



ANNUAL REPORT 2021/22



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PRESENTATION OF THE SALGA ANNUAL REPORT

On behalf of the South African Local Government Association SALGA, I am pleased to submit to the Parliament of South Africa this Annual Report for the 2021-22 financial year. The submission is aligned with the terms of the SALGA Constitution and its 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 period 1 April 2021 to 30 March 2022.

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 service provider – one that will stimulate economic growth and reignite societal well-being in a newly post-COVID business environment.



Bheke Stofile
SALGA President
July 2022

HIGHLIGHTS 2021-2022



- Achieved a **10th** clean audit in a series of **13** consecutive unqualified audits since 2009.



- **7 484** (2021: 1 116) municipal officials and Councillors benefitted from SALGA's continuous development and capacity building programmes.



- Positive increase in net assets to **R565.9 million** (2021: R372.6 million).



- **5.1%** increase in membership levy revenue to **R686 million** (2021: R652.7 million).



- **57** of 62 performance targets, or **92%**, for the 2021-22 financial year, consistent with an average of **90%** of meeting annual performance targets for the past 13 years.



- **61** municipalities benefitted from the Municipal Public Accounts Committee (MPAC) programme, while **43** received the related training.



- Championed local government transformation across inter-governmental relations (IGR) platforms to protect and promote municipal interests in policy and legislative processes.



- Facilitated the integration of local government's climate change response plans and a capacity increase in metros to respond sustainably to climate change and environmental management challenges with long-term benefits for South Africa and its citizens.



- Represented local government in governance structures at the United Nations to develop and coordinate the implementation locally of the Sustainable Development Goals, Paris Agreement on Climate Change and Sendai Framework on Local Disaster Risk Reduction, as well as the Addis Ababa Agreement on Financing, which is used to develop cities and towns.



- Initiated and facilitated municipal partnerships and the development of local governance capacity in sister associations in Africa, which includes SALGA's representative role in the African Union.

“

The South African Constitution envisaged that citizens will live in cities, towns and settlements where they have access to clean water, sanitation, electricity, refuse services and good roads and infrastructure. A country where their elected representatives in council will ensure that the rates and taxes they pay and the funds provided by national government for basic services and infrastructure development are accounted for and used for their intended purpose. I firmly believe that courageous, ethical, accountable and citizen-centric leadership is needed to turn the tide in local government.

Tsakani Maluleke,

Auditor-General of South Africa

*Consolidated General Report on Local Government Audit Outcomes
Municipal Finance Management Act, 56 of 2003 (MFMA) 2020-21*

PART A GENERAL INFORMATION



REGISTERED INFORMATION

Registered name:	South African Local Government Association (SALGA)
	Registered employer body in terms of the Labour Relations Act, 66 of 1996
Registration number:	LR/2/6/3/350
Registration date:	22 May 1998
Registered address:	Menlyn Corporate Park, Block B, 175 Corobay Avenue, cnr Garsfontein Road, Waterkloof Glen Ext 11, Pretoria 0181
Postal address:	PO Box 2094, Pretoria 0001
Tel:	+27 (0)12 369 8000
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Email:	info@salga.org.za
Website:	http://www.salga.org.za
External auditor:	Auditor-General of South Africa
	4 Davenry Street, Lynnwood Bridge Office Park, Lynnwood Manor 0081, Pretoria
Bankers:	ABSA
Contact person for this report:	Mr Lance Joel, Chief of Operations, SALGA
Tel:	012 369 8000
Email:	ljoel@salga.org.za
Reporting period:	1 April 2021 to 31 March 2022
Reporting cycle:	Annually

LIST OF ABBREVIATIONS

4IR	Fourth Industrial Revolution	EAP	Economically Active Population
5IR	Fifth Industrial Revolution	ECD	Early Childhood Development
5G	Fifth generation of wireless products	ECDC	Early Childhood Development Centre
AFS	Annual Financial Statements	EDI	Electricity Distribution Industry
ANC	African National Congress	EDRMS	Electronic Document and Records Management Systems
APP	Annual Performance Plan	EESDCF	Employment Equity and Skills Development Consultative Forum
ARC	Audit and Risk Committee	ERA	Employee Recognition Awards
ASGISA	Accelerated and Shared Growth Initiative for South Africa	ERP	Employee Recognition Programme
B-BBEE	Broad-Based Black Economic Empowerment	EXCO	Executive Committee
BCP	BCP Business Continuity Plan	FFC	Financial and Fiscal Commission
BEE	BEE Black Economic Empowerment	GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (German development agency)
BER	Bureau of Economic Research	HC	Human Capital
BIGM	Building Inclusive Green Municipalities	HCCS	Human Capital and Corporate Services
CAAS	Capital Asset Acquisition Strategy	HR	Human Resources
CAPEX	Capital Expenditure	IDS	Infrastructure Delivery, Spatial Transformation and Sustainability
CBOs	Community Based Organisations	ICLEI	Local Governments for Sustainability (global network)
CDP	Councillor Development Programme	ICIP	Integrated Councillor Induction Programme
CEO	Chief Executive Officer	ICIPSCC	ICIP Stakeholders Coordinating Committee
CFO	Chief Financial Officer	IGR	Intergovernmental Relations
CIGFARO	Chartered Institute of Government Finance, Audit and Risk Officers	IGRFA	Intergovernmental Relations Framework Act ,13 of 2005
CIP	Councillor Induction Programme	IMATU	Independent Municipal and Allied Trade Union
CIPS	Chartered Institute of Procurement and Supply	IMITT	Inter-Ministerial Task Team
CMAM	Community-based Management of Acute Malnutrition	IRMSA	Institute of Risk Management South Africa
CoGTA	Department of Cooperative Governance and Traditional Affairs	IUDF	Integrated Urban Development Framework
COO	Chief Operations Officer	JICA	Japan International Cooperation Agency
COVID-19	Coronavirus 2019	KPI	Key Performance Indicator
CPD	Continuous Professional Development	L&D	Learning and Development
CRT	COVID-19 Response Team	LDP	Leadership Development Programme
CSP	City Support Programme	LED	Local Economic Development
DALRRD	Department of Agriculture, Land Reform and Rural Development	MANCOM	Management Committee
DDM	District Development Model	MASP	Municipal Audit Support Programme
DFFE	Department of Forestry, Fisheries and the Environment	MHRCO	Municipal Human Resources Capability Optimisation
DHSWS	Department of Human Settlements, Water and Sanitation	MPAC	Municipal Public Accounts Committee
DMRE	Department of Mineral Resources and Energy	MCG	Municipal Capabilities and Governance
DoA	Delegation of Authority	MdRC	Multidisciplinary Revenue Committee
DORA	Division of Revenue Amendment Bill	MFF	Municipal Finance, Fiscal Policy and Economic Growth
DPE	Department of Public Enterprises	MIMECAST	Cloud Cybersecurity Services for Email, Data and Web
DPWI	Department of Public Works and Infrastructure	MINMEC	Committee of Ministers and Members of Executive Councils
DRDLR	Department of Rural Development and Land Reform		

MISA	Municipal Infrastructure Support Agent
MoU	Memorandum of Understanding
MSA	Municipal Systems Act, 32 of 2000
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
MUCF	Management Union Consultative Forum
NC	National Conference
NCoP	National Council of Provinces
NDMC	National Disaster Management Centre
NDP	National Development Plan
NEC	National Executive Committee
NMA	National Members' Assembly
NRW	Non-Revenue Water
NSG	National School of Government
NT	National Treasury
NTRMF	National Treasury Risk Management Framework
NVFF	National Veld and Forest Fire
OHS	Occupational Health and Safety
OLGA	Organised Local Government Act, 52 of 1997
Ops	Operations
Oxfam	Confederation of Charitable Organisations Focusing on the Alleviation of Global Poverty
PBC	Performance-Based Contract
PC	Provincial Conference
PCCCC	Presidential Climate Change Coordinating Commission
PFMA	Public Finance Management Act, 1 of 1999

PHSHDA	Priority Human Settlements and Housing Development Areas
PMA	Provincial Members' Assembly
PPE	Personal Protective Equipment
PPP	Public-Private Partnership
PWD	People with disability
RemPanel	Performance and Remuneration Panel
RFI	Request for Information
RTW	Return to Work
SACN	South African Cities Network
SAIA	South African Insurance Association
SALGA	South African Local Government Association
SCM	Supply Chain Management
SDF	Spatial Development Framework
SIRMF	Single and Integrated Revenue Management Framework
SAL	Service Level Agreement
SALGBC	South African Local Government Bargaining Council
SAMWU	South African Municipal Workers' Union
SHE	Safety, Health and Environment
SPLUMA	Spatial Planning and Land Use Management Act, 16 of 2013
STR	Small-Town Regeneration
ToR	Terms of Reference
TMP	Transitional Management Plan
VVSG	Association of Flemish Cities and Municipalities

SALGA PROFILE

The South African Local Government Association (SALGA) is a membership-based association funded through a national government grant, levies from member municipalities and project-specific funding from, *inter alia*, the international donor community. Membership of the association is voluntary.

Established in 1996 to represent all the municipalities in the country, the Minister for Provincial Affairs and Constitutional Development (currently Cooperative Governance and Traditional Affairs), recognised SALGA as the national body representing local government in 1998, confirmed by the publication of Government Notice R.175 in the Government Gazette 18645.

SALGA was listed as a Schedule 3A public entity in 2002 with the Public Finance Management Act, 1 of 1999, as its accounting framework as gazetted by Government Notice 1282 in the Government Gazette 23619. SALGA reports annually on its expenditure and performance to the South African Parliament.

SALGA's Constitution, as amended at the 2016 National Conference, frames its accountability to member municipalities through a well-articulated governance framework that regulates its structures and processes. In line with its Constitution, SALGA's National Executive Committee (NEC) consists of elected Councillors who represent the political units of member municipalities. The NEC also enacts governance oversight and is responsible for SALGA's affairs between the annual national conference and members' assemblies, as the highest and second-highest decision-making structures, respectively.

SALGA's strategic role in representing the interests of local government assists members to fulfil their developmental obligations. SALGA participates actively in intergovernmental relations to support partnership policy, represent the interests of local government and provide solutions to related transformation and developmental challenges.

“

As the unified voice of local government in South Africa, it is vital for SALGA to model the behaviour it wants to see in the sector: transparent business conduct and effective and efficient management. These are the primary drivers for instilling a culture of accountability and good governance within municipalities nationwide.

Cllr Bheke Stofile
Chairperson



FOREWORD BY THE PRESIDENT

I am pleased to present the annual report of the South African Local Government Association (SALGA) for the 2021-2022 fiscal year and my first as President of the organisation.

I am proud to share the work that the organisation has accomplished. The achievements highlighted in this report began during the tenure of my predecessor, Thembisile Nkadimeng, and I am profoundly grateful to her for the significant contributions she made to ensure that SALGA maintained its status as a beacon of financial management excellence.

I look forward to continuing to build on this important work to role model the good governance and financial performance that we want to see within our member municipalities and the sector at large.

The past financial year brought many challenges. The year tested our resilience and determination in striving for excellence amidst the COVID-19 pandemic, which had a profound effect on how we lived and worked.

I am quite pleased to say that SALGA adapted successfully to those conditions. We leveraged the skills, expertise and diversity of our workforce to continue serving our member municipalities and, by extension, their communities.

As President, it is truly an honour to lead an organisation that has now achieved a decade of consecutive clean audit opinions, a rare feat for both private and public sector organisations. The importance of a clean audit opinion cannot be understated. A clean audit tells a story about an organisation's services, impact and value and its ability to earn the public's trust and confidence.

This clean bill of financial health is fundamental to public accountability, and it gives citizens the assurance that SALGA can be trusted with managing public funds.

As the unified voice of local government in South Africa, it was vital for SALGA to model the behaviour it wants to see in the local government sector. The kind of conduct that promotes transparency and good management, both critical drivers of accountability, which is sorely lacking across the sector.

While our country's supreme audit institution, the Auditor-General of South Africa (AGSA), continues to give its stamp of approval to the books of SALGA, many of our member

municipalities cannot claim such an achievement. This is a cause for grave concern, because it means that local community members cannot trust their municipal councils to manage public funds responsibly and effectively.

For that reason, SALGA will intensify its efforts to strengthen financial management capacity building in the sector. This includes continuing with critical interventions such as the Municipal Audit Support Programme (MASP), a multi-disciplinary programme that supports municipalities with poor audit outcomes in the areas of leadership, governance, institutional capacity and financial management.

During the past year, a total of 61 municipalities benefited from the programme, while 43 municipalities participated in Municipal Public Accounts Committee (MPAC) training.

The convening of free, fair and safe local government elections during the COVID-19 pandemic was an important event in the 2021-22 local government calendar and SALGA undertook the task of guiding municipalities through the 5th term of a democratic local government. Despite the difficult environment, I am happy to report that SALGA rose to the challenge to support and advise municipalities in establishing councils for a new five-year term.

Key among the organisation's local government transition activities was the drafting of a Coalition Government Framework that provides political parties and councillors with practical guidelines on the formation and management of coalitions in local government.

This was done in close collaboration with the Dullah Omar Institute in response to persistent challenges with the management and solidity of coalition rule at local government level.

Our country's local government systems are only as effective as the people who are responsible for implementing them and, therefore, SALGA provided a range of capacity building services to its member municipalities. The organisation's Integrated Councillor Induction Programme (ICIP) trained 7 484 Councillors and traditional leaders this past year and continues to empower councillors and mayors with the skills to adapt, develop and succeed in local government.

True to our mandate to bring about labour stability in our country's municipal sector through representing members' interests in the South African Local Government Bargaining Council (SALGBC), we concluded our 5th multi-year condition of service agreement with unions that represent the municipal workforce. All the parties signed the agreement without incident or the disruption of service delivery.

This gives me confidence that we'll continue to foster collaboration, openness and transparency with all our unions in a way that enables us to manage any challenges that future wage negotiations may bring.

During the past year, SALGA continued to be a force of positive influence and change in continental and international decision-making spaces. The organisation represented local government in the United Nations (UN) governance structures to develop and coordinate the implementation of the Sustainable Development Goals (SDGs), as well as the Paris Agreement on Climate Change, Sendai Framework on Local Disaster Risk Reduction and the Addis Ababa Agreement on Financing. The latter is used to develop cities and towns.

SALGA also initiated and facilitated municipal partnerships and the development of local governance capacity in sister associations in Africa, which includes SALGA's representative role in the African Union (AU). As a result of these and other accomplishments, SALGA enjoys a seat at the global decision-making table where it continues to promote the role of local government in solving global issues.

Overall, it may be said that the spirit, passion and dedication by all our employees was on full display this past year. Through these efforts, SALGA made significant progress in areas of strategic importance.

We look forward to enhancing these efforts in a way that creates value for our member municipalities and stakeholders in the new financial year and beyond.



Cllr Bheke Stofile
Chairperson
July 2022





SALGA's strategic role remains clear: We represent the interests of local government within the system of intergovernmental relations and support our members to fulfil their developmental obligations.

Xolile George
Chief Executive Officer



CHIEF EXECUTIVE OFFICER'S OVERVIEW

The past financial year has been a successful, albeit challenging, year for the South African Local Government Association (SALGA), and I am honoured to present its 2021-2022 financial report.

As CEO since 2007, I have seen first-hand how SALGA, guided by its vision, mission and values, continues to make a positive impact on the local government sector. I am confident this important work will continue in the year ahead. In this report, we share the story of our operational and financial challenges and achievements during the past year.

I firmly believe that at its core, SALGA is an organisation that is fit for purpose, innovative, agile, resilient and with an innate ability and will to support our member municipalities to enhance the social and economic development of their communities.

The past year marked SALGA's 25th anniversary, a landmark that not many organisations achieve. While certainly an important milestone, it was also a time to reflect on what had been accomplished and a singular opportunity to envisage a trajectory into the future. SALGA today is undoubtedly well-positioned to continue its local government transformation journey and I am excited about what the future holds.

SALGA delivered record results in the 2021-22 financial year. The organisation's asset base grew to R565.9 million, up from R372.6 million in the previous year. Revenue generated from membership fees increased to R686.0 million, up from R652.7 million in the prior year.

This was achieved during the very challenging conditions of the COVID-19 pandemic, which affected the activities of organisations everywhere. While businesses around the world faced economic and operational uncertainty, SALGA weathered the storm well and I am certain that the organisation will prove itself resilient as the economic shockwaves arising from the pandemic linger.

SALGA's value drivers are embedded in its predetermined objectives for each financial period. For the 2021-22 financial year, the organisation achieved 57 of 62 (or 92%) performance targets, which is consistent with an average annual performance of 90% for the past 13 years.

As seen in this report, SALGA increased its efforts over the past year to support the priorities that enable the organisation to respond more effectively to its operating environment. Despite ever-changing social, economic and political environments, SALGA delivered on its strategic priorities.

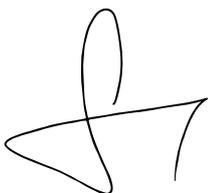
Among our focus points over the last year, was closing out the organisation's strategic plan for the period 2017 to 2022. As demonstrated by the organisation's uninterrupted streak of clean audits during this period, SALGA is poised to continue operational excellence and achieve its long-term growth strategies.

Leadership plays an important role in establishing an organisation's foundation and leading it to greater impact and influence. In this regard, I am pleased to welcome SALGA's newly established national executive committee (NEC), led by Cllr Bheke Stofile.

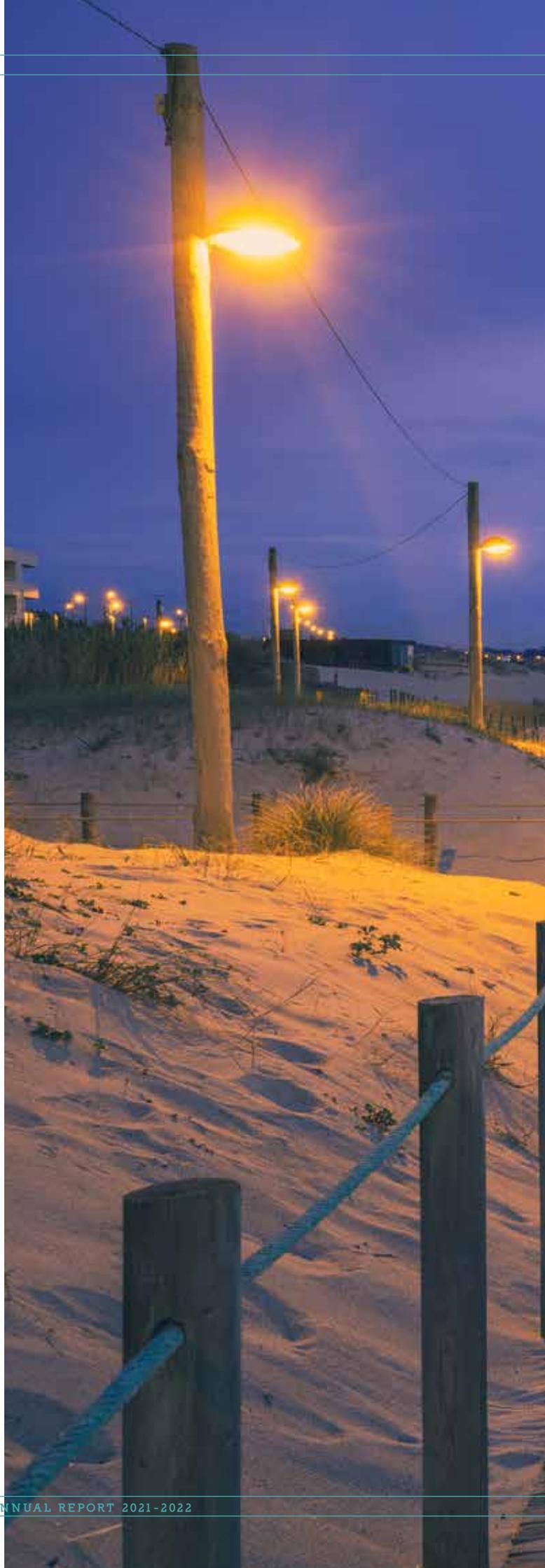
The new leadership that comprises SALGA's highest decision-making body was elected at the organisation's 6th national conference in Cape Town, Western Cape. What I've already seen in the months that they've been in office, is a collective of leaders who are working hard for the sector and for the interests of their communities. It is an absolute privilege to serve alongside them.

In closing, our results bear testimony to the high-performance culture within our organisation and I want to congratulate all SALGA employees.

Thank you for your exceptional teamwork and professionalism. I have no doubt that you'll continue to deliver against SALGA's priorities to meet the needs of our member municipalities and their communities far into the future.



Xolile George
Chief Executive Officer
July 2022



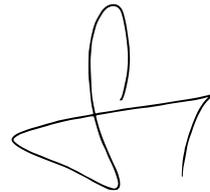
STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

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 to give effect to the 2017-2022 Strategy and for the system of internal controls that provides reasonable assurance about the integrity and reliability of the performance information.

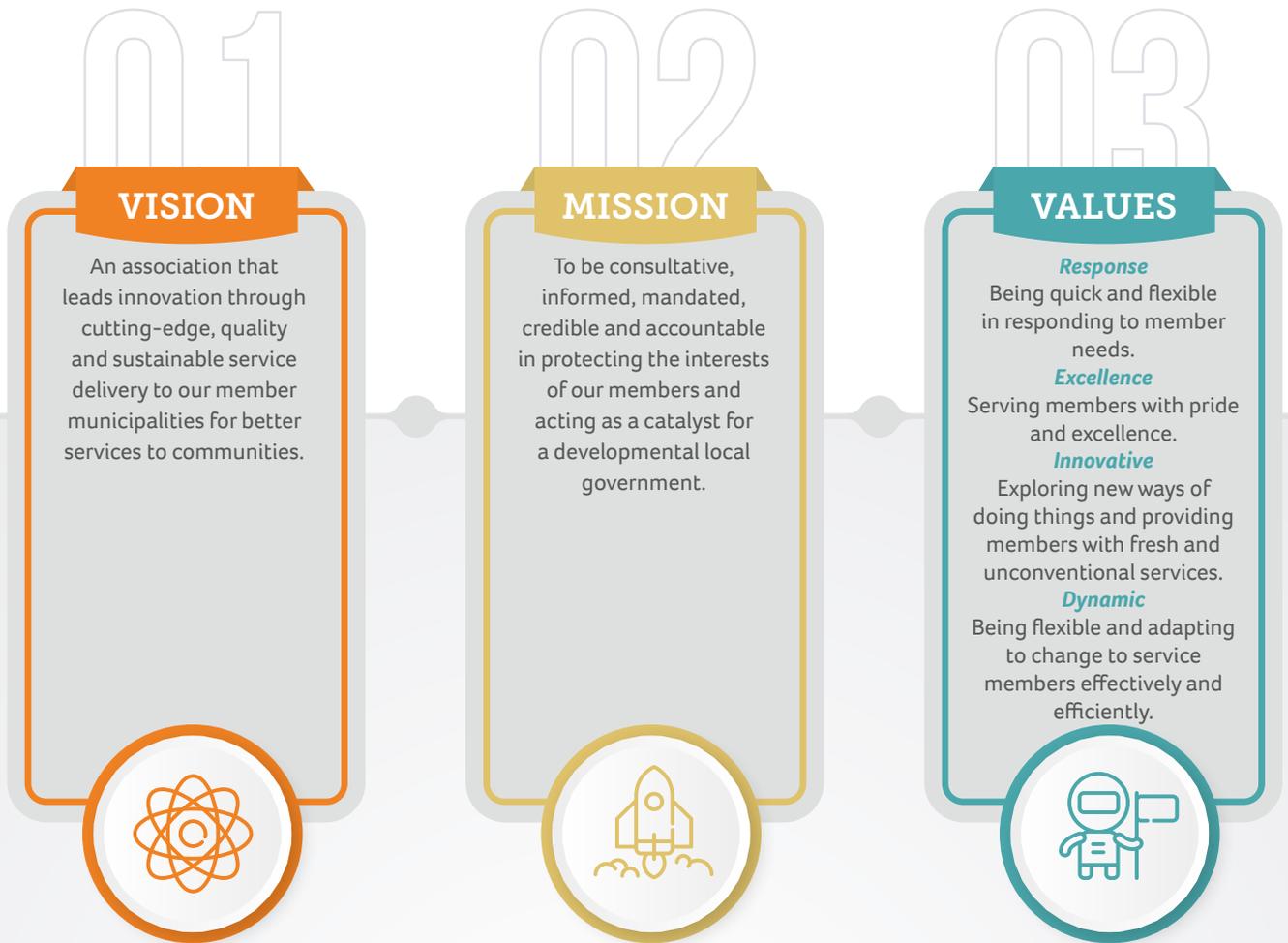
In my opinion, the performance information in this annual report reflects fairly our achievements against planned targets for the financial year ended 31 March 2022.

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



Xolile George
Chief Executive Officer
July 2022

STRATEGIC OVERVIEW



PRINCIPLES – LIVING THE VALUES

These principles are inculcated in SALGA’s DNA, they are our *raison d’etre*, the lived organisational culture and the pathway to manifesting our values.



SALGA STRATEGY 2017– 2022

The outcomes in SALGA's 2017-2022 Strategic Plan were derived from its long-term objectives to improve service delivery, spatial transformation and growth and development in local government. These outcomes frame the predetermined targets and enablers of each Annual Performance Plan (APP) that directs SALGA's performance during a specific financial year. This underpins its contribution as a democracy protector, local government sector rights enforcer and constructive disrupter within the local government system.

SALGA's performance against its strategic outcomes is the measure of its success, while the outcomes create a platform for partners and stakeholders to participate in interventions that will transform and develop local government.



ANNUAL PERFORMANCE PLANNING



This 2021-22 Annual Report reflects the organisation’s performance during the final year of SALGA’s 2017-2022 Strategic Plan, which ended on 31 March 2022.

The APP, with its linked key performance indicators (KPIs), determines the inputs, activities, outputs, outcomes, performance measures and envisaged sector impact

SALGA’s Executive 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 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 the allocation of resources remain on track to achieve annual targets and implement the APP effectively.

SALGA again adopted National Treasury’s 2010 Outcomes-Orientated Framework for Strategic Plans and APPs, as reflected in Figure 1, to develop its 2021-2022 APP.





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

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

This results-based planning approach ensures that there is a “line of sight” between SALGA’s activities (guided by its mandate), its deliverables (scorecards, annual operational plan (AOP) and APP) and its impact on its member environment (at the outcome and impact level of its strategic plan).



SALGA MANDATES

SALGA has a clear strategic role to play in representing the interests of local government, within the national system of government and globally, as well as in supporting its members to fulfil their developmental obligations.

CONSTITUTIONAL MANDATE

The SALGA Constitution (as amended), identifies the organisation as a unitary body that consists of a national association and nine provincial offices. As a registered Schedule 3A Public Entity, 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), with a National Executive Committee (NEC) as the accounting authority and the Chief Executive Officer as the accounting officer.

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, with no statutory executive authority over members. SALGA participates actively in the intergovernmental relations (IGR) system as the voice for local government interests to provide common policy positions and solutions to local government

TRANSFORMING LOCAL GOVERNMENT TO FULFIL ITS DEVELOPMENTAL MANDATE

 <p>LOBBY, ADVOCATE AND REPRESENT Lobby, advocate, protect and represent local government interests at relevant structures and platforms</p>	 <p>EMPLOYER BODY Act as an employer body representing all municipal members and, by agreement, associate members</p>	 <p>CAPACITY BUILDING Build municipal capacity, as well as the leadership and technical capacity of councillors and officials</p>	 <p>SUPPORT AND ADVICE Support and advise members on a range of issues to assist with the effective execution of their mandates</p>	 <p>STRATEGIC PROFILING Build the profile and image of local government within South Africa, the African continent and the rest of the world</p>	 <p>KNOWLEDGE- AND INFORMATION-SHARING Serve as the custodian of local government intelligence and the knowledge hub for the sector information for the sector</p>
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INSPIRING SERVICE DELIVERY

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

LEGISLATIVE MANDATES

Constitution of the Republic of South Africa, 108 of 1996

The constitution entrenches local government as a three-tier, distinct, yet inter-related and interdependent, cooperative governance system. Section 163, subsections (a) and (b), calls for the legislated establishment of organised local government to represent municipalities in the intergovernmental and cooperative governance system and participate in the National Council of Provinces (NCoP) in matters relating to Section 221 (1) (c).

The legislation sets out additional obligations, including:

Organised Local Government Act (OLGA), 52 of 1997

The OLGA established procedures to nominate SALGA Representatives to the NCoP And Financial and Fiscal Commission (FFC) and consult with all Tiers of government. The Intergovernmental Relations Framework Act (IGRFA), 13 of 2005, recognises SALGA as the sole voice of local government that protects the interests of municipalities and ensures that the sector participates meaningfully in the country's Intergovernmental arena.

Municipal Systems Act (MSA), 32 of 2000 as amended in 2003, 2006 and 2011

The MSA directs all municipalities to comply with collective agreements negotiated by SALGA and the municipal bargaining council with the trade unions. In this regard, SALGA must, *inter alia*, develop a common approach for local government; encourage cooperation, assistance and shared resources among municipalities; resolve local government problems; and facilitate cooperative government and intergovernmental relations.

Intergovernmental Fiscal Relations Act (IGFRA), 97 of 1997, as amended

The IGFRA promotes intergovernmental relations and dispute resolution across all tiers of government. The public sector budget cycle is a critical intergovernmental planning and coordination tool to which SALGA contributes through its participation in the local government budget forum.

SALGA is cognisant of other legislative directives, as listed on the SALGA website.

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.

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), 12 December 2015

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

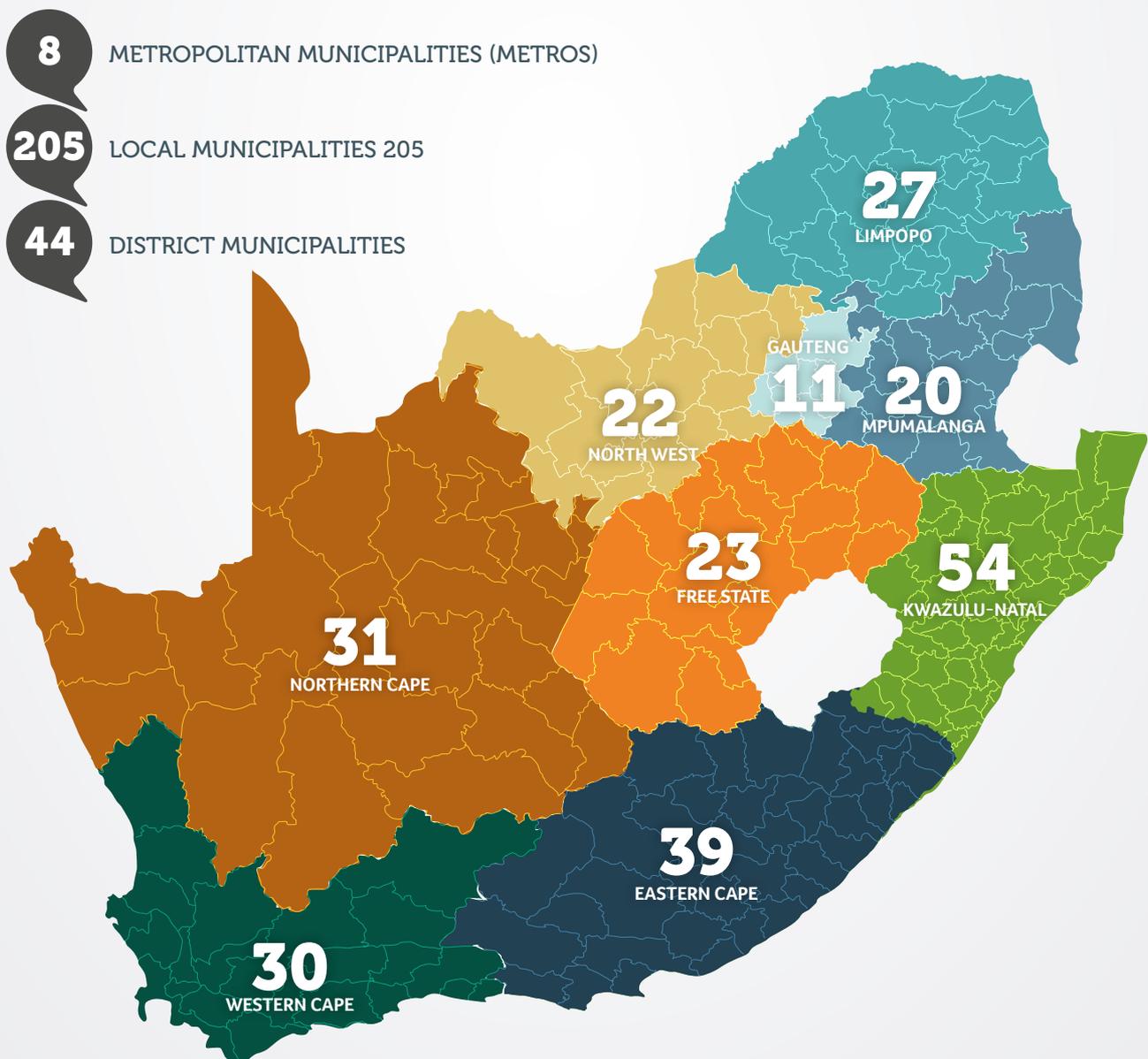
SALGA members represent the country’s 257 metropolitan, district and local South African municipalities, located across all nine provinces. Collectively, they constitute local government as an independent, interdependent and inter-related sphere of government.

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

Members range from municipalities in deep rural areas grappling with severe service delivery backlogs and institutional challenges to sophisticated cities with significant institutional 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 membership levies that enable SALGA to respond to the extensive range of member needs. During the past five years, SALGA’s response to members was enacted through the implementation of its 2017-2022 Strategic Plan. The 2021-22 financial year, which is the focus of this report, was the final implementation period of that strategic plan.



STAKEHOLDERS AND PARTNERS

SALGA is keenly aware of the value of stakeholder contributions and partner collaboration to meet member needs and fulfil its mandate of promoting and protecting the interests of local government and enabling its resource capacity. Managing stakeholder and partner relationships effectively and efficiently remains critical to SALGA's commitment to representing, supporting and servicing its members as the voice for local government.



Importance ↑	Municipalities Partners (local and international) Employees Donors	Key government departments Parliament SOEs Media Public and private sectors Political parties
	Professional bodies International municipal associations	Civil society Research institutions
		Influence →

SALGA adopts an inclusive and transparent approach towards creating meaningful and mutually-beneficial stakeholder and partner relationships. Understanding stakeholder expectations and partner needs is integral to the effective pursuit of its vision of creating a municipal landscape at the cutting-edge of quality and sustainable service delivery.

Stakeholder inclusivity involves the balancing of interests 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.

Interactions with local and international stakeholders and partners that benefit local municipalities are discussed in Part B: Performance Information in this report and reported on in the SALGA Annual Performance Plan included as Appendix A.

A selection of SALGA's stakeholder and partner interactions during the reporting period included:

Using technology for infrastructure protection

SALGA partnered with the SAPS, industry experts and academic institutions to provide municipalities with a better understanding of using technology for infrastructure protection. The hybrid event was aligned with COVID-19 protocols and hosted 208 of 253 registered delegates, 30 in person and 178 online. Attendees represented municipalities, sector departments and partners, operational experts in protecting infrastructure assets, legal experts in implementing infrastructure assets, analysts with innovative solutions, academics and researchers.

Disaster Risk Management, Fire and Emergency Services partnership

SALGA engaged with Chief Fire Officers and participated in District Disaster Management Advisory Forums to discuss municipal interventions support plans to manage disaster, fire and emergency risks. Engagements with the Disaster Management Training and Education Centre at the University of the Free State and the Disaster Management Institute of Southern Africa focused on professionalising the function

as legitimate, and with the requisite skills and expertise to perform effectively.

Cities Investment Competitive Index

SALGA collaborated with DNA Economics to develop a Municipal Investment Competitiveness Index Report. The aim is to complement national and sub-national competitiveness initiatives. The selection of indicators and sample size will ensure the complementarity of the initiatives and avoid duplication of effort. The index will act as a benchmarking tool and provide an assessment of the ease of doing business and red tape reduction and general investment competitiveness in municipalities. The ultimate objective is to promote healthy competition between municipalities and provide municipal investment climate data.

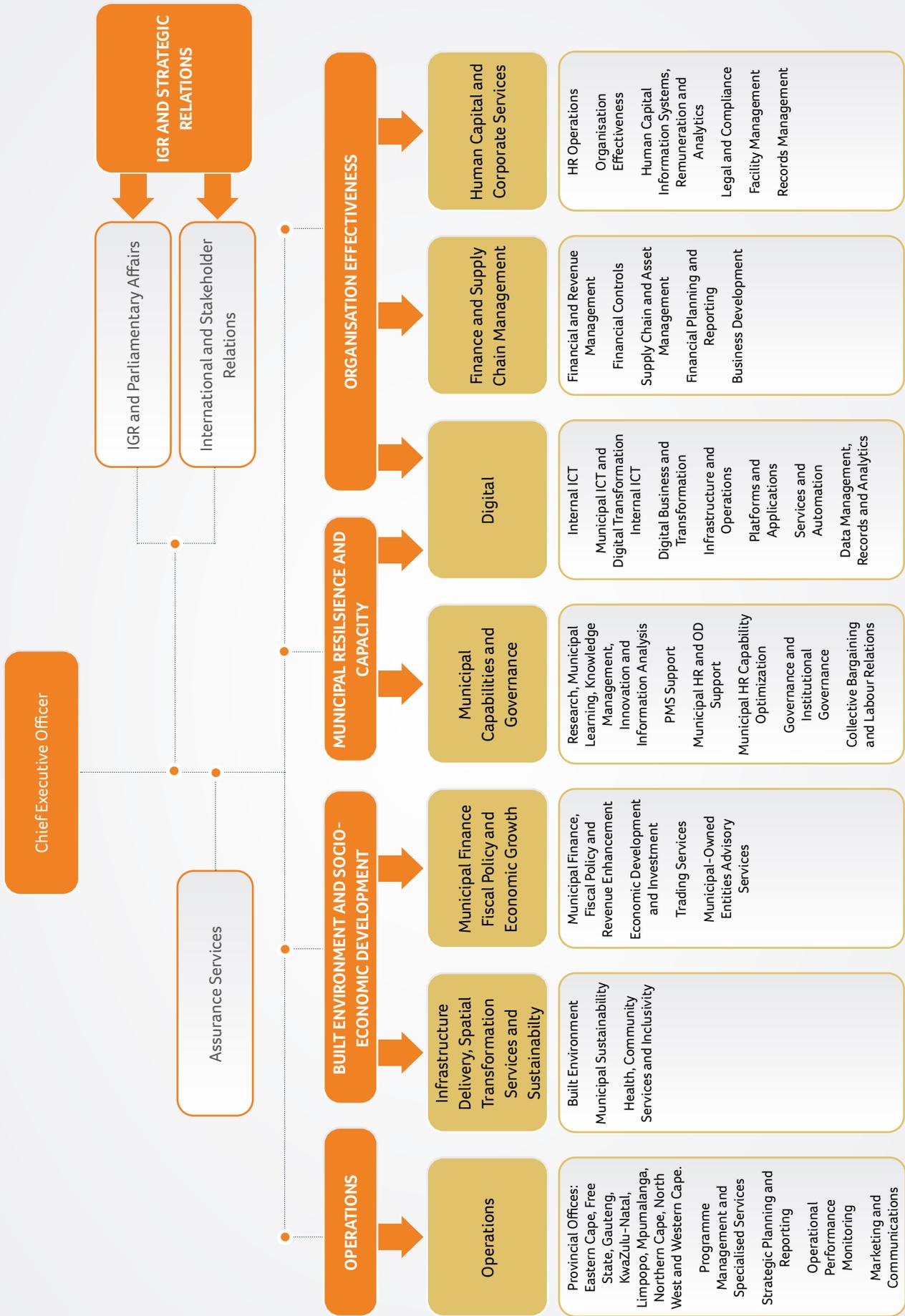
International partnerships

SALGA partnered with VVSG in Belgium to support municipal waste management through capacity building, information sharing, networking and advocacy. The VVSG/SALGA programme links three local municipalities with three in Brussels in city-to-city cooperation partnerships, namely Witzenberg with Essen, Nquthu with Bornem and Bergvrievier with Heist-op-den-Berg.

The partnership also encourages the sharing of waste management lessons learned and experiences among partner municipalities and with other municipalities. As part of the VVSG programme, SALGA partnered with Vodacom to develop a Waste Management App that is now available in the Google Play and App store. The application allows municipalities to access data about the Councillors and municipal employees responsible for waste management, as well as the locations of service points and to report issues.

An important outcome from this partnership is a new focus on the use of digital technologies to shift South African waste management towards more sustainable materials management. This will, *inter alia*, improve recycling, facilitate the producer use of recyclates, enable better purchasing and sorting decisions by consumers and improve waste sourcing options for recyclers.

ORGANISATIONAL STRUCTURE



NATIONAL STRUCTURE

EXECUTIVE MANAGEMENT TEAM



Xolile George
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



Khomotso Letsatsi
Chief Officer
Municipal Finance, Fiscal Policy
and Economic Growth



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



Pindiwe Gida
Portfolio Head
Human Capital and Corporate
Services
Co-opted to Executive
Management team





PART B PERFORMANCE INFORMATION

OVERVIEW OF PERFORMANCE

SALGA monitors internal and external events and trends continuously to determine the effect on its role as the voice of local government. The ability to address issues timeously and change course as necessary is integral to responding effectively to members' needs.

CHALLENGING BUSINESS ENVIRONMENT

The 2021-2022 financial year presented SALGA with significant challenges. The economic instability globally continued its onslaught on the South African economy. This impacted on already constrained municipal finances and the ability to deliver basic services, while growing expectations and intolerance by communities often led to violence against municipal officials and councillors.

In addition, the prolonged restrictions of the unprecedented COVID-19 public-health emergency and precursor events to the 2024 national elections, contributed to the challenges that faced local government and emphasised the urgent need for transformation. This was emphasised by the findings (post-financial year-end) in the Auditor-General's Consolidated General Report on Local Government Audit Outcomes (MFMA 2020-21) that highlighted the many accountability, service delivery, governance, institutional capacity and instability challenges throughout all spheres of local government.

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 targets are divided among five business clusters that frame its performance:





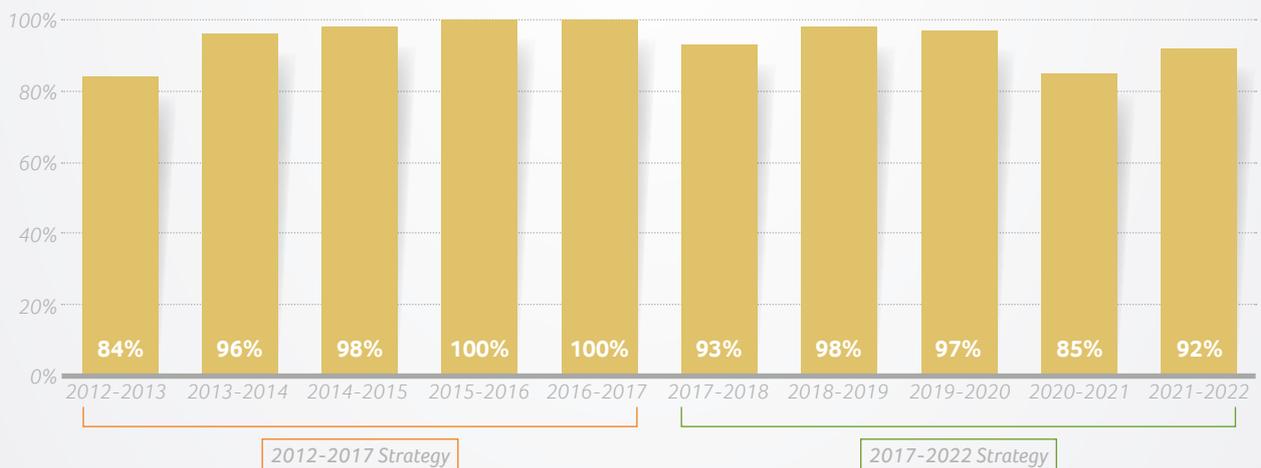
In pursuit of its mandate to support and guide municipalities to improve service delivery effectively, SALGA uses a phased approach to plan and implement its Annual Performance Plan (APP). As indicated below, the phases are aligned with achieving strategic goals, fulfilling member mandates and using enablers to report on performance.



PERFORMANCE OUTLOOK

The 2021-22 Annual Performance Plan - the fifth and final APP in the implementation of the organisation’s five-year 2017-2022 Strategic Plan - outlined SALGA’s strategic outputs, key performance indicators and targets for programmes aligned with the strategic outcomes.

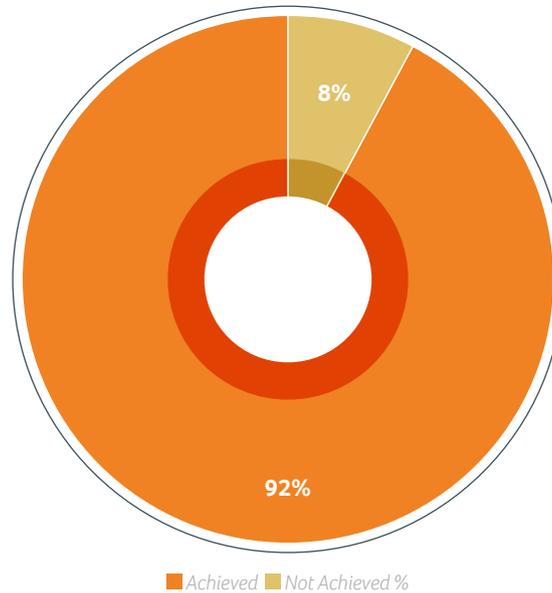
Despite the prolonged negative impact of COVID-19 restrictions on its business environment, SALGA achieved its 10th consecutive clean audit.



Audited performance against predetermined objectives for the periods 2012-2013 to 2021-2022.

SALGA'S AUDITED PERFORMANCE AGAINST PREDETERMINED OBJECTIVES.

SALGA also improved its performance against objectives with a noteworthy 7% over the previous period by achieving 92% (2020-21: 85%) or 57 of 62 of its predetermined targets for the 2021-22 financial year.



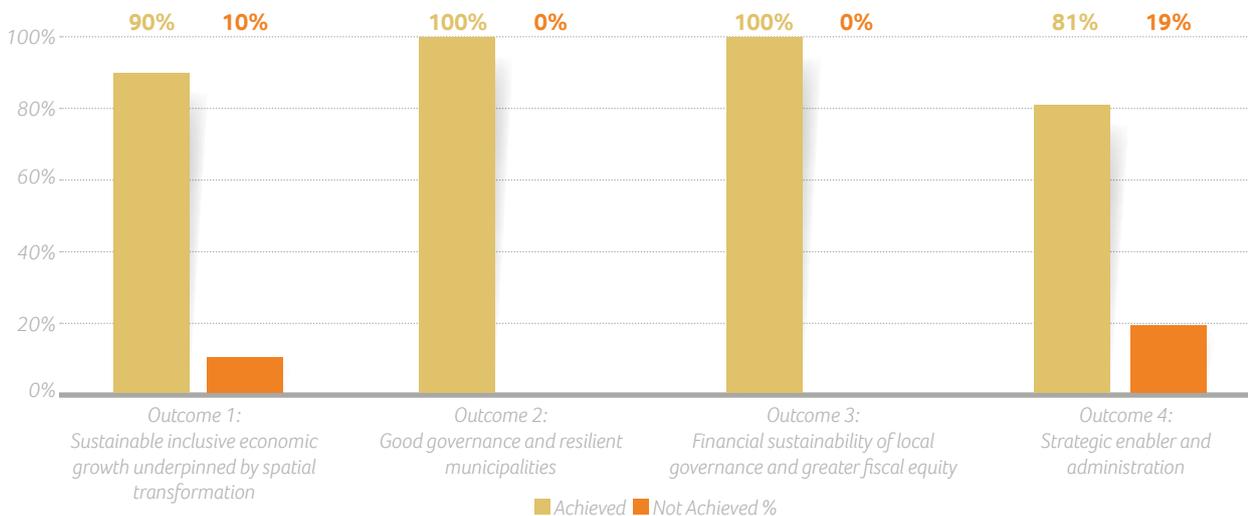
2021-2022 Overall performance on 62 targets

The reasons for non-achieved targets included:

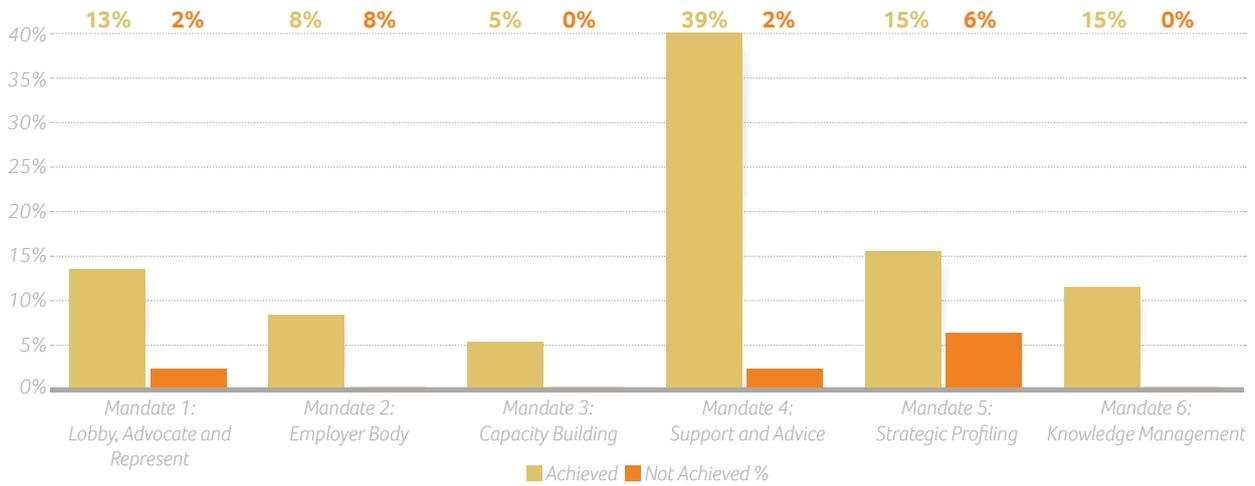
- 2021-2022 was a transitional year and the delay in local government elections to late in 2021 delayed the finalisation of governance structures to March 2022
- the inability to exhaust internal governance approval processes (SALGA mandating process)
- dependence on sector departments for the achievement of some targets.

The targets in the 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. Since the non-achievement of some targets was due to dependencies on other parties, SALGA will endeavour to set targets without dependencies in future APPs.

The graphs below reflect SALGA's performance linked to outputs and targets and are aligned with each of its four outcomes and six mandates.



2021-2022 Performance per strategic outcome



2021-2022 Performance per mandate

OVERALL PERFORMANCE FOR THE FULL FIVE-YEAR 2017-2022 STRATEGIC PLAN PERIOD

	OUTCOME	2017/18	2018/19	2019/20	2020/21	2021/22
1	Sustainable, inclusive economic growth and spatial transformation	15/16	30/31	22/23	31/36	18/20
2	Good governance and resilient municipal institutions	21/23	14/14	11/11	44/55	20/20
3	Financial sustainability of local government and fiscal equity	5/5	3/3	3/3	7/9	6/6
4	Effective and efficient administration	17/17	7/7	2/2	35/37	13/16
PERFORMANCE OVERALL		58/61	54/55	38/39	117/137	57/62



NOTE TO STAKEHOLDERS AND READERS

The performance information for the 2021-2022 financial year is summarised on the following pages in this section as key achievements, impact, challenges and future activities under SALGA's Outcomes 1-4. A comprehensive, tabulated version of the APP is available as Appendix A to this document.



OUTCOME 1:

MUNICIPALITIES WITH SUSTAINABLE INCLUSIVE ECONOMIC GROWTH UNDERPINNED BY SPATIAL TRANSFORMATION

Purpose: *To foster integrated and sustainable urban development and management, as well as regional economic growth that includes rural development and brings about social cohesion.*

MUNICIPAL INFRASTRUCTURE AND SPATIAL TRANSFORMATION

South African municipalities are responsible for delivering basic services including energy, water, sanitation and roads. These services are provided by a municipal workforce, an external service supplier or through a public-private partnership (PPP). The uptake of PPPs, however, remains low due to inefficient regulation and management.

The protection of infrastructure and management of assets are often the biggest challenges in municipalities.

KEY ACHIEVEMENTS

- SALGA, National Treasury and CoGTA conducted an infrastructure and asset management study to investigate the factors that encourage or inhibit the municipal use of PPPs, locally and worldwide. SALGA's position paper on the research findings was presented to and endorsed by the Budget Forum Lekgotla, while the organisation created a platform for municipalities to share social infrastructure investment, operations and maintenance best practices with a focus on sports infrastructure.
- SALGA convened a law enforcement, safety and security symposium to share asset protection technologies and contracting options. Discussions focused on integrating multi-agency public and private sector collaboration and cooperation to protect infrastructure assets. Attendees represented municipalities, sector departments and partners, operational experts in protecting infrastructure assets, legal experts in implementing infrastructure assets, analysts with innovative solutions, academics and researchers. SALGA's communication team promoted the event via a website and social media platforms with access to speaker information.
- SALGA used spatial transformation research findings to refine the related indicators and monitored spatial transformation in 10 municipalities. A consolidated Spatial Transformation Barometer was published across a number of platforms, including the SALGA website.
- A National Working Group approved SALGA's benchmarking and peer review programme to assess municipal use of the Spatial Transformation Barometer.

Implementation entailed identifying and involving non-compliant municipalities in peer review seminars. The 10 seminars conducted during the reporting period assisted municipalities to reflect on their progress and that of their peers.

IMPACT OF ACHIEVEMENTS

- National Treasury commitment to reviewing PPP infrastructure project regulations and management to simplify their use by municipalities and the private sector.
- Knowledge exchange between municipalities about social infrastructure investment opportunities and sports infrastructure operations, maintenance and best practices.
- Enhanced public and private sector consultation, collaboration, cooperation and information sharing to protect infrastructure assets.
- A Spatial Transformation Barometer that will:
 - improve the ability of municipalities to measure their progress in implementing IDP programmes
 - assist a government-wide programme design
 - support intergovernmental discussions informed by the empirical evidence generated by the barometer.
- Anticipated municipal compliance with the Spatial Planning and Land Use Management Act, 16 of 2013 (SPLUMA) provisions, if used as a tool to improve the planning and delivery of government programmes such housing, infrastructure, service delivery and spatial planning and land use management.

CHALLENGES

- Utilising opportunities for private sector-government collaboration in delivering infrastructure.
- The need for external expertise and support to build up technology-led innovation, which will require local government resources (personnel, budgets and/or equipment). Collaboration agreements with strategic partners can strengthen municipalities and assist with service delivery pressures. Engaging in PPPs will be critical, along with SALGA's data base of possible vetted partners, to ensure alignment between the objectives and services provided.
- The indices refinement process was hampered by data availability restrictions (non-availability of data to

populate indices and the infrequent publication of data, among others).

- Insufficient human resource and financial capacity constraints remain a challenge that impede municipal planning and managing land-use development. Numerous municipalities relied on the resources and support offered by DALRRD, CoGTA, MISA and SALGA to ensure that they comply with the SPLUMA requirements by 30 June 2022. While the support was noted, the major concern remains about how under-capacitated municipalities will implement the stipulated requirements on an ongoing basis without the current multi-stakeholder support.

ENABLING POLICY AND LEGISLATIVE FRAMEWORK FOR THE DELIVERY OF ENVIRONMENTAL SERVICES

SALGA developed an assessment framework that outlines key considerations for assessing the degree to which district development plans are climate-responsive and assist municipal districts to enhance climate resilience and emission reductions.

