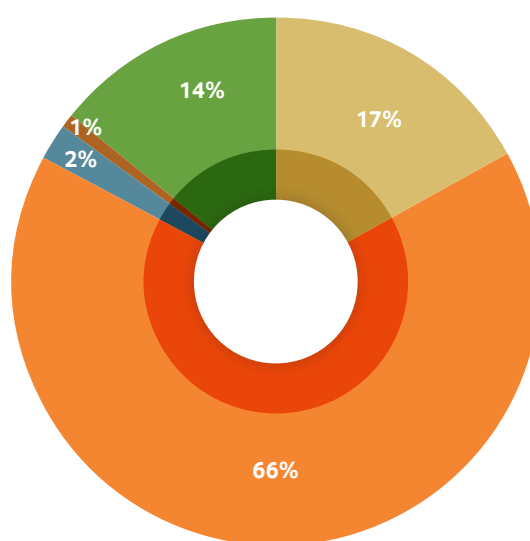
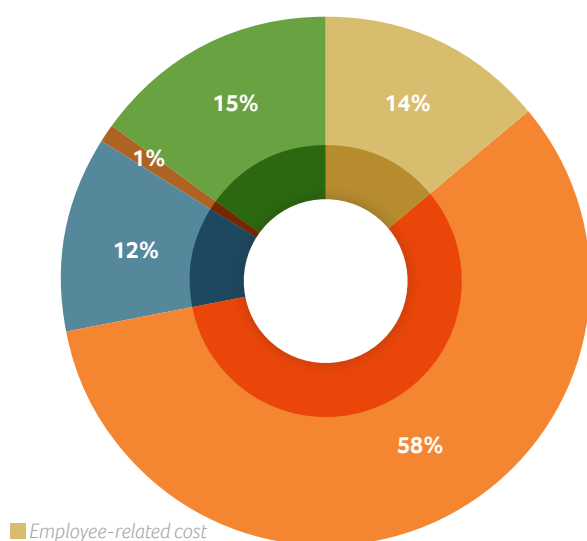
Other operating expenses increased by 33.5 per cent to R114.9 million (2022: R86.1 million), due to SALGA's profiling costs incurred during the year to create awareness about the role SALGA plays in assisting municipalities.

SALGA maintains a procurement and provisioning system that is fair, equitable, transparent, competitive and cost-effective, as required by the SA Constitution and outlined in various National Treasury regulations.

Programme costs are incurred in pursuance of the organisation's mandate, namely for:

- Lobbying, advocacy and representation.
- The employer role.
- Capacity building.
- Support and advice.
- Strategic profiling of the local government sector.
- Knowledge and information sharing.

The costs incurred for executing the organisation's mandate as outlined above constitute services rendered to directly benefit municipalities. The figures below illustrate the distribution of operating expenditure for the 2023 and 2022 financial years.



- Employee-related cost
- Programme cost
- Administrative overheads
- Depreciation and amortisation
- Other operating expenses

**Figures 3 and 4:** Operating expenditure distribution for 2022-2023 and 2021-2022.

## COMPARISON OF ACTUAL OPERATING RESULTS AGAINST ADJUSTED BUDGET

The SALGA budget is prepared on an accrual basis, which is comparable with the financial statements. The budgets mentioned below covered the period 1 April 2022 to 31 March 2023. The budget is prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance.

### ACTUAL VS BUDGET COMPARISON

Comparison of actual operating results against adjusted budget	Actual 2023	Adjusted Budget 2023	Variance
<i>R million</i>			
Total revenue from exchange transactions	R 798.0	R 776.7	R 21.3
Total revenue from non-exchange revenue	R 64.4	R 45.9	R 18.5
<b>Total revenue</b>	<b>R 862.4</b>	<b>R 822.6</b>	<b>R 39.8</b>
Total Expenses	R 785.1	R 822.3	-R 37.2
<b>Surplus for the year</b>	<b>R 77.2</b>	<b>R 0.3</b>	<b>R 2.6</b>

The operating surplus for the year ended 31 March 2023 is R77.2 million versus the adjusted budgeted R0.3 million. This is attributable to underspending in administration costs because of concerted efforts to curb spending in the organisation.

### FINANCIAL POSITION

<i>R million</i>	2023	2022	2023 % change
Current Assets	743.6	619.0	20.1
Non-Current Assets	47.5	52.8	(10.2)
<b>Total Assets</b>	<b>791.1</b>	<b>671.8</b>	<b>17.8</b>
Current Liabilities	144.4	102.8	40.4
Non-Current Liabilities	3.6	3.2	14.6
<b>Total Liabilities</b>	<b>148.0</b>	<b>106.0</b>	<b>39.7</b>
<b>Total Net Assets</b>	<b>643.1</b>	<b>565.9</b>	<b>13.7</b>
<b>Total Net Assets and Liabilities</b>	<b>791.1</b>	<b>671.8</b>	<b>17.8</b>

The financial position of the organisation as at 31 March 2023 reflects positive net assets of R643.1 million (2022: R565.9 million). The growth of 13.7 per cent in net assets is underpinned by the strong financial performance for the year under review, coupled with an increase in cash and cash equivalents held at the end of the year.

The accumulated surplus is used for working capital and capital expenditure. It is also anticipated that SALGA's programmes to assist municipalities will grow as the organisation commences with the implementation of its five-year strategy.

### CAPITAL EXPENDITURE

<i>R million</i>	2023	2022	2023 % change
Capital acquisitions	7.0	6.0	16.6

Asset additions for the period under review, including intangible assets, amounted to R7.0 million (2022: R6.0 million), as aligned with the organisation's Capital Asset Acquisition Strategy (CAAS).



## OUTLOOK FOR THE YEAR AHEAD

The current economic climate calls for a tightening of our purse to ensure SALGA weathers the storm, especially with our member municipalities facing serious financial constraints. Hence, SALGA is re-thinking its strategies and revenue modelling. The revenue diversification strategy is still in its infancy but remains a critical focus area for SALGA to remain viable and financially sustainable in the foreseeable future.

The digitisation of processes, cash flow management and cost rationalisation are key important strategic focus areas for the year ahead, which will also be the second year of the implementation of SALGA's new five-year 2022–2027 strategic plan.

## CONCLUSION

In conclusion, I sincerely thank the Chief Executive Officer and my executive colleagues for their continued support, leadership and strategic direction.

In addition, I also extend my appreciation to the Finance, Supply Chain and Business Development teams for their immense dedication and contribution during the past year.

Lastly, I thank the members of the Performance Management and Remuneration Committee and Audit and Risk Committee for their wise counsel and strategic direction as part of their oversight role.



**Thembeka Mthethwa**  
Chief Financial Officer  
31 August 2023







PART D  
**HUMAN  
RESOURCE  
MANAGEMENT**

## INTRODUCTION

SALGA identifies human capital as an enabler of organisational effectiveness that impacts our ability, through our employees, to fulfil our mandates and, similarly, the ability of our member municipalities to do the same through their employees. By investing in our employees and creating a supportive work environment, SALGA aims to leverage the full potential of our human capital to drive sustainable growth and development in the local government sector.



The focus of SALGA's Human Capital and Corporate Services (HCCS) during the past financial year was the development and implementation of the first year of the 2022-2027 Human Capital Strategy. The strategy identifies several objectives aligned with the delivery of SALGA's strategic objectives.

Key projects for 2022-2023 included, among others, the launch of project IPHUPHO to implement a cloud-based Human Capital Information System, participate in and implement various culture initiatives and launch a new performance management framework.

The past year also saw the embedding of SALGA's Employee Value Proposition (EVP), "Our Promise", which is a commitment to provide employees with career growth opportunities that will inspire them to make an impact.

We identified four main strategic objectives to ensure that the organisation is well-positioned internally to fulfil its municipal member mandates:

- A culture transformation journey that delivers a great customer experience through SALGA's Employee Value Proposition.
- An Integrated Talent Management Strategy to attract and retain the best talent.
- Organisational capability to enable future sustainability.
- Strategic and professional advisory services.

## STRATEGIC OBJECTIVE 1

### A CULTURE TRANSFORMATION JOURNEY THAT DELIVERS A GREAT CUSTOMER EXPERIENCE THROUGH SALGA'S EVP

Organisational culture determines how employees experience their workplace, which is a key enabler of organisational success. SALGA is keenly aware of the fact that the successful implementation of its strategy depends on engaged employees who are psychologically connected with and care about the organisation.

#### CULTURE INITIATIVES

These initiatives aim to foster a positive work environment through organisational and culture development initiatives to enhance our employee value proposition and create a dynamic and performance-driven business culture.

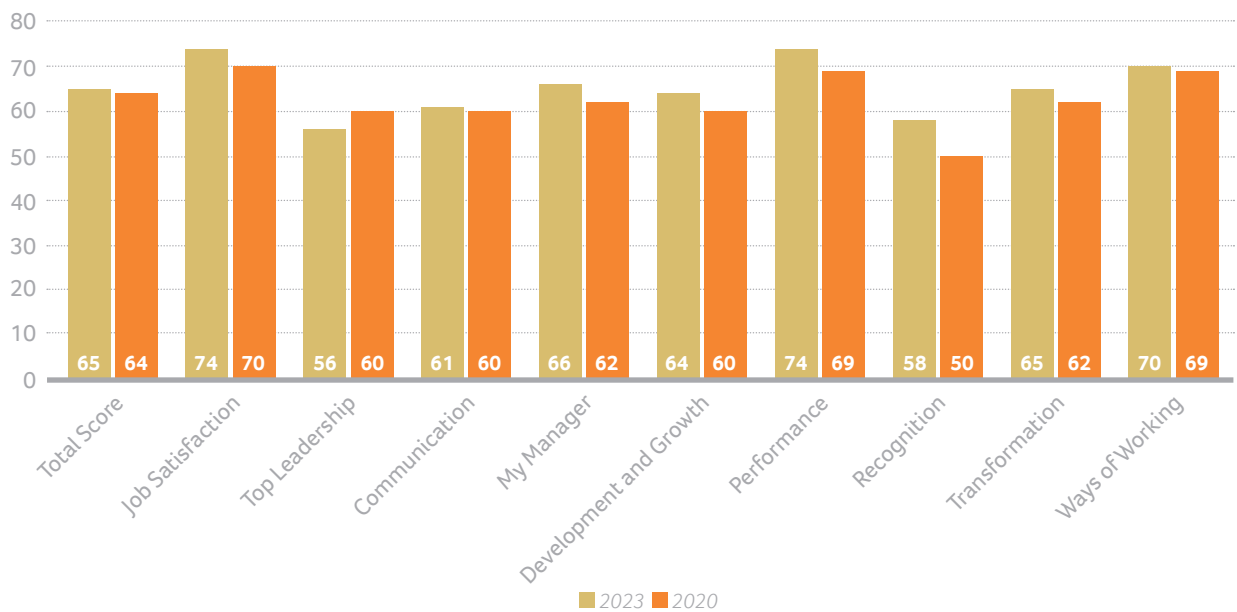
An organisation's Net Engagement Score (NES) is key to measuring employees' psychological connectedness to and engagement with the employer brand. During the reporting period, SALGA's initiatives in this regard included a culture survey, leadership and line manager development programmes, Women's Forum, team effectiveness sessions and further enhancements to the employee recognition programme.

## CULTURE SURVEY

We conducted a culture survey in March 2023 to measure the progress and impact of culture initiatives since a similar survey in 2020. The results showed an improvement in employee perceptions about SALGA's employee value proposition and ongoing initiatives in this regard in helping to embed a strong and positive organisational culture.

The results confirmed that we had met our culture improvement targets for the past financial year and provided input into action plans for continuous improvement in the period going forward.

The table below shows an improvement in all but one of the culture themes.



The SALGA Culture Survey results for the 2020 and 2023 financial periods.

## LEADERSHIP DEVELOPMENT PROGRAMME

The SALGA leadership team embarked on the Gestalt journey of individual development, team cohesiveness and embedding organisational culture. The Gestalt focus is on the whole being greater than the sum of its parts, with a focus on self-consciousness. The objectives of this engagement are to:

- Support leadership development by applying Gestalt methodology.
- Understand the dynamics within the leadership team and explore the impact of those dynamics on individuals and organisation.
- Understand the links between organisational performance, leadership behaviour and organisational culture and health.

## LINE MANAGER DEVELOPMENT PROGRAMME

A tailor-made Line Manager Development programme will be implemented in the next financial year with the following key benefits:

- Provide participants with business and political acumen with the skills to manage people (people practicing “The

SALGA Way”) in a VUCA and future work environment.

- Foster a leadership style and ethos that provides a consistent employee experience.

## WOMEN'S FORUM

### 2022 Women's month

The South African theme for the 2022 Women's month was socio-economic rights and empowerment for women to rebuild resilience. SALGA hosted a “My Story-My Victory” event on 3 September 2022 to create a safe space for female employees to share their stories of resilience from a diverse range of personal and work experiences to inspire and empower others. The session encouraged the sharing of stories and lessons learnt as a testimony to strength, wisdom and victory over adversity.

### 2022 TopCo Women's Empowerment Conference

SALGA partnered with TopCo Media and Standard Bank to host the Top Women Virtual Conference 2022 from 12-13 October. Participation in the event, attended by 12 000+ businesswomen, is aligned with the pillars of SALGA's Women's Forum of giving a



voice to women and affirming SALGA as an employer of choice. Feedback from event attendees confirmed the impact of SALGA's session and contributed to profiling our employees and the positioning of our brand as a preferred employer.

### EMPLOYEE RECOGNITION PROGRAMME (ERP)

The ERP is aimed at recognising and rewarding employees who go the extra mile to create an impact within local government. Employee recognition contributes positively to productive and performance-driven organisational culture.

The 2021-2022 Employee Recognition Awards (ERA) event on 29 July 2022 celebrated "African Elegance" to emphasise that SALGA's ability to attract and retain top talent provide employees, through their impact in local government, with the opportunity to contribute to Africa rising. Recognition awards went to 38 employees, while 33 employees received long service awards.

### TEAM EFFECTIVENESS AND CULTURE CONVERSATIONS

Effective teamwork increases trust, cohesiveness, productivity, morale, motivation and the quality of work, all of which equates to high performance. During the reporting period, SALGA's team effectiveness programmes focused on:

- Goals: Well-defined objectives, desired results and clearly communicated priorities and expectations.
- Roles: Well-defined responsibilities and acceptance of a leader.
- Processes: Clear decision-making work processes and procedures.
- Interpersonal relationships: Effective communication, trust, cohesiveness and the courage to have difficult conversations.

The nine team effectiveness sessions and culture conversations during the 2022-2023 financial year contributed significantly to improving organisational culture.

### EMPLOYEE WELLNESS INTERVENTIONS

Employee wellness programmes are a strategic intervention to identify and manage employees' personal, health and work-related concerns and challenges proactively. Corporate wellness initiatives are designed to keep employees healthier and engaged with enhanced productivity at work since illness, absenteeism and presentism can impact productivity negatively.



## WELLNESS INTERVENTIONS

The 2022-2023 employees wellness interventions entailed:

- Return to office and adjustment.
- Corporate Wellness Day.
- Cancer awareness, drug and alcohol abuse.
- Cost-effective healthy cooking tips.
- Men's health session.
- Men's dialogue.
- Mental Health and Resilience workshop.

## EMPLOYEE WELLNESS PROGRAMME (CAREWAYS) UTILISATION RATE

The utilisation rate for the employee wellness programme for 2022-2023 (22.95%) remains higher than that of the government sector (8.73%) and the Life Health Solutions Benchmarks (11.54%).

## COVID-19 MANAGEMENT

During 2022-2023, seven confirmed cases were reported. Psycho-social support was provided to affected employees. All employees have recovered fully.

## FINANCIAL WELLNESS

During the reporting period, a representative from Old Mutual facilitate financial wellness about the Old Mutual Superfund, retirement planning, estate planning and wills to assist employees to make informed decisions about utilising the pension-backed home loan facility.

## REMOTE AND FLEXIBLE WORKING

SALGA continues to create a dynamic work environment for its employees. As such, our Remote and Flexible Working Policy responds to the changing needs of employees and the future world of work.

During the period under review, HCCS facilitated roadshows on change management for the Remote Work Policy. An online remote work agreement form was shared with all employees, while our Line Manager Development Programme empowered line managers with the skills to manage teams remotely.

## SALGA STAFF COMPLEMENT AT 31 MARCH 2023

Occupational Level	Male						Male Total	Female					Female Total	Grand Total
	African	Coloured	Indian	White	Foreign National	African		Coloured	Indian	White	Foreign National			
Top Management	9	1	1	0	0	11	7	1	0	1	0	9	20	
Senior Management	18	2	1	1	0	22	17	0	3	1	0	21	43	
Mid-management	49	4	1	7	0	61	43	2	1	2	2	50	111	
Junior Management	56	5	1	2	1	65	65	7	3	5	1	81	146	
Semi-Skilled	12	1	0	0	0	13	57	1	1	6	0	65	78	
Unskilled	25	0	0	0	0	25	46	3	0	0	0	49	74	
<b>Total</b>	<b>169</b>	<b>13</b>	<b>4</b>	<b>10</b>	<b>1</b>	<b>197</b>	<b>235</b>	<b>14</b>	<b>8</b>	<b>15</b>	<b>3</b>	<b>275</b>	<b>472</b>	

## THE BENEFITS OF WORKING REMOTELY

- SALGA is positioned as a leading employer in local government and beyond.
- A psychological contract with employees and their connection with the organisation's values.
- Access to wider talent pools with opportunities to access scarce skills.
- Decrease in health exposure risks.
- Better coordination between work and home priorities for employee to excel at work and in their personal lives.
- Less operational expenditure, including office space and utilities.
- Real time solutions, time and availability available to our member municipalities.

## COLLECTIVE BARGAINING

The establishment of the bargaining forum was approved in September 2022 by the NEC. The focus is on capacity building for both management and employee representatives, review of the recognition agreement and constitution of the bargaining forum. Training on Negotiation Skills for the management representatives has been scheduled and confirmed for 20 to 23 June 2023.

## STRATEGIC OBJECTIVE 2

### AN INTEGRATED TALENT MANAGEMENT STRATEGY TO ATTRACT AND RETAIN THE BEST TALENT

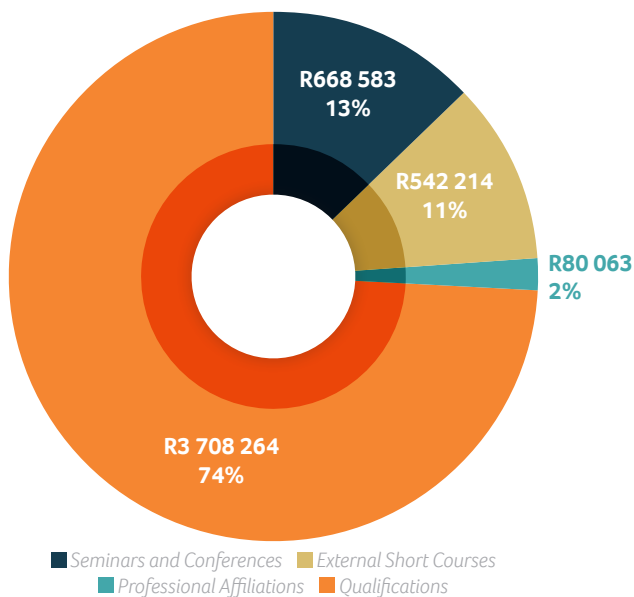
Integrated Talent Management (ITM) is a structured and strategic approach of getting the right people, at the right level and at the right time to help achieve organisational objectives. The integration of talent management implies an alignment with the entire employee cycle, which impacts business results directly and positively.

## STAFF COMPLEMENT

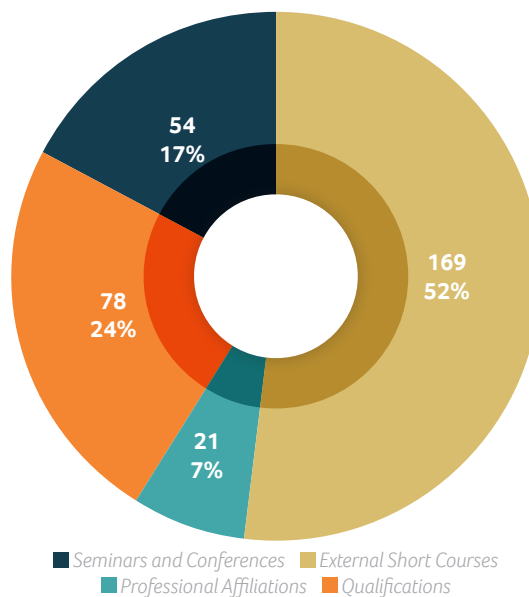
Since March 2022, the staff complement has increased by 18.59% (74). This increase has been due mainly to the intake of graduates and filling of approved vacant positions.

## LEARNING AND DEVELOPMENT

### ORGANISATIONAL SPEND ON LEARNING INTERVENTIONS FOR THE 2022-2023 FINANCIAL YEAR



Figures 5: Learning Spend.



Figures 6: Number of employees who received learning interventions.

#### EMPLOYEE STUDY ASSISTANCE

In line with the EVP pillar of “Investing in our Talent”, SALGA continued to invest in developing the knowledge and skills of employees through study assistance in areas relevant to its operations and aligned with South Africa’s skills development legislative requirements.

During the reporting period, 74 employees received study assistance.

#### UNEMPLOYED YOUTH

SALGA is mandated to transform local government and, as such, contributes to the alleviation of youth unemployment in South Africa. Skills development (SD) is one of the priority pillars in the B-BBEE scorecard. SALGA is required to aim for a SD score of at least 40%. We do this by training unemployed people on any programme that will assist with life skills as well as potentially reduce unemployment. During the reporting period, we identified a one-day entrepreneurial workshop conducted by the Business Optimisation Training Institute for 20 unemployed youth on 31 March 2023.

The entrepreneurial workshop equipped the unemployed delegates with the knowledge and business tools to start a business by developing a business plan, financing the business and hiring and training employees.

#### GRADUATES PROGRAMME

Further to its contribution to managing the high levels of unemployed youth in South Africa, SALGA appointed 48 graduates to gain work experience throughout the organisation.

The graduates’ qualifications are aligned with SALGA’s skills requirements. They benefit from gaining the experience that contributes to their employability and SALGA benefits from affirming its positioning as a responsible corporate citizen, as well as contributing to skills development and employment in South Africa.

The graduate programme develops graduates through experiential learning and specific training that prepares them for the world of work and provides lifelong skills to thrive in the workplace. During the reporting period, we sourced a service provider to also provide graduates with job-readiness training in the form of soft and technical skills.

#### LINKEDIN

LinkedIn enabled SALGA employees to access a wide array of learning titles online using any platform, at anytime and anywhere. There was an increase in learning titles that are linked to remote work. This indicated that SALGA employees are keen to be effective as individual employees, line managers and/or while participating in teams when working remotely.

We sourced Udemy Online School when LinkedIn was phased out. This platform provides a wider range of learning courses and reporting that will contribute to SALGA’s investment in skills development for B-BBEE reporting.

#### PERFORMANCE MANAGEMENT

The NEC approved the revised Performance Management Framework on 22 September 2022 and requested SALGA to strengthen the ability of municipalities to manage performance management issues. A strong focus of the revised framework

is line-of-sight, team performance (aligning individual and organisational performance) and the correlation of bonus allocations with the scorecard.

## STRATEGIC OBJECTIVE 3

### ORGANISATIONAL CAPABILITY TO ENABLE FUTURE ORGANISATIONAL SUSTAINABILITY

The role of HCCS is to ensure that the organisation has the capacity and agility to transition into the future.

#### HUMAN CAPITAL INFORMATION SYSTEM

During 2022-2023, HCCS implemented the cloud-born integrated Ornecy Human Capital Information System through Project IPHUPHO. The system enables the efficient management of employee lifecycles while employed at SALGA. The integrated system also provides employees with positive on-boarding, learning, performance review and remuneration experiences.

#### WORKFORCE PRODUCTIVITY

SALGA commissioned the development of a Composite Workforce Productivity Index (CWPI) to serve as a baseline for measuring and monitoring our workforce. The quantitative measure combines financial and people-related metrics that impact productivity. The 2022-2023 CWPI of 1.39 indicated very good workforce productivity. We will continue to measure the workforce productivity annually in the period going forward.

#### CHANGE MANAGEMENT

Change management supports the people side of the change (includes raising awareness, managing stakeholder expectation and anxiety, communication, training and coaching). Information about the key features of the performance management system and related progress updates were communicated continuously throughout the organisation. The change management process during the past year focused on the following key issues:

- Project IPHUPHO.
- 2022-27 SALGA Strategy.
- Understanding the New Performance Management Framework.
- Socialising the Remote Work Policy and flexible working arrangements.
- Remuneration and benefits (risk and funeral benefits changes).

#### ORGANISATIONAL DESIGN

SALGA partnered with 21<sup>st</sup> Century to conduct an organisation-wide work study, as communicated to the Executive Management

Team. The work study objectives are to:

- analyse and simplify work done to improve productivity.
- identify ways to improve the processes, efficiency and effectiveness of positions.
- analyse and recommend capacity improvements that align with SALGA's operating model.
- recommend the optimum utilisation of resources.

The next phase of the work study project, which started at the end of 2022-2023, entails the actual work study analysis and will be completed during the 2023-2024 financial year.

## STRATEGIC OBJECTIVE 4

### STRATEGIC AND PROFESSIONAL ADVISORY SERVICES

#### EMBEDDING BUSINESS PARTNERING

HCCS uses business partners to provide strategic and professional advisory services. Human Resources (HR) contributes:

- Tailor-made HR solutions for each business unit.
- Employee value chain entry-to-exit management and relationship management with all clients (including executives, staff, candidates).
- Risk management.
- Workforce data analytics to assist with decision-making.

This is supported through sufficient visibility of the HRBP and frequent and meaningful communication about HR solutions coupled with good governance. During the reporting period, visibility was increased through team effectiveness sessions and organisation-wide roadshows in partnership with the Strategy and Business Planning unit.

#### HUMAN RESOURCES OVERSIGHT STATISTICS

The following tables highlight SALGA's HR oversight statistics for the reporting period.

#### PERFORMANCE REWARDS

Programme//activity/objective	Performance rewards
Top management	R4,242,504.20
Senior management	R3,677,423.81
Professional qualified	R6,758,028.29
Skilled	R6,883,412.55
Semi-skilled	R1,400,512.82
Unskilled	R183,067.37
<b>TOTAL</b>	<b>R23,144,949.04</b>



## TRAINING COSTS

Programme/activity/objective	Training Expenditure (R'000)	Number of employees trained	Average training cost per employee
Professional affiliations	R80,063	21	R3,813
Qualifications	R3,708,264	78	R47,542
Seminars and conferences	R668,583	54	R12,381
External short courses	R542,214	169	R3,208
<b>TOTAL</b>	<b>R4,999,124</b>	<b>322</b>	<b>R15,525</b>

## EMPLOYMENT AND VACANCIES

The filling of vacancies in 77 critical positions were approved in August 2022 and the process of filling these vacancies continued throughout the 2022-2023 financial year. The total number of 113 vacant positions included replacement vacancies and 61 vacancies were filled. The challenges experienced in filling vacancies resulted from the non-availability of different stakeholders involved in the recruitment process and the hold placed on filling some vacancies due to business reasons.

## EMPLOYMENT AND VACANCIES AT SALGA FOR THE 2022-2023 FINANCIAL YEAR

	2021-2022 Number of Employees	2022-2023 Approved Posts	2022-2023 Number of Employees as at 31 March 2023	2022-2023 Vacancies as at 31 March 2023	% of vacancies
Top management	22	8	20	8	40.0%
Senior management	35	13	42	6	14.3%
Professional qualified	96	41	111	14	12.6%
Skilled	133	28	143	10	7.0%
Semi-skilled	80	17	77	8	10.4%
Unskilled	26	6	26	6	23.1%
<b>TOTAL</b>	<b>392</b>	<b>113</b>	<b>419</b>	<b>52</b>	<b>12.4%</b>
Temporary	5	0	6	0	
Graduates	4	0	47	0	
<b>GRAND TOTAL</b>	<b>401</b>	<b>113</b>	<b>472</b>	<b>52</b>	

The vacancy rate of 12.4% does not include temporary and graduate employment.

## EMPLOYMENT CHANGES

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Employment at End of Period
Top management	22	1	3	20
Senior management	35	9	3	43
Professional qualified	98	16	8	111
Skilled	134	23	4	146
Semi-skilled	82	6	8	78
Unskilled	30	45	3	74
<b>Total</b>	<b>401</b>	<b>100</b>	<b>29</b>	<b>472</b>

The appointment rate of 22.5% for the 2022-2023 financial year was influenced mainly by the intake of 45 graduate trainees. The appointment rate excluding the graduate trainees was 13.3% for the reporting period, which is at the expected level due to filling of approved critical and replacement vacancies.

## REASONS FOR STAFF LEAVING THE ORGANISATION

Reason	Number	% of Total Number of Staff Leaving
Death	0.00	0.0%
Resignation	22.00	75.9%
Dismissal	1.00	3.4%
Retirement	1.00	3.4%
Ill-health	0.00	0.0%
Expiry of contract	5.00	17.2%
Other	0.00	0.0%
<b>Total</b>	<b>29.00</b>	<b>100%</b>

In total, 29 terminations took place during the 2022-2023 financial year at a turnover rate of 6.53%, which is lower than the 7% norm. The turnover rate was influenced mainly by resignations, which accounted for 4.95% of the total turnover rate. A net hire ratio of 3 for the reporting period was achieved or, on average, three employees were appointed for every termination.

HCCS uses team effectiveness and culture sessions to get a deeper understanding of team challenges in this regard. We

also use exit interviews as a tool to understand the reasons for resignations.

## LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

During the past year, disciplinary action resulted from the following reported cases:

Disciplinary Action	Number
Verbal warning	1
Written warning	0
Final written warning	2
Dismissal	1

## EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

SALGA's new Employment Equity (EE) plan took effect on 1 September 2022. The plan realigns race, gender and disability targets for the next five years. Progress on the EE was minimal in the final quarter of the 2022-2023 financial year due to a business imperative hold on recruitment. As a result, attrition was a substantive reason for any major changes in this area.

### Males

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	9	13	1	1	1	1	0	0
Senior management	18	18	2	3	1	1	1	1
Professional qualified	49	54	4	5	1	0	7	5
Skilled	56	57	5	6	1	1	2	2
Semi-skilled	12	17	1	1	0	0	0	1
Unskilled	25	17	0	0	0	0	0	0
<b>TOTAL</b>	<b>169</b>	<b>176</b>	<b>13</b>	<b>16</b>	<b>4</b>	<b>3</b>	<b>10</b>	<b>9</b>

### Females

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	7	10	1	1	0	0	1	1
Senior management	17	18	0	0	3	2	1	1
Professional qualified	43	44	2	2	1	3	2	2
Skilled	65	71	7	8	3	3	5	4
Semi-skilled	57	59	1	4	1	1	6	6
Unskilled	46	21	3	3	0	0	0	0
<b>TOTAL</b>	<b>235</b>	<b>223</b>	<b>14</b>	<b>18</b>	<b>8</b>	<b>9</b>	<b>15</b>	<b>14</b>

## EMPLOYEES WITH DISABILITY

Seven employees with a disability (1.5 of total employee complement) resigned during the reporting period. The target for employees with a disability is not set according to level,

race or gender. SALGA is working towards a government-recommended disability target of 2.5% or 12 employees. Going forward, we will open opportunities for learners/graduates with a disability when we recruit trainees.

Levels	Current Disabled Staff		
	Male	Female	Total
Top management	0	0	0
Senior management	0	0	0
Professional qualified	2	0	2
Skilled	0	1	1
Semi-skilled	2	2	4
Unskilled	0	0	0
<b>TOTAL</b>	<b>4</b>	<b>3</b>	<b>7</b>

## CORPORATE SOCIAL RESPONSIBILITY

### NELSON MANDELA DAY CELEBRATIONS

*“Do what you can, with what you have, wherever you are”.*

Nelson Mandela Day is an annual celebration that takes place globally on 18 July to honour the life and legacy of Nelson Mandela. This day is a call to individuals, communities and organisations to take time to reflect on Mandela’s values and principles and to make a positive impact in their own communities.

In November 2009, the UN General Assembly declared 18 July “Nelson Mandela International Day” when citizens are encouraged to spend 67 minutes of their time in service to those in need. These 67 minutes are in appreciation of the 67 years that Nelson Mandela spent fighting for justice, equality and human rights for all.

SALGA has been commemorating Nelson Mandela Day since its official declaration by the UN, often in partnership with our stakeholders. One such collaboration is SALGA’s partnership with the Nelson Mandela Foundation (NMF) that has been in place since 7 July 2017. SALGA and the NMF collaborated to address social issues and societal challenges through providing education and literacy to restore dignity and create social cohesion.

The message that Nelson Mandela International Day want to convey is that everyone has the power and ability to transform the world and make an impact for the greater good. The NMF and UN adopted the theme “Do what you can, with what you have, where you are” for the 2022 Nelson Mandela Day celebrations to focus the activities of individuals and organisations worldwide on food and nutrition.

SALGA’s participation in celebrating Madiba’s legacy in 2022 focused on promoting communities and backyard gardens, supporting fruit and indigenous tree planting and creating awareness about the impact of climate change on food security. SALGA employees were invited to participate in its activities and/or contribute in-cash or in-kind towards redressing inequality and disparity in vulnerable and underprivileged communities throughout the country.

SALGA and the NMF urged people to:

- Plant and grow fresh, organic and cost-effective produce in or for vulnerable communities.
- Plant and grow trees for the well-being of all, with an emphasis on fruit trees to support food production for vulnerable communities.
- Invest in sustainable food production platforms that benefit vulnerable communities.
- Embrace home and community planting and growing as a contribution to protecting the environment and addressing the challenge of climate change.

SALGA’s national and provincial offices collaborated with public and private sector partners and stakeholders in a range of events that started on 18 July in Gauteng and ended in the Eastern Cape on 12 May 2023. Our employees participated in campaigns that helped to drive positive change, raise awareness and expand the reach of Nelson Mandela’s values – fighting injustice, helping people in need and practicing reconciliation.

*“Poverty is not natural. It is man-made and it can be overcome and eradicated by the actions of human beings. Overcoming poverty is not a gesture of charity, it is an act of justice. It is the protection of a fundamental human right, the right to dignity and a decent life. While poverty persists, there is no true freedom.” – Nelson Mandela, 2005 speech at the Make Poverty History rally in London’s Trafalgar Square, United Kingdom*

Some of SALGA’s Nelson Mandela Day events included:

- **National office, Gauteng:** Contributed R50k-plus towards educational material and hosted an event at the Kiddies Ark Centre in Mamelodi in the Tshwane Metropolitan City area. This registered, fully-accredited non-profit organisation accommodates 54 3–6-year-olds who are cared for by three teachers, four helpers and some directors.
- **Free State office:** Contributed R50k towards dignity packs (toiletries) for learners at the Kegomoditswe Primary School in Hertzogville. The School Governing Body Chairperson, Principal, Deputy Principal, Cllr Mathe Gaebee from Tokologo Local Municipality and four SALGA employees facilitated the handing-over ceremony.
- **Northern Cape office:** Partnered with key stakeholders, the South African Maritime Safety Authority (SAMSA) and Siyancuma Local Municipality, through the Inclusive Communities Unit, to hand over hippo rollers to identified beneficiaries in the Bongani community in Douglas, while SALGA complied with the norms and standards of

COVID–19. In addition, as part of the NDM celebrations, a Jojo tank will be installed and a career guidance exhibition hosted at a school each in Griekwastad and Douglas in the forthcoming period.

- **Limpopo office:** Donations of indoor and outdoor educational toys and equipment, as well as furniture, blankets, toilets, two rooms and an office were handed over to the Masisi Community Creche at an event attended by the Mayor, a municipal delegation, ward councillor, traditional leaders in the area and SALGA officials.
- **Eastern Cape office:** Significant donations of equipment for sewing (overlocker, electric and hand sewing machines and a measuring doll), welding (angle grinder, steel plates and inverter welding machine), carpentry (circular saw, power impact drill, belt sander and staple gun tacker) and bricklaying (angle grinder), as well as chairs and a boardroom table to the Sakhingomso Training and Development Centre in Mthatha.
- **Western Cape office:** Donated R50k-plus in boxes filled with wooden educational toys for 0–6-year-old children to 12 Early-Child Development Centres (ECD) in the Grabouw area. Each box also contained a Government Regulation 7 First Aid Kit.
- **Mpumalanga office:** Handed over and planted trees and decorative plants at the Simile and Linda Meme Parks in the Thaba Chweu Local Municipal area during an event attended by Cllr Tiny Mabuza, the Ehlanzeni SWC Commissioner and the Acting Executive Mayor. The Ehlanzeni District Municipality also donated tools and recycling equipment to a group of young people doing recycling in Sabie to emphasise the importance of environmental management for communities to benefit from a clean environment, while the young people could earn an income from recycling.
- **KwaZulu-Natal office:** Partnered with Umgeni Water, the WACONA Women’s Network and SANLAM to donate school shoes, sanitary towels, food and maths, painting and gardening equipment to the Baqaqa and Meridiam Primary Schools in the King Cetshwayo District Municipal area during a two-day event attended by the PEC, whose

Chairperson compared Rolihlahla Mandela’s good deeds to those of “Umntwana” Prince Mangosuthu Buthelezi.

- **North-West office:** Partnered with the Department of Agriculture and North-West University to donate R50k-plus in gardening materials, seedlings, vegetables and flower seeds, compost and safety nets to establish a raised-bed food garden in the backyard of the Bert’s Bricks Primary School. SALGA officials, NWU lecturers and students and school children and teachers participated in the event. Some NWU students are currently leading the maintenance of the food garden with the primary school children.



The gardening tools and materials donated to the Bert’s Bricks Primary School (top photo) and the raising of gardening beds at the school (bottom photo) to celebrate Nelson Mandela Day.











PART E  
**FINANCIAL  
INFORMATION**

# INDEX

The reports and statements set out below comprise the annual financial statements presented to Parliament:

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**Thembeka Mthethwa**  
Chief Financial Officer  
31 July 2023

## SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION

Registered Employer Body in terms of the Labour Relations Act, Act no. 66 of 1996 – Registration no.: LR/2/6/3/350  
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 Annual Financial Statements for the year ended 31 March 2023

# REPORT OF THE AUDITOR-GENERAL

## *to Parliament on the South African Local Government Association*

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

- I have audited the financial statements of South African Local Government Association set out on pages 101 to 107, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
- In my opinion, the financial statements present fairly, in all material respects, the financial position of South African Local Government Association as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act, 1 of 1999 (PFMA).

#### Basis for opinion

- I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
- I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
- I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Emphasis of matter

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

#### Loans advanced to related parties

- Loans advanced to related parties were not regularised. As disclosed in note 35 to the financial statements, the entity advanced funds to related parties in the form of incurring expenses on their behalf.

#### Other matter

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

#### National Treasury Instruction Note No. 4 of 2022-23: PFMA Compliance and Reporting Framework

- On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4) (a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular, fruitless, and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 40 and 41 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of South African Local Government Association. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees.
- I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

#### Responsibilities of the accounting authority for the financial statements

- The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA; and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.



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## REPORT OF THE AUDITOR-GENERAL

to Parliament on the South African Local Government Association (CONTINUED)

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

13. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
16. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2: multi-sectoral support programme	180-191	This programme will facilitate support programmes to municipalities on a range of issues that pertain to municipal development.

Programme	Page numbers	Purpose
Programme 4: Advocacy and Strategic profiling	192-195	This programme will lead the profiling of municipalities and engagements with relevant IGR structures on development and review of policies and legislation to enable local government to deliver on its mandate.

17. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
18. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives.
  - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
  - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
  - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
  - the reported performance information is presented in the annual performance report in the prescribed manner
  - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
19. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.
20. I did not identify any material findings on the usefulness and reliability of the reported performance information for these selected programmes.

