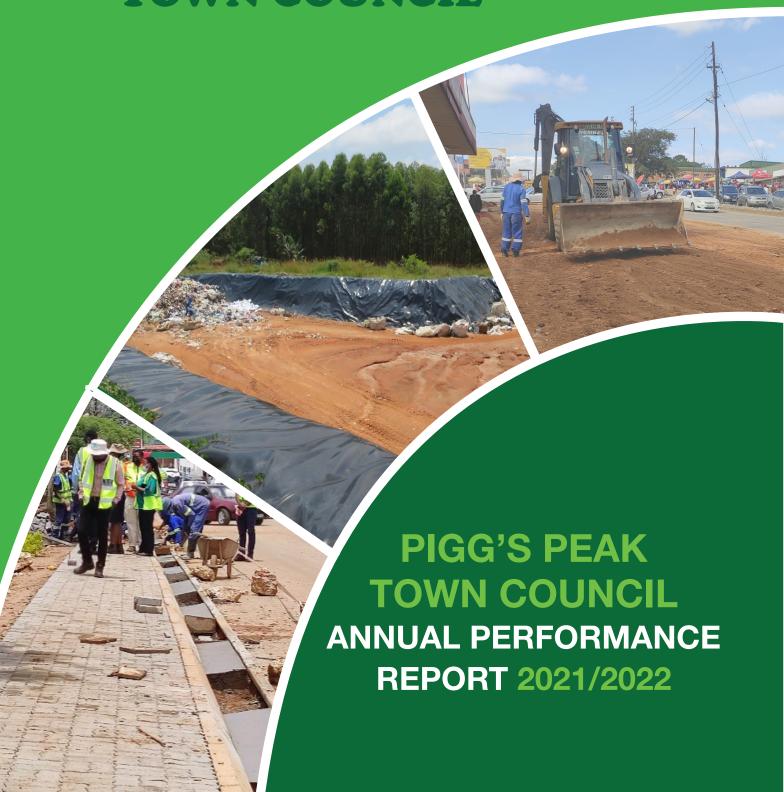


PIGG'S PEAK
TOWN COUNCIL



## **TABLE OF CONTENTS**

	r of acronyms	
	GS PEAK TOWN COUNCIL COUNCILLORS	
PIG	G'S PEAK TOWN COUNCIL MANAGEMENT	vii
BAC	KGROUND OF THE ORGANISATION	viii
VISI	ION, MISSION, SLOGAN & VALUES	ix
IDP	KEY PERFORMANCE AREAS	ix
GOV	/ERNANCE STRUCTURE	xi
FOR	EWORD BY THE CHAIRPERSON	xiii
	THE OFFICE OF THE CEO	
	Development and Implementation of a Quality Management System (QMS – ISO 9001).	
	Using Local Economic Development as means of Empowering Women and Youth	
	Conducting Periodic Internal Audits	
	Promoting Council's Image and Engaging Stakeholders	
1.5.	Board, Finance Committee and Management Meetings	
	1.5.1. Participatory Governance	
	Litigation	
	Participating in National Cultural Events	
1.8.	Commemorating Volunteer's Day	4
	THE ENGINEERING DEPARTMENT	
2.1.	Capital Improvement Projects	
	2.1.0. Design Review and Construction of Drainage and Walkways in the CBD	
	2.1.1. Purchase of a Tractor Loader Backhoe (TLB)	
	2.1.2. Consultancy Services for the Design, Construction and Supervision of three roads	
2.2.	Town Planning	
	2.2.0. Building Applications	
	2.2.1. Malandalahle Plot Pegging	
	2.2.2. Registration of Plots Developed with Council Structures	
	2.2.3. Macambeni General Plan Preparation	
	2.2.4. Residential Tenancies Bill	10
2 0	THE ENVIRONMENT AND PUBLIC HEALTH DEPARTMENT	10
	Waste Management	
	Dustbin Furniture	
	World Environment Day Commemoration	
	Environmental Management	
	Environmental Audit of Landfill and Cemetery	
	Micro, Small and Medium Enterprises Business Workshop	
	Food Business Owners and Handlers Workshop	
	Routine Shop Inspections	
	Food Outlets Grading	
0.9.	1000 Oudets Graume	TI

## **TABLE OF CONTENTS**

4.0.	THE HUMAN RESOURCES DEPARTMENT	18
4.1.	Staff Retention	18
4.2.	Employee Wellness	19
5.0.	THE AMICAALL AND SOCIAL SERVICES DEPARTMENT	22
5.1.	HIV/AIDS and Alcohol Abuse Prevention	22
	5.1.0. Transport Operators' Health Week	22
	5.1.1. Mayor's Pool Table Tournament	22
5.2.	Commemoration of Special Days:	23
	5.2.0. Volunteers' day	23
	5.2.1. Commemoration of 16 Days of Activism against Gender Based Violence	23
	5.2.3. World AIDS Day	23
5.3.	Social Services	
	5.3.0. Crime Prevention	23
	5.3.1. Child Protection (Lihlombe Lekukhalela)	23
	5.3.2. Promotion of Gender Equality	23
	5.3.3. JO COX Project	23
	5.3.4. Youth Empowerment	24
	5.3.5. First AID Training for Social Centre Volunteers	24
	5.3.6. Social Centre Operations	24
6.0.	THE FINANCE DEPARTMENT	27
6.1.	Highlight of Achievement	
	6.1.0. Supplementary Valuation 2021/22	27
	6.1.1. Rates Billing and Collection	27
	6.1.2. Budgeting	27
	6.1.3. External and Internal Audit	27

## **TABLES AND FIGURES**

Table 1.0:	Participants in Jo Cox project	2
Table 1.1:	Council Meetings in 2021/2022	3
Table 2.0:	Building plans processed in 2021/2022	9
Table 3.0:	Food Grading Results.	15
Table 5.0:	Transport Operator's Health Week Result	22
Figure 1.0:	Pigg's Peak entrepreneur Lomakhalatsi Dlamini receiving her prize	2
Figure 1.1:	Stakeholders during a breakfast meeting	4
Figure 1.2.	Stabilization of base layer	4
Figure 2.0:	Provision of new sleeves for EEC and EWSC	7
Figure 2.1:	Provision of new sleeves for EEC and EWSC	8
Figure 2.2:	Paving of pedestrian walkways	8
Figure 2.3:	Tractor Loader Backhoe	8
Figure 2.4:	Roads designed for (COLORED Lines)	9
Figure 3.0:	An Installed Street Bin.	13
Figure 3.1:	Landfill Cell	14
_	Town Chairperson making remarks during the MSMEs workshop	
Figure 3.3:	Food Outlets Grading Results	15
Figure 4.0:	Employee Turnover Rate	18
Figure 4.1:	Staff Retention Rate	19
Figure 5.0:	Public Transport Operators Health Week	22
Figure 5.1:	World AIDS Day commemoration	23
Figure 5.2:	Youth Empowerment in Pigg's Peak	24
Figure 5.3:	First Aid Certificate awarded to social centre attendee by the CEO	24
Figure 6.0:	Best Ratepayer Councillor Absalom Ndlovu receiving his award	27
Figure 6.1:	Trophies that were awarded to Best Ratepayers in the 2021/22 financial year	27

## LIST OF ACRONYMS

CBD Central Business District
CEO Chief Executive Officer

CIP Capital Improvement Program

**CLGF** Commonwealth Local Government Forum

CMP Comprehensive Mitigation PlanCRT Certificate of Registered Title

ECCD Early Childhood Care and Development
EIPA Eswatini Investment Promotion Authority
ELGA Eswatini Local Government Authority

**ENYC** Eswatini National Youth Council

FINCORP Eswatini Development Finance Corporation

**GBV** Gender Based Violence

**IDP** Integrated Development Plan

**IEC** Information, Education and Communication

**IEE** Initial Environment Evaluation

JA Junior Achievement

LED Local Economic Development

MHUD Ministry of Housing and Urban Development

MSMEs Micro, Small and Medium Enterprises
MSYAC Ministry of Sports, Youth and Culture

**PMTCT** Prevention of Mother-To-Child Transmission

PPTC Pigg's Peak Town Council

QMS Quality Management System

RDF Regional Development Fund

REPS Royal Eswatini Police Service

**SEDCO** Small Enterprises Development Company

SMEs Small and Medium Enterprises

WLED Women in Local Economic Development
WLGF Women in Local Government Forum
YWLG Young Women in Local Government



# PIGGS PEAK TOWN COUNCIL COUNCILLORS



CHAIRPERSON VICTOR RODRIGUES (Ward 3, Town Centre)



DEPUTY MAYOR SIBONGILE MAGAGULA (Ward 1, Malandalahle)



CLLR. TSEPISO MTHIMKHULU (Ward 2, Mangwaneni)



CLLR. SIZWE THEMBA (Ward 4, Nazarene)



CLLR. VICTOR MASANGO (Ward 5, Mhlatane/Macambeni)



CLLR. MNDENI SIMELANE (Ward 6, Glen)



CLLR. ABSALOM NDLOVU (Appointee)



CLLR. THEMBISILE
DLAMINI-NGCAMPHALALA
(Appointee)

# PIGGS PEAK TOWN COUNCIL MANAGEMENT



CHIEF EXECUTIVE OFFICER
Mzwandile Ndzinisa



TOWN ENGINEER Londiwe Simelane



TOWN TREASURER Mangaliso Sifundza



HUMAN RESOURCES OFFICER Bongekile Mabuza



AMICAALL/SOCIAL SERVICES MANAGER Dumsile Gamedze-Mkhonta



ENVIRONMENT & PUBLIC HEALTH OFFICER Bongekile Mkhontfo-Dlamini



INSPECTOR OF WORKS Thamie Dlamini



ACCOUNTANT Clement Dlamini



TOWN PLANNING OFFICER Simiso Dlamini



ASSISTANT ENVIRONMENT & PUBLIC HEALTH OFFICER Mpendulo Mhlanga



EXECUTIVE SECRETARY Dudu Masango

# BACKGROUND OF THE ORGANISATION

Pigg's Peak is a developing town, located in the north-west of Eswatini, approximately 70 kilometres north-east of the capital city of Mbabane. The town has an aerial extent of 856.6 hectares, 287 of which is afforested by Peak Timbers. In terms of population, the town has a population of about 5389 people, 2633 male and 2756 female (2017 Population census).