The review framework consists of proposed steps and measures for compiling a district's One Plan to promote greater efficacy in addressing present and future climate risks. The objectives of the District Development Model (DDM) One Plan Review are to:

- identify opportunities to improve district climate change resilience.
- assess the institutional, resourcing and knowledge needs that may have to be developed or enhanced to safeguard district municipalities from the impacts of climate change.

SALGA also acknowledged municipalities with sound climate resilient infrastructure development and published their performance in a case study booklet as good practice benchmarks and to share their learning and knowledge with other municipalities.

KEY ACHIEVEMENTS

- Working with CoGTA, SALGA reviewed the DDM plans of all the districts in the nine provinces, including those for the metropolitan cities in the provinces.
- Overall, 42 districts and seven metros were assessed for climate responsiveness.
- Since the Zululand and uMkhanyakude Districts in KZN did not submit their draft DDM One Plans to CoGTA, a generic infrastructure assessment was done for the two Districts.
- A profiling programme was rolled out with a focus on developing strategies for commemorating significant environmental days and showcasing good work done in municipalities. Activities included social media posts, visits, webinars, media releases, advertorials and events.
- SALGA further supported the Presidency's National Environment programme and partnered with the

Department of Forestry, Fisheries and the Environment (DFFE) to launch the two million trees project at the city of uMhlathuze on Arbour/Spring Day.

IMPACT OF ACHIEVEMENTS

- The all-of-government DDM approach is set to improve integrated planning and delivery with district and metropolitan spaces as focal points of government and private sector investment.
- Reviewed DDM climate responses ensured integrated municipal sustainability planning processes.
- Improved the quality of lives by transforming districts/metro to further enhance their institutional, environmental and financial sustainability.
- The DDM approach ensures that climate change is incorporated into IGR coordination, structure and local government stabilisation since the plans assist municipalities to consider spatial transformation, environmental sustainability and sustainable infrastructure development.

CHALLENGES

- Minimal information was made available by municipal officials to develop the profiling document, which required additional research within the municipal spaces.
- Accessing actual DDM plans proved challenging with the majority of the plans assessed as drafts, since it took longer than anticipated for municipalities to finalise the plans. Municipalities had also not actioned the recommendations on assessed plans nor involved the environmentalists in the DDM planning processes or structures.

CITIES SUPPORT PROGRAMME

SALGA partnered with the South Africa Cities Network (SACN), National Treasury's City Support Programme (CSP) and representatives of metros and secondary cities in workshops to explore the possibility of establishing a municipal sustainability network to assist municipalities in their response to climate change. The workshops had four main objectives, namely to:

- Explore the strategic convening municipalities might need for sustainability and a Just Transition.
- Understand the contributions of other organisations and networks to support municipalities in this space.
- Understand how cities and a municipal sustainability platform could support the work of the Presidential Climate Commission.
- Explore the value and character of a platform or network for convening cities and intermediary cities to workshop sustainability and a Just Transition.

The following municipalities participated in these workshops: City of Cape Town, City of Joburg, City of Tshwane, Ekurhuleni, eThekweni, George, Mbombela, Mogale City, National Treasury-City Support Programme (CSP), Nelson Mandela Bay, SALGA and the South African Cities Network (SACN), KwaDukuza, and Steve Tshwete.

The Executive Director of the Presidential Climate Change Co-ordinating Committee (P4C) attended the sessions. The P4C was recognised for its work and signified SALGA's effective lobbying of key strategic partners to support local government's climate change and mitigation initiatives.

Participants identified the main areas of support and the characteristics of the network as follows:

- Creating an evidence base for cities through benchmarking, cost-benefit case studies and financial models and reference to the indicators prescribed for cities as part of the Integrated Development Plan (IDP) process.
- Functioning as an advocacy platform to lobby for national policy and regulations in areas such as sustainable procurement, food waste protocols, public transport, catchment management agencies and groundwater policy.
- Providing financial information on transaction advisory support, identifying and accessing funding and linking funders to potential projects.
- Generating data at scale and in terms of climate predictions and sharing that with municipalities.
- Providing support on transversal management issues such as disaster risk reduction, pandemic management and urban safety.
- Providing support in asset management and maintenance, biodiversity corridors and catchment management, control and enforcement, support for neighbourhood partnerships and budget processes to accelerate implementation.
- Supporting governance in terms of a more coordinated policy and functional governance structure across the three spheres.
- The network function requires a space where municipalities can orientate themselves within the different structures that exist currently.

The partnership with SACN and National Treasury's City Support Programme formulated the programme to promote sustainability in climate change responsiveness and environmental management for cities. This IGR network is a change agent and vehicle for collaboration and integration to help improve the capacity of cities.

The Cities Support Programme creates an enabling fiscal system and policy environment to support city-led transformation in environmental sustainability. It supports metros and secondary cities directly, working with sector national departments and broader cities' support stakeholders to enhance policy and make it easier for cities to work, develop and implement their plans more efficiently.

KEY ACHIEVEMENTS

- SALGA, the SACN and National Treasury's CSP established the Cities Support Programme to promote city sustainability in climate change responsiveness and environmental management.

- Developed the Terms of Reference (ToR) for a Reference Group and quarterly meetings to plan programme activities.
- Developed monitoring and evaluation (M&E) for the Cities Support Programme.
- Implemented and monitored the Cities Support Programme through M&E reports and quarterly outcomes reports.
- Engaged the international and national Cities Support Organisations on 24 November 2021.
- Met with the Presidential Climate Change Coordinating Commission (PCCCC), National Treasury's Cities Support Programme, SACN, the World Bank, the African Centre for Cities and DFFE to conceptualise and frame pathways for a Just Urban Transition, aligned with the wider PPC-led Just Transition Framework and to develop a discussion document, policy brief and stakeholder engagement process.

IMPACT OF ACHIEVEMENTS

- Cities are the primary interface between government, policy and people and recognised as areas of major economic development where the complexities and challenges of rapid population growth, urbanisation, food and water insecurity and service delivery collide with climate change impacts. The CSP is supporting cities to be at the heart of environmental sustainability and Urban Just Transition, which will have profound implications for the future competitiveness of the South African economy and livelihoods of its people.
- Cities are beginning to embrace their role as frontline providers of core infrastructure services, as key players in policy implementation and community engagement. Therefore, what cities do and how they respond will affect the extent and pace of the broader transition to sustainability.
- The Joint Roundtable on Urban Just Transition of the CSP at National Treasury, SALGA and the SACN brought together city voices with key stakeholders to discuss the Just Transition for cities and their input into the Just Transition Framework.
- The City Sustainability Support Programme will serve as a platform to exchange experiences and good practices between city practitioners and policymakers and as a hub to exchange ideas, co-create solutions, embed sustainability across city planning and operations and work towards sustainable futures.

CHALLENGES

- Participation by cities, particularly secondary cities, remains a challenge. Initiatives that target secondary cities are critically important and SALGA is partnering with, *inter alia*, C40 Cities, the British High Commission and Local Governments for Sustainability to develop such interventions.
- Despite their critically important role in achieving South Africa's vision for a transition to a low-carbon, resilient

economy and just society by 2030 – currently well under way – cities are still marginalised in this national agenda. SALGA has lobbied this reality across IGR platforms. With less than eight years left to the 2030 milestone, cities are committed to achieving their own ambitious and inclusive climate targets by 2030 and are keen, ready and committed to this national target. They are working towards pro-poor development to improve the well-being of the most vulnerable communities and support inclusive local economic growth.

- There is a need to utilise existing structures, such as the Intergovernmental Climate Change Committee, Cities Resilience Forum and Vertical Integration Working Groups to regularly consult cities on developments relevant to the Just Transition.

DISASTER RISK REDUCTION IMPROVED AND QUICK RESPONSE AND RECOVERY

KEY ACHIEVEMENTS

- Engaged municipalities and Provincial Disaster Management Centres, including the National Disaster Management Centre, on the key outcomes of a fire emergency services and disaster management assessment of municipalities and proposed support interventions. SALGA also established a platform for Heads of Centres and Chief Fire Officers to engage on operational and strategic priorities.
- Established Response Task Teams and action plans to support municipalities, developed reports on support and monitoring of districts and shared key recommendations with the National Disaster Management Centre, Municipal/Provincial Disaster Management Centres and some Municipal Manager's Forums in provinces.
- Developed action plans for the key recommendations from the study for the Response Task Teams that focused on institutional arrangements and governance, funding and procurement and technical support
- Collaborated with Resilience Globale, a network of international and national experts on disaster risk management and undertook to roll out a capacity building programme to build disaster resilience competences in municipalities and introduce a new phased approach for leaders in local Disaster Management Centres and Fire Services.
- Conducted a municipal survey on the proposed Disaster Management Amendment Bill and made a submission to the Parliamentary Portfolio Committee for CoGTA.
- Engaged with Chief Fire Officers and participated in District Disaster Management Advisory Forums to discuss the implementation of municipal interventions support plans. A major challenge, among others, is a lack of funding since the current equitable share received by municipalities seems inadequate. Fire Services are not defined as a basic service and already constrained municipal budgets result in a lack of financial resources allocated to the function.
- As part of profiling municipalities, SALGA published good practices to implement a municipal interventions programme in fire emergencies and disaster management, as well as fast-track adopted key focal areas and facilitate peer-learning and knowledge sharing among municipalities to mainstream these services.

IMPACT OF ACHIEVEMENTS

- Awareness raising activities and engagements with various sector partners resulted in a better understanding of the challenges faced by municipalities within the academic community and the private sector.
- Collaboration with the National Disaster Management Centre (NDMC) and Oxfam South Africa strengthened municipal capabilities to:
 - a) Conduct risk and vulnerability assessments.
 - b) Develop and structure Municipal Disaster Management Plans.
 - c) Integrate disaster risk reduction into municipal IDPs.
 - d) Manage displacement during disasters.
 - e) Develop a municipal disaster funding model.
- The profiling programme identified challenges and profiled municipal fire emergency services and disaster management good practices and progression in line with the municipal interventions support programme comprising training, awareness and education to enhance municipal good practices and facilitate peer-learning and knowledge sharing among municipalities on approaches to mainstreaming the services.
- Increasing engagement with SALGA and new partnerships with, *inter alia*, academia (Assaf), the private sector (Transnet, SAIA, Eskom, Old Mutual) and civil society organisations (Oxfam, Fire Protection South Africa) to support local municipalities.
- The partnerships encouraged targeted and informed research that incorporates disaster risk management assessment by the academic community to support to SALGA and provide municipalities with access to current knowledge and research.
- SALGA advocated for the revision of disaster management legislation in terms of the National Disaster Management Framework and Fire Brigade Services Act, 99 of 1987, to address the areas that affect local government (institutional arrangements, funding and technical models).

CHALLENGES

- Funding for the Disaster Risk Management and Fire Services functions.
- Division of powers and functions between districts and local municipalities.
- Municipalities that rely heavily on government transfers and with large indigent populations that receive free basic services need support to strengthen the fiscal services relationship. This will ensure the prioritisation of disaster management as a function, ensuring adequate funding is allocated to enhance its performance.

INCLUSIVE HUMAN SETTLEMENTS THAT PROVIDE ACCESS TO BASIC SERVICES AND SOCIO-ECONOMIC OPPORTUNITIES

Municipalities requested SALGA to facilitate the alignment between their IDPs/Spatial Development Frameworks (SDFs) and Priority Human Settlements and Housing Development Areas (PHSHDAs)

KEY ACHIEVEMENTS

- Developed a PHSODA cooperation mechanism, approved by the SALGA National Working Group and supported 37 municipalities to develop PHSODAs aligned with municipal plans.

IMPACT OF ACHIEVEMENTS

- Municipalities can incorporate PHSODAs into municipal sector plans and align planning and budgetary processes to support the identified PHSODAs.

CHALLENGES

- The coordination of a joint programme is not easy, since each sector often prioritises areas with committed budgets, which means that the other partner suffers.

QUALITY AND RELIABLE SERVICE PROVISION AND INFRASTRUCTURE INVESTMENT

NON-REVENUE WATER

The Department of Water and Sanitation's 2015-2016 Non-Revenue Water Report indicated an increase of non-revenue water (NRW) in municipalities. This resulted in significant revenue losses that could have been ploughed back into sustaining municipal water businesses. Currently non-revenue water usage in municipalities is at 41%.

KEY ACHIEVEMENTS

SALGA identified the technical, social, financial, institutional and legal pillars of water conservation and demand management as game changers in addressing the plight experienced by municipalities in managing non-revenue water usage. In its 2021-22 APP, the emphasis was on the social (behavioural change) and technical (pressure management, pipe replacement, *et al*) pillars.

SALGA also:

- Developed an interim National Non-Revenue Water Programme that outlines measures for municipalities to address non-revenue water. Stakeholders and partners support the implementation of the programme.
- Developed two water conservation user education videos to educate communities about water conservation and

highlight measures that communities and municipalities can collectively take to conserve water and reap the related benefits.

- Exposed municipalities to non-revenue water initiatives in collaboration with local and international partners, including:
 - Project facility and funding instruments offered by the Development Bank of Southern Africa.
 - The use of performance-based contracts (PBCs) as an alternative instrument to address non-revenue water through PBC case studies from other countries, including the available tools and instruments that could assist municipalities in putting together PBCs.
 - Non-revenue water management training, in collaboration with the Japan International Cooperation Agency (JICA) and Department of Water and Sanitation for the Ekurhuleni, Saldanha and Amathole municipalities, which trained 10 municipal facilitators.
 - In collaboration with the Japan Water Works Association and JICA, exposed municipalities to best practices and measures to reduce non-revenue water usage. Japan has reduced its non-revenue water usage over a long period of time to an average of 5% compared to South Africa's 41%.

IMPACT OF ACHIEVEMENTS

- The non-revenue water programme guided the implementation of SALGA's social and technical pillars interventions that included collaboration with municipalities, partners and stakeholders.
- The water user educational videos and graphics were circulated across relevant platforms, including municipalities, SALGA Twitter account and strategic water partners' networks to create awareness about water conservation and its benefits, as well as the importance of municipal/community collaboration to conserve water.
- Municipalities have been exposed to alternative funding instruments, measures, case studies and tools to manage non-revenue water and received best practice training from Japanese experts.

CHALLENGES

- One of the challenges is to quantify the impact of the initiatives, as municipalities do not share information about how they have utilised the knowledge and exposure to different instruments or whether they have made use of alternative funding instruments and implementation of performance-based contracts. Going forward, it will be critical for SALGA to work with partners and stakeholders to develop a national measuring instrument to monitor the impacts on WC/WDM interventions in municipalities.

ELECTRICITY AND ALTERNATIVE ENERGY

A leadership vacuum at department level in the Electricity Distribution Industry (EDI) reform initiatives resulted in policy and institutional reforms but no direction to enact them. SALGA decided to lead the EDI reform discussion to represent

the municipal position and ensure that reforms include local government views on the future of the industry.

Since the 2018 Energy Summit, SALGA achieved several policy reforms to liberalise the energy role of municipalities, which enabled energy transition in the sector. While the policy reforms addressed business models for generation, electricity distribution challenges persist and have worsened. There is currently no policy direction for reform in the electricity distribution sector.

KEY ACHIEVEMENTS

- Developed an Exco-approved Energy Industry Reform Proposal with a five-phased roadmap:
 - Phase 1 Executive Authority: Undertake capacity assessments with support from the Demarcation Board, to recommend authorisations for the 167 licenced municipalities and sign-off by the Minister of CoGTA.
 - Phase 2 Distribution Status Quo: Map out the existing electricity distribution provider status quo for each municipality (working/not working per municipality), consult municipalities on potential options and report the findings.

- Phase 3 Potential Options/Models: Map the processes to develop potential models (service providers) through national level strategising, including Eskom's role and recommendations.
- Phase 4 Consultation on Options: Consult on the status quo and potential new models, particularly with affected municipalities.
- Phase 5 Comprehensive Proposal on Reform Options and Recommendations: Draft proposal and options/recommendations and consult with relevant parties/political endorsement.

IMPACT OF ACHIEVEMENTS

- The inputs received from the EDI reform roadmap workshop paved a clear way forward and an action plan.
- The inception and status quo report provides a basis for the service provider to develop an EDI Reform roadmap with an executable plan.

CHALLENGES

- The lack of clear policy direction on the future of the industry at a national level.



OUTCOME 2:

GOOD GOVERNANCE AND RESILIENT MUNICIPAL INSTITUTIONS

Purpose: *To invest in good governance and the modernisation of governmental approaches and strengthen community interface mechanisms, sound labour relations and professionalisation.*

RESEARCH PRODUCTS

KEY ACHIEVEMENTS

SALGA identified five key research products which were undertaken in the 2021-22 financial year. The research focused on the following topics:

- The State of Labour Relations in Local Government and SALGA's Role in Providing Support Services to Municipalities.
- The Role of Local Government in Building Social Cohesion – commissioned by Business Enterprises at the University of Pretoria.
- Study on the Ease of Doing Business Indicators by Determining the Push and Pull Factors for Businesses

in Selected Municipalities – commissioned by Business Enterprises at the University of Pretoria.

- 20-years of Democratic Local Government: A Retrospective and Prospective Outlook.
- Developmental Local Government Series: Municipal perspectives on development, governance and service delivery.

IMPACT OF ACHIEVEMENTS

- Shared documented practices for investment, operations and maintenance of social infrastructure in municipalities, enabling municipalities to benchmark with peers and continue to receive SALGA support in partnership with other IGR departments and the private sector.

MUNICIPAL SUPPORT THROUGH MUNICIPAL AUDIT SUPPORT PROGRAMME: INCREASE IN INEFFECTIVE MPACS AND UIFW IN AUDIT OUTCOMES

MUNICIPAL HUMAN RESOURCES CAPABILITY OPTIMISATION

SALGA's main focus in the area of Municipal Human Resources Capability Optimisation (MHRCO) is to render a coordinated support service to municipalities to improve human resources (HR) maturity and that of related processes, as well as address the HR-related findings as stated in the Auditor-General's Audit Outcomes letters.

KEY ACHIEVEMENTS

Aligned with the findings of the Auditor-General's Municipal Audit Outcomes report and the Identification of Municipalities for Collaborative Support for the 2019-2020 financial year, 40 municipalities were identified for such support. It is important to note that cross-cutting audit issues in human resources, as cited by the Auditor-General's report, were noted to shape the MHRCO support offering.

IMPACT OF ACHIEVEMENTS

Targeted support to municipalities in HR and related areas will increase the level of HR maturity and reduce the HR audit findings by the Auditor-General.

CHALLENGES

- SALGA's HR mandate is to support and advise and it remains a challenge to ensure that municipalities implement the advice SALGA provides.
- A lack of municipal connectivity and low levels of proficiency on virtual platforms to participate effectively in online meetings.
- Cash-strapped municipalities often do not have adequate funds to implement HR initiatives and/or employ adequate resources in the HR department.
- The 2022 Local Government Elections and subsequent Integrated Councillor Induction by SALGA impacted the sector as new councils had to be constituted, which caused instability in some municipalities.

IMPLEMENTATION OF THE TRANSITIONAL MANAGEMENT PLAN

The 2021-22 financial year coincided with local government elections on 1 November 2021. SALGA was required to support municipalities to manage this process before, during and after the elections. For this, a Transitional Management Plan was developed with a focus on:

- Guidelines on the calibre of municipal councillors.
- Development/approval of the Transitional Management Plan.
- Integrated Councillor Induction Programme.
- Roll-out the Councillor Induction programme.
- Roll-out of Portfolio-based Inductions.

KEY ACHIEVEMENTS

Hosted two leadership conversations on the Calibre of Local Government Leaders to debate the calibre of local government leaders and political decision-making processes to select councillors and promote their professionalisation and development. The conversations aimed to create a platform for engagements with local government leaders, thought leaders, community representatives and political party stakeholders to debate the best possible candidates for the 2021 Local Government Elections and beyond. The leadership conversations objectives were:

- Increase awareness about the complexity of local government in relation to elected office bearers (governance, mandate, powers and functions).
- Introduce the SALGA Guidelines on the Calibre of Local Government Leaders.
- Engage political parties about setting criteria to elect capable local government leaders.
- Create a body of knowledge for the leadership calibre of elected officials in local government.

SALGA formed strategic partnerships with the media to amplify municipal and sector profiling. The Local Government Transition campaign was implemented across various platforms to increase awareness and showcase the value chain of municipal services, as well as the service delivery of municipalities during the past 20 years and create a repository of good news stories in local government.

Some of the highlights of the transition campaign include the pre-election media campaign which showcased and profiled key gains by municipalities over the past five years of the 4th Administration. Leading up to the local government elections, SALGA embarked on a high-impact media campaign to educate communities about the importance of voting and to highlight the need for municipal participation.

IMPACT OF ACHIEVEMENTS

The engagements with political parties created buy-in and support for the 2021 ICIP.

CHALLENGES

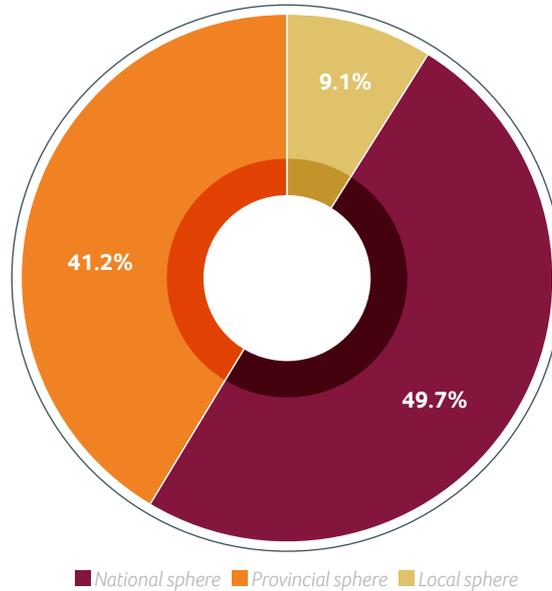
Guidelines were not launched due to the timing of the local government elections on 1 November 2021 as political parties had already submitted the names of their candidates and, therefore, could not influence their candidate selection.

POLICY AND LEGISLATIVE PROPOSALS FOR IGR ENGAGEMENTS

SALGA participates in various intergovernmental relations (IGR) fiscal fora to represent the interests of its members, such as the Technical Budget Forum, Budget Forum, Budget Forum Lekgotla and the Standing and Select Committees on Appropriations in Parliament. SALGA's advocacy and lobbying resulted in a number of key achievements.

KEY ACHIEVEMENTS

Local government allocations will increase by a total of R30.7 billion over the Medium-Term Expenditure Framework (MTEF) period: R28.9 billion in the local government equitable share and R1.8 billion in direct conditional grants.



Local government budget allocations for the 2022-23 financial year.

SALGA responded to the Standing Committee on Appropriations on 15 March 2022 with comments on the 2022-23 Budget Policy Statement and Division of Revenue Amendment (DORA) Bill. This is aligned with Section 10 (3) (b) of the Intergovernmental Relations Framework Act, 13 of 2005, for the Minister of Finance to solicit comments from organised local government on the appropriation of nationally raised revenue and SALGA's obligation to provide a response.

IMPACT OF ACHIEVEMENT

An increase in the allocation of the local government equitable share by R28.9 billion over the Medium-Term Expenditure Framework (MTEF) to cover shortfalls from bulk services that cannot be recovered from poor households and the additional allocation of R1.8 billion in direct conditional grants.

CHALLENGES

There are significant risks to the global and domestic outlooks over the medium term. A further deterioration in public finances due to spending pressures and the materialisation of contingent liabilities, could trigger additional credit rating downgrades, increase borrowing costs and crowd out private and public investments.

BULK WATER TARIFF CONSULTATIONS

SALGA undertook a review of 2022-23 proposed tariffs by

water boards. The review included the analysis of documents and business plans submitted by water boards to SALGA.

The objective of the analysis was to ensure that the tariffs proposed by each water board were reasonably justified based on available information. In undertaking this analysis, SALGA took into account that water boards use the increases to remain financially sustainable and fulfil their important mandate of bulk water provision. This has to be balanced, however, with the need to ensure that water remains affordable to municipalities and, ultimately, the end-users.

While most of the assumed input cost increases are reasonable (between 3.6% to 13%) and beyond the control of the water boards, some water boards still motivate above-inflationary tariff increases based on unrealistic and inflated expenditure forecasts. Tariff increases awarded on this basis encourage this practice and disincentivise water board efficiency.

Water boards that propose reasonable tariff increases have realistically appraised the impact of their operating environment on their financial models and considered the interests of their municipal customers. Water boards proposing high tariff increases are either in financial distress or have used inappropriate methods or logic to determine tariff increases. SALGA proposed adjustments in response to the excessive provisions for increasing input costs.

IMPACT OF ACHIEVEMENTS

SALGA's bulk water tariff submissions have become a benchmark for the sector. The pricing, policy proposals and recommendations are considered at critical intergovernmental structures, such as parliamentary committees.

MUNICIPALITIES SUPPORTED THROUGH MUNICIPAL AUDIT SUPPORT PROGRAMME (MASP): DISCLAIMER OF AUDIT OPINION AND ADVERSE AUDIT OPINIONS

The adoption of the Municipal Audit Support Programme (MASP) was deliberate and a mechanism in response to the observed regressing financial health and deteriorating audit outcomes in the sector as reported in the latest 2020-21 MFMA Audit Outcomes Report by the Office of the AGSA.

KEY ACHIEVEMENTS

- The focused collaboration with stakeholders, including CoGTA, AGSA, National Treasury, CMAM, CIPS, IRMSA, GIZ and CIGFARO, in pursuit of the multi-disciplinary audit support programme to provide capacity building, training and support interventions, saw a number of projects materialise for the local government sector.
- SALGA supported 61 identified individual municipalities during the past year, with some municipalities supported more than once. Support initiatives were also undertaken with groups of municipalities at a provincial or district level, which resulted in a much higher number of municipalities supported.
- The development and piloting of the MASP portal for online municipal support (eMASP), coincided with the COVID-19 virtual working environment, which bodes well for the optimal uptake of eMASP.

IMPACT OF ACHIEVEMENTS

- Improvement in the quantity and severity of audit outcomes. Some of this impact will be measurable only with the 2022-23 outcomes after member municipalities have adopted and used tools such as the asset, financial management and records toolkit in the new financial year.
- eMASP allows municipalities to register support requests online and enables SALGA to track the quantity and volume of requests. The portal also allows user interaction, peer-learning facilitation and the hosting of workshops, as well as access to management material useful for day-to-day operations.

CHALLENGES

- Budgetary limitations that prevent SALGA from increasing its MASP support to municipalities.

- SALGA's audit support is received voluntarily by municipalities, which at times result in non-responsive municipalities.

GOVERNANCE PROTOCOL FOR MUNICIPALITIES THAT OWN ENTITIES

The findings by the Auditor-General (AG) in the 2019-20 MFMA General Report that the overall negative trend in municipal entity outcomes was due primarily to non-compliance with legislation (MFMA GR 2019-2020:127) necessitated the development of a good practice guide for regulating the relationship between a municipality and its entities.

The AG recommended that municipal leadership and oversight structures pay closer attention to the governance of entities under their control to reverse the negative trend in audit outcomes (MFMA GR 2019-2020:127). One of the main barriers to oversight is a lack of adequate internal controls to exercise such oversight responsibly. The AG determined that for the 2019-20 financial year, 31.6% of municipal entities required immediate intervention, while the control environment in 52.6% municipal entities was unsatisfactory.

The findings indicate a failure of governance in the relationship between the parent municipality and municipal entity, despite the litany of available legislation, regulations and circulars.

KEY ACHIEVEMENTS

- The guide codifies principles from legislative prescripts and recommended practice by the King Code on Corporate Governance in South Africa (King IV) into a single document.
- The guide identifies good practices that parent municipalities should incorporate in their municipal governance frameworks to strengthen and enhance oversight.

IMPACT OF ACHIEVEMENTS

- The guide will assist parent municipalities to incorporate good practices in their governance framework.
- Robust oversight mechanisms between the parent municipality and the municipal entity will ensure that municipal service delivery is equitable, accessible and financially and environmentally sustainable.

CHALLENGES

The lack of a reputable repository for information about how effectively municipal entities use the external delivery mechanism. In the next financial year, SALGA will conduct a study to resolve this challenge.

HIGH-IMPACT LEADERSHIP DEVELOPMENT PROGRAMME

SALGA developed a high-impact leadership development programme to improve governance with the following key deliverables:

- Develop Transitional Management Plan (TMP) (Councillor Induction Programme and Portfolio-based Inductions).
- Conduct consultative sessions with SALGA Exco and clusters to consolidate the TMP.
- Consolidate inputs and develop the final TMP for approval.



Strategic considerations for a high-impact leadership capacity building programme.

KEY ACHIEVEMENTS

SALGA trained 7 484 Councillors and traditional leaders through its Integrated Councillor Induction Programme (ICIP). The training included ethical and skilled leadership; policy and legislation; governance; role-players and stakeholders; procedures and protocols; planning and strategy; finance management; and performance and accountability.

Provinces	Total number of Cllrs to be trained per IEC	Total municipalities	Total municipalities supported	Sessions to be conducted by 31 March '22	Total number of sessions	Actual number of Cllrs and traditional leaders attended	Total number of Cllrs missed ICIP training	Delegate evaluation forms
Eastern Cape	1 506	39	38	1	31	1 180	326	0
Free State	676	23	23	0	19	485	191	217
Gauteng	1 093	11	11	0	48	946	147	328
KwaZulu-Natal	1 907	54	54	0	47	1 276	631	0
Limpopo	1 226	27	27	0	86	1 199	27	213
Mpumalanga	862	20	20	0	16	773	89	536
Northern Cape	487	31	31	0	15	445	42	371
North West	872	22	22	0	28	648	224	131
Western Cape	844	30	30	0	20	532	312	190
Total	9 473	257	256	1	281	7 484	1 989	1 986

KEY ACHIEVEMENTS

- The establishment of the ICIP Stakeholders Coordinating Committee (ICIPSCC) consisting of CoGTA, National Treasury, AGSA, the National School of Government (NSG) and LGSETA.
- Organisational contributions by stakeholders to implement the 2021 ICIP.

IMPACT OF ACHIEVEMENTS

- Engagements with political parties created buy-in and support for the 2021 ICIP.
- Political parties provided SALGA with the contact details for councillors to enrol in the ICIP and Leadership Village.
- Day 5 ICIP was reserved for political parties to engage their employees.
- A fully designed and approved 2021 ICIP manual.

CHALLENGES

- The COVID-19 pandemic affected effective stakeholder engagements as most were convened virtually.
- Too many requests from external institutions for 2021 ICIP information, with some not strategically aligned with SALGA priorities and TMP. A mechanism was required to screen requests for clusters and provinces to respond without SALGA's Municipal Learning and Development representatives having to attend all meetings. SALGA created a standard 2016 ICIP review and TMP presentation that was shared with colleagues.
- Advanced and careful planning is critical to ensure that stakeholders who are keen to participate and contribute receive the TMP updates.

COVID-19 INDUCED ORGANISATIONAL REARRANGEMENTS/BUSINESS CONTINUITY FRAMEWORK

SALGA developed an Induced Organisational Business Continuity Framework to guide municipal management on the impact of COVID-19. The framework was presented to the National Working Group and approved for municipal implementation.

The framework was clustered into five main workstreams to build people resilience and ensure municipal business continuity during the COVID-19 pandemic:

- Workstream 1 - Legislative, Policies, Procedures and Guidelines.
- Workstream 2 - Employee Wellness.
- Workstream 3 - Learning and Development.
- Workstream 4 - Employee Vaccination.
- Workstream 5 - Employee Engagement Survey.

IMPACT OF ACHIEVEMENTS

- Collectively, the five workstreams of the COVID-19 Induced Organisational Rearrangements/ Business

Continuity Framework enabled SALGA to create awareness and monitor and support compliance with the directions of the Ministries for Health, CoGTA, Employment and Labour.

- Guided municipalities on the staggered/rotational management of return-to-work, including vulnerable employees, in line with Department of Health Guidelines.
- Assisted municipalities with business continuity and risk mitigation decision-making by working with the SALGBC, Local Government Accredited Medical Aid Schemes and other stakeholders to collect and analyse data on compliance, vaccination, infection and the mortality rate of municipal employees and councillors.

CHALLENGES

SALGA based its calculation that 15 376 municipal employees had been infected and 323 employees (including councillors) had succumbed to the disease on the information received from some municipalities. There is a need to implement capacity building and invest in a Continued Professional Development programme in municipalities to enhance and structure the Occupational Health and Safety function to be effective beyond the state of disaster.

COLLECTIVE BARGAINING STRATEGY FOR LOCAL GOVERNMENT

SALGA's salary and wage negotiations research team developed the SALGA Collective Bargaining Strategy, which was endorsed by the NEC for implementation. The strategy therefore formed part of the negotiations with a mandate from member municipalities.

KEY ACHIEVEMENTS

- Multi-year (three years) Salary and Wage Collective Agreement signed on 15 September 2021.
- The terms of the agreement entailed:
 - Increases on the outer years' inflation linked.
 - Provision for the "opt out" clause.
 - Revised "exemption" process incorporated finance experts to assist the arbitrator with exemption applications.
- Retirement Fund Restructuring Collective Agreement, signed on 15 September 2021, outlined implementation timeframes for certain processes including the accreditation of funds.
- Wage curve was not pursued due to financial constraints in municipalities.
- All 257 municipalities in the country signed the collective agreements.

IMPACT OF ACHIEVEMENTS

- Labour stability for municipalities since the multi-year salary and wage collective agreement affords them the opportunity to plan through their budgeting processes.
- The opportunity for employees in local government to

transfer to pension funds of their own choice that are accredited as well-managed funds.

CHALLENGES

- Some municipalities remain financially distressed and cannot afford to increase salaries if exemption applications are declined.
- Some pension funds have resorted to court action to invalidate the Retirement Fund Collective Agreement.

4TH ANNUAL LOCAL GOVERNMENT LABOUR LAW SEMINAR

The Annual Labour Law Seminar in February 2021 represented an opportunity to showcase SALGA offerings to municipalities.

KEY ACHIEVEMENTS

- Developed the seminar conceptualisation document and project charter, which were signed off by the Steering Committee.
- Hosted the hybrid seminar successfully from 29-30 March 2022 with the theme "Sustaining an Effective Labour Relations System beyond the COVID-19 pandemic". All municipalities were invited to attend. Speakers and the technical team attended physically, while other delegates attended via Zoom.
- Developed a seminar report.

IMPACT OF ACHIEVEMENTS

- Municipalities benefitted from the solutions contained in seminar papers.
- Municipalities understood how to promote employee vaccination.
- Municipalities understood how to deal with employee absenteeism due to co-morbidity claims.

CHALLENGES

- Late confirmation that the seminar would take place due to SALGA leadership changes.
- Availability of speakers on some crucial seminar topics.
- Late submission of speaker presentations.

BROADBAND GUIDELINES

Due to the 2016 SALGA conference resolution to accept Broadband as a 5th utility, it was important to develop a framework for the work. The telecommunications industry also called for local government to migrate to standardised processes and bylaws for handling broadband business and the related infrastructure rollout.

KEY ACHIEVEMENTS

- **Telecommunications norms and standards:** The Broadband Norms and Standard Guidelines were documented and sent to the Department of Communications and Digital Technologies for consultation and collaboration.

The document also served as a reference for inputs from SALGA into Operation Vulindlela single-by-law task team (as part of the SA Connect). This created a baseline for evaluating the completeness of telecommunications and wayleave-related bylaws within the realm of rapid deployment of broadband infrastructure. The standards were presented at the SALGA national conference and led to a resolution to develop a sector-wide broadband (as a utility) business model for direct municipal participation in the internet connectivity value chain.

- **Towards adoption:** SALGA identified the Sol Plaatje local municipality in the Frances Baard District for piloting the broadband guidelines and bylaws. The guidelines were presented to the municipal council on 2 March 2022, with an invitation for community comments. Following initial municipal council approval, final approval is pending the inclusion of community/industry comments.

IMPACT OF ACHIEVEMENTS

SALGA now has a clear guide towards developing the first wave of business models for the broadband business and municipal participation in its value chain. There is also a guide for bylaws that are market-friendly and revenue-enhancing for municipalities.

CHALLENGES

A critical skills deficit in telecommunications from a technical and a business standpoint. Partnerships with private players are required to provide skills training to SALGA and sector employees.

ICT ASSESSMENTS IN MUNICIPALITIES

SALGA supported municipal ICT departments with its municipal ICT programme. However, the varying levels of ICT maturity in municipalities required benchmarking services and assistance to municipalities to improve their ICT maturity levels – and address audit findings. SALGA conducted assessments (done in the previous financial year) to identify gaps and learn lessons from areas of excellence.

KEY ACHIEVEMENTS

- Developed ITSM assessments for 10 municipalities with a closeout report to assess the governance and effectiveness of ICT management at the municipality. The assessment determines the ICT maturity level of each municipality.
- Municipalities are empowered to granularly identify areas of excellence and those that require improvement. Key interventions to support improvements were communicated to the ICT steering committees and SALGA will continue assisting municipalities to improve their ICT maturity levels.
- The insights gained will be made available (in interactive format) to municipal ICT managers for self-management. Assessment findings will inform municipal support programmes, including assistance in developing next-generation digital strategies.

IMPACT OF ACHIEVEMENTS

Municipalities have a better understanding of their intervention needs and a better grasp of their areas of excellence. Municipalities also received templates to improve ICT governance and develop improved, next-generation strategies. Two assessed municipalities implemented the recommendations while the assessments were still in progress. This improved their maturity scores even while the final reports were prepared.

CHALLENGES

The assessments are process and consultation heavy and many municipalities still have to be assessed. Automated assessment processes are required to assess more municipalities faster. This will ensure that interventions are implemented quicker and that the ICT teams can address audit findings before follow-up audits.

SALGA DATA MODEL AND BUSINESS INTELLIGENCE FRAMEWORK

Data analytics and management is a key area in digitisation to address problems and embed a data-driven culture into processes, decision-making, planning and value creation. This necessitated expanding the strategic digital model with a framework and data model to inform the technical operationalisation of SALGA's data journey.

KEY ACHIEVEMENTS

- The Protection of Personal Information Act (POPIA), 4 of 2013, provides support for municipalities as part of data governance.
- Developed a POPIA readiness assessment tool to assist municipalities to evaluate their legislative compliance/non-compliance.

IMPACT OF ACHIEVEMENTS

A clear data model and catalogue for all SALGA's functional areas with a clearer view of data flows, sources and uses for internal and external work. The blueprint for a data analytic

platform will help inform technology choices and data output priorities and identify decision-support (and data use) gaps.

CHALLENGES

Data literacy needs to be pervasive throughout the organisation. This will require training to ensure employees understand the value of data, which is key to becoming a more data-driven organisation.

SALGA DATA ANALYTICS PLATFORMS

The data programme – derived from the data model and framework – informed the first phase of developing SALGA's big data and analytics platform. This technology response will operationalise the data model. Data pipelines and processes were developed to extract, transform and load data into data storage artefacts (called data lakes and warehouses), as well as a data publishing layer for consumers to interact with the data.

KEY ACHIEVEMENTS

A fully-fledged, cloud-based data platform that anchors the project and identifies data use (through thematic areas), which required full activation of SALGA's cloud data lake and data warehouse. This included the data pipeline (a conduit for data collection, streaming, cleansing, harmonisation and ingestion from data source to data warehousing). These are all aligned with the data management model and framework and the business intelligence framework.

IMPACT OF ACHIEVEMENTS

SALGA now has compelling proof of the value of data use from various sources, as well as the use of data science and engineering techniques and tools to enhance decision-making across the organisation and for its members.

CHALLENGES

More data products and services are required but cannot be achieved without internal human capacity in data engineering and data science. A team will be assembled to accelerate this critical process.



OUTCOME 3:

FINANCIAL SUSTAINABILITY OF LOCAL GOVERNMENT AND GREATER FISCAL EQUITY

Purpose: *To improve the financial health of municipalities through a revised Local Government fiscal framework, effective revenue management and enhancement, access to alternative/innovative funding sources and sound financial management.*

MUNICIPAL AUDIT SUPPORT PROGRAMME (MASP)

SALGA's main focus with MASP is to render a coordinated support service to municipalities to improve their audit outcomes. Imperative to this is to address the findings by the Auditor-General, such as record keeping and the human resources-related findings.

The MASP peer learning sessions aimed to:

- Provide a platform to share knowledge and experiences among peers about selected municipal financial management topics.
- Enhance municipal capacity in financial management by learning from peers who are performing well.
- Foster collaboration and partnerships among peers in municipalities.
- Contribute to the MASP goals to improve audit outcomes and maintain a strategic balance between focusing on audit outcomes and providing basic services to the citizens of South Africa.

KEY ACHIEVEMENTS

- Assisted 42 municipalities in need of dedicated support as identified in the 2019-20 Municipal Audit Outcomes report.
- Conducted Records Management Toolkit and Municipal Financial Management Good Practice workshops.
- Conducted MASP portal (eMASP) testing workshops with municipalities.

IMPACT OF ACHIEVEMENTS

- Increased levels of maturity in municipal HR and a reduction in HR audit findings due to targeted municipal support in HR and related areas.
- The Records Management Workshops provided a learning and sharing platform for municipalities with records management challenges.
- Further peer learning sessions will be convened in the 2022-23 financial year in collaboration with key

stakeholders, including CoGTA and the National Archives.

- The implementation of the Good Practice on Municipal Financial Management Guide will improve understanding of the related financial management concepts among councillors and officials, promote peer learning between municipalities and assist in improving municipal audit outcomes.
- MASP ePortal workshops demonstrated the amplified value of the system to municipalities, while municipalities can interact with the system and participate in forums to collaborate with their peers. The repository enables municipalities to view and download content, while the e-Learning components allow self-learning or participation in facilitated group sessions.

CHALLENGES

- Postponement of the Records Management and Good Practice workshops due to local government elections and the unavailability of municipal/SALGA executives with full calendars.
- Delay in developing, deploying, testing and site preparation for the eMASP portal due to unavailable resources.
- Resistance from municipalities to implement SALGA's advice and recommendations, specifically poor performers that fail to attend support sessions or refuse to sign a support plan or implement advice.
- The lack of municipal connectivity and low levels of personnel proficiency on virtual platforms - SALGA can play a role in those areas.
- Cash-strapped municipalities without adequate funds to implement HR initiatives and/or employ adequate resources in the HR department.
- The growing number of municipalities in need of assistance - SALGA's limited capacity calls for innovative responses and partnerships with relevant stakeholders to meet municipal needs.
- The 2021 local government elections and SALGA's subsequent Integrated Councillor Induction required new Councillors, which in some instances caused instability in municipalities.

DIVERSIFIED INFRASTRUCTURE FINANCING INSTRUMENTS FOR MUNICIPALITIES

South African municipalities are primarily self-financing. The bulk of their revenue comes from sources such as property rates. A number of debilitating factors affect any potential increase in revenue, whether from traditional or new sources of income. SALGA and Ntiyiso Consulting partnered in September 2021 to identify and examine the factors that impede municipal earnings, particularly from property rates.

The main reasons for loss of revenue are non-compliance with supply-chain management (SCM) procedures; irregular, wasteful and fruitless expenditure; poor internal controls; and potential fraud, as indicated in the 2019-20 Auditor-General report. Resolving these impediments are key to rectifying the current *status quo*, not only in poorly performing municipalities only but also in others that face similar challenges.

KEY ACHIEVEMENTS

- Delivery of a final diagnostic report based on five municipal revenue management maturity level pillars. Report findings from the 14 municipalities surveyed indicated:
 - Low maturity scores in data analytics and customer-centricity; inaccurate billing data; and inability to mine customer databases or optimally use billing systems to increase property rates revenue, coverage or collection levels.
 - Poor customer relationship management with inadequate handling of property rates tariffs queries due to a lack of systems and HR capacity.
 - Need to complete property portfolios to determine rates correctly and improve the property base to generate income.
 - Need to update general property valuation rolls and institutionalise supplementary valuation rolls to avoid revenue losses due to outdated property valuations. Ten of the surveyed municipalities failed to update valuation rolls every four years as required by the Municipal Property Rates Act, 6 of 2004.
 - Use qualified property valuers for correct valuations and applicable rates to increase property rates revenue.
 - Rapid property development in rural areas, including rental and urbanised residential properties, require municipalities to consider property evaluation in those areas carefully to determine whether services to those areas can be delivered as equitably and equally as to urban communities.
 - Review required of Section 7(2)(a)(iv) of the Municipal Property Rates Act, 6 of 2004, in terms of how municipalities can include and rate rural residential properties in valuation rolls to broaden their property rates base.
 - Municipalities generally lack the ideal organisational structures to manage processes within the revenue

value chain effectively and maximise revenue collection.

- All municipalities surveyed must upskill employees involved in the revenue management value chain to bill, collect and manage revenue effectively.
- All municipalities must implement their credit control and indigent policies to increase their property rates collection.
- The maturity results for the Revenue Conversion and Completeness pillar identified four superhero or innovating municipalities that operate at a maturity level 5.

IMPACT OF ACHIEVEMENTS

- The impact will be identified when the diagnostic report recommendations are shared and workshopped with the selected municipalities, once the report has been signed off by the SALGA governing structures at the end of April 2022.

CHALLENGES

- The survey required responses from 20 selected municipalities (2 metros, 1 district and 17 local municipalities) but secondary documents (Annual Financial Statements, Annual Reports, research documents) could not be obtained from National Treasury or municipal websites. This limited the analysis of information and the ability to fully understand all the issues that the municipalities under review faced related to revenue management and especially property rates.
- Despite repeated efforts to secure responses to qualitative and quantitative survey questions, the researchers secured only five quantitative responses. The study resorted to using secondary data from the 2021-22 Annual Ntiyiso Municipal Revenue Maturity Benchmark process. Based on the non-response to qualitative interviews, the research team sought expert opinions on questions that the secondary data could not address.
- The COVID-19 pandemic limited the collection of field data at selected municipalities and the result, therefore, was not as comprehensive as envisaged. This will be an area for further exploration with the identified municipalities.

DATA CLEANSING TO IMPROVE REVENUE (SARS DATABASE EXCHANGE PILOT WITH ETHEKWINI METRO MUNICIPALITY)

The SARS database contains vital personal, non-financial taxpayer data that could greatly assist municipal customer verification processes to strengthen corporative governance among the organs of state with mutual benefit:

- SARS could use the monthly municipal interaction with clients to update its information and increase its revenue base.

- Municipalities can rigorously locate debtors and implement credit control.
- Municipalities could improve revenue management and debt collection efficiency with quality data.
- Municipalities can refine indigent policies with up-to-date information and make smart decisions during the policy review process.

KEY ACHIEVEMENTS

- SALGA supported, monitored and engaged SARS and the eThekweni Metropolitan Municipality continuously during the review period, while eThekweni shared data files.
- SARS shared the Logical Integration Design (LID) document that describes process flow and integration design, including the exposed interfaces, integration mechanisms and protocols and data format, requirements and field mappings.

IMPACT OF ACHIEVEMENTS

- Cost reduction for eThekweni with no need to procure Connect Direct to send large files.
- Improved stakeholder relations between SALGA, SARS and eThekweni.
- Used a MIMECAST link to send large files, via a Secure File Transfer Protocol (SFTP), between SARS and eThekweni.
- The project value created a demand for similar projects by other metros.

CHALLENGES

- The COVID-19 pandemic challenged team members to adjust to the new normal.
- The SARS ICT team resources were moved to other pressing internal projects.
- Leadership changes (SARS and eThekweni) prolonged consultations internally and externally.
- Change in technology to exchange data using the traditional interchange mode.
- Difficulty to remain focused in the financial year-end period.

MULTIDISCIPLINARY REVENUE COMMITTEE (MDRC) – OUTREACH RESPONSIBLE CITIZENRY PAYMENT CAMPAIGN

Debt owed to and by municipalities has been increasing steadily over the years. The economic slowdown and unemployment that impact on households' ability to pay for municipal services, as well as a lack of political will to collect revenue, contributed to this reality.

The matter cannot be addressed without addressing the underlying systemic and structural issues. Since a holistic approach is required, SALGA established a Multidisciplinary Revenue Committee (MdRC) to implement the Inter-Ministerial

Task Team (IMTT) recommendations to proactively address inefficiencies in the revenue value chain. IMTT members comprised CoGTA, DPE, DPWI, DRDLR, DHSWS, NT, Eskom, SALGA and DMRE.

The MdRC will be underpinned by a Single and Integrated Revenue Management Framework (SIRMF) with special focus on the internal and external dependencies of the revenue value chain. The overall objectives of the MdRC are to:

- Address the revenue value chain shortcomings that primarily contribute to increased municipal inefficiencies and inability to address municipal financial sustainability and improve service delivery.
- Stop the increasing debts owed to Eskom, municipalities and water boards.
- Transform financially distressed municipalities into “smart and financially sustainable municipalities” with technology as a critical change agent.

The IMTT appointed an advisory panel to provide clarity, policy direction and technical guidance to arrest the escalating municipal debt problem by focusing on the systemic and structural challenges that contribute to the debt burden. During December 2018, the IMTT presented recommendations on resolving electricity and water challenges to Cabinet, including:

- The installation of smart prepaid meters.
- The roll-out of a national campaign to instil a culture of payment.
- A process to deal with municipalities that default on their financial obligations.
- The restructuring of debt owed by municipalities.
- Fixing municipalities to ensure the sustainability of services, good governance and sound financial management practices.

The campaign is a social compact among social partners (business, government, labour and civil society) to promote a culture of payment and reignite active and responsible citizenry through enhanced citizen dialogue and participation in local government matters. The campaign forms part of the MdRC and has been endorsed by the political and technical task teams for implementation.

KEY ACHIEVEMENTS

- Campaign concept developed, approved by Cabinet, shared with municipalities and the implementation plan endorsed by the technical and political task teams.
- By-in from political leaders and municipal office bearers.
- Improved stakeholder relations.
- Promoted the campaign successfully on social media platforms such as Facebook, Twitter, LinkedIn and YouTube and through print and electronic media, including community and commercial media, in all provinces and in all official languages.

The campaign is in line with government's commitment to address critical challenges facing municipalities. As the leading agent for the campaign, CoGTA will be supported by SALGA, Eskom and other sector departments.

IMPACT OF ACHIEVEMENTS

The campaign will create awareness, increase knowledge and mobilise communities around the country to form stronger and active partnerships with government to accelerate service delivery. Its impact will be measured by behavioural change in the payment for services and a reduction in municipal debt levels.

CHALLENGES

- The economic downturn, retrenchments and increased reliance on grants due mainly to the COVID-19 pandemic.
- Delays caused by the 2021 municipal elections.

REDUCTION IN UNFUNDED BUDGETS

Municipal non-compliance with Section 18 of the Municipal Finance Management Act (MFMA), 56 of 2003, was evidenced in the 2021-22 financial year by 112 municipalities adopting unfunded budgets and 135 adopting budgets with deficits.

KEY ACHIEVEMENTS

- SALGA conducted 35 case studies for the incoming 2021-26 Council. Its report reflected the trends for 2016-20 and included intermediate cities and metros.
- SALGA also conducted a benchmark analysis of the 2021-2022 adopted budgets in March 2021 and of the mid-year adjustment budgets, published on 3 March 2022 for 20 MdRC listed municipalities.

IMPACT OF ACHIEVEMENTS

- To address unfunded adopted budgets, SALGA wrote letters to the leaders of the affected municipalities and raised key concerns about the budgets, based on the MFMA Circular 71 financial indicators, for those leaders to take corrective action and steps to improve the key financial indicators.
- There has been no improvement in the adjustment budgets, since those municipalities still approved unfunded adjustment budgets.
- SALGA supported municipalities proactively with budget-related matters prior to the adjustment budget process. In collaboration with National Treasury, SALGA hosted a well-attended funding methodology training session for all municipalities. Participants included municipal managers, chief financial officers, budget managers, revenue and expenditure managers, other budget and treasury officials and SALGA's provincial colleagues.
- Hands-on budgeting, financial management and the resolution of audit queries support to a select group of municipalities is part of SALGA's municipal support mandate.

CHALLENGES

- Municipalities are not aligning their budgeting with MFMA requirements and some of the municipal capital plans are not aligned with their IDP or available funding from conditional grants and internally generated surpluses.
- Many municipalities do not comply with the Municipal Standard Chart of Accounts (mSCOA) and use incorrect mSCOA segments and accounting practices to compile their budgets.
- Many municipalities do not budget, transact and report directly in and from their core financial systems but prepare budgets and reports on an Excel spreadsheet that is imported into the system. Such data manipulation subverts the control signals of the core financial systems and leads to unauthorised, irregular, fruitless and wasteful (UIFW) expenditure, fraud and corruption.
- Municipalities are not locking adopted budgets into their financial systems at the beginning of the financial year or at month-end to ensure prudent financial management.

IMPROVED LOCAL ECONOMIC GROWTH THROUGH INVESTMENT PROMOTION

SALGA partnered with GrowthMap Infonomics to develop and finalise the Municipal Investment Guidelines in 2020. The objective with the manual was to create a best practice municipal framework for investment promotion and facilitation with easy-to-follow guidelines on how to stimulate inward investment in local economies. The focus is on investment promotion relevant to under-resourced municipalities.

The practical guidelines include developing an investment promotion strategy, marketing materials and a marketing plan, image building, monitoring and evaluation, a sectoral approach, investor targeting and after-care and policy advocacy programmes to facilitate effective investments. Target audiences are small- and medium-sized municipalities and metropolitan cities in South Africa with limited resources and experience in attracting inward investment. The manual will be equally useful for attracting domestic investment, especially investment facilitation and after-care.

SALGA and GrowthMap Infonomics set up a four team Advisory Panel (pro-bono) to advise teams on project implementation. The panel consisted of members from UNISA BMR (programme memory), Lesedi Municipality (LM), Nkangala District Municipality (DM) and the Tshwane Economic Development Agency. The guidelines were approved by the provincial and national working groups and rolled out to a minimum of 10 municipalities in the 2021-22 financial year.

KEY ACHIEVEMENTS

- An assessment checklist and reporting template for municipal investment and local economic development (LED) strategies were developed and shared with provincial

teams. Selected municipalities signed consent letters to be part of the pilot project.

- SALGA convened a training workshop for its provincial colleagues and the selected municipalities. Feedback letters were sent to the Midvaal, Uthukela and Mogale municipalities.
- SALGA is committed to conducting a diagnosis of the municipal LED functions with recommendations for improvement.

IMPACT OF ACHIEVEMENTS

- Assessed municipalities undertook to review their LED strategies and consult SALGA on formulating their investment and business retention strategies. A follow-on programme is earmarked for the 2022-23 financial year. SALGA will also develop a framework to assist municipalities to develop their investment profiles.

CHALLENGES

- Low capacity within SALGA prevented project support to more than 10 municipalities, despite an overwhelming response to the pilot project. The rollout determined that most municipalities have LED rather than stand-alone investment strategies and that some included elements of the municipal investment guidelines within their LED strategies. Unfortunately, the LED strategies have not been fully implemented due mostly to a lack of capacity.

SMALL-TOWN REGENERATION PROGRAMME (STR)

The programme aims to regenerate, restore and fulfil the economic potential of underperforming small towns to strengthen their economies, improve quality of life and build and leverage local assets.

Since its commissioning in 2013, STR has been implemented on a municipal demand basis. The programme was embedded in the Integrated Urban Development Framework (IUDF) in 2016 and further refined in SALGA's 2017-2022 Strategic Plan to respond to its strategic vision of integrating the management of space, economies and people.

SALGA's regional economic development programme is premised on a hybrid STR programme that provides regional- and town-specific interventions. During the reporting period, two regions were identified for a pilot study, namely the Gauteng City Region (trans-provincial region encompassing Gauteng, Mpumalanga and North West) and the Wild Coast Region (Eastern Cape).