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**REPORT OF THE AUDITOR-GENERAL**

*to Parliament on the South African Local Government Association* (CONTINUED)

**REPORT ON COMPLIANCE WITH LEGISLATION**

21. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
22. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
23. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
24. I did not identify any material non-compliance with the selected legislative requirements.

**OTHER INFORMATION IN THE ANNUAL REPORT**

25. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
26. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
27. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
28. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this

information, if based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

**INTERNAL CONTROL DEFICIENCIES**

29. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
30. I did not identify any significant deficiencies in internal control.

*Auditor-General*

Pretoria  
31 July 2023



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

**SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION**

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# ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

The annexure includes the following:

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

## AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

### Professional judgement and professional scepticism

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

### Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Communication with those charged with governance

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

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

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# ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT (CONTINUED)

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section 51(1)(a)(iv); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 54(2)(c); 54(2)(d) Section 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 56(1); 56(2) Section 57(b); Section 66(3)(c); 66(5)
Preferential Procurement Policy Framework Act No. 5 of 2000 (PPPFA)	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
CIDB Regulations	CIDB regulation 17; 25(1); 25 (5) & 25(7A)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Treasury Regulation 8.2.1; 8.2.2 Treasury Regulation 16A 3.1; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) & (b); 16A6.2(e);16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A 6.3(d); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; TR 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7; 16A 8.2(1); 16A 8.2(2); 16A 8.3; 16A 8.3(d); 16A 8.4; 16A9.1 16A9; 16A9.1(b)(ii); 16A9.1(c); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A 9.2; 16A 9.2(a)(ii); TR 16A 9.2(a)(iii) Treasury Regulation 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Treasury Regulation 31.1.2(c) Treasury Regulation 31.2.1; 31.2.5; 31.2.7(a) Treasury Regulation 31.3.3 Treasury Regulation 32.1.1(a); 32.1.1(b); 32.1.1(c) Treasury Regulation 33.1.1; 33.1.3
Preferential Procurement Regulations, 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2
Preferential Procurement Regulations, 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4



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# ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT (CONTINUED)

Legislation	Sections or regulations
PFMA SCM Instruction Note 03 2021/22	Paragraphs 4.1; 4.2 (b); 4.3; 4.4; 4.4 (a); 4.4 (c) -(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
NT Instruction Note 03 of 2019/20	Par 5.5.1(vi); Paragraph 5.5.1(x);
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c ); 3.3 (e ); 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT Instruction Note 11 of 2020/21	Paragraphs 3.1; 3.4 (a) and (b); 3.9; 6.1;6.2;6.7
PFMA SCM Instruction note 2 of 2021/22	Paragraphs 3.2.1; 3.2.2; 3.2.4(a) and (b); 3.3.1; 3.2.2 Paragraph 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM Instruction 08 of 2022/23	Paragraph 3.2 Par. 4.3.2; 4.3.3
NT Instruction Note 4 of 2015-16	Paragraphs 3.4
NT SCM Instruction note 4A of 2016/17	Paragraph 6
Second amendment of NT Instruction 05 of 2020/21	Paragraphs 4.8; 4.9; 5.1; 5.3
Erratum NT1 5 of 202-21	Paragraph 1
	Paragraph 2
Practice Note 7 of 2009-10	Paragraph 4.1.2
Practice note 11 of 2008/9	Paragraph 3.1
	Paragraph 3.1 (b)
PFMA SCM Instruction Note 01 of 2021/22	Paragraph 4.1
Competition Act	Section 4(1)(b)(ii)

**SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION**

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# ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

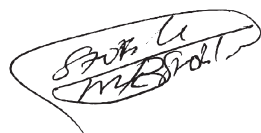
The National Executive Committee (NEC), as the Accounting Authority, is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the NEC to ensure that the annual financial statements fairly present the state of affairs of the South African Local Government Association as at the end of the financial year under review and the results of its operations and cash flows for the period then ended. The Auditor-General of South Africa is engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with South African Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The NEC is of the opinion that the system of internal financial control and risk management processes provide reasonable assurance that the financial records could be relied on for the preparation of the annual financial statements.

The annual financial statements, set out on pages 101 to 175, which have been prepared on a going concern basis (refer to Note 38 on page 172), were approved by the Presidency on 31 July 2023 and signed on behalf of the NEC by:




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**BHEKE STOFILE**  
PRESIDENT




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**SITHOLE MBANGA**  
CHIEF EXECUTIVE OFFICER

Pretoria  
31 July 2023

## SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION

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# STATEMENT OF FINANCIAL POSITION

as at 31 March 2023

Figures in Rand	Note(s)	2023	2022
<b>Assets</b>			
<b>Current Assets</b>			
Operating lease asset	6	214 745	76 714
Assets classified as held-for-sale	11	6 862 000	-
Receivables from exchange transactions	8	91 106 101	131 185 760
Receivables from non-exchange transactions	9	10 438 674	10 399 805
Cash and cash equivalents	10	635 017 989	477 340 528
		<b>743 639 509</b>	<b>619 002 807</b>
<b>Non-Current Assets</b>			
Investment property	2	-	6 862 000
Property, plant and equipment	3	45 319 125	43 812 045
Intangible assets	4	545 450	995 782
Deposits	5	1 590 448	1 160 778
		<b>47 455 023</b>	<b>52 830 605</b>
<b>Total Assets</b>		<b>791 094 532</b>	<b>671 833 412</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Operating lease liability	6	-	605 805
Finance lease obligation	13	465 367	912 271
Unspent conditional grants and receipts	14	1 872 771	5 090 143
Provisions	15	17 283 816	3 253 747
Payables from exchange transactions Provisions	16	124 740 043	92 941 969
		<b>144 361 997</b>	<b>102 803 935</b>
<b>Non-Current Liabilities</b>			
Operating lease liability	6	2 947 668	2 580 752
Finance lease obligation	13	42 125	170 148
Provisions	15	630 492	408 808
		<b>3 620 285</b>	<b>3 159 708</b>
<b>Total Liabilities</b>		<b>147 982 282</b>	<b>105 963 643</b>
<b>Net Assets</b>			
Revaluation reserve	12	2 259 566	2 259 566
Accumulated surplus		640 852 684	563 610 203
<b>Total Net Assets</b>		<b>643 112 250</b>	<b>565 869 769</b>
<b>Total Net Assets and Liabilities</b>		<b>791 094 532</b>	<b>671 833 412</b>

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# STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2023

Figures in Rand	Note(s)	2023	2022
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Revenue from exchange transactions	18	730 594 918	686 048 511
Other revenue from exchange transactions	21	6 894 766	8 471 670
Investment revenue	26	60 397 625	36 403 596
<b>Total revenue from exchange transactions</b>		<b>797 887 309</b>	<b>730 923 777</b>
<b>Revenue from non-exchange transactions</b>			
Government grants and subsidies - Executive Authority	18	36 280 000	35 369 000
Grant recognised – Federation of Canadian Municipalities (BiGM)	18	-	8 755 816
Grant recognised – LGSETA (CIP)	18	9 192 000	-
Grant recognised – LGSETA (Capacity Building)	18	121 200	163 440
Sponsorships and donations from non-exchange transactions	18	2 554 926	4 101 500
Grant recognised – LGSETA (LDW)	18	-	53 280
Grant recognised – DST (MIMI)	18	-	883 110
Grant recognised – UNDP	18	-	449 871
Grant recognised - KDZ Rise Project	18	16 641	-
Grant recognised – EU Pari (Compact Project)		2 382 630	-
Grant recognised – European Union (SGCLG)	18	-	-
Grant recognised – LED Network	18	-	105 260
Grant recognised – BANKSETA (SMECB)	18	12 217 372	3 782 628
Grant recognised – EU (Enhancing Municipal Capacity for Development)	18	-	232 350
Grant recognised – VVSG (Enhancing Capacity in LG Waste Management)	18	1 618 731	779 764
<b>Total revenue from non-exchange revenue</b>		<b>64 383 500</b>	<b>54 676 019</b>
<b>Total Revenue</b>		<b>862 270 809</b>	<b>785 599 796</b>
<b>Expenses</b>			
Employee related costs	25	(112 260 099)	(100 848 365)
Programme costs	19	(453 239 526)	(389 777 791)
Administrative expenses	22	(97 908 289)	(9 656 700)
Depreciation and amortisation expense	3&4	(5 230 645)	(5 229 098)
Other operational expenditure	23	(114 944 077)	(86 088 585)
Finance costs	30	(1 445 692)	(1 153 968)
<b>Total Expenses</b>		<b>(785 028 328)</b>	<b>(592 754 507)</b>
<b>Surplus for the year</b>		<b>77 242 481</b>	<b>192 845 289</b>



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## STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2023

Figures in Rand	Revaluation surplus	Accumulated surplus	Total net assets
<b>Balance at 1 April 2021</b>	<b>2 259 566</b>	<b>370 351 410</b>	<b>372 610 976</b>
Changes in net assets			
Prior year adjustment **	-	413 504	413 504
Surplus for the year	-	192 845 289	192 845 289
Total changes	-	193 258 793	193 258 793
<b>Balance at 1 April 2022</b>	<b>2 259 566</b>	<b>563 610 203</b>	<b>565 869 769</b>
Changes in net assets			
Surplus for the year	-	77 242 481	77 242 481
Total changes	-	77 242 481	77 242 481
<b>Balance at 31 March 2023</b>	<b>2 259 566</b>	<b>640 852 684</b>	<b>643 112 250</b>
Note(s)	12		

\*\* Prior year adjustment done during the 2022 financial year, refers to an adjustment made to the depreciation calculation, because of a system error, that calculated depreciation twice on assets whose useful lives were reviewed at year end. Refer notes 3 and 4 for further details.

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# CASH FLOW STATEMENT

for the year ended 31 March 2023

Figures in Rand	Note(s)	2023	2022
<b>Cash flows from operating activities</b>			
Cash receipts from customers		841 913 973	702 839 797
Cash paid to suppliers and employees		(735 377 098)	(583 876 875)
<b>Net cash flows from operating activities</b>		<b>106 536 875</b>	<b>118 962 922</b>
Interest received	26	60 397 625	36 403 596
Interest paid	30	(1 445 692)	(1 153 968)
<b>Cash generated from operations</b>	33	<b>165 488 808</b>	<b>154 212 550</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	3	(6 952 191)	(5 963 585)
Proceeds from sale of property, plant and equipment	22	145 443	124 435
Movement in financial assets	17	(429 671)	-
<b>Net cash flows from investing activities</b>		<b>(7 236 419)</b>	<b>(5 839 150)</b>
<b>Cash flows from financing activities</b>			
Finance lease payments		(574 928)	(66 688)
<b>Net cash flows from financing activities</b>		<b>(574 928)</b>	<b>(66 688)</b>
<b>Net increase in cash and cash equivalents</b>		<b>157 677 461</b>	<b>148 306 712</b>
Cash and cash equivalents at the beginning of the year		477 340 528	329 033 816
<b>Cash and cash equivalents at the end of the year</b>	10	<b>635 017 989</b>	<b>477 340 528</b>

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## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Figures in Rand	Note(s)	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	% Difference between final budget and actual
		R	R	R	R	R	R
<b>Revenue</b>							
<b>Revenue from exchange transactions</b>							
Revenue from exchange transactions	18	758 010 823	-	758 010 823	730 594 918	(27 415 905)	(3,6%)
Other revenue from exchange transactions	21	3 644 990	-	3 644 990	6 975 561	3 330 571	91,4%
Investment revenue	26	15 000 000	-	15 000 000	60 397 625	45 397 625	302,7%
<b>Total revenue from exchange transactions</b>		<b>776 655 813</b>	<b>-</b>	<b>776 655 813</b>	<b>797 968 104</b>	<b>21 312 291</b>	<b>2,7%</b>
<b>Revenue from non-exchange transactions</b>							
Grant recognised – LED Network	18	-	-	-	-	-	0,0%
Grant recognised – LGSETA (ICIP)	18	-	-	-	9 192 000	9 192 000	100,0%
Grant recognised – LGSETA (CB)	18	-	-	-	121 200	121 200	100,0%
Government grants and subsidies – Executive Authority	18	36 280 000	-	36 280 000	36 280 000	-	0,0%
Grant recognised – Federation of Canadian Municipalities (BiGM)	18	-	-	-	-	-	0,0%
Grant recognised – UNDP	18	-	-	-	-	-	0,0%
Sponsorships and donations from non-exchange transactions	18	500 000	-	500 000	2 554 926	2 054 926	411,0%
Grant recognised – SME Capacity Building (BANKSETA)	18	8 000 000	-	8 000 000	12 217 372	4 217 372	52,7%
Grant recognised – LGSETA (LDW)	18	-	-	-	-	-	0,0%
Grant recognised – EU (Enhancing Municipal Capacity)	18	-	-	-	-	-	0,0%
Grant recognised – VVSG (Enhancing Capacity in LG Waste Management)	18	-	-	-	1 618 731	1 618 731	100,0%
EU-PARI – Compact Project	18	1 120 000	-	1 120 000	2 382 630	1 262 630	112,7%
KDZ RISE Project	18	-	-	-	16 641	16 641	100,0%
Grant recognised – Department of Science & Technology (MIMI)	18	-	-	-	-	-	0,0%
<b>Total revenue from non-exchange revenue</b>		<b>45 900 000</b>	<b>-</b>	<b>45 900 000</b>	<b>64 383 500</b>	<b>18 483 500</b>	<b>40,3%</b>
<b>Total Revenue</b>		<b>822 555 813</b>	<b>-</b>	<b>822 555 813</b>	<b>862 351 604</b>	<b>39 795 791</b>	<b>4,8%</b>
<b>Expenses</b>							
Employee costs	25	(499 492 156)	75 722 122	(423 770 034)	(412 061 698)	11 708 336	2,8%
Programme costs	19	(115 551 063)	(53 451 736)	(169 002 799)	(154 191 293)	14 811 506	8,8%
Administrative expenses	22	(177 783 365)	(21 851 238)	(199 634 603)	(194 047 597)	5 587 006	2,8%
Depreciation and amortisation expense	3 & 4	(9 936 188)	-	(9 936 188)	(5 230 646)	4 705 542	47,4%
Other expenditure	23	(17 992 304)	(419 148)	(18 411 452)	(18 132 194)	279 258	1,5%
Finance costs	30	(1 516 477)	-	(1 516 477)	(1 445 694)	70 783	(4,7%)
<b>Total Expenses</b>		<b>(822 271 553)</b>	<b>-</b>	<b>(822 271 553)</b>	<b>(785 109 122)</b>	<b>37 162 431</b>	<b>(4,5%)</b>
<b>Surplus for the year</b>		<b>284 260</b>	<b>-</b>	<b>284 260</b>	<b>77 242 482</b>	<b>76 958 222</b>	<b>27073,2%</b>

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# ACCOUNTING POLICIES

## 1. PRESENTATION OF FINANCIAL STATEMENTS – BASIS OF PREPARATION

### Statement of compliance

These annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

### Basis of measurement

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

### 1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of SALGA.

### 1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that SALGA will continue to operate as a going concern into the foreseeable future.

### 1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts presented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

#### 1.3.1 Trade receivables and other receivables

SALGA assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, management makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

#### 1.3.2 Fair value estimation

The carrying value less impairment losses of trade receivables and the carrying value of trade payables are deemed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to SALGA for similar financial instruments.

#### 1.3.3 Effective interest rate

SALGA uses the prime interest rate to discount future cash flows for payables and/or expenditure and the R186 government bond yield rate to discount the future cash flows in receivables and/or revenue.



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# ACCOUNTING POLICIES (CONTINUED)

## 1.3 Significant judgements and sources of estimation uncertainty (continued)

### 1.3.4 Allowance for doubtful debts

For trade receivables an impairment loss is recognised in surplus or deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the trade receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

### 1.3.5 Useful lives and residual values

SALGA re-assesses the useful lives and residual values of property, plant and equipment on a yearly basis. These assessments require judgements and assumptions to be made by management. The assessments involve the estimation of months or years based on past experience and historical information to determine the estimated period of time over which an asset is expected to be used. Other assessments involve the determination of value where a comparison of the resale value of the specific asset taking into consideration its age and condition. This determination represents the estimated amount that SALGA would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

### 1.3.6 Impairment of non-cash generating assets

Criteria developed by SALGA to distinguish non-cash-generating assets from cash-generating assets are as follows: SALGA's mandate or intention is not in pursuit of commercial return but service delivery to its members, therefore assets acquired by SALGA are solely to facilitate service delivery to its members (i.e. administrative in nature).

There is no uncertainty as to whether SALGA assets are non-cash generating assets, as SALGA does not have an asset or class of assets that operate or generate cash flows independently from other assets, nor does its assets form part of a group of assets that generate cash flows independently from other assets. Therefore, no impairment has been provided.

## 1.4 Investment property

### Recognition and measurement

Investment property is property (land or a building - or part of a building - or both) held to earn rental income and for capital appreciation or both, rather than for:

- use in the production or supply of goods or services,
- administrative purposes, or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when it is probable that the future economic benefits or service potential that are associated with the investment property will flow to SALGA, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost plus any transaction costs included in initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

### Subsequent measurement

Subsequent to initial measurement, investment property is measured at fair value based on reports from professional valuation.

The fair value of investment property reflects market conditions at the reporting date.

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# ACCOUNTING POLICIES (CONTINUED)

## 1.4 Investment property (continued)

A gain or loss arising from a change in fair value is included in surplus or deficit for the period in which it arises.

Re-measurements to fair value are made annually to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

### Assets held for sale

Non-current assets classified as held for sale are measured at:

- the lower of carrying value and fair value less cost to sell;
- not depreciated or amortised.

Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and results of discontinued operations to be presented separately in the statement of comprehensive income (statement of financial performance)

Impairment losses on measurement and re-measurement to fair value less costs to sell are recognised in line with the GRAP on Impairment.

## 1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, or for administrative purposes, and are expected to be used for more than one period.

### Initial recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost. Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of an item of property, plant and equipment is recognised as an asset if and only if:

- it is probable that the future economic benefits or service potential associated with the item will flow to SALGA and the cost or fair value of the item can be measured reliably.
- where an asset is acquired at a cost that is less than a thousand Rand, its cost is fully depreciated in the period in which it is acquired.

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**ACCOUNTING POLICIES (CONTINUED)****1.5 Property, plant and equipment (continued)****Subsequent expenditure**

Costs include costs incurred initially to acquire or improve an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Subsequent expenditure of an item of property, plant and equipment is recognised as an asset if and only if:

- a. it is probable that the future economic benefits or service potential associated with the item will flow to SALGA; and
- b. the cost or fair value of the item can be measured reliably.

Costs of the day-to-day servicing are recognised in surplus or deficit as incurred.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Following initial recognition at cost, land and buildings classified as property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity relates to a specific item of property, plant and equipment is transferred directly to accumulated surplus when the asset is derecognised.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to accumulated surplus as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives taking into account their estimated residual value.

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**ACCOUNTING POLICIES (CONTINUED)****1.5 Property, plant and equipment (continued)**

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	None	Indefinite, not depreciated
Buildings	Straight-line	75 years
Furniture and fixtures	Straight-line	3 to 20 years
Motor vehicles	Straight-line	5 years
Office equipment	Straight-line	2 to 20 years
IT equipment	Straight-line	3 to 4 years
Leasehold improvements	Straight-line	The shorter of useful life or lease term (36 to 60 months)
Leased equipment	Straight-line	The shorter of useful life or lease term (24 to 36 months)

**Residual values**

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require SALGA to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciable amount of an asset is determined by deducting the residual value of an asset from its original cost (or revalued amount, where applicable).

The depreciation charge for each period is recognised in surplus or deficit.

No residual value is assessed for assets where the value of the residual is considered immaterial in relation to the cost of the asset. Management intends using the assets shown in the statement of financial position over their entire economic life.

The residual values of motor vehicles are set as determined by market forces. When setting a residual value for a motor vehicle consideration is given to the expected useful life and expected proceeds that could be received today if the same motor vehicle at the end of its useful life were to be sold.

**Derecognition**

Items of property, plant and equipment are derecognised when the asset is disposed-off or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The carrying amount of property, plant and equipment is reviewed for impairment when events or changes in the circumstances indicate that the carrying amount may not be recoverable.



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**ACCOUNTING POLICIES (CONTINUED)****1.5 Property, plant and equipment (continued)****Specific categories of property, plant and equipment:****Land and buildings**

Land and buildings are separable assets and are accounted for separately, even when they are acquired together. Land has an unlimited useful life and therefore is not depreciated.

Buildings have a limited useful life and therefore are depreciable assets.

The useful lives of buildings are re-assessed annually.

**Furniture and fittings and office equipment**

Furniture and fittings and office equipment are not currently componentised as no component accounting is considered necessary due to the nature of furniture and fittings and office equipment, namely, that the useful lives of individual components do not differ from the whole.

Estimated useful lives are based on past experience and historical information.

**IT equipment**

IT equipment can be separated into the following components:

- computer hardware, and
- computer software (integral part and embedded into hardware).

IT equipment is not currently componentised as no component accounting is considered necessary due to the nature of the computer equipment.

Expenditure relating to ongoing maintenance (which does not meet the recognition criteria), IT support and customisation is debited in the statement of financial performance as and when incurred.

Purchased software is recognised at cost, including all direct costs associated with the customisation and installation thereof.

**Motor vehicles**

Where there is an indicator of impairment, the recoverable amount of the individual asset is estimated. When the residual values are re-assessed annually, the carrying amount is compared to the resale value of the specific motor vehicle taking into consideration its age and condition.

**Gains and losses**

The gains or losses arising from de-recognition or disposal of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gains and losses arising from de-recognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any and the carrying amount of the item.

**Leased assets**

Leased assets can be separated into the following categories:

- leases for office equipment, and
- leasehold improvements.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that SALGA will obtain ownership by the end of the lease term.

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**ACCOUNTING POLICIES (CONTINUED)****1.5 Property, plant and equipment (continued)**

Leasehold improvements arise when SALGA improves the premises occupied under operating leases to suit operational requirements. Capitalised leasehold improvements are depreciated over the shorter of the estimated useful life of the asset and the lease term.

**1.6 Intangible assets**

An asset is identifiable if it is either:

- separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

SALGA assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Intangible assets are initially recognised at cost.

Subsequent to initial recognition intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Useful life
Computer software	Straight-line	2 to 5 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

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# ACCOUNTING POLICIES (CONTINUED)

## 1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

### Classification

SALGA has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Operating lease receivables – exchange transactions	Financial asset measured at amortised cost
Trade and other receivables from exchange transactions	Financial asset measured at amortised cost
Trade and other receivables from non-exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

SALGA has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other payables from exchange transactions	Financial liability measured at amortised cost
Sundry payables – exchange transactions	Financial liability measured at amortised cost
Other payables (lodge cards) – exchange transactions	Financial liability measured at amortised cost

### Initial recognition

SALGA recognises financial assets and liabilities in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

SALGA recognises financial assets and liabilities at their fair value at date of acquisition.

### Initial measurement of financial assets and financial liabilities

When a financial asset or liability is recognised initially, SALGA measures it at its fair value. In the case of a financial asset or financial liability initially not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability are included in the value of the financial instrument.

### Subsequent measurement of financial assets and financial liabilities

SALGA measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost.

All financial assets measured at amortised cost are subject to an impairment review.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or non-collectability.

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# ACCOUNTING POLICIES (CONTINUED)

## 1.7 Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the entity estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

### Impairment and non-collectability of financial assets

At the end of each reporting period SALGA assesses whether there is any objective evidence (e.g., continuous defaults on settlement) that a financial asset or group of financial assets is impaired.

### Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly in surplus or deficit. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

### Interest, losses or gains

Interest relating to a financial instrument or a component that is a financial liability, is recognised as income or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as income or expense in surplus or deficit.

## 1.8 Leases

Whether a lease is a finance lease or an operating lease depends on the substance of the transaction rather than the form of the contract. Situations that individually or in combination would normally lead to a lease being classified as a finance lease are:

- the lease transfers ownership of the asset to SALGA by the end of the lease term;
- SALGA has the option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised;
- the lease term is for a major part of the economic life of the asset even if title is not transferred;
- at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset;
- the leased assets are of such a specialised nature that only SALGA can use them without major modifications;
- if SALGA can cancel the lease, the lessor's losses associated with the cancellation are borne by SALGA;
- gains or losses from the fluctuation in the fair value of the residual accrue to SALGA (for example, in the form of a rent rebate equalling most of the sales proceeds at the end of the lease);



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# ACCOUNTING POLICIES (CONTINUED)

## 1.8 Leases (continued)

- SALGA has the ability to continue the lease for a secondary period at a rent that is substantially lower than market rent; and
- If the lease transfers substantially all the risks and rewards incidental to ownership.

An operating lease is a lease other than a finance lease.

### Finance leases - where SALGA is the lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic reduction of the remaining balance of the liability.

Subsequent to initial recognition the asset is accounted for in accordance with the accounting policy applicable to that asset.

### Operating leases - where SALGA is the lessor

Operating lease income is recognised as revenue on a straight-line basis over the lease term.

### Operating leases - where SALGA is the lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

Any contingent rentals are expensed in the period in which they are incurred.

Assets under operating leases are not recognised in the statement of financial position.

## 1.9 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

Cash and cash equivalents are measured at amortised cost.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition.

SALGA does not have an overdraft facility and is restricted in terms of section 66(3)(c) of the PFMA to borrow money, subject to the approval of the Minister (Executive Authority) in concurrence with the Minister of Finance.

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**ACCOUNTING POLICIES (CONTINUED)****1.10 Revaluation reserve**

The revaluation reserve results from the revaluation of property, plant and equipment while still owner occupied. It remains after treating the same assets as investment property since they were vacated by the entity.

Upon transfer of the owner-occupied property to investment property the revaluations surplus is treated in the following manner:

- any remaining part of the increase is credited directly to net assets in revaluation surplus. On subsequent disposal of the investment property, the revaluation surplus included in net assets may be transferred to accumulated surpluses or deficits. The transfer from revaluation surplus to accumulated surpluses or deficits is not made through surplus or deficit.

**1.11 Impairment of non-cash-generating assets**

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by SALGA; or
- the number of production or similar units expected to be obtained from the asset by SALGA.

Criteria developed by SALGA to distinguish non-cash-generating assets from cash-generating assets are as follows: SALGA's mandate or intention is not in pursuit of commercial return but service delivery to its members, therefore assets acquired by SALGA are solely to facilitate service delivery to its members (i.e., administrative in nature).

There is no uncertainty as to whether SALGA assets are non-cash generating assets, as SALGA does not have an asset or class of assets that operate or generate cash flows independently from other assets, nor does its assets form part of a group of assets that generate cash flows independently from other assets.

**Identification**

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

SALGA assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, SALGA estimates the recoverable service amount of the asset.

When SALGA is assessing whether there is any indication that an asset may be impaired, at a minimum the following indications are considered:

**External sources of information**

- Cessation, or near cessation, of the demand or need for services provided by the asset.
- Significant long-term changes with an adverse effect on SALGA have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the entity operates.

**Internal sources of information**

- Evidence is available of physical damage of an asset.
- Significant long-term changes with an adverse effect on SALGA have taken place during the period or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the

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**ACCOUNTING POLICIES (CONTINUED)****1.11 Impairment of non-cash-generating assets (continued)**

asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, or plans to dispose of an asset before the previously expected date.

- (c) Evidence is available from internal reporting that indicates that the service performance of an asset is, or will be, significantly worse than expected.

**Value in use**

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

The present value of the remaining service potential of non-cash-generating assets is determined using the following approach:

**Service units' approach**

The present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. The current cost of replacing the remaining service potential of the asset before impairment is determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

**Recognition and measurement**

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

**Reversal of an impairment loss**

SALGA assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the recoverable service amount of that asset is estimated.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised.

The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

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## ACCOUNTING POLICIES (CONTINUED)

### 1.12 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the end of the reporting period in which the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as study leave), are recognised in the period in which the service is rendered and are not discounted.

The organisation remunerates employees on total cost-to-company basis, this package includes SALGA's portion of contribution in respect of retirement benefits. The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

#### Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to industry-managed retirement benefit schemes are dealt with as defined contribution plans where the SALGA's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

SALGA's defined contribution plans are as follows:

- Pension fund - an employer contribution based on 10.5% p.a. based on 70% of an employee's basic salary towards pension and/or retirement funds. However, during the year under review, taking into account the prevailing economic conditions and the cumulative negative impact of the Covid-19 pandemic that lasted over two years, the NEC approved the suspension of the requirement to reduce the pensionable salary. Employees are required to contribute a corresponding contribution of 6.5% p.a. based on their basic salary;
- Medical aid - an employer contribution capped at R 3 512 per month (2022: R 3 351) per employee per calendar year. The contribution amount is reviewed annually depending on prevailing medical insurance inflation;
- Group risk - an employer contribution that covers funeral benefit for the employee and immediate family members at a cost of R21.50 per employee per month (2022: R188.72); as well as 4 extended family members per employee, where monthly premiums are age dependent, as follows:
  - 0 - 64 years old at R17.70;
  - 65 - 74 years old at R52.80;
  - Above 75 years old at R123.20;
- The risk cover also includes life assurance at three times an employee's annual salary in case of death. The risk cover is based on 0.63% (2022: 0.63%) of SALGA's basic payroll costs;
- The critical illness cover is 0.148% (2022: 0.148%) and calculated based on an employee's basic salary;
- The Disability cover is 1.152% (2022: 1.493%) calculated based on employee's pensionable salary;
- Long-term incentive scheme - the employer provides for Long-Term Incentive (LTI) scheme for Fixed Term Contract (FTC) employees. These employees' make-up the top management structure of SALGA and are some of the employees employed on a five (5) year fixed term contract. The incentive scheme is based on performance (merit) and the employee remaining in the employ of the organisation for a period longer than 3 years.

### 1.13 Provisions and contingencies

Provisions are recognised when:

- SALGA has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.



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# ACCOUNTING POLICIES (CONTINUED)

## 1.13 Provisions and contingencies (continued)

The amount of a provision is the best estimate of the expenditure expected to settle the present obligation at the reporting date. Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if SALGA settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement is limited to the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

## 1.14 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue and a corresponding asset to the extent that SALGA has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

## 1.15 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets.

An exchange transaction is one in which SALGA receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

### Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to SALGA;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified timeframe, revenue is recognised on a straight-line basis over the specified timeframe unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

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**ACCOUNTING POLICIES (CONTINUED)****1.15 Revenue from exchange transactions (continued)**

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

**Stage of completion for membership levies**

The membership levy entitles members to ‘services’ or ‘benefits of association’ for the financial period of SALGA. Although the formula for fees is based on annual budgeted salary, this is not relevant in terms of revenue recognition. The recognition of revenue depends, rather, on the timing, nature and value of benefits provided.

On the basis of the accounting standard GRAP 9, the stage of completion needs to be determined at year end, and revenue recognised in accordance with the stage of completion of the transaction.

The guidance in GRAP 9 par A11 of the Appendix also states that the membership levies should be recognised on the basis which reflects the timing of benefits provided.

*“Revenue recognition depends on the nature of the services provided. If the fee permits only membership, and all other services or products are paid for separately, or if there is a separate annual subscription, the fee is recognised as revenue when no significant uncertainty as to its collectability exists. If the fee entitles the member to services or publications to be provided during the membership period or to purchase goods or services at prices lower than those charged to non-members, it is recognised on a basis that reflects the timing, nature and value of the benefits provided”.*

**1.16 Revenue from non-exchange transactions**

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

**Recognition and measurement**

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As SALGA satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date.

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

**Transfers**

Apart from services in kind, which are not recognised, SALGA recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

**Gifts and donations**

Gifts and donations are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to SALGA and the fair value of the assets can be measured reliably.

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# ACCOUNTING POLICIES (CONTINUED)

## 1.17 Investment revenue

Investment revenue is recognised on a time-proportion basis using the effective interest method.

## 1.18 Budget information

General purpose financial reporting by SALGA shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The annual financial statements and the budget are prepared on a comparable basis of accounting, therefore a comparison with the budgeted amounts for the reporting period have been included in the notes to the annual financial statements.

## 1.19 Translation of foreign currencies

### Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rand, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each reporting date:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in surplus or deficit in the period in which they arise.

When a gain or loss on a non-monetary item is recognised directly in net assets, any exchange component of that gain or loss is recognised directly in net assets. When a gain or loss on a non-monetary item is recognised in surplus or deficit, any exchange component of that gain or loss is recognised in surplus or deficit.

Cash flows arising from transactions in a foreign currency are recorded in Rand by applying to the foreign currency amount the ruling spot exchange rate.

## 1.20 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

## 1.21 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

National Treasury INSTRUCTION NO.4 OF 2022/2023 ON FRUITLESS AND WASTEFUL EXPENDITURE FRAMEWORK issued in terms of section 38(1)(c)(ii) and 51(1)(b)(ii) of PFMA on effective steps to prevent irregular expenditure. The instruction referenced section 45(c) and 57(c) of the PFMA with regard to appropriate steps to be taken in regard to prevent fruitless and wasteful expenditure. The INSTRUCTION draws its authority from sections 76(2) (e) to 76(4)(a) of the PFMA. The effective date of the INSTRUCTION is from 3 January 2023.

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# ACCOUNTING POLICIES (CONTINUED)

## 1.21 Fruitless and wasteful expenditure (continued)

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as income in the statement of financial performance.

## 1.22 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including:

- (a) the PFMA; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury INSTRUCTION NO.4 OF 2022/2023 ON IRREGULAR EXPENDITURE FRAMEWORK issued in terms of section 38(1)(c)(ii) and 51(1)(b)(ii) of PFMA on effective steps to prevent irregular expenditure. The instruction referenced section 45(c) and 57(c) of the PFMA with regard to appropriate steps to be taken in regard to prevent irregular expenditure. The INSTRUCTION draws its authority from sections 76(2)(e) to 76(4)(a) of the PFMA. The effective date of the INSTRUCTION is from 3 January 2023.

- Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the annual financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is required with the exception of updating the note to the annual financial statements.
- Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.
- Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.
- Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury, or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the annual financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the annual financial statements and updated accordingly in the irregular expenditure register.

## 1.23 Related parties

SALGA operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government in respect of the Executive Authority (CoGTA) and members of the NEC and their respective municipalities belonging to the local sphere of government are related parties.

Management are those persons responsible for planning, directing and controlling the activities of SALGA, including those charged with the governance of SALGA in accordance with legislation and SALGA Constitution.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the entity.

A related party is considered to be related if one party has the ability to control the other party or jointly control or exercise significant influence over the other party in making financial and operating decisions or if the related party and the other entity are subject to common control.



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# ACCOUNTING POLICIES (CONTINUED)

## 1.23 Related parties (continued)

Specific information with regards to related party transactions is included in the disclosure notes.

### Identification of Related Parties

#### Controlling Entities Related Party identification

All municipalities are represented at SALGA through direct membership to SALGA, furthermore representation in SALGA structures is carried by the elected provincial representative at a Provincial Conference as well at National Conference.

The National Conference elect representatives that comprise the National Executive Committee of SALGA (Accounting Authority). Each municipality has a single vote that entitles it to vote at SALGA governance structures. A single municipality would not have control or significant influence over the running the affairs or determining the policies of SALGA. The control and significant influence over SALGA's policies and finances is jointly held by all the 257 municipalities. In terms of SALGA's constitution all the municipalities are members and would have equal rights over the residual assets of the organisation upon dissolution. The ten directly elected members at National Conference and the nine ex-officio members elected by the respective Provincial Conferences are related parties of SALGA by virtue of being part of the National Executive as well as the Chief Executive who is also an ex-officio member of the NEC due to his role. The NEC has an option to co-opt up to three members, who once co-opted become related parties by virtue of being part of the National Executive of SALGA.

SALGA does not have a sister entity that is subjected to common control by the National Conference or jointly by the 257 municipalities in South Africa.

#### Significant Influence Entities Related Parties identification

Legislatively SALGA reports to the Department of Corporate Governance and Traditional Affairs (CoGTA). SALGA reports on a quarterly basis to the Minister of CoGTA in line with Public Finance Management Act (PFMA) and its regulations. CoGTA has significant influence over SALGA's activities by virtue of CoGTA's role as the designated Executive Authority in terms of the PFMA. The department is tasked with the function of developing national policies and legislation with regard to provinces and local government. CoGTA's role has a direct impact or significant influence over the decisions of SALGA's policies and finance decisions. Although disclosed as a Related Party transaction, the fees paid by CoGTA to SALGA are part of normal funding that Government grants to its entities.

Senior management of SALGA comprising of the Chief Executive Officer; Chief Operations Officer; Chief Financial Officer and Chief Officers of the respective Clusters including their close family members have been identified as Related Parties of SALGA due to the significant influence that senior / key management exert over SALGA's operating and finance policies.

The governing body members of SALGA, being the NEC; Audit and Risk Committee; and Performance and Remuneration Committee members and their close families have been identified as Related Parties, due to the significant influence these structures exert over SALGA's operating and finance policies.

SALGA does not provide loans whether at market rates/prices or non-market related rates/prices to either Senior Management; NEC members; Audit and Risk Committee; and Performance and Remuneration Committee members.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

Compensation paid to key management personnel including their family members, where relevant is included in the disclosure notes.

## 1.24 Commitments

Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that SALGA will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

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## ACCOUNTING POLICIES (CONTINUED)

### 1.24 Commitments (continued)

Items are classified as commitments when SALGA has committed itself to future transactions that will normally result in the outflow of cash.

### 1.25 Segment reporting

SALGA has considered the implementation of GRAP 18 – Segment reporting, however the organisation is unable to implement the standard because it does not satisfy all the requirements of the standard. GRAP 18.05(b) requires regular review of the potential segment financial information at its management meetings for the purpose of making decisions about resources allocation.

Section 51(1)(a)(i) of the PFMA requires that public entities must ensure and maintain an effective, efficient and transparent systems of financial and risk management. In ensuring a transparent system for resource allocation, SALGA budgeting process includes “*Budget Panel Hearings*”. The Budget Panel is a formal established forum where all business units are granted an equal opportunity to present their respective programmes, in detail or summary depending on the process for each year.

The SALGA budget process requires all business units to populate their budget, in a prescribed format, on an annual basis based on their annual priorities in line with the approved annual plan. The respective budgets are presented to the Budget Panel which is chaired by the selected member of the NEC. Members of the Budget Panel include the Chief Financial Officer (CFO) as well as the Executive Management Team of SALGA, as well as two NEC members, excluding the Chairperson. The Budget panel is a structure that decides and recommends the budget allocation after deliberations and requests presentation from all cost centres, based on the organisational strategic imperatives and advice of the CFO.

Financial management reports for business units are only presented at management meetings for budget implementation and cost monitoring purposes. There are no comprehensive segment financial reports that serve at management meetings for purposes of making decisions about resources allocations as defined in the standard. In view of the above-mentioned SALGA cannot comply with all the requirements of GRAP 18 and thus the standard is not applicable to the organisation.

