

2019 / 20 Draft Annual Report

TSWELOPELE LOCAL  
MUNICIPALITY

# **TSWELOPELE LOCAL MUNICIPALITY**

## **OUR MOTTO**

“A municipality in progress”

## **OUR VISION**

To be an accountable, transparent, non-racial Municipality that promotes economic development and provides sustainable services and improves the quality of life in the Community.

## **OUR MISSION**

Tswelopele Local Municipality is committed to effective and transparent governance by:

- (a) Promoting economic development
- (b) Providing sustainable services , and
- (c) Improving the quality of life of all people

## **VALUES**

- Democratic values
- Good governance
- Transparency
- Honesty
- Equity
- Commitment
- Accountability
- Professionalism

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## 2 MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

### 2.1 COMPONENT A: MAYOR'S FOREWORD



We are proud as the Tswelopele Local Municipality to acknowledge the collective efforts of the management team and our employees, service delivery partners, investors and all citizens to transform the municipality to be a better place for all in these dreadful circumstances we find ourselves in.

We are operating in a tough economic environment. The whole world is affected by the Covid-19 virus and has a very huge impact on the economic activities but we remain committed to improving the quality of life of our people, addressing the legacy of the past inequalities and ensuring all citizens including those on the margins of society have access to opportunities to earn and contribute to the economy. The municipality is still committed in maintaining the agreement entered into with all the contractors for major projects to ensure that at least 30% of the total projects is subcontracted to the local emerging contractors to promote self- sustainability and social inclusivity.

The council of the municipality through the offices of the speaker and the Mayor has embarked on public participation in the local radio stations, due to the discouragement of normal mass meetings in order to curb the spread of Covid-19 virus. We therefore would like to encourage the community to continue to participate in the affairs of the municipality, through any platforms that may be deemed appropriate and safe in order to stay abreast of the developments occurring.

The municipality has developed an audit action plan to address all the issues identified by the office of the Auditor General on the audit of 2019/ 2020 financial statements, performance information and compliance. This audit action plan will be monitored by management team and the council of the municipality to ensure effective implementation thereof.

The municipality is also faced with a serious challenge of revenue collection due to non-payments of municipal services by consumers, we therefore would like to encourage our community to pay/ make payments arrangement for their municipal accounts and also encourage all the families falling under the threshold of indigents to come to the municipal offices with all relevant documentations to apply for free basic services.

At a Provincial level, we welcome the reviewed Provincial Growth and Development Strategy (PGDS) as the council, which guides us as a municipality, within a province that exists on the borders of different strategic municipalities. We have aligned our municipal priorities to that of the PGDS as well as the National development

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plan. As we develop and review our Integrated Development Plan (IDP), we are very aware of our roles and responsibility to our residents as well as to future generations.

We need to work together with all our stakeholders in our quest to improve the quality of life and to achieve our vision of making Tswelopele the most caring and liveable local municipality in South Africa. The new dawn is upon us and this is a season of renewal, jobs and unity of our people.

I would like to take this opportunity to acknowledge the efforts of the municipal leadership and its officials in advancing municipal strategic and transformative plan during the reporting year and to thank them for their readiness and perseverance in implementing the IDP objectives.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

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CLLR T F MATSHOLO

MAYOR



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## 2.2 MUNICIPAL MANAGER'S OVERVIEW

It is with great pleasure that I present Tswelopele Local Municipality's 2019 / 20 Annual Report. Through this report, we track our progress in terms of the goals we set in the municipal Integrated Development Plan, which in the long



term will foster a physical and socio-economic environment that is liveable, sustainable and resilient for all our citizens.

In the midst of the Covid-19 pandemic the municipality has adjusted business operations and services, this has and will affect and prolong certain services but we are committed to giving our level best to the community of Tswelopele. We have always prioritized the safety of our community and employees and in these uncertain times, this is no different. That's why we are practicing and enforcing best practices for social distancing and self-isolation to curb the spread of this deadly virus.

Even during these trying times, we are still in the mission to addressing historical challenges, as such the municipality has prioritised implementation plans that will eradicate the historical challenges associated with poverty, unemployment and inequality; and address resource scarcity with respect to water, energy and land space in an environmentally sustainable manner.

Developed implementation plans contained in the revised five-year Integrated Development Plan [IDP] and annual SDBIP were revised to meet up with environmental and social changes. The IDP aims to develop a sustainable and resilient municipality by creating a sustainable environment, promoting the conservation of natural and scarce resources, and developing infrastructure to improve access to educational services, transport and employment. Currently, 91% of the community have access to the four basic services of water, electricity, sanitation, waste water and solid waste management. The municipality is currently in a process of servicing the new developments in both towns with water, sanitation and electricity services.

This Municipality has adopted a zero-tolerance stance to all forms of corruption, fraud and maladministration and has established numerous measures to prevent fraud and corruption in the city structures. These include the Municipal Public Accounts committee and Audit Committee.