The Wild Coast was selected as a severely poverty-stricken area and in urgent need of intervention. The region is a District Development Model (DDM) pilot site, which gave further impetus to its selection in the interest of policy coherence.

The Gauteng City region was selected due to its stature as the backbone of the South African economy. The region's economy

is concentrated mainly in big cities with a need to bolster the derelict economies of small towns within the region.

Port St Johns (Port St Johns Local Municipality, Wild Coast Region) and Devon (Lesedi Local Municipality, Gauteng City Region) received consultative hands-on support with their STR planning. The regeneration apex areas for the two towns included economic regeneration, town beautification, urban renewal, poverty alleviation and heritage regeneration and preservation.

High-impact projects with cost estimates were identified for each town. The available body of work (IDPs, LED strategies) and the consultations with the municipalities served as a baseline for project identification and regeneration plans.

KEY ACHIEVEMENT

SALGA developed 3D conceptual designs for each of the two towns to visually depict some of the initiatives to regenerate the towns.

IMPACT OF ACHIEVEMENT

SALGA provided the two municipalities with the regeneration concept designs.

CHALLENGE

Lack of financial resources and technical expertise in municipalities to implement the regeneration proposals.

SALGA'S POSITION AND INFLUENCE IN IGR PROCESSES

As the representative body of organised local government, SALGA is mandated by the Constitution (1996) to participate in the proceedings of the National Council of Provinces with up to 10 part-time local government representatives.

During the reporting period, SALGA submitted inputs to the following Bills:

- Disaster Management Amendment Bill submitted to the CoGTA Portfolio Committee.
- 2021 and 2022 Division of Revenue and the corresponding Amendment Bill.
- National Veld and Forest Fire (NVFF) Amendment Bill.
- Reaction to issues emanating from the Children's Amendment Bill.
- SAPS Amendment Bill.

KEY ACHIEVEMENTS

- Improved relationship between SALGA and National Treasury, which should have a positive impact on SALGA submissions on the Division of Revenue and Amendment Bill, as well as its concerns about local government funding not matching its functions articulated in the Constitution.
- Resolution by the Select Committee on Appropriations that National Treasury and CoGTA should consider SALGA's

- capacity-building recommendations to address the growing infrastructure backlogs in local government.
- Development of the Local Government Transition Framework with important role players, such as CoGTA, involved in the implementation.
- Continuous lobbying for a service level agreement (SLA) between Eskom and municipalities resulted in the development of an SLA between Eskom and the Maluti-A-Phofung Local Municipality with SALGA oversight of the drafting process.
- Engagement with the Police MINMEC on the role of local government in building safer communities and SALGA partnering with the Civilian Secretariat for Police Services.
- Successfully lobbied CoGTA Portfolio Committee to not support the Disaster Management Amendment Bill.
- Engagement with the Portfolio Committee on Environment, Forestry and Fisheries on the National Veld and Forest Fire (NVFF) Amendment Bill and the Local Government Support Programme on Waste Management.
- Agreement with the NCoP Chairperson for quarterly meetings with the SALGA leadership.

IMPACT OF ACHIEVEMENTS

- Advocacy work at the budget forum and appropriations committee contributed to the R30.7 billion increase over the MTEF period in the equitable share of local government and conditional grants, which could go towards service delivery.

- Collaboration with other role players in the implementation of the local government transition plan limited a duplication of efforts towards ensuring a smooth transition.
- Rejection of the Disaster Management Amendment Bill will save municipalities the costs associated with extending the proposed 21 days' state of disaster.
- Recognition and strengthening of the local government role in sports, arts, culture and heritage will contribute towards social cohesion in communities.
- Regular engagements with the NCoP Chairperson will deepen an understanding of the challenges facing local government.

CHALLENGES

- The transition that followed the 2021-22 elections impacted on SALGA's representation in the IGR and parliament, especially during the last two quarters of the financial year.
- Over-reliance on councillor engagements and the non-availability of portfolio councillors for representation, advocacy and lobbying.
- No coordination between IGR and parliamentary engagements for important municipal council commitments.
- Mandating framework not followed for formulated positions.



OUTCOME 4:

EFFECTIVE AND EFFICIENT ADMINISTRATIVE SUPPORT FOR SALGA PROGRAMME DELIVERY

Purpose: To provide SALGA with an effective and efficient administrative support service to deliver its programmes.

STAKEHOLDER AND PARTNERSHIP AGREEMENTS

The SALGA/VVSG partnership supported SALGA's waste management effort within local government through capacity building, information sharing, networking and advocacy. The VVSG programme in South Africa consists of City-to-City cooperation partnerships between three local and three Flemish municipalities, namely Witzenberg with Essen, Nquthu with Bornem and Bergrivier with Heist-op-den-Berg.

KEY ACHIEVEMENTS

- Developed a SALGA Waste Management App, accessible on a mobile device and the Internet and available in the Google Play store.
- Experiences in waste management and lessons learned shared with multiple BIGM beneficiaries and other municipalities, including Stellenbosch.
- Municipalities can use the app to access Councillors and

employees responsible for waste management, locate service points and report related issues.

IMPACT OF ACHIEVEMENTS

- Increased use of digital technologies is shifting South African waste management towards more sustainable materials management.
- The technologies improve recycling, facilitate the use of recyclates by producers, enable better purchasing and sorting decisions by consumers and improves waste sourcing options for recyclers.
- The technologies reduce human labour in handling incoming reports on illegal littering as it prepares the best removal action beforehand.

CHALLENGES

- Lack of infrastructure and capacity to use the app in smaller municipalities, such as Nquthu, while larger cities will have the infrastructure and younger citizens who are more proficient in the use of technology.
- Funding was a challenge, as well as interesting municipalities in using the app. COVID-19 affected project implementation as most activities required face-to-face interaction. The development of digital tools (especially an app) is also costly and time consuming.

BUILDING INCLUSIVE GREEN MUNICIPALITIES (BIGM)

The project was completed in July 2021. The aim was to strengthen local municipal capacity by providing technical assistance to six municipalities in the Eastern Cape, namely Ngqushwa, Kouga, King Sabata Dalindyebo, Winnie Madikizela-Mandela (formerly Mbizana), Ndlambe and Port St. Johns. The Buffalo City Metropolitan Municipality provided Port St. Johns with technical and institutional support, while Nelson Bay Metropolitan Municipality supported Ndlambe. The project supported the national priorities of poverty reduction, sustainable economic growth and climate change resilience.

KEY ACHIEVEMENTS

- Inclusive local economic development
 - Local municipalities of King Sabata Dalinyebo, Kouga, Ngqushwa and Winnie Madikizela-Mandela included gender equity in their LED strategies.
 - 265 municipal employees and 81 elected officials received training in inclusive approaches to LED.
 - 28 municipal employees and five from SALGA completed the online GBA+ course.
 - Municipal partners also developed marketing strategies to make local economic development more attractive to investors.
- Asset Management Integrating Climate Change
 - Local municipalities of Ndlambe, Port St John, Buffalo City and Nelson Mandela Bay became anchor cities

with a deeper understanding of asset management by adopting a life cycle approach, mapping assets and updating municipal registers using GIS.

- Municipal partners developed an asset management strategy and policies.
- 41 (25 males, 15 females) municipal practitioners received asset management training.
- 23 municipal officials completed an internationally recognised Asset Management Certification programme.
- More effective institutional support to municipalities
 - SALGA implemented five best practices to better serve its members, namely strengthening its Parliamentary connections and positioning the organisation as the local government knowledge repository; integrating anchor cities and district municipalities in municipal development; creating and supporting Mayors' Councils; conducting a multi-party panel at the National Members Assembly; and creating a knowledge sharing municipal and key agency cluster (such as for LED, asset management and climate change).

IMPACT OF ACHIEVEMENTS

- As a response to COVID-19, entrepreneurial groups in Eastern Cape municipalities particularly women, the youth and vulnerable populations, benefitted from support to become business operators.
- Entire communities benefitted through improved business environments, job creation and enhanced service delivery.
- The BIGM project adapted activities, moved many online and organised webinars for partners to address COVID-19 response issues.
- Increased access to potable water through boreholes and on-site water storage
 - Boreholes provide communities with access to water, potentially for 10-15 years with proper maintenance and minimal running costs.
 - Six boreholes in the Winnie Madikizela-Mandela municipal area provide water to community-based, mostly women-owned cooperatives in small-scale farming and bricklaying.
 - Boreholes in the Port St Johns, Ngqushwa and Kouga municipal areas (the latter electrified and refurbished) are providing potable water to communities that had been without water for many years.
- Improved and increased access to potable water using water tanks
 - Water tanks in municipal areas, namely 201 5 000 and 3 000 litre tanks in Port St Johns; 75 in King Sabata Dalinyebo and 106 in Ndlambe provide communities with access to clean drinkable water.
- Assisting existing small businesses with COVID-19 recovery and restart plans
 - Businesses received recovery and restart packages and an MSME guide to revive the tourism sector in all six municipalities.

- Provided the municipalities with PPE, including gloves, safety glasses and shoes, earplugs, masks, coveralls, vests and full body suits.
- Provided vulnerable groups with information about enhanced sanitation to combat the transmission of the Coronavirus.

CHALLENGES

Aspects such as a lack of political leadership, loss of support from municipal employees due to a high staff turnover and the effects of COVID-19 contributed to instability in project implementation.

SALGA INTEGRATION AND DIGITISATION STRATEGY

South Africa's programme to harness the value and promise of digital transformation, brought about by the 4th industrial revolution, spurred SALGA to adopt a sector-wide digital agenda as a key lever for reimagining and redesigning local government processes and business models. The resultant digital strategy sets a clear direction for a next-generation, digitally-driven local government and a digital SALGA.

KEY ACHIEVEMENTS

- The strategy, with its structural requirements, was approved in special Exco and Management Committee Resource Allocation sittings, which built on the approval in February 2021.
- The strategy framework now drives all SALGA digital programmes, projects and interventions; has been translated into targets and scorecard elements; informed the digital interventions for the next SALGA five-year strategy; and was presented at the SALGA National Conference to commission the modernising and digitisation of local government.
- Guidelines for Systems Deployment and Application Architecture were developed to provide structure and direction to the SALGA cloud.

IMPACT OF ACHIEVEMENTS

- SALGA now has a clear digital agenda with key strategic inventions and value-enhancing digital programmes.
- The adopted framework provides the required thrust to accelerate digital technology adoption and product rollout.

CHALLENGES

The strategy and its associated framework need further socialisation within the sector. Councillors and municipal leaders will require continuous training and support to lead this journey.

INTEGRATED ENTERPRISE RESOURCE PLANNING (ERP)

Gearing SALGA to tackle future support requirements requires efficient processes, innovative interventions and the adoption

of fit-for-purpose technologies. The resulting development of a digital framework sets out to digitise SALGA's processes and overall business environment.

KEY ACHIEVEMENTS

- Piloted the ZAP-BI tool to map ERP solutions and internal financial analytics processes to automate seamless reporting. This will enable SALGA employees to directly manage and monitor the organisation's financial resources.
- Finalisation of the Bring-your-Own-Device and Cybersecurity Policies.
- Rollout of modern workspace tools and digitally enhanced processes for SALGA departments and employees.
- SALGA employees trained to use modern workplace tools.
- SALGA cloud migration rollout (files, storage, email, exchange, datastores, backups).
- Developed SALGA IT physical infrastructure retirement and disposition approach.

IMPACT OF ACHIEVEMENTS

SALGA employees now have access to productivity tools that enable simple work processes, boundaryless collaboration and automation. Individual self-management analytics and increased mobility in the workplace has set a baseline for the introduction of more advanced technologies to incrementally improve and streamline processes for service delivery to members.

CHALLENGES

The people component of digital adoption requires intensified attention to ensure that all SALGA employees derive value from fully utilising the available tools. Ongoing training and change management will be required to anchor the work by the SALGA digital team.

SALGA'S FIVE-YEAR STRATEGIC AGENDA

The process of developing the SALGA 2022–2027 Strategic Plan commenced in February 2021, with a management conversation about the progress and challenges for SALGA and the sector.

KEY ACHIEVEMENTS

Following a robust consultative process with SALGA stakeholders, a new generation five-year strategic plan for 2022–2027 was developed. The highest decision-making body met on 2–4 March 2022 in Cape Town. During the presentation of the strategy in Parliament, Portfolio Committee Members applauded SALGA for clearly mapping out the key challenges confronting local government.

IMPACT OF ACHIEVEMENTS

The strategic plan clearly outlines the organisational journey for the next five years, including the changes that SALGA wishes to see in the sector.

CHALLENGES

The 1 November timeline for local government elections in 2021, as well as the start of provincial conferences only in January 2022 and the inability of some conferences to conclude at the specified time, affected SALGA's planning process significantly and its ability to submit the final strategy on 31 January 2022.

SALGA AND LOCAL GOVERNMENT PROFILING

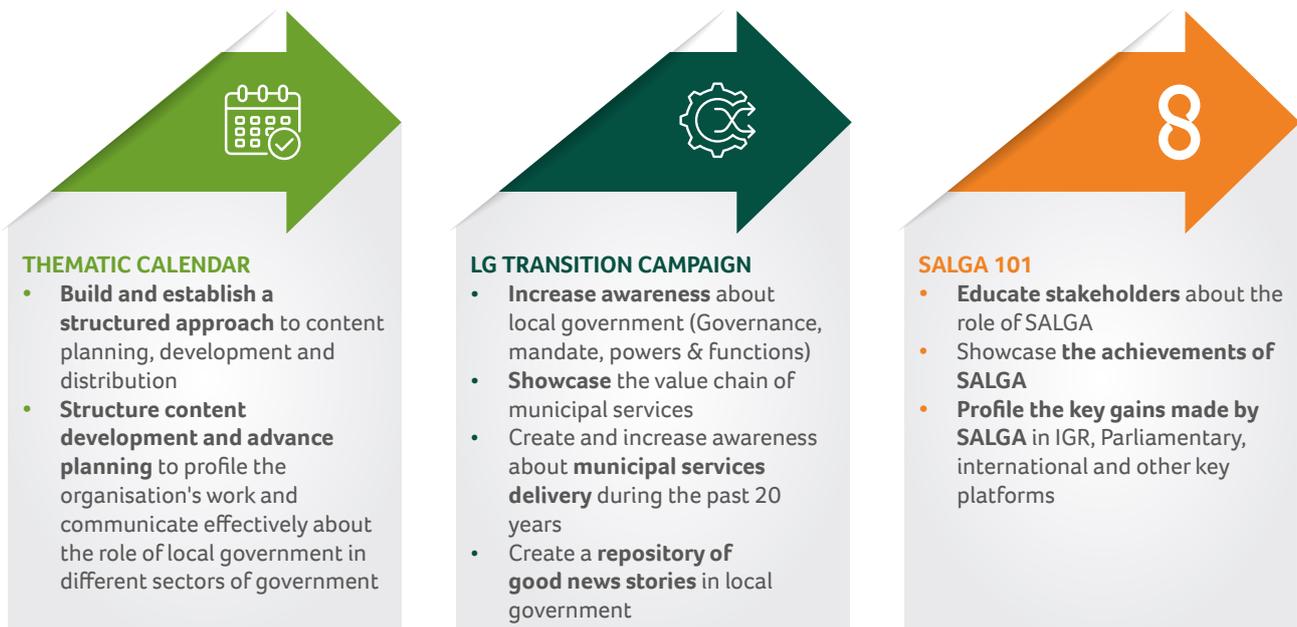
Strategic profiling focuses on building the image of local government and SALGA locally, in the region and internationally. SALGA implemented an integrated marketing

communication (IMC) plan during the reporting period with four objectives, namely to:

- raise awareness about the constitutional objectives and functioning of local government
- promote responsible and accountable local government leadership
- promote responsible citizenry
- create awareness about the role and purpose of SALGA.

The IMC plan focused on the delivery of three campaigns:

- Monthly Thematic Calendar.
- Local Government Transition.
- SALGA Profiling (SALGA 101).



Summary of the integrated marketing communication plan.

KEY ACHIEVEMENTS

- Thematic Calendar
 - The aim with the calendar was to build and establish a structured approach to content planning and distribution and to structure SALGA's content development, organisational profiling and communication about the role of local government within the public sector.
 - Themes for the 2021-22 financial year included Freedom Month, Worker's Month and Youth Month (April – June), as well as Nelson Mandela Month, Women's Month and Tourism Month (July – September) in 2021 and Municipal Budget Adjustments, SONA, SOPA and SOMA and Municipal Success Stories and Human Rights and water Week Month during the first three months, January – March in 2022.
 - Themes were profiled through, *inter alia*, social media platforms, SALGA TV productions, in-studio interviews, publishing of municipal success stories and media releases.
- Local Government Transition Campaign
 - A pre-election media campaign profiled the key municipal gains of the 4th Administration during the past five years created awareness about the importance of voting and participation in municipal matters.
 - Post-election communication at conferences profiled SALGA's new leadership; created awareness about the challenges/policies that impede efficient municipal functioning and service delivery; provided insight into the desired future state of local government; and shared the objectives of SALGA's new five-year plan.
- SALGA Profiling Campaign
 - Implemented various programmes that showcased the value of SALGA representation and assistance to its members.
 - Proactively engaged with and influenced the media agenda to report on the Auditor-General's 2019-20 Municipal Audit Outcomes and the 2021-22 salary and wage negotiations between the SA Local Government

Bargaining Council (SALGBC) and parties such as SAMWU and IMATU.

- Wide media coverage for SALGA's drive to professionalise the sector in the lead up to the local government elections.
- SALGA led conversations about educating South Africans about the democratic and administration processes that followed the final vote count of the 2021 Local Government Elections, including Councillor induction and coalition governments.
- Media coverage of the appointment of Councillor Bheke Stofile as the new SALGA president and mainstream media engagements with the president about the new local government administration and SALGA's assistance to municipalities to deliver on their mandate.

MUNICIPAL COMMUNICATORS SUPPORT

Following a municipal communication needs analyses, SALGA implemented various support programmes for communicators. This included participation in provincial communicators forums, as well as developing and sharing brand corporate identity manuals, communication plans and social media best practices.

Municipal support culminated in the hosting the 5th National Communicators Forum where discussions focused on effective and innovative municipal communication; brand communication in the digital age; social media and policy training; building relations with the media; and SALGA's profiling campaign.

SALGA's induction of NCoP and provincial legislature nominated representatives included media training. Key outcomes included information about SALGA's Marketing and Communication function; media rights, freedom of the press and references in the Constitution about the media; and the impact of the PAI and POPI Acts on public representatives and media workers, such as journalists.

IMPACT OF ACHIEVEMENTS

- Stakeholders are better informed about local government, SALGA and the functioning of municipalities.
- Improved profiling of local government.
- Creating a repository of stories about the sector.

CHALLENGES

- Access to relevant content from municipalities to create stories.
- SALGA cluster participation and access to relevant information to assist with profiling initiatives.







PART C GOVERNANCE

INTRODUCTION

SALGA's governance framework clarifies the roles and responsibilities of its political and administrative governing bodies, specifically the national and provincial political governing bodies and SALGA working groups. The framework also advocates accountability, transparency, responsiveness, consensus and client-orientation and directs business conduct towards legislative compliance, as well as equity and inclusivity, efficiency and effectiveness and a separation of powers between the political and administrative wings. Good corporate governance, administrative justice and compliance with the *Batho Pele* principles are further directives of the framework.

The governance framework outlines the mandates and reporting requirements for the national and provincial offices. SALGA prides itself on excellence in its governance and operations and adheres strictly to governance structures, supported by independent experts with informed views on governance best practices.

Governance structures consist of the National Conference, Provincial Conferences, National Members' Assembly, Provincial Members' Assemblies, National Executive Committee, Provincial Executive Committees, National Working Groups, Provincial Working Groups, Women's Commission, Mayors' Forum and the Speakers' Forum. SALGA's National Members' Assembly (NMA) adopted a Governance Framework in March 2008 to coordinate and align governance structures at national and provincial levels.

National and provincial conferences are held according to SALGA's Constitution and the most important elections are monitored by independent external parties to guarantee a free and fair process.

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



NATIONAL GOVERNANCE STRUCTURES



These structures include the SALGA Women's Commission and Working Groups, which are replicated at provincial levels and focus on similar issues. SALGA's national and provincial governance structure meetings are tabulated on pages 68-73 in this report.

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 current National Conference was constituted after the local government elections of 3 August 2016.

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 strategic plan and budget as NEC-approved, 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 an NMA role 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 representivity. Article 14 of the SALGA Constitution (as amended by the National Conference of 29 November 2016) gives effect to the existence of this structure.

SALGA welcomed its new President, Cllr Bheke Stofile and the three new Deputy Presidents, Cllr Xola Pakati, Cllr Flora Noliqwa Boltman and Cllr Xanthea Limberg, who joined the Presidency in March 2022.



Cllr Bheke Stofile

President



Cllr Xola Pakati

Deputy President



Cllr Flora Noliqwa Boltman

Deputy President



Cllr Xanthea Limberg

Deputy President

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.

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.

NATIONAL EXECUTIVE COMMITTEE (NEC)

The SALGA NEC is the elected leadership of SALGA. The new NEC was elected in March 2022 at the organisation’s 6th 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 Stofile
President



Cllr Xola Pakati
Deputy President



Cllr Flora Noliqwa Boltman
Deputy President



Cllr Xanthea Limberg
Deputy President



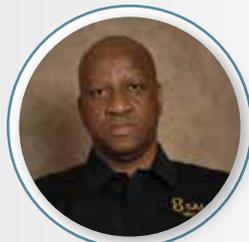
Cllr Mesuli Ngqondwana
Chairperson
SALGA Eastern Cape



Cllr Nokwanje Selina Leeto
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 Mapaseka
Mothibi-Nkoane**
Chairperson
Municipal Digital
Solutions



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 Brenda Mpamba
Additional Member



Cllr Annelie Rabie
Additional Member

STRUCTURE AND RESPONSIBILITIES OF THE NEC

As SALGA's highest decision-making body, the NEC exercises its authority between National Conferences (NCs) and National Member Assemblies (NMAs), while the SALGA presidency oversees the implementation of decisions taken at NC, NMA and NEC meetings.

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

The NEC elects SALGA's president and members of its presidency to serve in governance structures, proposes policy and considers SALGA's financial performance. The committee sits bi-monthly on a rotational basis in different provinces. SALGA's administrative head is an ex-officio member and members of senior management attend meetings when invited.

ATTENDANCE AT GOVERNANCE STRUCTURE SITTINGS

Governance structures are critical to SALGA's ability to implement its political-level strategy and fulfil its mandate effectively. Recording member attendance at scheduled

meetings provides assurance that the structures are functioning as intended. The schedule of governance structure meetings for 2021-2022, on pages 68-73 of this report, reflects member attendance at meetings during the financial year.

The SALGA Working Groups process a wide range of issues according to their mandate and functional area within SALGA. The issues emanate from the day-to-day challenges that municipalities grapple with. The Working Groups recommend (not decide on) solutions to the NEC to assist municipalities to resolve their issues.

Attendance at Working Group sessions was mostly satisfactory with a few exceptions. Aligned with the NEC's March 2020 Lekgotla resolution, provinces with poor attendance are directed to take corrective action, while Working Groups are directed to replace members who do not attend meetings. The enactment of this resolution aims to maximise attendance at important SALGA governance sittings.

NATIONAL COUNCIL OF PROVINCES (NCoP)

SALGA participates in the National Council of Provinces (NCoP). During 2021-2022, the SALGA delegation consisted of the following representatives:

SALGA 2021-2022 NCoP DELEGATION

Eastern Cape	Cllr Mesuli Ngqondwana	Mpumalanga	Cllr Jesta Sidel
Free State	Cllr Nokwanje Selina Leeto	North West	Cllr Khumalo Molefe
Gauteng	Cllr Jongisizwe Dlabathi	Northern Cape	Cllr Micheal Segede
KwaZulu-Natal	Cllr Arthur Thamsanqa Ntuli	Western Cape	Ald Donavan Joubert
Limpopo	Cllr John Mpe	President	Cllr Bheke Stofile

ADMINISTRATIVE LEADERSHIP

As with all public sector institutions, SALGA's political governance structures are supported by an administrative structure. SALGA national office is supported by nine provincial offices to fulfil the administrative function.

The administrative support includes logistics, technical assistance, information and data management and the tabling of reports. The function also contextualises reports and recommendations by considering all legal, financial, human capital and other implications and facilitates the processing of reports through all SALGA structures to ensure wide organisational participation in decision-making processes.

In addition to the national and provincial administrative leadership, SALGA's management structure includes specialists, directors, programme managers, strategic managers and advisors who fulfil important management and technical roles in strategy development and implementation.

The SALGA Management Committee (MANCOM) consists of national and provincial managers who meet regularly to drive strategy implementation through, *inter alia*, the Annual Performance Plan. MANCOM is also responsible for the implementation of resolutions taken within SALGA's governance structures.

INTERNAL CONTROLS

INTERNAL AUDIT

The Internal Audit function reports administratively to the Chief Executive Officer and functionally to the Audit and Risk Committee to ensure its independence. The purpose, authority and responsibilities of the Internal Audit function are formally defined in the Internal Audit Charter, which is adopted by the Audit and Risk Committee.

The charter grants the Internal Audit function access to the records, personnel and physical properties relevant to the operations of the organisation, as appropriate and as required.

AUDIT AND RISK COMMITTEE

The organisation's 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 regulation 27.1.1 and 27.1.4 of the PFMA Treasury Regulations (2005). The Committee report is available after the Corporate Governance section of this report and includes a list of Committee members. The remuneration paid to members of the Audit and Risk Committee for the year under review and the prior year is disclosed on page 180 in Note 36 to the Annual Financial Statements of this report.

PERFORMANCE MANAGEMENT AND REMUNERATION PANEL (REMPANEL)

The Performance Management and Remuneration Panel (RemPanel) oversees the implementation and institutionalisation of performance management within SALGA.

The committee advises the National Executive Committee (NEC) and is authorised to review, guide and monitor the organisation's performance management policy and procedures, remuneration philosophy and strategy.

During the 2021-2022 reporting period, the RemPanel met three times and dealt with the quarterly organisational non-financial and financial, as well as human capital, performance; the CEO's performance and performance against human capital strategic projects and quarterly COVID-19 quarterly updates.

The remuneration paid to members of the RemPanel for the year under review and the prior year is disclosed on page 180 in Note 36 to the Annual Financial Statements of this report.

LEGAL AND COMPLIANCE

The core functions of the Legal and Compliance office entail:

- reviewing, implementing and monitoring processes for legislative and governance compliance
- minimising, mitigating and managing legal disputes and related costs
- guiding and coordinating litigation
- ensuring effective corporate governance in a productive and ethical internal environment
- ensuring compliance with the PFMA, National Treasury Regulations and the National Treasury Risk Management Framework (NTRMF), King IV governance guidelines and related legislative requirements imposed on SALGA as an institution.

NEC OVERSIGHT SUBCOMMITTEES

As SALGA's accounting authority, the NEC subscribes to the governance principles espoused in the King Code on Corporate Governance (King IV). Accordingly, SALGA's Audit and Risk Committee and Performance Management and Remuneration Committee serve as internal oversight structures as indicated above.

Members of these subcommittees are not employed by the state and are reimbursed on an hourly basis according to professional fee schedules.

CODE OF ETHICS AND BUSINESS CONDUCT

This code guides the business conduct and drives the performance of all SALGA employees. SALGA believes that good governance and ethical business practices together produce the best long-term results for all its stakeholders.

The objectives of the Code of Ethics and related business conduct are to ensure that everyone involved with SALGA conducts business with the highest standards of ethics and professional behaviour and 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 so as to avoid harm through any of its activities
- contributing to the community
- developing its employees, creating an environment free from any form of unfair discrimination, maintaining an open business environment free from conflict 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 legislation-compliant policies and aligned with SALGA's Code of Ethics and business conduct.

All employees are responsible for being familiar with and complying with the code and the applicable laws and regulations that relate to activities for and on behalf of SALGA. SALGA has a constitutional mandate for handling the affairs of its affiliate members (municipalities). It is the responsibility of every employee to treat SALGA members with care and respect. Employees are required to enhance the integrity of their relationship with members through honest interaction, accurate information and clear communication. Any misrepresentation in their business dealings with members could compromise SALGA's standing within its member community.

MINIMISING CONFLICTS OF INTEREST

SALGA's leadership sets the tone for ethical business conduct. This includes visible adherence to managing conflicts of interest and personal interest as directed by Clause 13 in the organisation's Human Resources Policy Manual.

This entails, in the interest of fairness, equity and transparency, creating a work environment free from unfair discrimination, conflicts of interest or personal interest placed above business interest. Employees are expected to prevent fraud, maintain

high levels of corporate governance and professional conduct and remain informed about legislative amendments and regulatory changes.

SALGA's interests take precedence over the personal interests of employees. To this end, SALGA requires that:

- Any conflicts of interest are disclosed
- All employees may not take up other interests without the prior approval of the CEO or his/her delegated representative
- Employees must complete a conflict of interest declaration within seven days of commencing employment or being appointed.
- Employees must disclose any real or perceived conflicts of interest as soon as practicable after the employee becomes aware of any potential conflict and must not participate in the discussion or decision about the disclosure of the conflict/s 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 absence 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 and do not offer or accept gifts of cash or cash equivalents.

The following circumstances are examples of conflict of interest:

- accepting a gift or loan from a vendor or business partner that is intended to influence the recipient
- acquiring an interest in property or other assets, if the employee becomes aware of the assets through working 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.

Penalties are imposed for a failure to comply with SALGA's Code of Ethics or for unsatisfactory or unacceptable business conduct that includes disregarding conflicts of interest.

COMPLIANCE WITH LAWS AND REGULATIONS

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

Legislative and regulatory compliance within SALGA is an integrated, decentralised function. All clusters and business units are structured to deal with legislation that affects their activities, such as human resource processes aligned with labour laws and SALGA's role in the Labour Bargaining Council aligned with the Labour Relations Act, 66 of 1995, which underpins SALGA's role as an Employer Body under the Municipal Capabilities and Governance Cluster.

In addition, and aligned with SALGA's audit imperatives, the AGSA audits the organisation's annual financial statements and performance against predetermined targets, while all employee scorecards include legislative and regulatory compliance as a key performance indicator. SALGA achieved its 10th clean audit for the period under review as the 13th consecutive unqualified audit since 2009. Wilful non-compliance with SALGA's regulatory obligations poses an unacceptable risk to SALGA's vision, mission, effective operations and damaging its reputation. Constantly monitoring regulatory compliance is a collective responsibility.

Willful non-compliance with SALGA's regulatory obligations poses an unacceptable risk to SALGA's vision, mission, effective operations and damaging its reputation. Constantly monitoring regulatory compliance is a collective responsibility.

All SALGA employees are expected to be honest, unbiased, fair and trustworthy in all their business dealings and required to comply with SALGA's regulatory universe as it applies to their roles and responsibilities. This entails remaining aware of its legislative and regulatory obligations, understanding the implications of non-compliance and reporting such incidents.

Regulatory compliance also requires a continuous analysis of requirements and mandates that relate to SALGA to develop processes that meet obligations. SALGA achieves regulatory compliance by:

- Identifying laws and regulations that apply to SALGA's operations and considering implementation plans to respond to such requirements
- Documenting compliance processes with specific instructions for each role involved to maintain compliance
- Monitoring changes in SALGA's regulatory universe continuously and updating compliance requirements that are relevant to organisational activities
- Conducting in-house audits to prepare for externally-conducted, formal compliance audits by the AGSA.

SALGA's well-defined regulatory/compliance universe ensures, therefore, that policies and processes are aligned with amendments to facilitate continued and effective compliance.

LEGISLATIVE COMPLIANCE AND RISK MITIGATION

SALGA appointed Exclaim Innovations and Solutions (Pty) Ltd ("Exclaim") on 19 May 2021 to develop online legislative compliance software to, *inter alia*, track and monitor its regulatory environment, including compliance risk and key penalties for legislative non-compliance, as well as important regulatory changes and legislative amendments.

LEGISLATIVE AND REGULATORY COMPLIANCE AS AT 31 MARCH 2022

Legislation	Compliance %
Basic Conditions of Employment Act, 75 of 1997	11.11
Broad-Based Black Economic Empowerment Act, 53 of 2003 and 2013 Code	1.19
Compensation for Occupational Injuries and Diseases Act, 130 of 1993	0
Constitution of the Republic of South Africa, 108 of 1996	100
Cybercrimes Act, 19 of 2020	28.57
Employment Equity Act, 55 of 1998	0
Financial Intelligence Centre Act, 38 of 2001	0
Labour Relations Act, 66 of 1995	0
National Archives and Record Service of South Africa Act, 43 of 1996	84.62
Occupational Health and Safety Act (OHS), 85 of 1993	100
• Environmental Regulations for Workplaces, October 1987	100
• Facilities Regulations, August 2004	100
• General Administrative Regulations, June 2003	100
• General Safety Regulations, May 1986	100
• Health and Safety of Children at Work Regulations, January 2010	100
• Lift, Escalator and Passenger Conveyor Regulations, September 2010	100
Preferential Procurement Policy Framework Act, 5 of 2000	5.71
Promotion of Access to Information Act, 2 of 2000 Public Bodies	19.77
Protection of Constitutional Democracy against Terrorist and Related Activities Act, 33 of 2004	100
Protection of Personal Information Act, 4 of 2013	10.53
Public Finance Management Act, 1 of 1999 (Public Entities Schedule 3)	58.33
SALGA Intergovernmental Relations Framework Act, 13 of 2005	0
SALGA Organised Local Government Act, 52 of 1997	33.33
Skills Development Act, 97 of 1998	33.33
Tax Administration Act, 28 of 2011	0
Use of Official Languages Act, 12 of 2012	25

Performance against regulatory requirements continues to improve as employee “Act owners”, responsible for legislative compliance monitoring, report regularly to management on the related progress.

CODE OF ETHICS AND BUSINESS CONDUCT

SALGA entrenches ethical business conduct throughout the organisation and with all its stakeholders in the interest of mutual benefit for all parties concerned. This Code directs and guides employee conduct within and outside the organisation to adhere to the highest standards of integrity and professionalism.

The Code commits SALGA to:

- understanding and exceeding stakeholder and local government needs and expectations
- applying 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 employees and creating an environment free from unfair discrimination, conflicts of interest, personal interests and fraud, while maintaining high levels of corporate governance and professional conduct
- complying with applicable legislation and regulations
- aligning and maintaining SALGA policies with the related legislation.

HEALTH, SAFETY AND THE ENVIRONMENT

Compliance with the Occupational Health and Safety (OHS) Act, 85 of 1993 as amended, is a statutory requirement. During the reporting period, SALGA adhered to OHS-related protocols stipulated by the National Department of Health, including all COVID-19 regulations.

The SALGA Safety, Health and Environment (SHE) Committee reached the end of another three-year cycle in March 2022. A new Chairperson and Secretariat were selected, while new members joined the committee were appointed as SHE representatives and First Aid practitioners in their provinces and clusters.

The SHE Committee usually convenes four times per financial year but due to pandemic and the COVID-19 Response Team (CRT), weekly/bi-weekly meetings were held to keep abreast of new protocols and monitor the progress of related matters.

The committee developed a standard checklist for compliance with OHS regulations for on-site inspections in all SALGA buildings. Inspections identified critical non-compliance, as well as workplace hazards or potential incidents. At times, the committee called on expertise from the Department of Employment and Labour to resolve identified OHS risks.

Due to lockdown restrictions, no site inspections were conducted during the past financial year.

GOVERNANCE STRUCTURE MEETINGS

SALGA PRESIDENCY MEETING DATES AND MEMBER ATTENDANCE AS AT 31 MARCH 2022

Members of the Presidency	2021						2022	Total
	Quarter 1		Quarter 2		Quarter 3	Quarter 4		
	11/05	24/06	22/08	13/09	02/11	10/01		
Cllr T Nkadimeng	✓	✓	R	R	R	R	2/2	
Cllr S Ngangelizwe	✓	✓	✓	✓	✓	✓	6/6	
Cllr D de Vos	✓	✓	✓	✓	✓	✓	6/6	
Quorum	Yes	Yes	Yes	Yes	Yes	Yes	6	

Key: ✓ = Present × = Absent with apology R = Resigned

SALGA NATIONAL EXECUTIVE COMMITTEE MEETINGS AND MEMBER ATTENDANCE AS AT 31 MARCH 2022

National Executive Committee Member	2021						2022			Total
	Quarter 1		Quarter 2			Quarter 3	Quarter 4			
	05/11	06/24	05/11	08/22	09/13	11/05	11/01	10/02	28/02	
Cllr T Nkadimeng	✓	×	✓	R	R	R	R	R	R	2/3
Cllr S Ngangelizwe	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Cllr D De Vos	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Cllr C Stofle	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Cllr T Ngubane	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Cllr B Baloyi	×	✓	✓	✓	✓	✓	✓	✓	✓	8/9
Cllr J Sidell	✓	×	✓	✓	✓	×	✓	✓	✓	7/9
Cllr M Khunou	×	✓	✓	✓	×	×	✓	✓	✓	6/9
Cllr X Limberg	×	✓	✓	✓	✓	✓	✓	✓	✓	8/9
Cllr M Booysen	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Cllr X Sotashe	✓	✓	✓	✓	×	✓	✓	✓	✓	8/9
Cllr M Letsie	×	×	×	×	R	R	R	R	R	0/4
Cllr K Ramaila	×	✓	✓	✓	✓	✓	✓	✓	✓	8/9
Cllr L Malatjie	✓	✓	✓	✓	✓	✓	D	D	D	6/9
Cllr X Pakati	✓	×	✓	✓	✓	✓	✓	✓	✓	7/9
Cllr J Makolomakwa	✓	✓	✓	✓	✓	×	×	×		5/9
Cllr F Maboab-Boltman	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Cllr S S'thonga	✓	✓	✓	✓	✓	×	✓	✓	✓	8/9
Cllr G Pieters	×	✓	✓	✓	✓	×	✓	✓	✓	7/9
Cllr M Koyo	✓	✓	✓	✓	✓	✓	✓	R	R	7/7
Cllr O M Mlamleli	×	✓	✓	×	×	×	R	R	R	2/6
Cllr M Vilakazi	-	-	-	-	-	-	×	R	R	0/1
Cllr M Leeto	-	-	-	-	-	-	-	✓	✓	2/2
Cllr A Mashego	-	-	-	-	-	✓	×	R	R	1/2
Cllr P Shayi	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Cllr J Mpe	-	-	-	-	-	-	-	✓	✓	2/2
Cllr M Chirwa	✓	✓	✓	✓	✓	✓	✓	✓	R	6/6
Cllr S Mosikatsi	✓	✓	✓	✓	✓	✓	✓	✓	R	6/6
Cllr M Segede	-	-	-	-	-	-	-	✓	✓	2/2

National Executive Committee Member	2021						2022			Total
	Quarter 1		Quarter 2			Quarter 3	Quarter 4			
	05/11	06/24	05/11	08/22	09/13	11/05	11/01	10/02	28/02	
Cllr F Molosiwa	✓	✓	✓	✓	✓	✓	✓	x	R	6/6
Cllr K Molefe	-	-	-	-	-	-	-			2/2
Cllr A Coetsee	✓	✓	✓	x	✓		x	R	R	5/6
Cllr D Joubert	-	-	-	-	-	-	-	✓	✓	2/2
Cllr N Molwele	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Cllr W Mapena	✓	✓	✓	✓	✓	✓	✓	R	R	7/7
Cllr M Kaunda	✓	x	x	✓	x	x	✓	✓	✓	5/9
Quorum	Yes	9								

Key: ✓ = Present x = Absent with apology R = Resigned D = Deceased

EASTERN CAPE PROVINCIAL EXECUTIVE COMMITTEE MEETINGS AND MEMBER ATTENDANCE AS AT 31 MARCH 2022

Provincial Executive Committee Member	Designation	Municipality	2021		2022	Total
			04/08	08/08	14-15/01	
Cllr M Koyo	Chairperson	Chris Hani DM	✓	✓	✓	3/3
Cllr T Sobuthongo	Deputy	Ntabankulu LM	x	✓	✓	2/3
Cllr H Maxegwana	Deputy	Buffalo City Metro	✓	✓	✓	3/3
Cllr T Sokhanyile	Deputy	O R Tambo DM	x	✓	✓	2/3
Cllr L Jacobs	PEC Member	Amathole DM	✓	✓	✓	3/3
Cllr N Lengs	PEC Member	Elundini LM	✓	✓	✓	3/3
Cllr B Mafaya	PEC Member	Nelson Mandela Metro	✓	✓	✓	3/3
Cllr S Janda	PEC Member	Mbashe LM	✓	✓	✓	3/3
Cllr N Mshuqwana	PEC Member	Matatiele LM	✓	✓	✓	3/3
Cllr B van Heerden	PEC Member	Enoch Mgijima	✓	✓	✓	3/3
Cllr L Ntlonze	PEC Member	King Sabatha Dalinyebo	✓	✓	✓	3/3
Cllr M Njadayi	PEC Member	Sarah Baartman	✓	✓	✓	3/3
Cllr N Cingo	PEC Member	Port St Johns	x	✓	✓	2/3
Chief L Mavuso	Traditional Leader	Traditional Leader	✓	x	✓	2/3
Quorum			Yes	Yes	Yes	3

Key: ✓ = Present x = Absent with apology DM = District Municipality LM = Local Municipality

FREE STATE PROVINCIAL EXECUTIVE COMMITTEE MEETINGS AND MEMBER ATTENDANCE AS AT 31 MARCH 2022

Provincial Executive Committee Member	Designation	Municipality	2021				2022		Total
			22/6	29/7	2/8	2/12	18/1	15/2	
Cllr M Mlamleli	Chairperson	Mangaung MM	x	x	✓	R	R	R	1/3
Cllr N Speelman	Deputy Chair	Matjhabeng LM	✓	x	x	✓	x	✓	3/6
Cllr M Vilakazi	Deputy Chair	Thabo Mofutsanyana DM	✓	x	x	✓	✓	✓	4/6
Cllr Z Mangcotywa	Deputy Chair	Mangaung MM	x	✓	x	✓	✓	✓	4/6
Cllr M Siyonzana	PEC Member	Mangaung MM	x	x	x	✓	✓	✓	3/6
Cllr B Seakge	PEC Member	Tokoloko LM	✓	x	✓	✓	✓	✓	5/6
Cllr M Sehanka	PEC Member	Xhariep DM	x	x	✓	✓	✓	x	3/6
Cllr N Mashiya	PEC Member	Nala LM	x	✓	x	✓	✓	✓	4/6
Cllr L Tshongwe	PEC Member	Metsimaholo LM	✓	✓	✓	✓	✓	✓	6/6
Cllr J Nteso	PEC Member	Metsimaholo LM	x	✓	x	✓	✓	x	3/6

Provincial Executive Committee Member	Designation	Municipality	2021				2022		Total
			22/6	29/7	2/8	2/12	18/1	15/2	
Cllr V Ntakumbana	PEC Member	Lejweleputswa DM	✓	✓	✓	✓	✓	x	5/6
Cllr V de Beer Mthombeni	PEC Member	Ngwathe LM	✓	✓	✓	✓	✓	x	5/6
Cllr L Makhalema	PEC Member	Dihlabeng LM	✓	x	x	x	x	x	1/6
Cllr X Sotashe	NEC Member	City of Cape Town MM	✓	x		✓	x	x	3/6
Cllr M Matlabe (ACT)	PEC Member	Lejweleputswa DM	✓	✓	✓	✓	✓	✓	6/6
Cllr G Nyamani (ACT)	PEC Member	Tokologo LM	✓	✓	✓	✓	✓	x	5/6
Quorum			Yes	Yes	Yes	Yes	Yes	Yes	6

Key: ✓ = Present x = Absent with apology R = Resigned DM = District Municipality LM = Local Municipality MM = Metropolitan Municipality

GAUTENG PROVINCIAL EXECUTIVE COMMITTEE MEETINGS AND MEMBER ATTENDANCE AS AT 31 MARCH 2022

Provincial Executive Committee Member	Designation	Municipality	2021					2022		Total
			12/5	11/6	25/6	4/8	10/11	18/1	7/2	
Cllr D Mollo	Chairperson	Emfuleni LM	✓	✓	✓	✓	✓	✓	✓	7/7
Cllr A Mashigo	Deputy Chair	City of Ekurhuleni MM	✓	✓	✓	✓	✓	✓	✓	7/7
Cllr M Mfikoe	PEC Member	City of Jo'burg MM	x	✓	✓	✓	✓	✓	✓	6/7
Cllr N Tundzi-Hawu	PEC Member	WRDM	✓	✓	✓	✓	x	✓	✓	6/7
Cllr J Dlabathi	PEC Member	City of Ekurhuleni MM	✓	✓	✓	x	x	x	✓	4/7
Cllr J Tsotetsi	PEC Member	Sedibeng DM	✓	✓	✓	✓	x	x	x	4/7
Cllr F Bhayat	PEC Member	WRDM	x	✓	✓	✓	✓	✓	x	5/7
Cllr E Mgcina	PEC Member	City of Jo'burg MM	✓	✓	✓	✓	✓	✓	✓	7/7
Cllr K Maepa	PEC Member	City of Tshwane MM	✓	✓	✓	x	x	x	x	3/7
Cllr R Morudu	PEC Member	City of Tshwane MM	✓	✓	✓	✓	✓	✓	✓	7/7
Cllr J Reilley	PEC Member	City of Ekurhuleni MM	✓	✓	✓	✓	✓	✓	✓	7/7
Cllr A van Loggerenberg	PEC Member	Mogale City DM	✓	✓	✓	✓	✓	✓	✓	7/7
Quorum			Yes	7						

Key: ✓ = Present x = Absent with apology DM = District Municipality LM = Local Municipality MM = Metropolitan Municipality

KWA-ZULU NATAL PROVINCIAL EXECUTIVE COMMITTEE MEETINGS AND MEMBER ATTENDANCE AS AT 31 MARCH 2022

Provincial Executive Committee Member	Designation	Municipality	2021					Total
			5/3	23/6	1/7	29/7	30/9	
Cllr N Mkhulisi	Chairperson	King Cetshwayo DM	D	D	D	D	D	0/5
Cllr W Mapena	Deputy Chair	eThekweni MM	✓	✓	✓	✓	✓	5/5
Cllr P Zulu	Deputy Chair	KwaDukuza LM	R	R	R	R	R	0/5
Cllr T Maphumulo	Deputy Chair	Umgungundlovu DM	✓	✓	✓	x	✓	4/5
Cllr T Mkhombo	PEC Member	uMkhanyakude DM	✓	✓	✓	x	✓	4/5
Cllr M Ngubane	PEC Member	Amajuba DM	✓	x	x	✓	x	2/5
Cllr S Ngcobo	PEC Member	Ugu DM	✓	x	x	✓	✓	3/5
Cllr B Mtolo	PEC Member	Greater Kokstad LM	x	x	x	x	x	0/5
Cllr P Strydom	PEC Member	uThukela DM	✓	✓	✓	✓	✓	5/5
Cllr D Shandu	PEC Member	Ilembe DM	✓	✓	✓	x	✓	4/5
Cllr B Nhlabathi	PEC Member	Uphongolo LM	✓	✓	✓	✓	✓	5/5
Cllr P Ngubane	PEC Member	uMzinyathi DM	x	✓	✓	✓	x	3/5
Quorum			Yes	Yes	Yes	Yes	Yes	5

Key: ✓ = Present x = Absent with apology R = Resigned D = Deceased
DM = District Municipality LM = Local Municipality MM = Metropolitan Municipality

LIMPOPO PROVINCIAL EXECUTIVE COMMITTEE MEETINGS AND MEMBER ATTENDANCE AS AT 31 MARCH 2022

Provincial Executive Committee Member	Designation	Municipality	2021				2022	Total
			17/6	15/7	31/8	26/10	20/1	
Cllr P Shai	Chairperson	Mopani DM	✓	✓	✓	✓	✓	5/5
Cllr J Mathebe	Deputy Chair	Elias Motsoaledi LM	✓	✓	✓	✓	✓	5/5
Cllr M Mataboge	Deputy Chair	Waterberg DM	×	✓	✓	×	✓	3/5
Cllr J Mpe	Deputy Chair	Capricorn DM	✓	×	×	×	×	1/5
Cllr S Makhebele	PEC Member	Greater Giyani LM	✓	✓	✓	×	✓	4/5
Cllr J Bila	PEC Member	Collins Chabane LM	✓	✓	✓	×	×	3/5
Cllr M Maitula	PEC Member	Makhuduthamaga LM	×	✓	✓	✓	✓	4/5
Cllr C Nhemo	PEC Member	Greater Tzaneen LM	✓	✓	✓	✓	✓	5/5
Cllr J Maeko	PEC Member	Lephalale LM	×	×	×	×	×	0/5
Cllr D Neguda	PEC Member	Vhembe DM	✓	✓	×	✓	✓	4/5
Cllr O Mafefe	PEC Member	SWC	✓	✓	✓	✓	✓	5/5
Kgosi Malesela Dikgale	Traditional Leader	Traditional Leader	✓	✓	×	✓	✓	4/5
Quorum			Yes	Yes	Yes	Yes	Yes	5

Key: ✓ = Present × = Absent with apology DM = District Municipality LM = Local Municipality MM = Metropolitan Municipality
SWC = SALGA Women's Commission

MPUMALANGA PROVINCIAL EXECUTIVE COMMITTEE MEETINGS AND MEMBER ATTENDANCE AS AT 31 MARCH 2022

Provincial Executive Committee Member	Designation	Municipality	2021		2022	Total
			7/5	20/9	30/3	
Cllr M Chirwa	Chairperson	Gert Sibande DM	✓	✓	-	2/2
Cllr T Mthimunye	Deputy Chair	Nkangala DM	✓	✓	-	2/2
Cllr S Mathonsi	Deputy Chair	City of Mbombela LM	×	×	-	0/2
Cllr S. Nxumalo	Deputy Chair	Bushbuckridge LM	×	×	×	0/3
Cllr R Mathabe	PEC Member	Dr JS Moroka LM	×	✓	-	1/2
Cllr PM Mokoena	PEC Member	Dipaleseng LM	✓	✓	-	2/2
Cllr LJ Dikgale	PEC Member	Nkangala DM	✓	✓	-	2/2
Cllr S Mashigo-Sekgobela	PEC Member	Ehlanzeni DM	×	×	-	0/2
Cllr BM Hlumbane	PEC Member	Emalahleni LM	×	×	-	0/2
Cllr S Mabuza	PEC Member	Nkomazi LM	✓	✓	-	2/2
Cllr T Charles	NCOP Rep	City of Mbombela LM	✓	✓	-	2/2
Cllr J Sidell	Chairperson	Ehlanzeni DM	-	-	✓	1/1
Cllr S Nxumalo	Deputy Chair	Bushbuckridge LM	×	×	×	0/3
Cllr L Mabuza	PEC Member	Nkangala DM	-	-	✓	1/1
Cllr W Mngomezulu	PEC Member	Gert Sibande DM	-	-	✓	1/1
Cllr M Nkosi	PEC Member	Emalahleni LM	-	-	✓	1/1
Cllr K Moeketsi	PEC Member	Dipaleseng LM	-	-	✓	1/1
Cllr T Hlakutse	PEC Member	Dr Pixley Ka Isaka Seme LM	-	-	✓	1/1
Cllr S Mthsweni	PEC Member	Dr JS Moroka LM	-	-	✓	1/1
Cllr M Shongwe	PEC Member	Ehlanzeni Dm	-	-	✓	1/1
Cllr F Nkadimeng	PEC Member	Thaba Chweu LM	-	-	✓	1/1
Quorum			Yes	Yes	Yes	3

Key: ✓ = Present × = Absent with apology DM = District Municipality LM = Local Municipality MM = Metropolitan Municipality
NCOP = National Council of Provinces

NORTH WEST PROVINCIAL EXECUTIVE COMMITTEE MEETINGS AND MEMBER ATTENDANCE AS AT 31 MARCH 2022

Provincial Executive Committee Member	Designation	Municipality	2021				2022	Total
			9/7	19/8	21/8	17/11	15/2	
Cllr F Molosiwa	Chairperson	Bojanala Platinum DM	✓	✓	×	✓	-	3/4
Cllr K Khumalo	Deputy Chair	JB Marks LM	×	×	✓	×	-	1/4
Cllr N Koloti	Deputy Chair	Dr Kenneth Kaunda	×	×	×	✓	-	0/4
Cllr O Seabelo	Deputy Chair	Ratlou LM	✓	✓	✓	✓	-	4/4
Cllr S Mabale-Huma	PEC Member	Rustenburg LM	✓	✓	✓	✓	×	4/4
Cllr K Palagangwe	PEC Member	Lekwa-Teemane LM	×	×	×	×	-	0/4
Cllr V Kgabi	PEC Member	Maquassi Hills LM	×	×	×	×	-	0/4
Cllr B Mosiane-Segotso	PEC Member	Dr Kenneth Kaunda DM	✓	×	×	✓	-	2/4
Cllr J Mothibe	PEC Member	Madibeng LM	✓	×	×	×	-	1/4
Cllr M Malwane	PEC Member	Tswaing LM	✓	✓	✓	✓	-	4/4
Cllr A Nyamane	PEC Member	Ramotshere Moiloa LM	✓	×	×	×	-	1/4
Cllr C Motshabi	PEC Member	Moses Kotane LM	✓	✓	✓	✓	-	4/4
Cllr N Skalk	PEC Member	Naledi LM	×	✓	✓	D	-	2/4
Cllr B Diakanyo (SWC)	PEC Member	Mahikeng LM	×	×	✓	×	-	1/4
Quorum			Yes	Yes	Yes	Yes	Yes	5
PEC ELECTED AT THE PROVINCIAL CONFERENCE 20-21 JANUARY 2022								
Cllr K Molefe	Chairperson	Ngaka Modiri Molema DM	-	-	-	-	✓	1/1
Cllr S Mondlane	Deputy Chair	City of Matlosana LM	-	-	-	-	×	0/1
Cllr N Nonzaba	Deputy Chair	Bojanala Platinum DM	-	-	-	-	✓	1/1
Cllr T Marabutse	Deputy Chair	Kagisano Molopo LM	-	-	-	-	✓	1/1
Cllr N Mvala	PEC Member	Mamusa LM	-	-	-	-	✓	1/1
Cllr F Mapela	PEC Member	Moretele LM	-	-	-	-	✓	1/1
Cllr T Gaoralwe	PEC Member	Greater Taung LM	-	-	-	-	✓	1/1
Cllr M Dassie	PEC Member	JB Marks LM	-	-	-	-	✓	1/1
Cllr G Mtshali	PEC Member	Moses Kotane LM	-	-	-	-	✓	1/1
Cllr D Maimane	PEC Member	Madibeng LM	-	-	-	-	✓	1/1
Cllr K Mogomotsi	PEC Member	Rustenburg LM	-	-	-	-	✓	1/1
Cllr D Batsi	PEC Member	Mamusa LM	-	-	-	-	✓	1/1
Cllr S Mabale-Huma	PEC Member	Rustenburg LM	-	-	-	-	×	0/1
Quorum			-	-	-	-	Yes	1

Key: ✓ = Present × = Absent with apology D = Deceased DM = District Municipality LM = Local Municipality MM = Metropolitan Municipality SWC = SALGA Women's Committee

NORTHERN CAPE PROVINCIAL EXECUTIVE COMMITTEE MEETINGS AND MEMBER ATTENDANCE AS AT 31 MARCH 2022

Provincial Executive Committee Member	Designation	Municipality	2021			2022	Total
			11/6	6/9	1/12	23/1	
Cllr S Mosikatsi	Chairperson	John Taolo Gaetsethe DM	✓	✓	x	✓	3/4
Cllr L Nkumbi	Deputy Chair	Dr Pixley Ka Isaka Seme DM	✓	✓	✓	✓	4/4
Cllr W Links	Deputy Chair	Namakwa DM	x	x	x	x	0/4
Cllr M Mashila	PEC Member	Tsantsabane LM	x	x	x	x	0/4
Cllr M Mokgatlhanyane	PEC Member	Frances Baard DM	✓	✓	✓	✓	4/4
Cllr N Masegela	PEC Member	Ga-segonyana LM	x	x	x	x	0/4
Cllr D Seetile	PEC Member	Gamagara LM	✓	✓	✓	x	3/4
Cllr S Masikani	PEC Member	Dawid Kruiper LM	✓	✓	✓	x	3/4
Cllr B Mpamba	PEC Member	Thembehle LM	x	✓	x	✓	2/4
Cllr M Segede	PEC Member	Dawid Kruiper LM	✓	x	✓	✓	3/4
Cllr J Hoorn	PEC Member	Kareeberg LM	✓	✓	x	x	2/3
Cllr S Nero	Chairperson	Kamiesberg LM	x	x	x	x	0/3
Cllr T Sintu	Deputy Chair	Dr Pixley Ka Isaka Seme DM	✓	✓	✓	✓	3/3
Cllr O Kgotlithata	Deputy Chair	Joe Morolong LM	✓	x	x	x	1/3
Quorum			Yes	Yes	Yes	Yes	4

Key: ✓ = Present, x = Absent with apology, DM = District Municipality, LM = Local Municipality

WESTERN CAPE PROVINCIAL EXECUTIVE COMMITTEE MEETINGS AND MEMBER ATTENDANCE AS AT 31 MARCH 2022

Provincial Executive Committee Member	Designation	Municipality	2021			2022	Total
			16/4	16/7	15/10	17/1	
Ald A Coetsee	Chairperson	Overstrand LM	✓	✓	✓	✓	4/4
Cllr A Moses	Deputy Chair	City of Cape Town MM	✓	✓	✓	✓	4/4
Ald H Cleophas	Deputy Chair	West Coast DM	✓	x	✓	✓	1/2
Cllr A Stowman	Deputy Chair	Drakenstein LM	✓	✓	✓	✓	4/4
Cllr K Carls	PEC Member	City of Cape Town MM	✓	✓	x	✓	2/2
Cllr D Joubert	PEC Member	Stellenbosch LM	✓	✓	✓	✓	4/4
Ald F Schippers	PEC Member	Saldanha Bay LM	x	✓	x	✓	1/2
Cllr G Wolmarans	PEC Member	Knysna LM	✓	x	✓	✓	1/2
Ald E Marthinus	PEC Member	Cape Agulhas LM	✓	✓	✓	✓	4/4
Cllr A Rabie	SWC Chairperson	Central Karoo DM	✓	✓	x	x	2/2
Cllr G Combrink	PEC Member	Drakenstein LM	✓	✓	✓	✓	4/4
Cllr P Nyakaza-Sandla	PEC Member	City of Cape Town MM	✓	✓	✓	x	2/2
Cllr R Swarts	PEC Member	West Coast DM	✓	✓	✓	✓	4/4
Cllr M Booyesen	NEC Member	Bitou LM	✓	✓	✓	x	2/2
Cllr X Limberg	NEC Member	City of Cape Town MM	✓	✓	✓	✓	4/4
Cllr N Jindela	NCOP Member	Stellenbosch LM	x	x	x x	✓	0/2
Cllr M Wessels	NCOP Member	Bergrivier LM	✓	x	x	✓	1/1
Cllr R Arendse	NCOP Member	City of Cape Town MM	✓	✓	x	x	2/2
Quorum			Yes	Yes	Yes	Yes	4

Key: ✓ = Present, x = Absent with apology, DM = District Municipality, LM = Local Municipality, MM = Metropolitan Municipality, NCOP = National Council of Provinces, SWC = SALGA Women's Committee

B-BBEE COMPLIANCE PERFORMANCE INFORMATION

BROAD-BASED BLACK ECONOMIC EMPOWERMENT AMENDMENT ACT, 46 OF 2013 REPORTING REQUIREMENTS

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

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

- ownership where applicable
- management control
- skills development
- enterprise and supplier development
- socio-economic development
- any other sector specific element.