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# ACCOUNTING POLICIES (CONTINUED)

## 1.26 New standards and interpretations

### Standards and interpretations issued, but not yet effective

The entity has not adopted the following standards and interpretations, which have been published issued but not yet effective:

Document no	Title	Consideration for applicability
GRAP 104	Financial Instruments  Effective date: 01 April 2022	SALGA already complies with the issued standard on financial instruments GRAP 104 (Revised). The non-effective standard deals with: <ol style="list-style-type: none"> <li>1) Financial Instruments with Residual Interest i.e., ownership in another company. <i>SALGA does not have exposure to these types of financial assets.</i></li> <li>2) Loan and Commitments that will be settled in cash or using another financial instrument. <i>SALGA does not enter into loans as it is prohibited by the PFMA.</i></li> <li>3) Contracts to buy or sell non-financial items that are settled in cash. <i>SALGA already accounts from all the Financial Instruments of this nature based on the current applicable GRAP104 standard.</i></li> </ol>

### Standards and interpretations issued, but not yet effective

Document no	Title	Consideration for applicability
GRAP 25	Employee Benefits  Effective date: 01 April 2022	SALGA already complies with the previous GRAP 25, and the current amendments relate primarily to Defined Benefit Plan which SALGA does not have. SALGA only has the Employment Benefit Defined Contribution Plan.  SALGA Employee Benefits have been fully disclosed in line with an and the employment costs upon which SALGA receives and consumes the economic benefits or service potential have been recognised as an expense in full in line with GRAP 25.
GRAP 5	Borrowing Costs  Effective date: 01 April 2022	The amendment clarifies that an entity includes borrowings made specifically to obtain a qualifying asset in general borrowings, when that qualifying asset is ready for its intended sale or use.  <i>The standard is not applicable to SALGA because SALGA does not have qualifying assets under construction</i>
GRAP 13	Leases  Effective date: 01 April 2022	The amendment includes references to the Standard of GRAP on Impairment of Non-cash-generating Assets (GRAP 21) for impairment of leased assets, to reflect instances where leases are entered into that are not on market terms.  <i>SALGA does not have leases that are not on market terms. SALGA uses the Transversal contracts for working tools which are market related. The SALGA office accommodation rental are subjected to the open market and are market related.</i>

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## ACCOUNTING POLICIES (CONTINUED)

## 1.26 New standards and interpretations (continued)

## Standards and interpretations issued, but not yet effective

Document no	Title	Consideration for applicability
GRAP 16	Investment Property  Effective date: 01 April 2022	<p>The following amendments were made:</p> <ul style="list-style-type: none"> <li>The headings on classifying property as investment property or owner-occupied property were updated.</li> <li>A new heading was added to indicate that the paragraph following it provides guidance on initially measuring self-constructed investment property at fair value.</li> <li>References to GRAP 21 were included for impairment of investment property, to reflect instances where leases are entered into that are not on market terms.</li> <li>The requirements relating to the transfer of investment property were clarified to reflect the principle that a change in use would involve (a) an assessment of whether a property meets, or ceases to meet, the definition of investment property; and (b) evidence that a change in use has occurred. The list of examples in which a transfer occurs was re-characterised as a non-exhaustive list to be consistent with this principle.</li> </ul> <p><i>This will not have any effect on SALGA because all the investment properties have now been transferred to held-for-sale and the process of selling should be finalised before 31 March 2024. The assets are not accounted under IFRS 5.</i></p>
GRAP 17	Property, Plant and Equipment  Effective date: 01 April 2022	<p>As land has an unlimited useful life and cannot be consumed through its use, the examples indicating that quarries and land used for landfill may be depreciated in certain cases were deleted.</p> <p><i>SALGA is compliant with GRAP 17 on land assets which are not depreciated. SALGA does not own landfill sites.</i></p>

## Standards and interpretations issued, but not yet effective

Document no	Title	Consideration for applicability
GRAP 20	Related Party Disclosures  Effective date: 01 April 2022	<p>The following amendments were made:</p> <ul style="list-style-type: none"> <li>Where a reporting entity applies the disclosure exemption for transactions that occur within normal supplier and/or client/recipient relationships and within normal established operating parameters, the disclosure of outstanding related party balances has been deleted.</li> <li>Text was added to a few places in GRAP 20 to clarify how payments to entities providing management services that are not undertaken within the same economic entity should be disclosed, and what these services comprise.</li> </ul> <p><i>SALGA adopted fully GRAP20 and considerations under IPSAS 20.</i></p>
GRAP 24	Presentation of Budget Information in Financial Statements  Effective date: 01 April 2022	<p>Terminology was aligned for use of consistent wording in the Standards of GRAP</p> <p><i>SALGA is compliant with GRAP24.</i></p>



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## ACCOUNTING POLICIES (CONTINUED)

## 1.26 New standards and interpretations (continued)

Document no	Title	Consideration for applicability
GRAP 31	Intangible Assets  Effective date: 01 April 2022	The requirement has been extended to include revalued intangible assets when considering whether reassessing the useful life of an intangible asset as finite rather than indefinite is an indicator that the asset may be impaired. <i>SALGA conducts the impairment tests of intangible assets annually as they are classified as having an indefinite life.</i>
GRAP 32	Service Concession Arrangements: Effective date: 01 April 2022	Minor amendments were made to clarify the disclosure requirements for service concession assets  <i>SALGA does not have service concession agreements in place.</i>

## Standards and interpretations issued, but not yet effective

Document no	Title	Consideration for applicability
GRAP 106	Transfer of Functions Between Entities Not Under Common Control  Effective date: 01 April 2022	Text was added to clarify the application of the acquisition method to transfers of functions for a previously held interest in a joint operation when a party obtains control of the joint operation.  <i>SALGA does not have fellow subsidiary entities nor a parent company.</i>
Directive 7	The Application of Deemed Cost  Effective date: 01 April 2022	To provide further clarity, an amendment was made to specifically include bearer plants within the scope of the Directive.  <i>SALGA's financials do not have plants or deemed costs</i>
IGRAP 7	Employee Benefits  Effective date: 01 April 2022	The limit on a defined benefit asset, minimum funding requirements and their interaction  <i>SALGA does not have a defined benefit plan but a contribution plan.</i>

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## ACCOUNTING POLICIES (CONTINUED)

## 1.26 New standards and interpretations (continued)

## Standards and interpretations issued, but not yet effective

Document no	Title	Consideration for applicability
IGRAP 21	The effect of past decisions on materiality  Effective date: 01 April 2022	<p>Past decisions on materiality. GRAP 3 allows entities to not apply accounting policies outlined in GRAP if immaterial. Therefore, the application of materiality and alternative accounting treatments are not errors and are not departures from the Standards.</p> <ul style="list-style-type: none"> <li>How information is aggregated in the AFS, not obscuring material information with immaterial information or aggregating material items with different natures and functions</li> <li>Applying the concept of materiality resulting in some information required by a Standard but not being included in the notes and AFS, even if listed as specific/ minimum requirements.</li> <li>The use of sub-totals</li> <li>Systematic order of notes and examples of systematic order or grouping of the notes</li> </ul> <p><i>SALGA does not have past immaterial errors which have become material errors. SALGA discloses all the material items in its financials.</i></p>
GRAP 37	Joint arrangements  Effective date: 01 April 2022	<p>"A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a function as defined in GRAP 105 or GRAP 106. In such cases, the previously held interests in the joint operation are not remeasured."</p> <p><i>Although SALGA has MOUs with different entities these are not considered joint arrangements envisaged by this standard.</i></p>

## Standards and interpretations issued, but not yet effective

Document no	Title	Consideration for applicability
GRAP 1	Presentation of the Financial Statements  Effective date: 01 April 2022	<p>Clarify:</p> <ul style="list-style-type: none"> <li>How information is aggregated in the AFS, not obscuring material information with immaterial information or aggregating material items with different natures and functions</li> <li>Applying the concept of materiality resulting in some information required by a Standard but not being included in the notes and AFS, even if listed as specific/ minimum requirements</li> <li>The use of sub-totals</li> <li>Systematic order of notes and examples of systematic order or grouping of the notes</li> </ul> <p><i>SALGA complies fully with GRAP1 and discloses all the material transactions and disclosable items and does not aggregate matters.</i></p>

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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 2. INVESTMENT PROPERTY

	2023		2022	
	Valuation	Carrying value	Valuation	Carrying value
Investment property	-	-	6 862 000	6 862 000

Reconciliation of investment property – 2023	Opening balance	Fair value adjustment gain	Reclassified as held for sale	Total
Investment property	6 862 000	-	(6 862 000)	-

Reconciliation of investment property – 2022	Opening balance	Fair value adjustment gain	Reclassified as held for sale	Total
Investment property	6 630 079	231 921	-	6 862 000

## Details of property

- (a) Stand 3278, Johannesburg, Gauteng
- (b) Stand 750, Kimberley, Northern Cape
- (c) Portion 654 of the farm Albinia no. 957, FT KwaZulu-Natal

## Details of valuation

The effective date of the revaluations in the prior year was as stated above performed at 31 March 2022. Revaluations were performed by an independent valuer, Mr. William John Hewitt NDPV, C.I.E.A., F.I.V. (SA), Appraiser of Mills Fitchet (TVL) CC. Mills Fitchet (TVL) CC are not connected to SALGA and have recent experience in location and category of the investment property being valued.

The valuation was based on market value which is an estimated amount that would exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction. For the purpose of determining the market value of the investment properties the capitalisation of the "Net Annual Income", generally considered to determine the market value of an income producing property such as shopping centres, offices and industrial or commercial properties where the building has an earning potential. Amounts recognised in surplus and deficit for the year is the rental income received from letting a portion of the investment property relating to the Hillcrest property in KwaZulu-Natal, where a portion of the land is let to Mobile Telephone Networks (MTN) for a cellular phone mast erected on the land. Such leasing of the property is incidental and insignificant relative to the potential of the property. Other investment properties are held for capital appreciation.

None of the investment property has been pledged as security for any loan.

In the current year the Investment Properties have been reclassified as held for sale (refer Note 11).

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## 2 Investment property (continued)

There are no restrictions on the realisation of investment property or the remittance of revenue and proceeds of disposal. There are also no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Figures in Rand	2023	2022
<b>Amounts recognised in surplus or deficit</b>		
Rental revenue from investment property	149 644	152 005
Fair value gain	-	231 921
<b>From investment property that generated rental revenue</b>		
Direct operating expenses	864 013	935 577
<b>From investment property that did not generate rental revenue</b>		
Direct operating expenses	2 372 215	3 686 392

The operating costs above relate to municipal charges. In the past the organisation had initiated a process to dispose of the investment properties with advertisements placed on the Government Tender Bulletin; national newspapers; e-Tender portal and SALGA's website with no substantive offers received.

During the current year, in line with the NEC decision of 5 August 2013, these investment properties were sold on auction for R8.9 million. The sale of these properties is expected to be finalised within the next financial year, and as such have been reclassified as held for sale. (Refer to note 11).

## 3. PROPERTY, PLANT AND EQUIPMENT

	2023			2022		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Land	4 029 152	-	4 029 152	4 029 152	-	4 029 152
Buildings	20 316 489	(1 392 063)	18 924 426	20 316 489	(1 120 631)	19 195 858
Furniture and fixtures	18,072 317	(9 597 667)	8 474 650	18,429,774	(8,953 295)	9 476 479
Motor vehicles	2 347 728	(2 058 151)	289 577	2 347 728	(1 968 072)	379 656
Office equipment	7 108 698	(3,533 467)	3 575 231	7 189 125	(3,273 649)	3 915 476
IT equipment	27 295 007	(19 423 585)	7 871 422	22 153 633	(17 240 300)	4,913 333
Leased office equipment	1 850 208	(1 358 866)	491 342	3 153 000	(2 094 150)	1,058 850
Leasehold improvements	9 169 715	(7,506 390)	1 663 325	7,884,004	(7,040,763)	843 241
<b>Total</b>	<b>90 189 314</b>	<b>(44 870 189)</b>	<b>45 319 125</b>	<b>85 502 905</b>	<b>(41 690 860)</b>	<b>43 812 045</b>



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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 3. Property, plant and equipment (continued)

## Reconciliation of property, plant and equipment – 2023

	Opening balance	Additions	Impairment (loss) /reversal	Depreciation	Prior year adjustment	Total
Land	4 029 152	-	-	-	-	4 029 152
Buildings	19 195 858	-	-	(271 432)	-	18 924 426
Furniture and fixtures	9 476 479	-	(175 071)	(826 758)	-	8 474 650
Motor vehicles	379 656	-	-	(90 079)	-	289 577
Office equipment	3 915 476	30 846	((62 681)	(308 410)	-	3 575 231
IT equipment	4 913 333	5 635 635	(84 222)	(2,593 324)	-	7 871 422
Leased office equipment	1 058 850	-	-	(567 508)	-	491 342
Leasehold improvements	843 241	1 285 710	-	(465 626)	-	1 663 325
	<b>43 812 045</b>	<b>6 952 191</b>	<b>(321 974)</b>	<b>(5 123 137)</b>	-	<b>45 319 125</b>

## Reconciliation of property, plant and equipment – 2022

	Opening balance	Additions	Impairment (loss) /reversal	Depreciation	Prior year adjustment	Total
Land	4 029 152	-	-	-	-	4 029 152
Buildings	19 467 290	-	-	(271,432)	-	19 195 858
Furniture and fixtures	8 356 737	1 950 411	(9 653)	(838 366)	17 350	9 476 479
Motor vehicles	563 760	-	-	(193 455)	9 351	379 656
Office equipment	4 302 100	39,922	(98 968)	(331 188)	3 610	3 915 476
IT equipment	4 288 505	2 332 806	19 046	(2,108 174)	381 150	4 913 333
Leased office equipment	1 209 175	948,949	(3 555)	(1,095 719)	-	1 058 850
Leasehold improvements	434 466	691,497	-	(282 722)	-	843 241
	<b>42 651 185</b>	<b>5 963 585</b>	<b>(93 130)</b>	<b>(5 121 056)</b>	<b>411 461</b>	<b>43 812 045</b>

## Compensation received for losses on property, plant and equipment – included in surplus or deficit.

Figures in Rand	2023	2022
Property, plant and equipment	321 974	93 130
	<b>321 974</b>	<b>93 130</b>
<b>Assets subject to lease (Net carrying amount)</b>		
Leased office equipment	491 342	1 058 850
Leasehold improvements	1 663 325	843 241
	<b>2 154 667</b>	<b>1 902 091</b>

There are no assets pledged as security or contractual commitments for Property Plant and Equipment.

The compensation for losses on IT Equipment relates to recoveries from insurance on lost assets.

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## 4. INTANGIBLE ASSETS

	2023			2022		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Computer software	816 063	(270 613)	545 450	1 262 158	(266 376)	995 782

## Reconciliation of intangible assets – 2023

	Opening balance	Additions	Impairment loss	Prior year adjustment	Amortisation	Total
Computer software	995 782	-	(342 824)	-	(107 508)	545 450

## Reconciliation of intangible assets – 2022

	Opening balance	Additions	Impairment loss	Prior year adjustment	Amortisation	Total
Computer software	1 101 844	-	(63)	2 043	(108 042)	995 782

## 5. DEPOSITS

Figures in Rand	2023	2022
<b>At amortised cost</b>		
Rental deposits held by lessors	1 590 448	1 160 778
<b>Terms and conditions</b>		
The deposits are refundable by the lessors only on termination of the lease agreement		
	<b>1 590 448</b>	<b>1 160 778</b>
<b>Non-current assets</b>		
Rental deposits held by lessors	1 590 448	1 160 778
<b>Current assets</b>		
Rental deposits held by lessors and held at attorney's trust account	-	-

## 6. OPERATING LEASE ASSET / (LIABILITY)

Figures in Rand	2023	2022
Current assets	214 745	76 714
Non-current liabilities	(2 947 668)	(2 580 752)
Current liabilities	-	(605 805)
	<b>(2 732 923)</b>	<b>(3 109 843)</b>

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## 6. Operating lease asset / (liability) (continued)

The operating lease asset arose as a result of straight lining the operating lease receipts in accordance with GRAP 13 (Leases).

SALGA leases a portion of its property in KwaZulu-Natal to a cellular phone operator for a cellular phone mast. The lease period covers a period of 119 months from 01 April 2020. The annual escalation is 8% and the remaining lease term is 83 months.

The operating lease liability arose due to the straight lining of operating lease payments in accordance with GRAP 13 (Leases). Refer to note 34 for details on the non-cancellable operating lease rentals payable in future.

SALGA leases premises with a lease period ranging from 36 to 60 months. The average annual escalation is 7% and the average remaining lease term is 17 months. All leases, except for Gauteng, have extension options included in the contracts. Four of the lease contracts (National Office; KwaZulu-Natal; Northern Cape and North West) have extension options that are subject to negotiation between SALGA and the Lessors at the end of the current contracts. SALGA normally enters negotiations to extend lease contracts at least six months before the termination of the lease.

The National Office lease has an option to purchase, the purchase price shall be based on market value at the time of exercising the option.

## 7. EMPLOYEE BENEFIT OBLIGATIONS

### Defined contribution plan

It is the policy of SALGA to provide retirement benefits to all its employees. A defined contribution pension or retirement fund, subject to the Pensions Fund Act exist for this purpose.

SALGA is under no obligation to cover any unfunded benefits.

Figures in Rand	2023	2022
The amount recognised as an expense for defined contribution plan is	21 607 828	19 777 693

Included in defined contribution plan information above, is the following plan which is accounted for as a defined contribution plan:

- Pension fund – R 21 607 828 (2022: R 19 777 693)

## 8. TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

Figures in Rand	2023	2022
Trade receivables	60 250 446	83 639 048
Prepayments	10 298 956	26 930 037
Sundry receivables	20 556 699	20 616 675
	91 106 101	131 185 760

### Credit quality of trade and other receivables

The credit quality of trade and other receivables that are past due and not impaired can be assessed by reference to historical default rates. The credit qualities rating of each of these financial instruments are as follows:

**Low credit grade (High risk)** – The counter parties have evidenced high occurrences of defaults and / or re-negotiations of contractual terms in prior periods. Furthermore, an assessment of the financial position and liquidity position of the parties has provided evidence of financial difficulties that may impede the recoverability of the outstanding amounts. As such the counter parties included in the low credit grade category pose a high credit risk to the entity.

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## 8. Trade and other receivables from exchange transactions (continued)

**Medium credit grade (Medium risk)** - The counter parties have evidenced instances of defaults and / or re-negotiations of contractual terms in prior periods on the repayment of outstanding amounts. An assessment of the financial position and liquidity positions of the parties has provided evidence of financial difficulties that may impede the recoverability of the outstanding amounts. The counter parties included in this credit grade category are active in an industry that is highly sensitive to market fluctuations and volatility in the international economies.

**High credit grade (Low risk)** - The counter parties have evidenced no instances of defaults and / or re-negotiations of contractual terms in prior periods.

Figures in Rand	2023	2022
<b>Trade receivables schedule</b>		
Trade receivables schedule (gross carrying amount)	259 791 627	259 491 487
Less: Allowance for impairment	(199 541 181)	(175 852 439)
	<b>60 250 446</b>	<b>83 639 048</b>

The allowance for impairment relates to the assessment of doubtful debts that SALGA may not realise.

**Trade and other receivables past due payment date but not impaired (Exchange transactions):**

As of 31 March 2023, trade and other receivables from exchange transactions of R 60 250 446 (2022: R 83 639 048) were past due payment date and not impaired:

Figures in Rand	2023	2022
<b>The ageing of amounts past due payment date but not impaired is as follows:</b>		
Not more than 30 days	-	-
More than 30 days but not more than 60 days	-	-
More than 60 days but not more than 90 days	-	-
More than 90 days but not more than 120 days	-	-
More than 120 days	60 250 446	83 639 048
	<b>60 250 446</b>	<b>83 639 048</b>

The carrying amount of trade and other receivables that are past due payment date and have re-negotiated settlement terms amount to R nil (2022: R nil).

**Trade and other receivables past due payment date but impaired (Exchange transactions):**

As of 31 March 2023, trade and other receivables of R 199 541 181 (2022: 175 852 439) were impaired and provided for.

Figures in Rand	2023	2022
<b>The ageing of impaired amounts is as follows:</b>		
Not more than 30 days	-	-
More than 30 days but not more than 60 days	-	-
More than 60 days but not more than 90 days	-	-
More than 90 days but not more than 120 days	-	-
More than 120 days	199 541 181	175 852 439
	<b>199 541 181</b>	<b>175 852 439</b>



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## 8. Trade and other receivables from exchange transactions (continued)

Figures in Rand	2023	2022
<b>Reconciliation of allowance account for doubtful debts</b>		
Opening balance	175 852 439	231 501 271
Increase in allowance for impairment	199 541 181	175 852 439
Unused amounts reversed	(175 852 439)	(231 501 271)
	<b>199 541 181</b>	<b>175 852 439</b>

The creation and release of allowance for impaired receivables have been included in operating expenses in surplus or deficit (note 22).

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. SALGA does not hold any collateral as security. SALGA is exposed to credit risk as a result of transactions entered into with customers on extended payment terms, and cash and cash equivalents held with commercial banks that may not be able to produce cash on demand.

SALGA manages these risks by independent checks and only using commercial banks approved by National Treasury. No changes occurred in the management of these risks from the prior year.

Figures in Rand	2023	2022
Trade receivables	60 250 446	83 639 048
Prepayments	10 298 956	26 930 037
Sundry receivables	20 556 699	20 616 675
	<b>91 106 101</b>	<b>131 185 760</b>

## 9. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Figures in Rand	2023	2022
Receivables from non-exchange transactions	6 303 210	4 911 917
Prepayments	-	-
Sundry receivables from non-exchange transactions	4 135 464	5 487 888
	<b>10 438 674</b>	<b>10 399 805</b>

## Credit quality of receivables from non-exchange transactions

The credit quality of other receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

**Low credit grade (High risk)** - The counter party has evidenced high occurrences of defaults and / or re-negotiations of contractual terms in prior periods. Furthermore, an assessment of the financial position and liquidity position of the party has provided evidence of financial difficulties that may impede the recoverability of the outstanding amounts. As such the counter parties included in the low credit grade category pose a high credit risk to the entity.

**Medium credit grade (Medium risk)** - The counter party has evidenced instances of defaults and / or re-negotiations of contractual terms in prior periods on the repayment of outstanding amounts. An assessment of the financial position and liquidity positions of the party has provided evidence of financial difficulties that may impede the recoverability of the outstanding amounts. The counter parties included in this credit grade category are active in an industry that is highly sensitive to market fluctuations and volatility in the international economies.

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## 9. Receivables from non-exchange transactions (continued)

**High credit grade (Low risk)** – The counter party has evidenced no instances of defaults and / or re-negotiations of contractual terms in prior periods.

**Receivables from non-exchange transactions past due payment date but not impaired:**

As of 31 March 2023, receivables from non-exchange transactions of R 6 303 210

(2022: R 4 911 917) were past due payment date and not impaired:

Figures in Rand	2023	2022
<b>The ageing of amounts past due payment date but not impaired is as follows:</b>		
Not more than 30 days	769 319	3 825 880
More than 30 days but not more than 60 days	182 912	615 000
More than 60 days but not more than 90 days	17 015	50 000
More than 90 days but not more than 120 days	11 911	-
More than 120 days	5 322 053	421 037
	<b>6 303 210</b>	<b>4 911 917</b>

**Receivables from non-exchange transactions impaired:**

As of 31 March 2023, receivables from non-exchange transactions of R 30 741 664

(2022: R 27 192 971) were impaired and provided for.

Figures in Rand	2023	2022
<b>The ageing of impaired amounts is as follows:</b>		
Not more than 30 days	-	-
More than 30 days but not more than 60 days	-	-
More than 60 days but not more than 90 days	-	-
More than 90 days but not more than 120 days	-	-
More than 120 days	30 741 664	27 192 971
	<b>30 741 664</b>	<b>27 192 971</b>

**Reconciliation of provision for impairment of receivables from non-exchange transactions:**

Figures in Rand	2023	2022
Opening balance	27 192 971	27 001 722
Provision for impairment	30 741 664	27 192 971
Unused amounts reversed	(27 192 971)	(27 001 722)
	<b>30 741 664</b>	<b>27 192 971</b>

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## 10. CASH AND CASH EQUIVALENTS

The carrying value of cash and cash equivalents is measured at amortised cost. None of the instruments included in the cash and cash equivalents were pledged as security for any financial obligation.

Cash and cash equivalents consist of:

Figures in Rand	2023	2022
Cash on hand	20 729	26 077
Restricted cash (conditional grants received)	498 583	10 895 961
Bank balances	634 498 677	466 418 490
	<b>635 017 989</b>	<b>477 340 528</b>

## 11. ASSETS HELD-FOR-SALE

In the past years, the organisation initiated a process to dispose of investment property. Advertisements were placed on the Government Tender Bulletin; national newspapers; e-Tender portal and SALGA's website on 17 July 2015 and 6 November 2015. However due to the negative market conditions and non-responsiveness of the adverts either due to lower than market value offers being received, this process was then held back, until the market picks up and / or better offers for the buildings were received.

During the current year, in line with the NEC decision of 5 August 2013, the investment properties referred to in note 2 were sold on auction for an anticipated selling price of R8. 9 million. The sale of these properties is expected to be finalised within the first half of the 2024 financial year, and as such have been classified as held for sale. (Refer to note 2 for further details).

### Description of the assets:

The investment property is held for capital appreciation.

- i) Stand 3278, Johannesburg, Gauteng.
- ii) Stand 750, Kimberly, Northern Cape.
- iii) Portion 654 of the farm Albania no. 957, FT KwaZulu-Natal.

### Carrying values

Figures in Rand	2023	2022
Carrying values of the assets	<b>6 862 000</b>	-

The assets held for sale require the properties to be disclosed at the lower of the carrying amount i.e. prior year valuation and selling price less costs to sell. The properties are accounted for and disclosed using their carrying value in the current year. The selling price of the properties is R8,9 million, and the sale is expected to be completed within the next financial year, 31 March 2024.

### Facts and circumstances of the disposal

The NEC which is the Accounting Authority approved the disposal of the investment property on 5 August 2013 with a proviso that proceeds from the disposal be ring-fenced for the acquisition of administrative buildings for the respective offices. Approval of the Executive Authority (CoGTA) was sought and obtained in 2015 in terms of the PFMA and the organisation's Materiality and Significance Framework.

This is also in line with the revised capital investment strategy.

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## 12. REVALUATION SURPLUS RESERVE

The revaluation surplus is non-distributable.

Figures in Rand	2023	2022
Balance	2 259 566	2 259 566

The revaluation reserve results from the revaluation of property, plant and equipment while still owner occupied. It remains after treating the same assets as investment property since they were vacated by the entity. Upon transfer of the owner-occupied property to investment property the revaluation surplus is treated in the following manner:

Any remaining part of the increase is credited directly to net assets in revaluation surplus. On subsequent disposal of the investment property, the revaluation surplus included in net assets may be transferred to accumulated surpluses or deficits. The transfer from revaluation surplus to accumulated surpluses or deficits is not made through surplus or deficit but through the Statement of Changes in Net Assets.

## 13. FINANCE LEASE OBLIGATION

Figures in Rand	2023	2022
<b>Minimum lease payments due</b>		
- within one year	484 861	985 892
- in second to fifth year inclusive	42 468	173 849
	527 329	1 159 741
Less: Future finance charges	(19 837)	(77 322)
<b>Present value of minimum lease payments</b>	<b>507 492</b>	<b>1 082 419</b>
<b>Present value of minimum lease payments due</b>		
- within one year	465 367	912 271
- in second to fifth year inclusive	42 125	170 148
	<b>507 492</b>	<b>1 082 419</b>
Non-current liabilities	42 125	170 148
Current liabilities	465 367	912 271
	<b>507 492</b>	<b>1 082 419</b>

It is SALGA's standard operating practice to lease certain office equipment under finance leases. Obligations under finance leases are secured by the lessor's title to the leased assets.

SALGA ordinarily concludes these leasing arrangements for a period that ranges up to 36 months. The average lease period for leased office equipment is 36 months. The average remaining lease term is 11.5 months and the average effective interest rate implicit in the lease was 7.25% (2022: 9.64%). Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent. There are purchase options entered into on these leased assets. SALGA does not renew the leases upon expiry as the useful life approximates the lease term.

SALGA's obligations under finance leases are secured by the lessor's claim over the leased assets, in an instant where SALGA defaults on the contractual lease payments. Refer note 3. Leased office equipment with a carrying amount of R 507 492 (2022: R 1 082 419) are subject to the Lessors restrictions in terms of movement (relocation).

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## 9. Receivables from non-exchange transactions (continued)

## 14. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Assets recognised and included in cash and cash equivalents amounting to R 1 872 771 (2022: R 5 090 143) are ring-fenced and can solely be used in terms of the conditions of the grants.

Unspent conditional grants and receipts comprises of:

Figures in Rand	2023	2022
<b>Unspent conditional grants and receipts</b>		
Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ) - LED Network	-	-
LGSETA – Capacity Building	-	-
LGSETA – LDW	-	-
LGSETA – (CIP)	-	-
KDZ Rise Project	-	-
BANKSETA - (SMECB)	-	4 217 372
European Union (SGCLG)	370 087	370 087
Federation of Canadian Municipalities (BIGM)	466 041	466 041
European Union - Enhancing Municipal Capacity (EMC)	-	-
United Nations Development Program (UNDP)	36 643	36 643
Department of Science and Technology (MIMI)	1 000 000	-
European Union – PARI	-	-
VVSG (Enhancing Capacity in Local Government Waste Management)	-	-
	<b>1 872 771</b>	<b>5 090 143</b>
<b>Movement during the year</b>		
Balance at the beginning of the year	5 090 143	2 357 088
Additions during the year	21 254 394	16 926 460
Reclassification during the year	1 076 807	1 012 114
Revenue recognition during the year	(25 548 573)	(15 205 519)
	<b>1 872 771</b>	<b>5 090 143</b>

The nature and extent of conditional government grants recognised in the annual financial statements and an indication of other forms of assistance from which SALGA has directly benefited are disclosed in note 20; and any unfulfilled conditions and attaching to government and other assistance has not been recognised in surplus or deficit and remain reflected as a liability (Unspent conditional grants and receipts).

See note 20 for reconciliation of grants from National / Provincial Government and other Institutions.



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## 15. PROVISIONS

	Opening Balance	Additions	Paid during the year	Total
<b>Reconciliation of provisions – 2023</b>				
FTC employee long term incentive	3 662 555	16 506 222	(2 254 469)	17 914 308
	<b>3 662 555</b>	<b>16 506 222</b>	<b>(2 254 469)</b>	<b>17 914 308</b>

	Opening Balance	Additions	Paid During the year	Total
<b>Reconciliation of provisions – 2022</b>				
FTC employee long term incentive	2 500 563	1 161 992	-	3 662 555
	<b>2 500 563</b>	<b>1 161 992</b>	<b>-</b>	<b>3 662 555</b>

Figures in Rand	2023	2022
Non-current liabilities	630 492	408 808
Current liabilities	17 283 816	3 253 747
	<b>17 914 308</b>	<b>3 662 555</b>

The Fixed Term Contract (FTC) employee long-term retention incentive represents management's best estimate of SALGA's liability under year six of the retention incentive scheme. The FTC retention incentive scheme only vests to FTC employees provided the employee's performance is acceptable in terms of SALGA's merit-based rating matrix. Furthermore, should the employee remain in the employ of SALGA for a period exceeding three years whereupon the incentive shall vest to the employee. There is no change on the basis used to calculate the entity's obligation on the retention scheme.

The provision for LTI on senior managers and specialists is included on the above and relates to a settlement to all employees whose contracts were converted to permanent employees.

## 16. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Figures in Rand	2023	2022
Trade payables	11 440 964	9 708 072
Membership levies received in advance	27 390 835	5 225 447
Sundry payables	6 374 762	6 221 525
Accrued leave pay	29 137 030	28 900 788
Accrued thirteenth cheque	2 142 291	1 867 758
Accrued expenses	9 019 811	9 854 494
Accrued performance rewards	25 939 590	25 073 219
Other payables (lodge cards)	13 294 760	6 090 666
	<b>124 740 043</b>	<b>92 941 969</b>

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## 17. FINANCIAL INSTRUMENTS

## Categories of financial instruments

2023	At amortised cost	Total
<b>Financial assets</b>		
Operating lease receivables – exchange transactions	214 745	214 745
Trade and other receivables from exchange transactions	80 807 145	80 807 145
Other receivables from non-exchange transactions	10 438 674	10 438 674
Cash and cash equivalents	635 017 989	635 017 989
	<b>726 478 553</b>	<b>726 478 553</b>
<b>Financial liabilities</b>		
Trade and other payables from exchange transactions	20 460 775	20 460 775
Sundry payables	6 374 762	6 374 762
Other payables	13 294 760	13 294 760
	<b>40 130 297</b>	<b>40 130 297</b>
<b>2022</b>	<b>At amortised cost</b>	<b>Total</b>
<b>Financial assets</b>		
Operating lease receivables – exchange transactions	76 714	76 714
Trade and other receivables from exchange transactions	104 255 723	104 255 723
Other receivables from non-exchange transactions	10 399 805	10 399 805
Cash and cash equivalents	477 340 528	477 340 528
	<b>592 072 770</b>	<b>592 072 770</b>
<b>Financial liabilities</b>		
Trade and other payables from exchange transactions	19 562 566	19 562 566
Sundry payables	6 221 524	6 221 524
Other payables	6 090 666	6 090 666
	<b>31 874 756</b>	<b>31 874 756</b>

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## 18. REVENUE

Total revenue disclosed in the statement of financial performance is made up as follows:

Figures in Rand	2023	2022
Revenue from exchange transactions	730 594 918	686 048 511
Revenue from non-exchange transactions	64 383 500	54 676 019
Other revenue (refer note 21)	6 894 766	8 471 670
Investment revenue (refer note 26)	60 397 625	36 403 596
<b>Total revenue</b>	<b>862 270 809</b>	<b>785 599 796</b>

The amounts included in revenue arising from exchange of goods or services are as follows:

Figures in Rand	2023	2022
Rendering of services – Membership levies	730 594 918	686 048 511
Other revenue (refer note 21)	6 894 766	8 471 670
	<b>737 489 684</b>	<b>694 520 181</b>

The amount included in revenue arising from non-exchange transactions is as follows:

Figures in Rand	2023	2022
Transfers – Government grant and subsidies	36 280 000	35 369 000
Grant recognised – FoCM (BIGM)	-	8 755 816
Sponsorship and donations	2 554 926	4 101 500
Grant recognised – LED Network	-	105 260
Grant recognised – DST (MIMI)	-	883 110
Grant recognised – UNDP	-	449 871
Grant recognised – KDZ Rise Project	16 641	-
Grant recognised – European Union (Pari Compact Project)	2 382 630	-
Grant recognised – LGSETA (LDW)	-	53 280
Grant recognised – BANKSETA (SGCLG)	12 217 372	3 782 628
Grant recognised – LGSETA (CIP)	9 192 000	-
Grant recognised – LGSETA (Capacity Building)	121 200	163 440
Grant recognised – EU (Enhancing Municipal Capacity for Development)	-	232 350
Grant recognised – VVSG (Enhancing Capacity in LG Waste Management)	1 618 731	779 764
	<b>64 383 500</b>	<b>54 676 019</b>

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## 19. DIRECT EXPENDITURE – PROGRAMME COST

Figures in Rand	2023	2022
<b>Municipal advisory and support service cost</b>		
Annual remuneration	221 781 854	196 835 883
Performance rewards	17 769 760	15 336 560
Employer contribution to medical aid	9 645 770	8 754 986
Unemployment insurance fund (UIF)	603 607	519 322
Skills development levy (SDL)	2 476 653	2 296 294
Other payroll levies	20 570 690	3 514 763
Leave pay accrual charge	1 728 813	4 701 347
Cell phone allowance	3 497 926	3 297 099
Employer contribution to group risk	4 562 978	4 669 369
Employer contribution to the defined contribution plan	15 387 246	14 104 937
Long-term benefits – Retention incentive scheme	1 022 935	835 405
	<b>299 048 232</b>	<b>254 865 965</b>
<b>IGR Participation and mandating cost (councillors)</b>		
Sitting allowance	3 250 447	1 822 110
Travel allowance	3 883 974	1 432 944
	<b>7 134 421</b>	<b>3 255 054</b>
<b>OLG Mandate implementation cost</b>		
Member support – professional and advisory services	43 333 607	46 999 015
Travel expenditure	24 609 500	7 604 163
Venue hire and accommodation	65 193 487	42 556 449
Capacity building expenditure	5 213 915	28 783 987
Logistical support expenses	8 706 364	5 713 158
	<b>147 056 873</b>	<b>131 656 772</b>
	<b>453 239 526</b>	<b>389 777 791</b>

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## 20. GOVERNMENT GRANTS AND SUBSIDIES

Figures in Rand	2023	2022
Transfers and subsidies - Executive Authority	36 280 000	35 369 000

## Conditional grant - Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ) - LED Network)

Figures in Rand	2023	2022
Balance unspent at beginning of year	-	105 260
Conditions met – transferred to revenue (refer note 18)	-	(105 260)
<b>Balance unspent at end of year</b>	-	-

Conditions met – no remaining liability (refer note 14)

The grant is funded by *Deutsche Gesellschaft fur Internationale Zusammenarbeit* (GIZ) to build capacity within SALGA for a Local Economic Development (“LED”) specialist.

## Conditional grant -Local Government SETA Leadership Development Workshops (LDW)

Figures in Rand	2023	2022
Balance unspent at beginning of year	-	-
Current year receipts	-	53 280
Conditions met - transferred to revenue (refer note 18)	-	(53 280)
<b>Balance unspent at end of year</b>	-	-

Conditions met – no remaining liability (refer note 14)

The grant is from the Local Government Sector Education and Training Authority (LG SETA). Its intention is to provide support to SALGA's capacity building programmes targeted to SALGA members i.e., municipalities and its primary aim is to fund the Leadership Development Workshop (LDW).

## Conditional grant -Local Government SETA (Capacity Building)

Figures in Rand	2023	2022
Balance unspent at beginning of year	-	-
Current year receipts	121 200	163 440
Conditions met - transferred to revenue (refer note 18)	(121 200)	(163 440)
<b>Balance unspent at end of year</b>	-	-

Conditions met – no remaining liability (refer note 14)

The grant is for the activation of capacity building through a Human Resources Development Indaba that will inform SALGA's programme on Human Resource Development for the sector. The grant received from the LG SETA will also fund the following projects:

- (i) capacity building;
- (ii) conducting a feasibility study for the facilitation of Local Government Leadership Academy Scoping; and
- (iii) Development of requirements specification for the HRM&D Information Systems.



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## 20. Government grants and subsidies (continued)

## Conditional grant – BANKSETA (SMECB)

Figures in Rand	2023	2022
Balance unspent at beginning of year	4 217 372	-
Current-year receipts	8 000 000	8 000 000
Conditions met - transferred to revenue (refer note 18)	(12 217 372)	(3 782 628)
<b>Balance unspent at end of year</b>	<b>-</b>	<b>4 217 372</b>

Conditions met – no remaining liability (refer note 14)

This grant is funded by the Banking Sector Education & Training Authority (BANKSETA). It is intended to build capacity of small & medium enterprises in rural communities. The main focus areas for this capacity building are financial management, agriculture, land management, among others. This grant is in support of the national rural development strategy.

## Conditional grant – European Union (EU) – Strengthening Governance and Capacity in Local Government (SCLG)

Figures in Rand	2023	2022
Balance unspent at beginning of year	370 087	370 087
Current-year receipts	-	-
Conditions met - transferred to revenue (refer note 18)	-	-
	<b>370 087</b>	<b>370 087</b>

Conditions still to be met – remaining liability (refer note 14)

The grant is from the European Union (EU) – SCLG to fund SALGA to strengthen governance and capacity building in municipalities.

## Conditional grant – Federation of Canadian Municipalities (BIGM)

Figures in Rand	2023	2022
Balance unspent at beginning of year	466 041	512 117
Current-year receipts	-	8 709 740
Conditions met - transferred to revenue (refer note 18)	-	(8 755 816)
	<b>466 041</b>	<b>466 041</b>

Conditions still to be met – remaining liability (refer note 14)

This grant is from Federation of Canadian Municipalities. Its main purpose is to support municipalities to improve their capacity; to develop and implement plans for green infrastructure, trade & economic development; to enhance SALGA's capacity to provide institutional support to its members.