Historically, the town was established at the junction of the Bulembu (former Asbestos mine)-Pigg's Peak corridor and Mbabane-Matsamo corridor, which gradually developed into a service centre for the entire sub-region. Pigg's Peak Town was declared a town on 5th March 1993 and has gradually grown over the years. It must be noted that Pigg's

Peak relies heavily on timber plantation and processing, it is for this reason that two timber companies, namely Peak Timbers and Eswatini Plantations have vast expanses of afforested land within and around Pigg's Peak.

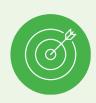
Pigg's Peak Town Council has always ensured that the needs and interests of the town's rate payers, residents and stakeholders are addressed as outlined in the Organization's integrated development plan (IDP) or five-year strategic plan. The town has managed to achieve a lot in terms of its development, ranging from infrastructure development and maintenance, waste management, improved urban living for citizens and their empowerment.

# VISION, MISSION, SLOGAN & VALUES



## **VISION**

To be a vibrant economic hub transforming the Northern Hhohho region into a preferred tourist destination.



## **MISSION STATEMENT**

To provide efficient and effective services, using public participation and tourism as engines for economic development of the town to the benefit of all stakeholders.



## **SLOGAN**

Improvement in services and quality of life through unity.



## **VALUES**

As we carry out our mandate, we are guided by the following values;

- Accountability
- Transparency
- Integrity
- Quality Service Delivery
- Concern for People
- Zero Tolerance to Corruption

## **IDP KEY PERFORMANCE AREAS**

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



# GOVERNANCE STRUCTURE

## **GOVERNANCE STRUCTURE**

Pigg's Peak Town Council embraces the principles of corporate governance and it is against this background that the operations of the organization are guided by the following practices and or structures; Council or Board, Finance Committee, Management and Stakeholder engagement. The responsibilities of these are clearly defined in the Urban Government Act, 1969 in order to ensure balance of power.

The Ministry of Housing and Urban Development, as a parent ministry, plays a major role in influencing progress of the town.

### **Council or Board Responsibilities**

Councillors serve as policy makers and represent the town's residents and stakeholders in the decision-making process, through voicing their concerns relating to services provided by the town. In order to executive these functions efficiently and effectively, the Board meets once a month to deliberate on issues brought

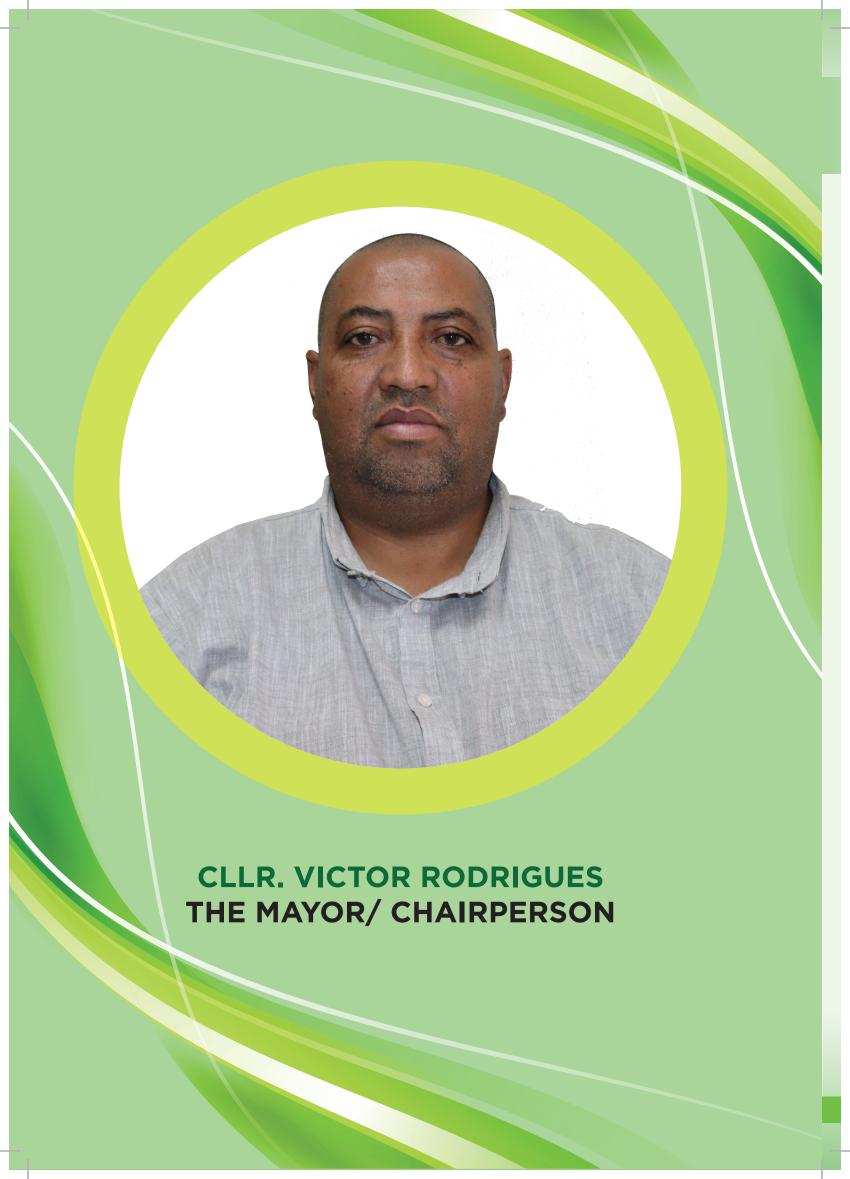
to their attention by Management. Council appoints a Finance committee amongst its members to provide an oversight role when it comes to the allocation and use of Council's finances. The Finance committee meets once a month and tables its report to Council for deliberation.

### Management

Alevel below Council, there is Management, headed by the CEO, who is responsible for implementing resolutions of the Board and ensuring that the strategic objectives of the organization are achieved. In order to achieve the abovementioned, the CEO works hand-in-hand with Management on a daily basis, when managing the operations of the organization.

## Residents and stakeholder engagement

To ensure that there is participatory governance, Council convenes regular resident's and stakeholder's meetings. These include Budget feedback meetings, Annual General Meetings and Consultative budget meetings.



# FOREWORD BY THE CHAIRPERSON

66 Pigg's Peak has continued to be a preferred tourist destination and a place to call home through its clean environment and refreshing atmosphere which can be attributed to its green and nature filled surrounding. 99

am excited and honored to present to you, on behalf of Pigg's Peak Town Council (PPTC), the 2021/2022 Annual Performance Report. This report has been prepared based on the principles of integrated reporting in order to ensure that the needs and interests of the town's ratepayers, residents, and stakeholders are addressed as outlined in the organisation's Integrated Development Plan (IDP) or fiveyear strategic plan.

The report entails the operations of the organization for the period under review in line with PPTC's values, particularly that of accountability, transparency and quality service delivery.

The report will also give you a bird's eye view into the achievements of PPTC, despite the challenges we have faced during the financial year.

Despite the challenges of the outbreak of COVID-19 pandemic and the effects of the political which left the business community and individual ratepayers divested and hopeless, PPTC continued to strive and provide necessary services to her stakeholders in a safe environment.

Pigg's Peak has continued to be a preferred tourist destination and a place to call home through its clean environment and refreshing atmosphere which can be attributed to its green and nature filled surrounding.

Moreover, from the report, the reader will appreciate that the organization managed to successfully implement a couple of projects and programs in line with Council's five-year strategic plan and annual operating plan. Chief amongst these projects and programs are the following; upgrade of MR1 and the construction of storm water drains and walkways in the town centre or Central Business District (C.B.D), purchase of a tractor loader backhoe (TLB), to mention a few.

The report also details the organization's financial performance, under audited financial statements.

Finally, on behalf of Pigg's Peak Town Council I would like to express my uttermost gratitude to our valued ratepayers who have continued to pay their rates despite of the unprecedented challenges faced by the entire country. I appeal that you continue bringing your ideas and concerns to Council so that together we shape our beautiful town.

I thank you,

CLLR. VICTOR RODRIGUES THE MAYOR/ CHATRPERSON



## MZWANDILE NDZINISA THE OFFICE OF THE CHIEF EXECUTIVE OFFICER

This office is responsible for the overall administration of the organisation as well as implementation of Council's strategic objectives. These strategic objectives include; Enhancing participatory governance, Revenue generation for sustainability, Organization development for efficient service delivery, Infrastructure development for investment promotion, Diversification of land use through effective planning, Promotion of public health and safety, Promotion of environment protection and conservation and HIV/AIDS management.



# THE OFFICE OF THE CEO

# PERFORMANCE HIGHLIGHTS

# THE OFFICE OF THE CEO PERFORMANCE HIGHLIGHTS

#### 1.0. THE OFFICE OF THE CEO

## 1.1. Development and Implementation of a Quality Management System (OMS – ISO 9001)

During this reporting period, we can report that as an organization we have managed to start the process of developing and implementing a QMS, a project to be implemented over an eighteenmonth period. I.C Development consulting has been engaged to assist in the project and at this stage, procedures and documents relating to all operations of the organization are being developed. The implementation of the QMS is in line with the organization's strategic objective of 'Creating a result-oriented human capital', through ensuring that the organization's workforce is focused on the needs of its stakeholders.

## 1.2. Using Local Economic Development (L.E.D) as means of Empowering Women and Youth

Through the empowerment of women and youth under Council's Local Economic Development (L.E.D) initiative, Council recognises the role played by Small and Medium Enterprises (SMEs) in the local economy and it is for this reason that E183 172.40 was set aside to develop the entrepreneurial skills of women and youth. Junior Achievement (J.A) Eswatini partnered with Council to train our residents on business management skills.