SALGA's fulfilment of these requirements:

Element	Target Score	Bonus Points	Achieved Score
Ownership	25 points	N/A	N/A
Management and Control	19 points	0	18.13
Skills Development	20 points	5	1.05
Enterprise and Supplier Development	40 points	4	26.92
Socio-Economic Development	5 points	5	5
Total Score	109 points	100+9	51.09
Empowering Supplier Status			Yes
Recognised Procurement Recognition Level			10.00%
Discounting Principle Applicable			Yes
Recorded Procurement Recognition Level			0%
Final B-BBEE Status Level			Non-Compliant

SALGA's contribution to each of the scorecard elements in terms of the Codes of Good Practice:

Element	Contribution
Ownership	N/A
Management and control	<ol style="list-style-type: none"> 1. Black female representation at Board level 2. Black female representation at executive director level 3. Black middle management as a % of all middle management 4. Black junior management as a % of all junior management 5. Black employees with disabilities as a % of all employees
Skills development	<ol style="list-style-type: none"> 1. Skills development spend on black people as a % of leviabile 2. Skills development spend on disabled staff as a % of leviabile 3. Learnerships and categories of B, C and D programmes for black people 4. Bonus point: Number of black people absorbed by entity

Element	Contribution
Enterprise and supplier development	<p>Preferential procurement:</p> <ol style="list-style-type: none"> 1. Total BEE procurement with empowering suppliers as a percentage of total 2. Total BEE procurement from Quality Small Enterprises (QSEs) as a percentage of total 3. Total BEE procurement from Exempt Micro Enterprises (EMEs) as a percentage of total 4. Total BEE procurement from 50% black-owned suppliers (Bonus point: Procurement spend with designated groups) <p>Supplier Development</p> <ul style="list-style-type: none"> • Supplier development contributions as a % of annual budget <p>Enterprise Development</p> <ul style="list-style-type: none"> • Enterprise development contributions as a % of annual budget (Bonus points: Graduation of one or more enterprises and/or for one or more jobs created as a direct result)
Socio-economic development	<ol style="list-style-type: none"> 1. Socio-economic development contributions as a % of annual budget

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 express and opinion as to whether or not the trade union or employers' organisation has complied with those provisions of its constitution 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 2021, in all material respects and in accordance with the constitution."

In terms of Section 100(a) of the Labour Relations Act, the organisation as an employer body for the local government sphere is required to certify that it accords with its records and report on the number of its members as at 31 March 2021.

Reflected hereunder is certification by the Chief Financial Officer in fulfilment of these requirements.

Employer body certification:

1. I, Thembeke Mthethwa, hereby certify that the South African Local Government Association accords with its records.
2. The organisation recorded 257 members as at 31 March 2022. The names and contact details of municipal members are included in Appendix B on pages 217 to 231 of this Annual Report.



Thembeke Mthethwa

Duly authorised

31 March 2022

PORTFOLIO COMMITTEE REPORTS 2021-2022



AUDIT AND RISK COMMITTEE REPORT

Andrew Mashifane
Chairperson

T

he Audit and Risk Committee is pleased to present its report for the financial year ended 31 March 2022.

The SALGA Audit and Risk Committee is constituted in terms of section 77(a) of the Public Finance Management Act (PFMA) as well as Treasury Regulations 27.1.1; 3 and 4. The Committee meets as per its approved terms of reference and calendar.

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

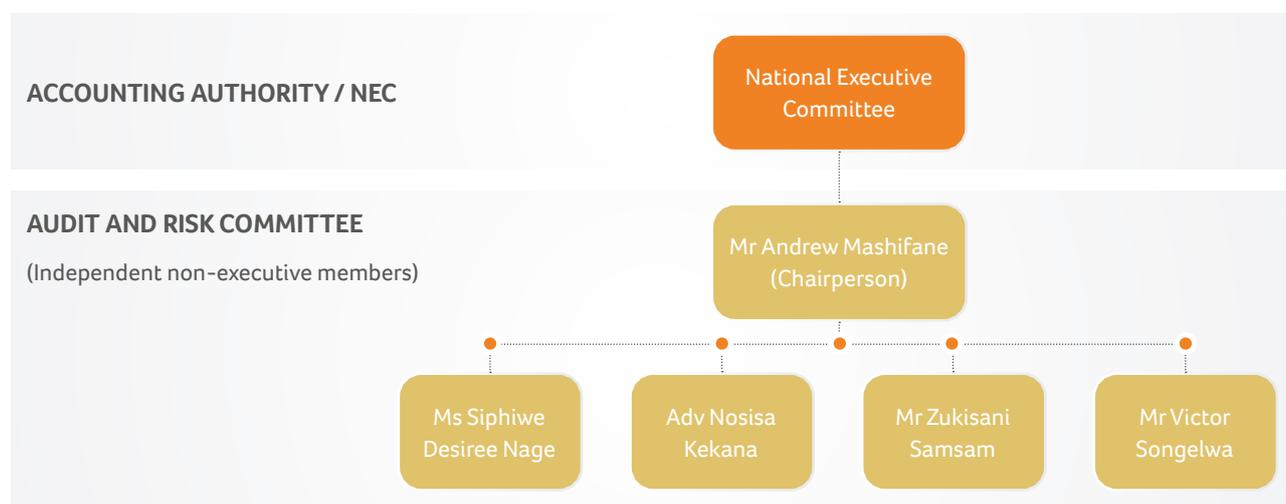
- Review the effectiveness, efficiency and transparency of systems of financial and risk management and internal control maintained by SALGA, which contribute to the efficient and effective utilisation of resources, safeguarding of assets and the accomplishment of established strategic objectives for operations or programs of SALGA.
- Promote the efficiency and effectiveness of accounting and management information systems.
- 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.
- Ensure that the organisation complies with applicable laws and regulations including uncovering of malpractice where applicable.
- Act as a distinct and clear communications channel between the National Executive Committee, Executive Management Team, external auditors and internal auditors.
- Receive, challenge and conclude on the fair presentation of SALGA's financial statements for the financial year ending 31 March 2022.
- Monitor the effectiveness of the internal audit function and internal controls of SALGA.
- Monitor management, internal audit and external audit with reference to the drafting, review and auditing of the financial statements respectively.
- Enhance the objectivity and credibility of reporting to stakeholders.

The Audit and Risk Committee is empowered to request, assess and act on all information necessary and to convene meetings, including in-committee meetings, at any time to achieve its objectives.

AUDIT AND RISK COMMITTEE MEMBERS

The Committee functions independently of management structures within SALGA and endeavours to remain and preserve its objectivity at all times.

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



QUALIFICATIONS, ROLES AND BOARD MEMBERSHIPS (PAST AND PRESENT)

Member	Profession	Qualifications / Expertise
Mr Andrew Mashifane	<ul style="list-style-type: none"> Chartered Accountant (SA) Registered Auditor with the Independent Regulatory Board for Auditors (IRBA) Fellow of the Institute of Directors of South Africa Director 	<ul style="list-style-type: none"> LLB [Unisa] Bachelor of Commerce (Accounting) [Wits] Honours Bachelor of Accounting Science / (CTA) [Unisa] Postgraduate Certificate in Advanced Taxation [Unisa] GIBS Business Leadership Programme [UP]
Adv Nosisa Kekana	<ul style="list-style-type: none"> Advocate of the High Court of South Africa 	<ul style="list-style-type: none"> B Juris [Walter Sisulu University] LLB [Walter Sisulu University] Higher Diploma in Company Law [Wits] LLM [UJ]
Mr Zukisani Samsam	<ul style="list-style-type: none"> Chartered Accountant (SA) Financial Management Consultant 	<ul style="list-style-type: none"> MCom Finance [UP] Postgraduate Certificate in Auditing [RAU] Postgraduate Diploma in Accounting [UKZN] BCom (Accounting) [UKZN]
Mr Victor Songelwa	<ul style="list-style-type: none"> Chartered Accountant (SA) Member of the Institute of Directors of South Africa 	<ul style="list-style-type: none"> Bachelor of Commerce [Unisa] Honours Bachelor of Accounting Science [Unisa] Master in Business Leadership [Unisa] Postgraduate Diploma in Auditing [Unisa]
Ms Siphwe Desiree Nage	<ul style="list-style-type: none"> Certified Internal Auditor (CIA) Certification in Control Self-Assessment (CCSA) 	<ul style="list-style-type: none"> Bachelor of Commerce (Accounting) [University of North West]

AUDIT AND RISK COMMITTEE MEMBERS' MEETINGS ATTENDANCE

Six meetings were held during the 2021-2022 financial year. These meetings were attended by the external auditors (Auditor-General), the Chief Executive Officer, Chief Financial Officer, the Head of Internal Audit and other relevant corporate office officials. The Chairperson of the Audit and Risk Committee reports on Committee activities to the National Executive Committee on a regular basis in terms of its Charter. All members declared any personal or financial interests at each Audit and Risk Committee meeting in respect of items included in the agenda of various meetings.

AUDIT AND RISK COMMITTEE MEMBERS' RECORD OF MEETING ATTENDANCE FOR THE 2020/21 FINANCIAL YEAR

Member	Record of Attendance					
	21-May-2021	16-July-2021	13-Aug-2021	10-Nov-2021	19-Nov-2021	18-Mar-2022
Mr Andrew Mashifane Chairperson	✓	✓	✓	✓	✓	✓
Adv Nosisa Kekana Member	✓	✓	✓	✓	✓	✓
Mr Zukisani Samsam Member	✓	✓	✓	✓	✓	✓
Mr Victor Songelwa Member	✓	✓	✓	✓	✓	✓
Ms Siphwe Desiree Nage Member	✓	✓	✓	✓	✓	✓

Legend: ✓ Member attended the meeting

AUDIT AND RISK COMMITTEE RESPONSIBILITIES

The Audit and Risk Committee reports that it has 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 as its Audit and Risk Committee Charter, regulated its affairs in compliance with the Terms of Reference and discharged all its responsibilities as contained therein.

REVIEW OF THE EFFECTIVENESS OF 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 internal audit reports, the 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. Weaknesses in internal controls identified by assurance providers continue to be addressed by management.

RISK MANAGEMENT

SALGA follows an enterprise-wide risk methodology. This process of gathering risks ensures that the entire risk universe of the organisation is covered. The gathering of risks delineates between strategic and operational risks in order to assign the required level of management and focus to risks identified.

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 strategies adopted by the organisation include:

- Mitigate and manage – constant management of risk with the objective of reducing its negative consequences or

removing its negative effects in attaining positive results; this includes the updating of controls and changing of strategies to reduce or eliminate a risk;

- Avoid – this is the strategy adopted by SALGA in order to avoid risks that are above the risk tolerance level of the organisation both qualitatively and quantitatively based on SALGA's Risk and Materiality framework that is reviewed on an annual basis;
- Insure – the strategy employs outsourcing risks by way of taking insurance for risks that are inherent in the nature of the organisation and it is employed in conjunction with various internal policies e.g. SALGA has opted to insure losses of operational working tools like laptops but also has a loss control policy which augments the outsourcing strategy; and
- Accept – this is the strategy adopted by the organisation on the management of risks that fall below the organisations Risk and Materiality Framework and are essentially not material and do not pose any significant operational or strategic risk to SALGA.

All significant risks are elevated to the Risk Management Committee and it is the responsibility of this Committee to ensure that management strategies adopted towards 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 Internal Audit Function follows a risk-based approach and has developed an appropriate Internal Audit Coverage plan in order to provide assurance on the effectiveness of risk mitigating measures and reporting to the Audit and Risk Committee.

The Audit and Risk Committee has satisfied itself that the risk management process of SALGA 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 well resourced in order to execute on 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.

Through the financial reports that served during the financial year, the Committee is satisfied with the quality, clarity and adequacy of the information contained in these reports and was able to recommend these 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 has also received corroboration on the effectiveness and adequacy of both 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 2022.
- Reviewed and evaluated the annual performance report of SALGA for the period ended 31 March 2022.
- Reviewed the Auditor-General’s report and management letter and management response thereto.
- Recommended the audited annual financial statements and annual performance report for the period ended 31 March 2022 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. It is of the opinion that the audited financial statements and the annual performance report be accepted and read in conjunction with the report of the Auditor-General.



Andrew Mashifane

Chairperson of the Audit and Risk Committee

Pretoria
30 June 2022

PERFORMANCE MANAGEMENT AND REMUNERATION PANEL REPORT



The RemPanel serves SALGA and its member municipalities diligently by guiding the implementation of remuneration policies to attract and retain top talent and embed holistic employee wellness and equitable and fair recruitment practices.

Joyce Moloi-Moropa

Chairperson

T

he Performance Management and Remuneration Panel (RemPanel) is pleased to present its report for the year ended 31 March 2022.

The Committee is a subcommittee of the National Executive Committee (NEC) and supports the implementation and institutionalisation of performance management in SALGA. The Committee is an advisory body to the NEC and is authorised to review, guide and support SALGA in the strategic alignment and effective implementation of the organisation's Performance Management Policy and procedures, remuneration philosophy and strategy.

RESPONSIBILITIES OF THE COMMITTEE

The main purpose of the Committee is to ensure the adoption of performance and remuneration policies that attract and retain top talent, are aligned with the organisation's strategy and drive short- and long-term performance with an impact in local government.

The Committee oversees:

- a. Adherence 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.
- b. Recommendations to the NEC on all matters relating to performance management and remuneration at SALGA.
- c. Compliance with all RemPanel policy frameworks and decisions, which are binding within all SALGA's administrative structures.
- d. The presentation of reports to and feedback from SALGA's national office bearers and national executive committee on all work-related matters.

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

- promoting consistent employee attraction, retention, motivation, reward, performance improvement and assessment
- approving the remuneration policy adopted by the organisation
- ensuring that the remuneration strategy is market-related and competitive
- determining specific executive management remuneration packages that included short- and long-term performance-based incentives

- considering the relationship between executive management and employee remuneration
- approving the design of short-term incentive schemes, including determining targets and participation thresholds
- approving the design of the long-term incentive schemes, including determining allocation criteria and performance conditions
- reviewing and monitoring progress in people management
- providing oversight of targets, ensuring that these remain challenging and reflect SALGA's strategic objectives
- recommending and suggesting actions to achieve agreed targets or assist where deviations from targets are probable.

COMPOSITION OF THE COMMITTEE

Committee members comprise external, 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.

RECORD OF COMMITTEE MEETINGS AND ATTENDANCE

Committee meetings are scheduled according to the ToR, with NEC members and the CEO attending by invitation. The Committee Chairperson reports to the NEC on its activities. The Committee met three times during the past financial year.

REMPANEL MEMBERS, MEETINGS AND ATTENDANCE FOR THE 2021/22 FINANCIAL YEAR

Member	2021		2022
	24 June	23 November	11 March
Ms Joyce Moloji-Moropa (Chairperson)	✓	✓	✓
Ms Barbara Lombard (Member)	✓	✓	✓
Ms Rosetta Xaba (Member)	✓	✓	✓
Mr Sisa Njikelana (Member)	✓	✓	✓
Ms Manching Benedicta Monama (Member)	✓	✓	✓
NEC members			
Cllr Sebenzile Ngangelizwe	x	x	x
Cllr Mxolisi Koyo	x	✓	x

ROLES AND CREDENTIALS OF COMMITTEE MEMBERS

The RemPanel consists of independent, non-executive members, as reflected in the following table, with their roles and qualifications.

No.	Name	Role	Profession	Qualification/Expertise
1	Ms Joyce Moloji-Moropa	Chairperson	National Treasurer General of South African Communist Party (SACP) 2012 to current Executive Chairperson of Masincazelane Investments (Pty) Ltd	<ul style="list-style-type: none"> • Dip Admin and Business Communication [Vista University] • BA [University of Limpopo] • PG Dip in Higher Education [University of Limpopo] • Hons Arts (Literacy Studies) [University of Limpopo]
2	Mr Sisa Njikelana	Member	Serves as a board member of many organisations (from 1998 to date) Appointed a Research Fellow in the Centre for Competition, Regulation and Economic Development by the Faculty of Economic and Financial Sciences, University of Johannesburg from 2015 to 2018 Served as Councillor and Executive Committee member in the Eastern Metropolitan Local Council in the Greater Johannesburg Metro Council from 1995 to 1998	<ul style="list-style-type: none"> • Dip in Applied Social Studies, Ruskin College [Oxford University, UK, 1993] • Certificate in Leadership Communication [Rhodes University, 2006]

No.	Name	Role	Profession	Qualification/Expertise
3	Ms Manching Benedicta Monama	Member	Admitted as an Attorney of the High Court of South Africa (1990)	<ul style="list-style-type: none"> BProc [University of the North, 1982] LLB [Wits, 1987] Executive Leaders in Development Programme [Harvard University, Boston, 2001] Finance for Non-Financial Managers [Wits Business School, 2001] Senior Executive Programme [Harvard University, Boston, 2003] Project Management [Wits Business School, 2005] Transport Planning Methodologies [Stellenbosch University, 2010] CMPD (Municipal Finance) [Wits, 2014-2015]
4	Ms Barbara Lombard	Member	<p>Executive: Corporate Services</p> <p>Non-executive Director on various other boards and board subcommittees</p> <p>Nominated by CEO Communications magazine for the “Most Influential Women in Business and Government Awards” in 2014</p>	<ul style="list-style-type: none"> Dip General Nursing and Midwifery [Baragwanath Hospital] Industrial Relations [Wits Business School] Executive Development Programme CTS [New School of Social Research New York, USA] International Registry of Organisation Design [Louw Du Toit & Associates, UK] Telecommunications Network Engineering [Matthew Bolton, UK]
5	Ms Rosetta Xaba	Member	Chartered Accountant (SA) Director	<ul style="list-style-type: none"> BSc [Wits] PG Dip Education [University of Eswatini, Swaziland] BCompt Hons [UNISA] PG Dip Accounting [University of KwaZulu-Natal] Accounting Professional Training [University of Johannesburg and University of Cape Town]

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 to the benefit of 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.

REVISION OF SALGA REWARDS STRATEGY

The organisation recognises that in order 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 Remuneration Framework and discussed the outcomes at EXCO. The proposed Framework will be finalised in the 2022-23 financial year.

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 92% of its targets against pre-determined objectives attests to the Committee’s consistent and effective oversight of organisational performance.

MONITORING OF HUMAN CAPITAL PERFORMANCE

In February 2021, the RemPanel approved SALGA's Human Capital Strategy. During the 2021-2022 financial year, implementation focused on operationalising the strategic focus areas.

Key projects to enhance employee experience included implementing the Human Capital Information System (HCIS), driving recruitment to fill critical vacancies and documenting the remuneration strategy. In response to the October 2020 organisational culture survey, working on the Leadership, Gender Transformation and Employee Recognition Programme became a deliberate focus area.

The launch of the Employee Value Proposition to create an enabling work environment that energises competent, professional and courteous employees was core to SALGA's Human Capital proposition. The intention is to encourage and empower employees to perform, learn and grow through progressive, digital and effective human resource practices aligned with SALGA's vision, mission and values.

The RemPanel monitored the progress of HC performance against its targets and is pleased to report that most pre-determined targets for the period under review were achieved.

KEY RESOLUTIONS

The RemPanel took the following resolutions during the 2021-22 period:

Organisational financial and non-financial performance

- Noted the organisational quarterly financial and non-financial performance reports on the implementation of the 2020-2021 Annual Performance Plan.
- Noted the Annual Report for the 2020-2021 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.
- Requested that future reports on performance should indicate the impact of achievement and non-achievements of targets in a summarised format.

Quarterly Human Capital Performance reports

- Noted the quarterly Human Capital performance reports against the Human Capital Strategy.
- Requested that going forward, a summary of organisational leave management is included in the quarterly Human Capital performance report and that future reports include the levels of compliance and non-compliance with leave and how such matters are dealt with.
- Requested that future reports include progress on talent management, specifically regarding critical positions and the mitigation of related risks.
- Requested the development of a head-hunting strategy that includes persons with disability.
- Requested the development of a Talent Framework that

differentiates between top performers and those with critical skills to investigate retention strategies.

Individual Performance Management Systems

- Noted the 2020-2021 Individual Performance Management Systems outcomes per Cluster/Province, as reflected in the report, and that the 2020-2021 i-PMS outcomes were subject to moderation in terms of the PMS policy.
- Requested that employees on Levels 1 to 3 are given access to their salary schedules.
- Requested that the management of top earning outliers is considered and discussed.

COVID-19 Management

- Noted the quarterly updates on the management of COVID-19 within the organisation.

CEO's coaching reviews

- Resolved to convene a special in-committee meeting to conduct the CEO's 2020-2021 final review.
- Approved the CEO's 2021-2022 mid-year review.
- Approved the CEO's Quarter 3 review.

Review of policies

- Agreed to and recommended approval of the Flexible and Remote Working Policy by the NEC.
- Requested that the legislation related to the Flexible and Remote Working Policy should be included in policy preamble.
- Requested that a flexible and remote working implementation plan be developed and shared with members.
- Requested that cybersecurity information be shared with the committee to ensure organisational security while employees are working from home.
- Adopted and recommended approval for the Pension-Backed Home Loan initiative by the NEC.
- Requested that the Remote and Flexible Work Policy (with supporting research) is presented again at a RemPanel workshop.

Revenue Diversification

- Noted progress with revenue diversification and that further developments will be shared with the Committee as the process unfolds.
- Advised that revenue diversification risk identification and mitigation undertaken and are included in future reports.
- Advised benchmarking SALGA against other African countries for a fair and balanced perspective on the matter.

SALGA Partnerships

- Requested a workshop to discuss partners that provides services to SALGA.
-

WAY FORWARD

The RemPanel will continue to serve SALGA and its member municipalities diligently in the year ahead with our focus on the key pre-determined human capital deliverables for 2022-23, namely:

- Establishing a baseline for a Net Engagement Score by 31 March 2023.
- Implementing Level 2 (excluding Exco) and Level 3 talent mapping by 31 March 2023.
- Delivering a Productivity Assessment Report by 31 March 2023.

We will also continue to focus on holistic employee wellness, equitable and fair remuneration and recruitment to fill the critical vacancies identified during the reporting period. We look forward to a productive 2022-23.



Joyce Moloi-Moropa
Chairperson

Pretoria
July 2022





CHIEF FINANCIAL OFFICER'S REVIEW 2021-2022



OVERVIEW OF OPERATING RESULTS

Thembeke Mthethwa
Chief Financial Officer

The results of operations for the year ended 31 March 2022 reflect a surplus of R192.8 million (2021: R157.0 million).

Total operating revenue increased by 6.3 per cent to R749.2 million. The increase in operating revenue is primarily due to an increase of 5.1 per cent in membership levies attributable to inflationary adjustments and organic growth of the base from which the membership levy amount is derived.

Total operating expenditure increased by 2.1 per cent to R591.6 million. The increase in operating expenditure was attributable to increased spending on activities planned to assist municipalities. The increase in operating expenditure was offset partly by the decrease in other operating costs as we continued to work remotely due to the extended COVID-19 lock down. A decrease in the doubtful debt allowance resulted from settlement arrangements between member municipalities and SALGA, as well as the overall increase in payment levels.

Comparatively, the expenditure trend, excluding the impact of the allowance for doubtful debt, indicates an increase in operating expenditure of 20.2 per cent to R647.0 million (2021: R538.3 million). The trend affirms SALGA's increased efforts to assist municipalities, as verified by the increase in targets achieved from 85% to 92% during the year under review.

Net non-operating revenue increased by 11.3 per cent to R35.2 million, due largely to an increase in bank interest received on an increase in cash and cash equivalents.

The surplus for the period is R192.8 million, indicating an increase of 22.9 per cent because of the net increase in revenue overall.

STATEMENT OF FINANCIAL PERFORMANCE

<i>R million</i>	2022	2021	2022 % change
Operating revenue	749.2	705.0	6.3
Operating expenditure	(591.6)	(579.7)	2.1
Operating surplus	157.6	125.3	25.8
Net non-operating revenue	35.2	31.7	11.3
Surplus	192.8	157.0	22.9

Programme costs incurred for the year amounted to R389.8 million (2021: R321.9 million), indicating an increase of 21.1 per cent. The increase is attributable to the increased efforts in assisting municipalities, as well as the convening of the National Members Assembly (NMA) and Provincial Members Assembly (PMA), held to appoint new SALGA leadership because of the local government elections.

MEMBERSHIP LEVIES

SALGA's formula to calculate membership levies consists of:

MEMBERSHIP LEVY FORMULA	
<i>Municipal category</i>	<i>Applicable formula</i>
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 93.0 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 2022, overall, 76 per cent (2021: 71 per cent) of all membership levies were paid, while the collection rate for the current year's bill was 88 per cent (2021: 83 per cent).

The convening of the NMA and the PMAs assisted SALGA in ensuring an increase in the payment levels, despite the subdued economic climate.

The advent of the COVID-19 pandemic and subdued economic climate remains a major strategic risk for SALGA's ability to collect revenue from its members. As such, SALGA is fast-tracking its alternate revenue generating capacity with a view to mitigating a possible deterioration in membership levy payment levels.

MEMBERSHIP PAYMENT LEVELS PER PROVINCE FOR THE 2021/22 AND 2020/21 FINANCIAL YEARS

<i>Percentage</i>	2022		2021	
	Current year	Overall	Current year	Overall
Eastern Cape	86	71	83	64
Free State	81	71	78	69
Gauteng	93	84	77	74
KwaZulu-Natal	94	88	81	73
Limpopo	91	78	94	83
Mpumalanga	86	85	96	84
Northern Cape	69	44	75	54
North West	68	55	69	49
Western Cape	97	93	92	89
Organisational payment levels rate	88	76	83	71

REVENUE

The operating revenue for the year was R749.2 million (2021: R705.0 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 (2021: 91 per cent) of total revenue.

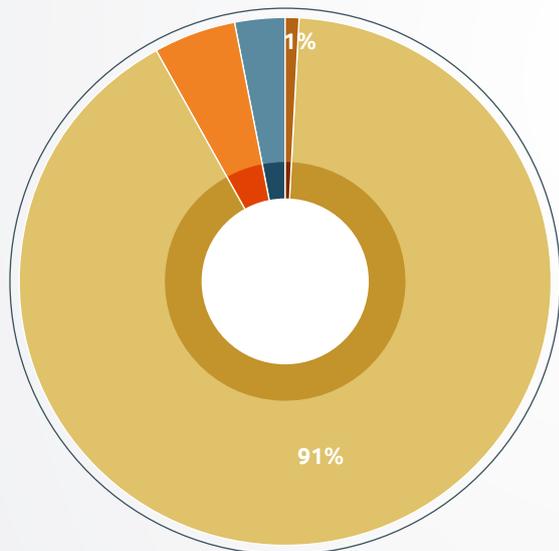
<i>R million</i>	2022	2021	2022 % change
Rendering of services - Membership levies	686.0	652.7	5.1
Transfers and subsidies - Executive Authority	35.4	33.2	5.6
Revenue from non-exchange transactions	19.3	15.5	24.7
Donor funds recognised from exchange transact	-	-	-
Revenue from capacity building programmes	-	-	-
Delegate registration fee revenue - exchange transactions	10.6	10.6	-
Other revenue from exchange transactions	(2.1)	(6.9)	(69.9)
Total operating revenue	749.2	705.0	6.3

Membership levy revenue increased by 5.1 per cent to R686.0 million, largely due to inflationary adjustment and the organic growth in the number of budgeted municipal headcount.

Total operating revenue increased by 6.3 per cent to R749.2 million.

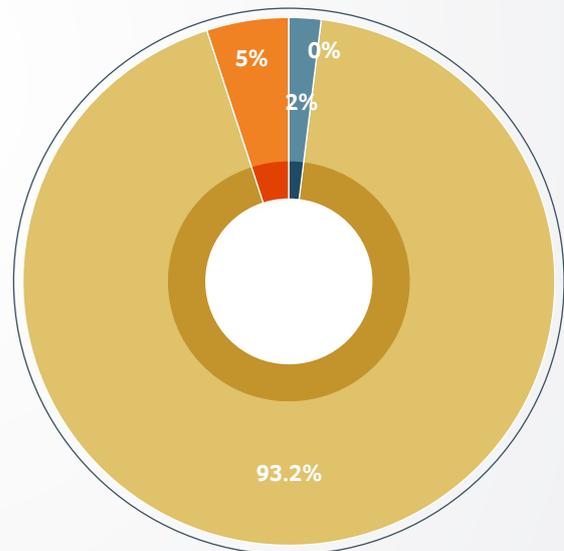
Transfers and subsidies from the Executive Authority increased by 6.6 per cent to R35.4 million (2021: R33.2 million). The revenue from non-exchange transactions increased by 24.7 per cent, due to the implementation of donor-funded programmes.

The operating revenue and expenditure distribution for the 2022 and 2021 financial years is indicated below:



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

Figure 1 Operating revenue distribution (2021/22).



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

Figure 2 Operating revenue distribution (2020/21).

EXPENDITURE

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

TOTAL OPERATING EXPENSES

<i>R million</i>	2022	2021	2022 % change
Personnel expenses	100.8	74.4	35.6
Programme Implementation cost	389.8	321.9	21.1
Administrative overheads	9.7	97.0	(90.0)
Depreciation and amortisation	5.2	6.5	(20.2)
Other operating expenses	86.1	79.9	7.7
Total operating expenditure	591.6	579.7	2.1

Programme costs increased by 2.1 per cent to R389.8 million (2021: R321.9 million).

Administrative overheads decreased by 90.0 per cent to R9.7 million (2021: R97.0 million), primarily due to a decrease in the allowance for doubtful debt by R55.1 million in the year under review.

Depreciation and amortisation decreased to R5.2 million (2021: R6.5 million) due to the assets of the company nearing their useful lives and thus reducing the depreciation charge.

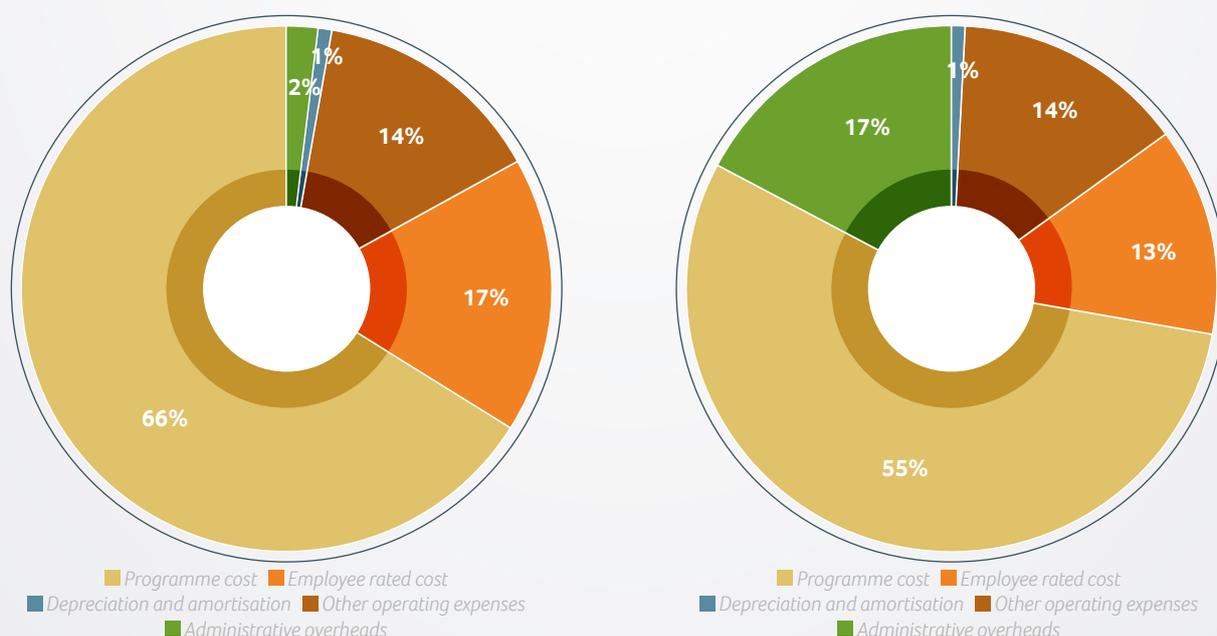
Other operating expenses increased by 7.7 per cent to R86.1 million (2021: R79.9 million), due largely to SALGA's profiling costs that were incurred during the year to create awareness about the role SALGA plays in assisting municipalities.

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

Programme costs are incurred in pursuit 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 2022 and 2021 financial years.



Figures 3 and 4 Operating expenditure distribution for 2021/22 and 2020/21.

NON-OPERATING REVENUE AND EXPENDITURE

<i>R million</i>	2022	2021	2022 % change
Investment revenue	36.4	32.2	13.2
Finance costs	(1.2)	(0.5)	128.1
Net non-operating income	35.2	31.7	11.3

The net non-operating income increased by 11.3 per cent to R35.2 million (2021: R31.7 million) due to an increase in the bank interest rate as well as an increase in cash and cash equivalents.

Finance costs increased to R1.2 million (2021: R0.5 million) as a result of the increase in the unwinding of the finance and operating leases held.

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 2021 to 31 March 2022. The budget is prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance.

<i>R million</i>	2022	2021	2022 % change
Total revenue from exchange transactions	731	734	(3)
Total revenue from non-exchange revenue	55	55	(0)
Total Expenses	(593)	(789)	196
Surplus	193	0.2	193

The operating surplus for the year ended 31 March 2022 was R153.0 million versus the budgeted R0.2 million (balanced budget), which resulted in a positive variance translated to over 100 per cent. This is attributable to underspending in administration costs due to employees working from home and a reduced provision in doubtful debts.

FINANCIAL POSITION

<i>R million</i>	2022	2021	2022 % change
Current Assets	619.0	424.3	45.9
Non-Current Assets	52.8	51.5	2.5
Total Assets	671.8	475.9	41.2
Current Liabilities	102.8	99.5	3.3
Non-Current Liabilities	3.2	3.8	(16.8)
Total Liabilities	106.0	103.3	2.6
Total Net Assets	565.9	372.6	51.9
Total Net Assets and Liabilities	671.8	475.9	41.2

The financial position of the organisation as at 31 March 2022 reflects positive net assets of R565.9 million (2021: R372.6 million). The growth of 41.2 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 the programmes of SALGA in assisting municipalities will grow as the organisation commences with the implementation of its five-year strategy.

CAPITAL EXPENDITURE

<i>R million</i>	2022	2021	2022 % change
Capital acquisitions	6.0	3.8	57.2

Asset additions for the period under review, including intangible assets, amounted to R6.0 million (2021: R3.8 million), as aligned with the organisation's Capital Asset Acquisition Strategy (CAAS).

OUTLOOK FOR THE YEAR AHEAD

The currently subdued economic climate and continuing negative impact of the COVID-19 pandemic has necessitated a re-think of SALGA's strategies and revenue modelling. The negative impact of the pandemic on the financial state of member municipalities and the negative economic conditions made it necessary for SALGA to fast track its revenue diversification strategy to ensure that the organisation remains viable and financially sustainable in the foreseeable future. Revenue diversification is critical to SALGA's sustainability and one of the top ten risks for the organisation.

Digitisation of processes, cash flow management and cost rationalisation are key strategic focus areas going forward. The year ahead also represents the beginning of the implementation of the next five-year (2023-2027) strategic plan.

CONCLUSION

I sincerely thank the Chief Executive Officer, Mr Xolile George, for his continued support, leadership and strategic direction.

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

Lastly, I also 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
Pretoria
July 2022





PART D HUMAN RESOURCE MANAGEMENT

INTRODUCTION

The focus during the reporting period was mainly on implementing the human capital strategy and employee value proposition (EVP) to ensure that SALGA is regarded as a preferred employer and embed human capital (HC) development and nurturing as integral to organisational success.

Key projects to enhance employee experiences at the organisation included the implementation of the Human Capital Information System (HCIS), recruitment to fill critical vacancies and documenting the remuneration strategy. In response to the October 2020 Culture Survey, the Leadership, Gender Transformation and Employee Recognition Programme was a priority.

The EVP launch was core to the HC proposition to create a work environment with progressive, digital and effective human resource practices, aligned with SALGA's vision, mission and values that energises competent, professional and courteous employees to perform, learn and grow.

INTEGRATED TALENT MANAGEMENT

As part of a recruitment project, a Headcount Committee was established to determine and make recommendations about the critical roles required for SALGA to achieve its organisational goals. The committee identified the critical roles and the replacement of attrition with effect from 1 June 2021.

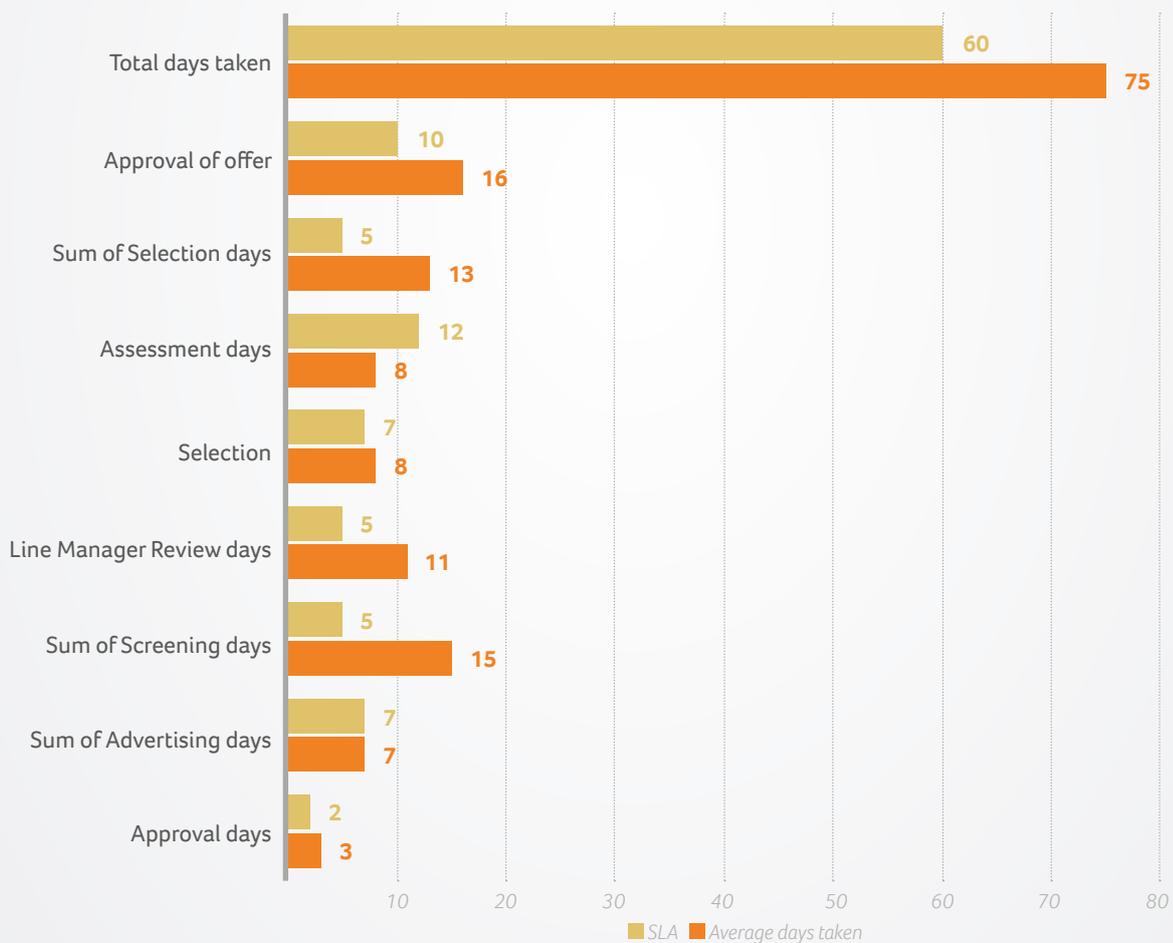


Occupational level	Female				Female Total	Male				Male Total	Grand Total
	A	C	I	W		A	C	I	W		
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	2	0	0	0	2	2	1	0	0	3	5
Professionally qualified	12	0	0	0	12	7	0	0	1	8	20
Skilled	3	0	0	0	3	4	1	0	0	5	8
Semi-skilled	3	0	0	0	3	1	0	0	0	1	4
Unskilled	0	0	0	0	0	0	0	0	0	0	0
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Not graded	0	0	0	0	0	0	0	0	0	0	0
Total	20	0	0	0	20	14	2	0	1	17	37

The encouraging picture that emerged was the concentration of critical roles at professional levels. This resulted in several internal promotions, which contributed to a positive employee morale.

The recruitment Service Level Agreement (SLA), which outlines the total timeline to conclude a recruitment, was developed to identify to the business units where delays in the recruitment processes were more likely to occur. All recruitment milestones were tracked against the set service standards of the SLA to ensure process efficiencies.

The Recruitment SLA outlines the following timelines:



The table above highlights the average days taken to finalise its recruitment since the development of the SLA.

IMPACT OF ACHIEVEMENT

Improved recruitment turnaround time.

CHALLENGES AFFECTING THE SLA

- Availability of panel members for pre-interview preparation.
- Manual shortlisting for roles with a high response rate.
- Headhunting timeframe - 14 days for RFQ requirement before engaging recruitment agencies.
- Employee equity requirements (not attracting other racial groups and people with disabilities).
- Approvals of writing and circulating memos.
- Salary negotiation process.
- Delays by panel members delay to submit scoring sheets and declaration of interest documents.

TALENT DEVELOPMENT

Investing in our people and unlocking potential is a key enabler of creating career growth opportunities. Learning and development focus on growing employees to help ensure the success of SALGA. Integrated learning ensures alignment across the entire employee life-cycle, which empowers employees and impacts positively on business performance. The interdependent pillars of the employee life-cycle stimulates employee, team and organisational effectiveness, motivates employees and ensures high performance levels.

Continuous learning is no longer optional but a critical business strategy for SALGA's survival and employee retention. Digital learning is at the centre of our new EVP and SALGA's learning and development programmes are designed to accelerate the development of technical skills and leadership competence among employees. This is done to ensure compliance with the relevant legislation governing human capital.

SALGA's "Our Promise" commits the organisation to creating opportunities for employees to grow their careers through experiences and connections that inspire them to make a difference. This allows SALGA to capacitate employees who can support the transformation of local government and the achievement of its developmental mandate.

Continuous development of the workforce remains a priority at SALGA. Strategic skills programmes are determined annually in conjunction with management and communicated to all stakeholders. The financial year saw an increase in online training interventions as a number of employees were not keen to attend on-site training, due to the COVID-19 restrictions.

SHORT PROGRAMME TRAINING

During 2021-22, SALGA invested in external training for 234 employees. This training is occupationally directed to fulfil organisational or role needs as identified by Personal Development Plans (PDP).

The significant increase in spend compared to the previous financial year was due to project management training to manage organisational performance and the increased availability of contact training due to decreasing COVID-19 restrictions. The increased spend on training assumes an increase in work quality and productivity.

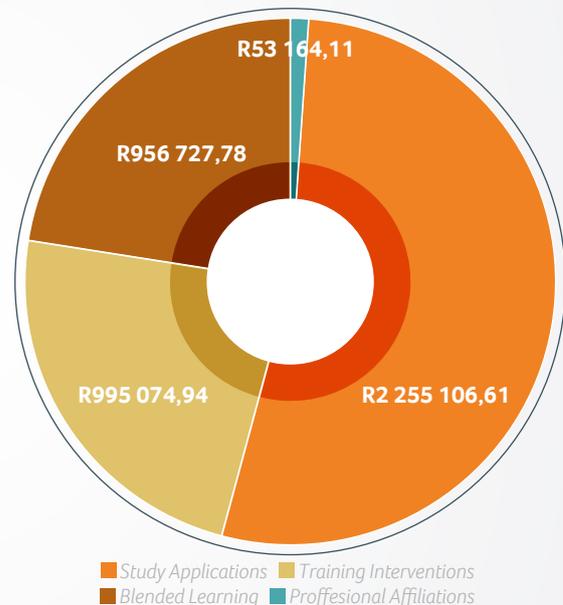
EMPLOYEE STUDY ASSISTANCE

SALGA is committed to furthering the knowledge and skills of employees in areas relevant to its operations and aligned with South Africa's skills development legislative requirements and SALGA's legislative mandate to improve the skills and knowledge of officials.

During the reporting period, SALGA awarded 46 applicants with study assistance at a cost of R 2 407 294.00. Bursaries were awarded to African employees only as there were no requests from other race groups, due mainly to SALGA's majority black female employee demographic. Long-term, formal studies benefit both employees and SALGA in a sustainable manner to introduce best practice and new learning into the organisation.

PROFESSIONAL AFFILIATIONS

Professional affiliation refers to individual members in a profession or occupation of which the organisation maintains an oversight in terms of knowledge, skills, conduct and practice.



- The easing of COVID-19 restrictions resulted in an increase in the demand for training.
- A large percentage of the learning and development budget was spent on bursaries, which contributes to career aspirations of employees and the long-term strategic intent of SALGA.
- Plans are underway to measure the impact of all training interventions.

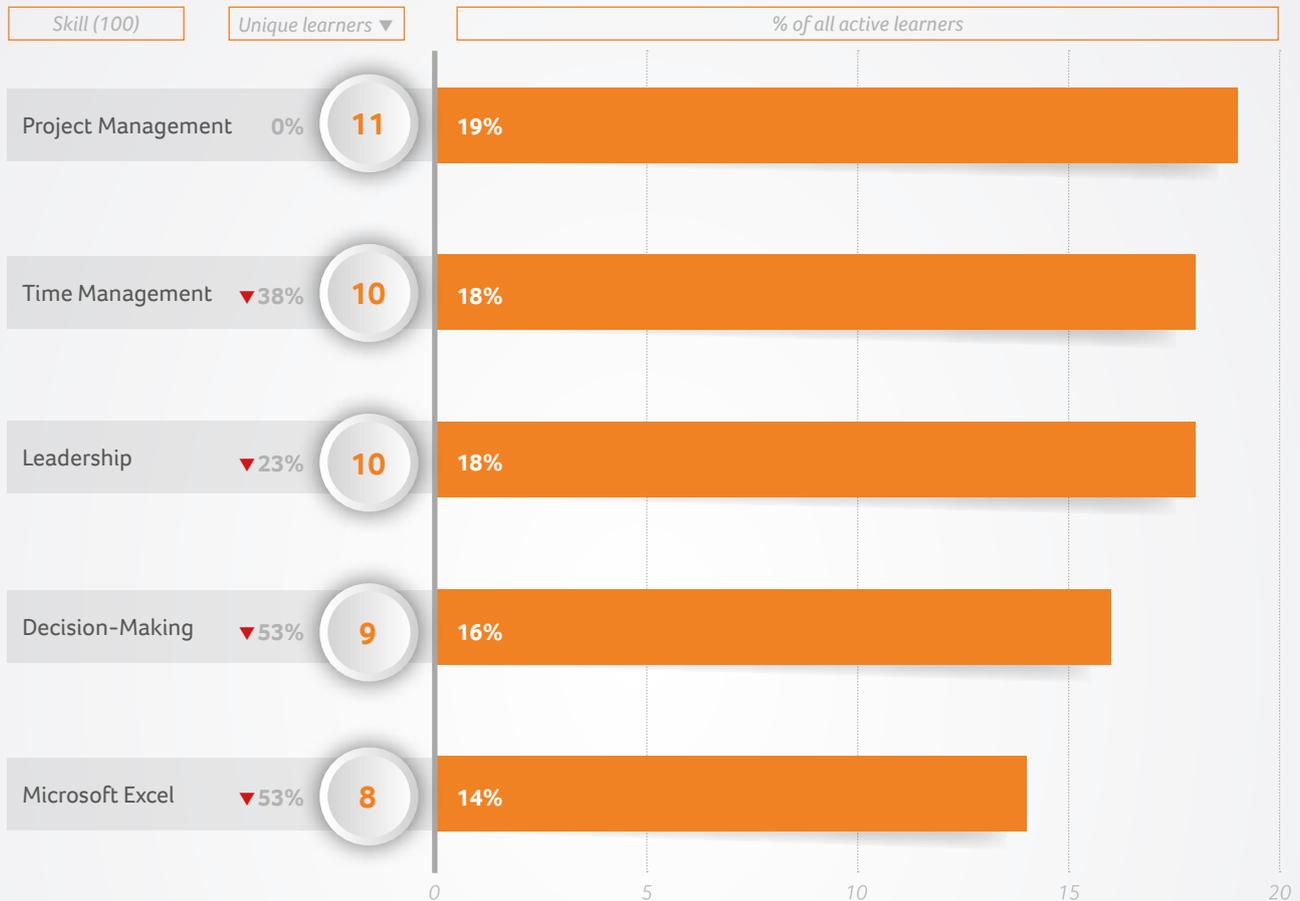
Training and Development Expenditure

LINKED-IN ONLINE LEARNING

A transformed and reskilled workforce requires a progressive learning strategy to meet future organisational needs. In line with "Our Promise", SALGA capacitates its talent through access to learning anytime (24/7), from anywhere and on any device through LinkedIn and other online learning platforms.

Learning accessibility has enabled the organisation to transition from offering conventional to blended learning opportunities, aligned with the future world of work. Due to remote work still at the forefront of deploying alternate training solutions, an accelerated need for online learning remains relevant and our service provider, LinkedIn, met this need efficiently. The SALGA LinkedIn license was renewed, effective 1 March 2022. The learning platform continues to receive interest from SALGA employees, which is reflected by the activation of user seats on the online platform, as 8 780 LinkedIn learning videos were completed during the past financial year.

The graph shows the top five skills that were acquired. The focus on project and time management aligns with the need to better manage remote worker productivity levels.



NEXT LEARNING AND DEVELOPMENT FOCUS

A draft strategy has been developed for the new financial year, which:

- focuses on the 70:20:10 principle of 70% workplace-based applied learning, 20% coaching or mentoring learning and 10% formal programmes
- employs blended learning modalities effectively, including self-directed and informal learning through institutions such as LinkedIn, Udemy, Degreed and on-demand group-based learning (J.I.T)
- institutionalises a leadership philosophy and niche programmes to build leaders that live SALGA's values, and
- adopts a flexible approach to bursary awards as many institutions have an all-year-round registration process.

IMPACT OF ACHIEVEMENTS

A capacitated workforce that contributes meaningfully.

EMPLOYEE WELLNESS INTERVENTIONS

Employee wellness programmes serve as a strategic intervention designed to produce individual and organisational benefits by identifying and proactively managing employees' personal, health and work-related concerns and challenges. Corporate wellness initiatives are designed to keep employees healthy and engaged and enhance work productivity to mitigate the negative impact of illness, absenteeism and presentism on productivity.

Provincial offices were given assistance and guidance to develop their wellness plans/calendars and ensure that COVID-19 response interventions were incorporated in the plans. These interventions constituted a comprehensive holistic approach to employee health and wellness. The focus is on key programmes/interventions aimed at assisting employees with problem areas. These included mental health, personal financial management, gender-based violence, sexual harassment, women

empowerment/dialogue, parenting skills, physical wellness, employee bereavement support, provision of COVID-19 support, occupational health and safety, employee recognition awards, procurement of personal protective equipment (PPE) for municipalities under the Solidarity Fund and a review of the Employee Recognition Programme.

Internationally-observed corporate campaigns included Mental Health Month, Women's Month, Men's Health Month,

Cancer Awareness, 16 Days of No Violence Against Women and Children and Human Rights Day.