## Conditional grant – United Nations Development Program (UNDP)

Figures in Rand	2023	2022
Balance unspent at beginning of the year	36 643	486 514
Current-year receipts	-	-
Conditions met - transferred to revenue (refer note 18)	-	(449 871)
	<b>36 643</b>	<b>36 643</b>

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## 20. Government grants and subsidies (continued)

Conditions still to be met – remaining liability (refer note 14)

This grant is funded by the United Nations with the project called UNDP. Its main purpose is to fund and support formal and informal traders and SMME's during COVID-19 pandemic. The relief to the formal and informal traders across South Africa is to ensure that they recover from the impact of the Covid-19 pandemic. SALGA is the leading and support implementation partner.

**Conditional grant – European Union (Enhance Municipal Capacity for Development)**

Figures in Rand	2023	2022
Balance unspent at beginning of year	-	-
Transferred from trade and other receivables (sundry receivables) (refer note 8)	-	232 350
Conditions met - transferred to revenue (refer note 18)	-	(232 350)
	-	-

Conditions met – no remaining liability (refer note 14)

This conditional grant is funded by European Union. The main purpose is to enhance municipalities' capacity for economic development.

**Conditional grant – Department of Science and Technology (MIMI)**

Figures in Rand	2023	2022
Balance unspent at beginning of year	-	883 110
Current-year receipts	1 000 000	-
Conditions met - transferred to revenue (refer note 18)	-	(883 110)
	1 000 000	-

Conditions still to be met – remaining liability (refer note 14)

The grant is funded by Department of Science and technology to develop Municipal Innovation Maturity Index (MIMI).

**Conditional grant – VVSG (Enhancing Capacity in Local Government Waste Management)**

Figures in Rand	2023	2022
Balance unspent at beginning of year	-	-
Current-year receipts	-	-
Transferred from trade and other receivables (sundry receivables) (refer note 8)	-	779 764
Conditions met - transferred to revenue (refer note 18)	-	(779 764)
	-	-

Conditions met – no remaining liability (refer note 14)

The grant is funded by the Association of Flemishes Cities and Municipalities (VVSG). The objectives of the grant are to (1) To enhance the capacity of local governments in SA to contribute to the implementation of the integrated waste management policies respecting the principles of good local governance; (2) Contribute to good, inclusive local governance through the enhance digital capacity for smart governance and improved service delivery of SALGA and its member municipalities.

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## 20. Government grants and subsidies (continued)

## Conditional grant – European Union (PARI)

Figures in Rand	2023	2022
Balance unspent at beginning of year	-	-
Current-year receipts	2 060 575	-
Transferred from trade and other receivables (sundry receivables) (refer note 8)	322 055	-
Conditions met - transferred to revenue (refer note 18)	(2 382 630)	-
	-	-

Conditions met – no remaining liability (refer note 14)

This grant is funded by European Union - Public Affairs Research Institute (EU-PARI) to establish internal municipal systems to ensure proper alignment of developmental goals with internal planning and performance management of a Municipality.

## Conditional grant – LGSETA (CIP)

Figures in Rand	2023	2022
Balance unspent at beginning of year	-	-
Current-year receipts	9 192 000	-
Transferred from trade and other receivables (sundry receivables) (refer note 8)	-	-
Conditions met - transferred to revenue (refer note 18)	(9 192 000)	-
	-	-

Conditions met – no remaining liability (refer note 14)

This grant is funded by LGSETA with an aim of capacitating, training and developing local government Councillors. By providing Councillor Induction/orientation, to ensure that they understand their roles and responsibilities.

## Conditional grant – KDZ Rise Project

Figures in Rand	2023	2022
Balance unspent at beginning of year	-	-
Current-year receipts	16 641	-
Transferred from trade and other receivables (sundry receivables) (refer note 8)	-	-
Conditions met - transferred to revenue (refer note 18)	(16 641)	-
	-	-

Conditions met – no remaining liability (refer note 14)

This grant is funded by Zentrum Fur Verwaltungsforschung (KDZ) in partnership with SALGA and other international partners. The purpose of this grant is to exchange knowledge, conduct research and innovation, compare and share best practices in key areas of local government.

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## 21. OTHER REVENUE

Figures in Rand	2023	2022
Delegate fees - national and provincial members assembly	5 751 001	7 001 000
Sundry revenue	1 074 384	1 033 515
Commission revenue	532	640
Rent revenue	149 644	152 005
(Loss) / (gain) on foreign exchange differences	(80 795)	284 510
	<b>6 894 766</b>	<b>8 471 670</b>

## 22. ADMINISTRATIVE EXPENDITURE

Figures in Rand	2023	2022
Impairment loss	664 798	93 194
Lease rentals	45 046 201	44 866 730
Allowance for / (reversal of) doubtful debts	27 237 435	(55 457 583)
Repairs and maintenance	6 973 104	5 755 558
Profit on disposal of assets	(145 443)	(124 435)
Investment property fair value adjustments	-	(231 921)
Other overheads	18 132 194	14 755 157
	<b>97 908 289</b>	<b>9 656 700</b>

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## 23. OTHER OPERATIONAL EXPENDITURE

Figures in Rand	2023	2022
Advertising	7 836 962	14 292 778
Auditors' remuneration	3 053 396	4 310 223
Bank charges	214 436	187 810
Cleaning	1 431 037	1 894 582
IT consumables	298 284	238 647
Professional and advisory services	1 857 653	1 336 284
Gifts and donations	4 419	5 165
Insurance	749 651	720 981
Community development initiatives	288 163	2 355 977
IT support and licence fees	20 281 627	18 990 731
Marketing	5 070 674	4 642 556
Motor vehicle expenses	537 928	174 874
Postage and courier	439 214	728 237
Printing and stationery	3 905 030	4 023 240
Municipal profiling	32 256 048	2 449 883
Security costs	3 737 551	3 459 454
Staff welfare	1 296 857	1 237 178
Subscriptions and membership fees	1 653 816	1 128 686
Telephone and fax	5 017 392	3 780 871
Training	4 391 111	4 027 761
Assets expensed	179	-
Municipal charges - utilities	10 006 007	8 658 772
Municipal charges - other levies	5 436 899	5 270 229
Staff uniforms	37 870	-
Other office accommodation costs	207 282	28 635
Recruitment costs	3 226 751	667 611
Corporate Governance costs	1 707 840	1 477 420
	<b>114 944 077</b>	<b>86 088 585</b>



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## 24. OPERATING SURPLUS

Operating surplus for the year is stated after accounting for the following amongst others:

Figures in Rand	2023	2022
<b>Operating lease charges</b>		
Premises		
• Straight-lined amounts	40 823 348	41 526 583
Equipment		
• Leases capitalised / (unwinding of interest expense)	4 222 853	3 360 147
	<b>45 046 201</b>	<b>44 886 730</b>
Profit on disposal of assets	(145 443)	(124 435)
Legal fees	1 482 492	993 884
Repairs and maintenance	6 973 104	5 755 558
Impairment on property, plant and equipment and intangibles	664 798	93 134
Amortisation of intangible assets	107 508	108 042
Depreciation of property, plant and equipment	5 123 137	5 121 056
Municipal advisory and support service cost	299 048 232	254 865 965
Employee costs - administration support	83 346 037	75 391 723
Defined contribution fund (refer note 7)	21 607 828	19 777 693

## 25. EMPLOYEE RELATED COSTS

The disclosed personnel cost is inclusive of direct expenditure for municipal advisory and support service cost which are necessary for the organisation to provide member support.

The distribution of personnel costs between core services i.e., implementation of SALGA's mandate and administration support is as follows:

Figures in Rand	2023	2022
Municipal advisory and support service cost (refer note 19)	299 048 232	254 865 965
Administration support	112 260 099	100 848 365
	<b>411 308 331</b>	<b>355 714 330</b>

Core services accounts for 73% (2022: 72%) of total employee related costs.

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## 25. Employee related costs (continued)

## Personnel cost

Figures in Rand	2023	2022
Annual remuneration	83 346 037	75 391 723
Performance rewards	6 241 559	6 598 781
Employer contribution medical aid	5 594 057	5 121 207
Unemployment Insurance Fund	303 894	288 968
Workmen's Compensation Fund	378 464	272 654
Skills Development Levy	990 102	905 264
Other payroll levies	810 362	428 028
Leave pay accrual charge	659 643	1 946 133
Cell phone allowance	1 303 948	1 182 624
Employer contribution group risk	1 719 184	1 786 212
Other short-term costs	4 507 590	927 427
Defined contribution plan – Employer contribution pension fund	6 220 582	5 672 756
Long-term benefits – Retention incentive scheme	184 677	326 588
	<b>112 260 099</b>	<b>100 848 365</b>

## Remuneration of senior management (included in personnel costs above)

Figures in Rand	2023	2022
Annual remuneration	19 798 742	19 000 663
Employer contribution to retirement fund	1 390 447	1 392 728
Performance rewards (excluding long-term incentive)*	2 609 850	1 565 142
Gratuity**	1 259 345	-
Subsistence; cell phone; and travel allowances	1 153 925	386 298
Employer contribution to group risk	378 743	428 606
Employer contribution to medical aid	251 619	187 092
	<b>26 842 671</b>	<b>22 960 529</b>

\* The long-term incentive is recognised on an annual basis until it vests according to the LTI policy. Payments are made annually to qualifying individuals as and when they request payment. The payment is offset against the provision in line with the long-term incentive standard and policy.

\*\* The gratuity payment was paid to the previous CEO in line with his employment contract upon leaving the organisation. (Refer to note 35 - Related parties for further details).

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## 26. INVESTMENT REVENUE

Figures in Rand	2023	2022
<b>Interest revenue</b>		
Bank	36 407 599	16 568 602
Trade and other receivables at amortised cost – interest revenue	23 990 026	19 834 994
	<b>60 397 625</b>	<b>36 403 596</b>

Total interest revenue calculated using the effective interest rate, on financial instruments not at fair value through surplus or deficit amounted to R 60 397 625 (2022: R 36 403 596).

## 27. FAIR VALUE ADJUSTMENTS

Figures in Rand	2023	2022
Investment property (Fair value model) (see note 2)	-	231 921

## 28. IMPAIRMENT OF ASSETS

Figures in Rand	2023	2022
<b>Impairments</b>		
<b>Property, plant and equipment</b>	321 974	112 117
An impairment loss has been recognised on items of property, plant and equipment due to the said assets having no future service potential. Furniture and fixtures that is broken and thus having no service potential R 175 071 (2022: R 9 653). Whilst impairment losses were recognised for IT equipment no longer required for delivery of services to members over the longer planning period due to technological obsolescence R 84 222 (2022: R nil). Office equipment amounting to R 62 681 (2022: R 98 968) were impaired due to the equipment having no service potential over the longer planning period. All these assets are not required for the delivery of services to members, either currently, or over the longer planning period and some have evidenced physical damage to the asset. Lease office equipment amounted to R nil (2022: R 3 555).		
<b>Intangibles</b>		
Intangibles with no future service potential.	342 824	63
	<b>664 798</b>	<b>112 180</b>
<b>Reversal of impairments</b>		
<b>Property, plant and equipment</b>	-	(19 046)
Impairment previously recognised on IT equipment has been reversed due to the change on the intent/commitment to use the assets for service delivery to members, thereby significantly increasing the need for the assets service potential – IT Equipment R nil (2022: R 19 046). The recoverable service amount of the asset was based on its value in use.		
	-	(19 046)
<b>Total impairment losses recognised</b>	<b>664 798</b>	<b>93 134</b>

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## 28. Impairment of assets (continued)

The main classes of assets affected by impairment losses are:

- Furniture & fixtures – R 175 071 (2022: R 9 653)
- IT equipment – R 84 222 (2022: R nil)
- Office equipment – R 64 681 (2022: R 98 968)
- Lease office equipment – R nil (2022: R 3 555)
- Intangibles – R 342 823 (2022: R 63)

The main events and circumstances that led to the recognition of these impairment losses are as follows:

- Furniture & fixtures - damaged/broken resulting in these assets having no service potential.
- IT Equipment - not required for the delivery of services due to technological obsolescence.
- Office equipment - not required for the delivery of services due to evidenced physical damage.
- Lease office equipment - damaged/broken resulting in these assets having no service potential.
- Intangibles – these were assets with no future service potential.

The main event and circumstances that led to the reversal of impairment are as follows:

- IT Equipment – there was a change on the intent/commitment to use the assets for service delivery to members, thereby significantly increasing the need for the assets service potential these assets are not required for the delivery of services to members, either currently, or over the longer planning period due to technological obsolescence.

### Value in use

In determining the recoverable amount of the assets subjected to impairment SALGA considered the following:

- Usefulness of the assets and their current state. SALGA's IT department/experts that the intangible assets have an indefinite useful life and will be assessed annually for usefulness.
- The intention of management on the current use of the assets and upgrades effected on specific assets.
- The nature/classes of the assets affected, being both intangible and tangible i.e., Software, Furniture and Fittings and Office Equipment.
- The appropriateness of the carrying value of the assets prior the change in use.
- In the absence an active market for the same assets due to technological advancements and change in design, management opted for the cost replacement approach to determine value in use, this was done through the application of Consumer Price Increase (CPI) on the affected assets.

SALGA determined the value in use of the assets affected by impairment as follows:

A depreciated replacement cost approach was used, where the replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. In the absence of an active market for assets of a similar condition the depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

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## 29. COMMUNITY DEVELOPMENT INITIATIVES

Figures in Rand	2023	2022
Community Development Initiatives	288 163	2 355 977
	<b>288 163</b>	<b>2 355 977</b>

Included in Note 23 under Community Development Initiative is an amount of R 288 163 (2022: R 485 666; 2022: 1 870 312) which was spent during the year under review on the Nelson Mandela Day as well as spending incurred in the prior year on the Covid-19 pandemic which necessitated organisations to assist communities in need of personal protective equipment and sanitisers to be deployed in an effort to curb the spread of the Covid-19 pandemic.

## 30. FINANCE COSTS

Figures in Rand	2023	2022
Trade and other payables	-	4 732
Finance leases	57 295	108 940
Trade and other payables at amortised cost – interest expense	1 388 397	1 040 296
	<b>1 445 692</b>	<b>1 153 968</b>

Total interest expense calculated using the effective interest rate, on financial instruments not at fair value through surplus or deficit amounted to R 1 445 692 (2022: R 1 153 968).

## 31. TAXATION

No provision is made for taxation as SALGA is exempt from Income Tax in terms of section 10 (1) (CA) (i) of the Income Tax Act No. 58 of 1962.

No Value Added Tax was applicable to SALGA as it is exempt from complying with the Value Added Tax Act No. 89 of 1991.

## 32. AUDITORS' REMUNERATION

Figures in Rand	2023	2022
Audit fees	3 053 396	4 310 223



## SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION

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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 33. CASH GENERATED FROM OPERATIONS

Figures in Rand	2023	2022
Surplus	77 242 481	192 845 289
<b>Adjustments for:</b>		
Depreciation and amortisation	5 230 645	5 229 098
(Loss) / gain on foreign exchange transactions	(80 795)	284 510
Profit on disposal of assets	(145 443)	(124 435)
Fair value adjustment to investment property	-	(231 921)
Recognised Impairment loss	664 798	93 193
Increase / (decrease) in allowance for doubtful debts	27 237 435	(55 457 583)
Movements in operating lease assets and accruals	(376 920)	213 171
Movements in provisions	14 251 753	1 161 992
Decrease in accruals relating to employee costs	866 371	217 323
<b>Changes in working capital:</b>		
Trade and other receivables from exchange transactions	12 842 224	13 811 944
Trade and other receivables from non-exchange transactions	(38 869)	(4 710 763)
Trade and other payables from exchange transactions	31 012 499	(1 852 323)
Underspent / (Overspent) conditional grants and receipts	(3 217 371)	2 733 055
	<b>165 488 808</b>	<b>154 212 550</b>

## 34. COMMITMENTS

## Authorised capital expenditure

## Already contracted for but not provided for

Figures in Rand	2023	2022
• Property, plant and equipment	751 636	938 001

## Total capital commitments

Figures in Rand	2023	2022
Already contracted for but not provided for	751 636	938 001

## Authorised operational expenditure

## Already contracted for but not provided for

Figures in Rand	2023	2022
• Expenditure	113 950 632	102 093 778

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## 34. Commitments (continued)

## Total commitments

Figures in Rand	2023	2022
Authorised and contracted capital expenditure	751 636	938 001
Authorised and contracted operational expenditure	113 950 632	102 093 778
	<b>114 702 268</b>	<b>103 031 779</b>

The committed operational expenditure relates to expenditure where purchase orders were issued at year-end. All these commitments will be realised in the normal operating cycle of SALGA and are funded from internal resources.

## Operating leases - as lessee (expense)

Figures in Rand	2023	2022
<b>Minimum leases payments due</b>		
• within one year	26 855 180	28 950 404
• in second to fifth year inclusive	50 723 592	49 045 328
	<b>77 578 772</b>	<b>77 995 732</b>

SALGA has nine operating leases for office accommodation across all provinces. Operating lease payments represent rentals payable by SALGA for its administrative office accommodation.

Leases are negotiated for an average term of five years. The average extension period is 1.5 years (2022: 0.8 years). The average escalation rate is 7%.

All leases, except for Gauteng have extension options included in the contracts. Four of the lease contracts (National Office; KwaZulu-Natal; Northern Cape and North West) have extension options that are subject to negotiation between SALGA and the Lessors at the end of the current contracts. SALGA normally enters into negotiations to extend lease contracts at least six months before the termination of the lease.

## Operating leases - as lessor (income)

Figures in Rand	2023	2022
<b>Minimum leases payments due</b>		
• within one year	130 543	120 873
• in second to fifth year inclusive	635 299	588 240
• later than five years	381 702	559 304
	<b>1 147 544</b>	<b>1 268 417</b>

SALGA leases a portion of its property in KwaZulu-Natal to a cellular phone operator for a cellular phone mast. The lease period on integration of SALGA KwaZulu-Natal into the SALGA fold was renewed for a period of 119 months from 01 April 2020. The annual escalation is 8% and the remaining lease term is 83 months.

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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 35. RELATED PARTIES

## Relationships

Members of the National Executive Committee ("NEC")	
President of SALGA (Office bearer)	<b>Cllr. Bheke Charles Stofile</b> Speaker – Matjhabeng Local Municipality
Deputy President of SALGA (Office bearer)	<b>Cllr. Flora Noliqwa Maboab-Boltman</b> Councillor – Gert Sibande Local Municipality
Deputy President of SALGA (Office bearer)	<b>Cllr. Xola Pakati</b> Executive Mayor – Buffalo City Metropolitan Municipality
Deputy President of SALGA (Office bearer)	<b>Cllr. Xanthea Limberg</b> Councillor - City of Cape Town Metropolitan Municipality
Member of the NEC	<b>Cllr. Thamsanqa Ngubane</b> Councillor – Umvoti Local Municipality
Member of the NEC	<b>Cllr. Bahula Maladimo Maitula</b> Councillor – Makhuduthamaga Municipality
Member of the NEC	<b>Cllr. Annelie Rabie</b> Mayor – Overstrand Municipality
Member of the NEC	<b>Cllr. Mapaseka Mothibi - Nkoane</b> Deputy Mayor – Mangaung Metropolitan Municipality
Member of the NEC	<b>Cllr. Lesetja Jacob Dikgale</b> Mayor – Thembisile Hani Municipality
Member of the NEC	<b>Cllr. Prudence Ntombenkosi Pepping</b> Mayor – Ingquza Hill Local Municipality
Member of the NEC	<b>Cllr. Nikiwe Julia Num</b> Mayor – Kenneth Kaunda District Municipality
Member of the NEC	<b>Cllr. Xolani Sotashe</b> Councillor - City of Cape Town Metropolitan Municipality
Member of the NEC	<b>Cllr. Xolani Ngwezi</b> Mayor – Umhlathuze Local Municipality

## Relationships

Members of the National Executive Committee ("NEC")	
Member of the NEC	<b>Cllr. Jane Naidoo</b> Councillor – eThekweni Metropolitan Municipality
Member of the NEC	<b>Cllr. Lerato Maloka</b> Mayor – Sedibeng Municipality
Member of the NEC	<b>Cllr. Mluleki Ronald Nkosi</b> Executive Mayor – Lesedi Local Municipality
Member of the NEC	<b>Cllr. Neo Masegela</b> Mayor – Gasegonyana Local Municipality
Member of the NEC	<b>Cllr. Sebang Motlhabi</b> Mayor – Lekwa Teemane Local Municipality
Member of the NEC	<b>Cllr. Brenda Mpamba</b> Councillor – Thembelihle Municipality

## SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION

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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 35. Related parties (continued)

Members of the National Executive Committee (“NEC”)	
Member of the NEC	<b>Cllr. Mesuli Ngqondwana</b> Mayor – OR Tambo Municipality
Member of the NEC	<b>Cllr. Nokwanje Selina Leeto</b> Speaker – Lejweleputswa District Municipality
Member of the NEC	<b>Cllr. Jongisizwe Dlabathi</b> Executive Mayor – Ekurhuleni Metropolitan Municipality
Member of the NEC	<b>Cllr. Arthur Thamsanqa Ntuli</b> Mayor – King Cetshwayo Municipality
Member of the NEC	<b>Cllr. Jesta Sidell</b> Mayor – Ehlanzeni Municipality
Member of the NEC	<b>Cllr. Pule Shayi</b> Mayor – Mopani Local Municipality
Member of the NEC	<b>Cllr. Micheal Segede</b> Mayor – Dawid Kruiper Municipality
Member of the NEC	<b>Cllr. Khumalo Molefe</b> Executive Mayor – Ngaka Modiri Molema Municipality
Member of the NEC	<b>Cllr. Donovan Joubert</b> Speaker – Cape Winelands Local Municipality
Member of the NEC	<b>Cllr. John Mpe</b> Executive Mayor – Polokwane Municipality
Member of the NEC	<b>Cllr. Samkelo Janda</b> Mayor – Umbhashe Local Municipality
Ex-officio member of the NEC	<b>Mr. Sithole Mbanga</b> CEO – SALGA

## Relationships

Executive Authority	
Executive Authority	National Department of Co-operative Governance & Traditional Affairs

Members of the Audit and Risk Committee	
Chairperson	Ms. Amanda Mazibuko*
Chairperson	Mr. Andrew Mashifane**
Member	Mr. Timothy Maake*
Member	Mr. Lulamile Peter*
Member	Mr. Protas Phili*
Member	Ms. Sipiwe Desiree Nage
Member	Ms. Nosisa Kekana**
Member	Mr. Zukisani Samsam**
Member	Mr. Victor Songelwa**

\* Appointed 01 August 2022

\*\* Term ended 31 July 2022

**SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION**

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS****35. Related parties (continued)**

<b>Members of the Performance Management and Remuneration Panel</b>	
Chairperson	Ms. Joyce Moloi-Moropa
Member	Ms. M. Monama
Member	Ms Barbara Lombard**
Member	Ms. Rosetta Xaba**
Member	Mr. Sisa Njikelana
Member	Mr. Ulrich Le Kay*
Member	Mr. Makgobotla Kganaga*

\* Appointed 01 August 2022

\*\* Term ended 31 July 2022

<b>Executive Management Team</b>	
Mr Mthobeli Kolisa	Acting Chief Executive Officer
Ms Thembeke Mthethwa	Chief Financial Officer
Mr Rio Nolutshungu	Chief Officer: Municipal Capabilities & Governance
Mr Kutlwano Chaba	Chief Digital Officer
Mr Lance Joel	Chief of Operations
Ms Pindiwe Gida	Chief Officer: Human Capital and Corporate Services
Mr Zamokuhle Gwala	Acting Chief Officer: Municipal Finance, Fiscal Policy and Economic Growth
Ms Khomotso Letsatsi	Chief Officer: Municipal Finance, Fiscal Policy and Economic Growth*
Mr Xolile George	Chief Executive Officer**

\* Resigned effective 31 December 2022

\*\* Resigned effective 31 July 2022

**Municipalities**

All transactions with the below listed municipalities are at arm's length and in terms of SALGA's Constitution, policies and procedures. All transactions are on terms and conditions that are no more or less favourable than those which it is reasonable to expect SALGA to have adopted if dealing with any other municipality or entity in the same circumstances. All terms and conditions are within the normal operating parameters established by SALGA's legal mandate.

The nature of transactions entered into with related parties are comprised primarily by membership levies that SALGA levies to all its members; conference/event registration fees and tuition fees for capacity building programmes. All outstanding balances emanate from these transactions.



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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 35. Related parties (continued)

These municipalities are related party to SALGA by virtue of either an Executive Mayor; Speaker or Councillor being elected to serve on SALGA's NEC. In some instance municipalities have transacted with SALGA during the current year.

City of Mangaung Metropolitan Municipality
Ethekwini Metropolitan Municipality
Lejweleputswa District Municipality
Dr Beyers Naude District Municipality
Nelson Mandela Bay Metropolitan Municipality
Umvoti Local Municipality
Merafong Local Municipality
Ehlanzeni District Municipality
Ngaka Modiri District Municipality
Rustenburg Local Municipality
Garden Route District Municipality
Chris Hani District Municipality
Sedibeng District Municipality
Polokwane Local Municipality
John Taolo District Municipality
Bojanala Platinum District Municipality
Overstrand Local Municipality
Namakwa District Municipality
Mopani District Municipality
King Cetshwayo District Municipality
Emthanjeni Local Municipality
Midvaal Local Municipality
Gert Sibande District Municipality
Buffalo City Metropolitan Municipality
City of Cape Town Metropolitan Municipality
Mathjabeng Local Municipality
Greater Sekhukhune District Municipality
Emalahleni Local Municipality
City of Johannesburg Metropolitan Municipality
Makhudutamaga Local Municipality
Thembisile Hani Local Municipality
Ingquza Local Municipality
Dr Kenneth Kaunda Local Municipality
Umdlathuze Local Municipality
Lesedi Local Municipality
Ga-Segonyana Local Municipality
Lekwa-Teemane Local Municipality
Thembelihle Local Municipality
O.R. Tambo District Municipality

**SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION**

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# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 35. Related parties (continued)

Ekurhuleni Metropolitan Municipality
Dawid Kruiper (Khara Hais) Local Municipality
Cape Winelands District Municipality
Mbhashe Local Municipality
City of Matlosana Local Municipality
Sol Plaatjie Municipality

### Other entities

All transactions with the below listed entities are at arm's length and in terms of SALGA's Constitution, policies and procedures. All transactions are on terms and conditions that are no more or less favourable than those which it is reasonable to expect SALGA to have adopted if dealing with any other municipality or entity in the same circumstances. All terms and conditions are within the normal operating parameters established by SALGA's legal mandate.

The nature of the transactions are membership fees ordinarily paid local government associations; capacity building initiatives and pursuance of common mandate initiatives and strengthening of local government associations.

### Other entities

Auditor General of South Africa
Braamfontein Improvement District
Government Communication and Information Services (RSA) (GCIS)
Government Printing Works
Municipal Demarcations Board
Local Government SETA
Eskom
Department of Local Government and Housing
Department of Cooperative Governance and Traditional Affairs
Telkom SA Limited
South African Post Office
South African Broadcasting Corporation (SABC)
Green Building Council of SA
Passenger Rail Agency of South Africa (PRASA)
Municipal Infrastructure Support Agency (MISA)
Cultural Religious and Linguistic Communities
Department of Public Works
Department of Rural Development and Land Reform

These entities are related party to SALGA by virtue of either an NEC member; Executive Management Team member serves on the board or governance structure of these entities.

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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 35. Related parties (continued)

## Related party transactions

Figures in Rand	2023	2022
<b>Transfers – Government grant and subsidies</b>		
Department of Cooperative Governance and Traditional Affairs	36 280 000	35 369 000

The grant paid by the Department of Cooperative Governance and Traditional Affairs to SALGA is part of normal funding that Government grants to public entities to further state policies.

## 35.1 UCLGA SARO Related Party balances

Figures in Rand	2023	2022
<b>SALGA Loan to UCLGA SARO</b>	20 556 699	20 616 674

As part of the strategic consolidation and formalisation of the local government space in AFRICA, SALGA became a founding member of the UCLGA SARO for all Southern African countries. The South African Government, as part of the founding members of UCLGA SARO assumed the responsibility of funding the programmes of the region through grant which was paid to the UCLGA SARO and managed by SALGA. The Department of CoGTA has since discontinued this grant and there are currently negotiations underway to re-instate the grant in future. CoGTA had indicated in the past that SALGA should use its annual unconditional grant received from CoGTA to partly fund the expense of the UCLGA SARO programmes. SALGA has in the current acceded to CoGTA's request and will use its 2023/2024 unconditional CoGTA grant to defray the expenses or settle the current loan owing by UCLGA SARO. The settlement of the loan will be effected during the 3<sup>rd</sup> quarter of the 2023/2024 financial year, when SALGA receives its third tranche of the CoGTA grant. The loan between SALGA and UCLGA is non-interest bearing and it does not have any repayment terms.

## Key management information

Class	Description	Number
Non-executive board sub-committee members	Audit and Risk Committee (5); and Performance Management and remuneration committee (5)	10
Non-executive board members	Accounting authority	30
Executive board member	Chief Executive Officer	1
Executive management	Executive Management Team (Senior Management excludes the Chief Executive Officer)	7

## 36. KEY MANAGEMENT PERSONNEL

## National Executive Committee members

In terms of the notice issued in terms of the "Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998), SALGA is required to pay sitting allowances to councillors appointed to governance structures of Organised Local Government. The said allowance is limited to R1 020 per sitting of the Provincial Executive Committee or National Executive Committee or any committee of organised local government, regardless of the number of meetings that are attended by such councillor on a specific day. The sitting allowance is also payable to members of SALGA deployed to formal intergovernmental relations forums.

No loans were advanced to NEC members and no remuneration or compensation was provided to close family members of NEC members. There were no transactions entered with entities that are owned by NEC members.

## Executive Management Team

No loans were advanced to Executive Management and no remuneration or compensation was provided to close family members of Executive Management. There were no transactions entered with entities that are owned by Executives Management of SALGA.

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## 36. Key Management Personnel (continued)

**Audit and Risk Committee members**

No loans were advanced to Audit and Risk Committee members and no remuneration or compensation was provided to close family members of Audit and Risk Committee members. There were no transactions entered with entities that are owned by Audit and Risk Committee members.

**Performance Management and Remuneration Committee members**

No loans were advanced to the Performance Management and Remuneration Committee members and no remuneration or compensation was provided to close family members of the Performance Management and Remuneration Committee members. There were no transactions entered with entities that are owned by the Performance Management and Remuneration Committee members.

**Entities; Department and Agencies**

The grants paid by the Department of Cooperative Governance and Traditional Affairs to SALGA are part of normal funding that Government grants to public entities to further the policies of government.

**National Executive Committee (NEC)****2023**

The remuneration for the 2022 was paid to all NEC members until their end of term which came into effect on 04 March 2022. The newly elected NEC members appointed on 04 March 2022 and were not remunerated during the prior period.

	Sitting Allowance **	Reimbursed Travel Allowance *	Subsistence Allowance (Oversees) *	Subsistence Allowance (Local) *	Expenses Refund	LLT ***	Total
Cllr. Bhekumuzi C Stofile	13 260	-	127 271	-	100	-	140 631
Cllr. Anna Louise Rabie	9 180	8 640	-	2 428	200	-	20 448
Cllr. Xanthea Limberg	12 240	2 121	-	304	189	-	14 854
Cllr. Bahula M Maitula	3 060	-	-	-	-	-	3 060
Cllr. Xolani Sotashe	8 160	-	48 465	-	200	-	56 825
Cllr. Thami Ngubane	12 240	17 999	-	1 416	390	-	32 045
Cllr. Lesetja Jacob Dikgale	14 280	-	35 192	152	1 088	-	50 712
Cllr. Mapaseka mothibi-Nkoane	9 180	-	-	-	200	-	9 380
Cllr. Prudence N Pepping	3 060	-	-	-	100	-	3 160
Cllr. Xola Pakati	8 160	-	19 607	-	800	-	28 567
Cllr. Nikiwe Julia Num	9 180	-	31 597	-	100	-	40 877
Cllr Xolani Ngwezi	2 040	-	-	-	-	-	2 040
Cllr. Jaine Naidoo	8 160	711	53 813	304	200	-	63 187
Cllr. Lerato Maloka	7 140	-	19 607	-	100	-	26 847
Cllr. Mluleki Ronald Nkosi	11 220	-	-	-	300	-	11 520
Cllr. Neo Masegela	8 160	-	-	-	200	-	8 360

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## 36. Key Management Personnel (continued)

	Sitting Allowance **	Reimbursed Travel Allowance *	Subsistence Allowance (Oversees) *	Subsistence Allowance (Local) *	Expenses Refund	LLT ***	Total
Cllr. Pule Shayi	3 060	-	-	-	-	-	3 060
Cllr. Nokwanje Selina Leeto	3 060	-	-	-	100	-	3 160
Cllr. Jongisizwe Dlabathi	10 200	-	51 204	-	300	-	61 704
Cllr. Thamsanqa Ntuli							-
Cllr. Jesta Sidell	7 140	-	31 597	-	200	22 407	61 344
Cllr. Micheal Segede	16 320	20 665	-	1 646	1 230	-	39 861
Cllr. Khumalo Molefe							-
Cllr. Donovan Joubert	30 345	39 325	-	6 484	2 250	-	78 404
Cllr. John Mpe	6 120	-	-	-	100	-	6 220
Cllr. Flora N Boltman	11 220	-	69 562	-	100	-	80 882
Cllr. Samkelo Janda	16 320	-	31 597	-	600	-	48 517
	<b>242 505</b>	<b>89 462</b>	<b>519 512</b>	<b>12 734</b>	<b>9 047</b>	<b>22 407</b>	<b>895 666</b>

\* Reimbursed travel and local subsistence allowances is remitted to NEC members in terms of SALGA policy for participating in governance structures of organised local government (where applicable). The rates used for local travel and subsistence are based on SARS rates deemed as expended. An international per diem is paid to NEC members who undertake SALGA's mandate of strategic profiling. For example, SALGA's President partakes in Governance structures of international bodies such as the local government Pan-African body, United Cities and Local Governments of Africa (UCLGA).

The President of SALGA also presides over the world body United Cities and Local Government (UCLG). SALGA also participates at these world bodies: Commonwealth Local Government Forum (CLGF) and Metropolis; UN Habitat; UN Panel. In pursuit of SALGA's mandate in these bodies the SALGA NEC mandates NEC members to participate at these bodies from time to time.

\*\* In terms of the notice issued in terms of the "Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998), SALGA is required to pay sitting allowances to councillors appointed to governance structures of Organised Local Government as well as to Councillors deployed to formal Intergovernmental Relations Forums. The said allowance is limited to R 962 per sitting regardless of the number of meetings that are attended by such councillor on a specific day.

\*\*\* Other re-imburement claims

## National Executive Committee (NEC)

## 2022

The remuneration for the 2022 was paid to all NEC members until their end of term which came into effect on 04 March 2022. The newly elected NEC members appointed on 04 March 2022 were not remunerated during the prior period.

	Sitting Allowance **	Reimbursed Travel Allowance *	Subsistence Allowance (Oversees) *	Subsistence Allowance (Local) *	Expenses Refund	Facilitation Fee ***	Total
Cllr. Thembisile Nkadameng	8 160	-	23 490	-	800	-	32 450



## SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION

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## 36. Key Management Personnel (continued)

	Sitting Allowance **	Reimbursed Travel Allowance *	Subsistence Allowance (Oversees) *	Subsistence Allowance (Local) *	Expenses Refund	Facilitation Fee ***	Total
Cllr. Sebenzile Ngangelizwe	4 080	-	-	-	300	-	4 380
Cllr. Deon De Vos	4 080	-	-	-	300	-	4 380
Cllr. Bhekumuzi C Stofile	15 300	-	-	-	1 200	-	16 500
Cllr. Mxolisi Koyo	9 180	2 659	-	1 946	600	113 760	128 145
Cllr. Gibson Chirwa	6 120	909	-	278	1 520	-	8 827
Cllr. Anton Coetsee	17 340	20 538	-	1 112	1 128	95 573	135 690
Cllr. Xolani Sotashe	6 120	-	-	-	600	-	6 720
Cllr. Thami Ngubane	4 080	-	-	-	400	-	4 480
Cllr. Stanley Ramaila	4 080	-	-	-	400	-	4 480
Cllr. Sofia Mosikatsi	7 170	1 849	-	139	200	-	9 358
Cllr. Mpho Khunou	4 080	-	-	-	400	-	4 480
Cllr. Xola Pakati	3 060	-	-	-	300	-	3 360
Cllr. Memory booyesen	5 100	879	-	139	500	-	6 618
Cllr. Aletta Mashigo	6 120	-	-	-	600	-	6 720
Cllr. Jesta Sidell	4 080	-	-	-	400	-	4 480
Cllr. Linah Malatjie	4 080	-	-	-	400	-	4 480
Cllr. Justice T Makolomakwa	3 060	-	-	-	300	-	3 360
Cllr. Flora N Boltman	7 140	2 277	-	278	519	-	10 214
Cllr. Siphon Sthonga	3 060	-	-	-	200	-	3 260
Cllr. Gillian Pieters	2 040	-	-	-	200	-	2 240
Cllr. Sarah Mlamleli	2 040	-	-	-	200	-	2 240
Cllr. Pule Shayi	7 140	-	-	-	400	-	7 540
Cllr. Nonceba Molwele	4 080	-	-	-	400	-	4 480
Cllr. William Mapena	15 300	-	-	-	1 500	-	16 800
Cllr. Bongani Baloyi	8 160	-	-	139	2 195	-	10 494
	<b>164 250</b>	<b>29 110</b>	<b>23 490</b>	<b>4 031</b>	<b>15 962</b>	<b>209 333</b>	<b>446 175</b>

\* Reimbursed travel and local subsistence allowances is remitted to NEC members in terms of SALGA policy for participating in governance structures of organised local government (where applicable). The rates used for local travel and subsistence are based on SARS rates deemed as expended. An international per diem is paid to NEC members who undertake SALGA's mandate of strategic profiling. For example, SALGA's President partakes in Governance structures of international bodies such as the local government Pan-African body, United Cities and Local Governments of Africa (UCLGA).

The President of SALGA also presides over the world body United Cities and Local Government (UCLG). SALGA also participates at these world bodies: Commonwealth Local Government Forum (CLGF) and Metropolis; UN Habitat; UN Panel. In pursuit of SALGA's mandate in these bodies the SALGA NEC mandates NEC members to participate at these bodies from time to time.

\*\* In terms of the notice issued in terms of the "Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998), SALGA is required to pay sitting allowances to councillors appointed to governance structures of Organised Local Government as well as to

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## 36. Key Management Personnel (continued)

Councillors deployed to formal Intergovernmental Relations forums. The said allowance is limited to R 962 per sitting regardless of the number of meetings that are attended by such councillor on a specific day.

\*\*\* As part of ushering in new councillors' post the local government elections, Trainers accredited by the LGSETA are used to impart knowledge to new councillors. These trainers are paid a daily fee for each session that is facilitated for instance in the Integrated Councillor Induction Programme (ICIP).