Testament to this, Ms. Lungile Lomakhalatsi Dlamini (massage therapist), won E1O OOO through the Jo Cox project, under Women in Local Economic Development (WLED) network, which she used to buy equipment to grow her business. In an interview with Dlamini, she said she was very grateful to PPTC for introducing her to the network and she said "with the money I am planning on expanding my business with adequate working equipment and to eventually have a permanent space for my business in Pigg's Peak, since at the moment I am mobile".

Table 1.0 shows business women from Pigg's Peak who were participants and were members of the networks.

Table 1.0: Participants in Jo Cox project

Name	Network
Lindokuhle Dlamini	Young Women in Local Authority
Kwazile Masimula	Young Women in Local Authority
Sanelisiwe Kunene	Young Women in Local Authority
Lungile Dlamini	WLED
Khetsiwe Fakudze	WLED
Minenhle Dlamini	WLED
Nonduduzo Mkhontfo	WLED



Figure 1.0: Pigg's Peak entrepreneur Lomakhalatsi Dlamini receiving her prize

#### 1.3. Conducting Periodic Internal Audits

In order to promote adherence to corporate governance practices, appropriate internal controls to address risks, through putting in place policies and procedures was carried out. As a result, periodic internal audits were done and, SNG Grant Thornton (auditors) has conducted a risk assessment for the organization, through which major risks that impact on the attainment of set objectives were identified and mitigation plans were put in place. It must be noted that in order to reduce the costs of internal audit, we have partnered with Ezulwini Town Council for another two years (2022-24).

# THE OFFICE OF THE CEO PERFORMANCE HIGHLIGHTS

## 1.4. Promoting Council's Image and Engaging Stakeholders

In order to remain visible and keep in touch with the town's residents and stakeholders, Pigg's Peak Town Council employed means aimed at enhancing the image of the organization and engaging its stakeholders, through the following;

- 1) Publication of municipal news; news articles were published in the Times of Eswatini and Eswatini Observer, once a month, in order to keep the town's residents and stakeholders abreast, with operations of the organization.
- 2) Digital media; Since we are now living in a technology savvy society, that is dominated by the youth, social media, through Council's Facebook page (Piggs Peak Town Council) and Twitter account (@PiggsPeakTown) were being used to disseminate information about the organization's operations or activities. The organization also used the website (www.piggspeak.co.sz) to upload recent projects done as a means of maximizing information sharing.

3) National radio and television; These platforms target senior citizens and people who own property in town but do not reside in Pigg's Peak. The organization used these platforms to engage stakeholders and maintain its visibility to the general public.

## 1.5. Board, Finance Committee and Management Meetings

The Board or Council has the ultimate authority for determining the strategic direction of the organization, on the other hand, Management is responsible for the daily operations of the organization (service delivery) and both parties are accountable to the parent Ministry and town's residents. The Board, elects and delegates three members to form the Finance committee, responsible for managing the finances of the organization. Both the Board and Finance committee meet once a month to deliberate on issues brought to their attention by Management. Table 1.1 indicates the number of meetings held during the period under review.

Table 1.1 Council Meetings in 2021/2022

Total number	Nature of Meeting							
of Meetings	Council / Board	Finance Committee	Management	Annual General Meeting	Consultative Budget Meeting			
33(41)	11(18)	10 (11)	11(10)	O(O)	1(1)			

Based on the table above, it must be noted that there was a decline in the number of meetings held as a result of the Corona virus outbreak, which resulted in the banning of public gatherings however the organization also procured Zoom license, in order to facilitate virtual meetings.

N.B: The numbers in brackets represents meetings held during the same period in the last financial year.

### 1.5.1. Participatory Governance

One of the core values of the organization is accountability and transparency, therefore; it is

against this background that Council ensures participatory governance in order to remain accountable and transparent. This comes in forms of annual general meetings, consultative meetings and budget feedback meetings. During these meetings, Council engages different stakeholders and allow them to make budget inputs and participate or influence projects and programs to be implemented yearly.

This reporting year, Council held consultative meetings with stakeholders from different Wards of the town to get inputs that would influence the budget for the financial year 2022/2023.

# THE OFFICE OF THE CEO PERFORMANCE HIGHLIGHTS



Figure 1.1: Stakeholders during a breakfast meeting

#### 1.6. Litigation

Rates or property tax continued to be the main source of revenue for the organization, as such Council ensured that they were properly collected, in order to finance operations. Following the failure of some owners of immovable property to pay outstanding rates, despite numerous reminders sent to them, as last resort, Council instituted legal action against a couple of rates defaulters, in order to recover outstanding rates.

#### 1.7. Participating in National Cultural Events

As a way of promoting and upholding culture, female Council employees joined the nation, wherein they participated in the three-day long Buganu Ceremony held at Buhleni Royal Residence. As per SiSwati culture, gifts or tetfulo were delivered before Her Majesty the Indlovukazi.

### 1.8. Commemorating Volunteer's Day

In appreciation of the wonderful work done by volunteers during the course of the year, Council commemorated the volunteer's day and issued tokens of appreciation to the fortytwo volunteers. These volunteers act as a link between the organization and community served.



Figure 1.2. Support staff posing after receiving their certificates and vouchers



# LONDIWE SIMELANE THE ENGINEERING DEPARTMENT

The core function of the Engineering department is to construct and maintain all infrastructure, such as Council buildings, roads, pavements, stadium, public open spaces and street lighting, to mention but a few. In order to ensure that the physical development of the town takes place in a planned and coordinated manner, the department is also responsible for the physical planning aspect of the town, through the enforcement of the Town Planning Act (1961) and Town Planning Scheme.



# THE ENGINEERING DEPARTMENT

## PERFORMANCE HIGHLIGHTS

### 2.0 THE ENGINEERING DEPARTMENT

and and infrastructure development is one of the strategic objectives Pigg's Peak Town Council strives to achieve in order to meet the expectations by stakeholders. This include providing safe, affordable, sustainable and accessible multi-modal transport services. The department, therefore, promotes integrated land use development and ensuring prime movements for the residents and users of the transport system within the urban area. The rolling out of the Capital Improvement Programme (CIP) is the vehicle for the department to realize service delivery in this regard.

Under this department there are three (3) prominent units through which the department achieves its mandate, namely Town Planning, Building inspections and the maintenance sections.

#### 2.1. Capital Improvement Projects

## 2.1.0. Design Review and Construction of Drainage and Walkways in the CBD

In line with Council's strategic objective of enhancing ease of movement and security in town, we managed to successfully implement a project of constructing storm water drains and walkways in the town centre or Central Business District (C.B.D), starting from the police station till Puma filling station, for a contract price of E3 586 819.10.

The project site handover was done on 23rd August 2021, construction commenced on 13th September 2021 and project duration was anticipated to be three (3) months. Alas, due to delays caused by rainy weather, relocation of services, additional scope of works and other unforeseen circumstances, the completion date and practical site handover of the project was 12th May 2022.

Through the implementation of this project, the organization have achieved the following;

- (a) **Improved pedestrian safety;** pedestrians are able to walk safely, without interfering with vehicular traffic flow.
- (b) **Proper discharge of storm water;** storm water is discharged properly, thus preventing flooding into existing buildings, as previously witnessed.



Figure 2.0: Stabilization of base layer



Figure 2.1: Provision of new sleeves for EEC and EWSC



Figure 2.2: Paving of pedestrian walkways

2.1.1. Purchase of a Tractor Loader Backhoe (TLB)



Figure 2.3: Tractor Loader Backhoe

During this reporting period, Pigg's Peak Town Council, purchased a tractor loader backhoe (TLB), valued at E1 391 040.00. Through the acquisition of this TLB, it would be easier to do regular maintenance work, such as re-gravelling, resulting in improved service delivery.

**2.1.2.** Consultancy Services for the Design, Construction and Supervision of Three Roads Proposals were invited from suitably qualified local civil engineering consultants for the design & construction supervision of three roads, namely; Mortuary road (road behind government hospital), Road 1 and Road 2, (refer to locality map). The consulting services required detailed engineering designs for the proposed upgrade of road behind government hospital (400m), Road 1 (375m) and Road 2 (850m). The said services consisted of, but not limited to: design of the road and pavements on grade, sidewalks, street lighting, drainage structures, ancillary works and miscellaneous items.

Following various procurement stages, Council managed to source the services of Eswatini Consulting Engineers at a total cost of E1 084 400.00 and we can safely report that they completed the design process and delivered

all the necessary documentation for the implementation of the project in the ensuing financial year.

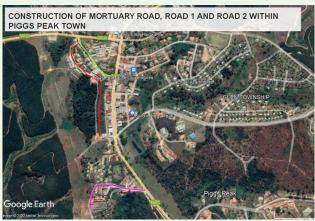


Figure 2.4: Roads designed for (COLORED Lines)

#### 2.2 TOWN PLANNING

#### 2.2.0. Building Applications

A total of sixteen (16) building applications were processed by Council during the reporting financial year, with an estimated property value of E37 677 802.00 as illustrated on the table below. Building plan approval involves various statutory levels, as accordingly provided in the Building and Housing Act of 1968 and Town Planning Act of 2019. The department continued to strive to cooperate with developers to ensure compliance with provisions of the Building and Housing Act as well as Town Planning Scheme, whilst encouraging development of plots in the urban area. Table 2.0 indicates building plans processed in the 2021/22 financial year.

Table 2.0: Building plans processed in 2021/2022

	Residential		Commercial		Industrial		Public Facility	
Period	Value (E)	#	Value (E)	#	Value (E)	#	Value (E)	#
April	493,400.00	1	26,535,160.00	3				
May	418,500.00	1					3,360,150.00	1
June								
July	773,080.00	2						
August	737,097.00	2	951,700.00	1				
September			1,108,205.00	1				
October								
November								
December								
January								
February	1,179,000.00	2						
March	1,533,510.00	1	588,000.00	1				
Total	5,134,587.00	9	29,183,065.00	6	-	0	3,360,150.00	1

### 2.2.1. Malandalahle Plot Pegging

The department with assistance from the Surveyor General's Office managed to complete the pegging process at Malandalahle. This process entailed the pegging of nine (9) homesteads that were not surveyed and did not have plot numbers. This has been rectified by pegging the homesteads and the pegs were shown to the affected home owners. When compiling this report, the department was

waiting for correspondence from the Surveyor General's Office regarding the plot numbers and property sizes which in turn would be communicated to the property owners.