SALGA commitment to the health, safety and well-being of all employees is enacted through initiatives that create awareness, institutionalise employee wellness and support individual contributions to the work environment. Examples of such initiatives throughout the reporting period included:

QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Work/Life Balance in COVID-19 Times	Financial Planning: The Last Will and Testament	Mental health Awareness Session	Stress Management
Walking Towards Wellness	Virtual Spring Walk	Motivational Talk	Physical Wellness and healthy cooking demonstration
Financial Literacy Programme	Zumba and Yoga workout session	Healthy cooking demonstration Cardio exercise Yoga	Managing Performance remotely Desk Yoga
Meditation	Walking towards wellness programme	Trauma Debriefing Session	Loss and Grief
Spiritual Connection	Blood Type Wellness Programme	Team Effectiveness Intervention session	Fun Walks and Fun Run
COVID-19 Vaccination Awareness	Read a book programme	N/a	Book Review
Emotional Intelligence	Debriefing Session	N/a	Blood types
Yoga Sessions	N/a	N/a	Virtual Healthy Foods cooking demo
SMS Wellness Check Campaign	N/a	N/a	Wellness day
Vaccination Sessions	N/a	N/a	Benefits sessions

EMPLOYEE RECOGNITION PROGRAMME (ERP)

One of the ways in which SALGA delivers its Employee Value Proposition (EVP) is to recognise employees who go the extra mile in their contribution to business success.

In response to the Culture Survey findings, MANCOM approved the transition of the employee recognition and awards initiative to a holistic ERP that recognises outstanding performance and celebrates unique accomplishments and milestones as part of the organisation's business strategy of enhancing positive employee workplace experiences. Roadshows took place from 26-28 May 2021 to explain the framework to and request inputs from employees.

Integral to the programme are employee recognition and award (ERA) events to celebrate employee accomplishments. Employees nominate colleagues on a monthly basis, from which quarterly winners and finally annual winners are selected. Hybrid ERA events were held on 3 September 2021 in four provinces and were attended by 150 employees at the designated venues, while 60 employees attended via virtual platforms.

CHALLENGES

Full participation in the programme by SALGA executives.

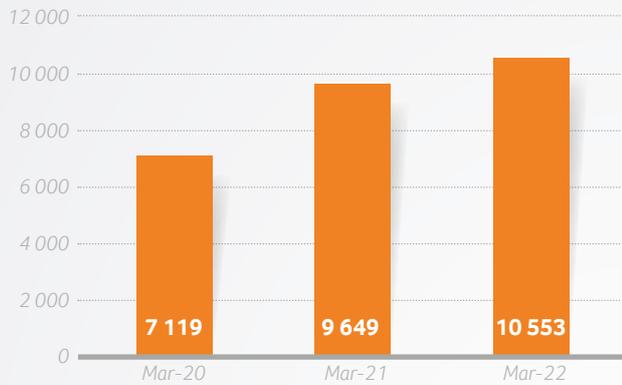
IMPACT OF ACHIEVEMENT

Improved employee morale and productivity.

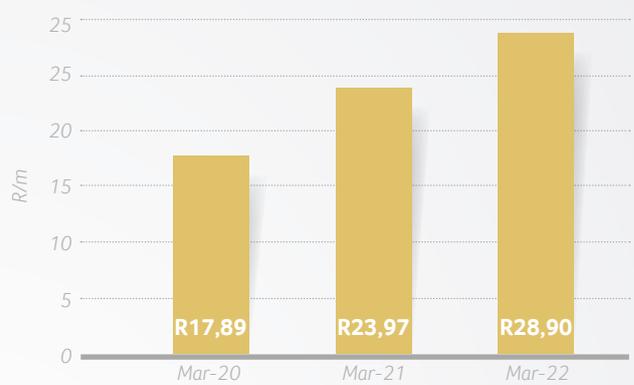
LEAVE MANAGEMENT

LEAVE LIABILITY

The SALGA leave policy allows employees to accrue up to 30 days over 18 months to curb organisational liability and encourage employees to take leave. Leave days in excess of 30 days are forfeited at the end of September annually through an automated process. The charts below show the leave liability as at the end of the past three financial years, inclusive of the balances exceeding 30 days.



Leave Balances



Leave Liability in R/m

Both leave balances and liability as at 31 March 2022 exceed those for the previous two financial years. The year-on-year leave liability increase is also influenced by annual salary increases. According to the leave policy, SALGA is not liable for individual balances that exceed the limit of 30 days.

As at 31 March 2022, there were 1 088 days due to be forfeited on 30 September 2022. The value of the days amount to R3 005 825.00. Employees with excess leave days are reminded to take leave before the end of September each year.

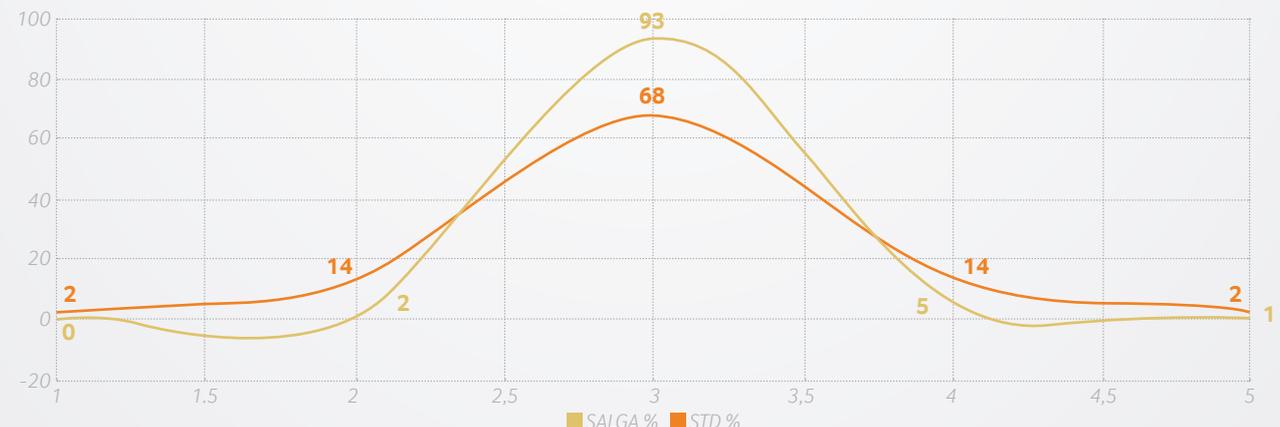
MANAGING TALENT PERFORMANCE

PERFORMANCE MANAGEMENT

The SALGA Performance Management System aims to improve organisational performance through enhanced individual performance. Individual performance agreements and scorecards were completed at the beginning of the cycle with organisational strategic objectives reflected in each employee’s individual scorecard.

2020-21 YEAR-END REVIEWS

The organisation’s performance bell-curve depicted below is comparable to the standard performance of high-performing organisations.



SALGA Performance Bell-curve

Non-Performance	Poor Performance	Good Performance	Top Performance
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In an effort to continuously strengthen SALGA's teams and improve service delivery, employees were encouraged to ensure that performance reviews focused on performance discussions holistically and not only on performance scores. Employees were also furnished with the GROW model below to guide their discussions prior to affixing the scores on the system:

G	GOAL	<ul style="list-style-type: none"> • What do we seek to achieve during this conversation? • What is your goal? • What are the priorities? • What will success look like?
R	REALITY	<ul style="list-style-type: none"> • Where are you with performance now? • What are the major issues we encountered? • What are the great things we need to celebrate? • What are the milestones you need to meet?
O	OPTIONS OR OBSTACLES	<ul style="list-style-type: none"> • What are the various ways in which we might achieve our goals? • What other options do we have? • What strategies could you employ for obstacles?
W	WAY FORWARD	<ul style="list-style-type: none"> • What are the specification action steps we need in place to achieve the option we have identified as most appropriate? • What support and resources do you need? • How will you approach obstacles to ensure success? • What development is required?

IMPACT OF ACHIEVEMENTS

The intent of the performance framework is to foster a high performing environment with SALGA and, as a result, improve organisational productivity.

CHALLENGES

A delay in the approval and implementation of the Revised Performance Framework, which was due to the transition in local government that coincided with the financial yearend at SALGA. As a result, the organisation's governance structures could not meet to conclude certain items in the Annual Performance Plan and Annual Operations Plan.

TERMINATIONS

During the reporting period the organisation experienced a total of 27 terminations. The majority of employees who resigned from the organisation cited better career prospects, which is not unexpected for a young organisation the size of SALGA. Unfortunately, the organisation dealt with three deaths in service during the 2021-22 financial year.

The table indicates the terminations at SALGA during the 2021-22 financial year.

Reason for termination	Q1	Q2	Q3	Q4	Total
Death	1	1	0	1	3
Resignation	5	5	6	1	17
Dismissal	1	0	0	0	1
Retirement	2	1	1	0	4
Ill-health	0	0	0	0	0
Expiry of contract	1	1	0	0	2
Other	0	0	0	0	0
Total	10	8	7	2	27

SALGA experienced a significant decrease in attrition during the past financial year. The voluntary attrition in the current reporting cycle in South Africa is between 14% and 19%, while SALGA recorded its attrition rate at 4.2%.

EXIT INTERVIEWS

The existing exit interview questionnaire does not indicate an exit as a regrettable loss or not. With effect from 1 April 2022, therefore, a revised exit interview questionnaire will allow managers to indicate whether the loss is a regrettable or not.

ANALYSIS OF EXIT INTERVIEWS

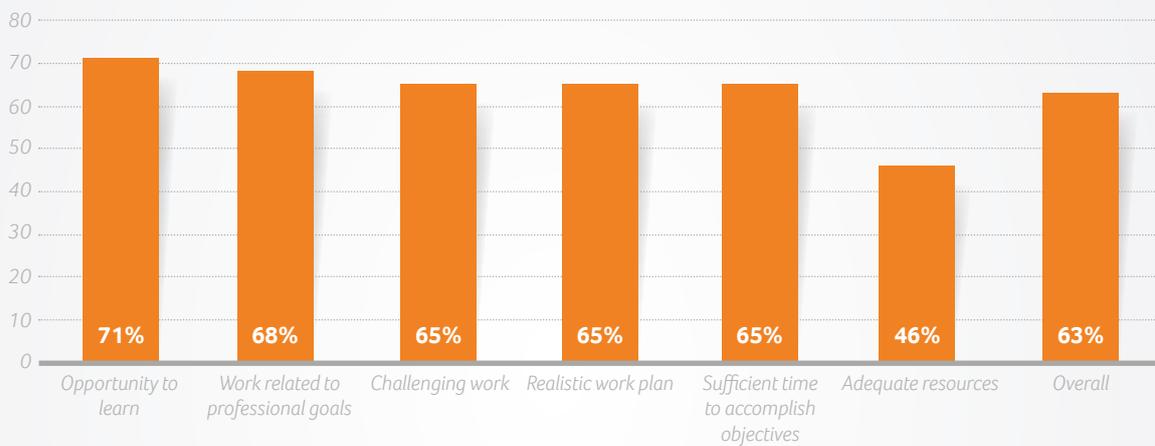
As a standard process, employees are invited to participate in an exit interview once they tender their notice of termination but participation is not mandatory. During the past financial year, eight exit interviews were conducted (2020-21:11).

Due to the low number of participants, the exit interview responses were combined for analysis over the past two years, with a total of 19 leavers or participation of 36% of all exits.

EXIT INTERVIEW RESPONSES

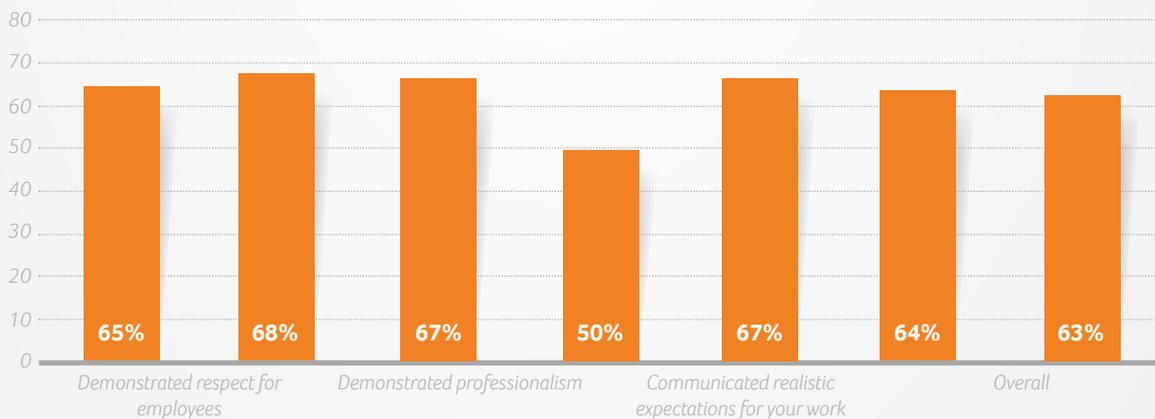
General questions

Satisfaction levels about the opportunity to learn and work related to professional goals recorded a higher score. Although leavers were not satisfied with the adequacy of resources, the satisfaction levels about challenging, realistic and sufficient time to accomplish objectives scored slightly higher.



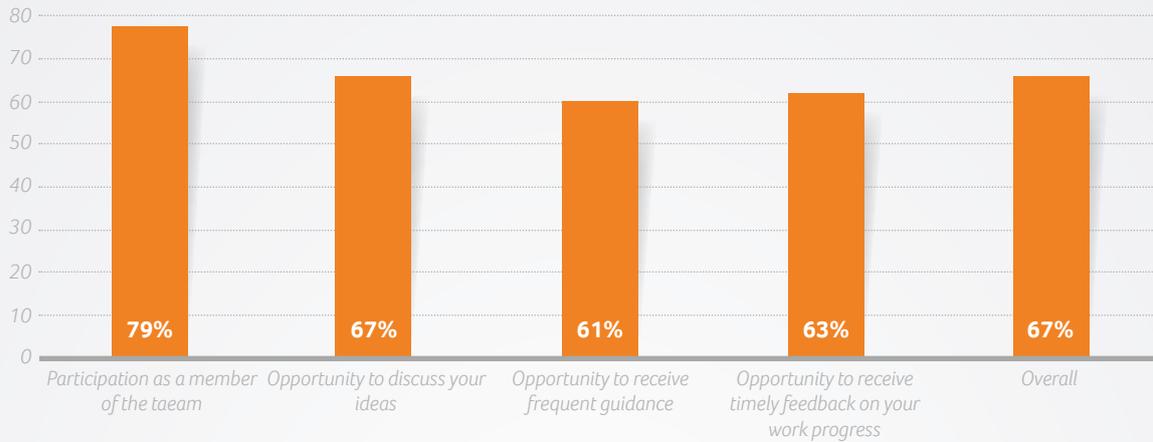
Quality of supervision

Overall, the quality of supervision is somewhat satisfactory but leavers cited a lower satisfaction level for supervisors providing role modelling and training.



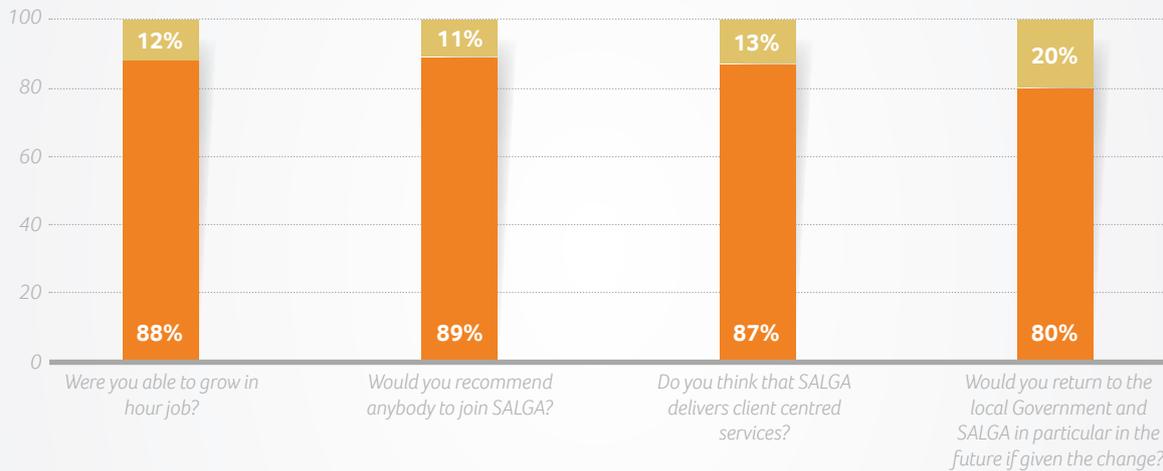
Quality of interactions

Leavers are satisfied with participation as a team member but less satisfied with opportunities to discuss ideas and receive frequent work guidance and progress feedback.



Additional questions

The majority of leavers who were able to grow, would recommend to others to join SALGA and think SALGA delivers client-centred services. Even so, a slightly lower percentage would return to SALGA.



TOTAL STAFF COMPLEMENT

The recruitment efforts and exits during the reporting period resulted in a staff complement of 398 at 31 March 2022 as reflected in the table below.

Occupational level	Female				Female Total	Male				Male Total	Grand Total
	A	C	I	W		A	C	I	W		
Top management	8	1	0	1	10	11	1	1	0	13	23
Senior management	12	0	2	1	15	12	1	1	1	15	30
Professional qualified	36	1	3	1	41	38	3	0	3	44	85
Skilled	71	7	2	3	83	50	5	0	2	57	140
Semi-skilled	67	4	1	6	78	8	0	0	0	8	86
Unskilled	15	3	0	0	18	10	0	0	0	10	28
Temporary employees	1	0	1	0	2	4	0	0	0	4	6
Total	210	16	9	12	247	133	10	2	6	151	398

The total headcount is indicative of an organisation that is anchored by skilled employees.

EMPLOYEE RELATIONS AND COLLECTIVE BARGAINING

Employee Relations has seen a continuous improvement in its approach to dispute resolution and managing employee relations at a collective level. Relationships with Public Servants Associations (PSA) has been steady and SALGA continues to explore mechanisms to grow the partnership and the recognition of its presence in the workplace.

DISPUTE RESOLUTION

The organisation has adequately managed all the disputes that arose in the financial year. All matters referred to the external tribunals were also ruled in favour of the organization. Clusters and provinces that were noted to have continuous disputes are assisted with additional organizational effectiveness initiatives to build a desired culture for all to thrive.

Nature of case	Female				Male				Total
	A	C	I	W	A	C	I	W	
Grievances	3	0	0	0	3	0	0	0	6
Investigation	3	0	0	0	0	0	0	0	3
Suspension	0	0	0	0	0	0	0	0	0
Misconduct	2	0	0	0	1	0	1	0	4
Appeal	0	0	0	0	0	0	0	0	0
CCMA	2	0	0	1	0	0	0	0	3
Incapacity	0	0	0	0	0	0	0	0	0
Court Cases	0	0	0	0	0	0	0	0	0
Totals	10	0	0	1	4	0	1	0	16

Out of the 16 cases that happened cases this financial year, 11 occurred in Quarter 4.

The organisation has enjoyed a stable employee relations environment. In the current year, there were a total of 16 cases as depicted herein above. Most of the cases were grievances which were amicably resolved. There were also misconduct cases and necessary processes were employed to correct the behaviour.

A total decline of grievances was observed from Quarter 3, indicative of the positive changing environment, as organisational effectiveness initiatives were triggered with the objective of increasing effectiveness and conducive culture.

COLLECTIVE BARGAINING

SALGA continued to enjoy a professional and stable relationship with the PSA, which has a majority membership of above 60%. Various initiatives such as continuous relationship building and capacity building for employee and employer representatives took traction during the reporting period.

	MANAGEMENT UNION CONSULTATIVE FORUM MEETINGS 2021/22
QUARTER 1	20 May 2021
QUARTER 2	19 August 2021
QUARTER 3	11 November 2021
QUARTER 4	8 March 2022

The establishment of a bargaining forum, demanded by the PSA, led to a feasibility study to determine an appropriate manner suitable for the organisation. During the quarterly Management Union Consultative Forum (MUCF) meetings, an understanding of the desired milestones was reached between the PSA and SALGA. SALGA also developed a draft ER Strategy and Establishment of a Bargaining Forum document and submitted those to Exco for consideration in March 2022.

IMPACT OF ACHIEVEMENTS

A stable employment relations environment.

CHALLENGE

The potential risk of the delay in the approval of the bargaining forum and related costs should the PSA select the Commission for Conciliation, Mediation and Arbitration (CCMA) route.

HUMAN RESOURCES OVERSIGHT STATISTICS

EMPLOYMENT EQUITY

Despite outstanding strides in employment equity, attracting racial groups other than Africans remains a challenge for the organisation. More efforts with the recently appointed Executive Search Panel will be made at all levels going forward.

Top Management														
	Male					Female					Foreign Nationals			Grand Total
	A	C	I	W	Total	A	C	I	W	Total	Male	Female	Total	
EAP Targets (National)	43.9%	5.2%	1.7%	5.1%	55.9%	35.0%	4.5%	1.0%	3.6%	44.1%	0.0%	0.0%	0.0%	100%
EE Target	43.9%	5.2%	1.7%	5.1%	55.9%	35.0%	4.5%	1.0%	3.6%	44.1%	0.0%	0.0%	0.0%	100%
Actual EE #	11	1	1	0	13	8	1	0	1	10	0	0	0	23
Actual %	47.8%	4.3%	4.3%	0.0%	56.5%	34.8%	4.3%	0.0%	4.3%	43.5%	0.0%	0.0%	0.0%	100%
Variance (Percentage points)	3.9%	-0.9%	2.6%	-5.1%	0.6%	-0.2%	-0.2%	-1.0%	-0.7%	0.6%	0.0%	0.0%	0.0%	0.0%
Vacancies														8

Senior Management														
	Male					Female					Foreign Nationals			Grand Total
	A	C	I	W	Total	A	C	I	W	Total	Male	Female	Total	
EAP Targets (National)	43.9%	5.2%	1.7%	5.1%	55.9%	35.0%	4.5%	1.0%	3.6%	44.1%	0.0%	0.0%	0.0%	100%
EE Target	43.9%	5.2%	1.7%	5.1%	55.9%	35.0%	4.5%	1.0%	3.6%	44.1%	0.0%	0.0%	0.0%	100%
Actual EE #	12	1	1	1	15	12	0	2	1	15	0	0	0	30
Actual %	40.0%	3.3%	3.3%	3.3%	50.0%	40.0%	0.0%	6.7%	3.3%	50.0%	0.0%	0.0%	0.0%	100%
Variance (Percentage points)	-3.9%	-1.9%	1.6%	-1.8%	-5.9%	5.0%	-4.5%	5.7%	-0.3%	5.9%	0.0%	0.0%	0.0%	0.0%
Vacancies														10

Professionally qualified and experienced specialist and mid-management														
	Male					Female					Foreign Nationals			Grand Total
	A	C	I	W	Total	A	C	I	W	Total	Male	Female	Total	
EAP Targets (National)	43.9%	5.2%	1.7%	5.1%	55.9%	35.0%	4.5%	1.0%	3.6%	44.1%	0.0%	0.0%	0.0%	100%
EE Target	43.9%	5.2%	1.7%	5.1%	55.9%	35.0%	4.5%	1.0%	3.6%	44.1%	0.0%	0.0%	0.0%	100%
Actual EE #	28	3	0	3	44	35	1	3	1	40	0	2	2	86
Actual %	44.19%	3.49%	0.00%	3.49%	51.16%	40.70%	1.16%	3.49%	1.16%	46.51%	0.00%	2.33%	2%	100%
Variance (Percentage points)	0.295	-1.71%	-1.70%	-1.61%	-4.74%	5.70%	-3.34%	2.49%	-2.49%	2.41%	0.00%	2.33%	2.33%	0.00%
Vacancies														34

Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents														
	Male					Female					Foreign Nationals			Grand Total
	A	C	I	W	Total	A	C	I	W	Total	Male	Female	Total	
EAP Targets (National)	43.9%	5.2%	1.7%	5.1%	55.9%	35.0%	4.5%	1.0%	3.6%	44.1%	0.0%	0.0%	0.0%	100%
EE Target	43.9%	5.2%	1.7%	5.1%	55.9%	35.0%	4.5%	1.0%	3.6%	44.1%	0.0%	0.0%	0.0%	100%
Actual EE #	49	5	-	2	56	70	7	2	3	82	1	1	2	140
Actual %	35.0%	3.6%	0.0%	1.4%	40.0%	50.0%	5.0%	1.4%	2.1%	58.6%	0.7%	0.7%	1.4%	100%
Variance (Percentage points)	-8.9%	-1.6%	-1.7%	-3.7%	-15.9%	15.0%	0.5%	0.4%	-1.5%	14.5%	0.7%	0.7%	1.4%	0%
Vacancies														13

Semi-skilled and discretionary decision making														
	Male					Female					Foreign Nationals			Grand Total
	A	C	I	W	Total	A	C	I	W	Total	Male	Female	Total	
EAP Targets (National)	43.9%	5.2%	1.7%	5.1%	55.9%	35.0%	4.5%	1.0%	3.6%	44.1%	0.0%	0.0%	0.0%	100%
EE Target	43.9%	5.2%	1.7%	5.1%	55.9%	35.0%	4.5%	1.0%	3.6%	44.1%	0.0%	0.0%	0.0%	100%
Actual EE #	8	0	0	0	8	66	4	1	6	77	0	0	0	85
Actual %	9.4%	0.0%	0.0%	0.0%	9.4%	77.6%	4.7%	1.2%	7.1%	90.6%	0.0%	0.0%	0.0%	100%
Variance (Percentage points)	-34.5%	-5.2%	-1.75	-5.1%	-46.5%	42.6%	0.2%	0.2%	3.5%	46.5%	0.0%	0.0%	0.0%	0%
Vacancies														4

Unskilled and defined decision making														
	Male					Female					Foreign Nationals			Grand Total
	A	C	I	W	Total	A	C	I	W	Total	Male	Female	Total	
EAP Targets (National)	43.9%	5.2%	1.7%	5.1%	55.9%	35.0%	4.5%	1.0%	3.6%	44.1%	0.0%	0.0%	0.0%	100%
EE Target	43.9%	5.2%	1.7%	5.1%	55.9%	35.0%	4.5%	1.0%	3.6%	44.1%	0.0%	0.0%	0.0%	100%
Actual EE #	10	0	0	0	10	15	3	0	0	18	0	0	0	28
Actual %	35.7%	0.0%	0.0%	0.0%	35.7%	53.6%	10.7%	0.0%	0.0%	64.3%	0.0%	0.0%	0.0%	100%
Variance (Percentage points)	-8.2%	-5.2%	-1.7%	-5.1%	-20.2%	18.6%	6.2%	-1.0%	-3.6%	20.2%	0.0%	0.0%	0%	
Vacancies														1

Total														
	Male					Female					Foreign Nationals			Grand Total
	A	C	I	W	Total	A	C	I	W	Total	Male	Female	Total	
EAP Targets (National)	43.9%	5.2%	1.7%	5.1%	55.9%	35.0%	4.5%	1.0%	3.6%	44.1%	0.0%	0.0%	0.0%	100.0%
EE Target	43.9%	5.2%	1.7%	5.1%	55.9%	35.0%	4.5%	1.0%	3.6%	44.1%	0.0%	0.0%	0.0%	100.0%
Actual EE #	128	10	2	6	146	206	16	8	12	242	1	3	4	392
Total Vacancies														78
Not graded														8
Total Actual EE Temps	4	0	0	0	4	1	0	1	0	2	0	0	0	6
Grand Total Actual EE #	132	10	2	6	150	207	16	9	12	244	1	3	4	398

SALGA Employment Equity and Skills Development Consultative Forum (EESDCF) meetings took once a quarter. The forum discussed, *inter alia*, feedback from the Department Labour, as well as about SALGA's B-BBEE verification results and from its Working Groups; Employee wellness and disability; communication and procurement; and recruitment, selection, disciplinary and benefits.

The organisation also made good progress towards meeting acceptable EAP targets in terms of people with disability, with a shift from 1.53 in Quarter 3 to 1.79 in Quarter 4.

People with disabilities March 2022													
	Male				Female				Foreign Nationals		Total	%	
	A	C	I	W	A	C	I	W	Male	Female			
Top Management	1	0	0	0	0	0	0	0	0	0	1	0.26%	
Senior management		0	0	0	0	0	0	0	0	0	0	0.00%	
Professionally qualified	1	0	0	1	0	0	0	0	0	0	2	0.51%	
Skilled	0	0	0	0	0	1	0	0	0	0	1	0.26%	
Semi-skilled	1	0	0	0	0	1	0	1	0	0	3	0.77%	
Unskilled	0	0	0	0	0	0	0	0	0	0	0	0.00%	
Total permanent	3	0	0	1	0	2	0	1	0	0	7	1.79%	
Temporay employees	0	0	0	0	0	0	0	0	0	0	0	0.00%	
Grand Total	3	0	0	1	0	2	0	1	0	0	7	1.79%	

IMPACT OF ACHIEVEMENTS

Compliance with the Employment Equity Act, as well as inclusion and diversity in the workplace.

CHALLENGE

Attracting people with disability remains a focus in the organisation.

ORGANISATIONAL HEALTH AND SAFETY

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

In March 2022, the SHE Committee reached the end of its three-year term. The existing Chairperson, Mr Karel De Klerk, was re-elected for another three-year term, while a new Secretariat, Mrs Babalwa Okoye, and a number of new members joined the committee as provincial SHE representatives and First Aiders.

Training for all representatives started during the reporting period and will continue in the new financial year.

Under normal circumstances, SALGA's SHE Committee convenes quarterly during a financial year but due to the COVID-19 pandemic and creation of the COVID-19 Response Team (CRT), weekly/bi-weekly meetings were held to keep abreast of new COVID-19 protocols and monitor the progress of COVID-19-related matters.

During the 2021-22 financial year the following online meetings were held:

Date	Meetings	Date	Meetings
21 Apr 2021	CRT meeting	29 Sep 2021	SHE Committee Q2 meeting
5 May 2021	CRT meeting	13 Oct 2021	CRT meeting
23 Jun 2021	SHE Committee Q1 meeting	27 Oct 2021	CRT meeting
7 Jul 2021	CRT meeting	1 Dec 2021	SHE Committee Q3 meeting
21 Jul 2021	CRT meeting	22 Feb 2022	CRT meeting
25 Aug 2021	CRT meeting	9 Mar 2022	SHE Committee Q4 meeting

In compliance with the occupational health and safety (OHS) rules and regulations, the committee developed a standard checklist for OHS inspections in all SALGA buildings to identify potential workplace hazards. The forum analysed reports and collectively recommended mitigating action and/or resolutions to all non-compliant OHS offices. The committee invited the Department of Employment and Labour to advise SALGA about dealing with some identified OHS risks.

The lockdown regulations prevented the SHE Committee to conduct normal inspections at SALGA sites to address non-compliance and resolve concerns. Regular inspections will resume during the forthcoming financial year.

STRATEGIC PROJECTS

ORGANISATIONAL CULTURE

During the reporting period, SALGA conducted a survey to better understand how to embed an enabling culture of trust, engagement, empowerment, high performance and accountability throughout the organisation. The findings gave insight into a number of initiatives, which were developed and are currently being implemented.

The survey results identified leadership as an area for improvement within SALGA. Effective leadership engagement with employees is critical to organisational health and the leadership development of the executive team, therefore, is important to entrenching an empowering and high-performance culture within the organisation.

LEADERSHIP DEVELOPMENT PROGRAMME

Organisational culture is set by the organisation’s leadership. A strong and enabling organisational culture is integral to the successful implementation of organisational strategy. It affects employee perceptions about the work environment and may affect their reception, understanding and owning of SALGA’s new five-year strategy. The SALGA leadership, therefore, is an enabler of effective strategy implementation.

SALGA adopted a structured approach to leadership development with a focus on specific building blocks to achieve all-encompassing transformational development. The process to develop leadership capability is in line with SALGA’s Leadership Competency Model. The Leadership Development Programme roll-out started with individual coaching for some executives during the past year. The programme approach will be revisited in the 2022-23 financial year for the rest of the executives.



SALGA WOMEN’S FORUM (SWF)

The SWF was conceptualised in response to the findings of the Culture Survey, which identified challenges women experience in the workplace. Approved by MANCOM on 28 June 2021 and launched on 20 August 2021, the SWF is a structured approach to creating a safe environment for women to verbalise the negative impact of systemic work challenges and related issues. The SWF held its first meeting on 15 September 2021.

IMPACT OF ACHIEVEMENT

SALGA’s organisational culture is progressing steadily towards a desirable state of improved leadership, where the voices of women are heard and women given fair recognition for their

contributions to the organisation.

HUMAN CAPITAL AND CORPORATE SERVICES (HCCS) DAY

The event took place on 8 February 2022 to increase employee awareness about the Human Capital and Corporate Services roles, services, processes and functions, as well as to engage employees about the findings of the Culture Survey.

The event was presented as a virtual expo. Each unit pre-recorded a presentation in a role play/story-telling format with animation/process flow charts. Approximately 200 employees attended the hybrid event online and 50 at a venue. The event will be held annually in future.

CORPORATE SOCIAL RESPONSIBILITY

DISTRIBUTION OF PERSONAL PROTECTIVE EQUIPMENT (PPE)

Following the distribution of the first PPE batches in 2020-2021, a second batch was delivered to municipalities in May 2021. These consisted of a hazmat suit, masks, surgical gloves, sanitisers and reflector jackets.

The remainder of the consignment was delivered in June 2021 and August 2021 and included a hazmat suit (disposable coveralls) and 10 hand sanitisers (20 ℓ, 70% alcohol; approved by SABS and the World Health Organisation).

MUNICIPALITIES SUPPORTED WITH PPE THROUGH THE SALGA COVID-19 FUND IN 2020-2021

No	Province	Municipalities supported
1	SALGA: Limpopo	Elias Motsoaledi Local Municipality Mopani District Municipality
2	SALGA: Gauteng	Rand West City Local Municipality Emfuleni Local Municipality
3	SALGA: Mpumalanga	Ehlanzeni District Municipality Gert Sibande District Municipality
4	SALGA: Eastern Cape	Amathole District Municipality Chris Hani District Municipality
5	SALGA: Northern Cape	Frances Baard District Municipality Pixley ke Seme District Municipality
6	SALGA: Western Cape	Langeberg Local Municipality Breede Valley Local Municipality
7	SALGA: KwaZulu-Natal	Greater Kokstad Local Municipality Ray Nkonyeni Local Municipality
8	SALGA: Free State	Tokoloko Local Municipality Mohokare Local Municipality
9	SALGA: North West	Bojanala Platinum District Municipality Dr Kenneth Kaunda District Municipality

NELSON MANDELA DAY CELEBRATIONS

Nelson Mandela's birthday on 18 July is recognised internationally as Nelson Mandela Day. As South Africans, we embrace the opportunity to celebrate Nelson Mandela's life for the entire month of July. This creates an opportunity for everyone to heed the call to action and acknowledge their individual power to make a positive contribution to changing the world around them.

During Mandela Month, government leaders are expected to engage in activities that inspire change. Government encourages all South Africans and people from all nations to heed the Mandela Day campaign call to accept responsibility for transforming the societies in which they live. SALGA enacts its commitment to this annual call for action with voluntary involvement in community work.

In 2019, the Nelson Mandela Foundation launched 'The Next Chapter' as a new Mandela Day strategy to mark the 10th anniversary of the initiative. During the next 10 years, the Foundation aspires to mobilise people, governments, civil society and corporates to focus on five areas: Education and

Literacy; Food and Nutrition; Shelter; Sanitation; and Active Citizenship.

During the reporting period, SALGA responded to the 2021 rallying theme to "Take Action – Inspire Change – Make Every Day a Mandela Day"; #Action Against poverty with plans for three key campaigns. MANCOM approved the seed funding and proposed activities on 28 June 2021.

THREE KEY CAMPAIGNS WERE PROPOSED TO GUIDE THE PROGRAMMES / ACTIVITIES

#EACH 1 FEED 1

Each 1 Feed 1 is a food distribution network championed by the Nelson Mandela Foundation that started at the beginning of the lockdown period to support families worst affected by food insecurity. Beneficiaries have included child-headed households, orphaned families and the elderly, as well as people informally employed in the early childhood development (ECD) workforce and those living with disabilities (proposed a seed and seedling collection campaign to plant food to create food security; #67 providing seed packs/seedling trays to identified needy communities).

#EARLY CHILDHOOD DEVELOPMENT

The Vangasali campaign aims to identify all registered and unregistered ECD facilities in South Africa. These facilities are essential to the physical and mental development of pre-schoolers and need support, more so during the COVID-19 national lockdown (donation of clothing, ECD reading material, fixing playgrounds and facilities, seedlings to start vegetable gardens, gardening tools and more).

#SANITATION IS DIGNITY

In the wake of COVID-19, the campaign focuses on providing safe access to sanitation in every school and in all communities (donate personal protective equipment and engage municipalities and partners to fix identified sanitation issues, specifically access to potable water).

SALGA's national and provincial offices celebrated Mandela Day with a variety of activities, including:

NATIONAL OFFICE

SALGA celebrated Mandela Day at the Bongani Edu Centre, a child care facility in Pretoria. The celebration consisted of presentations by SALGA speakers, as well as 67 minutes of activities and the distribution of lunch packs to the children.

PROVINCIAL OFFICES

WESTERN CAPE

The South Western Cape and the Executive Mayor of the Garden Route District Municipality, Alderman Memory Booyen, identified Kwamdlezane Baby Care Centre in Plettenberg Bay to commemorate Mandela Day 2021. SALGA and the Executive Mayor presented the Centre with a cheque for R54 862 during a ceremony on 17 January 2022.

NORTHERN CAPE

A SALGA/SAMSA/Siyancuma Local Municipality partnership presented beneficiaries in Campbell and Griekwastad with hippo rollers and PPEs, comprising gloves, masks and sanitisers on 11 March 2022. The event had to be postponed to 2022 due to lockdown restriction during 2021. The Deputy Minister of Transport, Ms Sindisiwe Chikunga and the Transport Safety and Liaison MEC, Ms Sylvia Bloem, attended the event, with a message of support from the SALGA Deputy Chairperson, Cllr Lulamile Nkumbi.

EASTERN CAPE

The province supported the Sakhingomso Training and Development Centre in the King Sabata Dalinyebo Local Municipality, a skills training facility for young people with disabilities and disadvantaged persons past the school-going age. Donations during an event on 31 August 2021 included mattresses, paint brushes and paint (social development donation).

MPUMALANGA

SALGA and SBS Tanks donated a 50 000 litre water reservoir to the Bushbuckridge Local Municipality and SALGA, in partnership with SANLAM, donated Grade 11 Physical Science, Geography and Scientific calculators to a school in the Dr Pixley ka Isaka Seme Local Municipality.

NORTH WEST

Aligned with the Each 1 Feed 1 theme, the SALGA/SANLAM partnership identified early childhood development centres (ECDs) in Jouberton (Tokologo with 23 children and Thabong with 44 children) and Tigane (Tataiso with 90 children) as beneficiaries. Donations to the ECDs in Jouberton took place on 21 September 2021 and to the Tataiso ECD in Tigane on 22 September 2021. The ECD managers all expressed their gratitude to SALGA and SANLAM for the donations.

FREE STATE

SALGA donated food parcels to the Dikotsi Spiritual Centre in the Kroonstad Mophaka Local Municipality. The donations supported a food distribution network that started at the beginning of the COVID-19 lockdown to support families badly affected by food insecurity, specifically child-headed households and the elderly. SALGA distributed non-perishable, nutritionally-balanced food parcels to 50 beneficiaries on 25 August 2021.

GAUTENG

Joburg Water provided ECDs with 20 watering cans, 140 string bags and 140 colouring pens. SALGA provided water tanks, one to the Umusa Day Care and two at Hlanganani.

LIMPOPO

SALGA partnered with the Mopani District Municipality to supply the Mangoako Secondary School with two interactive boards/smart boards to expand/enhance technology-enabled tools of trade that meet 4th Industrial Revolution standards. The organisation also donated seeds and seedlings to encourage local food cultivation and the creation of sustainable food systems to assist the school to mitigate fresh produce scarcity and hunger in the Itumeleng village.

KWAZULU-NATAL

SALGA partnered with Kunene Makopo Risk Solutions, M7 Security, Rand Water, MTN SA and the provincial Department of Education to support the Wit Mfolozi Combined Primary School. The partnership donated 10 toilets (boys and girls), five mobile classrooms, furniture (desks and chairs) and school bags for learners at the school.

INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

WORKPLACE PREPAREDNESS

During the 2021-2022 reporting period, SALGA implemented precautionary measures throughout the organisation to ensure workplace preparedness:

- Developed and shared Standard Operating Procedures (SOP) with employees.
- Trained all Cleaners on COVID-19 cleaning protocols.
- Issued essential work permits to relevant employees.
- Employees who returned to work completed pre-return screening forms.
- Deep-cleaned and decontaminated offices.
- Placed COVID-19 posters and social distance stickers in all strategic office areas.
- Convened weekly COVID-19 response team meetings.
- Conducted risk assessments and quarterly reviews in all offices to minimise risk to SALGA.
- Developed and shared a return-to-work plan with employees in all offices.
- Completed the audit findings mitigation implementation plan for audit outcomes and compliance.
- Updated COVID-19 SOP with new government regulations and lockdown alert levels.

EMPLOYEE SAFETY

Implemented compulsory screening points at all office entry points of offices to ensure compliance with wearing face masks/shields; monitoring temperature; sanitising hands; signing attendance registers, recording temperatures and other symptoms; and completing return-to-work declaration forms upon the first day of return.

PERSONAL PROTECTIVE EQUIPMENT (PPE)

SALGA provided provinces with the following PPE equipment to minimise the spread of COVID-19: thermometers (two per province); two-ply facial masks (two per person); pocket-size and mounted sanitiser dispensers; reception screens; social-distancing stickers; and COVID-19 posters.

COVID-19 CASE MANAGEMENT

During the financial year, SALGA reported 33 confirmed COVID-19 cases across all offices. All affected employees received support through Careways and recovered fully. Deep-cleaning and decontamination followed each reported COVID-19 case.

REPORTED COVID-19 CASES PER PROVINCE BETWEEN JUNE 2020 AND MARCH 2021

Month Reported	NO	EC	FS	GP	KZN	LIMP	MPU	NC	NW	WC	Total
June	10	0	0	0	0	1	0	0	0	0	11
July	1	0	1	0	1	1	0	0	0	1	5
August	3	0	2	0	0	0	0	0	0	0	5
September	0	0	0	0	0	0	1	0	0	0	1
October	0	0	0	0	0	0	0	0	0	1	1
November	0	0	0	0	0	0	0	1	0	0	1
December	5	0	0	0	0	0	0	0	1	0	6
January	0	0	1	0	0	0	0	0	0	0	1
February	0	0	0	0	0	1	0	0	1	0	2
March	0	0	0	0	0	0	0	0	0	0	0
Total	19	0	4	0	1	3	1	1	2	2	33

RESPONSE TO COVID-19 INTERVENTIONS

BENEFICIARIES AND BUDGET SPENT PER SUB-PROGRAMME

Programme/ Sub- Programme	Intervention	Geographic location in province/district/local municipality (where possible)	Number of beneficiaries (where possible)	Disaggregation of beneficiaries (where possible)	Budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to APP outputs (where applicable)	Immediate outcomes
COVID-19 management	COVID-19 risk assessment review	SALGA offices	10 Offices	N/A	N/A	N/A	Aligned with Disaster Management Regulations	Complied with COVID-19 and Disaster Management Regulations
	COVID-19 communication updates	SALGA offices	398 Employees	N/A	N/A	N/A	Integrated employee wellness	Created COVID-19 awareness
	Office deep cleaning and decontamination	National and Gauteng offices	2 Offices	N/A	N/A		Managed SALGA facilities	Complied with COVID-19 and Disaster Management Regulations
Municipal support through the SALGA Employee COVID-19 Fund	Delivered municipal PPE consignment in May and August 2021	9 Provinces	18 Municipalities	2 Municipalities per province	R1,594,592.97	R1,057,536.00	Provided support to member municipalities	Mitigated COVID-19 impact in municipalities

IMPACT OF ACHIEVEMENTS

- Holistic employee wellness.
- Workplace health and safety, including effective management of COVID-19.
- Engaged, high performing employees as SALGA created a platform for employees to receive psycho-social assistance for themselves and their families.

CHALLENGES

The lack of employee participation in the wellness programmes in some provinces remains a concern. The Employee Wellness unit, in collaboration with Careways, are engaging Finance Managers and wellness champions in different provinces to encourage employees to use various platforms to create more awareness about the importance of participation in wellness programmes.





PART E
**FINANCIAL
INFORMATION**

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Thembeka Mthethwa
Chief Financial Officer
30 June 2022

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REPORT OF THE AUDITOR-GENERAL

to Parliament on the South African Local Government Association

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the South African Local Government Association set out on pages 119 to 187, which comprise the statement of financial position as at 31 March 2022, the 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.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the South African Local Government Association as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with 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

3. I conducted my audit in accordance with the International Standards on Auditing (ISA). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. 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.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS

6. 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.
7. 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.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

8. 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.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

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REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT**INTRODUCTION AND SCOPE**

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
11. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the public entity's annual performance report for the year ended 31 March 2022:

Programme	Pages in the annual performance report
Programme 3 – Municipal capabilities and governance	206 - 210

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
 Programme 3 – Municipal capabilities and governance

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION**INTRODUCTION AND SCOPE**

15. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
16. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

OTHER INFORMATION

17. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report

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and the selected programme presented in the annual performance report that have been specifically reported in this auditor's report.

18. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
19. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
20. 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 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

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

Auditor-General

Pretoria

30 June 2022



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

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ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISA, 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 programme and on the public entity's compliance with respect to the selected subject matters.

FINANCIAL STATEMENTS

2. 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 by the accounting authority
 - conclude on the appropriateness of the accounting authority's 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 South African Local Government Association 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

3. 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.
4. 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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ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The National Executive Committee (NEC), as Accounting Authority, is required by the Public Finance Management 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 represent the state of affairs of the South African Local Government Association (SALGA) as at the end of the 2021-2022 financial year and the results of its operations and cash flows for that period, ended on 31 March 2022. 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 are prepared in accordance with South Africa's Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board.

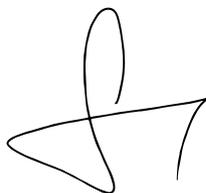
The annual financial statements are based upon appropriate accounting policies applied consistently and supported by reasonable and prudent judgements and estimates.

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

The annual financial statements, as set out on pages 119 to 187, were prepared on a going concern basis (refer to Note 38 on page 184) and approved by the SALGA Presidency on 30 June 2022 and signed on behalf of the NEC by:



BHEKE STOFILE
PRESIDENT



XOLILE GEORGE
CHIEF EXECUTIVE OFFICER

Pretoria
30 June 2022

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STATEMENT OF FINANCIAL POSITION

as at 31 March 2022

<i>Figures in Rand</i>	<i>Note(s)</i>	2022	2021
Assets			
Current Assets			
Operating lease asset	6	76 714	75 114
Receivables from exchange transactions	8	131 185 760	89 540 120
Receivables from non-exchange transactions	9	10 399 805	5 689 042
Cash and cash equivalents	10	477 340 528	329 033 816
		619 002 807	424 338 092
Non-Current Assets			
Investment property	2	6 862 000	6 630 079
Property, plant and equipment	3	43 812 045	42 651 185
Intangible assets	4	995 782	1 101 844
Deposits	5	1 160 778	1 160 778
		52 830 605	51 543 886
Total Assets		671 833 412	475 881 978
Liabilities			
Current Liabilities			
Operating lease liability	6	605 805	-
Finance lease obligation	13	912 271	760 925
Unspent conditional grants and receipts	14	5 090 143	2 357 088
Provisions	15	3 253 747	2 061 862
Payables from exchange transactions Provisions	16	92 941 969	94 292 459
		102 803 935	99 472 334
Non-Current Liabilities			
Operating lease liability	6	2 580 752	2 971 785
Finance lease obligation	13	170 148	388 182
Provisions	15	408 808	438 701
		3 159 708	3 798 668
Total Liabilities		105 963 643	103 271 002
Net Assets			
Revaluation reserve	12	2 259 566	2 259 566
Accumulated surplus		563 610 203	370 351 410
Total Net Assets		565 869 769	372 610 976
Total Net Assets and Liabilities		671 833 412	475 881 978

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STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2022

<i>Figures in Rand</i>	<i>Note(s)</i>	2022	2021
Revenue			
Revenue from exchange transactions			
Revenue from exchange transactions	18	686 048 511	652 712 762
Other revenue from exchange transactions	21	8 471 670	3 627 543
Investment revenue	26	36 403 596	32 163 445
Total revenue from exchange transactions		730 923 777	688 503 750
Revenue from non-exchange transactions			
Government grants and subsidies - Executive Authority	18	35 369 000	33 192 000
Grant recognised - Federation of Canadian Municipalities (BiGM)	18	8 755 816	1 742 887
Grant recognised - LGSETA (Capacity Building)	18	163 440	-
Sponsorships and donations from non-exchange transactions	18	4 101 500	85 000
Grant recognised - LGSETA (LDW)	18	53 280	-
Grant recognised - DST (MIMI)	18	883 110	600 000
Grant recognised - UNDP	18	449 871	7 263 486
Grant recognised - European Union (SGCLG)	18	-	304 972
Grant recognised - LED Network	18	105 260	-
Grant recognised - BANKSETA (SMECB)	18	3 782 628	-
Grant recognised - EU (Enhancing Municipal Capacity for Development)	18	232 350	4 175 098
Grant recognised - VVSG (Enhancing Capacity in LG Waste Management)	18	779 764	1 309 109
Total revenue from non-exchange revenue		54 676 019	48 672 552
Total Revenue		785 599 796	737 176 302
Expenses			
Employee related costs	25	(100 848 365)	(102 137 247)
Programme costs	19	(389 777 791)	(294 130 009)
Administrative expenses	22	(9 656 700)	(96 975 998)
Depreciation and amortisation expense	3&4	(5 229 098)	(6 549 597)
Other operational expenditure	23	(86 088 585)	(79 921 295)
Finance costs	30	(1 153 968)	(505 997)
Total Expenses		(592 754 507)	(580 220 143)
Surplus for the year		192 845 289	156 956 159

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STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2022

<i>Figures in Rand</i>	Revaluation surplus	Accumulated surplus	Total net assets
Balance at 1 April 2020	2 259 566	213 395 251	215 654 817
Changes in net assets			
Surplus for the year	-	156 956 159	156 956 159
Total changes	-	156 956 159	156 956 159
Balance at 1 April 2021	2 259 566	370 351 410	372 610 976
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
Balance at 31 March 2022	2 259 566	563 610 203	565 869 769
Note(s)	12		

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

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CASH FLOW STATEMENT

for the year ended 31 March 2022

<i>Figures in Rand</i>	<i>Note(s)</i>	2022	2021
Cash flows from operating activities			
Cash receipts from customers		702 839 797	718 899 646
Cash paid to suppliers and employees		(583 876 875)	(579 670 479)
Net cash flows from operating activities		118 962 922	139 229 167
Interest received	26	36 403 596	32 163 445
Interest paid	30	(1 153 968)	(505 997)
Cash generated from operations	33	154 212 550	170 886 615
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(5 963 585)	(3 260 541)
Proceeds from sale of property, plant and equipment	22	124 435	-
Purchase of intangible assets	4	-	(533 952)
Net cash flows from investing activities		(5 839 150)	(3 794 493)
Cash flows from financing activities			
Finance lease payments		(66 688)	(969 964)
Net cash flows from financing activities		(66 688)	(969 964)
Net increase in cash and cash equivalents		148 306 712	166 122 158
Cash and cash equivalents at the beginning of the year		329 033 816	162 911 658
Cash and cash equivalents at the end of the year	10	477 340 528	329 033 816

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

		Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	% Difference between final budget and actual
<i>Figures in Rand</i>	<i>Note(s)</i>	R	R	R	R	R	R
Revenue							
Revenue from exchange transactions							
Revenue from exchange transactions	18	718 801 776	-	718 801 776	686 048 511	(32 753 265)	(4,6%)
Other revenue from exchange transactions	21	1 780 000	3 700 000	5 480 000	8 471 670	2 991 670	54,6%
Investment revenue	26	10 000 000	-	10 000 000	36 403 596	26 403 596	264,0%
Total revenue from exchange transactions		730 581 776	3 700 000	734 281 776	730 923 777	(3 357 999)	(0,5%)
Revenue from non-exchange transactions							
Grant recognised – LED Network	18	-	-	-	105 260	105 260	0,0%
Grant recognised – LGSETA (CB)	18	-	-	-	163 440	163 440	0,0%
Government grants and subsidies - Executive Authority	18	35 369 000	-	35 369 000	35 369 000	-	0,0%
Grant recognised – Federation of Canadian Municipalities (BiGM)	18	-	9 979 591	9 979 591	8 755 816	(1 223 775)	(12,3%)
Grant recognised - UNDP	18	-	418 000	418 000	449 871	31 871	7,6%
Sponsorships and donations from non-exchange transactions	18	-	500 000	500 000	4 101 500	3 601 500	720,3%
Grant recognised – Commonwealth Local Government Forum (CLGF)	18	-	-	-	-	-	0,0%
Grant recognised – European Union (SGCLG)	18	-	-	-	-	-	0,0%
Grant recognised – SME Capacity Building (BANKSETA)	18	-	8 000 000	8 000 000	3 782 628	(4 217 372)	(52,7%)
Grant recognised – LGSETA (LDW)	18	-	-	-	53 280	53 280	0,0%
Grant recognised – EU (Enhancing Municipal Capacity)	18	-	426 000	426 000	232 350	(193 650)	(45,5%)
Grant recognised – VVSG (Enhancing Capacity in LG Waste Management)	18	-	315 000	315 000	779 764	464 764	147,5%
Grant recognised – Department of Science and Technology (MIMI)	18	-	-	-	883 110	883 110	0,0%
Total revenue from non-exchange revenue		35 369 000	19 638 591	55 007 591	54 676 019	(331 572)	(0,6%)
Total Revenue		765 950 776	23 338 591	789 289 367	785 599 796	(3 689 571)	(0,5%)
Expenses							
Employee costs	25	(470 063 662)	93 166 646	(376 897 016)	(356 795 408)	20 101 608	5,3%
Programme costs	19	(90 926 411)	(84 197 977)	(175 124 388)	(134 911 826)	40 212 562	23,0%
Administrative expenses	22	(148 677 639)	(22 633 925)	(171 311 564)	(72 497 766)	98 813 798	57,7%
Depreciation and amortisation expense	3 & 4	(9 535 689)	-	(9 535 689)	(5 229 098)	4 306 591	45,2%
Other expenditure	23	(45 035 177)	(9 669 335)	(54 704 512)	(22 166 458)	32 538 054	59,5%
Finance costs	30	(1 500 106)	(4 000)	(1 504 106)	(1 153 951)	350 155	(23,3%)
Total Expenses		(765 738 684)	(23 338 591)	(789 077 275)	(592 754 507)	196 322 768	(24,9%)
Surplus for the year		212 092	-	212 092	192 845 289	192 633 197	90825,3%

Please refer to note 42 for further details.

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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 or 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.

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:

- i) 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.
- ii) 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.

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.

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ACCOUNTING POLICIES (CONTINUED)

1.5 Property, plant and equipment (continued)

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.

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.

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

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.

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).

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ACCOUNTING POLICIES (CONTINUED)

1.5 Property, plant and equipment (continued)

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.

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.

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ACCOUNTING POLICIES (CONTINUED)**1.6 Intangible assets (continued)**

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.

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

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ACCOUNTING POLICIES (CONTINUED)**1.7 Financial instruments (continued)**

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.

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.

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ACCOUNTING POLICIES (CONTINUED)

1.7 Financial instruments (continued)

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);
- 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.

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ACCOUNTING POLICIES (CONTINUED)

1.8 Leases (continued)

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.

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).

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ACCOUNTING POLICIES (CONTINUED)**1.11 Impairment of non-cash-generating assets (continued)**

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:

- (a) the period of time over which an asset is expected to be used by SALGA; or
- (b) 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

- (a) Cessation, or near cessation, of the demand or need for services provided by the asset.
- (b) 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

- (a) Evidence is available of physical damage of an asset.
- (b) 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 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.

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ACCOUNTING POLICIES (CONTINUED)

1.11 Impairment of non-cash-generating assets (continued)

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.