## Executive Management Team

## 2023

	Basic salary	Bonuses and performance related payments **	Long term incentive***	Subsistence and other allowances *	Employer contribution to pension and retirement funds	Employer contribution to medical aid	Employer contribution to group risk	Total
Mr. Xolile George	2 212 272	757 139	2 538 465	223 177	117 777	13 404	32 982	5 895 217
Ms. Thembeke Mthethwa	2 083 302	205 576	-	66 869	153 123	-	41 987	2 550 857
Mr. Rio Nolutshungu	2 255 708	225 161	169 175	133 903	165 795	-	44 162	2 993 904
Mr. Lance Joel	2 846 067	325 216	386 693	263 752	202 502	40 695	53 815	4 118 742
Mr. Mthobeli Kolisa	2 166 218	204 698	-	192 419	159 217	34 740	42 767	2 800 059
Mr. Kutlwano Chaba	1 824 598	217 452	-	98 688	134 108	40 695	36 843	2 352 384
Ms. Pindiwe Gida	1 952 388	166 695	-	37 333	143 501	40 695	38 457	2 379 069
Ms. Khomotso Letsatsi	1 674 463	217 395	-	36 800	106 666	-	28 545	2 063 868
Mr. Zamokuhle Gwala (Acting)	1 631 700	186 240	-	58 892	123 086	40 695	34 843	2 075 457
Ms. Thobile Mhlongo (Acting)	1 152 025	104 277	-	42 092	84 674	40 695	24 342	1 448 104
	<b>19 798 742</b>	<b>2 609 850</b>	<b>3 094 333</b>	<b>1 153 925</b>	<b>1 390 447</b>	<b>251 619</b>	<b>378 743</b>	<b>28 677 660</b>

\* Other allowances comprise travel allowance; cell phone allowance and acting allowance (where applicable). International *per diem* is paid to employees who undertake SALGA's mandate of strategic profiling. SALGA's chairperson partakes in Governance structures of internal bodies such as the local government Pan-African body, United Cities and Local Governments of Africa (UCLGA) as Vice President; he is also President of the UCLGA Southern Africa Regional Office (UCLGA-SARO); SALGA also participates in other world-wide bodies such as United Cities and Local Government (UCLG); Commonwealth Local Government Forum (CLGF) and Metropolis. In pursuit of SALGA's mandate in these bodies the chairperson is supported by the Chief Executive of the organisation.

\*\* Performance related bonuses are per the SALGA Performance Management policy that is implemented with an oversight role of the Performance Management and Remuneration Committee comprised by independent non-executive members. The applicable performance rewards are based on merit and the applicable reward rates matrix range from 9% (minimum) to 20% (maximum). SALGA's Performance Management and Remuneration Committee is charged with normalising of SALGA's remuneration framework, particularly in instances where salary bands of some executives are on a "personal to holder basis" till the expiry of the contract or through natural attrition or earlier.

The Chief executive officer's current remuneration has been identified to be one of these categories of employees. Notwithstanding, the efforts to manage the escalation of remuneration at SALGA, particularly those of Executives, it is important to note that

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## 36. Key Management Personnel (continued)

SALGA had to review its remuneration policies as it pertains to its Executives and benchmark these with municipalities particularly Metro's since metropolitan municipalities pose the greatest direct remuneration competitor to SALGA (also see report of the chairperson of SALGA's Performance Management and Remuneration Committee in the annual report). Also included is the gratuity amount paid to the ex-CEO in line with his employment contract upon exiting the organisation.

\*\*\* Long-term incentive scheme is a scheme that the employer provides for, for Fixed Term Contract (FTC) employees. These employees' make-up the top management structure of SALGA and are employed on a five (5) year fixed term contract. The incentive scheme is based on performance (merit) and the employee remaining in the employ of the organisation for a period longer than 3 years. The payment of the incentive is made after an employee has fulfilled all the conditions set out on the LTI policy, including being in the employment of SALGA for a period of longer than 3 years and also in the employment of SALGA at 31 March. The condition also includes Cluster performance of 80% and above as well as a performance rating of 3 and above. Also included in the Performance bonus is a Gratuity payment made to the ex-CEO in line with his employment contract.

## 2022

	Basic salary	Bonuses and performance related payments **	Long-term incentive ***	Subsistence and other allowances *	Employer contribution to pension and retirement funds	Employer contribution to medical aid	Employer contribution to group risk	Total
Mr. Xolile George	4 663 134	582 695	3 773 635	278 649	350 655	38 538	102 013	9 789 319
Ms. Thembeke Mthethwa	1 991 978	189 440	-	35 908	146 410	-	43 599	2 407 335
Mr. Rio Nolutshungu	2 156 672	188 451	947 322	55 316	157 364	-	46 691	3 551 816
Mr. Lance Joel	2 631 144	270 521	831 795	37 790	193 389	38 538	56 861	4 060 038
Mr. Mthobeli Kolisa	2 071 804	181 035	-	34 796	152 278	32 940	45 255	2 518 107
Mr. Kutlwano Chaba	1 742 400	-	-	34 796	128 066	38 538	38 419	1 982 220
Ms. Pindiwe Gida	1 750 965	153 000	-	34 796	128 696	38 538	38 597	2 144 592
Ms. Khomotso Letsatsi	1 848 567	-	-	34 796	135 870	-	40 622	2 059 855
	<b>18 856 663</b>	<b>1 565 142</b>	<b>5 552 752</b>	<b>546 847</b>	<b>1 392 728</b>	<b>187 092</b>	<b>412 057</b>	<b>28 513 281</b>

\* Other allowances comprise travel allowance; cell phone allowance and acting allowance (where applicable). International *per diem* is paid to employees who undertake SALGA's mandate of strategic profiling. SALGA's chairperson partakes in Governance structures of internal bodies such as the local government Pan-African body, United Cities and Local Governments of Africa (UCLGA) as Vice President; he is also President of the UCLGA Southern Africa Regional Office (UCLGA-SARO); SALGA also participates in other world-wide bodies such as United Cities and Local Government (UCLG); Commonwealth Local Government Forum (CLGF) and Metropolis. In pursuit of SALGA's mandate in these bodies the chairperson is supported by the Chief Executive of the organisation.

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The Chief executive officer's current remuneration has been identified to be one of these categories of employees. Notwithstanding, the efforts to manage the escalation of remuneration at SALGA, particularly those of Executives, it is important to note that

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SALGA had to review its remuneration policies as it pertains to its Executives and benchmark these with municipalities particularly Metro's since metropolitan municipalities pose the greatest direct remuneration competitor to SALGA (also see report of the chairperson of SALGA's Performance Management and Remuneration Committee in the annual report).

\*\*\* Long-term incentive scheme is a scheme that the employer provides for, for Fixed Term Contract (FTC) employees. These employees' make-up the top management structure of SALGA and are employed on a five (5) year fixed term contract. The incentive scheme is based on performance (merit) and the employee remaining in the employ of the organisation for a period longer than 3 years. The payment of the incentive is made after an employee has fulfilled all the conditions set out on the LTI policy, including being in the employment of SALGA for a period of longer than 3 years and also in the employment of SALGA at 31 March. The condition also includes Cluster performance of 80% and above as well as a performance rating of 3 and above.

## Audit and Risk Committee and Performance and Remuneration Committee members

## 2023

	Attendance fees *	Reimbursed travel cost **	Other fees ***	Expense refund **	Retainer	Total
<b>Audit and Risk Committee</b>						
Mr Andrew Mashifane (Chairperson)**	56 703	-	-	-	56 703	113 407
Ms Sphiwe Desiree Nage	121 778	309			37 802	159 889
Mr Nosisa Kekana**	40 952	-	-	-	37 802	78 755
Mr Zukisani Samsam**	23 875	-	-	-	37 802	61 677
Mr Timothy Maake*	58 194	5 936	-	-	-	64 130
Mr Lulamile Peter*	58 194	435	-	-	-	58 629
Mr Protas Phili*	37 802	226	-	-	-	38 028
Ms Amanda Mazibuko (Chairperson)*	58 194	920		-	-	59 114
Mr Victor Songelwa**	40 952	-	-	-	37 802	78 755
<b>Performance Management and Remuneration Committee</b>						
Ms Joyce Moloji-Moropa (Chairperson)	110 671	192	-	-	56 703	167 566
Ms Bennedict Monama	169 527	11 098	986	-	37 802	219 414
Mr Sisa Njikelana	143 995	1 848	-	-	37 802	183 645
Ms Barbara Lombard**	94 506	1 881	-	-	37 802	134 189
Ms Rosetta Xaba**	56 703	-	-	-	37 802	94 506
Mr Ulrich Le kay*	71 126	410	-	-	-	71 536
Mr Magobotla Kganaga*	106 689	468	-	-	-	107 157
	<b>1 249 863</b>	<b>23 722</b>	<b>986</b>	<b>-</b>	<b>415 825</b>	<b>1 690 396</b>

\* Appointed 01 August 2022

\*\* Term ended 31 July 2022

\* Members of SALGA's NEC sub-committees are remunerated for participating in SALGA's governance structures based on SALGA's policy for remuneration of NEC sub-committees. Attendance fees are based on an hourly rate and claimable hours are capped regardless of the duration on the meeting or preparation time.

\*\* Reimbursed travel allowance is remitted to members based on the applicable SARS rates deemed as expended.

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## 36. Key Management Personnel (continued)

\*\*\* Other meetings relate to engagements of the members outside the normal meeting like interviews and Employee Recognition Awards evaluation work.

\*\*\*\* 4 members of the Audit & Risk Committee's term ended 31 July 2022, including 2 members of the Performance and Remuneration Committee. As a result, 4 and 2 members of the Audit and Risk and Performance Management and Remuneration Committees, respectively, were newly elected effective 01 August 2022, for a period of 3 years.

## Audit and Risk Committee and Performance and Remuneration Committee members

## 2022

	Attendance fees *	Reimbursed travel cost **	Other fees ***	Expense refund **	Retainer	Total
<b>Audit and Risk Committee</b>						
Mr Andrew Mashifane (Chairperson)	118 460	-	-	-	56 703	175 163
Ms Siphwe Desiree Nage	112 896	-	-	-	37 802	150 698
Mr Nosisa Kekana	105 388	-	-	-	37 802	143 191
Mr Zukisani Samsam	109 746	-	-	-	37 802	147 548
Mr Victor Songelwa	90 844	-	-	-	37 802	128 647
<b>Performance Management and Remuneration Committee</b>						
Ms Joyce Moloi-Moropa (Chairperson)	106 084	260	-	-	56 703	163 048
Ms Benedict Monama	97 370	11	-	-	37 802	135 184
Mr Sisa Njikelana	78 469	443	-	-	37 802	116 714
Ms Barbara Lombard	141 105	164	-	-	37 802	179 071
Ms Rosetta Xaba	97 370	80	-	-	37 802	135 253
	<b>1 057 732</b>	<b>958</b>	-	-	<b>415 825</b>	<b>1 474 516</b>

\* Members of SALGA's NEC sub-committees are remunerated for participating in SALGA's governance structures based on SALGA's policy for remuneration of NEC sub-committees. Attendance fees are based on an hourly rate and claimable hours are capped regardless of the duration on the meeting or preparation time.

\*\* Reimbursed travel allowance is remitted to members based on the applicable SARS rates deemed as expended.

\*\*\* Other meetings relate to engagements of the members outside the normal meeting like interviews and Employee Recognition Awards evaluation work.

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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

**37. RISK MANAGEMENT****Financial risk management**

SALGA's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

**Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash. SALGA receives cash in the form of membership levies from its members and grants from government. The entity maintains liquidity by limiting capital and operational expenditure within the approved budget.

SALGA's risk to liquidity is as a result of inadequate funds available to cover future commitments. SALGA manages liquidity risk through an ongoing review of future commitments and credit facilities.

**2023**

Maturity analysis	Trade payables	Other payables
Not later than one month	39 645 575	-
Later than one month and not later than three months;	28 162 034	-
Later than three months and not later than one year; and	27 666 790	29 621 752
Later than one year and not later than five years.	-	34 935 910
	<b>95 474 399</b>	<b>64 557 662</b>

**2022**

Maturity analysis	Trade payables	Other payables
Not later than one month	31 621 585	-
Later than one month and not later than three months;	26 972 952	-
Later than three months and not later than one year; and	6 711 549	29 153 959
Later than one year and not later than five years.	-	6 004 647
	<b>65 306 086</b>	<b>35 158 606</b>

Values presented in the maturity analysis are undiscounted according to the terms of the instrument. These amounts will all be settled in cash. Trade payables are considered to mature in 30 days after year end as these suppliers require 30 days' settlement terms. No changes between the current and prior year assumptions have been made.

**Credit risk**

Credit risk consists mainly of cash deposits, cash equivalents (refer note 10), derivative financial instruments (refer note 17) and trade receivables (refer note 8 and 9). The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Trade receivables comprise of municipalities which are invoiced once a year based on their budgeted salary cost. There is no independent rating, therefore management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The entity establishes an impairment that represents its estimate of incurred losses in respect of trade receivables.

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## 37. Risk management (continued)

**Market risk****Interest rate risk**

SALGA's interest rate risks arise from market and economic factors, loans and other payables, cash and cash equivalents and loans and other receivables. The entity's exposure to interest rate risk is minimal due to the following factors:

- No interest is levied on overdue trade receivables;
- Interest paid on trade payables is limited as it is the policy of the entity to settle within the credit terms, cash flow permitting in order to comply with the Public Finance Management Act (PFMA) requirements; and
- The PFMA does not allow for SALGA to utilise bank overdrafts, without prior approval of the Executive Authority and Minister of Finance.

Based on the activities of SALGA the only area affected by interest rate risk is finance leases and investment income earned on call deposits and other bank balances.

**Interest sensitivity**

At 31 March 2023, if interest rates at that date had been 200 basis points lower with all other variables held constant, surplus for the year would have been R 1 179 039 (2022: R 704 993) lower arising mainly as a result of lower interest earned on call deposits and bank balances.

If interest rates had been 200 basis points higher, with all other variables held constant, surplus would have been R 1 179 039 (2022: R 704 993) higher, arising mainly as a result of higher interest expense on variable payable and receivables.

Interest sensitivity analysis	Change in Interest rate	2023	2022
<b>Net interest expense Income</b>		<b>58 951 933</b>	<b>35 249 628</b>
If interest rates were 2% higher the net interest income	+200	60 130 972	35 954 620
If interest rates were 2% lower the net interest income	-200	57 772 895	34 544 635
Thus, the net interest revenue /(expense) would have been	+200	1 179 039	704 993
Thus, the net interest revenue /(expense) would have been	-200	(1 179 039)	(704 993)

**Cash flow interest rate risk**

SALGA's exposure to this type of risk arises when SALGA has a financial instrument with a floating interest rate. SALGA is seldom exposed to this type of risk. When the need arises, management employs conservative approaches with a limited risk exposure such as Call Accounts or limit the risk completely by employing fixed deposits. The following credit facilities are available, which are payable 30 days from statement date:

- Amex R10 000 000
- Lodge cards R 5 000 000
- Office equipment rentals R 2 000 000
- Fleet cards R 50 000

**Fair value interest rate risk**

SALGA's exposure to this type of risk is slightly higher than the cash flow interest rate risk, primarily due to the conservative investment philosophy. Ordinarily fixed deposits expose SALGA to this type of risk. SALGA manages this risk by keeping fixed investments on a shorter-term to mitigate the impact that this type of risk might have on the organisation.

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## 37. Risk management (continued)

### Price risk

SALGA's exposure to price risk is limited to the effect that inflation has on the market prices for goods and services ordinarily procured by the organisation. The risk arises when SALGA's revenue does not escalate at a similar or better rate than the prevailing market conditions, this is rare since the entity's major source of revenue is its membership levies which due to the basis of deriving the levy amount normally escalates at a rate higher or equivalent to the prevailing inflationary trends.

Other than membership levies adjusted annually, there are no special mechanisms employed by management to manage this kind of risk other than pursuing a fair market value/price through a 'dip-stick' in the market viz. sourcing formal price quotations and open tenders per the organisations SCM policy.

## 38. GOING CONCERN

We draw attention to the fact that at 31 March 2023, SALGA had accumulated surplus of R 640 852 684 and that SALGA's total assets exceeded its liabilities by R 643 112 250 indicating that the organisation is solvent.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The ability of SALGA to continue as a going concern is dependent on a number of factors. The most significant of these is the recognition of SALGA by the Minister of Cooperative Governance and Traditional Affairs in terms of the Organised Local Government Act, 1997 as the sole voice of local government.

### 2022/2023 Considerations:

- SALGA has continuously performed below budget and this has led to significant increases in the organisation's reserves to R643 million during the current year under review, which will allow the organisation to tap into when needed to fund its operations.
- The efforts being made in cost savings initiatives, including ensuring cost-effective solutions when sourcing suppliers, are also yielding results.
- The Hybrid model of working is also assisting in savings costs, as employees have an option to work from home, and thus reducing administrative costs.
- The cash balances and reserves of SALGA gives comfort that the organisation will continue as a going concern for the foreseeable future.
- Revenue for SALGA saw a steady increase in the current year and will continue to do so. Furthermore, payment levels of levies also saw a steady increase from 76% to 78% overall.
- SALGA also achieved above budget levy collection on current year invoices at 91%, which is above the budget of 90%.
- The newly formed Business Development Unit within the Finance & SCM Cluster also gives the organisation options to look for alternative revenue streams and plans are already under way in securing some of these initiatives, with 3 products already approved by EXCO for a roll-out in the 2024 financial year, as a start. This will see the organisation begin to earn revenue from these initiatives.
- International Donor Funding Organisations will continue to fund SALGA programmes as is LG SETA due to congruence in mandate.
- The organisation is solvent with total assets exceeding total liabilities by R 643.1 million (2022: R 565.9 million) representing a 13.6 percent increase.
- Total current assets stand at R 743.6 million (2022: R 619.0 million) which is more than the current liabilities of R 144.4 million (2022: R 102.8 million).
- Membership levy revenue projections for the 2023/2024 financial year amount to R791.2 million.
- Total revenue projection over the 2023/2024 MTEF cycle is R 851.5 million.

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# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 39. EVENTS AFTER THE REPORTING DATE

There are no material facts or circumstances that have arisen between the reporting date and the date of approval, which affect the financial position of SALGA as reflected in these annual financial statements.

## 40. UNAUTHORISED, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

Figures in Rand	2023	2022
Unauthorised expenditure	-	-
Fruitless and wasteful expenditure	-	4 732
Irregular expenditure	-	-
	-	<b>4 732</b>

### Fruitless and wasteful expenditure

Fruitless and wasteful expenditure amounting to R nil (2022: R 4 732) were incurred during the financial year. This relates to interest charged by vendors; no official was responsible for the incurrence. The amount relates to interest charged on unpaid SABC licenses that were sent to an employee that had long left the employment of SALGA with no indication from the service provider that the emails are not getting through. Management has engaged with the management of the SABC with the view of obtaining a reversal of the interest. The Accounting Authority condoned the fruitless and wasteful expenditure of R nil (2022: R 4 732) on 11 May 2022.

### Irregular Expenditure

The organisation incurred irregular expenditure for the year of R nil (2022: R nil). The amount of R 250 000 for the 2021 financial year, was condoned by National Treasury on 27 May 2022.

### Details of irregular expenditure

Details	Steps taken by the organisation	Amount
Supplier was not registered on the CSD as required in terms of Practice Note 8 of 2007/08 paragraph 3.3.3, and regulation 6A.	Internal audit and an independent person issued report and as such a condonation has been sought from the National Treasury. All steps to ensure compliance has been taken.  No value was lost in this procurement as the supply of the Emergency PPE reached the intended user.	250 000

## 41. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL INFORMATION

The SALGA budget is prepared on an accrual basis which is comparable with the financial statements. The original budget for the 2022/2023 financial year was duly approved by the Accounting Authority. The budget covers the periods 1 April 2022 to 31 March 2023. The budget is prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance.

## SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION

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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 41. Statement of comparative budget and actual information (continued)

Actual 31 March 2022	Figures in Rand		Note(s)	Approved budget		Adjustments		Final Budget		Actual amounts on basis comparable		Difference between final budget and actual		% Difference between final budget and actual	
	R			R		R		R		R		R		R	
		<b>Revenue</b>													
		<b>Revenue from exchange transactions</b>													
686 048 511	18	Revenue from exchange transactions		758 010 823	-	758 010 823		758 010 823		730 594 918		(27 415 905)		(3,6%)	
8 471 670	21	Other revenue from exchange transactions		3 644 990	-	3 644 990		3 644 990		6 975 561		3 330 571		91,4%	
36 403 596	26	Investment revenue		15 000 000	-	15 000 000		15 000 000		60 397 625		45 397 625		302,7%	
<b>730 923 777</b>		<b>Total revenue from exchange transactions</b>		<b>776 655 813</b>	-	<b>776 655 813</b>		<b>776 655 813</b>		<b>797 968 104</b>		<b>21 312 291</b>		<b>2,7%</b>	
		<b>Revenue from non-exchange transactions</b>													
105 260	18	Grant recognised – LED Network		-	-	-		-		-		-		0,0%	
-	18	Grant recognised – LGSETA (ICIP)		-	-	-		-		9 192 000		9 192 000		100,0%	
163 440	18	Grant recognised – LGSETA (CB)		-	-	-		-		121 200		121 200		100,0%	
35 369 000	18	Government grants and subsidies – Executive Authority		36 280 000	-	36 280 000		36 280 000		36 280 000		-		0,0%	
8 755 816	18	Grant recognised – Federation of Canadian Municipalities (BIGM)		-	-	-		-		-		-		0,0%	
449 871	18	Grant recognised – UNDP		-	-	-		-		-		-		0,0%	
4 101 500	18	Sponsorships and donations from non-exchange transactions		500 000	-	500 000		500 000		2 554 926		2 054 926		411,0%	
3 782 628	18	Grant recognised – SME Capacity Building (BANKSETA)		8 000 000	-	8 000 000		8 000 000		12 217 372		4 217 372		52,7%	
53 280	18	Grant recognised – LGSETA (LDW)		-	-	-		-		-		-		0,0%	
232 350	18	Grant recognised – EU (Enhancing Municipal Capacity)		-	-	-		-		-		-		0,0%	
779 764	18	Grant recognised – VWSG (Enhancing Capacity in LG Waste Management)		-	-	-		-		1 618 731		1 618 731		100,0%	
-	18	EU-PARI – Compact Project		1 120 000	-	1 120 000		1 120 000		2 382 630		1 262 630		112,7%	
-	18	KDZ RISE Project		-	-	-		-		16 641		16 641		100,0%	
883 110	18	Grant recognised – Department of Science & Technology (MIMI)		-	-	-		-		-		-		0,0%	
<b>54 676 019</b>		<b>Total revenue from non-exchange revenue</b>		<b>45 900 000</b>	-	<b>45 900 000</b>		<b>45 900 000</b>		<b>64 383 500</b>		<b>18 483 500</b>		<b>40,3%</b>	
<b>785 599 796</b>		<b>Total Revenue</b>		<b>822 555 813</b>	-	<b>822 555 813</b>		<b>822 555 813</b>		<b>862 351 604</b>		<b>39 795 791</b>		<b>4,8%</b>	
		<b>Expenses</b>													
(356 795 408)	25	Employee costs		(499 492 156)	75 722 122	(423 770 034)		(423 770 034)		(412 061 698)		11 708 336		2,8%	
(134 911 826)	19	Programme costs		(115 551 063)	(53 451 736)	(169 002 799)		(169 002 799)		(154 191 293)		14 811 506		8,8%	
(72 497 766)	22	Administrative expenses		(177 783 365)	(21 851 238)	(199 634 603)		(199 634 603)		(194 047 597)		5 587 006		2,8%	
(5 229 098)	3 & 4	Depreciation and amortisation expense		(9 936 188)	-	(9 936 188)		(9 936 188)		(5 230 646)		4 705 542		47,4%	
(22 166 458)	23	Other expenditure		(17 992 304)	(419 148)	(18 411 452)		(18 411 452)		(18 132 194)		279 258		1,5%	
(1 153 951)	30	Finance costs		(1 516 477)	-	(1 516 477)		(1 516 477)		(1 445 694)		70 783		(4,7%)	
<b>(592 754 507)</b>		<b>Total Expenses</b>		<b>(822 271 553)</b>	-	<b>(822 271 553)</b>		<b>(822 271 553)</b>		<b>(785 109 122)</b>		<b>37 162 431</b>		<b>(4,5%)</b>	
<b>192 845 289</b>		<b>Surplus for the year</b>		<b>284 260</b>	-	<b>284 260</b>		<b>284 260</b>		<b>77 242 482</b>		<b>76 958 222</b>		<b>27073,2%</b>	



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# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 41. Statement of comparative budget and actual information (continued)

The adjustments made during the year only affect transfers in-between categories. The adjusted budget column shall be used for comparison of actuals against budget on the 2022/2023 financial year. Actual surplus of R 72,2 million is R 76,9 million higher than the final budget of R284 thousand. This is attributable to the underspending largely in administration costs, programme costs and employee costs due to the hybrid mode of working, including when hosting events, as well as the moratorium placed on new recruitment.

Refer to the CFO's Overview in the Annual Report of 2022/23 for further details.

## 42. CONTINGENT LIABILITIES

The following matters are currently before the courts and are deemed material from a reputational risk perspective. The potential liability of the matters cannot be quantified because the costs in the event of loss normally follow the result.

### SALGA VS NERSA & OTHERS

SALGA NEC has resolved to challenge the constitutionality of the electricity tariff increase granted by NERSA to Eskom Holdings (Pty) Ltd for the 2022/2023 and 2023/2024 financial year. The Pretoria High Court issued a directive that the separate the DA and UDM Urgent applications should be consolidated with the SALGA application. The UDM part of matter is currently before Court on 5 May 2023. NEC decided to file its own application to oppose NERSA the rate increase. The SALGA part of the matter is not yet before the Court, and it is provisionally scheduled for hearing from 11 September 2023 and will run for seven consecutive days.

### SALGA VS ESKOM

In terms of the South African Constitution, Municipal Systems Act, and the Municipal Structures Act, municipalities have exclusive rights to distribute/reticulate electricity in the country. Eskom has for many years assumed this role which is an exclusive function of municipalities. SALGA's application Court application seeks to confirm the exclusive authority of municipalities to reticulate electricity and as such ensure that EKSOM's role becomes that of a Service Provider who obliged to enter into Service Level Agreements with municipalities.

A Notice of Motion served on SALGA National Office on Friday 31 March 2023. SALGA cited as 1st Respondent and Eskom Holdings Ltd 2nd. The High Court Application seeking a declaratory order that:

1. Contracts entered by its members with Eskom are valid and enforceable;
2. Eskom had the authority to enter such agreements and will be able to enter future agreements;
3. SALGA's interpretation of Section 156 (1)(a) (the municipalities 'exclusive right to reticulation) of the Constitution be declared invalid and against the provisions of the Electricity Regulation Act 4 of 2006.

The matter started in Sep 2021. The matter is at pre-trial to determine where areas of disputes and common cause facts will be agreed.







# PART F APPENDICES

# APPENDIX A

## ANNUAL PERFORMANCE AGAINST PREDETERMINED OBJECTIVES 2022-2023

Outcome	Outcome Indicator	Mandate	Programme	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Outputs	Output Indicator
SALGA - An Agile Force of Influence	% Performance against the Annual Performance Plan	Strategic Profiling	P1 ADMIN	86%	92%	Annual Report	% Performance against the Annual Performance Plan
SALGA - An Agile Force of Influence	Workforce Productivity Index	Strategic Profiling	P1 ADMIN	-	100% culture survey results actions implemented by 31 March 2022	Organisational culture report	Net engagement score
SALGA - An Agile Force of Influence	Workforce Productivity Index	Strategic Profiling	P1 ADMIN	-	Talent Mapping and Succession plan Implemented by 31 March 2022	Talent mapping report for level 2 and 3 (excluding EXCO)	Segmented talent profiles
SALGA - An Agile Force of Influence	Workforce Productivity Index	Strategic Profiling	P1 ADMIN	-	New indicator	Workforce Productivity Assessment Report	Baseline (%) for Workforce Productivity determined
SALGA - An Agile Force of Influence	Customer Satisfaction Index – (SALGA Customers)	Strategic Profiling	P1 ADMIN	-	New Indicator	Customer Satisfaction Report	Percentage satisfaction with Corporate Services customer satisfaction assessment conducted
SALGA - An Agile force of influence	% Performance against the Annual Performance Plan	Strategic Profiling	P1 ADMIN	Unqualified audit opinion with no findings	Unqualified audit opinion with no findings	Clean audit	Reduced AFS findings (AGSA)
Customised Innovative solutions	Digital Maturity Levels (Gartner Model)	Knowledge & Information sharing	P1 ADMIN	-	Data Model and platform	Data analytic services deployed (Daas: Data-as-a-Service and DataOps)	Number of data use cases enabled
SALGA - An Agile Force of Influence	IGR Effectiveness Rating	Strategic Profiling	P1 ADMIN	New indicator	New indicator	Outcome report on Presidency activities towards the implementation of the obligations placed on the NEC by the amended SALGA Constitution	Progress reports on obligations placed on the NEC by the amended SALGA Constitution

Planned Annual Target 2022/2023	Target No	Actual Achievement 2022-2023	Performance Status	Reason for Variance
90% performance against the APP by 31 March 2023	1	SALGA achieved 98% performance against the 2022-2023 APP has been achieved  Quarterly Non-Financial reports were developed and submitted to COGTA, and National Treasury as follows: Quarter 1 - 27 July 2022 Quarter 2 - 28 October 2022 Quarter 3 - 30 January 2023 Quarter 4 - 28 April 2023	Achieved	None
Establish a baseline for Net Engagement Score by 31 March 2023	2	The baseline for SALGA culture net engagement score (-3%) has been established.	Achieved	None
Talent mapping of Level 2 (excluding EXCO) and Level 3 by 31 March 2023	3	Talent mapping of Level 2 and Level 3 was concluded.  Portfolio Director of Operations, Portfolio heads and Senior Managers who report directly to Exco completed their talent profiles in preparation for the talent conversations. The profiles were consolidated to map skills, experience and key talent data per employee level and per job family.	Achieved	None
Productivity Assessment Report by 31 March 2023	4	SALGA Workforce Productivity index is 1.63 and an Assessment report was developed and presented to RemPanel on the 28 February 2023 and NEC on 14 March 2023.	Achieved	None
Customer Satisfaction Assessment conducted by 31 March 2023.	5	Customer Satisfaction Assessment was conducted and a baseline for employees satisfaction was established. 71% - Strategic Alignment 71% - Accessibility and Helpfulness 69% - Efficiency and Turnaround Time 70% - Knowledge and Expertise 68% - Quality of Deliverables	Achieved	None
Unqualified audit opinion with no material findings by 31 March 2023	6	SALGA has received an Unqualified audit opinion with no material findings for 2022-2023  Quarterly Financial reports were developed and submitted to COGTA, and National Treasury as follows: Quarter 1 - 27 July 2022 Quarter 2 - 28 October 2022 Quarter 3 - 30 January 2023 Quarter 4 - 28 April 2023	Achieved	None
A minimum of 03 use cases enabled by 31 March 2023	7	4 use cases were enabled for municipalities and 4 use cases were enabled for SALGA internally.	Achieved	None
Quarterly Progress reports on obligations placed on the NEC by the amended SALGA Constitution	8	Reports were developed which captured progress on improving SALGA's institutional arrangements and mechanisms. Implementation of National Conference related outcomes pertaining to the SALGA Constitution: There are two elements of this work, the first part to be executed by the Presidency and the second part by the Committee on Statutory Affairs (COSA).	Achieved	None



Outcome	Outcome Indicator	Mandate	Programme	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Outputs	Output Indicator
SALGA - An Agile Force of Influence	Customer Satisfaction Index – (SALGA Customers)	Strategic Profiling	P1 ADMIN	-	New indicator	SALGA Customer Satisfaction Report	SALGA's customer satisfaction survey
Capable And Reputable Local Government	Governance Maturity Index	Strategic Profiling	P2 Multisectoral Support	MASP	DDM support	Multisectoral Municipal Support Programme (MMSP) Report	Number of municipalities benefiting from the multisectoral municipal support programme
Inclusive socio-economic return	Municipal Financial Sustainability Index	Support & Advice	P2 Multisectoral Support	-	New indicator	Municipal Audit Assessment Report based on hands-on support provided to 3 municipalities over a 5-year period	% Reduction in the number of findings as raised by the Auditor-General for the selected 3 municipalities.
Inclusive socio-economic return	Municipal Financial Sustainability Index	Support & Advice	P2 Multisectoral Support	-	New indicator	Municipal Financial Sustainability Report	Number of municipalities support to improve Financial Sustainability as per SALGA interventions on identified municipalities (cohort –20 municipalities in distress) against set criteria
Inclusive socio-economic return	Municipal Financial Sustainability Index	Lobby, Advocate and Represent	P2 Multisectoral Support	Budget Forum inputs	LG allocation of 8.5% share (R 135.3 billion Equitable share = R 75.7 billion. Grants = R 45.0 billion. General fuel levy = R 15.3 billion)	Assessment Report of the revised fiscal allocation to the local government from nationally raised revenue (vertical allocation)	% Improvement in the fiscal allocation to the local government sphere over the MTEF cycle.

Planned Annual Target 2022/2023	Target No	Actual Achievement 2022-2023	Performance Status	Reason for Variance
Customer satisfaction survey conducted by 31 March 2023	9	The Customer satisfaction Survey was conducted and ran through municipalities. An analysis was conducted from the responses received from municipalities across the nine provinces, the overall satisfaction of municipalities was recorded to be at 71% where under 30% of responses recorded that they were not entirely satisfied with SALGA's perception. The majority of municipal respondents appreciated the support received from SALGA especially the capacity building programmes and the governance structures while those that were not entirely satisfied with SALGA mentioned programmes such as knowledge dissemination and the work done in advocacy. From this survey, a baseline has been established within which going forward, programmes must be initiated to ensure that the issues raised in the survey are addressed and ultimately improve the perception of SALGA in its clients.	Achieved	None
08 municipalities benefiting from the multisectoral municipal support programme by 31 March 2023	10	08 municipalities are benefiting from year one's multisectoral municipal support programme. <ol style="list-style-type: none"> <li>1. Year one of the Multisectoral Municipal Support Programme (MMSP) pilot focused on a multi-year support and handholding programme with focusing on integrated planning, automation of project management processes and implementation of quick wins.</li> <li>2. SALGA developed the MMSP integrated all support programmes single support plan per municipality focusing on various work streams informed by the requirements of the municipality and SALGA's Annual Performance Plan.</li> <li>3. A multi-year priority support work packages framework that guides and provides support options for targeted municipalities was completed.</li> <li>4. SALGA developed and approved MMSP best practice implementation blueprint and Integrated Municipal Support Framework and Multidisciplinary Team Model that capture and outline the operationalization of MMSP.</li> </ol>	Achieved	None
10% reduction in the number of findings as raised by the Auditor-General for the selected 3 municipalities by 31 March 2023	11	The following 3 municipalities was selected and supported to reduce findings as raised by the Auditor-General. <ol style="list-style-type: none"> <li>1. Ngaka Modiri Molema DM, there was 29% reduction</li> <li>2. Mopani DM, there was 28% reduction</li> <li>3. Chris Hani DM, there was 24% reduction.</li> </ol>	Achieved	Initially Amathole DM was part of the pre-listed municipalities identified at the beginning of the financial year but due to non-responsiveness on their part SALGA had to replace them with another municipality namely Chris Hani DM, who expressed interest and cooperation to work with SALGA on the Municipal Audit Support Program.
20 Municipalities supported with Financial Sustainability Plans by 31 March 2023	12	SALGA supported 21 municipalities with financial sustainability plans which were derived based on meetings with each of the 21 municipalities. A detailed fiscal analysis conducted for each of the 21 municipalities was shared with them and they gave further context and shared some of the practical fiscal challenges they encounter, and this culminated in an outcomes report per municipality where the financial sustainability plans was documented.	Achieved	City of Tshwane was an additional municipality supported which made the total 21 municipalities.
0.5% improvement in the fiscal allocation to local government by 31 March 2023	13	SALGA successfully lobbied NT for the 1.4% improvement in the fiscal allocation to Local Government	Achieved	None

Outcome	Outcome Indicator	Mandate	Programme	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Outputs	Output Indicator
Inclusive socio-economic return	Municipal Financial Sustainability Index	Support & Advice	P2 Multisectoral Support	-	New indicator	Hands-on support provided to 2 municipal entities over a 5-year period.	% Reduction in the number of findings as raised by the Auditor-General for the selected 2 municipal entities
Developmental Local Government for Global Competitiveness	% Improvement in private sector investments in supported municipal areas (new and existing business)	Knowledge & Information sharing	P2 Multisectoral Support	-	Municipal Competitiveness Index (MICI) (baseline)	Bi-ennial Municipal Investment Competitiveness Report	Assessment of Municipal Investment Competitiveness
Developmental Local Government for Global Competitiveness	% Improvement in private sector investments in supported municipal areas (new and existing business)	Support & Advice	P2 Multisectoral Support	SALGA Trade and Investment Guideline	10 municipalities supported	Municipal Business Climate Improvement Assessment Report	Number of municipalities supported to improve their business environment for start-ups and existing business
Inclusive Socio-Economic Return	% Improvement in municipal perception	Support & Advice	P2 Multisectoral Support	-	2018 Energy Summit Action Plan and Implementation thereof	Programme Report for New and Sustainable Generation in Municipalities	Number of Municipalities supported in new generation through SALGA's interventions
Inclusive Socio-Economic Return	% Improvement in municipal perception	Support & Advice	P2 Multisectoral Support	-	SALGA Report on EDI Reform LG approach	Electricity distribution industry reform roadmap report	Implementation of the Electricity Distribution Reform Roadmap
Inclusive Socio-Economic Return	% Improvement in municipal perception	Support & Advice	P2 Multisectoral Support	-	New indicator	Report on Alternative and workable waste management solutions (e.g separation at source, Waste to Energy, Mobile Waste Apps)	Number of municipalities supported in alternative and workable waste management solutions

Planned Annual Target 2022/2023	Target No	Actual Achievement 2022-2023	Performance Status	Reason for Variance
10% reduction in the number of findings as raised by the Auditor-General for the selected 2 municipal entities by 31 March 2023	14	Number of findings raised by the Auditor-General for Lekwa Teemane Development Agency increased by 26% and number of findings decreased by 63% for Ntinga OR Tambo Development Agency	Not Achieved	<p>2 Municipal Owned Entities (MOEs) that were initially identified for support were Kenneth Kaunda Development Agency and Raymond Mhlaba Development Agency. Upon further engagement with the parent municipality of Kenneth Kaunda Development Agency it was discovered that the MOE was in the process of winding down or being disestablished.</p> <p>The SALGA then identified Lekwa Teemane Development Agency as a suitable replacement. Lekwa Teemane Development Agency was responsive and engaged actively with SALGA. Raymond Mhlaba Development Agency were non-responsive despite numerous attempts to engage with them. SALGA then identified Ntinga OR Tambo Development Agency as a suitable replacement. Ntinga were receptive and actively engaged.</p>
Assessment of Municipal Investment Competitiveness conducted by 31 March 2023	15	Assessment of the Municipal Investment Competitiveness (MICI) was conducted and the results were disseminated to national, provincial and local stakeholders. The results were also presented to the governance structures and a process to consult stakeholders on the methodology and indicators was undertaken. A consolidated methodology improvement report was drafted and presented to the SALGA governance structures.	Achieved	None
12 municipalities supported based on the ease of doing business/ red tape reduction outcomes report by 31 March 2023	16	<p>Municipal Investment Guidelines were implemented in the 12 selected municipalities.</p> <p>The process started off with the identification of the municipalities. The selected municipalities were invited to a capacity building workshop on the Municipal Guidelines and they submitted their consent letters which reflected their willingness and commitment to be part of the Pilot Programme. Their LED strategies were assessed using the SALGA LED Strategy Assessment Checklist. Feedback meetings were convened between SALGA and the selected municipalities where gaps and recommendations were presented. SALGA and the selected municipalities then jointly developed the technical support plans based on the gaps identified and recommendations.</p>	Achieved	None
2 Municipalities supported in New and Sustainable Generation by 31 March 2023	17	<p>40 municipalities were supported on new and sustainable generation by 31 March 2023.</p> <p>They were supported through training on small-scale embedded generation, Cost of Supply studies training, Grid impact studies training, Bi-directional training. Further support was through advisory services on municipal power procurement to a number of municipalities, the advisory services include:</p> <ul style="list-style-type: none"> <li>• Development of the municipal energy needed assessment, energy plan and strategy</li> <li>• Just energy Transition and its impact in the local communities</li> <li>• Municipal power procurement scenarios</li> <li>• How to harvest Methane gas for alternative energy</li> <li>• Development of the incorporation of JET projects on municipal IDP guidelines in January</li> </ul>	Achieved	The reason more than 2 municipalities were trained is that SALGA sent out a memo inviting interested municipalities to attend the training, and ultimately more than 2 municipalities expressed their interest and have been trained.
EDI Restructuring Roadmap with action plan developed by 31 March 2023	18	Electricity Distribution Industry reform roadmap and action plans was developed.	Achieved	None
3 municipalities supported in alternative and workable waste management solutions by 31 March 2023	19	17 municipalities were supported to improve their performance across the waste value chain. In order to guide the approach, SALGA developed a support programme which was approved by the Working Group meeting of 21 September 2022. The programme prioritized the hands-on approach and cross cutting approaches for supporting municipalities.	Achieved	Additional municipalities were supported because they have expressed interest in receiving SALGA support on the matter. Additionally, a support gap was discovered as the target's implementation was in progress.