## 2.2.2. Registration of Plots Developed with Council Structures

The department through the Ministry of Housing and Urban Development (MHUD) was able to obtain a Certificate of Registered

Title (CRT) for the properties with Council structures, such as civic centre, material's yard and Mangwaneni social centre, which was forwarded to the Deeds office for the registration of the properties. Deed of Donation Transfer No. 248/2022 was issued in favor of Council and through the completion of this process, the organization would be able to use these properties for meaningful development in the future.

#### 2.2.3. Macambeni General Plan Preparation

During this reporting period, the Surveyor General's office had completed the general plans or layout for Macambeni Township and Macambeni Extension. These general plans were then forwarded to the MHUD who in turn requested the Ministry of Natural Resources to evaluate the plots to determine their values. Through this process, Council would be able to

start the plot allocation process for the benefit of Macambeni residents wherein they could build proper structures.

#### 2.2.4. Residential Tenancies Bill

The Residential tenancies bill was formulated by the MHUD with the aim of regulating agreements entered into by landlords and tenants.

The objectives of the bill were to provide for the registration, regulation and enforcement of residential tenancies agreements and to provide for the rights and duties of parties under a residential tenancies agreements. Essentially, this meant a landlord and tenant would enter into a tenancy agreement, which would be registered under a register of residential tenancies and would be kept by the Registrar of Residential Tenancies.



# BONGEKILE MKHONTFO-DLAMINI THE ENVIRONMENT AND PUBLIC HEALTH DEPARTMENT

Provision and facilitation of comprehensive, pro-active and needs-related services to ensure a safe, healthy and clean urban environment, with the aim of preventing and eliminating disease, is the main mandate of this department. This is achieved through Waste collection & disposal, attending to all public health issues, Bush clearing and grass cutting and Environmental management issues.



# THE ENVIRONMENTAL & PUBLIC HEALTH DEPARTMENT

## PERFORMANCE HIGHLIGHTS

# THE ENVIRONMENTAL & PUBLIC HEALTH DEPARTMENT PERFORMANCE HIGHLIGHTS

#### 3.0 THE ENVIRONMENT AND PUBLIC HEALTH DEPARTMENT

#### 3.1. Waste Management

The Council as a local authority is mandated to ensure efficient and effective waste collection for disposal to prevent the outbreak and spread of diseases that can emanate from improper handling and disposal of waste. During the year under review, the Waste Management Plan was implemented to meet the set goal with 8 465.50 m³ of waste collected into the landfill. Recycling companies contributed in the reduction of waste that could end up in the landfill and reduce the lifespan of the cell as they collected about 19 3277 kilograms of recyclables.

#### 3.2. Dustbin Furniture

Street bins were installed along Bahloli/Malandalahle streets to curb irresponsible throwing of litter by pedestrians and passersby.



Figure 3.0: An installed street bin

# **3.3 World Environment Day Commemoration** In commemoration of the World Environment Day held on the 5th June whereby the world joins hands in celebrating the importance

of nature under the theme "Ecosystem Restoration". The department with Council employees and residents of Ward 2 engaged in an invasive plant clearing and waste collection exercise along Mangwaneni wetland below soup kitchen an event which was graced by the presence of the Honorable Mayor and the ward Councilor.

#### 3.4. Environmental Management

As per the requirements of the Environmental Audit, Assessment and Review Regulations 2000, an Initial Environmental Evaluation (IEE) was conducted, and a Comprehensive Mitigation Plan (CMP) developed for the Construction of Storm water drainage and walkways in the CBD.

## 3.5. Environmental Audit of Landfill and Cemetery

An Environmental Consultant was engaged to conduct an Audit at the Landfill and Cemetery. The consultant evaluated the collection, transportation, treatment, and disposal process of general waste at the landfill to identify environmental compliance to the Waste Management Act of 2002, and Waste Management Regulations of 2000. They also evaluated the Safety, Health and Social environment of the Pigg's Peak landfill facility through which they produced a mitigation plan with recommended implementation dates and resources needed.

For cemetery, the Consultant conducted environmental audit with the following focus but not limited to:

- Evaluation of excavations, burials, management of the cemetery to measure compliance to the Eswatini Environmental Act of 2002 and other relevant legislations.
- Evaluation of the Safety, Health and Social environment of the Pigg's Peak cemetery facility.
- Production of a mitigation plan with recommended implementation dates and resources needed.

# THE ENVIRONMENTAL & PUBLIC HEALTH DEPARTMENT PERFORMANCE HIGHLIGHTS



Figure 3.1 Landfill Cell

## 3.6. Micro, Small and Medium Enterprises Business Workshop

Micro, Small and Medium Enterprises (MSMEs) are the fundamental pillar to economic growth both in local and national governments, hence the need to ensure that entrepreneurs are equipped with relevant information and knowledge required for their businesses to thrive and be sustainable even in times of economic falls. It is therefore the reason why a business workshop was hosted where all MSMEs and aspiring ones were taught on ways to plan, register, finance and sustainably run their business and penetrate markets for the betterment of their livelihoods. The event was graced by the presence of His Lordship the Mayor, Pigg's Peak Indvuna Yenkhundla representative, Bucopho Presenters during the workshop were from SEDCO, FINCORP, EIPA, Cooperatives, Inhlanyelo Fund, Ministry of Commerce Licensing department and Regional Development Fund (RDF).

## **3.7.** Food Business Owners and Handlers Workshop

During the financial year 2021/2022 the department hosted a 2-day food hygiene and safety workshop where food handlers and food business owners were respectively taken through good food hygiene practices expected from them as they carry their daily activities. The objective of the workshop was to equip the businesses with the requirements and importance of their adherence to the provisions of the Public Health (Food Hygiene Regulations),1973 which would in turn minimise the outbreak of food borne illnesses from food establishments in town.



Figure 3.3: Town Chairperson making remarks during the MSMEs workshop

#### 3.8. Routine Shop Inspections

Routine shop inspections were conducted in the reporting period in line with the Public Health (Food Hygiene) Regulations, 1973 in a quest to curb the outbreak and spread of food borne illnesses coming from the consumption of unwholesome and unsafe food. Food items with a total of 3 741.32 kg and 366 litres were condemned and destroyed for being unfit for human consumption.

Restaurant and butcheries were visited to ensure compliance with the Public Health (Food Hygiene) Regulations,1973 wherein notices and advises were given on the best possible practices and recommendations on improved hygiene and safety standards. It is worth mentioning that one (1) restaurant and one (1) butchery had to cease operations after they were greatly affected by the COVID-19 pandemic and the political unrest experienced in the country.

#### 3.9. Food Outlets Grading

In this reporting period, the annual food outlets grading exercise was carried out with the technical assistance from four officers from the Ministry of Health, Inspectorate department. This was done to establish the standard of food hygiene in the local food outlets and further advise on the best practises to be adopted by the outlets. Table 1.1 below shows results obtained after the annual food grading.

## THE ENVIRONMENTAL & PUBLIC HEALTH DEPARTMENT PERFORMANCE HIGHLIGHTS

Table 3.0: Food Grading Results

	A*		A	A		В		C		D	
	Year 2020	Year 2022									
Supermarkets	0	0	2	1	4	4	3	4	0	0	
Restaurants	1	1	6	3	0	5	3	3	4	0	
Butcheries	0	0	1	1	3	2	1	2	3	0	
Groceries	0	0	1	1	1	2	1	0	0	0	
Bakery	0	0	0	0	1	0	0	1	0	0	
Kitchen	0	0	0	0	0	1	1	1	1	0	

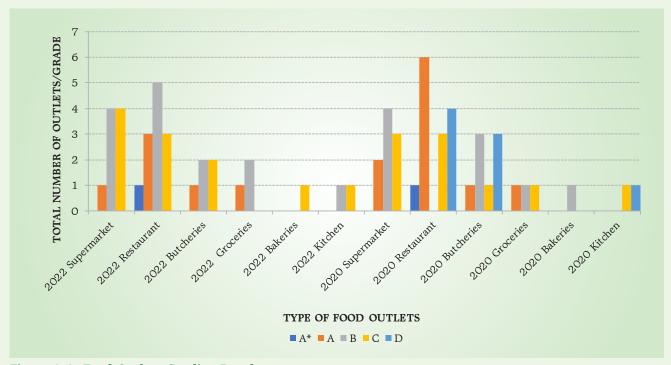


Figure 3.3: Food Outlets Grading Results

The above results as illustrated in figure 3.4 show an improvement in hygiene and safety standards of the food outlets when compared to the last grading exercise. A noticeable improvement is the drop in the number of

food outlets who got Grade D whereby in this reporting period none of them fell within that grade. It is worth noting that during 2020/21 the grading of outlets was not carried out due to the outbreak of the Corona virus outbreak.



## BONGEKILE MABUZA THE HUMAN RESOURCES DEPARTMENT

Employees are an organisation's most valuable asset or resource, with which it strives to achieve set objectives; therefore, the Human Resources department is mainly responsible for the employee's welfare in line with the relevant pieces of legislation as well as ensuring that the existing labour force is used optimally to achieve the organisation's strategic objectives.



# THE HUMAN RESOURCES DEPARTMENT

PERFORMANCE HIGHLIGHTS

# THE HUMAN RESOURCES DEPARTMENT PERFORMANCE HIGHLIGHTS

#### 4.0 THE HUMAN RESOURCES DEPARTMENT

#### 4.1. Staff Retention

One of the Council's strategic objectives is to attract and retain the best talent for the organisation, it was for that reason that during this reporting period, the organisation strived to retain its workforce. PPTC had an average staff compliment of 47 employees by the end of the year under review.

Two of the Council's employees with over 20 years' length of service retired. The retirees were presented with voucher (s) as a sign of recognition for their organisational commitment as shown in pictures below.