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.

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ACCOUNTING POLICIES (CONTINUED)**1.12 Employee benefits (continued)**

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 negative impact of the lockdown as a result of the Covid-19 pandemic, the NEC suspended 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 3 351 per month (2021: R 3 165) 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 R188.72 per employee per month (2021: R154.25);
- 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% (2021: 0.57%) of SALGA's basic payroll costs;
- The critical illness cover is 0.148% (2021: 0.148%) and calculated based on an employee's basic salary;
- The Disability cover is 1.493% (2021: 1.259%) 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.

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.

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ACCOUNTING POLICIES (CONTINUED)

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.

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.

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ACCOUNTING POLICIES (CONTINUED)

1.15 Revenue from exchange transactions (continued)

"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.

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.

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ACCOUNTING POLICIES (CONTINUED)

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.

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.

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ACCOUNTING POLICIES (CONTINUED)

1.22 Irregular expenditure (continued)

National Treasury INSTRUCTION NO.2 OF 2019-2020 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 17 May 2019:

- 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.

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

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ACCOUNTING POLICIES (CONTINUED)

1.23 Related parties (continued)

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.

Items are classified as commitments when SALGA has committed itself to future transactions that will normally result in the outflow of cash.

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ACCOUNTING POLICIES (CONTINUED)

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 Chief Executive Officer (CEO). Members of the Budget Panel include the Chief Financial Officer (CFO) as well as the Executive Management Team of SALGA. 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.

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	Business case link
GRAP 104	Financial Instruments Effective date: 1 April 2025	SALGA already complies with the issued standard on financial instruments GRAP 104 (Revised). The non-effective standard deals with: 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> 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> 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>
GRAP 25	Employee Benefits Effective date: 1 April 2023	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 recognized as an expense in full in line with GRAP 25.

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2 Investment property

	2022		2021	
	Valuation	Carrying value	Valuation	Carrying value
Investment property	6 862 000	6 862 000	6 630 079	6 630 079

	Opening balance	Fair value adjustment gain/(loss)	Total
Reconciliation of investment property – 2022			
Investment property	6 630 079	231 921	6 862 000

	Opening balance	Fair value adjustment gain/(loss)	Total
Reconciliation of investment property – 2021			
Investment property	7 176 000	(545 921)	6 630 079

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 was 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.

The only rental income received from letting a portion of the investment property relates 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. There is no rental income earned on other investment properties, rather they are held for capital appreciation.

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2 Investment property (continued)

None of the investment property has been pledged as security for any loan.

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.

<i>Figures in Rand</i>	2022	2021
Amounts recognised in surplus or deficit		
Rental revenue from investment property	152 005	140 258
Fair value gain / (loss)	231 921	(545 921)
From investment property that generated rental revenue		
Direct operating expenses	935 577	1 150 886
From investment property that did not generate rental revenue		
Direct operating expenses	3 686 392	3 537 184

The operating costs above relate to municipal charges. 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 in past. However, the process to dispose investment properties was deferred and will be revisited in the next financial year based on the economic climate and better offers being received from willing buyers.

3. Property, plant and equipment

	2022			2021		
	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	(1 120 631)	19 195 858	20 316 489	(849 199)	19 467 290
Furniture and fixtures	18 429 774	(8 953 295)	9 476 479	16 522 221	(8 165 485)	8 356 736
Motor vehicles	2 347 728	(1 968 072)	379 656	2 347 728	(1 783 968)	563 760
Office equipment	7 189 125	(3 273 649)	3 915 476	7 399 644	(3 097 545)	4 302 099
IT equipment	22 153 633	(17 240 300)	4 913 333	21 384 419	(17 095 911)	4 288 508
Leased office equipment	3 153 000	(2 094 150)	1 058 850	4 559 302	(3 350 127)	1 209 175
Leasehold improvements	7 884 004	(7 040 763)	843 241	7 192 508	(6 758 043)	434 465
Total	85 502 905	(41 690 860)	43 812 045	83 751 463	(41 100 278)	42 651 185

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3. Property, plant and equipment (continued)

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
	42 651 185	5 963 585	(93 130)	(5 121 056)	411 461	43 812 045

Reconciliation of property, plant and equipment – 2021

	Opening balance	Additions	Impairment (loss)/ reversal	Depreciation	Prior year adjustment	Total
Land	4 029 152	-	-	-	-	4 029 152
Buildings	19 738 722	-	-	(271 432)	-	19 467 290
Furniture and fixtures	9 321 254	-	(120 839)	(843 678)	-	8 356 737
Motor vehicles	989 232	-	-	(425 472)	-	563 760
Office equipment	4 804 260	57 473	(189 733)	(369 900)	-	4 302 100
IT equipment	4 369 683	2 645 682	(193 604)	(2 533 256)	-	4 288 505
Leased office equipment	2 108 896	557 386	-	(1 457 107)	-	1 209 175
Leasehold improvements	1 020 033	-	-	(585 567)	-	434 466
	46 381 282	3 260 541	(504 176)	(6 486 412)	-	42 651 185

Compensation received for losses on property, plant and equipment – included in surplus or deficit.

<i>Figures in Rand</i>	2022	2021
Property, plant and equipment	93 130	8 596
	93 130	8 596

Assets subject to lease (Net carrying amount)

<i>Figures in Rand</i>	2022	2021
Leased office equipment	1 058 850	1 209 175
Leasehold improvements	843 241	434 466
	1 902 091	1 643 641

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

	2022			2021		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Computer software	1 262 158	(266 376)	995 782	1 305 079	(203 235)	1 101 844

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

Reconciliation of intangible assets – 2021

	Opening balance	Additions	Impairment loss	Prior year adjustment	Amortisation	Total
Computer software	631 077	533 952	-	-	(63 185)	1 101 844

5. Deposits

Figures in Rand

	2022	2021
At amortised cost		
Rental deposits held by lessors	1 160 778	1 160 778
Terms and conditions		
The deposits are refundable by the lessors only on termination of the lease agreement		
	1 160 778	1 160 778
Non-current assets		
Rental deposits held by lessors	1 160 778	1 160 778
Current assets		
Rental deposits held by lessors and held at attorney's trust account	-	-

6. Operating lease asset / (liability)

Figures in Rand

	2022	2021
Current assets	76 714	75 114
Non-current liabilities	(2 580 752)	(2 971 785)
Current liabilities	(605 805)	-
	(3 109 843)	(2 896 671)

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 on integration of SALGA KwaZulu-Natal into the SALGA was renewed on 01 April 2020 for a period of 119 months from 01 April 2020. The annual escalation is 8% and the remaining lease term is 95 months.

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6. Operating lease asset / (liability) (continued)

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 9% and the average remaining lease term is 0.8 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 into 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.

<i>Figures in Rand</i>	2022	2021
The amount recognised as an expense for defined contribution plan is	19 777 693	19 068 195

Included in defined contribution plan information above, is the following plan which is accounted for as a defined contribution plan:

- Pension fund – R 19 777 693 (2021: R 19 068 195)

8. Trade and other receivables from exchange transactions

<i>Figures in Rand</i>	2022	2021
Trade receivables	83 639 048	64 120 421
Prepayments	26 930 037	7 202 342
Sundry receivables	20 616 675	18 217 357
	131 185 760	89 540 120

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.

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.

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8. Trade and other receivables from exchange transactions (continued)

High credit grade (Low risk) - The counter parties have evidenced no instances of defaults and / or re-negotiations of contractual terms in prior periods.

<i>Figures in Rand</i>	2022	2021
Trade receivables schedule		
Trade receivables schedule (gross carrying amount)	259 491 487	295 621 692
Less: Allowance for impairment	(175 852 439)	(231 501 271)
	83 639 048	64 120 421

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 2022, trade and other receivables from exchange transactions of R 83 639 048 (2021: R 64 120 421) were past due payment date and not impaired:

<i>Figures in Rand</i>	2022	2021
The ageing of amounts past due payment date but not impaired is as follows:		
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	83 639 048	64 120 421
	83 639 048	64 120 421

The carrying amount of trade and other receivables that are past due payment date and have re-negotiated settlement terms amount to R nil (2021: R nil).

Trade and other receivables past due payment date but impaired (Exchange transactions):

As of 31 March 2022, trade and other receivables of R 175 852 439 (2021: R 231 501 271) were impaired and provided for.

<i>Figures in Rand</i>	2022	2021
The ageing of impaired amounts is as follows:		
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	175 852 439	231 501 271
	175 852 439	231 501 271

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8. Trade and other receivables from exchange transactions (continued)

<i>Figures in Rand</i>	2022	2021
Reconciliation of allowance account for doubtful debts		
Opening balance	231 501 271	204 710 288
Increase in allowance for impairment	175 852 439	231 501 271
Unused amounts reversed	(231 501 271)	(204 710 288)
	175 852 439	231 501 271

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.

<i>Figures in Rand</i>	2022	2021
Trade receivables	83 639 048	64 120 421
Prepayments	26 930 037	7 202 342
Sundry receivables	20 616 675	18 217 357
	131 185 760	89 540 120

9. Receivables from non-exchange transactions

<i>Figures in Rand</i>	2022	2021
Receivables from non-exchange transactions	4 911 917	895 283
Prepayments	-	-
Sundry receivables from non-exchange transactions	5 487 888	4 793 759
	10 399 805	5 689 042

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.

High credit grade (Low risk) - The counter party has evidenced no instances of defaults and / or re-negotiations of contractual terms in prior periods.

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9. Receivables from non-exchange transactions (continued)

Receivables from non-exchange transactions past due payment date but not impaired:

As of 31 March 2022, receivables from non-exchange transactions of R 4 911 917 (2021: R 895 283) were past due payment date and not impaired:

<i>Figures in Rand</i>	2022	2021
The ageing of amounts past due payment date but not impaired is as follows:		
Not more than 30 days	3 825 880	895 283
More than 30 days but not more than 60 days	615 000	-
More than 60 days but not more than 90 days	50 000	-
More than 90 days but not more than 120 days	-	-
More than 120 days	421 037	895 283
	4 911 917	895 283

Receivables from non-exchange transactions impaired:

As of 31 March 2022, receivables from non-exchange transactions of R 27 192 971 (2021: R 27 001 722) were impaired and provided for.

<i>Figures in Rand</i>	2022	2021
The ageing of impaired amounts is as follows:		
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	27 192 971	27 001 722
	27 192 971	27 001 722

Reconciliation of provision for impairment of receivables from non-exchange transactions:

<i>Figures in Rand</i>	2022	2021
Opening balance	27 001 722	12 420 619
Provision for impairment	27 192 971	27 001 722
Unused amounts reversed	(27 001 722)	(12 420 619)
	27 192 971	27 001 722

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:

<i>Figures in Rand</i>	2022	2021
Cash on hand	26 077	19 880
Restricted cash (conditional grants received)	10 895 961	2 265 498
Bank balances	466 418 490	326 748 438
	477 340 528	329 033 816

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11. Disposal of a significant asset

The organisation had 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.

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

<i>Figures in Rand</i>	2022	2021
Carrying values of the assets	6 862 000	6 630 079

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 was sought and obtained in 2015 in terms of the PFMA and the organisation's Materiality and Significance Framework.

However due to the economic climate the sale of these assets has not yet taken place and has been deferred pending the finalisation and approval of the revised capital investment strategy, which will take into account the recent economic developments and the renewed strategy to buy or sell any property. The revised capital investment strategy will be taken to the NEC for approval.

12. Revaluation surplus reserve

The revaluation surplus is non-distributable.

<i>Figures in Rand</i>	2022	2021
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.

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13. Finance lease obligation

<i>Figures in Rand</i>	2022	2021
Minimum lease payments due		
- within one year	985 892	819 096
- in second to fifth year inclusive	173 849	410 392
	1 159 741	1 229 488
Less: Future finance charges	(77 322)	(80 381)
Present value of minimum lease payments	1 082 419	1 149 107
Present value of minimum lease payments due		
- within one year	912 271	760 925
- in second to fifth year inclusive	170 148	388 182
	1 082 419	1 149 107
Non-current liabilities	170 148	388 182
Current liabilities	912 271	760 925
	1 082 419	1 149 107

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 9 months and the average effective interest rate implicit in the lease was 9.64% (2021: 9.90%).

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 1 082 419 (2021: R 1 149 107) are subject to the Lessors restrictions in terms of movement (relocation).

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14. Unspent conditional grants and receipts

Assets recognised and included in cash and cash equivalents amounting to R 5 090 143 (2021: R 2 357 088) are ring-fenced and can solely be used in terms of the conditions of the grants.

Unspent conditional grants and receipts comprises of:

<i>Figures in Rand</i>	2022	2021
Unspent conditional grants and receipts		
Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ) - LED Network	-	105 260
LGSETA – Capacity Building	-	-
LGSETA – LDW	-	-
BANKSETA - (SMECB)	4 217 372	-
European Union (SGCLG)	370 087	370 087
Federation of Canadian Municipalities (BIGM)	466 041	512 117
European Union - Enhancing Municipal Capacity (EMC)	-	-
United Nations Development Program (UNDP)	36 643	486 514
Department of Science and Technology (MIMI)	-	883 110
VVSG (Enhancing Capacity in Local Government Waste Management)	-	-
	5 090 143	2 357 088

Movement during the year

<i>Figures in Rand</i>	2022	2021
Balance at the beginning of the year	2 357 088	8 905 670
Additions during the year	16 926 460	13 000 681
Reclassification during the year	1 012 114	2 319 072
Revenue recognition during the year	(15 205 519)	(21 868 335)
	5 090 143	2 357 088

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

Reconciliation of provisions – 2022

	Opening Balance	Additions	Reversed during the year	Total
FTC employee long term incentive	2 500 563	1 161 992	-	3 662 555
Legal settlement (CCMA)	-	-	-	-
	2 500 563	1 161 992	-	3 662 555

Reconciliation of provisions – 2021

	Opening Balance	Additions	Reversed during the year	Total
FTC employee long term incentive	1 076 293	1 424 270	-	2 500 563
Legal settlement (CCMA)	185 528	-	(185 528)	-
	1 261 821	1 424 270	(185 528)	2 500 563

<i>Figures in Rand</i>	2022	2021
Non-current liabilities	408 808	438 701
Current liabilities	3 253 747	2 061 862
	3 662 555	2 500 563

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 legal settlement relates to a CCMA award to an employee for constructive dismissal. The provision was reversed in the prior year as the matter was dismissed by Labour Appeals Court.

16. Trade and other payables from exchange transactions

<i>Figures in Rand</i>	2022	2021
Trade payables	9 708 072	7 999 306
Membership levies received in advance	5 225 447	8 183 498
Sundry payables	6 221 525	18 681 657
Accrued leave pay	28 900 788	23 948 914
Accrued thirteenth cheque	1 867 758	1 907 012
Accrued expenses	9 854 494	7 806 935
Accrued performance rewards	25 073 219	24 855 897
Other payables (lodge cards)	6 090 666	909 240
	92 941 969	94 292 459

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17. Financial instruments**Categories of financial instruments****2022**

Financial assets	At amortised cost	Total
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
	592 072 770	592 072 770

Financial liabilities	At amortised cost	Total
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
	31 874 756	31 874 756

2021

Financial assets	At amortised cost	Total
Operating lease receivables – exchange transactions	75 114	75 114
Trade and other receivables from exchange transactions	81 830 416	81 830 416
Other receivables from non-exchange transactions	5 888 263	5 888 263
Cash and cash equivalents	329 033 816	329 033 816
	416 827 609	416 827 609

Financial liabilities	At amortised cost	Total
Trade and other payables from exchange transactions	15 806 241	15 806 241
Sundry payables	18 681 657	18 681 657
Other payables	909 240	909 240
	35 397 138	35 397 138

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18. Revenue

Total revenue disclosed in the statement of financial performance is made up as follows:

<i>Figures in Rand</i>	2022	2021
Revenue from exchange transactions	686 048 511	652 712 762
Revenue from non-exchange transactions	54 676 019	48 672 552
Other revenue (refer note 21)	8 471 670	3 627 543
Investment revenue (refer note 26)	36 403 596	32 163 445
Total revenue	785 599 796	737 176 302

The amounts included in revenue arising from exchange of goods or services are as follows:

<i>Figures in Rand</i>	2022	2021
Rendering of services - Membership levies	686 048 511	652 712 762
Other revenue (refer note 21)	8 471 670	3 627 543
	694 520 181	656 340 305

The amount included in revenue arising from non-exchange transactions is as follows:

<i>Figures in Rand</i>	2022	2021
Transfers – Government grant and subsidies	35 369 000	33 192 000
Grant recognised – FoCM (BIGM)	8 755 816	1 742 887
Sponsorship and donations	4 101 500	85 000
Grant recognised – LED Network	105 260	-
Grant recognised – DST (MIMI)	883 110	600 000
Grant recognised – UNDP	449 871	7 263 486
Grant recognised – European Union (SCLG)	-	304 972
Grant recognised – LGSETA (LDW)	53 280	-
Grant recognised – BANKSETA (SGCLG)	3 782 628	-
Grant recognised – LGSETA (Capacity Building)	163 440	-
Grant recognised – EU (Enhancing Municipal Capacity for Development)	232 350	4 175 098
Grant recognised – VVSG (Enhancing Capacity in LG Waste Management)	779 764	1 309 109
	54 676 019	48 672 552

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS**19 Direct expenditure – Programme cost**

<i>Figures in Rand</i>	2022	2021
Municipal advisory and support service cost		
Annual remuneration	196 835 883	189 593 040
Performance rewards	15 336 560	15 180 155
Employer contribution to medical aid	8 754 986	8 054 040
Unemployment insurance fund (UIF)	519 322	456 342
Skills development levy (SDL)	2 296 294	1 321 113
Other payroll levies	3 514 763	1 784 984
Leave pay accrual charge	4 701 347	6 320 866
Cell phone allowance	3 297 099	3 194 747
Employer contribution to group risk	4 669 369	4 187 070
Employer contribution to the defined contribution plan	14 104 937	13 489 824
Long-term benefits – Retention incentive scheme	835 405	1 226 688
	254 865 965	244 808 869
IGR Participation and mandating cost (councillors)		
Sitting allowance	1 822 110	2 233 107
Travel allowance	1 432 944	682 874
	3 255 054	2 915 981
OLG Mandate implementation cost		
Member support – professional and advisory services	46 999 015	27 735 848
Travel expenditure	7 604 163	1 596 434
Venue hire and accommodation	42 556 449	5 629 688
Capacity building expenditure	28 783 987	10 264 297
Logistical support expenses	5 713 158	1 178 892
	131 656 772	46 405 159
	389 777 791	294 130 009

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20. Government grants and subsidies

<i>Figures in Rand</i>	2022	2021
Transfers and subsidies - Executive Authority	35 369 000	33 192 000

Conditional grant - Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ) - LED Network Grant)

<i>Figures in Rand</i>	2022	2021
Balance unspent at beginning of year	105 260	105 260
Conditions met – transferred to revenue (refer note 18)	(105 260)	-
Balance unspent at end of year	-	105 260

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)

<i>Figures in Rand</i>	2022	2021
Balance unspent at beginning of year	-	1 158 838
Current year receipts	53 280	-
Conditions met - transferred to revenue (refer note 18)	(53 280)	(1 158 838)
Balance unspent at end of year	-	-

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)

<i>Figures in Rand</i>	2022	2021
Balance unspent at beginning of year	-	23 330
Current year receipts	163 440	-
Conditions met - transferred to revenue (refer note 18)	(163 440)	(23 330)
Balance unspent at end of year	-	-

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)

<i>Figures in Rand</i>	2022	2021
Balance unspent at beginning of year	-	-
Current-year receipts	8 000 000	-
Conditions met - transferred to revenue (refer note 18)	(3 782 628)	-
Balance unspent at end of year	4 217 372	-

Conditions still to be met – remaining liability (refer note 14)

This grant is funded by the Banking Sector Education and Training Authority (BANKSETA). It is intended to build capacity of small and 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)

<i>Figures in Rand</i>	2022	2021
Balance unspent at beginning of year	370 087	76 299
Current-year receipts	-	598 760
Conditions met - transferred to revenue (refer note 18)	-	(304 972)
Balance unspent at end of year	370 087	370 087

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)

<i>Figures in Rand</i>	2022	2021
Balance unspent at beginning of year	512 117	-
Current-year receipts	8 709 740	3 623 811
Conditions met - transferred to revenue (refer note 18)	(8 755 816)	(1 742 887)
Transferred from trade and other receivables (sundry receivables) (refer note 8)	-	(1 368 807)
Balance unspent at end of year	466 041	512 117

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 and economic development; to enhance SALGA's capacity to provide institutional support to its members.

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20. Government grants and subsidies (continued)

Conditional grant – United Nations Development Program (UNDP)

<i>Figures in Rand</i>	2022	2021
Balance unspent at beginning of the year	486 514	-
Current-year receipts	-	7 750 000
Conditions met - transferred to revenue (refer note 18)	(449 871)	(7 263 486)
Balance unspent at end of year	36 643	486 514

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)

<i>Figures in Rand</i>	2022	2021
Balance unspent at beginning of year	-	732 148
Transferred from trade and other receivables (sundry receivables) (refer note 8)	232 350	3 442 950
Conditions met - transferred to revenue (refer note 18)	(232 350)	(4 175 098)
Balance unspent at end of year	-	-

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)

<i>Figures in Rand</i>	2022	2021
Balance unspent at beginning of year	883 110	1 483 110
Current-year receipts	-	-
Conditions met - transferred to revenue (refer note 18)	(883 110)	(600 000)
Balance unspent at end of year	-	883 110

Conditions met – no remaining liability (refer note 14)

The grant is funded by Department of Science and technology to develop Municipal Innovation Maturity Index (MIMI).

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20. Government grants and subsidies (continued)

Conditional grant – VVSG (Enhancing Capacity in Local Government Waste Management)

<i>Figures in Rand</i>	2022	2021
Balance unspent at beginning of year	-	36 071
Current-year receipts	-	1 028 110
Transferred from trade and other receivables (sundry receivables) (refer note 8)	779 764	244 928
Conditions met - transferred to revenue (refer note 18)	(779 764)	(1 309 109)
Balance unspent at end of year	-	-

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.

21. Other revenue

<i>Figures in Rand</i>	2022	2021
Delegate fees - national and provincial members assembly	7 001 000	2 753 494
Sundry revenue	1 033 515	777 153
Commission revenue	640	813
Rent revenue	152 005	140 258
Gain/(loss) on foreign exchange differences	284 510	(44 175)
	8 471 670	3 627 543

22. Administrative expenditure

<i>Figures in Rand</i>	2022	2021
Impairment loss	93 194	504 176
Lease rentals	44 866 730	45 672 846
(Reversal of) / allowance for doubtful debt reversal	(55 457 583)	41 372 086
Repairs and maintenance	5 755 558	6 338 737
Gains on disposal of assets	(124 435)	(8 986)
Investment property fair value adjustments	(231 921)	545 921
Other overheads	14 755 157	2 551 218
	9 656 700	96 975 998

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23. Other operational expenditure

<i>Figures in Rand</i>	2022	2021
Advertising	14 292 778	3 041 522
Auditors' remuneration	4 310 223	3 451 973
Bank charges	187 810	192 808
Cleaning	1 894 582	1 915 196
IT consumables	238 647	55 577
Professional and advisory services	1 336 284	6 722 484
Gifts and donations	5 165	28 646
Insurance	720 981	681 266
Community development initiatives	2 355 977	7 452 158
IT support and licence fees	18 990 731	20 801 765
Marketing	4 642 556	1 198 464
Magazines, books and periodicals	-	3 783
Motor vehicle expenses	174 874	58 895
Postage and courier	728 237	346 616
Printing and stationery	4 023 240	2 779 025
Municipal profiling	2 449 883	1 833 571
Security costs	3 459 454	3 604 054
Staff welfare	1 237 178	1 434 268
Subscriptions and membership fees	1 128 686	2 390 830
Telephone and fax	3 780 871	4 297 523
Training	4 027 761	1 709 068
Municipal charges - utilities	8 658 772	7 529 379
Municipal charges - other levies	5 270 229	5 866 018
Legal settlement (CCMA)	-	(185 528)
Other office accommodation costs	28 635	564 142
Recruitment costs	667 611	818 386
Corporate Governance costs	1 477 420	1 329 406
	86 088 585	79 921 295

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24. Operating surplus

Operating surplus for the year is stated after accounting for the following amongst others:

<i>Figures in Rand</i>	2022	2021
Operating lease charges		
Premises		
• Straight-lined amounts	41 526 583	43 473 997
Equipment		
• Leases capitalised / (unwinding of interest expense)	3 360 147	2 218 849
	44 886 730	45 692 846
Profit on sale of property, plant and equipment	(124 435)	(8 986)
Legal fees	993 884	4 327 016
Repairs and maintenance	5 755 558	6 338 737
Impairment on property, plant and equipment	93 134	504 176
Amortisation of intangible assets	108 042	63 185
Depreciation of property, plant and equipment	5 121 056	6 486 412
Municipal advisory and support service cost	254 865 965	244 808 869
Employee costs	75 391 723	74 354 575
Defined contribution fund	19 777 693	19 068 195

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:

<i>Figures in Rand</i>	2022	2021
Municipal advisory and support service cost (refer note 19)	254 865 965	244 808 869
Administration support	100 848 365	102 137 247
	355 714 330	346 946 116

Core services accounts for 72% (2021: 70%) of total employee related costs.

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25. Employee related costs (continued)

Personnel cost

<i>Figures in Rand</i>	2022	2021
Annual remuneration	75 391 723	74 354 575
Performance rewards	6 598 781	9 403 908
Employer contribution medical aid	5 121 207	4 895 547
Unemployment Insurance Fund	288 968	252 938
Workmen's Compensation Fund	272 654	607 569
Skills Development Levy	905 264	556 058
Other payroll levies	428 028	124 678
Leave pay accrual charge	1 946 133	2 640 365
Cell phone allowance	1 182 624	1 193 312
Employer contribution group risk	1 786 212	1 613 802
Other short-term costs	927 427	718 543
Defined contribution plan – Employer contribution pension fund	5 672 756	5 578 371
Long-term benefits – Retention incentive scheme	326 588	197 581
	100 848 365	102 137 247

Remuneration of senior management (included in personnel costs above)

<i>Figures in Rand</i>	2022	2021
Annual remuneration	18 856 663	17 611 101
Employer contribution to retirement fund	1 392 728	1 305 000
Performance rewards (excluding long-term incentive) *	1 565 142	1 120 384
Subsistence; cell phone; and travel allowances	546 847	515 512
Employer contribution to group risk	412 057	363 650
Employer contribution to medical aid	187 092	156 490
	22 960 529	21 072 137

* The long-term incentive paid during the year under review had been recognised on an annual basis until it vested and due for payment, since its inception on 01 April 2014 until 31 March 2019, therefore its related payment has been offset against such provision in line with the long-term incentive standard as well as the long-term incentive policy.

Also refer to note 35 - Related parties for further details on remuneration of senior management.

26. Investment revenue

<i>Figures in Rand</i>	2022	2021
Interest revenue		
Bank	16 568 602	10 527 769
Trade and other receivables at amortised cost – interest revenue	19 834 994	21 635 676
	36 403 596	32 163 445

Total interest revenue calculated using the effective interest rate, on financial instruments not at fair value through surplus or deficit amounted to R 36 403 596 (2021: R 32 163 445).

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27. Fair value adjustments

<i>Figures in Rand</i>	2022	2021
Investment property (Fair value model) (see note 2)	231 921	(545 921)

28. Impairment of assets

<i>Figures in Rand</i>	2022	2021
Impairments		
Property, plant and equipment		
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 9 653 (2021: R 120 839). 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 nil (2021: R 193 604). Office equipment amounting to R 98 968 (2021: R 189 733) 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 3 555 (2021: R nil).	112 176	504 176
	112 176	504 176
Reversal of impairments		
Property, plant and equipment		
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 19 046 (2021: R nil). The recoverable service amount of the asset was based on its value in use.	(19 046)	-
	(19 046)	-
Total impairment losses recognised	93 130	504 176

The main classes of assets affected by impairment losses are:

- Furniture and fixtures – R 9 653 (2021: R 120 839)
- IT equipment – R nil (2021: R 193 604)
- Office equipment – R 98 968 (2021: R 189 733)
- Lease office equipment – R 3 555 (2021: R nil)

The main events and circumstances that led to the recognition of these impairment losses are as follows:

- Furniture and fixtures - was damaged/broken resulting in these assets having no service potential.
- IT Equipment - these assets are not required for the delivery of services to members, either currently, or over the longer planning period due to technological obsolescence.
- Office equipment - 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 - was damaged/broken resulting in these assets having no service potential.

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28. Impairment of assets (continued)

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.

29. Covid-19 Related Transactions

<i>Figures in Rand</i>	2022	2021
Community Development Initiatives	1 870 312	7 127 742
	1 870 312	7 127 742

Included in Note 23 under Community Development Initiative is an amount of R 1 870 312 (2021: R 7 127 742) which was spent during the year under review as a result of 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.

SALGA Employees Covid-19 Fund

As part of the Covid-19 response SALGA Employees were encouraged to contribute towards assisting deserving municipalities towards procurement of the required personal protective equipment and sanitizers. The contributions were done based on pledges by employees by way of forfeiting up to 3-days annual leave. The funds were spent based on the proposals that were submitted by municipalities and evaluated by SALGA for appropriateness and alignment with the support that the organisation was willing to support relating to the pandemic.

DETAILS	AMOUNT
CSI - Employee Voluntary Contributions	1,556,273.42
Less spending - Municipalities (Personal Protective Equipment)	(1 556 273.42)
Balance	-

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29. Covid-19 Related Transactions (continued)

National Executive Committee Covid-19 Related Financial Initiative

In the prior year, the NEC, at its meeting on 11 April 2020, took the following two resolutions in response to the Covid-19 pandemic:

<i>Figures in Rand</i>	2022	2021
Early Settlement Discount	11 637 378	11 085 154
	11 637 378	11 085 154

The early settlement discount relating to the current year is based on the applicable discount referred hereto below. The prior year early discount is based on the NEC resolution in response to Covid-19.

The effect of the resolution ensured that despite the advent of Covid-19 SALGA was able to increase the gross amount of the early settlement discount taken up from the prior year resulting in the improvement of SALGA's cash flow and liquidity.

1. Revised Early Settlement Discount

The early settlement discount for the current year was revised as follows:

SETTLEMENT TIMEFRAMES	APPLICABLE DISCOUNT	DISCOUNT – 2020/21
Paid on or before 30 th April of each year.	5%	5%
Paid later than 30 th April but before or on 31 st May.	3.5%	5%
Paid later than 31 st May but before or on 30 th June.	2%	3.5%
Paid later than 30 th June	0%	0%

2. Furthermore, the NEC had approved an additional discount of 10% for all the levies owing as at 31 March 2020, provided they are settled in full by 31 July 2020; this was in response to the Covid-19 pandemic in the prior year.

Prior Year Opening Balance	
Opening balance from prior year 31 March 2020	227 018 728
<u>Less:</u> Payments collected	(73 971 097)
<u>Less:</u> Opening Balance Discounts	(1 115 716)
Total outstanding prior years (31 March 2021)	151 931 916

As a result of the introduction of the new discount the organisation was able to collect 33% of the opening balances with R1 million being granted to municipalities that took up the discounts. The overall impact of the Covid-19 on the overall financial performance of the organisation with regard to expenses and balances impact is further elaborated on in the CFO Financial Review as contained in the Annual Report of SALGA.

Waiving of Additional Invoicing

Furthermore, the NEC resolved to waive the raising of additional invoices partly due to Covid-19 pressures faced by municipalities and also to ensure predictability with regard to the determination of Members in Good Standing in accordance with SALGA Constitution. The financial implications emanating from this decision was no re-invoicing of the net amount of R nil (2021: R 7 694 392).

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30. Finance costs

<i>Figures in Rand</i>	2022	2021
Trade and other payables	4 732	53
Finance leases	108 940	162 243
Trade and other payables at amortised cost – interest expense	1 040 296	343 701
	1 153 968	505 997

Total interest expense calculated using the effective interest rate, on financial instruments not at fair value through surplus or deficit amounted to R 1 153 968 (2021: R 505 997).

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

<i>Figures in Rand</i>	2022	2021
Audit fees	4 310 223	3 451 973

33. Cash generated from operations

<i>Figures in Rand</i>	2022	2021
Surplus	192 845 289	156 956 159
Adjustments for:		
Depreciation and amortisation	5 229 098	6 549 597
Profit / (loss) on foreign exchange transactions	284 510	(44 175)
Profit on disposal of assets	(124 435)	-
Fair value adjustment to investment property	(231 921)	545 921
Recognised Impairment loss	93 193	504 176
(Decrease) / increase in allowance for doubtful debt	(55 457 583)	41 372 086
Movements in operating lease assets and accruals	213 171	(1 956 405)
Movements in provisions	1 161 992	1 238 742
Decrease in accruals relating to employee costs	217 323	3 418 694
Changes in working capital:		
Trade and other receivables from exchange transactions	13 811 944	(46 119 110)
Trade and other receivables from non-exchange transactions	(4 710 763)	18 633 813
Trade and other payables from exchange transactions	(1 852 323)	(3 664 301)
Underspent / (Overspent) conditional grants and receipts	2 733 055	(6 548 582)
	154 212 550	170 886 615

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34. Commitments

Authorised capital expenditure

Already contracted for but not provided for

<i>Figures in Rand</i>	2022	2021
• Property, plant and equipment	938 001	96 500

Total capital commitments

<i>Figures in Rand</i>	2022	2021
Already contracted for but not provided for	938 001	96 500

Authorised operational expenditure

Already contracted for but not provided for

<i>Figures in Rand</i>	2022	2021
• Expenditure	102 093 778	82 442 792

Total commitments

<i>Figures in Rand</i>	2022	2021
Authorised and contracted capital expenditure	938 001	96 500
Authorised and contracted operational expenditure	102 093 778	82 442 792
	103 031 779	82 539 292

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)

<i>Figures in Rand</i>	2022	2021
Minimum leases payments due		
- within one year	28 950 404	36 416 000
- in second to fifth year inclusive	49 045 328	74 561 984
	77 995 732	110 977 984

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 0.8 years (2021: 1.4 years). The average escalation rate is 9%.

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.

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34. Commitments (continued)

Operating leases - as lessor (income)

<i>Figures in Rand</i>	2022	2021
Minimum leases payments due		
- within one year	120 873	111 919
- in second to fifth year inclusive	588 240	544 667
- later than five years	559 304	723 750
	1 268 417	1 380 336

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 95 months.

35. Related parties

Relationships	
Members of the National Executive Committee ("NEC")	
President of SALGA (Office bearer)	Cllr. Bheke Charles Stofle Speaker – Matjhabeng Local Municipality
Deputy President of SALGA (Office bearer)	Cllr. Flora Noliqwa Maboja-Boltman Councillor – Gert Sibande Local Municipality
Deputy President of SALGA (Office bearer)	Cllr. Xola Pakati Executive Mayor – Buffalo City Metropolitan Municipality
Deputy President of SALGA (Office bearer)	Cllr. Xanthea Limberg Councillor - City of Cape Town Metropolitan Municipality
Member of the NEC	Cllr. Thamsanqa Ngubane Councillor – Umvoti Local Municipality
Member of the NEC	Cllr. Bahula Maladimo Maitula Mayor – Makhuduthamaga Municipality
Member of the NEC	Cllr. Annelie Rabie Councillor – Overstrand Municipality
Member of the NEC	Cllr. Mapaseka Mothibi - Nkoane Deputy Mayor – Mangaung Metropolitan Municipality
Member of the NEC	Cllr. Lesetja Jacob Dikgale Councillor – Thembisile Hani Municipality
Member of the NEC	Cllr. Prudence Ntombenkosi Pepping Councillor – Ingquza Hill Local Municipality
Member of the NEC	Cllr. Nikiwe Julia Num Councillor – Kenneth Kaunda District Municipality
Member of the NEC	Cllr. Xolani Sotashe Councillor - City of Cape Town Metropolitan Municipality
Member of the NEC	Cllr. Xolani Ngwezi Mayor – Umhlathuze Local Municipality

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35. Related parties (continued)

Relationships	
Members of the National Executive Committee ("NEC")	
Member of the NEC	Cllr. Jane Naidoo Councillor – eThekweni Metropolitan Municipality
Member of the NEC	Cllr. Lerato Maloka Mayor – Sedibeng Municipality
Member of the NEC	Cllr. Mluleki Ronald Nkosi Executive Mayor – Lesedi Local Municipality
Member of the NEC	Cllr. Neo Masegela Mayor – Gasegonyana Local Municipality
Member of the NEC	Cllr. Sebang Motlhabi Mayor – Lekwa Teemane Local Municipality
Member of the NEC	Cllr. Brenda Mpamba Councillor – Thembelihle Municipality
Member of the NEC	Cllr. Mesuli Ngqondwana Mayor – OR Tambo Municipality
Member of the NEC	Cllr. Nokwanje Selina Leeto Speaker – Lejweleputswa District Municipality
Member of the NEC	Cllr. Jongisizwe Dlabathi Executive Mayor – Ekurhuleni Metropolitan Municipality
Member of the NEC	Cllr. Arthur Thamsanqa Ntuli Mayor – King Cetshwayo Municipality
Member of the NEC	Cllr. Jesta Sidell Mayor – Ehlanzeni Municipality
Member of the NEC	Cllr. Pule Shayi Mayor – Mopani Local Municipality
Member of the NEC	Cllr. Micheal Segede Mayor – Dawid Kruiper Municipality
Member of the NEC	Cllr. Khumalo Molefe Executive Mayor – Ngaka Modiri Molema Municipality
Member of the NEC	Cllr. Donovan Joubert Speaker - Cape Winelands Local Municipality
Member of the NEC	Cllr. John Mpe Executive Mayor – Polokwane Municipality
Member of the NEC	Cllr. Samkelo Janda Mayor – Umbhashe Local Municipality
Ex-officio member of the NEC	Mr. Xolile George CEO – SALGA

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35. Related parties (continued)

Relationships	
Executive Authority	
Executive Authority	National Department of Co-operative Governance and Traditional Affairs
Members of the Audit and Risk Committee	
Chairperson of Audit and Risk Committee	Mr. Andrew Mashifane
Member of Audit and Risk Committee	Ms. Nosisa Kekana
Member of Audit and Risk Committee	Mr. Zukisani Samsam
Member of Audit and Risk Committee	Mr. Victor Songelwa
Member of Audit and Risk Committee	Ms. Siphwe Desiree Nage
Members of the Performance Management and Remuneration Panel	
Chairperson of Performance and Remuneration Committee	Ms. Joyce Moloi-Moropa
Member of the Performance and Remuneration Committee	Ms. M. Monama
Member of Performance and Remuneration Committee	Ms Barbara Lombard
Member of Performance and Remuneration Committee	Ms. Rosetta Xaba
Member of Performance and Remuneration Committee	Mr. Sisa Njikelana
Executive Management Team	
Mr Xolile George	Chief Executive Officer
Ms Thembeke Mthethwa	Chief Financial Officer
Mr Rio Nolutshungu	Chief Officer: Municipal Capabilities and Governance
Mr Kutlwano Chaba	Chief Digital Officer
Mr Lance Joel	Chief of Operations
Mr Mthobeli Kolisa	Chief Officer: Infrastructure Delivery, Spatial Transformation Services and Sustainability
Ms Pindiwe Gida	Portfolio Head: Human Capital and Corporate Services
Ms Khomotso Letsatsi	Chief Officer: Municipal Finance, Fiscal Policy and Economic Growth

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.

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.

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35. Related parties (continued)

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

Emalaheni Local Municipality

City of Johannesburg Metropolitan Municipality

Makhudutamaga Local Municipality

Thembisile Hani Local Municipality

Ingquza Local Municipality

Dr Kenneth Kaunda Local Municipality

Umhlathuze Local Municipality

Lesedi Local Municipality

Ga-Sqegonyama Local Municipality

Lekwa-Teemane Local Municipality

Thembelihle Local Municipality

O.R. Tambo District Municipality

Ekurhuleni Metropolitan Municipality

Dawid Kruiper (Khara Hais) Local Municipality

Cape Winelands District Municipality

Mbhashe Local Municipality

City of Matlosana Local Municipality

Sol Plaatjie Municipality

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35. Related parties (continued)

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

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.

Local Government Sector Education and Training Authority (LGSETA)
South African Cities Network (SACN)
United Cities and Local Governments (UCLG)
United Cities and Local Governments of Africa (UCLGA)
United Cities and Local Governments of Africa - Southern Africa Regional Office (UCLGA-SARO)
Commonwealth Local Government Forum (CLGF)

Related party transactions

<i>Figures in Rand</i>	2022	2021
Transfers – Government grant and subsidies		
Department of Cooperative Governance and Traditional Affairs	35 369 000	33 192 000

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.

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35. Related parties (continued)

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.

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.

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36. Key Management Personnel (continued)

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 period under review.

	Sitting Allowance **	Reimbursed Travel Allowance *	Subsistence Allowance (Oversees) *	Subsistence Allowance (Local) *	Expenses Refund	Facilitation Fee ***	Total
Cllr. Thembisile Nkadimeng	8 160	-	23 490	-	800	-	32 450
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
	164 250	29 110	23 490	4 031	15 962	209 333	446 175

* 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.

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36. Key Management Personnel (continued)

*** 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).

National Executive Committee (NEC)

2021

	Sitting Allowance **	Reimbursed Travel Allowance *	Subsistence Allowance (Oversees) *	Subsistence Allowance (Local) *	Expenses Refund	Facilitation Fee ***	Total
Cllr. Thembisile Nkadimeng	14 280	-	-	-	1 000	-	15 280
Cllr. Sebenzile Ngangelizwe	10 200	-	-	-	600	-	10 800
Cllr. Deon De Vos	12 240	-	-	-	800	-	13 040
Cllr. Zandile Gumede	5 100	-	-	-	200	-	5 300
Cllr. Bhekumuzi C Stofile	31 620	-	-	-	2 500	-	34 120
Cllr. Mxolisi Koyo	10 200	-	-	278	1 163	-	11 641
Cllr. Gibson Chirwa	9 180	-	-	-	400	-	9 580
Cllr. Anton Coetsee	21 420	3 256	-	268	1 148	-	26 092
Cllr. Busisiwe Modisakeng	13 260	-	-	-	400	-	13 660
Cllr. Xolani Sotashe	16 320	-	-	-	1 300	-	17 620
Cllr. Thami Ngubane	7 140	-	-	-	300	-	7 440
Cllr. Stanley Ramaila	6 120	-	-	-	300	-	6 420
Cllr. Sofia Mosikatsi	13 260	1 531	-	402	300	-	15 493
Cllr. Mpho Khunou	4 080	-	-	-	200	-	4 280
Cllr. Xola Pakati	7 140	-	-	-	400	-	7 540
Cllr. Memory booyesen	6 120	-	-	-	200	-	6 320
Cllr. Sarah Mogale-Letsie	1 020	-	-	-	-	-	1 020
Cllr. Jesta Sidell	6 120	-	-	-	300	-	6 420
Cllr. Linah Malatjie	5 100	-	-	-	300	-	5 400
Cllr. Justice T Makolomakwa	6 120	-	-	-	300	-	6 420
Cllr. Flora N Boltman	8 160	-	-	-	500	-	8 660
Cllr. Siphon Sthonga	6 120	-	-	-	300	-	6 420
Cllr. Gillian Pieters	5 100	-	-	-	100	-	5 200
Cllr. Sarah Mlamleli	6 120	-	-	-	400	-	6 520
Cllr. Nomfundo Mkhulisi	8 160	-	-	-	500	-	8 660
Cllr. Pule Shayi	7 140	-	-	-	100	-	7 240
Cllr. Nonceba Molwele	2 040	-	-	-	100	-	2 140
Cllr. William Mapena	15 300	-	-	-	1 200	-	16 500
Cllr. Bongani Baloyi	8 160	-	-	-	300	-	8 460
	272 340	4 787	-	948	15 611	-	293 686

* 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

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36. Key Management Personnel (continued)

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.

*** 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

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
	18 856 663	1 565 142	5 552 752	546 847	1 392 728	187 092	412 057	28 513 281

* 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 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

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36. Key Management Personnel (continued)

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 have achieved a performance rating of 3 and above. The payment in the current period covers the period from 01 April 2014 until 31 March 2019.

2021

	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	4 517 560	623 322	-	255 814	342 625	35 505	93 220	5 868 045
Ms. Thembeke Mthethwa	1 933 060	-	-	37 243	142 080	-	40 068	2 152 451
Mr. Rio Nolutshungu	2 093 898	180 336	-	51 857	153 902	-	42 907	2 522 899
Mr. Lance Joel	2 552 084	316 726	-	47 182	187 578	35 505	51 869	3 190 944
Mr. Mthobeli Kolisa	2 011 500	-	-	34 512	147 845	31 536	41 618	2 267 012
Mr Kutlwano Chaba (Appointed 1 November 2020)	1 002 999	-	-	19 880	73 720	18 440	21 072	1 136 111
Ms. Pindiwe Gida	1 700 000	-	-	34 512	124 950	35 505	35 460	1 930 427
Ms. Khomotso Letsatsi	1 800 000	-	-	34 512	132 300	-	37 437	2 004 249
	17 611 101	1 120 384	-	515 512	1 305 000	156 491	363 650	21 072 137

* 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 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

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36. Key Management Personnel (continued)

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 have achieved a performance rating of 3 and above. The payment in the current period covers the period from 01 April 2014 until 31 March 2019.

Audit and Risk Committee and Performance and Remuneration Committee members

2022

	Attendance fees *	Reimbursed travel cost **	Other fees ***	Expense refund **	Retainer	Total
Audit and Risk Committee						
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
Performance Management and Remuneration Committee						
Ms Joyce Moloji-Moropa (Chairperson)	106 084	260	-	-	56 703	163 048
Ms Bennedict 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
	1 057 732	958	-	-	415 825	1 474 516

* 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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36. Key Management Personnel (continued)

Audit and Risk Committee and Performance and Remuneration Committee members

2021

	Attendance fees *	Reimbursed travel cost **	Other fees ***	Expense refund **	Retainer	Total
Audit and Risk Committee						
Mr Andrew Mashifane (Chairperson)	99 280	-	-	-	51 768	151 048
Ms Siphwe Desiree Nage	63 905	-	-	-	-	63 905
Mr Nosisa Kekana	87 488	-	-	-	34 512	122 000
Mr Zukisani Samsam	122 863	-	-	-	34 512	157 375
Mr Victor Songelwa	123 453	-	-	-	34 512	157 965
Performance Management and Remuneration Committee						
Mr Chose Choeu Chairperson) (Retired 30 September 2020)	60 827	-	-	-	51 768	112 595
Ms Joyce Moloi-Moropa (Chairperson) (Joined 01 October 2020)	81 333	-	-	-	-	81 333
Ms Bennedict Monama (Appointed 01 October 2020)	90 048	-	-	-	-	90 048
Adv Motlatjo Ralefatane (Resigned 30 September 2020)	46 304	-	-	-	34 512	80 816
Mr Sisa Njikelana (Appointed 01 October 2020)	90 048	-	-	-	-	90 048
Ms Barbara Lombard	153 665	751	-	-	34 512	188 928
Ms Rosetta Xaba	107 304	-	-	-	-	107 304
	1 126 515	751	-	-	276 096	1 403 362

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** 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.

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.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS**37. Risk management (continued)****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
	65 306 086	35 158 606

2021

Maturity analysis	Trade payables	Other payables
Not later than one month	24 762 001	-
Later than one month and not later than three months;	37 780 127	-
Later than three months and not later than one year; and	8 943 389	24 298 819
Later than one year and not later than five years.	-	5 421 830
	71 485 517	29 720 649

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, derivative financial instruments and trade receivables. 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.

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.

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37. Risk management (continued)

Interest sensitivity

At 31 March 2022, 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 704 993 (2021: R 633 149) 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 704 993 (2021: R 633 149) higher, arising mainly as a result of higher interest expense on variable payable and receivables.

Interest sensitivity analysis	Change in Interest rate	2022	2021
Net interest expense Income		35 249 628	31 657 448
If interest rates were 2% higher the net interest income	+200	35 954 620	32 290 597
If interest rates were 2% lower the net interest income	-200	34 544 635	31 024 299
Thus, the net interest revenue /(expense) would have been	+200	704 993	633 149
Thus, the net interest revenue /(expense) would have been	-200	(704 993)	(633 149)

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.

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.

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38. Going concern

We draw attention to the fact that at 31 March 2022, SALGA had accumulated surplus of R 563 610 203 and that SALGA's total assets exceeded its liabilities by R 565 869 769 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.

2021-2022 Considerations:

- A majority of the administration costs decreased significantly during the year under review, as SALGA continued to work from home, hold virtual meetings, for a better part of the year. This trend however, began to change in the last quarter of the year as a result of the economic opening up, leading to more travel, physical meetings, and most importantly holding of the elective conferences as well as the Induction programs which are still continuing for the following year ahead, as part of inducting the newly elected Councillors;
- 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 71% to 76% overall;
- The revised levy calculations and the early settlement discounts offered to municipalities provide SALGA with a stable income, which is set to continue for the foreseeable future;
- The newly formed Business Development Unit within the Finance and 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;
- International Donor Funding Organisations will continue to fund SALGA programmes as is LG SETA due to congruence in mandate;
- The efforts being made in cost savings initiatives, including re-negotiating rental and lease agreements are also contributing to the decrease in administrative costs;
- The cash balances and reserves of SALGA gives comfort that the organisation will continue as a going concern for the foreseeable future.

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. Fruitless and wasteful expenditure

<i>Figures in Rand</i>	2022	2021
Opening balance	53	3 062
Fruitless and wasteful expenditure – current year	4 732	53
Less: Fruitless and wasteful expenditure - condoned	(53)	(3 062)
	4 732	53

Fruitless and wasteful expenditure amounting to R 4 732 (2021: R 53) 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 4 732 on 11 May 2022 (2021: R 53 on 28 May 2021).

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41. Irregular Expenditure

<i>Figures in Rand</i>	2022	2021
Opening balance	250 000	167 966
Add: Irregular expenditure – current year	-	250 000
Add: Irregular expenditure – prior year (discovered in current year)	-	-
Less: Amounts condoned	(250 000)	(167 966)
Less: Amounts recoverable - not condoned	-	-
Less: Amounts not recoverable - not condoned	-	-
	-	250 000

The organisation incurred irregular expenditure for the year of R nil (2021: R 250 000). The amount of R 250 000 has been condoned by National Treasury post year end.

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

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42. 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 2021-2022 financial year. Actual surplus of R192,8 million is R192,6 million higher than the final budget of R212 thousand. This is attributable to the underspending largely in administration costs, as a result of the Covid-19 pandemic which resulted in meetings, training, and travel being restricted to virtual engagements, as people were working from home. Refer to the CFO's Overview in the Annual Report of 2021-2022 for further details.

PART F APPENDICES





APPENDIX A

ANNUAL PERFORMANCE AGAINST PREDETERMINED OBJECTIVES 2021-2022

AGSA audited targets for Programme 3 are indicated on pages 206 to 210 of this Performance Report.