Outcome	Outcome Indicator	Mandate	Programme	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Outputs	Output Indicator
Inclusive Socio-Economic Return	% Improvement in municipal perception	Support & Advice	P2 Multisectoral Support		New indicator	Report on water services sector collaborative programme	Number of municipalities benefiting from the water services collaborative programme
Customised Innovative solutions	% Improvement in municipal perception	Support & Advice	P2 Multisectoral Support		Survey	Report on support to municipalities on water tech and innovation solutions	Number of Municipalities supported on water and sanitation technical and innovation solutions
Customised Innovative solutions	Digital Maturity Levels (Gartner Model)	Support & Advice	P2 Multisectoral Support	-	New indicator	Digital Maturity Level assessment report	% Progression in Municipal Digital Maturity levels
Developmental Local Government for Global Competitiveness	% Improvement in municipal perception	Support & Advice	P2 Multisectoral Support	-	New Indicator	Report on Municipalities supported to implement the Road Assets Management Systems (RAMS)	Number of district areas supported to implement the RAMS
Developmental Local Government for Global Competitiveness	% Improvement in municipal perception	Support & Advice	P2 Multisectoral Support	-	Petitioned the President not to accent to NLTA Amendments. Draft decentralisation framework	Assessment Report on the State of Subsidised Bus Services in metropolitan and district municipalities	Assessment of Bus services functions and funding devolved to municipalities



Planned Annual Target 2022/2023	Target No	Actual Achievement 2022-2023	Performance Status	Reason for Variance
4 municipalities benefit from the water services collaborative programme by 31 March 2023	20	78 municipalities benefited from the water services collaborative programme and can be summarized under the following key achievements: <ol style="list-style-type: none"> <li>1. Developed and started implementation of Five-Year Councillor Development Strategy (kicked off with water sector inductions in all nine provinces)</li> <li>2. Co-Development of Green Drop Support programme, which provided support to 78 municipalities with Green Drop Corrective Action Plans.</li> <li>3. Co-Development of 48 Climate Change Action Plans to assist in water resilience.</li> <li>4. Co-Establishment of a National Water Partnership Office to increase private sector investment in municipal water and sanitation infrastructure, funded with R60million.</li> <li>5. Supported nine poorly spending (conditional infrastructure grants) municipalities with Standard Operating Procedure for infrastructure project implementation.</li> <li>6. Hosted differentiated and targeted knowledge and information sharing events to support Metros, Secondary Cities and all municipalities in general.</li> </ol>	Achieved	On 31 March 2022 the Department of Water and Sanitation (DWS) published the Green Drop report, but by the end of Q1 (30 June 2022) DWS realized the responses by municipalities were very poor and approached SALGA to collaborate in improving the status quo. Internal support was requested from IDS to support the development and implementation of the climate change action plans since the budget was not approved to secure a service provider. After Trading Services successfully lobbied MISA, COGTA and UCT a total of 48 municipalities.
Minimum of 2 municipalities supported on water and sanitation tech and innovation solutions by March 2023	21	6 Municipalities was supported on water and sanitation technical and innovation solutions. <ol style="list-style-type: none"> <li>1. <b>City of Cape Town</b> benefitted from our support by profiling the ISO 50001 standard through SALGA TV. The MoU between City of Cape Town, WRC and Gates Foundation once signed will unlock funding for the deployment of the water re-circulation technology.</li> <li>2. <b>eThekweni's</b> Sanitation Policy includes Technology and Innovation and Faecal sludge management. Importantly once approved internally it will facilitate the deployment of technological solutions and better management of faecal sludge management.</li> <li>3. <b>uMhlathuze LM</b> also benefitted from our support by profiling the drone technology through the SALGA TV</li> <li>4. <b>Tshwane Metro</b> benefitted from our support by profiling various innovations they are championing together with the youth through the SALGA TV</li> <li>5. <b>Mbombela LM</b> – benefitted through our support to be trained to a new approach of sanitation management faecal flow diagram by the Center of Science and Environment based in India.</li> <li>6. <b>Ekurhuleni Metro</b> to benefit from the support of the Viability and Validation for Innovation</li> </ol>	Achieved	The over achievement is a result of the gaps SALGA observed in the sector whilst engaging with municipalities and partners through the roadshows. It was thus crucial for SALGA to take advantage of exploring gaps and develop solutions. Key amongst gaps identified was lack of funding in the sector to upscale innovative solutions and secondly access to technological and innovative solutions platforms. Thirdly procurement of innovative solutions was identified as a challenge that required an intervention. Through partnership with the Water Research Commission, The Departments of Water and Sanitation and Cooperation and Traditional Affairs managed to advocate to include technology and innovation in the 3 water infrastructure grants namely Municipal Infrastructure Grant (MIG), Water Services Infrastructure Grant (WSIG) and Regional Bulk Infrastructure Grant (RBIG). Secondly in collaboration with the Water Research Commission engaged with the office of the Chief Procurement Officer to explore measures of upscaling innovative through an enabled procurement regime. To this end a research project was initiated to unearth mechanisms that could be used to upscaling innovative solutions. The findings of the research are expected by end of August 2023.
-	22	SALGA conducted sixty six (66) Municipal Digital Maturity Assessments in the 2022-2023 Financial Year. Of the 66 assessed, at least Forty six (46) municipalities were provided support on Digital Maturity in order to address the issues raised in the assessments report.	Not Applicable	The assessments were conducted to determine a baseline and support provided to enable the organisation to start measuring the maturity improvement levels in the next financial year.
10 District Areas supported to implement RAMS (through DDM) by 31 March 2023	23	Through the DDM approach, SALGA supported 11 district areas and 2 metros on development and implementation of RAMS	Achieved	SALGA did not target metros with the assumption their RAMS system is in order. The two metros appreciated SALGA's work on RAMS and sort further support from SALGA. An additional district that has been targeted for support in subsequent years, requested to attend the session where the 10 other district were being engaged.
Assessment conducted by 31 March 2023	24	Report on the assessment of Bus service function was finalized and comments were tabled at the National Working Group on the 30 March 2023.	Achieved	N/A

Outcome	Outcome Indicator	Mandate	Programme	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Outputs	Output Indicator
Inclusive Socio-Economic Return	% Improvement in municipal perception	Knowledge & Information sharing	P2 Multisectoral Support	New indicator	Draft National Rural Development Strategy developed	Rural Development Indaba to discuss the Draft Rural Development Strategy and cooperation between municipalities and traditional leadership	Rural Development Indaba to discuss the Draft Rural Development Strategy and cooperation between municipalities and traditional leadership
Inclusive Socio-Economic Return	% Improvement in municipal perception	Support & Advice	P2 Multisectoral Support		Research Report on Refinement of Spatial Transformation Indicators	Progress report on the support provided to municipalities to measure Spatial Transformation	Number of municipalities measured on Spatial Transformation
Inclusive Socio-Economic Return	% Improvement in municipal perception	Support & Advice	P2 Multisectoral Support	-	25 Municipalities supported on SPLUMA	Progress report on the support provided to municipalities to produce Land Use schemes that are compliant with SPLUMA	Number of municipalities supported to produce Land Use schemes that are compliant with SPLUMA
Developmental Local Government for Global Competitiveness	% Improvement in municipal perception	Support & Advice	P2 Multisectoral Support	-	New Indicator	Progress Report on municipalities supported with community safety in line with set criteria	Number of municipalities supported to improve implementation of community safety
Inclusive Socio-economic return	% Improvement in municipal perception	Knowledge & Information sharing	P2 Multisectoral Support	-	Social Package review report Public Affairs Research Institute (PARI).	Evidence-based report on municipalities utilising the Free Basic Services Grant	Studies on municipalities utilising the FBS Grant conducted
Developmental Local Government for Global Competitiveness	% Improvement in municipal perception	Strategic Profiling	P2 Multisectoral Support		Integrated Framework on the inclusion of vulnerable groups	Progress Report on Assessment Tool developed for mainstreaming of vulnerable groups in municipalities	Assessment tool for mainstreaming of vulnerable groups in municipalities
Developmental Local Government for Global Competitiveness	% Improvement in municipal perception	Lobby, Advocate and Represent	P2 Multisectoral Support		Migration research report conducted by Wits University	An IGR program to respond to migration challenges from a municipal perspective	All relevant institutions participating in a SALGA-led IGR Program on migration
Developmental Local Government for Global Competitiveness	% Improvement in municipal perception	Strategic Profiling	P2 Multisectoral Support		Research on the role of local government on social cohesion	An approved National Local Government social cohesion strategy	National social cohesion strategy

Planned Annual Target 2022/2023	Target No	Actual Achievement 2022-2023	Performance Status	Reason for Variance
A National Rural Development Indaba convened by 31 March 2023	25	SALGA convened the National Rural Development Indaba on 16 and 17 March 2023. An Indaba report was developed and tabled at the National Working Group on 29 March 2023.	Achieved	None
20 municipalities measured on Spatial Transformation by 31 March 2023	26	SALGA monitored spatial transformation in 20 selected municipalities and produced an annual report for publication by 31 March 2023. SALGA facilitated national webinar 23 February 2023 on municipal spatial transformation monitoring. Report on facilitating spatial transformation monitoring was developed and tabled to National Working Group on the 29 March 2023	Achieved	None
20 municipalities supported to produce Land Use schemes by 31 March 2023	27	SALGA support to 39 municipalities on land use schemes and these municipalities received approval on ministerial condonation.	Achieved	Due to good cooperation and collaboration between SALGA/COGTA and DALRRD municipalities received support on facilitation of condonation letters to Minister of DALRRD which were aimed at asking extension of time to fully comply with s24 of SPLUMA and to ensure that their land use application decisions are regularized.
18 municipalities supported to perform the community safety function by 31 March 2023	28	27 Municipalities supported to perform the community safety function. <ul style="list-style-type: none"> <li>An assessment tool was developed, designed, and circulated to member municipalities to ascertain the state of law enforcement at a local government level focusing on by-law enforcement and the challenges experienced by the municipalities in the implementation of the by-laws.</li> <li>Focus area interventions were determined from an analysis of the assessment tool, namely: - i) By-law Promulgation; ii) By-law Public Participation; and, By-law Enforcement.</li> </ul>	Achieved	18 municipalities were identified for community safety related interventions. Due to the scope of the assessment, the tool was disseminated to all member municipalities to attain a comprehensive perspective on the state of law enforcement at local government level. 27 municipalities responded to the tool,
Study on the utilisation of Free Basic Services Grant conducted by 31 March 2023	29	A study on the utilisation of Free Basic Services Grant was conducted.	Achieved	None
Assessment tool for mainstreaming of vulnerable groups in municipalities developed by 31 March 2023	30	Stakeholder engagements were held to identify indicators to inform the development of the assessment tool. Assessment tool for mainstreaming of vulnerable groups was finalized and presented to governance structures. 77 Municipalities were capacitated on using the tool.	Achieved	None
A discussion document on the impact and management of migration on municipalities Cooperation agreement with IGR partners by 31 March 2023	31	A discussion document on the impact and management of migration in municipalities was developed. A National migration seminar was convened with all strategic partners participating at the event. An outcomes report was developed and presented to the National Working group on the 28 March 2023.	Achieved	None
National Local Government social cohesion strategy adopted for implementation by 31 March 2023	32	National Social Cohesion Strategy was adopted at the National Working Group on the 28 March 2023.	Achieved	None

Outcome	Outcome Indicator	Mandate	Programme	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Outputs	Output Indicator
Developmental Local Government for Global Competitiveness	% Improvement in municipal perception	Support & Advice	P2 Multisectoral Support		New indicator	Environmental sector LG Support Programme implementation report	SALGA deliverables in the Environmental sector LG Support Programme implemented
Developmental Local Government for Global Competitiveness	% Improvement in municipalities implementing climate change mitigation and adaptation investment projects	Support & Advice	P2 Multisectoral Support	-	New indicator	Local government Climate Change Support Programme Report	Number of municipalities that have developed climate action plans
Developmental Local Government for Global Competitiveness	% Improvement in municipal perception	Support & Advice	P2 Multisectoral Support		New indicator	Assessment Report on Powers and Functions on DRM, Fire Services and Municipal Health	Number of district municipalities assessed for the appropriate location of the powers and functions for DRM, Fire Services and Municipal Health
Developmental Local Government for Global Competitiveness	% Improvement in municipalities implementing climate change mitigation and adaptation investment projects	Support & Advice	P2 Multisectoral Support		City Sustainability Support Programme	City Sustainability Support Programme Progress Report	SALGA deliverables in the City Sustainability Support Programme implemented
Developmental Local Government for Global Competitiveness	% Improvement in municipal perception	Strategic Profiling	P2 Multisectoral Support		New Indicator	Report on the Alignment of Corporate Social Investment and Responsibility plans with municipal development plans	Assessment Report on the Alignment of Corporate Social Investment and Responsibility plans with municipal development plans
Capable And Reputable Local Government	Governance Maturity Index	Support & Advice	P2 Multisectoral Support	-	New target	Good Governance Maturity Report	Good Governance Maturity Assessment for identified municipalities

Planned Annual Target 2022/2023	Target No	Actual Achievement 2022-2023	Performance Status	Reason for Variance
90% of SALGA deliverables in the Environmental sector LG Support Programme implemented by 31 March 2023	33	100% of SALGA deliverables in the Environmental Sector LG Support Programme was implemented as follows: <ol style="list-style-type: none"> <li>1. Councilor induction training in all 9 provinces conducted.</li> <li>2. Advisory Guide on Climate-proofing infrastructure development for municipalities developed</li> <li>3. 4x Capacity building interventions for Local Government Adaptation Programme (Secondary Cities &amp; Metros) conducted</li> <li>4. 1x Capacity Building workshop in District Municipalities on the Coastal Climate Change Risk and Vulnerability Assessment Tool conducted</li> <li>5. Local Government Environment Indaba with DFFE co-hosted</li> </ol>	Achieved	None
9 municipalities with climate action plans by 31 March 2023	34	SALGA supported 9 municipalities to develop climate action plans.	Achieved	None
5 district municipalities assessed by 31 March 2023	35	5 district municipalities (total of 10 municipalities) were assessed for the appropriate location of the powers and functions for DRM, Fire Services and Municipal Health. MMCs were lobbied for readjustment of the powers and functions between local and district municipalities. National Treasury were lobbied for the reallocation of the equitable share based on the readjustment of the powers and functions.	Achieved	N/A
90% of SALGA deliverables in the City Sustainability Support Programme implemented by 31 March 2023	36	100% of SALGA deliverables in the City Sustainability Support Programme was implemented as follows: <ol style="list-style-type: none"> <li>1. 4 x Capacity building interventions for the Local Government Adaptation Programme (Secondary Cities &amp; Metros) conducted</li> <li>2. Knowledge exchange event on cross-cutting sustainability themes co-hosted with SACN and DFFE</li> <li>3. Profiling Programme to profile the Cities Sustainability actions with regards to environmental management &amp; climate change developed and implemented</li> <li>4. Quarterly reports on the participation of metros and secondary cities' participation in the City Sustainability Support Programme produced.</li> </ol>	Achieved	None
An assessment study on the extent of CSI/CSR alignment with municipal plans by 31 March 2023	37	An Assessment Report on the Alignment of Corporate Social Investment and Responsibility plans with municipal development plans was developed. The report was consulted with all 9 provinces. The final report was submitted to the working group on the 28th of March.	Achieved	None
Good Governance Maturity Assessment conducted in identified municipalities by 31 March 2023	38	The Good Governance Maturity Index was rolled out on the identified municipalities. Workshops were held with the identified municipalities to introduce the GGMI and solicit their buy-in from the municipalities. The tool was rolled out with the municipalities and the assessment report developed.	Achieved	None



Outcome	Outcome Indicator	Mandate	Programme	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Outputs	Output Indicator
Customised Innovative Solutions	% Improvement in municipal perception	Knowledge & Information sharing	P2 Multisectoral Support	-	Produce 5 Research papers by 31 March 2022	Empirical Research (Evidence based) Reports	Number of research products
Capable and Reputable Local Government	Municipal Capability Index	Employer Body	P3 Employment Relations & Capacity Building	-	New indicator	Municipal Capability Assessment Report	Municipal Capability Assessment conducted
Capable and Reputable Local Government	Municipal Competency Levels	Employer Body	P3 Employment Relations & Capacity Building	-	Collective Bargaining Agreement signed by 31 September 2022	Collective Agreements and or Outcomes of the negotiations	Representation of the Local Government Sector as Employer Body
Capable and Reputable Local Government	Municipal Competency Levels	Employer Body	P3 Employment Relations & Capacity Building	-	Collective Bargaining Agreement signed by 31 September 2022	Outcome report on representation of Municipalities in Disciplinary Matters, Conciliation, Arbitration and Labour Court	Representation of the Local Government Sector as Employer Body
Capable and Reputable Local Government	Municipal Competency Levels	Capacity Building	P3 Employment Relations & Capacity Building	-	New target	Capacity Building Progress Report	Number of municipal councillors and officials undergone SALGA Capacity building programmes

Planned Annual Target 2022/2023	Target No	Actual Achievement 2022-2023	Performance Status	Reason for Variance
Five research products linked to members needs produced by 31 March 2023	39	The following six (6) research was finalized. <ol style="list-style-type: none"> <li>Supporting Public Participation and Planning in Local Government</li> <li>Study exploring PPP models for the provision of broadband services in municipalities</li> <li>Conduct a Systematic Review of the Professionalisation Landscape for Local Government</li> <li>SALGA Municipal Senior Managers Remuneration Study Report</li> <li>Municipal Capabilities Assessment Report</li> <li>SALGA Social Cohesion Research Based Policy Brief</li> </ol>	Achieved	Following the SALGA National Conference, and the approval of the 2022-2027 SALGA Strategic Plan, the new programmes of SALGA needed evidence to support the various policy and legislative reforms that the organization was mandated to do. These various research therefore had to be undertaken in order to support that advocacy work of the organization.
Municipal Capability Assessment conducted by 31-Mar-23	40	SALGA developed the Municipal Capability Assessment Tool, administer it to 13 municipalities and produced an assessment Report.	Achieved	None
Representation of municipalities in collective bargaining programmes by 31 March 2023	41	SALGA represented all its 257 municipalities in the following collective bargaining programmes <ol style="list-style-type: none"> <li>Collective Bargaining on the Main Collective Agreement and Wage Curve</li> <li>Retirement Fund Collective Agreement</li> </ol>	Achieved	None
Representation of Municipalities in Disciplinary Matters, Conciliation, Arbitration and Labour Court on Demand by 31 March 2023	42	SALGA represented 75 municipalities in 49 Disciplinary hearings, 101 Arbitrations, 28 Conciliations and 2 Labour Court matters.	Achieved	None
1000 municipal councillors and officials undergone SALGA programmes by 31 March 2023	43	For 2022-2023 SALGA rolled out 24 training programmes. A total of <b>5503</b> municipal councillors and officials were trained. This is made up of 3837 municipal councillors and 1666 municipal official trained in all 257 municipalities.	Achieved	The organization was still rolling out the Portfolio based inductions in Q1 of the financial year which were completed in Q2. SALGA also offers on-demand training programmes as part of its capacity building offerings under the auspices of the SALGA Centre Leadership and Governance (SCLG) such as the Non – accredited Local Labour Forum training for Employer representatives, Accredited Municipal Performance management, Accredited Municipal Governance training as well as implementation of a suite of Continuous Professional Development Programmes such as the Annual LG Talent Management seminar, Annual LG Governance and Performance Management seminar, Professionalisation Indaba and Annual LG Labour Law Seminar. SALGA had to meet the demand and make training available as per municipal requests informed by identified training needs of Municipal Councillors and Municipal Officials (such as Records Management, Asset Management, Cyber Security, Embedded Generation (EG) Skills Training, Standard Transfer Specification (STS), Powers & Functions & Roles & Responsibilities of The Speaker and Executive Mayor, TASK Job Evaluation, Oversight on Budget Implementation and Budget Related Policies, Gender Responsive Procurement Training, Job Description Development, Arbitration and Conciliation as well as Disciplinary Collective Agreement Training).

Outcome	Outcome Indicator	Mandate	Programme	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Outputs	Output Indicator
Capable and Reputable Local Government	Municipal Competency Levels	Employer Body	P3 Employment Relations & Capacity Building	-	New target	Local government Professionalisation Programme implementation Report	Local government Professionalisation programme
Capable and Reputable Local Government	Municipal Competency Levels	Employer Body	P3 Employment Relations & Capacity Building	-	New target	Municipal Organogram Review Support Programme Report	Organogram Review Support Programme
Effective Networks and IGR	Strategic Partnerships Effectiveness Index	Strategic Profiling	P4 Advocacy & Strategic Profiling	-	10	Value- add Strategic Partnerships Report	Number of value-based partnerships secured with identified partners to support strategic initiatives in SALGA and municipalities
Effective Networks and IGR	IGR Effectiveness Rating	Lobby, Advocate and Represent	P4 Advocacy & Strategic Profiling	Proposal on the IGR support, monitoring, and interventions Bill	6 SALGA Position Papers submitted for engagements to IGR structure and or Legislatures	IGR Effectiveness Evaluation Report	Assessment reports on SALGA's influence in IGR
Effective Networks and IGR	IGR Effectiveness Rating	Lobby, Advocate and Represent	P4 Advocacy & Strategic Profiling	Proposal on the IGR support, monitoring, and interventions Bill	06 SALGA Position Papers submitted for engagements to IGR structure and or Legislatures	IGR Effectiveness Evaluation Report	Number of position papers submitted in the IGR
Inclusive Socio-Economic Return	% Improvement in municipal perception	Lobby, Advocate and Represent	P4 Advocacy & Strategic Profiling	-	Position paper on Infrastructure and asset management endorsed by Budget Forum Lekgotla	An institutional support capacity and regulatory model to support municipalities to enter into partnerships for Infrastructure Investment and Maintenance	Proposal for a regulatory environment and institutional capacity to support municipalities
SALGA - An Agile Force of Influence	IGR Effectiveness Rating	Strategic Profiling	P4 Advocacy & Strategic Profiling	New indicator	New indicator	Outcome report on improving SALGA's institutional arrangements and mechanisms	Progress reports on the implementation of institutional arrangements and mechanisms (Constitutional review, Legislative review & Policy review)

Planned Annual Target 2022/2023	Target No	Actual Achievement 2022-2023	Performance Status	Reason for Variance
Local government Professionalisation programme implemented by 31 March 2023	44	Local government Professionalisation programme implemented as follows: <ol style="list-style-type: none"> <li>1. Local Government Professionalisation Indaba, 08-10 March 2023</li> <li>2. Annual Local Government Talent Management Seminar, 29-30 September 2022</li> <li>3. Annual Local Government Governance and Performance Management Seminar, 16 -17 February 2023</li> <li>4. Annual Local Government Labour Law Seminar, 27-28 March 2023</li> <li>5. Strategic Recruitment Plans Implemented</li> <li>6. Profile the Municipal HCM Maturity Capability in 4 municipalities</li> <li>7. Implementation of the service Standards</li> <li>8. HCM Guidelines for the DDM Blueprint</li> </ol>	Achieved	None
Organogram Review Support Programme Implemented in municipalities by 31 March 2023	45	Organogram Review Support Programme implemented in 61 municipalities through provincial workshops.	Achieved	There is a high demand for Organogram Review post the local government elections and it is SALGA's mandate to support its member municipalities when they request assistance.
12 Value- add Partnerships secured by 31 March 2023	46	SALGA secured 12 Value-add Partnerships by signing MoU's with strategic partners.	Achieved	None
Assessment conducted on SALGA's influence in IGR by 31 March 2023	47	Assessment on SALGA's influence in IGR was conducted and an assessment report developed as well as calendar of engagements, including quarterly reports.  For 2022-2023 SALGA participated in the following engagements: 54 national parliamentary engagements 74 provincial legislature engagements 59 national IGR engagements 117 provincial IGR engagements.	Achieved	None
06 SALGA Position Papers submitted for engagements to IGR structure and or Legislature by 31 March 2023	48	SALGA developed 16 position papers/proposals for submission to relevant structures.	Achieved	After the development of the APP there were more than 6 targets that required development of positions papers by different clusters on various matters relating to Local Government. In addition to these targets, there were calls for comments during the financial year on policies and bills that SALGA responded to.
Proposal developed by 31 March 2023	49	SALGA undertook a study to assess the Public Private Partnership which concluded by making propositions on how to enhance PPP.	Achieved	None
Quarterly Progress report on improving SALGA's institutional arrangements and mechanisms	50	Progress reports and presentation on the implementation of institutional arrangements and mechanisms developed. The presentation was made at PEC Lekgotla/Induction and an External Legal Advisory Services E-Booklet on all legislation was developed.	Achieved	None

Outcome	Outcome Indicator	Mandate	Programme	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Outputs	Output Indicator
SALGA - An Agile Force of Influence	% Improvement in municipal perception	Strategic Profiling	P4 Advocacy & Strategic Profiling	SALGA and local government profiling programme	Monthly themed based and Local Government transitional campaigns rolled out	Integrated Marketing and Communication (IMC) Strategy Implementation Report	Progress reports on implementation of the IMC strategy
Developmental Local Government for Global Competitiveness	% Improvement in municipal perception	Strategic Profiling	P4 Advocacy & Strategic Profiling	-	New indicator	Municipal Customer Perception Survey Report	Snapshot survey to determine the municipal customers' perceptions as a baseline for in year improvement based on SALGA's interventions and strategic profiling initiatives
Developmental Local Government for Global Competitiveness	% Improvement in municipal perception	Lobby, Advocate and Represent	P4 Advocacy & Strategic Profiling	-	New Indicator	Assessment Report on the extent of inclusion of Disaster Management, Fire Services, and Environmental Health functions in the review criteria of the IDPs, SDBIPs and Budgets	The extent of inclusion of Disaster Management, Fire Services, and Environmental Health functions in the review criteria of the IDPs, SDBIPs and Budgets
SALGA - An Agile Force of Influence	% Reduction on membership fees	Strategic Profiling	P5 Business & Product Development	-	Three proposed products	Financial Report on the 3 approved products and or services implemented	Number of approved products and/or services rolled out for SALGA's alternative revenue
Customised Innovative solutions	Digital Maturity Levels (Gartner Model)	Knowledge & Information sharing	P5 Business & Product Development	-	Approved Digital Strategy	Digital Solutions deployed to municipalities through Digital Factory	Number of digital solutions deployed to municipalities
Inclusive socio-economic return	Digital Maturity Levels (Gartner Model)	Knowledge & Information sharing	P5 Business & Product Development	-	-	PPP Framework for municipalities on Broadband as a fifth utility	% Municipalities utilizing signed PPP agreements with operators/spectrum-holders



Planned Annual Target 2022/2023	Target No	Actual Achievement 2022-2023	Performance Status	Reason for Variance
Quarterly Progress Reports on the development and implementation of IMC strategy implementation	51	Four quarterly reports developed on the implementation of the IMC strategy	Achieved	None
Municipal Perception Survey conducted by 31 March 2023	52	Completed Stakeholder and Brand Perception Survey. A perception survey was conducted targeting the following stakeholders (customer of the customer): 1325 General Public, 77 Private Sector, 24 Media, 41 Mayors, 219 SALGA Internal (Employees and Executives)  A total of 1686 individuals participated in the survey. Participants comprised of mayors, the media, SALGA employees across all levels, municipal officials, private sector, and the donor community.	Achieved	None
Lobby relevant stakeholders for the inclusion of Disaster Management, Fire Services, and Environmental Health functions in the review criteria of the IDPs, SDBIPs and Budgets by 31 March 2023	53	SALGA lobbied the following stakeholders: Department of Health, Municipalities, COGTA and National Treasury through the Environmental Health Interprovincial Meeting and the Working Committee Meeting for the inclusion of Environmental Health functions in the review criteria of IDP's SDBIP's and Budgets.	Achieved	NONE
3 products and/or services approved and rolled-out for revenue by 31 March 2023	54	Three Products or Services were identified by the Product Development Committee. Business Cases were developed for the three products and presented to EXCO for approval. Product brochures were developed to roll-out the services to the municipalities.  1. <b>Streamline Water Benchmarking Solution</b> – MoA signed with ISLE Utilities Limited Incorporated and rolled out to George LM, Nelson Mandela Metro, Johannesburg water, Umgeni municipality, Amatola water, Drakenstein municipality 2. <b>Outdoor Advertising</b> - MoA signed with Light-Tech and rolled out to : City of Johannesburg, City of Tshwane, Buffalo City and out of home media South African 3. <b>Town Planning</b> is a SALGA generated product and rolled out to Fetakgomo municipality. SALGA only collated the costs and did not charge for it.	Achieved	Discussions are still being held with municipalities. SALGA will need a strong sales team.
A minimum of 03 solutions by 31 March 2023	55	Three (3) digital solutions deployed to municipalities. 1. IDP Automated Platforms/Blueprints (SALGA MATRIX) (Ray Nkonyeni Local Municipality and Letjweleputswa District Municipality) 2. Penetration Testing and Vulnerability Assessment - Ray Nkonyeni Local Municipality. 3. Backup and DR as a Service - Ngaka Modiri District Municipality	Achieved	Dr Kenneth Kaunda District Municipality was one of the municipalities identified for piloting. However, the pilot project did not kick-off due to the unavailability of the key municipality representatives.
Framework to facilitate PPP agreements between municipalities and service operators by 31 March 2023	56	The key deliverable for SALGA, in this financial year, is to develop a Public Private Partnership model that can be adopted by municipalities to participate in, and launch, broadband offerings. Local Government now has a reference document for the exploration and adoption of PPP broadband business models to provide market efficiencies that may lead to more affordable internet, more universally accessible internet, and more importantly an additional revenue stream for municipalities.	Achieved	None

# APPENDIX B

## MUNICIPAL MEMBERS AND CONTACT DETAILS

### EASTERN CAPE

<p><b>1. Buffalo City Metropolitan Municipality</b>  <b>Postal:</b> PO Box 134, East London, 5200  <b>Physical:</b> 117 Oxford Street, Cnr North and Oxford Streets, Trust Centre, East London  <b>Tel:</b> 043 705 2000  <b>Fax:</b> 043 743 1688  <b>Website:</b> www.buffalocity.gov.za</p>	<p><b>2. Nelson Mandela Bay Metropolitan Municipality</b>  <b>Postal:</b> PO Box 136, Port Elizabeth, 6000  <b>Physical:</b> City Hall, Vuyisile Mini Square, Govan Mbeki Avenue, Nelson Mandela Bay  <b>Tel:</b> 041 506 3208/9  <b>Fax:</b> 041 506 2422  <b>Website:</b> www.nelsonmandelabay.gov.za</p>
<p><b>3. Alfred Nzo District Municipality</b>  <b>Postal:</b> Private Bag X511, Mount Ayliff, 4735  <b>Physical:</b> Erf 1400, Ntsizwa Street, Mount Ayliff  <b>Tel:</b> 039 254 5000  <b>Fax:</b> 039 254 0343  <b>Website:</b> www.andm.gov.za</p>	<p><b>4. Matatiele Local Municipality</b>  <b>Postal:</b> PO Box 35, Matatiele, 4730  <b>Physical:</b> 102 Main Street, Matatiele  <b>Tel:</b> 039 737 8100  <b>Fax:</b> 039 737 3611  <b>Website:</b> www.matatiele.gov.za</p>
<p><b>5. Winnie Madikizela-Mandela Local Municipality (Mbizana)</b>  <b>Postal:</b> PO Box 12, Bizana, 4800  <b>Physical:</b> 51 Main Street, Bizana  <b>Tel:</b> 039 251 0230  <b>Fax:</b> 039 251 0917  <b>Website:</b> www.winniemmlm.gov.za</p>	<p><b>6. Ntabankulu Local Municipality</b>  <b>Postal:</b> PO Box 234, Ntabankulu, 5130  <b>Physical:</b> 85 Main Street, Ntabankulu  <b>Tel:</b> 039 258 0056  <b>Fax:</b> 039 258 0173  <b>Website:</b> www.ntabankulu.gov.za</p>
<p><b>7. Umzimvubu Local Municipality</b>  <b>Postal:</b> Private Bag X9020, Mount Frere, 5090  <b>Physical:</b> 813 Main Street, Mount Frere  <b>Tel:</b> 039 255 8500  <b>Fax:</b> 039 255 0167  <b>Website:</b> www.umzimvubu.gov.za</p>	<p><b>8. Amathole District Municipality</b>  <b>Postal:</b> PO Box 320, East London, 5200  <b>Physical:</b> 3 – 33 Phillip Frame Road, Waverly Office Park, Chislehurst, East London, 5247  <b>Tel:</b> 043 701 4000  <b>Fax:</b> 043 742 0337  <b>Website:</b> www.amathole.gov.za</p>
<p><b>9. Amahlathi Local Municipality</b>  <b>Postal:</b> Private Bag X4002, Stutterheim, 4930  <b>Physical:</b> Cnr Maclean and Hill Street, Stutterheim  <b>Tel:</b> 043 683 5000  <b>Fax:</b> 043 683 1127  <b>Website:</b> www.amahlathi.gov.za</p>	<p><b>10. Great Kei Local Municipality</b>  <b>Postal:</b> Private Bag X21, Komga, 4950  <b>Physical:</b> 17 Main Street, Komga, 4950  <b>Tel:</b> 043 831 1028  <b>Fax:</b> 043 831 1483  <b>Website:</b> www.greatkeilm.gov.za</p>
<p><b>11. Mbhashe Local Municipality</b>  <b>Postal:</b> PO Box 25, Dutywa, 5000  <b>Physical:</b> 454 Streatfield Road, Dutywa  <b>Tel:</b> 047 489 5800  <b>Fax:</b> 047 489 5800  <b>Website:</b> www.mbhashemun.gov.za</p>	<p><b>12. Mnquma Local Municipality</b>  <b>Postal:</b> PO Box 36, Butterworth, 4960  <b>Physical:</b> Cnr King and Mthatha Street, Butterworth  <b>Tel:</b> 047 401 2400  <b>Fax:</b> 047 491 0195  <b>Website:</b> www.mnquma.gov.za</p>
<p><b>13. Ngqushwa Local Municipality</b>  <b>Postal:</b> PO Box 539, Peddie, 5640  <b>Physical:</b> Erf 313, Main Road, Peddie  <b>Tel:</b> 040 673 3095  <b>Fax:</b> 040 673 3771  <b>Website:</b> www.ngqushwamun.gov.za</p>	<p><b>14. Raymond Mhlaba Local Municipality</b>  <b>Postal:</b> PO Box 36, Fort Beaufort, 5720  <b>Physical:</b> 8 Somerset Road, Fort Beaufort  <b>Tel:</b> 046 645 7400  <b>Fax:</b> 046 645 2562/1619  <b>Website:</b> www.raymondmhlaba.gov.za</p>
<p><b>15. Chris Hani District Municipality</b>  <b>Postal:</b> Private Bag X7121, Queenstown, 5320  <b>Physical:</b> 15 Bells Road, Queenstown  <b>Tel:</b> 045 808 4600  <b>Fax:</b> 045 838 1556  <b>Website:</b> www.chrishanidm.gov.za</p>	<p><b>16. Emalahleni Local Municipality</b>  <b>Postal:</b> Private Bag X1161, Lady Frere, 5410  <b>Physical:</b> 37 Fletcher Street, Indwe  <b>Tel:</b> 047 878 0020  <b>Fax:</b> 047 878 0112  <b>Website:</b> www.emalahleni.local.gov.za</p>
<p><b>17. Engcobo Local Municipality</b>  <b>Postal:</b> PO Box 24, Engcobo, 5050  <b>Physical:</b> 54 Union Street, Engcobo  <b>Tel:</b> 047 548 5600  <b>Fax:</b> 047 548 1078  <b>Website:</b> www.engcobolm.gov.za</p>	<p><b>18. Enoch Mgijima Local Municipality</b>  <b>Postal:</b> Private Bag X7111, Queenstown, 5320  <b>Physical:</b> 1st floor, Town Hall, 70 Cathcart Road, Queenstown  <b>Tel:</b> 045 807 2600  <b>Fax:</b> 045 807 2601  <b>Email:</b> info@enochmgijima.gov.za  <b>Website:</b> www.enochmgijima.org.za</p>