His Lordship the Mayor presenting certificates to the retirees

At least one employee resigned, resulting in an annual turnover rate of minimum 6.52%.

PPTC has achieved a high staff retention in the 2020/2021 year as shown in figure 4.0.

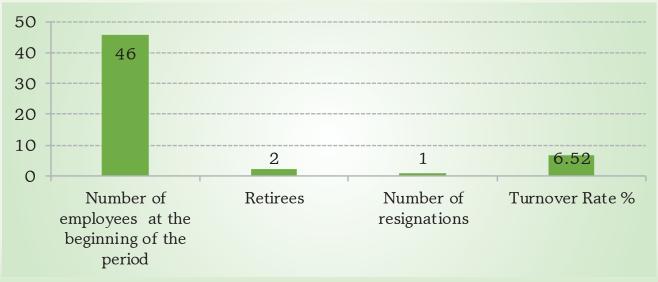


Figure 4.0: Employee Turnover Rate

# THE HUMAN RESOURCES DEPARTMENT PERFORMANCE HIGHLIGHTS

From the latter graph, it is apparent that PPTC has a low turnover and a high retention rate as indicated in figure 4.1 below.

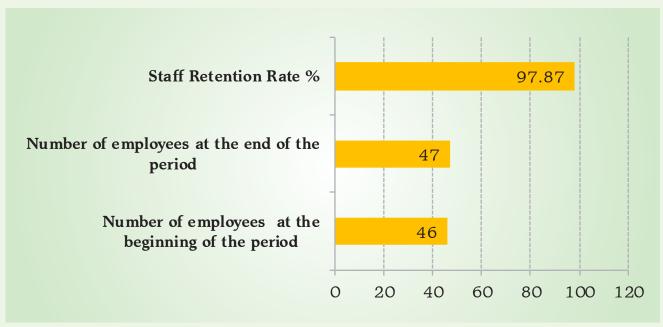


Figure 4.1: Staff Retention Rate

#### 4.2. Employee Wellness

The Human Resource Department developed a wellness programme plan with the objective of maintaining and fostering a healthy workforce. The program incorporated various wellness aspects entailing personal financial management, psychological wellbeing and social events, such as inter-municipality games. Pigg's Peak Town Council continuously collaborates with Partners including, Pigg's Peak Public Health Unit, Swaziland Action Group to ensure that the workforce is optimally equipped with wellness skills and knowledge.



# DUMSILE GAMEDZE-MKHONTA THE AMICAALL AND SOCIAL SERVICES DEPARTMENT

This department is responsible for building capacity of Pigg's Peak community to respond to HIV/AIDS and social problems, through focusing on; Management of HIV/AIDS response, Management of social problems, Mitigation, Care and Support



# THE AMICAALL AND SOCIAL SERVICES DEPARTMENT

PERFORMANCE HIGHLIGHTS

### THE AMICAALL & SOCIAL SERVICES DEPARTMENT PERFORMANCE HIGHLIGHTS

#### 5.0 THE AMICAALL AND SOCIAL SERVICES DEPARTMENT

In the year 2021/22 Pigg's Peak Town Council together with her partners continued to implement programs and interventions that would address the following:

- Promoting poverty reduction, economic empowerment and sustainable community livelihoods
- To promote prevention of occurrence of noncommunicable diseases;
- To promote and improve sexual reproductive health services
- To improve the coordination of all health, social services and social protection facilities in the town;
- To promote provision and accessibility of HIV/AIDS and TB Services.
- To reduce crime in the town of Pigg's Peak, ensuring a habitable environment;
- To increase community resilience for rapid response to disaster emergencies

**5.1.** HIV/ AIDS and Alcohol Abuse Prevention

#### 5.1.0. Transport Operators' Health Week

Council hosted Transport Operators' Health Week with the following stakeholders: Royal Eswatini Police Services (REPS), AMICAALL Eswatini, Health Pulse for Men, AHF, FHI 360 and SWAGAA. The health week was aimed at sensitizing public transport operators about HIV prevention, crime prevention, gender-based violence (GBV) education as well as raising awareness through small group discussions and distribution of Information, Education and Communication (IEC) material branded with GBV messages - reflector vests and branded bumper stickers. Through this activity, five group discussions were conducted successfully, with each group targeting 10 public transport operators. Table 5.0 below shows a total of people reached and tested by gender.

Table 5.0: Transport Operators' Health Week Results

<b>Total Tested</b>	Male	Female	People Reached
42	A total of 29 tested negative	13 – 1 tested positive and was linked for care and treatment	138



Figure 5.0: Public transport operators health week

The department leant that transport operators still did not want to test for HIV, meaning they hold onto numerous misconceptions pertaining HIV related issues. These include stigma and discrimination, lack of knowledge and bus-rank culture. More sessions needed to be conducted in the Bus rank.

#### 5.1.1. Mayor's Pool Table Tournament

Council successfully hosted Mayor's Pool Table Tournament with the aim of creating awareness to the youth and men of Pigg's Peak on health issues, such as HIV/AIDS, drug abuse, among others.

#### The objectives of the tournament were:

- To create enabling environment for young people to access services.
- To encourage a health competitive attitude.
- To boost self-esteem amongst young and adults in the sport and society.
- To improve their concentration as they play and during their routine practices.

### THE AMICAALL & SOCIAL SERVICES DEPARTMENT PERFORMANCE HIGHLIGHTS

#### 5.2. Commemoration of Special Days

#### 5.2.0. Volunteers' day

Council hosted a Volunteers' Day 2021 for 44 volunteers in appreciation of their support at the Council's social centres, for Child Protection, Prevention of Mother to Child Transmission (PMTCT) and Peer Education. The event was graced by the presence of His Lordship the Mayor and Council management, whom on behalf of Council presented shopping vouchers to the volunteers as a token of appreciation.

#### 5.2.1. Commemoration of 16 Days of Activism against Gender Based Violence

During this reporting period, Council commemorated 16 Days of activism against GBV The theme; "Orange the world: End violence against women now!". The dates for the campaign were chosen to link violence against women and human rights to emphasize that GBV was a violation of human rights. During the commemoration, the impact of GBV was unpacked as one amongst the many issues that affect women and children.



Figure 5.1: World AIDS Day Commemoration

#### 5.2.3. World AIDS Day

Pigg's Peak Town Council continued to collaborate with partners and entities in initiatives aimed at ending AIDS in the country. In the 2021/2022 financial year Council jointly commemorated World AIDS Day with His Majesty's Correctional Services, under the theme: **"Ending AIDS Together"**.

Among individuals and organisations who were present to make the day memorable were His Lordship the Mayor, UN Representative, Ministry of Health, NERCHA, Stakeholders in the HIV/AIDS fraternity and inmates.

#### 5.3. Social Services

#### 5.3.0. Crime Prevention

One of the key objectives of the organization is to enhance security in town and it is against this background that crime prevention initiatives were put in place in partnership with different stakeholders, such as the Royal Eswatini Police Service (REPS). Council also established Neighbourhood crime watch group, which assists the local communities to curb and monitor the safety of residents, by collaborating with Council and REPS. It is worth noting that through the crime prevention initiative, Council developed a Neighbourhood Crime Watch Policy, which was approved by the Board.

#### 5.3.1. Child Protection (Lihlombe Lekukhalela)

During this reporting period, a refresher training course was conducted with 22 Lihlombe Lekukhalela volunteers who have continued to carry out their role.

#### 5.3.2. Promotion of Gender Equality

For the financial year 2021/2022, Council conducted meetings aimed at addressing GBV in the town wards by developing community-based protection strategies to end GBV. Among stakeholders who facilitated the meetings were; REPS, One Billion Rising, Social Welfare and SWAGAA. During the meetings, it was noted that Pigg's Peak had high rates of suicidal cases, physical abuse, emotional abuse, financial abuse, negligent abuse and sexual abuse cases.

#### 5.3.3. JO COX Project

The Ministry of Housing and Urban Development (MHUD), Eswatini Local Government Association (ELGA) and Commonwealth Local Government Forum (CLGF) in partnership with Gender links

### THE AMICAALL & SOCIAL SERVICES DEPARTMENT PERFORMANCE HIGHLIGHTS

have successfully rolled out JO COX Project. The project comprises of 4 networks namely: Women in Local Government Forum (WLGF), Young Women in Local Government (YWLG), Women in Local Economic Development (WLED) and Youth Network (YN). The aim of the project was mentoring and capacity building for service delivery in the local authorities. WLED had a competition, where Lungile Dlamini won E10 000 for boosting her business.

#### 5.3.4. Youth Empowerment

Council partnered with the Ministry of Sports, Youth, Arts and Culture (MSYAC) and Eswatini National Youth Council (ENYC), in order to empower Pigg's Peak Youth holistically. A total of 124 young people were empowered during a three (3) day workshop on mindset change and development of business plans.



Figure 5.2: Youth Empowerment in Pigg's Peak

#### 5.3.5. First AID Training for Social Centre Volunteers:

Ten (10) social centre volunteers were trained on First Aid by Baphalali Eswatini Red Cross. The aim of the training was to preserve life, prevent the escalation of illness or injury in the centres, promote recovery, pain relief and protect the unconscious. At the end of the training, the CEO and Red Cross representative presented the certificates to the participants.



Figure 5.3: First Aid Certificate awarded to social centre attendee by the CEO

#### 5.3.6. Social Centre Operations

Pigg's Peak Town Council continued with its commitment to provide Early Childhood Care and Development (ECCD) for all children in the 3 social centres (popularly referred to as Soup kitchens) within the town. In the year under review, the Council facilitated the enrolment of 98 children on pre- school programme provided in the 3 centres with approximately 300 children receiving their meal from all the social centres. A graduation ceremony for ECCD class was successfully held wherein the graduands were presented with school bags and school shoes as gifts.



### MANGALISO SIFUNDZA THE FINANCE DEPARTMENT

This department is responsible for revenue collection, providing financial and consultancy service to the entire organisation, to ensure that the available financial resources are used efficiently and effectively.