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
PROGRAMME 1: ADMINISTRATION								
SUB PROGRAMME 1.1: OPERATIONS								
Programme Purpose: To lead and direct the SALGA Operations to become more member-centric and relevant to the sector by strengthening vertical and horizontal linkages and ensuring programme and service delivery standards.								
Programme Objectives:								
<ul style="list-style-type: none"> Establish and develop standards for effective practice and quality management and monitoring Institutionalize effective program/ project management framework, methodology, standards & practice Enable multi-disciplinary team work through the mobilization of resources for optimal service delivery across clusters and geographic focus Establish capacity for the management of key accounts and specialized services targeting specific member segments (e.g. Metros, Secondary Cities, District Municipalities) Establish capacity for a centralized legal advisory service Facilitate and enable strategic and business planning and ensure the effective management of SALGA's key performance areas and objectives Developing and implementing a robust monitoring, evaluation and reporting framework and process to ensure the increasing relevance of SALGA in the sector 								
An Effective and Efficient Administration support service for SALGA programme delivery	Operating Model implemented	Phased implementation of the Integrated Operating Model	N/A	New Indicator	Phase I and II of the Operating Model rolled out by 31 March 2022	Phase I Operating Model Blueprint updated and implementation project charter developed for the purpose of initiating the Organisational Realignment Project in line with the new strategy 2022 -2027 once approved. The updated Operating Model Blueprint and Roadmap to be aligned to the new 5-year strategy approved by EXCO. Phase II Operating Model automation developed using Scientrix system and rolled out as part of operations management process integration pilot- from strategy to implementation.	Achieved	None
An Effective and Efficient Administration support service for SALGA programme delivery	Operating Model implemented	Phased implementation of the project management approach and methodology	N/A	Approved project management approach and methodology	Phase I and II of the project Management Approach and Methodology rolled-out by 31 March 2022	Phase I - Project management approach, methodology and associated Project Management processes developed and approved by Exco. Phase II A total of 41 employees completed the project management training programme. Identified project management concepts piloted leading to securing a new technology platform to support the rollout of the project management approach. Project management approach and developments was communicated to all employees using the Project Management Network Series publication.	Achieved	None
An Effective and Efficient Administration support service for SALGA programme delivery	SALGA's five-year strategic agenda	SALGA's 2022-2027 Draft Strategy tabled at provincial conferences for inputs and for approval at the National Conference	2017-2022 Strategic Agenda	2017-2022 Strategic Agenda	The SALGA strategy for 2022 – 2027 approved by 31 March 2022	SALGA's Strategic Plan for the Period 2022 - 2027 was developed through consultative process which included both internal and external stakeholders. The Strategy was approved by SALGA's highest decision-making body, the National Conference on 04 March 2022 held in Cape Town.	Achieved	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
An Effective and Efficient Administration support service for SALGA programme delivery	SALGA 2021-2022 Corporate Calendar	SALGA Governance structures convened in line with the Corporate Calendar	Governance framework	Governance framework	Coordinate the convening of all SALGA Governance Structures by 31 March 2022	<p>SALGA coordinate the convening of the following Governance Structures</p> <ul style="list-style-type: none"> • NEC/PEC meeting in all quarters • National and Provincial Working groups for Q1 and Q2 • National and Provincial Conference • The council of Speakers special NMA <p>The following structure could not convene</p> <ul style="list-style-type: none"> • The Council of Mayors and • National and provincial working groups for Q4 	Not Achieved	Convening of provincial conferences during January and February and the subsequent the dissolution and election of PECs, it has become evident that National Working Groups (which largely comprise of provincial PEC members) would not meet during quarter 4. The newly elected PECs are required to establish and appoint Chairpersons to Working Groups for which direction would be given by the newly elected NEC. Similarly post the election of the NEC at the National Conference the new working groups will only be established with effect from the start of the new financial year.
An Effective and Efficient Administration support service for SALGA programme delivery	SALGA and local government profiling programme	Approved and implemented profiling programme	SALGA and local government profiling programme	SALGA and local government profiling programme	Monthly themed based and Local Government transitional campaigns rolled out by 31 March 2022	<p>SALGA's strategic profiling for 2021-2022 focused on building the profile and image of local government and SALGA within South Africa as well as outside the country. Applying an integrated marketing communications plan, strategic profiling focused on three campaigns with the aim of achieving this objective:</p> <ul style="list-style-type: none"> • Monthly theme-based calendar • Local Government Transition campaign • The Role of SALGA (SALGA 101) <p>a) SALGA had implemented a monthly theme base calendar through various platforms and aimed to build and establish a structured approach on content planning, development and distribution and find structure in content development, advance planning in profiling the organization's work and effectively communicate the role of local government in different sectors of government.</p> <p>b) The Transition Campaign was developed and implemented to achieve the following: a) Showcase the transformative and innovative work of municipalities; b) Showcase key policy inputs by SALGA; c) Educate the public on the challenges/policies that plague and impede the efficient functioning of municipalities and efficient service delivery; d) Acknowledge the decline in public trust of the sector; d) give insight into the desired future state of LG</p> <p>c) The Role of SALGA SALGA profiled the key gains made in IGR, Parliamentary, International and other key platforms. SALGA has implemented SALGA generated a strong media presence on matters where it proactively engaged and influenced the media agenda in the public domain.</p>	Achieved	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
Good governance and resilient municipal institutions	Municipal reporting, monitoring, evaluation and (advisory) support programme	Multi-disciplinary municipal support coordination hub including the DDM nerve centre established	Impact assessment report on SALGA's participation and influence in IGR processes	Proposal on the Intergovernmental support, monitoring and interventions Bill	Multi-disciplinary municipal support coordination hub including the DDM nerve centre established by 31 March 2022	<p>Knowledge Exchange and Peer Learning dates are as follows:</p> <ol style="list-style-type: none"> 1. Joint DDM knowledge exchange programme with the Water District Municipality on 9-11 June 2021 as part of COGTA -UN Partnership. The theme of the Session was "Unpacking the DDM and the changes it envisages in the way we work". 2. Co-hosted the DDM Knowledge Exchange and Peer Learning Session as part of the BiGM closing conference held on 24 -25 June 2021 at the Nelson Mandela Bay Metro. The theme of the DDM session was "District Development Model and Sustainability" 3. A session on unpacking the draft Integrated Monitoring and Evaluation Framework was hosted together with DCOG and DBSA on 22 March 2022. 4. In collaboration with MCG, the DDM featured as part of the 4th Annual Local Government Governance and Performance Management Seminar held on 24 -25 March 2022 under the sub-theme: Integrated Long-term Development Planning through the District Development Model and Project Management. The theme for the DDM session was "The District Development Model as an approach for enhancing Service Delivery". 	Achieved	None
Good governance and resilient municipal institutions	N/A	Integrated Municipal Support and Interventions Framework piloted in the DDM municipalities	Impact assessment report on SALGA's participation and influence in IGR processes	Proposal on the Intergovernmental support, monitoring and interventions Bill	Pilot the MSIF in DDM municipalities by 31 March 2022	<p>During the year under review, the multisectoral support initiatives focused on supporting Mogalakwena LM under the Waterberg District Municipality, Richtersveldt LM under Namakwa District Municipality, Mamusa LM under Dr Ruth Segomotsi Mompati, Overberg District Municipality (JMDA): Theewaterskloof Municipality and Swellendam Municipality, Gert Sibande District: Dr Pixley Ka Isaka Seme Local Municipality, and Maluti -a- Phofung in Thabo Mofutsanyane District and Dr Beyers Naudé Local Municipality in Sara Barthman District</p> <p>A total of twenty two districts/ metro one plans were quality assured.</p> <p>The Local Government Risk Profile Tool to assist 257 municipalities with early warning system was developed.</p>	Achieved	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
Good governance and resilient municipal institutions	N/A	Municipal legal advisory services support programme implemented	Impact assessment report on SALGA's participation and influence in IGR processes	Proposal on the Intergovernmental support, monitoring and interventions Bill	Municipal Legal Advisory Services support programme implemented by 31 March 2022	SALGA provided legal support to municipalities on legal matters referred to SALGA. Requests for legal assistance and advisory services received from municipalities were captured, tracked and updated regularly as the legal processes unfolded. A total of twenty cases were captured during the year under review. The External Legal Advisory Services Approach (Business Case), which captures the reasons and strategic intent for the establishment	Achieved	None
Good governance and resilient municipal institutions	SALGA Lobby and advocacy agenda	Number of agenda setting policy and legislative proposals submitted to IGR Structures and or Legislatures	Impact assessment report on SALGA's participation and influence in IGR processes	Proposal on the Intergovernmental support, monitoring and interventions Bill	Six (06) Policy and legislative reform proposed by 31 March 2022	Policy proposals were developed on the following areas: 1. Asset Management 2. Performance Based Grants 3. Infrastructure Financing 4. Review of Municipal Pension Funds 5. Submission on the review of MFMA 6. A submission on Water Boards Tariff proposals for 2022-23 developed and submitted to the Minister of Water and Sanitation on 4 February 2022. 7. MIG Framework 8. Conceptual framework on professionalising SCM	Achieved	None
Good governance and resilient municipal institutions	SALGA Lobby and advocacy agenda	Number of SALGA Position (formal inputs) submitted for engagements to IGR structure and or Legislatures	Impact assessment report on SALGA's participation and influence in IGR processes	Proposal on the Intergovernmental support, monitoring and interventions Bill	As per draft Legislative Programme and IGR notices	SALGA submitted inputs on the following Bills: 1. Disaster Management Amendment Bill submitted to PC CoGTA 2. 2021 & 2022 Division of Revenue and corresponding Amendment Bill 3. National Veld and Forest Fire (NVFF) Amendment Bill 4. Reaction to issues emanating from Children's Amendment Bill 5. SAPS Amendment Bill	Achieved	None
SUB PROGRAMME 1.2: FINANCE								
Programme Purpose: To enable strategically relevant and solution driven financial services for a high performing and responsive organisation Programme Objectives:								
<ul style="list-style-type: none"> Deliver timeous, relevant and credible financial information on time for decision making Deliver well-governed and sustainable financial and supply chain management services Undertake business analysis and develop innovative revenue-generating value-added solutions 								

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
An Effective and Efficient Administration support service for SALGA programme delivery	Revenue diversification strategy	% revenue from non-member revenue	N/A	N/A	Increase the % of non-member revenue	<p>There had been no increase of non-member revenue. Five (5) sources of alternative revenue business proposals were received.</p> <ol style="list-style-type: none"> 1. CLIQIT for Online Travel business. 2. Water-Based Technology Assessment tool; 3. 2D and 3D Town planning designs. 4. CIPS 5. e-Recruitment - proposal was not shared due to copyrights, the service provider presented at PDC. <p>Three business cases (CLIQIT for Online Travel business; Water-Based Technology Assessment tool; 2D and 3D Town planning designs) were approved by Product Development Committee (PDC) and advanced to Business Case, and further approved by SALGA EXCO in 2020/2021. EXCO approved and recommended PDC to consult National Treasury for Deviation and Waiver of the SCM Regulation 32 for SALGA and Municipalities that take up Business Development Initiatives. Deviations were sent and are considered by National Treasury.</p> <p>In February 2022 the Town Planning Designs business case was approved by National Treasury and will be rolled out.</p> <p>The Capital Asset Acquisition Strategy (CAATS) was reviewed and approved this financial year in March 2022 and is implemented.</p>	Not Achieved	SALGA submitted a request for deviation to National Treasury however National Treasury has a process to waiver business development is prolong before SALGA can roll out its product developed.
An Effective and Efficient Administration support service for SALGA programme delivery	Pending audit outcome	Audit opinion	Unqualified audit opinion with no findings for the financial year 2018-2019	Unqualified audit opinion with no findings for the financial year 2019-2020	Unqualified audit opinion with no findings for the financial year 2021-2022	<p>SALGA has received a clean audit for 2021-2022</p> <p>Quarterly Financial and Non-Financial reports were developed and submitted to COGTA, and National Treasury as follows:</p> <ul style="list-style-type: none"> Quarter 1 - 30 July 2021 Quarter 2 - 28 October 2021 Quarter 3 - 28 January 2021 Quarter 4 - 28 April 2022 	Achieved	None

SUB PROGRAMME 1.3: HUMAN CAPITAL AND CORPRATE SERVICES

Programme Purpose: To enable strategically relevant and solution driven Human Capital and Corporate Services for a high performing and responsive organisation Programme Objectives:

- Drive an integrated corporate service that is fit for purpose

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
An Effective and Efficient Administration support service for SALGA programme delivery	Human Capital Strategy implemented	% of cultures survey recommendations implemented	N/A	Culture survey conducted	100% culture survey results actions implemented by 31 March 2022	<p>The action plans on the results of culture survey were 100% implemented</p> <p>SALGA 2021-22 Culture Survey results main actions are (1) the Leadership Programme (LDP); (2) the Employee Recognition Programme (ERP) and (3) the Women's Forum.</p> <p>After the completion of the culture survey, the LDP was rolled out. The enneagram assessment has been completed, and chemistry check on coaches done.</p> <p>The SALGA Women's Forum (SWF) was endorsed by ManCom on 28 June and launched on 20 August 2021 based on the following pillars: (1) Targeted development; (2) Facilitated conversation; (3) Voice of a woman; (4) External presence. Thereafter SWF held meetings on 15 September 2021 and 10 February 2022 and finalised its 2022-23 plan.</p> <p>The ERP framework, incorporating inputs and comments from roadshows, was endorsed by MANCOM on 28 June 2021. After the conclusion of ERA on 03 September 2021; the approved framework was implemented.</p>	Achieved	None
An Effective and Efficient Administration support service for SALGA programme delivery	N/A	% compliance with recruitment & selection service standards	Human Resource Strategy	Human Resource Strategy	100% implementation in accordance with the recruitment & selection set service standards by 31 March 2022	The Recruitment & Selection Service Level Agreement - SLA (set service standards) was developed, presented and approved by EXCO on 3 May 2021. It was further presented to MANCOM on 31 May 2021. An electronic recruitment and selection tracker was developed. All approved positions for 2021-2022 was tracked against the SLA to ensure 100% implementation of the set service standards.	Achieved	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
An Effective and Efficient Administration support service for SALGA programme delivery	N/A	% of approved critical vacancies filled	Revised Organisational Structure	Revised Organisational Structure	100% of approved critical vacancies filled	<p>47% of approved critical vacancies were filled</p> <p>SALGA established a headcount committee to finalize the critical position to be filled. The committee was convened on 20, 21 and 31 May 2021, and outcomes were presented at MANCOM on 28 June 2021.</p> <p>After consultations with management a 1st set of 68 approved positions was submitted to HCCS on the 3 August 2021. The second set of 10 positions was approved on the 5 November 2021, which meant that the 100% compliance was compromised already as the commitment was that this outcome was subject to approval received by 01 April 2021. A further 20 positions became vacant during the year due to various reasons and filled. A total of 98 position was to be filled by 31 March.</p> <p>The total number of positions filled is affected by internal movements as there has been a concerted effort to give opportunity for growth to internal candidates, thereby creating other gaps in the organisation.</p> <p>A total of 57 positions (37 + 20) was filled by 31 March 2022.</p>	Not Achieved	<p>Late approval of positions to be filled led to delays in appointments. Some appointments were declined by the candidate after negotiations and the process has to be restarted. From the 78 approved position, 8 positions had no profiles (The cluster needed to write job profiles and then HR to grade the positions), 11 positions were put on hold by the relevant cluster, 37 positions were filled by 31 March 2022. Out of 59 + 20 = 79 positions was to be filled, Actual achievement = 37 + 20 = 57 position filled</p> <p>100% Achievement was based on the provision that approval for critical positions would be received by 01 April 2021 as outlined in the Technical Indicator Description.</p>

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
An Effective and Efficient Administration support service for SALGA programme delivery	Remote working framework with implementation plan	Approved Remote working framework	N/A	New Indicator	Remote working framework approved by EXCO by 30 September 2021	<p>The Remote and Flexible Working Policy was developed to formalise the policy rules and guidelines as the organisation was already working remotely due to the COVID-19 pandemic. It also intended to proactively position SALGA as a progressive employer in line with future of work trends.</p> <p>Below is the timeline of organisational engagements on the Remote Working Policy:</p> <ol style="list-style-type: none"> 1. Policy was developed during April 2021 2. On 28 April 2021 policy was sent to Chief Digital Officer for his inputs on remote working tools (MS TEAMS) 3. In August 2021 a needs analysis was conducted to understand employee requirements for working at home. 4. On 27 August 2021 the revised policy was circulation to Executive Management Team for their inputs. 5. On 28 September 2021 EMT follow up email 6. On 11 October 2021 the HCCS policy workshop was held were the emote Working Policy was discussed. 7. On 03 November 2021 the HCCS policy workshop was held and EXCO approved the policy to RemPanel 8. On 23 November 2021 the policy was presented to RemPanel. The RemPanel supported the policy to be tabled to NEC for approval. 9. On 01 March 2022 the policy was approved by NEC 	Achieved	None
An Effective and Efficient Administration support service for SALGA programme delivery	N/A	% compliance with the framework	N/A	New Indicator	100% implementation of the Remote working framework	<p>The Remote working framework were 100% implemented</p> <p>With the advent of the lockdown, the organisation was propelled into a remote way of working and the following was implemented.</p> <p>The Use of Microsoft Teams as a remote working tool:</p> <ul style="list-style-type: none"> •Use the availability view to see which team members is online. •Use of call functionality to directly make a call within the organisation. •Use the chat button for a quick chat to any colleagues across SALGA. •Use in-Apps to enhance engagements. •Use meeting functionality with recording and transcripts where required. <p>The organisation implemented remote Learning and Development with the use of LinkedIn online learning tool</p> <p>Implementation plan presented to RemPanel on 11 March 2022 and presented at on EXCO on 31 March 2022</p>	Achieved	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
SUB PROGRAMME 1.4: ICT AND DIGITAL SERVICES								
Programme Purpose: To continuously simplify, enable and augment organisational use cases and customer journeys through scalable and fit-for-purpose digital technology, data solutions, and informed advisory – for reducing municipal costs and generating revenue for both SALGA and its members. Programme Objective:								
<ul style="list-style-type: none"> Obtain and secure [SALGA Digital] enablement resources Digitalise SALGA's [technology] Environment Build Data Management and Analytic Capacity and Capabilities Enhance and expand, Macro- and externally-facing digital channels Launch initial set of services and products 								
An Effective and Efficient Administration support service for SALGA programme delivery	SALGA integration and digitalisation strategy	Approved strategy	ICT Strategy	ICT Strategy	Integration and digitalisation strategy approved by 30 June 2021	The SALGA Digital Strategy was presented and approved by Mancom of 22 February 2021	Achieved	None
An Effective and Efficient Administration support service for SALGA programme delivery	SALGA's cloud migration, integrated cloud-based Enterprise Resource Planning (ERP) and Operation system	Integrated ERP system	ICT Strategy	ICT Strategy	Integrated ERP System implemented by 31 March 2022	1. SALGA rolled modern workplace tools which included ISP Migration, Migration to Cloud/Office 365, HCIS Project aka Project Iphupho, PMO Project 2. SALGA convene a training session for users on how to optimise on their new working tools from MS-Teams to FindTime. Some of these are done through the "Did You Know" emailer 3. To protect the environment from cyber threats, a cyber security policy had been developed 4. Support was provided to other SALGA tools such as SALGA Mobi improvements, Risk Tool and Barometer	Achieved	None
An Effective and Efficient Administration support service for SALGA programme delivery	SALGA Data Model and Business Intelligence Framework	Approved framework	N/A	New Indicator	SALGA Data Model and Business Intelligence Framework approved by 31 March 2022	The data management framework was developed and presented to the ICT Steering Committee of 28 March 2022	Achieved	None
An Effective and Efficient Administration support service for SALGA programme delivery	SALGA Data Analytic Platforms.	Platforms established and functional	N/A	New Indicator	SALGA Data Analytic Platforms established and functional by 31 March 2022	SALGA Data Analytic Platforms established as follows: 1. SALGA has a fully-fledged cloud-based Data Platform 2. Risk Profile Tool developed on Microsoft Power BI and Azure Platforms 3. Municipal Investment Competitiveness Index Data Warehousing	Achieved	None
Good governance and resilient municipal institutions	Broadband guidelines	Approved guidelines	Draft 5th Utility Strategy	5th Utility Strategy	Finalise SALGA guidelines on broadband rapid deployments by 31 March 2022	1. Broadband Guidelines were presented to the Northern Cape ICT and Records Forum of 10-11 November 2021. 2. Guidelines, and approach presented as part of infrastructure report, and adopted at MIT working group - 06 July 2021. 3. Guidelines piloted at Sol Plaatje LM on 02 March 2022. 4. Guidelines and bylaw inputs also presented to the presidential Operation Vulindlela's single bylaw task team. 5. Guidelines presented and adopted by the SALGA National Conference - with the appropriate approach supported.	Achieved	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
Good governance and resilient municipal institutions	ICT assessment in municipalities	Number of ICT assessment conducted	ICT Maturity Assessments	ICT Maturity Assessments	10 municipal ICT assessment conducted by 31 March 2022	1. Developed a list of municipalities that were going to be approached to participate in the ICT Assessments 2. Conducted the assessments in 10 municipalities. 3. Compiled a comprehensive ICT Capability Maturity Close-out report	Achieved	None
Good governance and resilient municipal institutions	Municipal ICT support	Number of Digital road mapping workshops with Municipalities conducted	ICT Maturity Assessments	ICT Maturity Assessments	20 Digital road mapping workshops by 31 March 2022	The SALGA digital strategic framework provides a guide to the development of future-focused digital strategies for municipalities. In addition, the IT assessments revealed the need to support municipalities with ICT strategies that are more aligned with IDPs. To socialise and train municipalities on this strategic framework, as well as use it for developing next-generation digital strategies, 21 digital workshops were conducted.	Achieved	Following the initial road mapping session, Alfred Nzo DM invited SALGA to the District Strategic Planning Session where in SALGA could further engage with the District ICT Strategy.
PROGRAMME 2: INFRASTRUCTURE DELIVERY, SPATIAL TRANSFORMATION SERVICES AND INCLUSIVE COMMUNITIES								
Programme purpose: Build planning capacity and enhance the delivery of infrastructure services to enable, inclusive spatial transformation								
Programme purpose:								
<ul style="list-style-type: none"> Influence and drive enabling policy, legislation & fiscal frameworks for Infrastructure Service Provision Support the implementation of sustainable urban development and spatial transformation Support regional economic strategies and effective Land Use Management as drivers for inclusive growth and social cohesion Optimise institutional arrangements for sustainable infrastructure Services Strengthen role of LG in social cohesion through social and health services and empowerment of vulnerable communities 								
Municipalities with sustainable and inclusive economic growth underpinned by spatial transformation	SALGA Position paper to strengthen institutional and financial mechanisms to promote PPPs in the network infrastructure, investment and management	Position paper endorsed by the Budget Forum Lekgotla	N/A	New Indicator	Position paper to be tabled at budget Lekgotla by 30 September 2021	SALGA position paper to strengthen institutional and financial mechanisms for PPPs in infrastructure and asset management was developed. It was subsequently presented to SALGA National Working Group and eventually to Budget Lekgotla where it was endorsed.	Achieved	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
Municipalities with sustainable and inclusive economic growth underpinned by spatial transformation	Current practises for investment, operation and maintenance of social infrastructure in municipalities	Documented practises for investment, operation and maintenance of social infrastructure in municipalities shared	N/A	New Indicator	Documented practices developed by 30 September 2021	<p>SALGA documented practices for investment, operation, and maintenance of social infrastructure in municipalities with the aim of publishing and sharing these findings with all municipalities across the country to inspire and encourage benchmarking, facilitate peer learning, and attract investment. Previous documentation of case studies has not encapsulated this area and this assessment aimed to close this knowledge gap.</p> <p>The study was the basis of the Municipal engagement held on the 16 February 2022 for municipalities on their current practices for investment, operation, and maintenance of social infrastructure and sharing best practices. The key achievements captured in the study include that:</p> <p>a) Information was captured on what are the critical success factors to improve investment into social infrastructure, using the various investment vehicles. This information can be used by municipalities with investment challenges on social infrastructure.</p> <p>b) The study also further highlighted the various methods that can be utilised by municipalities for operational and maintenance which other municipalities can draw lessons from to ensure the sustainability of the social infrastructure.</p> <p>c) The study also further highlighted international practises that municipalities may use to improve their social infrastructure and be able to provide a sustainable service to the community.</p>	Achieved	None
Municipalities with sustainable and inclusive economic growth underpinned by spatial transformation	N/A	Engagements with municipalities to share best practices	N/A	New Indicator	Municipal engagements conducted in all provinces by 31 March 2022	<p>The national municipal engagement held on the 16th of February 2022 was an extension of the study conducted for municipalities to share their current practices for investment, operation, and maintenance of social infrastructure. The engagement was a sharing platform for municipalities (with particular focus on sport infrastructure) and sharing best practices.</p> <p>Municipalities received and shared knowledge on the following:</p> <ul style="list-style-type: none"> • Social infrastructure investment opportunities • Sport infrastructure operations in municipalities • Maintenance of social infrastructure • Sharing best practices 	Achieved	Due to the LG elections transition phase, it become difficult to host engagements in each province. We therefore agreed to host one national engagement for all provinces

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
Municipalities with sustainable and inclusive economic growth underpinned by spatial transformation	A symposium for security industry to share technology and contracting options for asset protection.	Outcome report of the symposium	New Indicator	Assessment of mechanism to enhance protection of infrastructure and assets in municipalities conducted.	A symposium on alternative technological innovation on the protection of municipal infrastructure convened by 31 December 2021	<p>A symposium for the law enforcement, and safety and security industry to share technology and contracting options for asset protection was held on a hybrid platform on the 15 September 2021.</p> <p>The focus of the Symposium was also on an integrated, multi-agency approach that envisions enhancing collaboration and co-operation between the public and private sector in protecting infrastructure assets. Consultation and sharing of information is imperative.</p> <p>The blend of attendees at the Symposium included, municipalities, relevant sector departments and partners, operational experts in the field of protection of infrastructure assets, legal experts in the implementation of legislation related to infrastructure assets protection, analysts with innovative solutions, academics, and researchers in this field with a nexus on the use of technology and innovation.</p>	Achieved	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
Municipalities with sustainable and inclusive economic growth underpinned by spatial transformation	Municipal support to identify critical infrastructure owned by municipalities for submission to Minister in terms of municipal infrastructure Act No 8 of 2019	A data-base of the categorised municipal critical infrastructure	N/A	New Indicator	Support District municipalities through the DDM approach by 31 March 2022	The target had to be modified in implementation due to delays in the roll-out of the Act by SAPS. The regulations are not yet done and the establishment of the Critical Infrastructure Council experienced was only concluded in February 2022. This meant that the database of critical infrastructure and support to municipalities on the application had to be put on hold. An alternative program was an awareness program with SAPS to MMs forums or governance structures in provinces in 2021.	Not Achieved	The target, unfortunately, was faced with challenges as it was dependent on the activities of an external national Department, namely, the South African Police Services (SAPS)/Civilian Secretariat for Police Service (CSPS). At the beginning of the financial year the National Office did engage with COGTA, only to be advised that the lead department regarding the Act is the SAPS. From an initial engagement with the SAPS and CSPS at the beginning of the financial year the following key points were established: <ul style="list-style-type: none"> • The SAPS/Civilian Secretariat acknowledge and appreciate the IGR partnership with SALGA on the roll-out and consultation with local government on the Act; • SAPS had not finalised the application form for municipalities as the regulations are not concluded. • The application for declaration as critical infrastructure is not compulsory; • The Regulations are still being drafted, and there will be consultations with SALGA and its constituents when the Regulations are in final draft format; and, • It was agreed that SAPS/Civilian Secretariat will present the CIP Act to the governance structures and forums within SALGA.

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
Municipalities with sustainable and inclusive economic growth underpinned by spatial transformation	An assessment on the state of law enforcement in local government.	An assessment report	New Indicator	A review of the municipal law enforcement strategy including by laws developed	An assessment conducted by 31 March 2022.	<p>An assessment on the state of law enforcement at local government level was developed</p> <p>Law enforcement and crime prevention have traditionally been seen as the responsibility of the police or as stemming from the deterrent aspects of the law or repression of offenders. However, as a result of increasing research, innovation, and experience throughout the world, it is now recognized that crime has multiple causes and that many other sectors of society can have an impact on crime levels and therefore have a responsibility to act to help prevent crime. The police cannot do so alone. More significantly, this is not just a government role, but one that includes communities and civil society organizations, working in partnership with government and public and private institutions.</p> <p>All spheres of government play a role in setting standards and initiating and facilitating action within their jurisdiction to prevent crime and promote safety. The role of local government is to develop and tailor programmes to local circumstances, since crime is experienced at the local and the neighbourhood level. Fulfilling this role has been a challenge, and there is little evidence to demonstrate where the gaps lie and what support is needed.</p>	Achieved	None
Municipalities with sustainable and inclusive economic growth underpinned by spatial transformation	Municipalities supported to align the PSHDAs with IDPs and SDFs.	Alignment of the Priority Housing (PHSHDAs) with municipal IDPs and SDFs	Consolidated outcomes report on implementation of the housing accreditation support plan and mechanisms for housing funding	Support municipalities to align PSHDAs with IDPs and SDFs	30 Municipalities (Metros and secondary cities) by 31 March 2022	<p>A cooperation mechanism to support the development of PSHDAs was developed and approved by the SALGA National Working Group.</p> <p>Following the approval of 47 sites to be developed as PSHDAs, SALGA collaborated with Department of Human Settlements and Housing Development Agency (HDA) to coordinate support to the development of PSHDAs. SALGA participated in the National coordinating structures led by the department and in various provincial support forums established to coordinate implementation of PSHDAs. The department of Human Settlements assisted by HDA reported that by March 2022, at least 37 PSHDAs were supported and being concluded.</p>	Not-Achieved	<p>Seventy-four PSHDAs in thirty-six municipalities was targeted to be supported in a collaboration that involves SALGA, DHS, HDA and other partners. However, in the APP 2021-2022 SALGA based on its limited resources and technical capacity was only able to commit to supporting in 30 municipalities.</p> <p>Although 37 municipalities was supported not all were metros and secondary cities as per approved target</p>
Municipalities with sustainable and inclusive economic growth underpinned by spatial transformation	Spatial Transformation Barometer publication	Spatial transformation publication	Report on the review of the spatial transformation developed	Annual Spatial Transformation Barometer published for additional municipalities.	Spatial Transformation monitored in 10 municipalities by 31 March 2022.	Research was conducted and used to refine indicators to monitor spatial transformation. This was then utilised to monitor spatial transformation in 10 selected municipalities. A consolidated Spatial Transformation Barometer was then published through various platforms including SALGA website by 31 March 2022.	Achieved	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
Municipalities with sustainable and inclusive economic growth underpinned by spatial transformation	Benchmarking and peer review mechanism on SPLUMA compliance	Peer review sessions for municipalities that are non-compliant with SPLUMA	SPLUM differentiated support and capacity building implemented in selected municipalities	Differentiated support provided to municipalities on compliance with SPLUMA	All municipalities that are non-compliant with SPLUMA are supported through a SALGA led benchmarking and peer review mechanism by 31 March 2022	A benchmarking and peer review programme was designed and approved by a National Working Group. A list of non-compliant municipalities was obtained from the DALRRD, the responsible government department and targeted for the identified peer review mechanisms. 10 peer review seminars/forums were conducted by 31 March 2022	Achieved	During engagement with municipalities on SPLUMA support after identifying 69 that was non-compliant there were those municipalities that participated in the sessions that was convened. The invitation sent to municipalities also covered areas that go beyond SPLUMA compliance.
Municipalities with sustainable and inclusive economic growth underpinned by spatial transformation	Climate Change responsiveness assessment reports of District Development Plans	Number of District Development plans assessed.	Climate Change Finance support mechanisms	Municipal infrastructure plans reviewed and advise provided on their climate change compatibility.	44 District Development Plans assessed by 31 March 2022	(i) An assessment of 44 Districts and 7 Metro municipalities in all 9 provinces in the country was concluded in 2021/22. (ii) 2 of the 44 districts (Zululand and uMkhanyakude) in the KZN province, had generic infrastructure assessment conducted due to them not having draft DDM plans to assess.	Achieved	Over and above the 44 districts as per the target, all the metros with the exception of City of Cape Town were also offered an opportunity for the review. This is due to the fact that assessment of municipal plans for climate change responsiveness is very important to ensure integration of climate change. This is also important in providing SALGA and the Department of Forestry Fisheries & Environment (DFFE) to have a holistic view of how local government is mainstreaming climate change in their municipal plans.
Municipalities with sustainable and inclusive economic growth underpinned by spatial transformation	Cities support programme promoting City Sustainability in respect to Climate Change responsiveness and Environmental management	Approved Cities Support Programme	Climate Change Finance support mechanisms	Develop a municipal benchmarking report on environmental compliance and facilitate action in response to non-compliance	Cities support programme developed and approved by 31 June 2021	SALGA has partnered with the South African Cities Network (SACN) and National Treasury's Cities Support Program (CSP) to develop a programme to ensure that environmental sustainability practices and climate change are being embedded in city planning and development processes and across city operations. This programme aims to build on a study that has been conducted by SACN to articulate a common understanding by city practitioners of the concept and practices of sustainability; and establish how cities are integrating sustainability practices in their planning and development processes. SALGA also initiated work to conduct a status analysis on the Cities waste to energy projects and look at how cities could be supported to carry this work.	Achieved	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
Municipalities with sustainable and inclusive economic growth underpinned by spatial transformation	N/A	Cities participating in the programme	Climate Change Finance support mechanisms	Develop a municipal benchmarking report on environmental compliance and facilitate action in response to non-compliance.	Cities support programme implemented in Metros and secondary cities by 31 March 2022	<p>The programme has progressed and the three coordinating organizations, i.e. SALGA, SACN and CSP are working well to ensure that objectives are achieved. The cities support programme implementation M&E reports have been produced with an outcomes report developed. The performance has been monitored through implementation plan which is part of the M&E report. The international and national Cities Support Organizations have been engaged and they are on board to support cities in achieving environmental sustainability.</p> <p>8 metros, 20 secondary cities, 2 district and 6 local municipalities have been supported.</p>	Achieved	Additional 9 municipalities that had interest in the Cities Support Programme
Municipalities with sustainable and inclusive economic growth underpinned by spatial transformation	Municipal support to improve Disaster Risk Management, Fire and Emergency Services function in partnership with NDMC and PDMC.	Number of municipalities supported	Support to municipalities on safety planning	Assess the performance of disaster management, fire and emergency services in municipalities.	44 District municipalities by 31 March 2022.	<p>SALGA held engagements and participated in District Disaster Management Advisory Forums and Chief Fire Officers to deliberate on the municipal interventions support plans to be implemented. Further engagements were also conducted with the University of Free State (Disaster Management Training and Education Centre) and the Disaster Management Institute of Southern Africa on the professionalisation of the function in order to provide it with legitimacy and to address the skills and expertise required to perform its function. A virtual workshop was held on 13 December 2021 to support municipalities in 6 districts and two metropolitan municipalities in the Eastern Cape province. Further engagements were also conducted with the University of Free State.</p> <p>SALGA partnered with Oxfam SA and the NDMC to host a hybrid capacity building programme for the Heads of District Municipal Disaster Management Centres and Chief Fire Officers in order to improve the state of compliance levels, planning and response in municipalities.</p> <p>Training session for district municipalities were as follows:</p> <ul style="list-style-type: none"> • Eastern Cape, Northern Cape and Western Cape held on the 16-17 March 2022. • KwaZulu Natal; Free State and Mpumalanga's session held on the 24-25 March 2022 • Gauteng, Limpopo and North West's session held on the 30-31 March 2022. 	Achieved	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
Municipalities with sustainable and inclusive economic growth underpinned by spatial transformation	Assessment of capacity of municipal environmental health to effectively deliver on the function	Assessment report completed	Municipalities supported based on MHS Norms and Standards	Status quo on municipal Environmental Health capacity and Capacity development plans	Assessment report completed by 30 September 2021	An assessment report on the state of municipal health services was produced as a basis for engagement and lobbying sector departments, academic institutions, municipalities, and partners to have a common understanding of the nature of the problem and derive common solutions. This was prompted by capacity challenges noted in the delivery and failure of municipalities to render the services effectively and efficiently. The Assessment report was presented to the SALGA NEC on the 20 July 2021	Achieved	None
Municipalities with sustainable and inclusive economic growth underpinned by spatial transformation	National Indaba on Environmental Health	Outcome report of the National Indaba on Environmental Health	Municipalities supported based on MHS Norms and Standards	Outcome report of the National Indaba on Environmental Health	National Indaba on Environmental Health convened by 31 December 2021.	The World Environmental Health Day commemoration and the National Environmental Health Indaba were conducted on the 28 - 30 September 2021, in partnership with the National Department of Health. Key achievements from this Indaba are the successful hosting of the Indaba and adoption of resolutions and declaration focusing on the main issues of funding, staffing, development and training.	Achieved	None
Municipalities with sustainable and inclusive economic growth underpinned by spatial transformation	A draft rural development strategy	A draft rural development strategy incorporating agriculture, infrastructure, land, governance etc.	Rural densification implemented in selected municipalities	Rural Development strategy framework incorporating agriculture, infrastructure, land developed	A draft strategy produced by 31 March 2022.	A draft rural development strategy was developed, presented to the Joint Rural Development, Public Works, Roads & Public Transport Working Group and eventually approved by SALGA EXCO in March 2022	Achieved	None
PROGRAMME 3: MUNICIPAL CAPABILITIES AND GOVERNANCE								
Programme purpose: Strengthen Governance, Leadership and Institutional Capabilities for developmental local government. Programme Objectives:								
<ul style="list-style-type: none"> • Effective representation of the LG Sector as Employer Body • Mobilisation of sector intelligence through integrated Research, KM & Learning • Strengthening oversight and accountability for effective, accountable and transparent leadership of municipalities • Enabling sustainable use of ICT in municipalities • Building a competent, capable and professionalized sector • Strengthening municipal efficiencies with the introduction of ICT and other innovations 								
Good governance and resilient municipal institutions	2021/22 Local Government Transition Framework	Approved 2021/22 Local government Transition Framework	N/A	N/A	Transitional Management Plan developed and approved and by 30 June 2021	TMP Framework developed and approved at the Special National Members Assembly on the 13-14 May 2021.	Achieved	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
Good governance and resilient municipal institutions	N/A	% Implementation of the transitional Management Plan	N/A	N/A	100% implementation of the transitional management plan	<p>The Transitional Management Plan (TMP) was 100% implemented. The aim of the TMP was to help guide SALGA in supporting municipalities during the transition to the new term of office for the sector with the support of other stakeholders such as political parties and government institutions. The implementation was to develop tools to support municipalities, partner and engage with key stakeholders and to develop and implement transitional profiling campaign</p> <p>1. SALGA develop tools that would be made available to municipalities as they constitute Council and orientate new Councillors into their space. SALGA developed the following tools.</p> <p>a. Governance support framework to manage the 2021 LG transition b. Councillor induction handbook/manual c. Leadership guidelines to guide political parties on the calibre of councillors d. Effective ward governance model</p> <p>2. SALGA partnered with the following stakeholder (COGTA, National Treasury, Auditor General the LGSETA the National School of Government) and implemented the Councillor Induction Programme which was the core component of the TMP.</p> <p>3. SALGA engaged the following stakeholders</p> <p>I. Presentation to political parties II. Presentation to ANC election task team III. PCCOGTA, Minister of COGTA</p> <p>4. The Marketing & Communication Transitioning Campaign was developed and implemented to achieve the following:</p> <ul style="list-style-type: none"> • Showcased the transformative and innovative work of municipalities for the benefit of South African citizens (profile sector) • Showcased key policy inputs by SALGA which have had a positive impact on service delivery • Educated the public on the challenges/policies that plague and impede the efficient functioning of municipalities and efficient service delivery • Acknowledge the decline in public trust of the sector • Give insight into the desired future state of LG 	Achieved	None
Good governance and resilient municipal institutions	High Impact Leadership Development Programme	Approved High Impact Leadership Development Programme	Integrated Councillor Induction Programme	Integrated Councillor Induction Programme	High Impact Leadership Development Programme for governance improvement developed and approved by 30 June 2022	High Impact Leadership Development Programme developed and approved by the Special NMA on 13-14 May 2021.	Achieved	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
Good governance and resilient municipal institutions	N/A	% Implementation of a High Impact Leadership Development Programme for governance	Integrated Councillor Induction Programme	Integrated Councillor Induction Programme	100% Implementation of a High Impact Leadership Development Programme for governance	The high impact leadership development programme was the integrated Councillor induction programme (ICIP) which was 100% implemented. The programme covered the following: The ICIP Covered the Following Modules: Module One: Programme Overview Module Two: The Municipal Councillor as An Ethical Leader Module Three: The Councillor as A Skilled Leader Module Four: Policy and Legislation Module Five: Municipal Governance Module Six: Municipal role-players and Stakeholders Module Seven: Municipal Procedures and Protocols Module Eight: Municipal Planning and Strategy Module Nine: Municipal Finance Management Module Ten: Municipal Performance and Accountability	Achieved	None
Good governance and resilient municipal institutions	COVID-19 induced organisational rearrangements / Business Continuity framework	COVID-19 induced organisational rearrangements / Business Continuity framework	Professionalization framework and ongoing programme implementation levels within the four pillars.	Professionalization framework and ongoing programme implementation levels within the four pillars.	COVID-19 induced organisational rearrangements / Business Continuity framework developed and approved by 30 September 2021	COVID-19 induced organizational rearrangements / Business continuity framework was developed and approved by the National Working Group on 10 June 2021	Achieved	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
Good governance and resilient municipal institutions	N/A	% implementation of the COVID-19 induced organisational rearrangements / Business Continuity framework	Professionalization framework and ongoing programme implementation levels within the four pillars.	Professionalization framework and ongoing programme implementation levels within the four pillars.	100% Implementation as per targets in the framework.	<p>COVID-19 induced organisational rearrangements / Business Continuity framework were clustered into the following five work-streams to build people resilience and ensure municipal business continuity during this ambiguous period induced by the outbreak of the COVID – 19 pandemic. The following 5 workstream was 100% implemented as a tool to guide the sector in managing and dealing with the effects of COVID-19 in municipalities.</p> <p>Workstream 1 - Legislative, Policies, Procedures & Guidelines Workstream 2 - Employee Wellness Workstream 3 - Learning & Development Workstream 4 - Employee Vaccination Workstream 5 - Employee Engagement survey</p> <p>SALGA hosted engagements with municipalities to engender adoption of the COVID-19 induced organizational rearrangements / Business Continuity framework as well as monitoring and evaluating the implementation across the various workstreams. Among other interventions included monitoring of infection and mortality rate amongst municipal employees, assisting municipalities to develop systems and procedures to manage infections in the workplace, development of policies, setting up Health and Safety Committees and working with other stakeholders such as the Dept of Health and Labour to deal with legislative issues at national level.</p>	Achieved	None
Good governance and resilient municipal institutions	Collective Bargaining Strategy for local government	Signed collective bargaining agreement	Existing collective bargaining agreement	Draft Collective Agreement on Pension Fund Restructuring. SALGA Position Document on the Wage Curve Negotiations.	Collective bargaining agreement anchored on municipal financial sustainability, flexible exemption and opt out dispensation concluded by 31 September 2021	After three rounds of negotiations at the SALGBC, a facilitator proposal was issued on 9 June 2021. Parties rejected the Facilitator's proposal. All parties declared disputes after impasse was reached and matter went on conciliation. As per agreement the conciliation process took place from 20 July 2021 until 18 August 2021 whereby the Conciliator issued a Conciliator Recommendation. All parties accepted the Conciliator recommendation, and a Multi-Year Salary and Wage Collective Agreement has been signed on 15 September 2021. On the same day, the parties further signed the Retirement Fund Collective Agreement.	Achieved	None
Good governance and resilient municipal institutions	New Generation Research Strategy	Approved New Generation Research Strategy	SALGA 2017-2022 Research Strategy	SALGA 2017-2022 Research Strategy	New Generation Research Strategy developed and approved by 30 June 2021	The New Generation Research Strategy (2022-2027) was approved by governance structures, following consultations with all SALGA cluster departments by 30 June 2021.	Achieved	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
Good governance and resilient municipal institutions	N/A	Number of research products	SALGA 2017-2022 Research Strategy	SALGA 2017-2022 Research Strategy	Five Research products aligned to members needs produced by 31 March 2022	The following 5 research has been concluded: 1. Study on Labour Relations Support in Local Government 2. The Role of Local Government in Building Social Cohesion 3. Ease of Doing Business Assessment 4. Review of the 20-Years of Democratic Local Government 5. Developmental Local Government Series: Municipal perspectives on development, governance and service delivery	Achieved	None
PROGRAMME 4: MUNICIPAL FINANCE, FISCAL POLICY AND ECONOMIC GROWTH								
Programme purpose: Strengthen financial resilience and sustainability of municipalities and provide advice and innovative solutions to challenges in regional and local economies with the promotion of trade and investment to stimulate economic growth and development Programme Objectives:								
<ul style="list-style-type: none"> Positively influence the fiscal policy frameworks of local government to enable financial sustainability of Municipalities Support budget management and audit performance in municipalities Strengthen billing and revenue collection, municipal borrowing, levy's and taxes, debt management and restructuring, supply chain management and transaction advisory services Provide advice and support to municipalities in the promotion of trade and investment for growth in regional and local economies 								
Financial sustainability of local government & greater fiscal equity	Diagnostic report of elements that curb municipalities from maximising the property rates revenue stream	Approved diagnostic report	N/A	N/A	Diagnostic report development by 31 March 2022	Diagnostic report on impediments preventing municipalities from maximising their property rates revenue developed by 31 March 2022.	Achieved	None
Financial sustainability of local government & greater fiscal equity	Budget analysis and benchmarking reports for 40 municipalities	Quarterly benchmarking report published	N/A	N/A	4 quarterly reports developed by 31 March 2022	Four Budget analysis and benchmarking reports had been developed	Achieved	None
Financial sustainability of local government & greater fiscal equity	N/A	Quarterly benchmarking session	N/A	N/A	Four (04) quarterly benchmarking sessions convened by 31 March 2022	Four Benchmark Session was convened as follows: Q1 Benchmark sessions entails meetings with municipalities as follows: 5 in Eastern cape, 1 in Free State, 1 in Gauteng, 7 in Mpumalanga, 6 in Northern Cape, 6 in North West. Benchmark report for 40 municipalities comprising 8 metros, 9 secondary cities, 3 Northern Cape municipalities and top 20 defaulting municipalities was tabled at MANCOM Q1 Benchmark sessions were held with 12 Limpopo municipalities on the 29 September 2021. Q3 benchmark session: SALGA in collaboration with National Treasury conducted a benchmark session on the 10 December 2021 on Funding Methodology and was attended by several municipalities viz. Q4 benchmark session: The Mid-year Budget analysis and benchmarking sessions were undertaken for the 8 metros, 9 secondary cities	Achieved	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
Financial sustainability of local government & greater fiscal equity	Municipalities supported to implement the trade and Investment guidelines	Number of municipalities supported to implement the trade and Investment guidelines	Supported provided to municipalities to promote, package and retain trade and investment initiatives	Investment tools developed to support municipalities to improve trade and investment competitiveness	10 municipalities supported by 31 March 2022	<p>SALGA supported 10 municipalities to review and formulate their investment strategies. Municipalities were supported to implement the Trade & Investment guidelines. An assessment checklist and rollout plan on the municipal investment guidelines were developed. The assessment checklist was a framework to guide the assessment of the investment guidelines.</p> <p>SALGA rolled out training for SALGA officials and selected municipalities on the 9 and 22 September 2021 respectively on the municipal investment guidelines to enable review and assessment of strategies.</p> <p>Assessments of the municipal LED and investment strategies for the 10 selected municipalities in line with the municipal investment guidelines. The assessment was meant to identify gaps and provide municipalities with recommendations on the investment value chain.</p>	Achieved	None
Financial sustainability of local government & greater fiscal equity	Small Town Regeneration Programme	Number of regions with STRs programmes implemented	Cooperation and Partnership agreements signed for regional economic development in Karoo and Selected towns	Regional economic development and small town sustainability programme implemented	Two (02) additional regions explored by 31 March 2022	<p>The following two (2) additional regions were explored:</p> <ul style="list-style-type: none"> • Gauteng City Region (Trans-Provincial region encompassing Gauteng, Mpumalanga, and North West) • Wild Coast Region (Eastern Cape) <p>Within the identified regions, hands on support provided to two towns:</p> <p>Port St Johns (Port St Johns Local Municipality, Wild Coast Region) and Devon (Lesedi Local Municipality, Gauteng City Region)</p> <ul style="list-style-type: none"> • Identification of the regeneration apex areas for the town which, among others, included economic regeneration, town beautification, environmental management, and the oceans economy • Inventory of underutilised town assets compiled • High impact projects identified for the town, with cost estimated attached to each project; • Small Town Regeneration plan developed • 3D concept designs developed. • Land use and spatial concept designs developed 	Achieved	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
Financial sustainability of local government & greater fiscal equity	Cities investment competitive index	Number of index reports developed	Cooperation and Partnership agreements signed for regional economic development in Karoo and Selected towns	Regional economic development and small town sustainability programme implemented	One (01) index report developed by 31 December 2022	<p>The index report on the Municipal Investment Competitiveness was developed in collaboration with DNA Economics.</p> <p>SALGA aims, through the Municipal Investment Competitiveness Index to complement the national and sub-national competitiveness initiatives. The selection of indicators and sample size will ensure the complementarity of the initiatives and avoid duplication of effort. The index will act as a benchmarking tool and provide an assessment of the ease of doing business and red tape reduction and general investment competitiveness in municipalities. The ultimate objective is to promote healthy competition between municipalities and provide municipal investment climate data.</p>	Achieved	None
Good governance and resilient municipal institutions	Municipalities supported through Municipal Audit Support Programme	Number of municipalities that obtained a Disclaimer of audit opinion and Adverse audit opinions for the 2019-2020 financial year supported	Municipal Audit support Programme	Municipal Audit support Programme	60 municipalities supported by 31 March 2022	<p>SALGA support was provided to 61 municipalities during the year with some municipalities being supported on more than one occasion. In addition, a number of support initiatives was undertaken with groups of municipalities at a provincial or district level. In addition SALGA developed the MASP Online Portal (eMASP) and piloted to officials.</p> <p>The focused collaboration with the stakeholders including COGTA, AGSA, National Treasury, CMAM, CIPS, IRMSA, GIZ and CIGFARO pursuing the multi-disciplinary audit support programme providing capacity building, training and support interventions saw a number of projects materialise for the local government sector. These include, but are limited to projects such as reviewing of Annual Financial Statements prior to submission to curb the qualified and emphasis of matter findings by the AGSA; strengthening of SCM units through participation with CIPS to professionalise the SCM function and address spiralling UIFW expenditure audit findings and the development of records management toolkits speaking to disclaimer of audit opinions where in the AGSA struggles to trace records; and the asset management toolkit addressing Asset & BTO offices with infrastructure and asset maintenance and audit findings.</p>	Achieved	SALGA support was provided to 61 municipalities. (The MASP is a standing item at all National and Provincial Working Group meetings so all municipalities were aware of the MASP and who was being specifically supported). Some municipalities were supported more than once but in the count of 61 we count each individual municipality only once. So effectively the target of supporting 60 municipalities was met however during the course of the year it worked out that an additional municipality also got supported which brought us to 61.

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
Good governance and resilient municipal institutions	Municipalities supported through Municipal Audit Support Programme	Number of municipalities identified as having ineffective MPAC's and increased Unauthorised, Irregular and Fruitless & Wasteful Expenditure (UIFW) in the audit outcome for the for the 2019-2020 financial year supported	Municipal Audit support Programme	Municipal Audit support Programme	40 municipalities supported by 31 March 2022	<p>MPAC training was provided to 43 Municipalities. SALGA had facilitated the roll-out of the following:</p> <ol style="list-style-type: none"> 1) the financial management good practice guide 2) the asset management practice guide 3) the records management toolkit <p>Councillor Induction: The focused collaboration with the stakeholders including COGTA and National Treasury pursuing the multi-disciplinary audit support programme saw the Finance Portfolio and MPAC Councillor Induction Sessions providing training on the Unauthorised, Irregular, Fruitless and Wasteful Reduction Strategy across the country in the March 2022 sessions. This sensitises the incoming councillor cohort of their responsibilities in relation to investigating UIFW cases and measures to hold the administration to account for the UIFW expenditure. The focused collaboration further strengthens SCM units through participation with CIPS to professionalise the SCM function and address spiralling UIFW expenditure audit findings and the development of records management toolkits speaking to disclaimer of audit opinions where in the AGSA struggles to trace records; and the asset management toolkit addressing Asset & BTO offices with infrastructure and asset maintenance and audit findings.</p> <p>SALGA conducted an analysis of the 2019/20 Audit Outcomes and identified municipalities for HR Audit Support. A Standard Operating Procedure (SOP) for the development of Support Plans was compiled. SALGA convened support engagements with municipalities. This support was aimed at reducing the audit outcomes of municipalities inclusive of some "on demand" requests for support. Support engagements municipalities were encouraged to enter into a support plan agreement with SALGA.</p>	Achieved	The target was 40 municipalities. From the UIF&W list we identified those with irregular expenditure exceeding R100m and this came to 43 municipalities. This was the list of municipalities submitted to OCEO and the 43 is consistent. During the course of the year we also supported MPACs and as we started rolling out the Portfolio Specific ICIP we also then had a specific focus on MPACs and therefore we reported on the support to MPACs.