## EASTERN CAPE

<p><b>19. Intsika Yethu Local Municipality</b>  <b>Postal:</b> PO Box 11, Cofimvaba, 5380  <b>Physical:</b> Cnr.High and Church Street, Cofimvaba  <b>Tel:</b> 047 874 8700  <b>Fax:</b> 047 874 0010/0237  <b>Website:</b> www.intsikayethu.gov.za</p>	<p><b>20. Inxuba Yethemba Local Municipality</b>  <b>Postal:</b> PO Box 24, Cradock, 5880  <b>Physical:</b> 1 J A Calata Street, Cradock  <b>Tel:</b> 048 801 5000  <b>Fax:</b> 048 881 1421  <b>Website:</b> www.iym.co.za</p>
<p><b>21. Sakhisizwe Local Municipality</b>  <b>Postal:</b> PO Box 26, Cala, 5455  <b>Physical:</b> Erf 5556, Umtata Road, Cala (Old Convent Building)  <b>Tel:</b> 047 877 5200  <b>Fax:</b> 047 877 0000  <b>Website:</b> www.sakhisizwe.gov.za</p>	<p><b>22. Joe Gqabi District Municipality</b>  <b>Postal:</b> Private Bag X102, Barkly East, 9786  <b>Physical:</b> Cnr Cole and Graham Streets, Barkly East  <b>Tel:</b> 045 979 3000  <b>Fax:</b> 045 971 0251  <b>Website:</b> www.jgdm.gov.za</p>
<p><b>23. Elundini Local Municipality</b>  <b>Postal:</b> PO Box 1, Maclear, 5480  <b>Physical:</b> 1 Seller Street, Maclear  <b>Tel:</b> 045 932 8100  <b>Fax:</b> 045 932 1094  <b>Website:</b> www.elundini.org.za</p>	<p><b>24. Senqu Local Municipality</b>  <b>Postal:</b> PO Box 18, Lady Grey, 9755  <b>Physical:</b> 18 Murray Street, Lady Grey  <b>Tel:</b> 051 603 1300  <b>Fax:</b> 051 603 0445  <b>Website:</b> www.senqu.gov.za</p>
<p><b>25. Walter Sisulu Local Municipality</b>  <b>Postal:</b> PO Box 13, Burgersdorp, 9744  <b>Physical:</b> 1 Jan Greyling Street, Burgersdorp  <b>Tel:</b> 051 653 1777  <b>Fax:</b> 051 653 0056  <b>Website:</b> www.wslm.gov.za</p>	<p><b>26. OR Tambo District Municipality</b>  <b>Postal:</b> Private Bag X6043, Mthata, 5100  <b>Physical:</b> No5 Textile Street, Southernwood, Mthata  <b>Tel:</b> 047 501 6400  <b>Fax:</b> 047 532 6518  <b>Website:</b> www.ortambodm.gov.za</p>
<p><b>27. Ingquza Hill Local Municipality</b>  <b>Postal:</b> PO Box 14, Flagstaff, 4810  <b>Physical:</b> 135 Main Street, Flagstaff  <b>Tel:</b> 039 252 0131  <b>Fax:</b> 039 252 0699  <b>Website:</b> www.ihlm.gov.za</p>	<p><b>28. King Sabata Dalindyebo Local Municipality</b>  <b>Postal:</b> PO Box 45, Mthatha, 5099  <b>Physical:</b> Munitata Building 51, Sutherland Street, Mthatha  <b>Tel:</b> 047 501 4000  <b>Fax:</b> 047 531 3128  <b>Website:</b> www.ksd.gov.za</p>
<p><b>29. Mhlontlo Local Municipality</b>  <b>Postal:</b> PO Box 31, Qumbu, 5180  <b>Physical:</b> 96 Church Street, Qumbu  <b>Tel:</b> 047 553 7000  <b>Fax:</b> 047 553 0189  <b>Website:</b> www.mhlontlolm.gov.za</p>	<p><b>30. Nyandeni Local Municipality</b>  <b>Postal:</b> PO Box 27, Libode, 5160  <b>Physical:</b> B Nomandela Drive, Municipality Building, Libode  <b>Tel:</b> 047 555 5000  <b>Fax:</b> 047 555 0202  <b>Website:</b> www.nyandenilm.gov.za</p>
<p><b>31. Port St John Local Municipality</b>  <b>Postal:</b> PO Box 2, Port St Johns, 5120  <b>Physical:</b> 257 Main Street, Port St Johns  <b>Tel:</b> 047 564 1207  <b>Fax:</b> 047 564 1206  <b>Website:</b> www.psjmunicipality.gov.za</p>	<p><b>32. Sarah Baartman District Municipality</b>  <b>Postal:</b> PO Box 318, Port Elizabeth, 6000  <b>Physical:</b> 7th Floor, 32 Govan Mbeki Avenue, Standard Bank Bldg, Gqeberha  <b>Tel:</b> 041 508 7111  <b>Fax:</b> 041 508 7000  <b>Website:</b> www.sarahbaartman.co.za</p>
<p><b>33. Blue Crane Route Local Municipality</b>  <b>Postal:</b> PO Box 21, Somerset East, 5850  <b>Physical:</b> 88 Nojoli Street, Somerset East  <b>Tel:</b> 042 243 1333  <b>Fax:</b> 042 243 0633  <b>Website:</b> www.bcrm.gov.za</p>	<p><b>34. Dr Beyers Naude Municipality</b>  <b>Postal:</b> PO Box 71, Graaf-Reinet, 6280  <b>Physical:</b> Church Square, North Street, Graaf-Reinet  <b>Tel:</b> 044 923 1004  <b>Fax:</b> 044 923 1122  <b>Website:</b> www.bnlim.gov.za</p>
<p><b>35. Kou-Kamma Local Municipality</b>  <b>Postal:</b> Private Bag X011, Kareedouw, 6400  <b>Physical:</b> 5 Keet Street, Kareedouw  <b>Tel:</b> 042 288 7200  <b>Fax:</b> 042 288 0797  <b>Website:</b> www.koukammamunicipality.gov.za</p>	<p><b>36. Kouga Local Municipality</b>  <b>Postal:</b> PO Box 21, Jeffreys Bay, 6330  <b>Physical:</b> 33 Da Gama Road, Jeffreys Bay  <b>Tel:</b> 042 200 2200  <b>Fax:</b> 042 200 8606  <b>Website:</b> www.kouga.gov.za</p>
<p><b>37. Makana Local Municipality</b>  <b>Postal:</b> PO Box 176, Grahamstown, 6140  <b>Physical:</b> 86 High Street, Grahamstown  <b>Tel:</b> 046 603 6131  <b>Fax:</b> 046 622 9700  <b>Website:</b> www.makana.gov.za</p>	<p><b>38. Ndlambe Local Municipality</b>  <b>Postal:</b> PO Box 13, Port Alfred, 6170  <b>Physical:</b> 47 Campbell Street, Port Alfred  <b>Tel:</b> 046 624 1140  <b>Fax:</b> 046 624 2669  <b>Website:</b> www.ndlambe.gov.za</p>

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**39. Sundays River Valley Local Municipality**

**Postal:** PO Box 47, Kirkwood, 6120  
**Physical:** 30 Middle Street, Kirkwood  
**Tel:** 042 230 7700  
**Fax:** 042 230 1799  
**Website:** www.srvm.gov.za

## FREE STATE

**1. Mangaung Metropolitan Municipality**

**Postal:** PO Box 3704, Bloemfontein, 9300  
**Physical:** Bram Fischer Building, Nelson Mandela Drive and Markgraaff Street, Bloemfontein  
**Tel:** 051 405 8101  
**Fax:** 051 405 8108  
**Website:** www.mangaung.co.za

**2. Fezile Dabi District Municipality**

**Postal:** PO Box 10, Sasolburg, 1947  
**Physical:** John Vorster Road, Sasolburg  
**Tel:** 016 970 8600  
**Fax:** 016 970 8733  
**Website:** www.feziledabi.gov.za

**3. Mafube Local Municipality**

**Postal:** PO Box 2, Frankfort, 9830  
**Physical:** 64 JJ Hadebe Street, Frankfort  
**Tel:** 058 813 1051  
**Fax:** 058 813 3072  
**Website:** www.mafubemunicipality.gov.za

**4. Metsimaholo Local Municipality**

**Postal:** PO Box 60, Sasolburg, 1947  
**Physical:** Civic Centre, Fichardt Street, Sasolburg  
**Tel:** 016 973 8300  
**Fax:** 016 976 5205  
**Website:** www.metsimaholo.gov.za

**5. Moqhaka Local Municipality**

**Postal:** PO Box 302, Kroonstad, 9500  
**Physical:** Hill Street, Kroonstad  
**Tel:** 056 216 9911  
**Fax:** 056 216 9145  
**Website:** www.moqhaka.gov.za

**6. Ngwathe Local Municipality**

**Postal:** PO Box 359, Parys, 9585  
**Physical:** Liebenburg Street, Parys  
**Tel:** 056 811 2131  
**Fax:** 056 817 6343  
**Website:** www.ngwathe.fs.gov.za

**7. Lejweleputswa District Municipality**

**Postal:** PO Box 2163, Welkom, 9460  
**Physical:** Cnr Jan Hofmeyer and Tempest Streets, Welkom  
**Tel:** 057 353 3094  
**Fax:** 057 353 3382  
**Website:** www.lejwe.co.za

**8. Masilonyana Local Municipality**

**Postal:** PO Box 8, Theunissen, 8410  
**Physical:** 47 Le Roux Street, Theunissen, 8410  
**Tel:** 057 733 0106  
**Fax:** 057 733 2569/ 1942  
**Website:** www.masilonyana.local.gov.za

**9. Matjhabeng Local Municipality**

**Postal:** PO Box 708, Welkom, 9460  
**Physical:** 319 Stateway, Welkom  
**Tel:** 057 3913911  
**Fax:** 057 353 2482  
**Website:** www.matjhabeng.fs.gov.za

**10. Nala Local Municipality**

**Postal:** Private Bag X15, Bothaville, 9660  
**Physical:** 8 Preller Street, Bothaville  
**Tel:** 056 514 9200  
**Fax:** 056 515 3922  
**Website:** www.nala.org.za

**11. Tokologo Local Municipality**

**Postal:** Private Bag X46, Boshoff, 8340  
**Physical:** Market Square, Voortrekker Street, Boshoff  
**Tel:** 053 541 0014  
**Fax:** 053 541 0360  
**Website:** www.tokologo-municipality.co.za

**12. Tswelopele Local Municipality**

**Postal:** PO Box 3, Bultfontein, 9670  
**Physical:** Civic Centre, Bosman Street, Bultfontein  
**Tel:** 051 853 1111  
**Fax:** 051 853 1332  
**Website:** www.tswelopele.gov.za

**13. Thabo Mofutsanyana District Municipality**

**Postal:** PO Box 18482, Witsieshoek, 9870  
**Physical:** Old Parliament Building, 1 Mampoi Street, Phuthaditjhaba  
**Tel:** 058 7134485/6  
**Fax:** 058 713 0940  
**Website:** www.thabomofutsanyana.gov.za

**14. Dihlabeng Local Municipality**

**Postal:** PO Box 551, Bethlehem, 9700  
**Physical:** 9 Muller Street, Bethlehem  
**Tel:** 058 303 5732  
**Fax:** 058 303 5076  
**Website:** www.dihlabeng.gov.za

**15. Maluti-A-Phofung Local Municipality**

**Postal:** Private Bag X805, Witsieshoek, 9780  
**Physical:** Cnr Moremoholo and Motlounge Streets, Setsing Complex, Phuthaditjhaba  
**Tel:** 058 718 3700  
**Fax:** 058 718 3777/ 3775  
**Website:** www.map.fs.gov.za

**16. Mantsopa Local Municipality**

**Postal:** PO Box 64, Ladybrand, 9745  
**Physical:** 38 Joubert Street, Ladybrand  
**Tel:** 051 924 0654  
**Fax:** 051 924 0020  
**Website:** www.mantsopa.net

**17. Nketoana Local Municipality Municipality**

**Postal:** PO Box 26, Reitz, 9810  
**Physical:** Cnr Church and Voortrekker Streets, Reitz  
**Tel:** 058 863 2811  
**Fax:** 058 863 2523  
**Website:** www.nketoana.fs.gov.za

**18. Phumelela Local Municipality**

**Postal:** PO Box 155, Vrede, 9835  
**Physical:** Cnr Prinsloo and Kuhn Streets Streets, Vrede  
**Tel:** 058 913 8300  
**Fax:** 058 913 2317  
**Website:** www.phumelela.gov.za

## FREE STATE

**19. Setsoto Local Municipality**

**Postal:** PO Box 116, Ficksburg, 9730  
**Physical:** 27 Voortrekker Street, Ficksburg  
**Tel:** 051 933 9300  
**Fax:** 051 933 3321/ 051 933 9309  
**Website:** www.setsoto.co.za

**21. Kopanong Local Municipality**

**Postal:** Private Bag X23, Trompsburg, 9913  
**Physical:** 20 Louw Street, Trompsburg  
**Tel:** 051 713 9200  
**Fax:** 051 713 0335  
**Website:** www.kopanong.gov.za

**23. Mohokare Local Municipality**

**Postal:** PO Box 20, Zastron, 9950  
**Physical:** Hoofd Street, Zastron  
**Tel:** 051 673 9600  
**Fax:** 051 673 1550  
**Website:** www.mohokare.gov.za

**20. Xhariep District Municipality**

**Postal:** Private Bag X136, Trompsburg, 9913  
**Physical:** 20 Louw Street, Trompsburg  
**Tel:** 051 713 9300  
**Fax:** 051 713 0229  
**Website:** www.xhariep.gov.za

**22. Letsemeng Local Municipality**

**Postal:** Private Bag X3, Koffiefontein, 9986  
**Physical:** 7 Groot Trek Street, Koffiefontein  
**Tel:** 053 205 9200  
**Fax:** 053 205 0144  
**Website:** www.letsemeng.gov.za

## GAUTENG PROVINCE

**1. City of Johannesburg Metropolitan**

**Postal:** PO Box 1049, Johannesburg, 2000  
**Physical:** Metropolitan Centre, 1st Floor Council Chamber Wing, 158 Loveday Street, Braamfontein, Johannesburg  
**Tel:** 011 407 6111  
**Fax:** 011 339 5704  
**Website:** www.joburg.org.za

**3. City of Ekurhuleni Metropolitan**

**Postal:** PO Box 145, Germiston, 1400  
**Physical:** EGSC Building, cnr Cross and Roses Streets, Germiston  
**Tel:** 011 999 0764 / 0907  
**Fax:** 011 999 1564  
**Website:** www.ekurhuleni.gov.za

**5. Emfuleni Local Municipality**

**Postal:** PO Box 3, Vanderbijlpark, 1900  
**Physical:** Cnr Klasie Havenga and Frikkie Meyer Boulevard, Vanderbijlpark  
**Tel:** 016 950 5000  
**Website:** www.emfuleni.gov.za

**7. Lesedi Local Municipality**

**Postal:** PO Box 201, Heidelberg, 1438  
**Physical:** Civic Centre, Cnr HF Verwoerd and Louw Street, Heidelberg  
**Tel:** 016 492 0049  
**Website:** www.lesedilm.gov.za

**9. Merafong City Local Municipality**

**Postal:** PO Box 3, Carletonville, 2500  
**Physical:** 3 Halite Street, Carletonville  
**Tel:** 018 788 9500  
**Fax:** 018 786 1105  
**Email:** info@merafong.gov.za  
**Website:** www.merafong.gov.za

**11. Randwest Local Municipality**

**Postal:** PO Box 218, Randfontein, 1760  
**Physical:** Cnr Sutherland and Pollock Streets, Randfontein  
**Tel:** 011 411 0000  
**Fax:** 011 693 1736  
**Website:** www.randwestcity.gov.za

**2. City of Tshwane Metropolitan**

**Postal:** PO Box 440, Pretoria, 0001  
**Physical:** Munitoria Building, 2nd Floor, Vermeulen Street, Pretoria  
**Tel:** 012 358 4900  
**Fax:** 012 323 5117  
**Email:** citymanager@tshwane.gov.za  
**Website:** www.tshwane.gov.za

**4. Sedibeng District Municipality**

**Postal:** PO Box 471, Vereeniging, 1930  
**Physical:** Cnr Beaconsfield and Leslie Streets, Vereeniging  
**Tel:** 016 450 3000  
**Email:** info@sedibeng.gov.za  
**Website:** www.sedibeng.gov.za

**6. Midvaal Local Municipality**

**Postal:** PO Box 9, Meyerton, 1960  
**Physical:** Cnr Junius and Mitchell Street, Meyerton  
**Tel:** 016 360 7400  
**Fax:** 016 360 7519  
**Website:** www.midvaal.gov.za

**8. West Rand District Municipality**

**Postal:** Private Bag X033, Randfontein, 1760  
**Physical:** Cnr Sixth and Park Streets, Randfontein  
**Tel:** 011 411 5000  
**Fax:** 011 412 3663  
**Email:** info@wrdm.gov.za  
**Website:** www.wrdm.gov.za

**10. Mogale City Local Municipality**

**Postal:** PO Box 94, Krugersdorp, 1740  
**Physical:** Cnr Commissioner and Market Streets, Krugersdorp  
**Tel:** 011 951 2000/1  
**Fax:** 011 953 2547  
**Website:** www.mogalecity.gov.za



## KWAZULU-NATAL

<p><b>1. eThekweni Metropolitan Municipality</b>  <b>Postal:</b> PO Box 1014, Durban, 4000  <b>Physical:</b> City Hall, 263 Dr Pixley Ka Seme (West) Street, Durban  <b>Tel:</b> 031 311 1111/ 2121  <b>Fax:</b> 031 311 2116  <b>Email:</b> metroceo@durban.gov.za  <b>Website:</b> www.durban.gov.za</p>	<p><b>2. Amajuba District Municipality</b>  <b>Postal:</b> Private Bag X6615, Newcastle, 2940  <b>Physical:</b> B9356, Ithala Building, Madadeni Township, Newcastle, 2940  <b>Tel:</b> 034329 7200  <b>Fax:</b> 034314 3785  <b>Website:</b> www.amajuba.gov.za</p>
<p><b>3. Dannhauser Local Municipality</b>  <b>Postal:</b> Private Bag 1011, Dannhauser, 3080  <b>Physical:</b> 8 Church Street, Dannhauser, 3080  <b>Tel:</b> 034621 2666  <b>Fax:</b> 034621 3114  <b>Website:</b> www.dannhauser.gov.za</p>	<p><b>4. eMadlangeni Local Municipality</b>  <b>Postal:</b> PO. Box 11, Utrecht, 2980  <b>Physical:</b> 34 Voor Street, Utrecht, 2980  <b>Tel:</b> 034331 3041  <b>Fax:</b> 034331 4312  <b>Website:</b> www.emadlangeni.gov.za</p>
<p><b>5. Newcastle Local Municipality</b>  <b>Postal:</b> Private Bag X6621, Newcastle, 2940  <b>Physical:</b> Newcastle Civic Centre, 37 Murchison Street, Newcastle, <b>Tel:</b> 034 328 7600 / 034328 7750  <b>Fax:</b> 034312 1570  <b>Website:</b> www.newcastle.gov.za</p>	<p><b>6. Harry Gwala District Municipality</b>  <b>Postal:</b> Private Bag X501, Ixopo, 3276  <b>Physical:</b> 40 Main Street, Ixopo, 3276  <b>Tel:</b> 039 834 8700  <b>Fax:</b> 039 834 1701  <b>Website:</b> www.sisonke.gov.za</p>
<p><b>7. Greater Kokstad Local Municipality</b>  <b>Postal:</b> PO. Box 8, Kokstad, 4700  <b>Physical:</b> 84 Hope Street, Kokstad, 4700  <b>Tel:</b> 039797 6600  <b>Fax:</b> 039727 3676  <b>Website:</b> www.kokstad.org.za</p>	<p><b>8. Dr Nkosazana Dlamini-Zuma Local Municipality</b>  <b>Postal:</b> PO. Box 62, Creighton, 3263  <b>Physical:</b> Dr Nkosazana Dlamini-Zuma Municipality, Creighton Main Rd, Creighton, 3236  <b>Tel:</b> 039 833 1038  <b>Fax:</b> 039 833 1179  <b>Website:</b> https://ndz.gov.za/</p>
<p><b>9. Ubuhlebezwe Local Municipality</b>  <b>Postal:</b> PO. Box 132, Ixopo, 3276  <b>Physical:</b> 29 Margaret Street, Ixopo, 3276  <b>Tel:</b> 039 834 7700  <b>Fax:</b> 039 834 1168  <b>Website:</b> www.ubuhlebezwe.org.za</p>	<p><b>10. uMzimkhulu Local Municipality</b>  <b>Postal:</b> PO Box 53, uMzimkhulu, 3297  <b>Physical:</b> 169 Main Street, uMzimkhulu  <b>Tel:</b> 039 259 5300/039 259 5000  <b>Fax:</b> 039 259 0223  <b>Web:</b> www.umzimkhululm.gov.za</p>
<p><b>11. iLembe District Municipality</b>  <b>Postal:</b> PO Box 1788, KwaDukuza, 4450  <b>Physical:</b> iLembe House, 59/61 Mahatma Gandhi Street, KwaDukuza  <b>Tel:</b> 032 437 9300  <b>Fax:</b> 032 437 9588  <b>Website:</b> www.ilembe.gov.za</p>	<p><b>12. KwaDukuza Local Municipality</b>  <b>Postal:</b> PO Box 72, KwaDukuza, 4450  <b>Physical:</b> 14 Chief Albert Luthuli Street, KwaDukuza  <b>Tel:</b> 032 437 5000  <b>Fax:</b> 032 437 5098  <b>Website:</b> www.kwadukuza.gov.za</p>
<p><b>13. Mandeni Local Municipality</b>  <b>Postal:</b> PO Box 144, Mandeni, 4490  <b>Physical:</b> 2 Kingfisher Road, Mandeni  <b>Tel:</b> 032 456 8200  <b>Fax:</b> 032 456 2504  <b>Website:</b> www.mandeni.gov.za</p>	<p><b>14. Maphumulo Local Municipality</b>  <b>Postal:</b> Private Bag X9205, Maphumulo, 4470  <b>Physical:</b> Sakhuxolo Multiskills Centre, Maphumulo, 4470  <b>Tel:</b> 032 481 4500  <b>Fax:</b> 032 481 2053  <b>Website:</b> www.maphumulo.gov.za</p>
<p><b>15. Ndwedwe Local Municipality</b>  <b>Postal:</b> Private Bag X503, Ndwedwe, 4342  <b>Physical:</b> P100 Road, Ndwedwe  <b>Tel:</b> 032 532 5000  <b>Fax:</b> 032 532 5031/2  <b>Website:</b> www.ndwedwe.gov.za</p>	<p><b>16. Ugu District Municipality</b>  <b>Postal:</b> PO Box 33, Port Shepstone, 4240  <b>Physical:</b> 28 Connor Street, Port Shepstone  <b>Tel:</b> 039 688 5700  <b>Fax:</b> 039 682 4820  <b>Web:</b> www.ugu.gov.za</p>
<p><b>17. Ray Nkonyeni Local Municipality</b>  <b>Postal:</b> PO Box 5, Port Shepstone, 4240  <b>Physical:</b> 10 Connor Street, Port Shepstone  <b>Tel:</b> 039 688 2000  <b>Fax:</b> 039 682 0327  <b>Website:</b> www.rnm.gov.za</p>	<p><b>18. Umdoni Local Municipality</b>  <b>Postal:</b> PO Box 19, Scottburgh, 4180  <b>Physical:</b> Cnr Bram Fischer and Williamson Streets, Scottburgh  <b>Tel:</b> 039 976 1202 / 039 978 4313  <b>Fax:</b> 039 976 2194 / 2020  <b>Website:</b> www.umdoni.gov.za  <b>Email:</b> umdoni@umdoni.gov.za</p>
<p><b>19. Umuziwabantu Local Municipality</b>  <b>Postal:</b> Private Bag X1023, Harding, 4680  <b>Physical:</b> Murchison Street, Harding  <b>Tel:</b> 039 433 1205  <b>Fax:</b> 039 433 1208  <b>Web:</b> www.umuziwabantu.gov.za</p>	<p><b>20. Umzumbe Local Municipality</b>  <b>Postal:</b> PO Box 561, Hibberdene, 4220  <b>Physical:</b> Sipofu Road, Mathulini Traditional Authority  <b>Tel:</b> 039 972 0005  <b>Fax:</b> 039 972 0099  <b>Web:</b> www.umzumbe.gov.za</p>

## KWAZULU-NATAL

<p><b>21. uMgungundlovu District Municipality</b>  <b>Postal:</b> PO Box 3235, Pietermaritzburg, 3200  <b>Physical:</b> 242 Langalibalele Street, Pietermaritzburg  <b>Tel:</b> 033 897 6700  <b>Fax:</b> 033 342 5502  <b>Web:</b> www.umd.gov.za</p>	<p><b>22. Impendle Local Municipality</b>  <b>Postal:</b> Private Bag X512, Impendle, 3227  <b>Physical:</b> 21 Mafahleni Street, Impendle  <b>Tel:</b> 033 996 6000  <b>Fax:</b> 033 996 0852  <b>Web:</b> www.impendle.gov.za</p>
<p><b>23. Mkhambathini Local Municipality</b>  <b>Postal:</b> Private Bag X04, Camperdown, 3720  <b>Physical:</b> 18 Old Main Road, Camperdown  <b>Tel:</b> 031 785 9300  <b>Fax:</b> 031 785 2121  <b>Website:</b> www.mkhambathini.gov.za</p>	<p><b>24. Mpofana Local Municipality</b>  <b>Postal:</b> PO Box 47, Mooi River, 3300  <b>Physical:</b> 10 Claughton Terrace, Mooi River  <b>Tel:</b> 033 263 1221  <b>Fax:</b> 033 263 1127  <b>Website:</b> www.mpofana.gov.za</p>
<p><b>25. Msunduzi Local Municipality</b>  <b>Postal:</b> Private Bag X321, Pietermaritzburg, 3200  <b>Physical:</b> Cnr Church and Chief Albert Luthuli Streets, Pietermaritzburg  <b>Tel:</b> 033 392 3000  <b>Fax:</b> 033 392 2397  <b>Website:</b> www.msunduzi.gov.za</p>	<p><b>26. Richmond Local Municipality</b>  <b>Postal:</b> Private Bag X1028, Richmond, 3780  <b>Physical:</b> 57 Shepstone Street, Richmond  <b>Tel:</b> 033 212 2155  <b>Fax:</b> 033 212 2102  <b>Web:</b> www.richmond.gov.za</p>
<p><b>27. uMngeni Local Municipality</b>  <b>Postal:</b> PO Box 5, Howick, 3290  <b>Physical:</b> Cnr Dicks and Somme Streets, Howick  <b>Tel:</b> 033 239 9200  <b>Fax:</b> 033 330 4183  <b>Website:</b> www.umngeni.gov.za</p>	<p><b>28. uMshwathi Local Municipality</b>  <b>Postal:</b> Private Bag X29, Wartburg, 3233  <b>Physical:</b> Main Street, New Hanover  <b>Tel:</b> 033 815 2249  <b>Fax:</b> 033 502 0286  <b>Website:</b> www.umshwathi.gov.za</p>
<p><b>29. uMkhanyakude District Municipality</b>  <b>Postal:</b> PO Box 449, Mkuze, 3965  <b>Physical:</b> Harlingen No.13433, Mkuze  <b>Tel:</b> 035 573 8600  <b>Fax:</b> 035 573 1094  <b>Website:</b> www.ukdm.gov.za</p>	<p><b>30. Big 5 Hlabisa Local Municipality</b>  <b>Postal:</b> PO Box 387, Hlabisa, 3937  <b>Physical:</b> Lot 808 Masson Street, Hlabisa  <b>Tel:</b> 035 838 8500  <b>Fax:</b> 035 838 1015  <b>Website:</b> www.hlabisa.org.za</p>
<p><b>31. Jozini Local Municipality</b>  <b>Postal:</b> Private Bag X28, Jozini, 3969  <b>Physical:</b> Circle Street, Bottom Town, Jozini  <b>Tel:</b> 035 572 1292  <b>Fax:</b> 035 572 1266  <b>Website:</b> www.jozini.org.za</p>	<p><b>32. Mtubatuba Local Municipality</b>  <b>Postal:</b> PO Box 52, Mtubatuba, 3935  <b>Physical:</b> Lot 105, Inkosi Mtubatuba Road, Mtubatuba  <b>Tel:</b> 035 550 0069  <b>Fax:</b> 035 550 0060  <b>Website:</b> www.mtubatuba.org.za</p>
<p><b>33. uMhlabuyalingana Local Municipality</b>  <b>Postal:</b> Private Bag X901, KwaNgwanase, 3973  <b>Physical:</b> R22 Main Road, 01 Manguzi, Manguzi  <b>Tel:</b> 035 592 0680  <b>Fax:</b> 035 592 0672  <b>Website:</b> www.umhlabuyalingana.gov.za</p>	<p><b>34. uMzinyathi District Municipality</b>  <b>Postal:</b> PO Box 1965, Dundee, 3000  <b>Physical:</b> 39 Victoria Street, Princess Magogo Building, Dundee  <b>Tel:</b> 034 219 1500  <b>Fax:</b> 034 218 1940  <b>Webste:</b> www.umzinyathi.gov.za</p>
<p><b>35. Endumeni Local Municipality</b>  <b>Postal:</b> Private Bag X2024, Dundee, 3000  <b>Physical:</b> 64 Victoria Street, Dundee  <b>Tel:</b> 034 212 2121  <b>Fax:</b> 034 212 3856  <b>Website:</b> www.endumeni.gov.za</p>	<p><b>36. Msinga Local Municipality</b>  <b>Postal:</b> Private Bag X530, Tugela Ferry, 3010  <b>Physical:</b> R33 Main Road, Tugela Ferry  <b>Tel:</b> 033 493 0761  <b>Fax:</b> 033 493 0766  <b>Website:</b> www.msinga.org</p>
<p><b>37. Nquthu Local Municipality</b>  <b>Postal:</b> Private Bag X5521, Nquthu, 3135  <b>Physical:</b> 83 Mdlalose Street, Nquthu  <b>Tel:</b> 034 271 6100  <b>Fax:</b> 034 271 6111  <b>Website:</b> www.nquthu.gov.za</p>	<p><b>38. Umvoti Local Municipality</b>  <b>Postal:</b> PO Box 71, Greytown, 3250  <b>Physical:</b> 41 Bell Street, Greytown  <b>Tel:</b> 033 413 9100  <b>Fax:</b> 033 417 1393  <b>Website:</b> www.umvoti.gov.za</p>
<p><b>39. uThukela District Municipality</b>  <b>Postal:</b> PO Box 116, Ladysmith, 3370  <b>Physical:</b> 36 Lyel Street / 33 Forbes Street, Ladysmith  <b>Tel:</b> 036 638 5100 / 036 638 2400  <b>Fax:</b> 036 637 5608 / 036 635 5501  <b>Website:</b> www.uthukeladm.co.za/uthukela/</p>	<p><b>40. Alfred Duma Local Municipality</b>  <b>Postal:</b> PO Box 29, Ladysmith, 3370  <b>Physical:</b> 221 Murchison Street, Lister Clarence Building, Ladysmith  <b>Tel:</b> 036 637 2231  <b>Fax:</b> 036 631 1400  <b>Website:</b> www.alfredduma.gov.za</p>

## KWAZULU-NATAL

<p><b>41. Okhahlamba Local Municipality</b>  <b>Postal:</b> PO Box 71, Bergville, 3350  <b>Physical:</b> 259 Kingsway Street, Bergville  <b>Tel:</b> 036 448 8000  <b>Fax:</b> 036 448 1986  <b>Website:</b> www.okhahlamba.org</p>	<p><b>42. Inkosi Langalibalele Local Municipality</b>  <b>Postal:</b> PO Box 750, Estcourt, 3310  <b>Physical:</b> D1249 Sobabili Road, Ntabamhlophe Area, Estcourt  <b>Tel:</b> 036 353 0693/0681/0691  <b>Fax:</b> 036 353 6661  <b>Website:</b> www.ilm.gov.za</p>
<p><b>43. King Cetshwayo District Municipality</b>  <b>Postal:</b> Private Bag X1025, Richards Bay, 3900  <b>Physical:</b> Uthungulu House, Kruger Rand, Richards Bay  <b>Tel:</b> 035 799 2500  <b>Fax:</b> 035 789 1641  <b>Web:</b> www.uthungulu.org.za</p>	<p><b>44. City of uMhlathuze Local Municipality</b>  <b>Postal:</b> Private Bag X1004, Richards Bay, 3900  <b>Physical:</b> 5 Mark Strasse and East Streets, Central Arterial, Richards Bay  <b>Tel:</b> 035 907 5000  <b>Fax:</b> 035 907 5444/5/6/7  <b>Website:</b> www.umhlathuze.gov.za</p>
<p><b>45. uMfolozi Local Municipality</b>  <b>Postal:</b> PO Box 96, KwaMbonambi, 3915  <b>Physical:</b> 25 Bredelia Street, KwaMbonambi  <b>Tel:</b> 035 580 1421  <b>Fax:</b> 035 580 1141  <b>Website:</b> www.mbonambi.org.za</p>	<p><b>46. Mthonjaneni Local Municipality</b>  <b>Postal:</b> PO Box 11, Melmoth, 3835  <b>Physical:</b> 21 Reinhold Street, Melmoth  <b>Tel:</b> 035 450 2082  <b>Fax:</b> 035 450 2056  <b>Website:</b> www.mthonjaneni.org.za</p>
<p><b>47. Nkandla Local Municipality</b>  <b>Postal:</b> Private Bag X161, Nkandla, 3855  <b>Physical:</b> Lot 292, Maree Road, Nkandla  <b>Tel:</b> 035 833 2000  <b>Fax:</b> 035 833 0920  <b>Website:</b> www.nkandla.org.za</p>	<p><b>48. uMlalazi Local Municipality</b>  <b>Postal:</b> PO Box 37, Eshowe, 3815  <b>Physical:</b> Hutchinson Street, Eshowe  <b>Tel:</b> 035 473 3300  <b>Fax:</b> 035 474 4733  <b>Website:</b> www.umlalazi.org.za</p>
<p><b>49. Zululand District Municipality</b>  <b>Postal:</b> Private Bag X76, Ulundi, 3838  <b>Physical:</b> 400 Ugagane Street, Ulundi  <b>Tel:</b> 035 874 5500  <b>Fax:</b> 035 874 5531/5589  <b>Website:</b> www.zululand.org.za</p>	<p><b>50. Abaqulusi Local Municipality</b>  <b>Postal:</b> PO Box 57, Vryheid, 3100  <b>Physical:</b> Cnr High and Mark Streets, Vryheid  <b>Tel:</b> 034 982 2133  <b>Fax:</b> 034 980 9637  <b>Website:</b> www.abaqulusi.gov.za</p>
<p><b>51. eDumbe Local Municipality</b>  <b>Postal:</b> Private Bag X308, Paulpietersburg, 3180  <b>Physical:</b> 10 Hoog Street, Paulpietersburg  <b>Tel:</b> 034 995 1650  <b>Fax:</b> 034 995 1192  <b>Website:</b> www.edumbe.gov.za  <b>Email:</b> info@edumbe.gov.za</p>	<p><b>52. Nongoma Local Municipality</b>  <b>Postal:</b> PO Box 84, Nongoma, 3950  <b>Physical:</b> Lot 103, Main Street, Nongoma  <b>Tel:</b> 035 831 7500  <b>Fax:</b> 035 831 3152  <b>Website:</b> www.nongoma.org.za</p>
<p><b>53. Ulundi Local Municipality</b>  <b>Postal:</b> Private Bag X17, Ulundi, 3838  <b>Physical:</b> BA 81, Prince Mangosuthu Street, Ulundi  <b>Tel:</b> 035 874 5100  <b>Fax:</b> 035 870 1164  <b>Website:</b> www.ulundi.gov.za</p>	<p><b>54. uPhongolo Local Municipality</b>  <b>Postal:</b> PO Box 191, Pongola, 3170  <b>Physical:</b> 61 Martin Street, Pongola  <b>Tel:</b> 034 413 1223  <b>Fax:</b> 034 413 1706  <b>Website:</b> www.uphongolomunicipality.org.za</p>

## LIMPOPO

<p><b>1. Capricorn District Municipality</b>  <b>Postal:</b> PO Box 4100, Polokwane, 0700  <b>Physical:</b> 41 Biccard Street, Polokwane  <b>Tel:</b> 015 294 1000  <b>Fax:</b> 015 291 5697  <b>Email:</b> communications@cdm.org.za  <b>Website:</b> www.cdm.org.za</p>	<p><b>2. Lepelle-Nkumpi Local Municipality</b>  <b>Postal:</b> Private Bag X07, Chuenespoort, 0745  <b>Physical:</b> 170 BA, Lebowakgomo, 0737  <b>Tel:</b> 015 633 4500  <b>Fax:</b> 015 633 6896  <b>Website:</b> www.lepelle-nkumpi.gov.za</p>
<p><b>3. Lepelle-Nkumpi Local Municipality</b>  <b>Postal:</b> Private Bag X07, Chuenespoort, 0745  <b>Physical:</b> 170 BA, Lebowakgomo, 0737  <b>Tel:</b> 015 633 4500  <b>Fax:</b> 015 633 6896  <b>Website:</b> www.lepelle-nkumpi.gov.za</p>	<p><b>4. Molemole Local Municipality</b>  <b>Postal:</b> Private Bag X 44, Mogwadi, 0715  <b>Physical:</b> Mogwadi Head Office, 303 Church Street, Mogwadi  <b>Tel:</b> 015 501 0243  <b>Fax:</b> 015 501 0419  <b>Website:</b> www.molemole.gov.za</p>
<p><b>5. Polokwane Local Municipality</b>  <b>Postal:</b> PO Box 111, Polokwane, 0700  <b>Physical:</b> Cnr Landros Mare and Bodenstein Streets, Polokwane  <b>Tel:</b> 015 290 2000  <b>Fax:</b> 015 290 2106  <b>Email:</b> simonm@polokwane.gov.za  <b>Website:</b> www.polokwane.gov.za</p>	<p><b>6. Mopani District Municipality</b>  <b>Postal:</b> Private Bag X9687, Giyani, 0826  <b>Physical:</b> Old Government Complex, Giyani Main Road, Giyani  <b>Tel:</b> 015 811 5500  <b>Fax:</b> 015 812 4302  <b>Email:</b> tim@mopani.gov.za  <b>Website:</b> www.mopani.gov.za</p>
<p><b>7. Ba-Phalaborwa Local Municipality</b>  <b>Postal:</b> Private Bag X01020, Phalaborwa, 1390  <b>Physical:</b> Cnr Nelson Mandela Drive and Selati Road, Phalaborwa  <b>Tel:</b> 015 780 6300  <b>Fax:</b> 015 781 0726  <b>Email:</b> phalamun@lantic.net  <b>Website:</b> www.ba-phalaborwa.gov.za</p>	<p><b>8. Greater Giyani Local Municipality</b>  <b>Postal:</b> Private Bag X9559, Giyani, 0826  <b>Physical:</b> BA 59/2 Giyani Main Road, opposite Nkensani Hospital, Giyani  <b>Tel:</b> 015 811 5500  <b>Fax:</b> 015 812 2068  <b>Website:</b> www.greatergiyani.gov.za</p>
<p><b>9. Greater Letaba Local Municipality</b>  <b>Postal:</b> PO Box 36, Mojadjiekloof, 0835  <b>Physical:</b> 44 Botha Street, Civic Centre, Mojadjiekloof  <b>Tel:</b> 015 309 9248  <b>Fax:</b> 015 309 9419  <b>Email:</b> sakkiam@glm.gov.za  <b>Website:</b> www.greaterletaba.gov.za</p>	<p><b>10. Greater Tzaneen Local Municipality</b>  <b>Postal:</b> PO Box 24, Tzaneen, 0850  <b>Physical:</b> 38 Agatha Street, Civic Centre, Tzaneen  <b>Tel:</b> 015 307 8000  <b>Fax:</b> 015 307 8049  <b>Email:</b> record@tzaneen.gov.za  <b>Website:</b> www.tzaneen.gov.za</p>
<p><b>11. Maruleng Local Municipality</b>  <b>Postal:</b> PO Box 627, Hoedspruit, 1380  <b>Physical:</b> 55 Springbok Street, Hoedspruit, 1380  <b>Tel:</b> 015 793 2409/ 2237  <b>Fax:</b> 015 793 2341  <b>Email:</b> seokomaj@maruleng.gov.za  <b>Website:</b> www.maruleng.gov.za</p>	<p><b>12. Greater Sekhukhune District Municipality</b>  <b>Postal:</b> Private Bag X8611, Groblersdal, 0470  <b>Physical:</b> 3 West Street, Groblersdal  <b>Tel:</b> 013 262 7300/ 7301  <b>Fax:</b> 013 262-4303  <b>Email:</b> seinfo@sekhukhune.co.za  <b>Website:</b> www.sekhukhunedistrict.gov.za</p>
<p><b>13. Elias Motsoaledi Local Municipality</b>  <b>Postal:</b> PO Box 48, Groblersdal, 0470  <b>Physical:</b> 2 Grobler Avenue, Groblersdal  <b>Tel:</b> 013 262 3056  <b>Fax:</b> 013 262 2547  <b>Website:</b> www.eliasmotsoaledi.gov.za</p>	<p><b>14. Ephraim Mogale Local Municipality</b>  <b>Postal:</b> PO Box 111, Marble Hall, 0450  <b>Physical:</b> 13 Ficus Street, Marble Hall  <b>Tel:</b> 013 261 8400  <b>Fax:</b> 013 261 2985  <b>Website:</b> www.ephraimmogalelm.gov.za</p>
<p><b>15. Fetakgomo Tubatse Local Municipality</b>  <b>Postal:</b> PO Box 206, Burgersfort, 1150  <b>Physical:</b> No. 1 Kanstania Street, Burgersfort, 1150  <b>Tel:</b> 013 231 1000  <b>Fax:</b> 013 231 7467  <b>Website:</b> www.tubatse.gov.za</p>	<p><b>16. Makhuduthamaga Local Municipality</b>  <b>Postal:</b> Private Bag X434, Jane-furse, 1085  <b>Physical:</b> No.1 Groblersdal Road, Jane-Furse, 1085  <b>Tel:</b> 013 265 8600/ 1262  <b>Fax:</b> 013 265 1975/ 1770  <b>Website:</b> www.makhuduthamaga.gov.za</p>
<p><b>17. Vhembe District Municipality</b>  <b>Postal:</b> Private Bag X5006, Thohoyandou, 0950  <b>Physical:</b> Old Parliament, Government Complex, Tusk Venda Street, Thohoyandou  <b>Tel:</b> 015 960 2000  <b>Fax:</b> 015 962 1017  <b>Email:</b> enquiries@vhembe.gov.za  <b>Website:</b> www.vhembe.gov.za</p>	<p><b>18. Collins Chabane Local Municipality</b>  <b>Postal:</b> Private Bag X 9271, Malamulele, 0982  <b>Physical:</b> DCO Offices, Hospital Road, Malamulele  <b>Tel:</b> 015 851 0110  <b>Fax:</b> 015 851 0097  <b>Email:</b> louisb@makhado.gov.za  <b>Website:</b> www.lim345.gov.za</p>