### FINANCE DEPARTMENT

### PERFORMANCE HIGHLIGHTS

### FINANCE DEPARTMENT PERFORMANCE HIGHLIGHTS

#### 6.0. THE FINANCE DEPARTMENT

#### 6.1. Highlight of Achievement

The Finance department had planned and successfully executed a number of programs for the financial year 2021/2022 all drawn from the Integrated Development Plan (IDP). The programs include the preparation of a Supplementary Valuation Roll, Rates Billing and Collection, Budgeting, External and Internal audit facilitation and the procurement of goods and services in line with the Public Procurement act of 2011 and public procurement Regulation of 2020.

#### 6.1.0. Supplementary Valuation 2021/22

The department conducted a supplementary valuation roll for properties within the urban area and G.S Chiyanda was the consultant employed to carry out the process as per section 24 of the rating act of 1995. This exercise commenced in November 2021 wherein 28 properties were valuated, and the valuation notices were sent to the affected property owners on the first week of December 2021. Council received four objections to the draft supplementary and valuation court sittings were held in April 2022 wherein the Supplementary Valuation Roll was certified.



Figure 6.0. Best Ratepayer Councillor Absalom Ndlovu receiving his award

#### 6.1.1. Rates Billing and Collection

During the year under review, the department raised rates bills amounting to E18,721,326.00 at the beginning of April 2021. Government rates bill amounted to E14,575,983.05 and E9, 063,250.00 was collected being 62% of

the bills raised. Private rates billed were **E4 255 925.43** and **E3 277 695.34** was collected by the department, equivalent to **77%** of the rates billed. Hence the department awarded 85 best ratepayers with certificates, trophies and other promotional material, which was meant to encourage property owners to pay their rates on time and improve compliance to the rating Act,1995.



Figure 6.1. Trophies that were awarded to Best Ratepayers in the 2021/22 financial year

#### 6.1.2. Budgeting

The department prepared a budget for the year 2021/22 in line with the Urban Government Act as well as the Public Finance Management Act of 2017. The budget went through the MHUD wherein it was scrutinized and it met all the requirements hence it was used to execute Council's goals and objectives. Budget ward meetings (six wards) and with the Business community were held at a prior stage wherein ratepayers submitted their budget wishes before the budget was prepared.

#### 6.1.3. External and Internal Audit

For the financial year 2021/22, PPTC received an unqualified audit report (clean audit) prepared by external auditors Kobla Quashie and Associates (see attached financial report). The Council also employed the services of internal audit which was carried out by SNGT (formerly knowns as KPMG) and they carried out risk assessment for the operations of the organization utilizing its five-year IDP (2019-2024). This enhanced and strengthened the internal controls of the Council.





### **PIGGS PEAK TOWN COUNCIL**

#### **Annual Financial Statements**

for the year ended 31 March 2022

### CONTENTS

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

	Page
Councillors' Responsibilities and Approval	31
Independent Auditors' Report	32 - 33
Statement of Financial Position	34
Statement of Comprehensive Income	35
Statement of Changes in Equity	36
Statement of Cash Flows	37
Summary of Significant Accounting Policies	38 - 43
Notes to the Annual Financial Statements	44 - 56
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Statement of Financial Performance	22 - 23
Statement of Direct Costs	24
Detailed Statement of Financial Performance - Budget Vs Actual	25
Statement of Direct Costs - Budget Vs Actual	26



### GENERAL INFORMATION

for the year ended 31 March 2022

Country of incorporation and domicile Eswatini

Nature of business and principal activities Municipality

Councillors Cllr. Rodriques V. Collin - Chairperson

Cllr. Sibongile Magagula - Vice Chairperson

Cllr. Wandile S. Themba Cllr. Victor Masango

Cllr. Thembisile Dlamini - Ngcamphalala

Cllr. Absalom Ndlovu Cllr. Tsepiso Mthimkhulu

Senior Management Mzwandile Ndzinisa - Town Clerk/CEO

Mangaliso Sifundza- Town Treasurer Londiwe Simelane - Town Engineer

Business address Plot 1471 & 1473 Piggs Peak

Postal address P.O. Box 479

Piggs Peak

Bankers Standard Bank Eswatini Limited

Auditors Kobla Quashie and Associates

Chartered Accountants (Eswatini)

Manzini

Legal Advisor Robinson Bretram

### COUNCILLORS' RESPONSIBILITIES AND APPROVAL



To the Council Members of Piggs Peak Town Council

The Councillors are required by Section 102(3) of the Urban Local Government Act, 1969 and Section 93 of the Urban Government Financial Reporting Regulations of 1969, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the council as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards for Small and Medium Enterprises (IFRS for SME's). The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards for Small and Medium Enterprises (IFRS for SME's) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Councillors acknowledge that they are ultimately responsible for the system of internal financial control established by the council and place considerable importance on maintaining a strong control environment. To enable the Councillors to meet these responsibilities, the council sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Council and all employees are required to maintain the highest ethical standards in ensuring the council's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the council is on identifying, assessing, managing and monitoring all known forms of risk across the council. While operating risk cannot be fully eliminated, the council endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Councilors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Counsilors have reviewed the council's cash flow forecast for the year to 31 March 2023 and, in the light of this review and the current financial position, they are satisfied that the council has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the council's annual financial statements. The annual financial statements have been examined by the council's external auditors and their report is presented on pages 32 to 33.

The annual financial statements set out on pages 34 to 56 which have been prepared on the going concern basis, were approved by the Councillors on 12 August 2022 and were signed on its behalf by:

Chairperson

Town Treasurer

### KOBLA QUASHIE AND ASSOCIATES





Mallya House, Lot 137, Esser Street P.O. Box 710, Manzini M200, Eswatini

Tel: (+268) 2505-4974 Fax: (+268) 2505-4540 E-mail: info@ koblaquashie.co.sz

Website: www.koblaquashie.com

#### INDEPENDENT AUDITORS' REPORT

To the members of Piggs Peak Town Council

#### Report on the Audit of the Annual Financial Statements

#### **Opinion**

We have audited the annual financial statements of Piggs Peak Town Council, as set out on pages 34 to 50, which comprise the statement of financial position as at 31 March 2022, the statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying annual financial statements present fairly, in all material respects, the financial position of the council as at 31 March 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) for Small and Medium Enterprises (SME's) and in a manner required by Section 102(3) of the Urban Local Government Act, 1969 and section 93 of the Urban Government Financial Reporting Regulations Act of 1969.

#### **Basis of Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the council in accordance with International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the annual financial statements in Eswatini and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

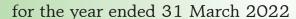
#### Responsibilities of the Councillors and Those Charged with Governance for the Annual Financial Statements

The councillors are responsible for the preparation and fair presentation of the annual financial statements in accordance with IFRS for SME's and in a manner required by Section 102(3) of the Urban Local Government Act, 1969 and section 93 of the of the Urban Government Financial Reporting Regulations Act of 1969, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the councillors are responsible for assessing the councils ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Councillors either intends to liquidate the council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the council's financial reporting process.

#### INDEPENDENT AUDITORS' REPORT





#### Auditors' Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 our 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 organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Supplementary Information**

The supplementary schedules set out on page 51 to 56 do not form part of the annual financial statements and are presented as additional information. We have not audited these schedules and accordingly we do not express an opinion on them.

Kobla Quashie and Associates

Chartered Accountants (Eswatini)

Manzini Per: Daniel Bediako 12 August 2022



### STATEMENT OF FINANCIAL POSITION

Figures in Lilangeni	2022	2021
Assets		
Non-Current Assets		
Property, plant and equipment	52,354,599	45,511,805
Assets under construction	3,230,190	-
	55,584,789	45,511,805
Current Assets		
Trade and other receivables	11,300,442	7,893,828
Cash and cash equivalents	14,231,574	16,105,677
	25,532,016	23,999,505
Total Assets	81,116,805	69,511,310
Reserves and Fund balances		
Equity Capital reserves	39,154,936	32,806,398
Revaluation Reserves		, ,
	3,199,271	3,199,271
Distributable Reserve	35,324,772	30,971,479
	77,678,979	66,977,148
Liabilities		
Current Liabilities		
Trade and other payables	2,058,818	1,162,855
Provisions	1,379,008	1,371,307
	3,437,826	2,534,162
Total Equity and Liabilities	81,116,805	69,511,310

#### STATEMENT OF COMPREHENSIVE INCOME



Figures in Lilangeni	2022	2021
Revenue	19,267,326	18,765,161
Cost of sales	(2,945,915)	(2,242,834)
Gross profit	16,321,411	16,522,327
Other income	3,235,512	3,056,726
Operating expenses	(15,454,233)	(12,480,475)
Operating profit	4,102,690	7,098,578
Investment revenue	250,603	75,506
Profit for the year	4,353,293	7,174,084
Other comprehensive income	-	-
Total comprehensive income	4,353,293	7,174,084
Total comprehensive income attributable to:		
Council	4,353,293	7,174,084



### STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2022

	Capital reserves	Revaluation reserve	Accumulated funds	Total attributable to the council	Designated funds	Total equity
Figures in Lilangeni						
Balance at 01 April 2020	32,584,460	3,199,271	23,799,004	59,582,735	1,334,171	60,916,906
Changes in equity						
Surplus for the year			7,174,084	7,174,084		7,174,084
Capital reserve movement	221,938			221,938		221,938
Movement in designated funds					(1,334,171)	(1,334,171)
Prior adjustment - accounts			(1,609)	(1,609)		(1,609)
receivables error						
Total changes	221,938		7,172,475	7,394,413	(1,334,171)	6,060,242
Balance at 01 April 2021	32,806,398	3,199,271	30,971,479	66,977,148		66,977,148
Changes in equity						
Total comprehensive income			4,353,293	4,353,293		4,353,293
for the year						
Additions	7,470,517			7,470,517		7,470,517
Amortisation	(1,121,979)			(1,121,979)		(1,121,979)
Total changes	6,348,538		4,353,293	10,701,831		10,701,831
Balance at 31 March 2022	39,154,936	3,199,271	35,324,772	77,678,979		77,678,979
Note(s)	9	7				

#### STATEMENT OF CASH FLOWS



Figures in Lilangeni	2022	2021
Cash flows from operating activities		
Cash used in operations	(3,128,951)	14,398,370
Interest income	250,603	75,506
Net cash from operating activities	(2,878,348)	14,473,876
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,114,103)	(2,222,996)
Purchase of assets under construction	(3,230,190)	-
Net cash from investing activities	(5,344,293)	(2,222,996)
Cash flows from financing activities		
Movement in capital reserves	6,348,538	221,938
Total cash movement for the year	(1,874,103)	12,472,818
Cash at the beginning of the year	16,105,677	3,632,859
Total cash at end of the year	14,231,574	16,105,677



for the year ended 31 March 2022

#### 1. Presentation of Annual Financial Statements

The financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium Enterprises (SME's), and the 102(3) of the Urban Local Government Act, 1969 and Section 93 of the Urban Government Financial Reporting Regulations of 1969. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

#### 1.1 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 represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

#### Trade receivables, Held to maturity investments and Loans and receivables

The council assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the council makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

#### **Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 9 - Provisions.

#### 1.2 Property, plant and equipment

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

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

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct 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.