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
Good governance and resilient municipal institutions	Governance protocol for municipalities that own entities	Approved governance protocols	N/A	N/A	Governance protocols for Metro municipalities developed by 31 March 2022	<p>SALGA had developed a good practice guide for regulating relationships between a municipality and its entities.</p> <p>The development of the good practice guide seeks to address the shortcomings as identified by the AG. Firstly, the guide codifies various principles from a number of legislative prescripts, recommended practice in terms of the King Code on Corporate Governance in South Africa (King IV) into a single document. Secondly, the guide surfaces good practices that parent municipalities are encouraged to incorporate in their municipal governance frameworks as part of strengthening and enhancing 'oversight responsibility' over their municipal entities</p>	Achieved	None
Municipalities with sustainable and inclusive economic growth underpinned by spatial transformation	Municipalities supported and advised on the reduction of non-revenue water	Incremental implementation of the 5 pillars of Water Conservation and Demand Management	Proposal developed on legislative/policy gap identified on Water and Sanitation	Municipalities supported and advised on the management of water services	Social and technical pillars of water conservation demand management implemented in collaboration with municipalities and stakeholders by 31 March 2022	<p>The 2015/16 non-revenue water report issued by Department of Water and Sanitation indicates an increase of Non-Revenue Water (NRW) in municipalities. In response to this challenge, SALGA adopted the five pillars of water conservation and demand management namely 1) Technical, 2) Social, 3) Financial, 4) Institutional and 5) Legal. These pillars are seen as instrumental and as game changers in addressing the plight experienced by member municipalities in the management of non-revenue water. Importantly as part of the 2021/22 Annual Performance Plan, emphasis is on the Social (behavioural change) and secondly the technical pillar (pressure management, pipe replacement etc.).</p> <p>SALGA developed an interim National Non-Revenue Water Programme. The programme is anchored by the five pillars of water conservation and demand management. It outlines measures municipalities should undertake in a quest to address non-revenue water. Further the programme was supported by stakeholders and partners for implementation. Developed two water conservation user education videos and graphics respectively. These were developed as interventions aimed at educating communities about water conservation. Exposed municipalities to a number of measures in addressing non-revenue water in collaboration with National and International Partners.</p>	Achieved	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
Municipalities with sustainable and inclusive economic growth underpinned by spatial transformation	Municipal training and support programme on Small Scale Embedded Generation system	Number of municipalities trained and supported to implement or improve their Small Scale Embedded Generation system	Consolidated outcomes report on the roll out of the Energy Summit Implementation Plan application for year 1	40 municipalities trained and supported to implement Small Scale Embedded Generation	22 municipalities trained by 31 March 2022	<p>The Small-Scale Embedded Generation (SSEG) is contributing significantly towards the energy transition in South Africa. The increasing installation of embedded generation, particularly rooftop solar PV is a reality that the municipal distributors have to adjust to.</p> <p>SALGA in cooperation with GIZ and DMRE provide technical support to municipalities wishing to develop processes to accommodate SSEG in a safe and financially sound manner. The support includes the development of a practical guideline to help municipalities establish or improve their current SSEG processes. There are 47 municipalities participated in the 2019-2020 SALGA SSEG support programme. An 8-day virtual SSEG training held between 08-19 March 2021 47 municipalities were trained on the SSEG programmes, which are Bi-directional meeting training, Grid Impact Studies training and SSEG Tariff training</p>	Achieved	This target is overachieved, 22 municipalities were targeted to be trained on SSEG programme (Bi-directional meeting training, Grid Impact Studies training and SSEG Tariff training), however, a total of 47 were trained mainly because the Portfolio send an invitation to all municipalities and more than 22 applications were received and ultimately trained because
Municipalities with sustainable and inclusive economic growth underpinned by spatial transformation	Local Government position on EDI reform	Report on Energy Industry reform proposal with road map	Consolidated outcomes report on the roll out of the Energy Summit Implementation Plan application for year 2	40 municipalities trained and supported to implement Small Scale Embedded Generation	Energy Industry reform proposal with road map approved by NEC by 31 March 2022	<p>Energy Industry reform proposal with road map was developed and subsequently approved EXCO meeting on the 31 March 2022. The high-level proposed roadmap has 5 phases, and these are:</p> <p>Phase 1 – EXECUTIVE AUTHORITY: Of the 167 licenced municipalities, which should have the executive authority for electricity distribution? Capacity assessments should be undertaken with support by the Demarcation board, recommendations for authorisations and process of undertaking authorisations and sign off of the authorisations by the Minister of COGTA.</p> <p>Phase 2 – DISTRIBUTION STATUS QUO: Map out the status quo in terms of existing electricity distribution providers for each municipality (where is it working /not working per municipality) – and make findings and recommendations; Consult municipalities on what they think the potential options are.</p> <p>Phase 3 – POTENTIAL OPTIONS/ MODELS: Map the processes to come up with potential models (service providers) – national level strategizing; (2) Eskom's role (2) Set of recommendations.</p> <p>Phase 4 – CONSULTATION ON OPTIONS: Consultation on status quo and potential new models particularly with affected municipalities.</p> <p>Phase 5 – COMPREHENSIVE PROPOSAL ON REFORM OPTIONS AND RECOMMENDATIONS: Draft proposal and options/ recommendations and consult with relevant parties/ Political endorsement</p>	Achieved	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target	Actual Achievement 2021-2022	Status	Reason for Variance
Municipalities with sustainable and inclusive economic growth underpinned by spatial transformation	A programme approach for implementation by municipalities on Extended Producer Responsibility (EPR)	Approved extended producer responsibility programme	SALGA collaboration with relevant stakeholders to support the implementation of Waste Paise targets	Municipalities supported to improve waste management services	Extended producer responsibility programme designed and approved by 31 March 2022	<p>Extended producer responsibility (EPR) programme was designed and approved by EXCO on 31 March 2022.</p> <p>EPR will be bringing new way of managing waste in the country and this is because the Regulations are formalising the role of producers. The EPR requires all municipalities to collaborate with private sector in implementing opportunities in recycling hence the support programme was developed for all municipalities. The impact of EPR on municipalities will vary depending on the mechanisms used to provide waste management services.</p> <p>On 01 March 2022, SALGA has conducted a session for all local municipalities who are using MIG to procure waste specialised vehicles. The purpose of the session was to assess progress regarding infrastructure items applied to date, solicit municipal input regarding challenges faced in relation to the application process and lastly, the contribution of MIG in eradicating waste backlog. It was established that the applications that have been processed to date is to the tune of just over R90 million. 23 municipalities have benefited from the revised MIG Framework thus far.</p> <p>This is a major milestone that SALGA has achieved for municipalities to improve waste management services. This is after SALGA and the Department of Forestry, Fisheries and Environment have successfully lobbied National Treasury and COGTA to revise the MIG Framework to allow municipalities to procure for yellow plant and waste collection vehicles. This achievement is very crucial in increasing waste collection services to areas that are not currently being serviced. Municipalities with low capacity and struggling to comply with the process are continuously being assisted to take advantage of this provision.</p>	Achieved	None

APPENDIX B

MUNICIPAL MEMBERS AND CONTACT DETAILS

EASTERN CAPE

<p>1. Buffalo City Metropolitan Municipality Postal: PO Box 134, East London, 5200 Physical: 117 Oxford Street, Cnr North and Oxford Streets, Trust Centre, East London Tel: 043 705 2000 Fax: 043 743 1688 Website: www.buffalocity.gov.za</p>	<p>2. Nelson Mandela Bay Metropolitan Municipality Postal: PO Box 136, Port Elizabeth, 6000 Physical: City Hall, Vuyisile Mini Square, Govan Mbeki Avenue, Nelson Mandela Bay Tel: 041 506 3208/9 Fax: 041 506 2422 Website: www.nelsonmandelabay.gov.za</p>
<p>3. Alfred Nzo District Municipality Postal: Private Bag X511, Mount Ayliff, 4735 Physical: Erf 1400, Ntsizwa Street, Mount Ayliff Tel: 039 254 5000 Fax: 039 254 0343 Website: www.andm.gov.za</p>	<p>4. Matatiele Local Municipality Postal: PO Box 35, Matatiele, 4730 Physical: 102 Main Street, Matatiele Tel: 039 737 8100 Fax: 039 737 3611 Website: www.matatiele.gov.za</p>
<p>5. Winnie Madikizela-Mandela Local Municipality (Mbizana) Postal: PO Box 12, Bizana, 4800 Physical: 51 Main Street, Bizana Tel: 039 251 0230 Fax: 039 251 0917 Website: www.winniemlml.gov.za</p>	<p>6. Ntabankulu Local Municipality Postal: PO Box 234, Ntabankulu, 5130 Physical: 85 Main Street, Ntabankulu Tel: 039 258 0056 Fax: 039 258 0173 Website: www.ntabankulu.gov.za</p>
<p>7. Umzimvubu Local Municipality Postal: Private Bag X9020, Mount Frere, 5090 Physical: 813 Main Street, Mount Frere Tel: 039 255 8500 Fax: 039 255 0167 Website: www.umzimvubu.gov.za</p>	<p>8. Amathole District Municipality Postal: PO Box 320, East London, 5200 Physical: 3 – 33 Phillip Frame Road, Waverly Office Park, Chislehurst, East London, 5247 Tel: 043 701 4000 Fax: 043 742 0337 Website: www.amathole.gov.za</p>
<p>9. Amahlathi Local Municipality Postal: Private Bag X4002, Stutterheim, 4930 Physical: Cnr Maclean and Hill Street, Stutterheim Tel: 043 683 5000 Fax: 043 683 1127 Website: www.amahlathi.gov.za</p>	<p>10. Great Kei Local Municipality Postal: Private Bag X21, Komga, 4950 Physical: 17 Main Street, Komga, 4950 Tel: 043 831 1028 Fax: 043 831 1483 Website: www.greatkeilm.gov.za</p>
<p>11. Mbhashe Local Municipality Postal: PO Box 25, Dutywa, 5000 Physical: 454 Streatfield Road, Dutywa Tel: 047 489 5800 Fax: 047 489 5800 Website: www.mbhashemun.gov.za</p>	<p>12. Mnquma Local Municipality Postal: PO Box 36, Butterworth, 4960 Physical: Cnr King and Mthatha Street, Butterworth Tel: 047 401 2400 Fax: 047 491 0195 Website: www.mnquma.gov.za</p>
<p>13. Ngqushwa Local Municipality Postal: PO Box 539, Peddie, 5640 Physical: Erf 313, Main Road, Peddie Tel: 040 673 3095 Fax: 040 673 3771 Website: www.ngqushwamun.gov.za</p>	<p>14. Raymond Mhlaba Local Municipality Postal: PO Box 36, Fort Beaufort, 5720 Physical: 8 Somerset Road, Fort Beaufort Tel: 046 645 7400 Fax: 046 645 2562/1619 Website: www.raymondmhlaba.gov.za</p>
<p>15. Chris Hani District Municipality Postal: Private Bag X7121, Queenstown, 5320 Physical: 15 Bells Road, Queenstown Tel: 045 808 4600 Fax: 045 838 1556 Website: www.chrیشانidm.gov.za</p>	<p>16. Emalahleni Local Municipality Postal: Private Bag X1161, Lady Frere, 5410 Physical: 37 Fletcher Street, Indwe Tel: 047 878 0020 Fax: 047 878 0112 Website: www.emalahleni.local.gov.za</p>
<p>17. Engcobo Local Municipality Postal: PO Box 24, Engcobo, 5050 Physical: 54 Union Street, Engcobo Tel: 047 548 5600 Fax: 047 548 1078 Website: www.engcobolm.gov.za</p>	<p>18. Enoch Mgijima Local Municipality Postal: Private Bag X7111, Queenstown, 5320 Physical: 1st floor, Town Hall, 70 Cathcart Road, Queenstown Tel: 045 807 2600 Fax: 045 807 2601 Email: info@enochmgijima.gov.za Website: www.enochmgijima.org.za</p>
<p>19. Intsika Yethu Local Municipality Postal: PO Box 11, Cofimvaba, 5380 Physical: Cnr.High and Church Street, Cofimvaba Tel: 047 874 8700 Fax: 047 874 0010/0237 Website: www.intsikayethu.gov.za</p>	<p>20. Inxuba Yethemba Local Municipality Postal: PO Box 24, Cradock, 5880 Physical: 1 J A Calata Street, Cradock Tel: 048 801 5000 Fax: 048 881 1421 Website: www.iym.co.za</p>

EASTERN CAPE

<p>21. Sakhisizwe Local Municipality Postal: PO Box 26, Cala, 5455 Physical: Erf 5556, Umtata Road, Cala (Old Convent Building) Tel: 047 877 5200 Fax: 047 877 0000 Website: www.sakhisizwe.gov.za</p>	<p>22. Joe Gqabi District Municipality Postal: Private Bag X102, Barkly East, 9786 Physical: Cnr Cole and Graham Streets, Barkly East Tel: 045 979 3000 Fax: 045 971 0251 Website: www.jgdm.gov.za</p>
<p>23. Elundini Local Municipality Postal: PO Box 1, Maclear, 5480 Physical: 1 Sellar Street, Maclear Tel: 045 932 8100 Fax: 045 932 1094 Website: www.elundini.org.za</p>	<p>24. Senqu Local Municipality Postal: PO Box 18, Lady Grey, 9755 Physical: 18 Murray Street, Lady Grey Tel: 051 603 1300 Fax: 051 603 0445 Website: www.senqu.gov.za</p>
<p>25. Walter Sisulu Local Municipality Postal: PO Box 13, Burgersdorp, 9744 Physical: 1 Jan Greyling Street, Burgersdorp Tel: 051 653 1777 Fax: 051 653 0056 Website: www.wslm.gov.za</p>	<p>26. OR Tambo District Municipality Postal: Private Bag X6043, Mthata, 5100 Physical: No5 Textile Street, Southernwood, Mthata Tel: 047 501 6400 Fax: 047 532 6518 Website: www.ortambodm.gov.za</p>
<p>27. Ingquza Hill Local Municipality Postal: PO Box 14, Flagstaff, 4810 Physical: 135 Main Street, Flagstaff Tel: 039 252 0131 Fax: 039 252 0699 Website: www.ihlm.gov.za</p>	<p>28. King Sabata Dalindyebo Local Municipality Postal: PO Box 45, Mthatha, 5099 Physical: Munitata Building 51, Sutherland Street, Mthatha Tel: 047 501 4000 Fax: 047 531 3128 Website: www.ksd.gov.za</p>
<p>29. Mhlontlo Local Municipality Postal: PO Box 31, Qumbu, 5180 Physical: 96 Church Street, Qumbu Tel: 047 553 7000 Fax: 047 553 0189 Website: www.mhlontlolm.gov.za</p>	<p>30. Nyandeni Local Municipality Postal: PO Box 27, Libode, 5160 Physical: B Nomandela Drive, Municipality Building, Libode Tel: 047 555 5000 Fax: 047 555 0202 Website: www.nyandenilm.gov.za</p>
<p>31. Port St John Local Municipality Postal: PO Box 2, Port St Johns, 5120 Physical: 257 Main Street, Port St Johns Tel: 047 564 1207 Fax: 047 564 1206 Website: www.psjmunicipality.gov.za</p>	<p>32. Sarah Baartman District Municipality Postal: PO Box 318, Port Elizabeth, 6000 Physical: 7th Floor, 32 Govan Mbeki Avenue, Standard Bank Bldg, Gqeberha Tel: 041 508 7111 Fax: 041 508 7000 Website: www.sarahbaartman.co.za</p>
<p>33. Blue Crane Route Local Municipality Postal: PO Box 21, Somerset East, 5850 Physical: 88 Nojoli Street, Somerset East Tel: 042 243 1333 Fax: 042 243 0633 Website: www.bcrm.gov.za</p>	<p>34. Dr Beyers Naude Municipality Postal: PO Box 71, Graaf-Reinet, 6280 Physical: Church Square, North Street, Graaf-Reinet Tel: 044 923 1004 Fax: 044 923 1122 Website: www.bnlim.gov.za</p>
<p>35. Kou-Kamma Local Municipality Postal: Private Bag X011, Kareedouw, 6400 Physical: 5 Keet Street, Kareedouw Tel: 042 288 7200 Fax: 042 288 0797 Website: www.koukammamunicipality.gov.za</p>	<p>36. Kouga Local Municipality Postal: PO Box 21, Jeffreys Bay, 6330 Physical: 33 Da Gama Road, Jeffreys Bay Tel: 042 200 2200 Fax: 042 200 8606 Website: www.kouga.gov.za</p>
<p>37. Makana Local Municipality Postal: PO Box 176, Grahamstown, 6140 Physical: 86 High Street, Grahamstown Tel: 046 603 6131 Fax: 046 622 9700 Website: www.makana.gov.za</p>	<p>38. Ndlambe Local Municipality Postal: PO Box 13, Port Alfred, 6170 Physical: 47 Campbell Street, Port Alfred Tel: 046 624 1140 Fax: 046 624 2669 Website: www.ndlambe.gov.za</p>
<p>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.srvvm.gov.za</p>	

FREE STATE

<p>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</p>	<p>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</p>
<p>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</p>	<p>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</p>
<p>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</p>	<p>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</p>
<p>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</p>	<p>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</p>
<p>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</p>	<p>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</p>
<p>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</p>	<p>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</p>
<p>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</p>	<p>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</p>
<p>15. Maluti-A-Phofung Local Municipality Postal: Private Bag X805, Witsieshoek, 9780 Physical: Cnr Moremoholo and Motloung Streets, Setsing Complex, Phuthaditjhaba Tel: 058 718 3700 Fax: 058 718 3777/ 3775 Website: www.map.fs.gov.za</p>	<p>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</p>
<p>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</p>	<p>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</p>
<p>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</p>	<p>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</p>

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<p>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</p>	<p>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</p>
<p>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</p>	

GAUTENG PROVINCE

<p>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</p>	<p>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</p>
<p>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</p>	<p>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</p>
<p>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</p>	<p>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</p>
<p>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</p>	<p>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</p>
<p>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</p>	<p>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</p>
<p>11. Randwest Local Municipality Postal: PO Box 218, Randfontein, 1760 Physical: Cnr Surtherland and Pollock Streets, Randfontein Tel: 011 411 0000 Fax: 011 693 1736 Website: www.randwestcity.gov.za</p>	

KWAZULU-NATAL

<p>1. eThekweni Metropolitan Municipality Postal: PO Box 1014, Durban, 4000 Physical: City Hall, 263 Dr Pixley Ka Seme (West) Street, Durban Tel: 031 311 1111/ 2121 Fax: 031 311 2116 Email: metroceo@durban.gov.za Website: www.durban.gov.za</p>	<p>2. Amajuba District Municipality Postal: Private Bag X6615, Newcastle, 2940 Physical: B9356, Ithala Building, Madadeni Township, Newcastle, 2940 Tel: 034329 7200 Fax: 034314 3785 Website: www.amajuba.gov.za</p>
<p>3. Dannhauser Local Municipality Postal: Private Bag 1011, Dannhauser, 3080 Physical: 8 Church Street, Dannhauser, 3080 Tel: 034621 2666 Fax: 034621 3114 Website: www.dannhauser.gov.za</p>	<p>4. eMadlangeni Local Municipality Postal: PO. Box 11, Utrecht, 2980 Physical: 34 Voor Street, Utrecht, 2980 Tel: 034331 3041 Fax: 034331 4312 Website: www.emadlangeni.gov.za</p>
<p>5. Newcastle Local Municipality Postal: Private Bag X6621, Newcastle, 2940 Physical: Newcastle Civic Centre, 37 Murchison Street, Newcastle, Tel: 034 328 7600 / 034328 7750 Fax: 034312 1570 Website: www.newcastle.gov.za</p>	<p>6. Harry Gwala District Municipality Postal: Private Bag X501, Ixopo, 3276 Physical: 40 Main Street, Ixopo, 3276 Tel: 039 834 8700 Fax: 039 834 1701 Website: www.sisonke.gov.za</p>
<p>7. Greater Kokstad Local Municipality Postal: PO. Box 8, Kokstad, 4700 Physical: 84 Hope Street, Kokstad, 4700 Tel: 039797 6600 Fax: 039727 3676 Website: www.kokstad.org.za</p>	<p>8. Dr Nkosazana Dlamini-Zuma Local Municipality Postal: PO. Box 62, Creighton, 3263 Physical: Dr Nkosazana Dlamini-Zuma Municipality, Creighton Main Rd, Creighton, 3236 Tel: 039 833 1038 Fax: 039 833 1179 Website: https://ndz.gov.za/</p>
<p>9. Ubuhlebezwe Local Municipality Postal: PO. Box 132, Ixopo, 3276 Physical: 29 Margaret Street, Ixopo, 3276 Tel: 039 834 7700 Fax: 039 834 1168 Website: www.ubuhlebezwe.org.za</p>	<p>10. uMzimkhulu Local Municipality Postal: PO Box 53, uMzimkhulu, 3297 Physical: 169 Main Street, uMzimkhulu Tel: 039 259 5300/039 259 5000 Fax: 039 259 0223 Web: www.umzimkhululm.gov.za</p>
<p>11. iLembe District Municipality Postal: PO Box 1788, KwaDukuza, 4450 Physical: iLembe House, 59/61 Mahatma Ghandi Street, KwaDukuza Tel: 032 437 9300 Fax: 032 437 9588 Website: www.ilembe.gov.za</p>	<p>12. KwaDukuza Local Municipality Postal: PO Box 72, KwaDukuza, 4450 Physical: 14 Chief Albert Luthuli Street, KwaDukuza Tel: 032 437 5000 Fax: 032 437 5098 Website: www.kwadukuza.gov.za</p>
<p>13. Mandeni Local Municipality Postal: PO Box 144, Mandeni, 4490 Physical: 2 Kingfisher Road, Mandeni Tel: 032 456 8200 Fax: 032 456 2504 Website: www.mandeni.gov.za</p>	<p>14. Maphumulo Local Municipality Postal: Private Bag X9205, Maphumulo, 4470 Physical: Sakhuxolo Multiskills Centre, Maphumulo, 4470 Tel: 032 481 4500 Fax: 032 481 2053 Website: www.maphumulo.gov.za</p>
<p>15. Ndwedwe Local Municipality Postal: Private Bag X503, Ndwedwe, 4342 Physical: P100 Road, Ndwedwe Tel: 032 532 5000 Fax: 032 532 5031/2 Website: www.ndwedwe.gov.za</p>	<p>16. Ugu District Municipality Postal: PO Box 33, Port Shepstone, 4240 Physical: 28 Connor Street, Port Shepstone Tel: 039 688 5700 Fax: 039 682 4820 Web: www.ugu.gov.za</p>
<p>17. Ray Nkonyeni Local Municipality Postal: PO Box 5, Port Shepstone, 4240 Physical: 10 Connor Street, Port Shepstone Tel: 039 688 2000 Fax: 039 682 0327 Website: www.rnm.gov.za</p>	<p>18. Umdoni Local Municipality Postal: PO Box 19, Scottburgh, 4180 Physical: Cnr Bram Fischer and Williamson Streets, Scottburgh Tel: 039 976 1202 / 039 978 4313 Fax: 039 976 2194 / 2020 Website: www.umdni.gov.za Email: umdoni@umdni.gov.za</p>
<p>19. Umuziwabantu Local Municipality Postal: Private Bag X1023, Harding, 4680 Physical: Murchison Street, Harding Tel: 039 433 1205 Fax: 039 433 1208 Web: www.umuziwabantu.gov.za</p>	<p>20. Umzumbe Local Municipality Postal: PO Box 561, Hibberdene, 4220 Physical: SipoFu Road, Mathulini Traditional Authority Tel: 039 972 0005 Fax: 039 972 0099 Web: www.umzumbe.gov.za</p>

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<p>21. uMgungundlovu District Municipality Postal: PO Box 3235, Pietermaritzburg, 3200 Physical: 242 Langalibalele Street, Pietermaritzburg Tel: 033 897 6700 Fax: 033 342 5502 Web: www.umd.gov.za</p>	<p>22. Impendle Local Municipality Postal: Private Bag X512, Impendle, 3227 Physical: 21 Mafahleni Street, Impendle Tel: 033 996 6000 Fax: 033 996 0852 Web: www.impendle.gov.za</p>
<p>23. Mkhambathini Local Municipality Postal: Private Bag X04, Camperdown, 3720 Physical: 18 Old Main Road, Camperdown Tel: 031 785 9300 Fax: 031 785 2121 Website: www.mkhambathini.gov.za</p>	<p>24. Mpofana Local Municipality Postal: PO Box 47, Mooi River, 3300 Physical: 10 Claughton Terrace, Mooi River Tel: 033 263 1221 Fax: 033 263 1127 Website: www.mpofana.gov.za</p>
<p>25. Msunduzi Local Municipality Postal: Private Bag X321, Pietermaritzburg, 3200 Physical: Cnr Church and Chief Albert Luthuli Streets, Pietermaritzburg Tel: 033 392 3000 Fax: 033 392 2397 Website: www.msunduzi.gov.za</p>	<p>26. Richmond Local Municipality Postal: Private Bag X1028, Richmond, 3780 Physical: 57 Shepstone Street, Richmond Tel: 033 212 2155 Fax: 033 212 2102 Web: www.richmond.gov.za</p>
<p>27. uMngeni Local Municipality Postal: PO Box 5, Howick, 3290 Physical: Cnr Dicks and Somme Streets, Howick Tel: 033 239 9200 Fax: 033 330 4183 Website: www.umngeni.gov.za</p>	<p>28. uMshwathi Local Municipality Postal: Private Bag X29, Wartburg, 3233 Physical: Main Street, New Hanover Tel: 033 815 2249 Fax: 033 502 0286 Website: www.umshwathi.gov.za</p>
<p>29. uMkhanyakude District Municipality Postal: PO Box 449, Mkuze, 3965 Physical: Harlingen No.13433, Mkuze Tel: 035 573 8600 Fax: 035 573 1094 Website: www.ukdm.gov.za</p>	<p>30. Big 5 Hlabisa Local Municipality Postal: PO Box 387, Hlabisa, 3937 Physical: Lot 808 Masson Street, Hlabisa Tel: 035 838 8500 Fax: 035 838 1015 Website: www.hlabisa.org.za</p>
<p>31. Jozini Local Municipality Postal: Private Bag X28, Jozini, 3969 Physical: Circle Street, Bottom Town, Jozini Tel: 035 572 1292 Fax: 035 572 1266 Website: www.jozini.org.za</p>	<p>32. Mtubatuba Local Municipality Postal: PO Box 52, Mtubatuba, 3935 Physical: Lot 105, Inkosi Mtubatuba Road, Mtubatuba Tel: 035 550 0069 Fax: 035 550 0060 Website: www.mtubatuba.org.za</p>
<p>33. uMhlabyalingana Local Municipality Postal: Private Bag X901, KwaNgwanase, 3973 Physical: R22 Main Road, 01 Manguzi, Manguzi Tel: 035 592 0680 Fax: 035 592 0672 Website: www.umhlabyalingana.gov.za</p>	<p>34. uMzinyathi District Municipality Postal: PO Box 1965, Dundee, 3000 Physical: 39 Victoria Street, Princess Magogo Building, Dundee Tel: 034 219 1500 Fax: 034 218 1940 Webste: www.umzinyathi.gov.za</p>
<p>35. Endumeni Local Municipality Postal: Private Bag X2024, Dundee, 3000 Physical: 64 Victoria Street, Dundee Tel: 034 212 2121 Fax: 034 212 3856 Website: www.endumeni.gov.za</p>	<p>36. Msinga Local Municipality Postal: Private Bag X530, Tugela Ferry, 3010 Physical: R33 Main Road, Tugela Ferry Tel: 033 493 0761 Fax: 033 493 0766 Website: www.msinga.org</p>
<p>37. Nquthu Local Municipality Postal: Private Bag X5521, Nquthu, 3135 Physical: 83 Mdlalose Street, Nquthu Tel: 034 271 6100 Fax: 034 271 6111 Website: www.nquthu.gov.za</p>	<p>38. Umvoti Local Municipality Postal: PO Box 71, Greytown, 3250 Physical: 41 Bell Street, Greytown Tel: 033 413 9100 Fax: 033 417 1393 Website: www.umvoti.gov.za</p>
<p>39. uThukela District Municipality Postal: PO Box 116, Ladysmith, 3370 Physical: 36 Lyel Street / 33 Forbes Street, Ladysmith Tel: 036 638 5100 / 036 638 2400 Fax: 036 637 5608 / 036 635 5501 Website: www.uthukeladm.co.za/uthukela/</p>	<p>40. Alfred Duma Local Municipality Postal: PO Box 29, Ladysmith, 3370 Physical: 221 Murchison Street, Lister Clarence Building, Ladysmith Tel: 036 637 2231 Fax: 036 631 1400 Website: www.alfredduma.gov.za</p>

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<p>41. Okhahlamba Local Municipality Postal: PO Box 71, Bergville, 3350 Physical: 259 Kingsway Street, Bergville Tel: 036 448 8000 Fax: 036 448 1986 Website: www.okhahlamba.org</p>	<p>42. Inkosi Langalibalele Local Municipality Postal: PO Box 750, Estcourt, 3310 Physical: D1249 Sobabili Road, Ntabamhlophe Area, Estcourt Tel: 036 353 0693/0681/0691 Fax: 036 353 6661 Website: www.ilm.gov.za</p>
<p>43. King Cetshwayo District Municipality Postal: Private Bag X1025, Richards Bay, 3900 Physical: Uthungulu House, Kruger Rand, Richards Bay Tel: 035 799 2500 Fax: 035 789 1641 Web: www.uthungulu.org.za</p>	<p>44. City of uMhlathuze Local Municipality Postal: Private Bag X1004, Richards Bay, 3900 Physical: 5 Mark Strasse and East Streets, Central Arterial, Richards Bay Tel: 035 907 5000 Fax: 035 907 5444/5/6/7 Website: www.umhlathuze.gov.za</p>
<p>45. uMfolozi Local Municipality Postal: PO Box 96, KwaMbonambi, 3915 Physical: 25 Bredelia Street, KwaMbonambi Tel: 035 580 1421 Fax: 035 580 1141 Website: www.mbonambi.org.za</p>	<p>46. Mthonjaneni Local Municipality Postal: PO Box 11, Melmoth, 3835 Physical: 21 Reinhold Street, Melmoth Tel: 035 450 2082 Fax: 035 450 2056 Website: www.mthonjaneni.org.za</p>
<p>47. Nkandla Local Municipality Postal: Private Bag X161, Nkandla, 3855 Physical: Lot 292, Maree Road, Nkandla Tel: 035 833 2000 Fax: 035 833 0920 Website: www.nkandla.org.za</p>	<p>48. uMlalazi Local Municipality Postal: PO Box 37, Eshowe, 3815 Physical: Hutchinson Street, Eshowe Tel: 035 473 3300 Fax: 035 474 4733 Website: www.umlalazi.org.za</p>
<p>49. Zululand District Municipality Postal: Private Bag X76, Ulundi, 3838 Physical: 400 Ugagane Street, Ulundi Tel: 035 874 5500 Fax: 035 874 5531/5589 Website: www.zululand.org.za</p>	<p>50. Abaqulusi Local Municipality Postal: PO Box 57, Vryheid, 3100 Physical: Cnr High and Mark Streets, Vryheid Tel: 034 982 2133 Fax: 034 980 9637 Website: www.abaqulusi.gov.za</p>
<p>51. eDumbe Local Municipality Postal: Private Bag X308, Paulpietersburg, 3180 Physical: 10 Hoog Street, Paulpietersburg Tel: 034 995 1650 Fax: 034 995 1192 Website: www.edumbe.gov.za Email: info@edumbe.gov.za</p>	<p>52. Nongoma Local Municipality Postal: PO Box 84, Nongoma, 3950 Physical: Lot 103, Main Street, Nongoma Tel: 035 831 7500 Fax: 035 831 3152 Website: www.nongoma.org.za</p>
<p>53. Ulundi Local Municipality Postal: Private Bag X17, Ulundi, 3838 Physical: BA 81, Prince Mangosuthu Street, Ulundi Tel: 035 874 5100 Fax: 035 870 1164 Website: www.ulundi.gov.za</p>	<p>54. uPhongolo Local Municipality Postal: PO Box 191, Pongola, 3170 Physical: 61 Martin Street, Pongola Tel: 034 413 1223 Fax: 034 413 1706 Website: www.uphongolomunicipality.org.za</p>

LIMPOPO

<p>1. Capricorn District Municipality Postal: PO Box 4100, Polokwane, 0700 Physical: 41 Biccard Street, Polokwane Tel: 015 294 1000 Fax: 015 291 5697 Email: communications@cdm.org.za Website: www.cdm.org.za</p>	<p>2. Lepelle-Nkumpi Local Municipality Postal: Private Bag X07, Chuenespoort, 0745 Physical: 170 BA, Lebowakgomo, 0737 Tel: 015 633 4500 Fax: 015 633 6896 Website: www.lepelle-nkumpi.gov.za</p>
<p>3. Lepelle-Nkumpi Local Municipality Postal: Private Bag X07, Chuenespoort, 0745 Physical: 170 BA, Lebowakgomo, 0737 Tel: 015 633 4500 Fax: 015 633 6896 Website: www.lepelle-nkumpi.gov.za</p>	<p>4. Molemole Local Municipality Postal: Private Bag X 44, Mogwadi, 0715 Physical: Mogwadi Head Office, 303 Church Street, Mogwadi Tel: 015 501 0243 Fax: 015 501 0419 Website: www.molemole.gov.za</p>
<p>5. Polokwane Local Municipality Postal: PO Box 111, Polokwane, 0700 Physical: Cnr Landros Mare and Bodenstein Streets, Polokwane Tel: 015 290 2000 Fax: 015 290 2106 Email: simonm@polokwane.gov.za Website: www.polokwane.gov.za</p>	<p>6. Mopani District Municipality Postal: Private Bag X9687, Giyani, 0826 Physical: Old Government Complex, Giyani Main Road, Giyani Tel: 015 811 5500 Fax: 015 812 4302 Email: tim@mopani.gov.za Website: www.mopani.gov.za</p>
<p>7. Ba-Phalaborwa Local Municipality Postal: Private Bag X01020, Phalaborwa, 1390 Physical: Cnr Nelson Mandela Drive and Selati Road, Phalaborwa Tel: 015 780 6300 Fax: 015 781 0726 Email: phalamun@lantic.net Website: www.ba-phalaborwa.gov.za</p>	<p>8. Greater Giyani Local Municipality Postal: Private Bag X9559, Giyani, 0826 Physical: BA 59/2 Giyani Main Road, opposite Nkensani Hospital, Giyani Tel: 015 811 5500 Fax: 015 812 2068 Website: www.greatergiyani.gov.za</p>
<p>9. Greater Letaba Local Municipality Postal: PO Box 36, Mojadjiekloof, 0835 Physical: 44 Botha Street, Civic Centre, Mojadjiekloof Tel: 015 309 9248 Fax: 015 309 9419 Email: sakkiem@glm.gov.za Website: www.greaterletaba.gov.za</p>	<p>10. Greater Tzaneen Local Municipality Postal: PO Box 24, Tzaneen, 0850 Physical: 38 Agatha Street, Civic Centre, Tzaneen Tel: 015 307 8000 Fax: 015 307 8049 Email: record@tzaneen.gov.za Website: www.tzaneen.gov.za</p>
<p>11. Maruleng Local Municipality Postal: PO Box 627, Hoedspruit, 1380 Physical: 55 Springbok Street, Hoedspruit, 1380 Tel: 015 793 2409/ 2237 Fax: 015 793 2341 Email: seokomaj@maruleng.gov.za Website: www.maruleng.gov.za</p>	<p>12. Greater Sekhukhune District Municipality Postal: Private Bag X8611, Groblersdal, 0470 Physical: 3 West Street, Groblersdal Tel: 013 262 7300/ 7301 Fax: 013 262-4303 Email: seinfo@sekhukhune.co.za Website: www.sekhukhunedistrict.gov.za</p>
<p>13. Elias Motsoaledi Local Municipality Postal: PO Box 48, Groblersdal, 0470 Physical: 2 Grobler Avenue, Groblersdal Tel: 013 262 3056 Fax: 013 262 2547 Website: www.eliasmotsoaledi.gov.za</p>	<p>14. Ephraim Mogale Local Municipality Postal: PO Box 111, Marble Hall, 0450 Physical: 13 Ficus Street, Marble Hall Tel: 013 261 8400 Fax: 013 261 2985 Website: www.ephraimmogalelm.gov.za</p>
<p>15. Fetakgomo Tubatse Local Municipality Postal: PO Box 206, Burgersfort, 1150 Physical: No. 1 Kanstania Street, Burgersfort, 1150 Tel: 013 231 1000 Fax: 013 231 7467 Website: www.tubatse.gov.za</p>	<p>16. Makhuduthamaga Local Municipality Postal: Private Bag X434, Jane-furse, 1085 Physical: No.1 Groblersdal Road, Jane-Furse, 1085 Tel: 013 265 8600/ 1262 Fax: 013 265 1975/ 1770 Website: www.makhuduthamaga.gov.za</p>
<p>17. Vhembe District Municipality Postal: Private Bag X5006, Thohoyandou, 0950 Physical: Old Parliament, Government Complex, Tusk Venda Street, Thohoyandou Tel: 015 960 2000 Fax: 015 962 1017 Email: enquiries@vhembe.gov.za Website: www.vhembe.gov.za</p>	<p>18. Collins Chabane Local Municipality Postal: Private Bag X 9271, Malamulele, 0982 Physical: DCO Offices, Hospital Road, Malamulele Tel: 015 851 0110 Fax: 015 851 0097 Email: louisb@makhado.gov.za Website: www.lim345.gov.za</p>

LIMPOPO

<p>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</p>	<p>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</p>
<p>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</p>	<p>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</p>
<p>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</p>	<p>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</p>
<p>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</p>	<p>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</p>
<p>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</p>	

MPUMALANGA

<p>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</p>	<p>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</p>
<p>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</p>	<p>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</p>
<p>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</p>	<p>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</p>
<p>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</p>	<p>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</p>

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<p>9. Dr Pixley Ka Isaka Seme Local Municipality Postal: Private Bag X9011, Volksrust, 2470 Physical: Cnr Adelaide Tambo Street and Dr Nelson Mandela Drive, Volksrust Tel: 017 734 6100 Fax: 017 735 2620 Website: www.pixleykaseme.gov.za</p>	<p>10. Govan Mbeki Local Municipality Postal: Private Bag X1017, Secunda, 2302 Physical: Horwood Street, Secunda CBD Tel: 017 620 6000 Fax: 017 634 8019 Website: www.govanmbeki.gov.za</p>
<p>11. Lekwa Local Municipality Postal: PO Box 66, Standerton, 2430 Physical: Cnr Mbonani Mayisela and Dr Beyers Naude Streets, Standerton Tel: 017 712 9600 Fax: 017 712 6808 Website: www.lekwalm.gov.za</p>	<p>12. Mkhondo Local Municipality Postal: PO Box 23, eMkhondo, 2380 Physical: 33 Mark and De Wet Streets, eMkhondo Tel: 017 826 8100 Fax: 017 826 3129 Website: www.mkhondo.gov.za</p>
<p>13. Msukaligwa Local Municipality Postal: PO Box 48, Ermelo, 2350 Physical: Cnr Taute and Kerk Streets, Ermelo Tel: 017 801 3500 Fax: 017 801 3661 Website: www.msukaligwa.gov.za</p>	<p>14. Nkangala District Municipality Postal: PO Box 437, Middelburg, 1050 Physical: 2A Walter Sisulu Street, Middelburg Tel: 013 249 2000 Fax: 013 249 2114 Website: www.nkangaladm.gov.za</p>
<p>15. Dr JS Moroka Local Municipality Postal: Private Bag X4012, Siyabuswa, 0472 Physical: 2601/3 Bongimfundo Street, Siyabuswa Tel: 013 973 1101 Fax: 013 973 0974/2138 Website: www.moroka.gov.za</p>	<p>16. Emakhazeni Local Municipality Postal: PO Box 17, eMakhazeni, 1100 Physical: 25 Scheepers Street, eMakhazeni Tel: 013 253 1121 Fax: 013 253 2440 Website: www.emakhazeni.gov.za</p>
<p>17. Emalahleni Local Municipality Postal: PO Box 3, eMalahleni, 1035 Physical: Civic Centre, Cnr Mandela and Arras Streets, eMalahleni Tel: 013 690 6208 Fax: 013 690 6208 Website: www.emalahleni.gov.za</p>	<p>18. Steve Tshwete Local Municipality Postal: PO Box 14, Middelburg, 1050 Physical: Cnr Walter Sisulu Street and Wanderers Avenue, Middelburg Tel: 013 249 7000 Fax: 013 243 7263 Web: www.stevetshwetelm.gov.za / www.stlm.gov.za Email: council@stlm.gov.za</p>
<p>19. Thembisile Hani Local Municipality Postal: Private Bag X4041, eMpumalanga, 0458 Physical: Stand 24 Kwaggafontein C, eMpumalanga Tel: 013 986 9115 Fax: 013 986 0984 Website: www.thembisilehanilm.gov.za</p>	<p>20. Victor Khanye Local Municipality Postal: PO Box 6, Delmas, 2210 Physical: Cnr Samuel and Van der Walt Streets, Delmas Tel: 013 665 6000 Fax: 013 665 2913 Web: www.vklm.gov.za</p>

NORTH WEST PROVINCE

<p>1. Bojanala Platinum District Municipality Postal: PO Box 1993, Rustenburg, 0300 Physical: Cnr Beyers Naude and Fatima Bhayat Drives, Rustenburg Tel: 014 590 4500 Fax: 014 592 6085 Website: www.bojanala.gov.za</p>	<p>2. Kgetlengrivier Local Municipality Postal: PO Box 66, Koster, 0348 Physical: Cnr Smuts and De Wit Streets, Koster Tel: 014 543 2004 Fax: 014 543 2480 Website: www.kgetlengrivier.gov.za</p>
<p>3. Madibeng Local Municipality Postal: PO Box 106, Brits, 0250 Physical: 53 Van Velden Street, Brits Tel: 012 318 9100 /9500 /9215 Fax: 012 318 9665 Website: www.madibengweb.co.za</p>	<p>4. Moretele Local Municipality Postal: Private Bag X367, Makapanstad, 0404 Physical: 4065 B, Mathibestad, Makapanstad Tel: 012 716 1300 Fax: 012 716 9999 Web: www.moretele.org.za</p>
<p>5. Moses Kotane Local Municipality Postal: Private Bag X1011, Mogwase, 0314 Physical: Stand No.935, Railway Road, Unit 3, Mogwase Tel: 014 555 1300 /1401 Fax: 014 555 6368 Website: www.moseskotane.gov.za</p>	<p>6. Rustenburg Local Municipality Postal: PO Box 16, Rustenburg, 0300 Physical: 159 Nelson Mandela and Beyers Naude Streets, Rustenburg Tel: 014 590 3111 Fax: 014 590 3481 Website: www.rustenburg.gov.za</p>

NORTH WEST PROVINCE

<p>7. Dr Kenneth Kaunda District Municipality Postal: Private Bag X5017, Klerksdorp, 2570 Physical: Civic Centre, Patmore Road, Orkney Tel: 018 473 8000 Fax: 018 473 2523 Website: www.kaundadistrict.gov.za</p>	<p>8. City of Matlosana Local Municipality Postal: PO Box 99, Klerksdorp, 2570 Physical: Cnr Braamfisher and OR Tambo Streets, Klerksdorp Tel: 018 487 8300 Fax: 018 464 1780 Website: matlosana.local.gov.za</p>
<p>9. Maquassi Hills Local Municipality Postal: Private Bag X3, Wolmaransstad, 2630 Physical: 19 Kruger Street, Wolmaransstad Tel: 018 596 1074 Fax: 018 596 1555 Website: www.maquassi-hills.co.za</p>	<p>10. JB Marks Local Municipality Postal: PO Box 113, Potchefstroom, 2520 Physical: 35 Cnr Sol Plaatje and Wolmarans Streets, Potchefstroom Tel: 018 299 5111 Fax: 018 299 5555 Website: www.jbmarks.co.za</p>
<p>11. Dr Ruth Segomotsi Mompati District Municipality Postal: PO Box 21, Vryburg, 8600 Physical: 50 Market Street, Vryburg Tel: 053 928 4700 Fax: 053 927 2401 Website: www.rsmompatidm.gov.za</p>	<p>12. Greater Taung Local Municipality Postal: Private Bag X1048, Taung, 8580 Physical: Main Road, Taung Station, Taung Tel: 053 994 9400 Fax: 053 994 3917 Website: www.greatertaung.gov.za</p>
<p>13. Kagisano-Molopo Local Municipality Postal: Private Bag X522, Ganyesa, 8613 Physical: Municipal Offices (Next to Ganyesa Health Clinic), Ganyesa Tel: 053 998 4455 Fax: 053 998 3711 Website: www.kmlm.gov.za</p>	<p>14. Lekwa-Teemane Local Municipality Postal: PO Box 13, Christiana, 2680 Physical: Cnr Robyn and Dirkie Uys Streets, Christiana Tel: 053 441 2206/3952/3954 Fax: 053 441 3735 Website: www.lekwateemane.co.za</p>
<p>15. Mamusa Local Municipality Postal: PO Box 5, Schweizer-Reneke, 2780 Physical: 2 Schweizer Street, Schweizer-Reneke Tel: 053 963 1331 Fax: 053 963 2474 Website: www.mamusa.local.gov.za</p>	<p>16. Naledi Local Municipality Postal: PO Box 35, Vryburg, 8600 Physical: 19A Market Street, Vryburg Tel: 053 928 2200 Fax: 053 927 3482 Website: naledi.local.gov.za</p>
<p>17. Ngaka Modiri Molema District Municipality Postal: Private Bag X2167, Mahikeng, 2745 Physical: Cnr Carrington Street and 1st Avenue, Industrial Site, Mahikeng Tel: 018 381 9400 Fax: 018 381 0561 Website: www.nmmdm.gov.za</p>	<p>18. Ditsobotla Local Municipality Postal: PO Box 7, Litchtenburg, 2740 Physical: Cnr Nelson Mandela Drive and Transvaal Street, Litchtenburg Tel: 018 633 3800 Fax: 018 632 5247 Website: www.ditsobotla.co.za</p>
<p>19. Mahikeng Local Municipality Postal: Private Bag X63, Mmabatho, 2735 Physical: Cnr University Drive and Hector Peterson Street, Mmabatho Tel: 018 389 0111 Fax: 018 384 4830 Website: www.mahikeng.gov.za</p>	<p>20. Ramotshere Moiloa Local Municipality Postal: PO Box 92, Zeerust, 2865 Physical: Cnr President and Coetzee Streets, Zeerust Tel: 018 642 1081 Fax: 018 642 3586 Website: www.ramotshere.gov.za</p>
<p>21. Ratlou Local Municipality Postal: Private Bag X209, Madibogo, 2772 Physical: Delareyville Road, Next to Setlagole Library, Setlagole Tel: 018 330 7000 Fax: 018 330 7047 Website: www.ratlou.gov.za</p>	<p>22. Tswaing Local Municipality Postal: PO Box 24, Delareyville, 2770 Physical: Cnr General Delarey and Government Streets, Delareyville Tel: 053 948 0900 Fax: 053 948 1500 Email: info@tswaing.gov.za Website: www.tswaing.gov.za</p>

NORTHERN CAPE

<p>1. Frances Baard District Municipality Postal: Private Bag X6088, Kimberley, 8300 Physical: 51 Drakensberg Avenue, Carters Glen, Kimberley Tel: 053 838 0911 Fax: 053 861 1538 Email: france.baard@fdbm.co.za Website: www.francesbaard.gov.za</p>	<p>2. Dikgatlong Local Municipality Postal: Private Bag X5, Barkly West, 8375 Physical: 33 Campbell Street, Barkly West Tel: 053 531 0671 Fax: 053 531 0624 Email: munman@dikgatlong.co.za Website: www.dikgatlong.co.za</p>
<p>3. Magareng Local Municipality Postal: PO Box 10, Warrenton, 8530 Physical: Magrieta Prinsloo Street, Warrenton Tel: 053 497 3111 Fax: 053 497 4514 Website: www.magareng.gov.za</p>	<p>4. Phokwane Local Municipality Postal: Private Bag X3, Hartswater, 8570 Physical: 24 Hertzog Street, Hartswater Tel: 053 474 9700 Fax: 053 474 1768 Website: www.phokwane.gov.za</p>
<p>5. Sol Plaatje Local Municipality Postal: Private Bag X5030, Kimberley, 8300 Physical: Jan Smuts Street, Boulevard, Kimberley Tel: 053 830 6911 Fax: 053 833 1005 Website: www.solplaatje.org.za</p>	<p>6. John Taolo Gaetsewe District Municipality Postal: PO Box 1480, Kuruman, 8460 Physical: 4 Federale Mynbou Street, Kuruman Tel: 053 712 8700 Fax: 053 712 1001 Email: kaldc@mweb.co.za Website: www.taologaetsewe.gov.za</p>
<p>7. Ga-Segonyana Local Municipality Postal: Private Bag X1522, Kuruman, 8460 Physical: Cnr Voortrekker and School Streets, Kuruman Tel: 053 712 9300 Fax: 053 712 3581 Website: www.ga-segonyana.gov.za</p>	<p>8. Gamagara Local Municipality Postal: PO Box 1001, Kathu, 8446 Physical: Cnr of Hendrick van Eck and Frikkie Meyer Road, Kathu Tel: 053 723 6000 Fax: 053 723 2021 Website: www.gamagara.co.za</p>
<p>9. Joe Morolong Local Municipality Postal: Private Bag X117, Mothibistad, 8474 Physical: D320 Cardington Road, Mothibistad Tel: 053 773 9300 Fax: 053 773 9350 Website: www.joemorolong.gov.za</p>	<p>10. Namakwa District Municipality Postal: Private Bag X20, Springbok, 8240 Physical: Van Riebeeck Street, Springbok Tel: 027 712 8000 Fax: 027 712 8040 Email: info@namakwadm.gov.za Website: www.namakwadm.gov.za</p>
<p>11. Hantam Local Municipality Postal: Private Bag X14, Calvinia, 8190 Physical: Hope Street, Calvinia Tel: 027 341 8500 Fax: 027 341 8501 Email: info@hantam.gov.za Website: www.hantam.gov.za</p>	<p>12. Kamiesberg Local Municipality Postal: Private Bag X200, Garies, 8220 Physical: 22 Main Street, Garies Tel: 027 652 8000 Fax: 027 652 8001 Email: josephc@kamiesberg.co.za Website: www.kamiesbergmun.co.za</p>
<p>13. Karoo Hoogland Local Municipality Postal: Private Bag X03, Williston, 8920 Physical: 7 Mulder Street, Williston Tel: 053 391 3003 Fax: 053 391 3294 Email: karooadmin@karoohoogland.gov.za Website: www.karoohoogland.co.za</p>	<p>14. Khai-Ma Local Municipality Postal: PO Box 108, Pofadder, 8890 Physical: New Street, Khai Ma Local Municipality, Pofadder Tel: 054 933 1000 Fax: 054 933 0252 Email: mmsecretary@khaima.gov.za Website: www.kaima.gov.za</p>
<p>15. Nama Khoi Local Municipality Postal: PO Box 17, Springbok, 8240 Physical: Namakhoi Street, Springbok Tel: 027 718 8100 Fax: 027 712 1635 Website: www.namakhoi.org.za</p>	<p>16. Richtersveld Local Municipality Postal: Private Bag X113, Port Nolloth, 8280 Physical: Main Road, Port Nolloth Tel: 027 851 1111 Fax: 027 851 1101 Email: reception@richtersveld.gov.za Website: www.richtersveld.gov.za</p>
<p>17. Pixley Ka Seme District Municipality Postal: Private Bag X1012, De Aar, 7000 Physical: Culvert Road, De Aar Tel: 053 631 0891 Fax: 053 631 2529 Email: pixley@telkomsa.net Website: www.pixleykasemedm.co.za</p>	<p>18. Emthanjeni Local Municipality Postal: PO Box 42, De Aar, 7000 Physical: 45 Voortrekker Street, De Aar Tel: 053 632 9100 Fax: 053 631 0105 Website: www.emthanjeni.co.za</p>

NORTHERN CAPE

<p>19. Kareeberg Local Municipality Postal: PO Box 10, Carnarvon, 8925 Physical: Hanau Street, Carnarvon Tel: 053 382 3012 Fax: 053 382 3142 Email: kareeberg@xsinet.co.za Website: www.kareeberg.co.za</p>	<p>20. Renosterberg Local Municipality Postal: PO Box 112, Petrusville, 8770 Physical: 555 School Street, Petrusville Tel: 053 663 0041 Fax: 053 663 0180 Website: www.renosterbergmunicipality.gov.za</p>
<p>21. Siyancuma Local Municipality Postal: PO Box 27, Douglas, 8730 Physical: 7 Charl Street, Douglas Tel: 053 298 1810 Fax: 053 298 3141 Website: www.siyancuma.gov.za</p>	<p>22. Siyathemba Local Municipality Postal: PO Box 16, Prieska, 8940 Physical: Victoria Street, Prieska Tel: 053 353 5300 Fax: 053 353 1386 Website: www.siyathemba.gov.za</p>
<p>23. Thembelihle Local Municipality Postal: Private Bag X3, Hopetown, 8750 Physical: Church Street, Hopetown Tel: 053 203 0005/0008 Fax: 053 203 0490 Website: www.thembelihlemunicipality.gov.za</p>	<p>24. Ubuntu Local Municipality Postal: Private Bag X329, Victoria West, 7070 Physical: 78 Church Street, Victoria West Tel: 053 621 0026 Fax: 053 621 0368 Email: info@ubuntu.gov.za Website: www.ubuntu.gov.za</p>
<p>25. Umsobomvu Local Municipality Postal: Private Bag X6, Colesberg, 9795 Physical: 21A Church Street, Colesberg Tel: 051 753 0777 Fax: 051 753 0574 Website: www.umsobomvumun.co.za</p>	<p>26. ZF Mgcawu District Municipality Postal: Private Bag X6039, Upington, 8800 Physical: Cnr Hill and Le Roux Streets, Upington Tel: 054 337 2800 Fax: 054 337 2888 Website: www.zfm-dm.co.za</p>
<p>27. !Kheis Local Municipality Postal: Private Bag X2, Groblershoop, 8850 Physical: 97 Orania Street, Groblershoop Tel: 054 833 9500 Fax: 054 833 9509 Website: www.kheis.co.za</p>	<p>28. Kai-Garib Local Municipality Postal: Private Bag X6, Kakamas, 8870 Physical: 11 Avenue, Kai Garib Local Municipality, Kakamas Tel: 054 461 6400 Fax: 054 461 6401 Website: www.kaigarib.gov.za</p>
<p>29. Kgatelopele Local Municipality Postal: PO Box 43, Danielskuil, 8405 Physical: 222 Baker Street, Danielskuil Tel: 053 384 8600 Fax: 053 384 0326 Website: www.kgatelopele.gov.za</p>	<p>30. Tsantsabane Local Municipality Postal: PO Box 5, Postmasburg, 8420 Physical: 13 Springbok Street, Postmasburg Tel: 053 313 7300 Fax: 053 313 1602 Website: www.tsantsabane.co.za</p>
<p>31. Dawid Kruiper Local Municipality Postal: Private Bag X6003 Physical: Mutual Street Tel: 054 338 7000 Fax: 086 497 9270 Email: mayor@kharahais.gov.za Website: www.dkm.gov.za</p>	

WESTERN CAPE

<p>1. City of Cape Town Metropolitan Municipality Postal: Private Bag X9181, Cape Town, 8000 Physical: Civic Centre, 12 Hertzog Boulevard, Cape Town Tel: 021 400 1111/0860 103 089 Fax: 021 400 1313/0860 103 090 Website: www.capetown.gov.za</p>	<p>2. Cape Winelands District Municipality Postal: PO Box 100, Stellenbosch, 7599 Physical: 46 Alexander Street, Stellenbosch Tel: 086 126 5263 Fax: 021 887 2271 Website: www.capewinelands.gov.za</p>
<p>3. Breede Valley Local Municipality Postal: Private Bag X3046, Worcester, 6849 Physical: 30 Baring Street, Worcester Tel: 023 348 2600 Fax: 023 347 3671 Website: www.bvm.gov.za</p>	<p>4. Drakenstein Local Municipality Postal: PO Box 1, Paarl, 7622 Physical: Bergrivier Boulevard, Paarl Tel: 021 807 4500 Fax: 021 870 1547 Website: www.drakenstein.gov.za</p>
<p>5. Langeberg Local Municipality Postal: Private Bag X2, Ashton, 6715 Physical: 28 Main Street, Ashton Tel: 023 615 8000 Fax: 023 615 1563 Website: www.langeberg.gov.za</p>	<p>6. Stellenbosch Local Municipality Postal: PO Box 17, Stellenbosch, 7599 Physical: Plein Street, Stellenbosch Tel: 021 808 8111/0861 808 911 Fax: 021 808 8026 Website: www.stellenbosch.gov.za</p>

WESTERN CAPE

<p>7. Witzenberg Local Municipality Postal: PO Box 44, Ceres, 6835 Physical: 50 Voortrekker Street, Ceres Tel: 023 316 1854 Fax: 023 316 1877 Website: www.witzenberg.gov.za</p>	<p>8. Central Karoo District Municipality Postal: Private Bag X560, Beaufort West, 6970 Physical: 63 Donkin Street, Beaufort West Tel: 023 449 1000 Fax: 023 415 1253 Website: www.skdm.co.za</p>
<p>9. Beaufort West Local Municipality Postal: Private Bag X582, Beaufort West, 6970 Physical: 112 Donkin Street, Beaufort West Tel: 023 414 8020 Fax: 023 415 1373 Website: www.beaufortwestmun.co.za</p>	<p>10. Laingsburg Local Municipality Postal: Private Bag X4, Laingsburg, 6900 Physical: 2 Van Riebeeck Street, Laingsburg Tel: 023 551 1019 Fax: 023 551 1019 Website: www.laingsburg.gov.za</p>
<p>11. Prince Albert Local Municipality Postal: Private Bag X53, Prince Albert, 6930 Physical: 33 Church Street, Prince Albert Tel: 023 541 1320 Fax: 023 541 1321 Website: www.princealbertmunicipality.com</p>	<p>12. Garden Route District Municipality Postal: PO Box 12, George, 6530 Physical: 54 York Street, George Tel: 044 803 1300 Fax: 086 555 6303 Website: www.edendm.co.za</p>
<p>13. Bitou Local Municipality Postal: Private Bag X1002, Plettenberg Bay, 6600 Physical: 1 Sewell Street, Plettenberg Bay Tel: 044 501 3000 Fax: 044 533 3485 Website: www.plett.gov.za</p>	<p>14. George Local Municipality Postal: PO Box 19, George, 6530 Physical: 71 York Street, George Tel: 044 801 9111 Fax: 044 801 9105 Website: www.george.gov.za</p>
<p>15. Hessequa Local Municipality Postal: PO Box 29, Riversdale, 6670 Physical: Van den Berg Street, Riversdale Tel: 028 713 8000 Fax: 086 401 5202 Website: www.hessequa.gov.za</p>	<p>16. Kannaland Local Municipality Postal: PO Box 30, Ladismith, 6655 Physical: 32 Church Street, Ladismith Tel: 028 551 1023 Fax: 028 551 1766 Website: www.kannaland.gov.za</p>
<p>17. Knysna Local Municipality Postal: PO Box 21, Knysna, 6570 Physical: 5 Clyde Street, Knysna Tel: 044 302 6300 Fax: 044 302 6333 Website: www.knysna.gov.za</p>	<p>18. Mossel Bay Local Municipality Postal: Private Bag X29, Mossel Bay, 6500 Physical: 101 Marsh Street, Mossel Bay Tel: 044 606 5000 Fax: 044 606 5062 Website: www.mosselbay.gov.za</p>
<p>19. Oudtshoorn Local Municipality Postal: PO Box 255, Oudtshoorn, 6620 Physical: Cnr Baron Van Rheede Street and Voortrekker Road, Oudtshoorn Tel: 044 203 3000 Fax: 044 203 3104 Website: www.oudtmun.gov.za</p>	<p>20. Overberg District Municipality Postal: Private Bag X22, Bredasdorp, 7280 Physical: 26 Long Street, Bredasdorp Tel: 028 425 1157 Fax: 028 425 1014 Website: www.odm.org.za</p>
<p>21. Cape Agulhas Local Municipality Postal: PO Box 51, Bredasdorp, 7280 Physical: 1 Dirkie Uys Street, Bredasdorp Tel: 028 425 5500 Fax: 028 425 1019 Website: www.capeagulhas.gov.za</p>	<p>22. Overstrand Local Municipality Postal: PO Box 20, Hermanus, 7200 Physical: Overstrand Civic Centre, Harmony Street, Hermanus Tel: 028 313 8000 Fax: 028 312 1894 Website: www.overstrand.gov.za</p>
<p>23. Swellendam Local Municipality Postal: PO Box 20, Swellendam, 6740 Physical: 49 Voortrek Street, Swellendam Tel: 028 514 8500 Fax: 028 514 2694 Website: www.swellenmun.co.za</p>	<p>24. Theewaterskloof Local Municipality Postal: PO Box 24, Caledon, 7230 Physical: 6 Plein Street, Caledon Tel: 028 214 3300 Fax: 028 214 1289 Website: www.twk.org.za</p>
<p>25. West Coast District Municipality Postal: PO Box 242, Moorreesburg, 7310 Physical: 58 Long Street, Moorreesburg Tel: 022 4338400 Fax: 086 692 6113 Website: www.westcoastdm.co.za</p>	<p>26. Bergrivier Local Municipality Postal: PO Box 60, Piketberg, 7320 Physical: 13 Church Street, Piketberg Tel: 022 913 6000 Fax: 022 913 1406 Website: www.bergmun.org.za</p>

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27. Cederberg Local Municipality

Postal: Private Bag X2, Clanwilliam, 8135
Physical: 2A Voortrekker Road, Clanwilliam
Tel: 027 482 8000
Fax: 027 482 1933
Website: www.cederbergmunicipality.co.za

29. Saldanha Bay Local Municipality

Postal: Private Bag X12, Vredenburg, 7380
Physical: 12 Main Road, Vredenburg, 7380
Tel: 022 701 7000
Fax: 022 715 1518
Website: www.sbm.gov.za

28. Matzikama Local Municipality

Postal: PO Box 98, Vredendal, 8160
Physical: 37 Church Street, Vredendal
Tel: 027 201 3300
Fax: 027 213 3238
Website: www.matzikamamun.co.za

30. Swartland Local Municipality

Postal: Private Bag X52, Malmesbury, 7299
Physical: 1 Church Street, Malmesbury
Tel: 022 487 9400
Fax: 022 487 9440
Website: www.swartland.org.za
Email: swartlandmun@swartland.org.za



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