## LIMPOPO

**19. Makhado Local Municipality**

**Postal:** Private Bag X2596, Makhado, 0920  
**Physical:** 83 Krogh Street, Civic Center, Makhado, 0920  
**Tel:** 015 519 3000  
**Fax:** 015 516-4392  
**Email:** louisb@makhado.gov.za  
**Website:** www.makhadomunicipality.gov.za

**21. Thulamela Local Municipality**

**Postal:** Private Bag X5066, Thohoyandou, 0950  
**Physical:** Thohoyandou Civic Centre, Thohoyandou  
**Tel:** 015 962 7500  
**Fax:** 015 962 4020  
**Website:** www.thulamela.gov.za

**23. Bela-Bela Local Municipality**

**Postal:** Private Bag X1609, Bela-Bela, 0480  
**Physical:** Chris Hani Drive, Bela-Bela  
**Tel:** 014 736 8000  
**Fax:** 014 736 3288  
**Website:** www.belabela.gov.za

**25. Modimolle-Mookgophong LM**

**Postal:** Private Bag X 1008, Modimolle, 0510  
**Physical:** No.1 Harry Gwala Street, OR Tambo Square, Modimolle, **Tel:** 014 718 2000  
**Fax:** N/A  
**Email:** info@modimolle.gov.za  
**Website:** www.modimolle.gov.za

**27. Thabazimbi Local Municipality**

**Postal:** Private Bag X530, Thabazimbi, 0380  
**Physical:** 7 Rietbok Street, Thabazimbi  
**Tel:** 014 777 1525  
**Fax:** 014 777 1531  
**Email:** info@thabazimbi.gov.za  
**Website:** www.thabazimbi.gov.za

**20. Musina Local Municipality**

**Postal:** Private Bag X611, Musina, 0900  
**Physical:** 21 Irwin Street, Musina  
**Tel:** 015 534 6100  
**Fax:** 015 534 2513  
**Email:** musinamm@limpopo.gov.za  
**Website:** www.musina.gov.za

**22. Waterberg District Municipality**

**Postal:** Private Bag X1018, Modimolle, 0510  
**Physical:** Harry Gwala Street, Modimolle  
**Tel:** 014 718 3300  
**Fax:** 014 717 3886  
**Email:** admin@waterberg.gov.za  
**Website:** www.waterberg.gov.za

**24. Lephalale Local Municipality**

**Postal:** Private Bag X136, Lephalale, 0555  
**Physical:** Cnr Joe Slovo Street and Douwater Avenue, Civic Centre, Onverwacht  
**Tel:** 014 763 2193  
**Fax:** 014 763 5662  
**Email:** munic@lephalale.gov.za  
**Website:** www.lephalale.gov.za

**26. Mogalakwena Local Municipality**

**Postal:** PO Box 34, Mokopane, 0600  
**Physical:** 54 Retief Street, Mokopane  
**Tel:** 015 491 9600  
**Fax:** 015 491 9638  
**Website:** www.mogalakwena.gov.za

## MPUMALANGA

**1. Ehlanzeni District Municipality**

**Postal:** PO Box 3333, Mbombela, 1200  
**Physical:** 8 Van Niekerk Street, Mbombela  
**Tel:** 013 759 8500  
**Fax:** 013 759 8570/ 086 696 5777/ 013 755 3157/67  
**Website:** www.ehlanzeni.gov.za  
**Email:** lngomane@ehlanzeni.gov.za

**3. City of Mbombela Local Municipality**

**Postal:** PO Box 45, Mbombela, 1200  
**Physical:** Civic Centre, 1 Nel Street, Mbombela  
**Tel:** 013 759 9111  
**Fax:** 013 759 2274  
**Website:** www.mbombela.gov.za

**5. Thaba Chweu Local Municipality**

**Postal:** PO Box 61, Mashishing, 1120  
**Physical:** Cnr Central and Viljoen Streets, Mashishing  
**Tel:** 013 235 7333  
**Fax:** 013 235 7304  
**Website:** www.thabachweu.gov.za

**7. Chief Albert Luthuli Local Municipality**

**Postal:** PO Box 24, Carolina, 1185  
**Physical:** 28 Kerk Street, Carolina  
**Tel:** 017 843 4000  
**Fax:** 017 843 4001  
**Website:** www.albertluthuli.gov.za

**2. Bushbuckridge Local Municipality**

**Postal:** Private Bag X9308, Bushbuckridge, 1280  
**Physical:** R533 Graskop Road, Bushbuckridge  
**Tel:** 013 799 1842  
**Fax:** 013 799 1865  
**Website:** www.bushbuckridge.gov.za

**4. Nkomazi Local Municipality**

**Postal:** Private Bag X101, Malalane, 1320  
**Physical:** 9 Park Street, Malalane  
**Tel:** 013 790 0245  
**Fax:** 013 790 0886  
**Website:** www.nkomazi.gov.za

**6. Gert Sibande District Municipality**

**Postal:** PO Box 1748, Ermelo, 2350  
**Physical:** Cnr Joubert and Oosthuise Streets, Ermelo  
**Tel:** 017 801 7008  
**Fax:** 017 801 1169  
**Website:** www.gsibande.gov.za

**8. Dipaleseng Local Municipality**

**Postal:** Private Bag X10005, Balfour, 2410  
**Physical:** Cnr Johnny Makoena Drive and Themba Shoji Street, Balfour  
**Tel:** 017 773 0055  
**Fax:** 017 773 0169  
**Website:** www.dipaleseng.gov.za



## MPUMALANGA

<p><b>9. Dr Pixley Ka Isaka Seme Local Municipality</b>  <b>Postal:</b> Private Bag X9011, Volksrust, 2470  <b>Physical:</b> Cnr Adelaide Tambo Street and Dr Nelson Mandela Drive, Volksrust  <b>Tel:</b> 017 734 6100  <b>Fax:</b> 017 735 2620  <b>Website:</b> www.pixleykaseme.gov.za</p>	<p><b>10. Govan Mbeki Local Municipality</b>  <b>Postal:</b> Private Bag X1017, Secunda, 2302  <b>Physical:</b> Horwood Street, Secunda CBD  <b>Tel:</b> 017 620 6000  <b>Fax:</b> 017 634 8019  <b>Website:</b> www.govanmbeki.gov.za</p>
<p><b>11. Lekwa Local Municipality</b>  <b>Postal:</b> PO Box 66, Standerton, 2430  <b>Physical:</b> Cnr Mbonani Mayisela and Dr Beyers Naude Streets, Standerton  <b>Tel:</b> 017 712 9600  <b>Fax:</b> 017 712 6808  <b>Website:</b> www.lekwalm.gov.za</p>	<p><b>12. Mkhondo Local Municipality</b>  <b>Postal:</b> PO Box 23, eMkhondo, 2380  <b>Physical:</b> 33 Mark and De Wet Streets, eMkhondo  <b>Tel:</b> 017 826 8100  <b>Fax:</b> 017 826 3129  <b>Website:</b> www.mkhondo.gov.za</p>
<p><b>13. Msukaligwa Local Municipality</b>  <b>Postal:</b> PO Box 48, Ermelo, 2350  <b>Physical:</b> Cnr Taute and Kerk Streets, Ermelo  <b>Tel:</b> 017 801 3500  <b>Fax:</b> 017 801 3661  <b>Website:</b> www.msukaligwa.gov.za</p>	<p><b>14. Nkangala District Municipality</b>  <b>Postal:</b> PO Box 437, Middelburg, 1050  <b>Physical:</b> 2A Walter Sisulu Street, Middelburg  <b>Tel:</b> 013 249 2000  <b>Fax:</b> 013 249 2114  <b>Website:</b> www.nkangaladm.gov.za</p>
<p><b>15. Dr JS Moroka Local Municipality</b>  <b>Postal:</b> Private Bag X4012, Siyabuswa, 0472  <b>Physical:</b> 2601/3 Bongimfundo Street, Siyabuswa  <b>Tel:</b> 013 973 1101  <b>Fax:</b> 013 973 0974/2138  <b>Website:</b> www.moroka.gov.za</p>	<p><b>16. Emakhazeni Local Municipality</b>  <b>Postal:</b> PO Box 17, eMakhazeni, 1100  <b>Physical:</b> 25 Scheepers Street, eMakhazeni  <b>Tel:</b> 013 253 1121  <b>Fax:</b> 013 253 2440  <b>Website:</b> www.emakhazeni.gov.za</p>
<p><b>17. Emalahleni Local Municipality</b>  <b>Postal:</b> PO Box 3, eMalahleni, 1035  <b>Physical:</b> Civic Centre, Cnr Mandela and Arras Streets, eMalahleni  <b>Tel:</b> 013 690 6208  <b>Fax:</b> 013 690 6208  <b>Website:</b> www.emalahleni.gov.za</p>	<p><b>18. Steve Tshwete Local Municipality</b>  <b>Postal:</b> PO Box 14, Middelburg, 1050  <b>Physical:</b> Cnr Walter Sisulu Street and Wanderers Avenue, Middelburg  <b>Tel:</b> 013 249 7000  <b>Fax:</b> 013 243 7263  <b>Web:</b> www.stevetshwetelm.gov.za / www.stlm.gov.za  <b>Email:</b> council@stlm.gov.za</p>
<p><b>19. Thembisile Hani Local Municipality</b>  <b>Postal:</b> Private Bag X4041, eMpumalanga, 0458  <b>Physical:</b> Stand 24 Kwaggafontein C, eMpumalanga  <b>Tel:</b> 013 986 9115  <b>Fax:</b> 013 986 0984  <b>Website:</b> www.thembisilehanilm.gov.za</p>	<p><b>20. Victor Khanye Local Municipality</b>  <b>Postal:</b> PO Box 6, Delmas, 2210  <b>Physical:</b> Cnr Samuel and Van der Walt Streets, Delmas  <b>Tel:</b> 013 665 6000  <b>Fax:</b> 013 665 2913  <b>Web:</b> www.vklm.gov.za</p>

## NORTH WEST PROVINCE

<p><b>1. Bojanala Platinum District Municipality</b>  <b>Postal:</b> PO Box 1993, Rustenburg, 0300  <b>Physical:</b> Cnr Beyers Naude and Fatima Bhayat Drives, Rustenburg  <b>Tel:</b> 014 590 4500  <b>Fax:</b> 014 592 6085  <b>Website:</b> www.bojanala.gov.za</p>	<p><b>2. Kgetlengrivier Local Municipality</b>  <b>Postal:</b> PO Box 66, Koster, 0348  <b>Physical:</b> Cnr Smuts and De Wit Streets, Koster  <b>Tel:</b> 014 543 2004  <b>Fax:</b> 014 543 2480  <b>Website:</b> www.kgetlengrivier.gov.za</p>
<p><b>3. Madibeng Local Municipality</b>  <b>Postal:</b> PO Box 106, Brits, 0250  <b>Physical:</b> 53 Van Velden Street, Brits  <b>Tel:</b> 012 318 9100 /9500 /9215  <b>Fax:</b> 012 318 9665  <b>Website:</b> www.madibengweb.co.za</p>	<p><b>4. Moretele Local Municipality</b>  <b>Postal:</b> Private Bag X367, Makapanstad, 0404  <b>Physical:</b> 4065 B, Mathibestad, Makapanstad  <b>Tel:</b> 012 716 1300  <b>Fax:</b> 012 716 9999  <b>Web:</b> www.moretele.org.za</p>
<p><b>5. Moses Kotane Local Municipality</b>  <b>Postal:</b> Private Bag X1011, Mogwase, 0314  <b>Physical:</b> Stand No.935, Railway Road, Unit 3, Mogwase  <b>Tel:</b> 014 555 1300 /1401  <b>Fax:</b> 014 555 6368  <b>Website:</b> www.moseskotane.gov.za</p>	<p><b>6. Rustenburg Local Municipality</b>  <b>Postal:</b> PO Box 16, Rustenburg, 0300  <b>Physical:</b> 159 Nelson Mandela and Beyers Naude Streets, Rustenburg  <b>Tel:</b> 014 590 3111  <b>Fax:</b> 014 590 3481  <b>Website:</b> www.rustenburg.gov.za</p>
<p><b>7. Dr Kenneth Kaunda District Municipality</b>  <b>Postal:</b> Private Bag X5017, Klerksdorp, 2570  <b>Physical:</b> Civic Centre, Patmore Road, Orkney  <b>Tel:</b> 018 473 8000  <b>Fax:</b> 018 473 2523  <b>Website:</b> www.kaundadistrict.gov.za</p>	<p><b>8. City of Matlosana Local Municipality</b>  <b>Postal:</b> PO Box 99, Klerksdorp, 2570  <b>Physical:</b> Cnr Braamfisher and OR Tambo Streets, Klerksdorp  <b>Tel:</b> 018 487 8300  <b>Fax:</b> 018 464 1780  <b>Website:</b> matlosana.local.gov.za</p>

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<p><b>9. Maquassi Hills Local Municipality</b>  <b>Postal:</b> Private Bag X3, Wolmaransstad, 2630  <b>Physical:</b> 19 Kruger Street, Wolmaransstad  <b>Tel:</b> 018 596 1074  <b>Fax:</b> 018 596 1555  <b>Website:</b> www.maquassi-hills.co.za</p>	<p><b>10. JB Marks Local Municipality</b>  <b>Postal:</b> PO Box 113, Potchefstroom, 2520  <b>Physical:</b> 35 Cnr Sol Plaatje and Wolmarans Streets, Potchefstroom  <b>Tel:</b> 018 299 5111  <b>Fax:</b> 018 299 5555  <b>Website:</b> www.jbmarks.co.za</p>
<p><b>11. Dr Ruth Segomotsi Mompoti District Municipality</b>  <b>Postal:</b> PO Box 21, Vryburg, 8600  <b>Physical:</b> 50 Market Street, Vryburg  <b>Tel:</b> 053 928 4700  <b>Fax:</b> 053 927 2401  <b>Website:</b> www.rsmompatidm.gov.za</p>	<p><b>12. Greater Taung Local Municipality</b>  <b>Postal:</b> Private Bag X1048, Taung, 8580  <b>Physical:</b> Main Road, Taung Station, Taung  <b>Tel:</b> 053 994 9400  <b>Fax:</b> 053 994 3917  <b>Website:</b> www.greatertaung.gov.za</p>
<p><b>13. Kagisano-Molopo Local Municipality</b>  <b>Postal:</b> Private Bag X522, Ganyesa, 8613  <b>Physical:</b> Municipal Offices (Next to Ganyesa Health Clinic), Ganyesa  <b>Tel:</b> 053 998 4455  <b>Fax:</b> 053 998 3711  <b>Website:</b> www.kmlm.gov.za</p>	<p><b>14. Lekwa-Teemane Local Municipality</b>  <b>Postal:</b> PO Box 13, Christiana, 2680  <b>Physical:</b> Cnr Robyn and Dirkie Uys Streets, Christiana  <b>Tel:</b> 053 441 2206/3952/3954  <b>Fax:</b> 053 441 3735  <b>Website:</b> www.lekwateemane.co.za</p>
<p><b>15. Mamusa Local Municipality</b>  <b>Postal:</b> PO Box 5, Schweizer-Reneke, 2780  <b>Physical:</b> 2 Schweizer Street, Schweizer-Reneke  <b>Tel:</b> 053 963 1331  <b>Fax:</b> 053 963 2474  <b>Website:</b> www.mamusa.local.gov.za</p>	<p><b>16. Naledi Local Municipality</b>  <b>Postal:</b> PO Box 35, Vryburg, 8600  <b>Physical:</b> 19A Market Street, Vryburg  <b>Tel:</b> 053 928 2200  <b>Fax:</b> 053 927 3482  <b>Website:</b> naledi.local.gov.za</p>
<p><b>17. Ngaka Modiri Molema District Municipality</b>  <b>Postal:</b> Private Bag X2167, Mahikeng, 2745  <b>Physical:</b> Cnr Carrington Street and 1st Avenue, Industrial Site, Mahikeng  <b>Tel:</b> 018 381 9400  <b>Fax:</b> 018 381 0561  <b>Website:</b> www.nmmdm.gov.za</p>	<p><b>18. Ditsobotla Local Municipality</b>  <b>Postal:</b> PO Box 7, Litchtenburg, 2740  <b>Physical:</b> Cnr Nelson Mandela Drive and Transvaal Street, Litchtenburg  <b>Tel:</b> 018 633 3800  <b>Fax:</b> 018 632 5247  <b>Website:</b> www.ditsobotla.co.za</p>
<p><b>19. Mahikeng Local Municipality</b>  <b>Postal:</b> Private Bag X63, Mmabatho, 2735  <b>Physical:</b> Cnr University Drive and Hector Peterson Street, Mmabatho  <b>Tel:</b> 018 389 0111  <b>Fax:</b> 018 384 4830  <b>Website:</b> www.mahikeng.gov.za</p>	<p><b>20. Ramotshere Moiloa Local Municipality</b>  <b>Postal:</b> PO Box 92, Zeerust, 2865  <b>Physical:</b> Cnr President and Coetzee Streets, Zeerust  <b>Tel:</b> 018 642 1081  <b>Fax:</b> 018 642 3586  <b>Website:</b> www.ramotshere.gov.za</p>
<p><b>21. Ratlou Local Municipality</b>  <b>Postal:</b> Private Bag X209, Madibogo, 2772  <b>Physical:</b> Delareyville Road, Next to Setlagole Library, Setlagole  <b>Tel:</b> 018 330 7000  <b>Fax:</b> 018 330 7047  <b>Website:</b> www.ratlou.gov.za</p>	<p><b>22. Tswaing Local Municipality</b>  <b>Postal:</b> PO Box 24, Delareyville, 2770  <b>Physical:</b> Cnr General Delarey and Government Streets, Delareyville  <b>Tel:</b> 053 948 0900  <b>Fax:</b> 053 948 1500  <b>Email:</b> info@tswaing.gov.za  <b>Website:</b> www.tswaing.gov.za</p>

## NORTHERN CAPE

<p><b>1. Frances Baard District Municipality</b>  <b>Postal:</b> Private Bag X6088, Kimberley, 8300  <b>Physical:</b> 51 Drakensberg Avenue, Carters Glen, Kimberley  <b>Tel:</b> 053 838 0911  <b>Fax:</b> 053 861 1538  <b>Email:</b> france.baard@fbdm.co.za  <b>Website:</b> www.francesbaard.gov.za</p>	<p><b>2. Dikgatlong Local Municipality</b>  <b>Postal:</b> Private Bag X5, Barkly West, 8375  <b>Physical:</b> 33 Campbell Street, Barkly West  <b>Tel:</b> 053 531 0671  <b>Fax:</b> 053 531 0624  <b>Email:</b> munman@dikgatlong.co.za  <b>Website:</b> www.dikgatlong.co.za</p>
<p><b>3. Magareng Local Municipality</b>  <b>Postal:</b> PO Box 10, Warrenton, 8530  <b>Physical:</b> Magrieta Prinsloo Street, Warrenton  <b>Tel:</b> 053 497 3111  <b>Fax:</b> 053 497 4514  <b>Website:</b> www.magareng.gov.za</p>	<p><b>4. Phokwane Local Municipality</b>  <b>Postal:</b> Private Bag X3, Hartswater, 8570  <b>Physical:</b> 24 Hertzog Street, Hartswater  <b>Tel:</b> 053 474 9700  <b>Fax:</b> 053 474 1768  <b>Website:</b> www.phokwane.gov.za</p>
<p><b>5. Sol Plaatje Local Municipality</b>  <b>Postal:</b> Private Bag X5030, Kimberley, 8300  <b>Physical:</b> Jan Smuts Street, Boulevard, Kimberley  <b>Tel:</b> 053 830 6911  <b>Fax:</b> 053 833 1005  <b>Website:</b> www.solplaatje.org.za</p>	<p><b>6. John Taolo Gaetsewe District Municipality</b>  <b>Postal:</b> PO Box 1480, Kuruman, 8460  <b>Physical:</b> 4 Federale Mynbou Street, Kuruman  <b>Tel:</b> 053 712 8700  <b>Fax:</b> 053 712 1001  <b>Email:</b> kaldc@mweb.co.za  <b>Website:</b> www.taologaeetsewe.gov.za</p>

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<p><b>7. Ga-Segonyana Local Municipality</b>  <b>Postal:</b> Private Bag X1522, Kuruman, 8460  <b>Physical:</b> Cnr Voortrekker and School Streets, Kuruman  <b>Tel:</b> 053 712 9300  <b>Fax:</b> 053 712 3581  <b>Website:</b> www.ga-segonyana.gov.za</p>	<p><b>8. Gamagara Local Municipality</b>  <b>Postal:</b> PO Box 1001, Kathu, 8446  <b>Physical:</b> Cnr of Hendrick van Eck and Frikkie Meyer Road, Kathu  <b>Tel:</b> 053 723 6000  <b>Fax:</b> 053 723 2021  <b>Website:</b> www.gamagara.co.za</p>
<p><b>9. Joe Morolong Local Municipality</b>  <b>Postal:</b> Private Bag X117, Mothibistad, 8474  <b>Physical:</b> D320 Cardington Road, Mothibistad  <b>Tel:</b> 053 773 9300  <b>Fax:</b> 053 773 9350  <b>Website:</b> www.joemorolong.gov.za</p>	<p><b>10. Namakwa District Municipality</b>  <b>Postal:</b> Private Bag X20, Springbok, 8240  <b>Physical:</b> Van Riebeeck Street, Springbok  <b>Tel:</b> 027 712 8000  <b>Fax:</b> 027 712 8040  <b>Email:</b> info@namakwadm.gov.za  <b>Website:</b> www.namakwadm.gov.za</p>
<p><b>11. Hantam Local Municipality</b>  <b>Postal:</b> Private Bag X14, Calvinia, 8190  <b>Physical:</b> Hope Street, Calvinia  <b>Tel:</b> 027 341 8500  <b>Fax:</b> 027 341 8501  <b>Email:</b> info@hantam.gov.za  <b>Website:</b> www.hantam.gov.za</p>	<p><b>12. Kamiesberg Local Municipality</b>  <b>Postal:</b> Private Bag X200, Garies, 8220  <b>Physical:</b> 22 Main Street, Garies  <b>Tel:</b> 027 652 8000  <b>Fax:</b> 027 652 8001  <b>Email:</b> josephc@kamiesberg.co.za  <b>Website:</b> www.kamiesbergmun.co.za</p>
<p><b>13. Karoo Hoogland Local Municipality</b>  <b>Postal:</b> Private Bag X03, Williston, 8920  <b>Physical:</b> 7 Mulder Street, Williston  <b>Tel:</b> 053 391 3003  <b>Fax:</b> 053 391 3294  <b>Email:</b> karooadmin@karoohoogland.gov.za  <b>Website:</b> www.karoohoogland.co.za</p>	<p><b>14. Khai-Ma Local Municipality</b>  <b>Postal:</b> PO Box 108, Pofadder, 8890  <b>Physical:</b> New Street, Khai Ma Local Municipality, Pofadder  <b>Tel:</b> 054 933 1000  <b>Fax:</b> 054 933 0252  <b>Email:</b> mmsecretary@khaima.gov.za  <b>Website:</b> www.kaima.gov.za</p>
<p><b>15. Nama Khoi Local Municipality</b>  <b>Postal:</b> PO Box 17, Springbok, 8240  <b>Physical:</b> Namakhoi Street, Springbok  <b>Tel:</b> 027 718 8100  <b>Fax:</b> 027 712 1635  <b>Website:</b> www.namakhoi.org.za</p>	<p><b>16. Richtersveld Local Municipality</b>  <b>Postal:</b> Private Bag X113, Port Nolloth, 8280  <b>Physical:</b> Main Road, Port Nolloth  <b>Tel:</b> 027 851 1111  <b>Fax:</b> 027 851 1101  <b>Email:</b> reception@richtersveld.gov.za  <b>Website:</b> www.richtersveld.gov.za</p>
<p><b>17. Pixley Ka Seme District Municipality</b>  <b>Postal:</b> Private Bag X1012, De Aar, 7000  <b>Physical:</b> Culvert Road, De Aar  <b>Tel:</b> 053 631 0891  <b>Fax:</b> 053 631 2529  <b>Email:</b> pixley@telkomsa.net  <b>Website:</b> www.pixleykasemedm.co.za</p>	<p><b>18. Emthanjeni Local Municipality</b>  <b>Postal:</b> PO Box 42, De Aar, 7000  <b>Physical:</b> 45 Voortrekker Street, De Aar  <b>Tel:</b> 053 632 9100  <b>Fax:</b> 053 631 0105  <b>Website:</b> www.emthanjeni.co.za</p>
<p><b>19. Kareeberg Local Municipality</b>  <b>Postal:</b> PO Box 10, Carnarvon, 8925  <b>Physical:</b> Hanau Street, Carnarvon  <b>Tel:</b> 053 382 3012  <b>Fax:</b> 053 382 3142  <b>Email:</b> kareeberg@xsinet.co.za  <b>Website:</b> www.kareeberg.co.za</p>	<p><b>20. Renosterberg Local Municipality</b>  <b>Postal:</b> PO Box 112, Petrusville, 8770  <b>Physical:</b> 555 School Street, Petrusville  <b>Tel:</b> 053 663 0041  <b>Fax:</b> 053 663 0180  <b>Website:</b> www.renosterbergmunicipality.gov.za</p>
<p><b>21. Siyancuma Local Municipality</b>  <b>Postal:</b> PO Box 27, Douglas, 8730  <b>Physical:</b> 7 Charl Street, Douglas  <b>Tel:</b> 053 298 1810  <b>Fax:</b> 053 298 3141  <b>Website:</b> www.siyancuma.gov.za</p>	<p><b>22. Siyathemba Local Municipality</b>  <b>Postal:</b> PO Box 16, Prieska, 8940  <b>Physical:</b> Victoria Street, Prieska  <b>Tel:</b> 053 353 5300  <b>Fax:</b> 053 353 1386  <b>Website:</b> www.siyathemba.gov.za</p>
<p><b>23. Thembelihle Local Municipality</b>  <b>Postal:</b> Private Bag X3, Hopetown, 8750  <b>Physical:</b> Church Street, Hopetown  <b>Tel:</b> 053 203 0005/0008  <b>Fax:</b> 053 203 0490  <b>Website:</b> www.thembelihlemunicipality.gov.za</p>	<p><b>24. Ubuntu Local Municipality</b>  <b>Postal:</b> Private Bag X329, Victoria West, 7070  <b>Physical:</b> 78 Church Street, Victoria West  <b>Tel:</b> 053 621 0026  <b>Fax:</b> 053 621 0368  <b>Email:</b> info@ubuntu.gov.za  <b>Website:</b> www.ubuntu.gov.za</p>

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<p><b>25. Umsobomvu Local Municipality</b>  <b>Postal:</b> Private Bag X6, Colesberg, 9795  <b>Physical:</b> 21A Church Street, Colesberg  <b>Tel:</b> 051 753 0777  <b>Fax:</b> 051 753 0574  <b>Website:</b> www.umsobomvumun.co.za</p>	<p><b>26. ZF Mgcawu District Municipality</b>  <b>Postal:</b> Private Bag X6039, Upington, 8800  <b>Physical:</b> Cnr Hill and Le Roux Streets, Upington  <b>Tel:</b> 054 337 2800  <b>Fax:</b> 054 337 2888  <b>Website:</b> www.zfm-dm.co.za</p>
<p><b>27. !Kheis Local Municipality</b>  <b>Postal:</b> Private Bag X2, Groblershoop, 8850  <b>Physical:</b> 97 Orania Street, Groblershoop  <b>Tel:</b> 054 833 9500  <b>Fax:</b> 054 833 9509  <b>Website:</b> www.kheis.co.za</p>	<p><b>28. Kai-Garib Local Municipality</b>  <b>Postal:</b> Private Bag X6, Kakamas, 8870  <b>Physical:</b> 11 Avenue, Kai Garib Local Municipality, Kakamas  <b>Tel:</b> 054 461 6400  <b>Fax:</b> 054 461 6401  <b>Website:</b> www.kaigarib.gov.za</p>
<p><b>29. Kgatelopele Local Municipality</b>  <b>Postal:</b> PO Box 43, Danielskuil, 8405  <b>Physical:</b> 222 Baker Street, Danielskuil  <b>Tel:</b> 053 384 8600  <b>Fax:</b> 053 384 0326  <b>Website:</b> www.kgatelopele.gov.za</p>	<p><b>30. Tsantsabane Local Municipality</b>  <b>Postal:</b> PO Box 5, Postmasburg, 8420  <b>Physical:</b> 13 Springbok Street, Postmasburg  <b>Tel:</b> 053 313 7300  <b>Fax:</b> 053 313 1602  <b>Website:</b> www.tsantsabane.co.za</p>
<p><b>31. Dawid Kruiper Local Municipality</b>  <b>Postal:</b> Private Bag X6003  <b>Physical:</b> Mutual Street  <b>Tel:</b> 054 338 7000  <b>Fax:</b> 086 497 9270  <b>Email:</b> mayor@kharahais.gov.za  <b>Website:</b> www.dkm.gov.za</p>	

## WESTERN CAPE

<p><b>1. City of Cape Town Metropolitan Municipality</b>  <b>Postal:</b> Private Bag X9181, Cape Town, 8000  <b>Physical:</b> Civic Centre, 12 Hertzog Boulevard, Cape Town  <b>Tel:</b> 021 400 1111/0860 103 089  <b>Fax:</b> 021 400 1313/0860 103 090  <b>Website:</b> www.capetown.gov.za</p>	<p><b>2. Cape Winelands District Municipality</b>  <b>Postal:</b> PO Box 100, Stellenbosch, 7599  <b>Physical:</b> 46 Alexander Street, Stellenbosch  <b>Tel:</b> 086 126 5263  <b>Fax:</b> 021 887 2271  <b>Website:</b> www.capewinelands.gov.za</p>
<p><b>3. Breede Valley Local Municipality</b>  <b>Postal:</b> Private Bag X3046, Worcester, 6849  <b>Physical:</b> 30 Baring Street, Worcester  <b>Tel:</b> 023 348 2600  <b>Fax:</b> 023 347 3671  <b>Website:</b> www.bvm.gov.za</p>	<p><b>4. Drakenstein Local Municipality</b>  <b>Postal:</b> PO Box 1, Paarl, 7622  <b>Physical:</b> Bergrivier Boulevard, Paarl  <b>Tel:</b> 021 807 4500  <b>Fax:</b> 021 870 1547  <b>Website:</b> www.drakenstein.gov.za</p>
<p><b>5. Langeberg Local Municipality</b>  <b>Postal:</b> Private Bag X2, Ashton, 6715  <b>Physical:</b> 28 Main Street, Ashton  <b>Tel:</b> 023 615 8000  <b>Fax:</b> 023 615 1563  <b>Website:</b> www.langeberg.gov.za</p>	<p><b>6. Stellenbosch Local Municipality</b>  <b>Postal:</b> PO Box 17, Stellenbosch, 7599  <b>Physical:</b> Plein Street, Stellenbosch  <b>Tel:</b> 021 808 8111/0861 808 911  <b>Fax:</b> 021 808 8026  <b>Website:</b> www.stellenbosch.gov.za</p>
<p><b>7. Witzenberg Local Municipality</b>  <b>Postal:</b> PO Box 44, Ceres, 6835  <b>Physical:</b> 50 Voortrekker Street, Ceres  <b>Tel:</b> 023 316 1854  <b>Fax:</b> 023 316 1877  <b>Website:</b> www.witzenberg.gov.za</p>	<p><b>8. Central Karoo District Municipality</b>  <b>Postal:</b> Private Bag X560, Beaufort West, 6970  <b>Physical:</b> 63 Donkin Street, Beaufort West  <b>Tel:</b> 023 449 1000  <b>Fax:</b> 023 415 1253  <b>Website:</b> www.skdm.co.za</p>
<p><b>9. Beaufort West Local Municipality</b>  <b>Postal:</b> Private Bag X582, Beaufort West, 6970  <b>Physical:</b> 112 Donkin Street, Beaufort West  <b>Tel:</b> 023 414 8020  <b>Fax:</b> 023 415 1373  <b>Website:</b> www.beaufortwestmun.co.za</p>	<p><b>10. Laingsburg Local Municipality</b>  <b>Postal:</b> Private Bag X4, Laingsburg, 6900  <b>Physical:</b> 2 Van Riebeeck Street, Laingsburg  <b>Tel:</b> 023 551 1019  <b>Fax:</b> 023 551 1019  <b>Website:</b> www.laingsburg.gov.za</p>
<p><b>11. Prince Albert Local Municipality</b>  <b>Postal:</b> Private Bag X53, Prince Albert, 6930  <b>Physical:</b> 33 Church Street, Prince Albert  <b>Tel:</b> 023 541 1320  <b>Fax:</b> 023 541 1321  <b>Website:</b> www.princealbertmunicipality.com</p>	<p><b>12. Garden Route District Municipality</b>  <b>Postal:</b> PO Box 12, George, 6530  <b>Physical:</b> 54 York Street, George  <b>Tel:</b> 044 803 1300  <b>Fax:</b> 086 555 6303  <b>Website:</b> www.edendm.co.za</p>

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<p><b>13. Bitou Local Municipality</b>  <b>Postal:</b> Private Bag X1002, Plettenberg Bay, 6600  <b>Physical:</b> 1 Sewell Street, Plettenberg Bay  <b>Tel:</b> 044 501 3000  <b>Fax:</b> 044 533 3485  <b>Website:</b> www.plett.gov.za</p>	<p><b>14. George Local Municipality</b>  <b>Postal:</b> PO Box 19, George, 6530  <b>Physical:</b> 71 York Street, George  <b>Tel:</b> 044 801 9111  <b>Fax:</b> 044 801 9105  <b>Website:</b> www.george.gov.za</p>
<p><b>15. Hessequa Local Municipality</b>  <b>Postal:</b> PO Box 29, Riversdale, 6670  <b>Physical:</b> Van den Berg Street, Riversdale  <b>Tel:</b> 028 713 8000  <b>Fax:</b> 086 401 5202  <b>Website:</b> www.hessequa.gov.za</p>	<p><b>16. Kannaland Local Municipality</b>  <b>Postal:</b> PO Box 30, Ladismith, 6655  <b>Physical:</b> 32 Church Street, Ladismith  <b>Tel:</b> 028 551 1023  <b>Fax:</b> 028 551 1766  <b>Website:</b> www.kannaland.gov.za</p>
<p><b>17. Knysna Local Municipality</b>  <b>Postal:</b> PO Box 21, Knysna, 6570  <b>Physical:</b> 5 Clyde Street, Knysna  <b>Tel:</b> 044 302 6300  <b>Fax:</b> 044 302 6333  <b>Website:</b> www.knysna.gov.za</p>	<p><b>18. Mossel Bay Local Municipality</b>  <b>Postal:</b> Private Bag X29, Mossel Bay, 6500  <b>Physical:</b> 101 Marsh Street, Mossel Bay  <b>Tel:</b> 044 606 5000  <b>Fax:</b> 044 606 5062  <b>Website:</b> www.mosselbay.gov.za</p>
<p><b>19. Oudtshoorn Local Municipality</b>  <b>Postal:</b> PO Box 255, Oudtshoorn, 6620  <b>Physical:</b> Cnr Baron Van Rheede Street and Voortrekker Road, Oudtshoorn  <b>Tel:</b> 044 203 3000  <b>Fax:</b> 044 203 3104  <b>Website:</b> www.oudtmun.gov.za</p>	<p><b>20. Overberg District Municipality</b>  <b>Postal:</b> Private Bag X22, Bredasdorp, 7280  <b>Physical:</b> 26 Long Street, Bredasdorp  <b>Tel:</b> 028 425 1157  <b>Fax:</b> 028 425 1014  <b>Website:</b> www.odm.org.za</p>
<p><b>21. Cape Agulhas Local Municipality</b>  <b>Postal:</b> PO Box 51, Bredasdorp, 7280  <b>Physical:</b> 1 Dirkie Uys Street, Bredasdorp  <b>Tel:</b> 028 425 5500  <b>Fax:</b> 028 425 1019  <b>Website:</b> www.capeagulhas.gov.za</p>	<p><b>22. Overstrand Local Municipality</b>  <b>Postal:</b> PO Box 20, Hermanus, 7200  <b>Physical:</b> Overstrand Civic Centre, Harmony Street, Hermanus  <b>Tel:</b> 028 313 8000  <b>Fax:</b> 028 312 1894  <b>Website:</b> www.overstrand.gov.za</p>
<p><b>23. Swellendam Local Municipality</b>  <b>Postal:</b> PO Box 20, Swellendam, 6740  <b>Physical:</b> 49 Voortrek Street, Swellendam  <b>Tel:</b> 028 514 8500  <b>Fax:</b> 028 514 2694  <b>Website:</b> www.swellenmun.co.za</p>	<p><b>24. Theewaterskloof Local Municipality</b>  <b>Postal:</b> PO Box 24, Caledon, 7230  <b>Physical:</b> 6 Plein Street, Caledon  <b>Tel:</b> 028 214 3300  <b>Fax:</b> 028 214 1289  <b>Website:</b> www.twk.org.za</p>
<p><b>25. West Coast District Municipality</b>  <b>Postal:</b> PO Box 242, Moorreesburg, 7310  <b>Physical:</b> 58 Long Street, Moorreesburg  <b>Tel:</b> 022 4338400  <b>Fax:</b> 086 692 6113  <b>Website:</b> www.westcoastdm.co.za</p>	<p><b>26. Bergrivier Local Municipality</b>  <b>Postal:</b> PO Box 60, Piketberg, 7320  <b>Physical:</b> 13 Church Street, Piketberg  <b>Tel:</b> 022 913 6000  <b>Fax:</b> 022 913 1406  <b>Website:</b> www.bergmun.org.za</p>
<p><b>27. Cederberg Local Municipality</b>  <b>Postal:</b> Private Bag X2, Clanwilliam, 8135  <b>Physical:</b> 2A Voortrekker Road, Clanwilliam  <b>Tel:</b> 027 482 8000  <b>Fax:</b> 027 482 1933  <b>Website:</b> www.cederbergmunicipality.co.za</p>	<p><b>28. Matzikama Local Municipality</b>  <b>Postal:</b> PO Box 98, Vredendal, 8160  <b>Physical:</b> 37 Church Street, Vredendal  <b>Tel:</b> 027 201 3300  <b>Fax:</b> 027 213 3238  <b>Website:</b> www.matzikamamun.co.za</p>
<p><b>29. Saldanha Bay Local Municipality</b>  <b>Postal:</b> Private Bag X12, Vredenburg, 7380  <b>Physical:</b> 12 Main Road, Vredenburg, 7380  <b>Tel:</b> 022 701 7000  <b>Fax:</b> 022 715 1518  <b>Website:</b> www.sbm.gov.za</p>	<p><b>30. Swartland Local Municipality</b>  <b>Postal:</b> Private Bag X52, Malmesbury, 7299  <b>Physical:</b> 1 Church Street, Malmesbury  <b>Tel:</b> 022 487 9400  <b>Fax:</b> 022 487 9440  <b>Website:</b> www.swartland.org.za  <b>Email:</b> swartlandmun@swartland.org.za</p>





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