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

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.

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



for the year ended 31 March 2022

#### 1.2 Property, plant and equipment (continued)

Property, plant and equipment are depreciated on the diminishing balance method over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Land, buildings and carports	0%
Road infrastructure	5%
Plant and machinery	10%
Streetlights	10%
Furniture and fittings	10%
Motor vehicles	25%
Office equipment	10%
Mangweni Donga	5%
Computer equipment	33%
Office, market and social centre improvements	10%, 5% & 5%
Pound	5%
Sports ground	0%
Landfill	0%

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

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the 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.

#### 1.3 Financial Instruments

#### **Initial Recognition**

The council classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the council's balance sheet when council becomes party to the contractual provisions of the instrument.

#### **Fair Value Determination**

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the council establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.



for the year ended 31 March 2022

#### 1.3 Financial instruments (continued)

#### **Trade and Other Receivables**

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enterbankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

#### Trade and Other Payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

#### Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

#### **Bank Overdraft and Borrowings**

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the council's accounting policy for borrowing costs.

#### 1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

#### Finance Leases - Lessee

The 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 rate on the remaining balance of the liability.



for the year ended 31 March 2022

#### 1.5 Share Capital and Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

#### 1.5 Employee Benefits

#### **Short-term Employee Benefits**

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service. The provision for employee entitlement to salaries and annual leave represent the amount the council has a present obligation to pay, as a result of employees' services provided up to the balance sheet date. the provision has been calculated at undiscounted amount based on the current salary rates.

#### **Pension Obligation**

The Council currently operates a defined contribution plan. The Council pays contribution to a privately administered pension plan on a mandatory, contractual or voluntary basis. Once the contribution has been paid, the Council has no further payment obligation. The regular contributions constitute net periodic costs for the year in which they are due and as such are included in staff costs.

#### **Terminal Benefits**

Termination benefits are repayable whenever an employees' employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Council recognises termination benefits when it is demonstratably committed to either terminate the employment of current employees according to a detailed formal plan without possibility or withdrawal or to provide termination benefits as a result of offer made to encourage voluntary redudancy. Benefits falling due more than 12 months are discounted to present values.

#### 1.6 Employee Benefits (continued)

#### **Statutory Benefits**

Provision is not made for statutory termination obligation in terms of the Employment Act, 1980. It is considered that the Council's contribution to the pension fund which can be recovered against such statutory obligation at present exceed the liability.

#### 1.7 Provisions and Contingencies

Provisions are recognised when:

- the council has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

#### 1.8 Government grants

Government grants are recognised when there is reasonable assurance that:

- the council will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.



for the year ended 31 March 2022

#### 1.8 Government Grants (continued)

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the income statement (separately).

#### 1.9 Revenue

Revenue is measured at the fair value of the consideration receivable and presents amounts receivable for services provided in the normal course of business.

Revenue is mainly derived from Government subventions, rates levied in terms of the Rating Act 1995 and service charges. These are accounted for on an accrual basis.

#### **Rendering of Services**

Revenue is recognised when all the following conditions are satisfied:

- The amount of revenue can be measured reliably
- Its probable that economic benefits will flow to the seller.
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

#### **Interest Income**

Interest is recognised on an accrual basis unless collectability is in doubt.

#### **Government Capital**

Government grants for carrying projects are not charged against the cost of the capital projects but are accumulated in the capital gifts account.

#### **Rates Income**

Rates income is levied on all ratable properties of the Council based on values extracted from the master valuation roll and amended when supplementary valuation roll is prepared.

#### 1.10 Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

#### 1.11 Related Parties

The major related party to the council apart from its councillors is the Government of Eswatini which exercises a significant influence over its financial and operating decisions as it provides funding for its annual budget. The council received the following allocation for the year under review:

Government subvention 546,000 564,900



for the year ended 31 March 2022

#### 1.12 Impairment of Assets

The council assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the council estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the council also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.



for the year ended 31 March 2022

# . Property, plant and equipment

		2022			2021	
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land, buildings and carports	17,237,572	•	17,237,572	9,582,925	1	9,582,925
Road infrastructure	30,589,848	(7,251,338)	23,338,510	30,589,848	(6,022,995)	24,566,853
Plant and machinery	4,829,304	(1,599,889)	3,229,415	3,225,367	(1,390,631)	1,834,736
Streetlights	3,441,932	(1,344,580)	2,097,352	3,357,856	(1,112,320)	2,245,536
Furniture and fittings	663,560	(312,461)	351,099	610,174	(276,148)	334,026
Motor vehicles	753,190	(619,093)	134,097	753,190	(574,395)	178,795
Office equipment	532,130	(260,584)	271,546	462,301	(235,370)	226,931
Mangwaneni donga	1	1	1	973,322	(171,743)	801,579
Computer equipment	1,179,988	(906,387)	273,601	1,119,733	(776,040)	343,693
Office, market and social centre improvements	755,165	(262,219)	492,946	755,165	(232,133)	523,032
Pound	111,838	(41,023)	70,815	111,838	(37,295)	74,543
Sports ground	2,923,714	1	2,923,714	2,923,714	1	2,923,714
Landfill	1,933,932	1	1,933,932	1,875,442	l	1,875,442
Total	64,952,173	64,952,173 (12,597,574)	52,354,599	56,340,875	56,340,875 (10,829,070)	45,511,805

Figures in Lilangeni

### NOTES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2022



	Opening balance	Additions	Disposals	Additions through donations	Depreciation	Total
Land, buildings and carports	9,582,925	184,130	•	7,470,517	•	17,237,572
Road infrastructure	24,566,853	•	1	1	(1,228,343)	23,338,510
Plant and machinery	1,834,736	1,603,937	1	1	(209, 258)	3,229,415
Streetlights	2,245,536	84,076	1	1	(232,260)	2,097,352
Furniture and fittings	334,026	53,386	1	1	(36,313)	351,099
Motor vehicles	178,795	1	1	1	(44,698)	134,097
Office equipment	226,931	69,829	1	1	(25,214)	271,546
Mangwaneni Donga	801,579	1	(761,500)	1	(40,079)	1
Computer equipment	343,693	60,255	1	1	(130,347)	273,601
Office, market and social	523,032	1	1	1	(30,086)	492,946
centre improvement						
Pound	74,543	1	1	1	(3,728)	70,815
Sports ground	2,923,714	1	1	1	1	2,923,714
Landfill	1,875,442	58,490	1	1	1	1,933,932
	45,511,805	2,114,103	(761,500)	7,470,517	(1,980,326)	52,354,599

Reconciliation of property, plant and equipment - 2022



for the year ended 31 March 2022

#### 2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Depreciation	Total
7 11 11 11	0.500.005			0.500.005
Land, buildings and carports	9,582,925	-	-	9,582,925
Road infrastructure	25,859,845	-	(1,292,992)	24,566,853
Plant and machinery	2,038,596	-	(203,860)	1,834,736
Streetlights	1,364,078	1,095,931	(214,473)	2,245,536
Furniture and fittings	360,088	10,753	(36,815)	334,026
Motor vehicles	238,394	-	(59,599)	178,795
Office equipment	228,447	23,251	(24,767)	226,931
Mangweni Donga	843,767	-	(42,188)	801,579
Computer equipment	512,974	-	(169,281)	343,693
Office, market and social centre improvements	555,162	-	(32,130)	523,032
Pound	78,466	-	(3,923)	74,543
Sports ground	2,923,714	-	-	2,923,714
Landfill	782,381	1,093,061	-	1,875,442
	45,368,837	2,222,996	(2,080,028)	45,511,805

The land and building is situated on Plot 1471 & 1473, Piggs Peak Town.

#### 3. Assets Under Construction

Road infrastructure	3,230,190	-
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These represent road infrastructure which is still under construction.

#### 4. Trade and Other Receivables

	11,300,442	7,893,828
Other receivables	-	88,825
Eswatini Government - Subvention	-	52,500
Staff debtors	208,496	169,941
Trade receivables	11,091,946	7,582,562

#### 5. Cash and Cash Equivalents

Cash and cash equivalents consist of:

Cash on hand	34,645	42,582
Bank balances	14,196,929	16,063,095
	14,231,574	16,105,677



for the year ended 31 March 2022

Figures in Lilangeni	2022	2021
5. Cash and Cash Equivalents (continued)		
Bank Balances		
Standard Bank - Current account	1,121,567	95,587
Standard Bank - CIP current account	4,432	376
Standard Bank - OPS call current	4,802,631	15,042,062
Standard Bank - CIP call account	2,448,815	10,176
Standard Bank - Gratuity and ex-gratia call account	478,334	914,894
Standard Bank - Investment account	5,000,000	-
Standard Bank - Land sales account	341,150	-
	14,196,929	16,063,095
6. Capital Reserves		
Opening balance	32,806,398	32,584,460
Addition	7,470,517	1,336,327
Amortisation	(1,121,979)	(1,114,389)
	39,154,936	32,806,398
Capital Reserves	39,154,936	32,806,398

The capital reserves arises from the capitalization of project costs paid out of grants received from the Government of Eswatini and World Bank Projects in the years 2014, 2015, 2016, 2017 and 2018 and the capitalisation of assets donated by the Government to the council. The capital reserves were amortised at 3.42%.

#### 7. Revaluation Reserve

Revaluation reserves arise as a result of revaluation of the Town Council Building situated at lots 1471 and 1473 by Christian Amoako & Co. (Pty) Ltd on the 20 March 2015.

Town Council Building	3,199,271	3,199,271
8. Trade and Other Payables		
•		
Trade payables	1,615,010	712,077
VAT	103,753	110,726
Auction proceeds	340,055	340,052
	2,058,818	1,162,855



### NOTES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2022

Figures in Lilangeni 2022 2021

#### 9. Provisions

#### Reconciliation of provisions - 2022

	Opening balance	Additions	Utilised during the year	Total
Gratuity	776,803	612,365	(682,446)	706,722
Leave days	226,368	-	(40,411)	185,957
Ex-gratia	368,136	118,193	-	486,329
	1,371,307	730,558	(722,857)	1,379,008

#### Reconciliation of provisions - 2021

	Opening balance	Additions	Utilised during the year	Total
Gratuity	723,466	607,186	(553,849)	776,803
Leave days	141,419	84,949	-	226,368
Ex-gratia	261,680	106,456	-	368,136
	1,126,565	798,591	(553,849)	1,371,307
10. Cash used in operations				
Profit before taxation			4,353,293	7,174,084
Adjustments for:				
Depreciation			1,980,326	2,080,028
Loss on sale of assets			761,500	-
Interest received			(250,603)	(75,506)
Movements in provisions			7,701	244,742
Movement in designated funds			-	(1,334,171)
Prior year error - accounts receivable	es error		-	(1,609)
Additions to capital reserves - donate	ed land and build	dings	(7,470,517)	-
Changes in working capital:				
Trade and other receivables			(3,406,614)	6,791,488
Trade and other payables			895,963	(480,686)
			(3,128,951)	14,398,370

for the year ended 31 March 2022



#### 11. Risk Management

#### **Financial Risk Factors**

The council's activities expose it to a variety of risk, credit risk, liquidity risk and cash flow interest risk.

The council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the council.

Risk management is carried out under policies approved by the councillors. The finance department identifies, evaluates and hedges financial risks in operation with the council's operating units. The council provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investment of excess liquidity.

#### Market Risk

Market risk includes currency risk, interest rate risk and equity price risk. From time to time derivative financial instruments are entered into to reduce this exposure to market risk.

#### (i) Currency Risk

The council was not exposed to significant currency risk at the reporting date.

#### (ii) Interest Rate Risk

The council's income and operating cash flows are substantially independent of changes in market interest rates and the council primarily borrows and lends at variable rates, and its exposure to interest rate risk is reflected under the respective borrowings.

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonable possible change in interest rates.

#### (iii) Legal Risk

Legal risk is the risk that the council will be exposed to contractual obligations which have not been provided for.

#### (iv) Operational Risk

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. The initiation of all transactions and their administration is conducted on the foundation of segregation of duties that has been designed to ensure materially the completeness, accuracy and validity of all transactions. These controls are augmented by management and executive review of control accounts and systems, electronic and manual checks and controls, back-up facilities and contingency planning.



for the year ended 31 March 2022

#### 11. Risk Management (continued)

#### (vi) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. The council remains confident that the available cash resources and borrowing facilities will be sufficient to meet its funding requirements.

#### (vii) Credit Risk

Credit risk arises from cash and equivalents, deposits with bank and financial institutions, as well as credit exposures to corporate, government and individual customers, including outstanding receivables and committed transactions.

#### (viii) Cash flow and fair value interest rate risk

The council's income and operating cash flows are affected, but not to a significant extent, by change in the market interest rates. The council's interest rate risk arises from long term borrowings. Borrowings issued at variable rates exposes the council to cash flow interest rate risk. Borrowings issued at fixed rates expose the council to fair value interest rate risk. The council's borrowings are mainly variable interest rate borrowing and as such they expose the council to cash flow risk

#### Fair Value Estimation

The nominal value less impairment provision of trade payables and receivables are assumed 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 available to the council for the council for similar financial instruments.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, council treasury maintains flexibility in funding by maintaining availability under committed credit lines.



Figures in Lilangeni	2022	2021
Revenue	10 701 006	10 000 061
Rates revenue	18,721,326	18,200,261
Government subvention	546,000 <b>19,267,326</b>	564,900 <b>18,765,161</b>
	19,207,320	10,703,101
Direct costs		
Transfer from direct cost statement	(2,945,915)	(2,242,834)
Gross profit	16,321,411	16,522,327
Other income		
Interest received	250,603	75,506
Market fees and user charges	879,872	716,250
Rental and leases	1,233,661	1,226,087
Sundry income - Amortisation of capital reserves	1,121,979	1,114,389
	3,486,115	3,132,232
Operating expenses		
Advertising	289,134	174,170
AMICAALL expenses	341,143	333,122
Auditors remuneration	46,000	48,703
Bad debts	22,763	-
Bank charges	68,229	68,440
Cleaning	44,172	42,903
Computer expenses	174,366	148,297
Consulting fees	496,251	130,865
Councillors fees	619,346	547,417
Crime prevention and special programmes	32,900	13,408
Depreciation	1,980,326	2,080,028
Electricity and Water	304,067	266,572
Employee costs	7,339,269	7,028,070
Hospitality	171,217	49,796
Insurance	136,016	136,127
Internal audit	225,239	46,086
Legal fees	39,583	-
Loss on disposal of assets	761,500	-
Motor vehicle repairs ℰ maintenance	804,294	516,521
Printing and stationery	152,550	89,253
Protective clothing	141,738	118,642



Figures in Lilangeni	2022	2021
Protective clothing	141,738	118,642
Public health and environmental awareness	141,399	24,801
Rates incentives	36,511	12,897
Repairs and maintenance	-	10,477
SIGA Games	34,797	12,108
Social responsibility and public information	5,900	3,594
Staff welfare and uniform	166,402	10,683
Subscriptions	68,451	49,961
Telephone and fax	204,109	157,359
Training of staff and councillors	134,431	41,206
Travelling and subsistence allowances	472,130	318,969
	15,454,233	12,480,475
Profit for the year	4,353,293	7,174,084



Figures in Lilangeni	2022	2021
Electrical contractor	74,406	246,100
Floodlights and Streetlights electricity	634,682	717,312
Landfill management	-	96,375
Repairs and maintenance - council structures	139,184	5,663
Repairs and maintenance - public structures	409,467	244,475
Road and sidewalk maintenance	639,541	283,425
Security rangers	621,226	556,981
Streetlights maintenance	268,514	78,976
Weed control chemicals	158,895	13,527
	2,945,915	2,242,834
Direct costs for the year	2,945,915	2,242,834



Figures in Lilangeni	Budget	Actual	Variance
Income			
Rates revenue	18,906,743	18,721,326	185,416
Government subvention	630,000	546,000	84,000
	19,536,743	19,267,326	269,416
Direct Cost			
Transfer from direct cost statement	(3,515,900)	(2,945,915)	(569,985)
Gross profit	16,020,842	16,321,411	(300,568)
Other Income			
Interest received	60,000	250,603	(190,603)
Market fees and user charges	720,700	879,872	(159,172)
Rent and leases	1,400,784	1,233,661	167,123
Sundry income - Amortisation of capital reserves	-	1,121,979	(1,121,979)
	2,181,484	3,486,115	(1,304,631)
Advertising	338,571	289,134	49,437
Amicaal expenses	490,095	341,143	148,952
Auditors remuneration	96,800	46,000	50,800
Bad debts	25,000	22,763	2,237
Bank charges	63,000	68,229	(5,229)
Cleaning	33,550	44,172	(10,622)
Computer expenses	165,457	174,366	(8,909)
Consulting fees	1,001,960	496,251	505,709
Councillors fees	552,326	619,346	(67,020)
Crime prevention and special programmes	53,910	32,900	21,010
Depreciation	-	1,980,326	(1,980,326)
Electricity and water	292,133	304,067	(11,933)
Employee costs	7,449,085	7,339,269	109,816
Hospitality	220,216	171,217	48,999
Insurance	172,910	136,016	36,894
Internal audit	140,200	225,239	(85,039)
Legal fees	60,000	39,583	20,417
Loss on disposal of assets	-	761,500	(761,500)
Motor vehicle repairs & maintenance	871,139	804,294	66,845
Printing and stationery	220,663	152,550	68,113
Protective clothing	164,319	141,738	22,581
Public health and environmental awareness	246,047	141,399	
Rates incentive	47,500	36,511	10,989



Figures in Lilangeni	Budget	Actual	Variance
Repairs and maintenance	-	-	-
SIGA Games	48,125	34,797	13,328
Social responsibility and public information	36,350	5,900	30,450
Staff welfare and uniform	202,870	166,402	36,468
Subscriptions	78,500	68,451	10,049
Telephone and fax	182,206	204,109	(21,903)
Training of staff and councillors	165,695	134,431	31,264
Travelling and subsistence allowances	469,755	472,130	(2,375)
	13,888,382	15,454,233	(1,670,500)
Surplus for the year	4,313,944	4 353 293	65 301



Figures in Lilangeni	Budget	Actual	Variance
Income			
Electrical contractor	90,000	74,406	15,594
Floodlights and street light electricity	869,400	634,682	234,718
Landfill management	40,000	-	40,000
Repairs and maintenance - council structures	166,246	139,184	27,062
Repairs and maintenance - public structures	691,278	409,467	281,811
Road and sidewalk maintenance	649,745	639,541	10,204
Security rangers	556,175	621,226	(65,051)
Streetlight maintenance	277,256	268,514	8,742
Weed control chemicals	175,801	158,895	16,906
	3,515,900	2,945,915	569,986
Direct cost for the year	3,515,900	2,945,915	569,986

## PIGG'S PEAK TOWN COUNCIL







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