The municipality is striving towards improved financial performance by embarking on a revenue enhancement strategy and the review of the municipal organisation structure that will assist the municipality improve financial viability and meet goals set in the Integrated Development Plan. The non-payment of municipal services by consumers has drastically impacted on the going concern and financial viability of the municipality. We therefore plead with our community to prioritise their municipal accounts and arrangements made.

Our commitment to providing services to all our residents is achieved through our greatest assets: our employees working across various operational disciplines. The municipality aims to foster a high-performance attitude by

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attracting and retaining skilled and qualified people. The vision of delivering professional, diverse and competent human capital is achieved through our Human Resources Policies, which is implemented across the municipality. I would like to express my appreciation for the support received from the political leadership in Council, the Mayor, and the Speaker, EXCO, MSA Section 80 Committees, Audit Committee, Performance Management Committee and Municipal Public Accounts Committee. Administratively I would like to thank the Management team and the entire staff of the Municipality for their continued support. Collectively we remain committed to efficient service delivery and the attainment of a liveable, sustainable and resilient municipality.

A handwritten signature in black ink, appearing to read 'M. Mogopodi', with a large, stylized initial 'M'.

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MS. MRE MOGOPODI  
MUNICIPAL MANAGER

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### 3 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

#### 3.1 BACKGROUND DATA

Tswelopele Local Municipality falls in the Lejweleputswa district area which is situated in the central Free State about a 100 km north west of Bloemfontein. It consists of Bultfontein, Phahameng, Hoopstad and Tikwana and their surrounding rural areas.

Tswelopele Local Municipality has a total population of 47 626 people, of which 91% are African Black, 7% are White, with the other population groups making up the remaining 2%. The Municipality is 6 506, 68 square kilometres in extent and with the surface area of 652 544, 3 Ha.

The municipal unemployment rate stands at 34, 8%. 14 868 people are economically active (employed or unemployed but looking for work), and of these 35% are unemployed. Of the 8145 economically active youth (15 – 34 years) in the area, 46% are unemployed.

The municipal council consists of fifteen members elected by mixed-member proportional representation. Eight councillors are elected by voting in eight wards, while the remaining seven are chosen from party lists so that the total number of party representatives is proportional to the number of votes received.

#### 3.2 DEMOGRAPHIC PROFILE

All municipal demographic statistics as depicted by the different tables underneath relates to the census survey of 2011 that was conducted by the Statistics South Africa. The data is for statistical purpose only as it does not relate to the year reported herein.

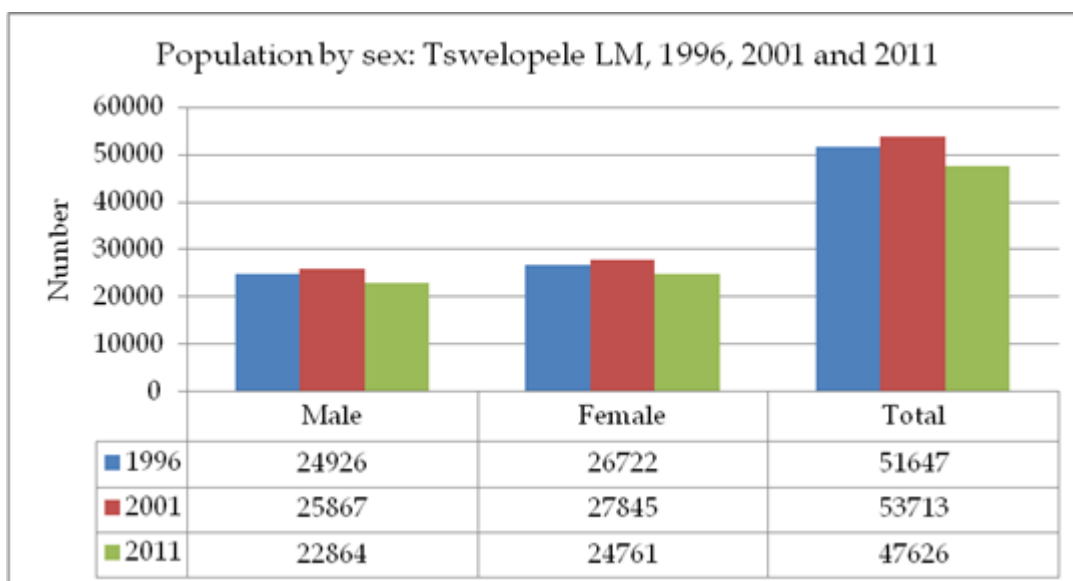
Tswelopele Municipality is 6 506 68 square kilometres in extent. The demographic profile of the municipality according to the most recent information available is shown in the table below:

Description	1996 – Stats SA	2001 - Stats SA	2007– Community Survey	2011 - Stats SA	2016 – Stats SA
<b>No. of households</b>	12 623	12 624	12 987	11 992	13 705
<b>Average people</b>	4,40	4,2	8.18	4	3.5
<b>Total population</b>	58 858	55 591	53 713	47 625	47 373

The key statistics mentioned above as reflected in Census 2001 are shown to place the municipality's performance in the proper context.

According to the graph below, the population number in the municipality appears to decline, recording a marginal decline of 1.2% over 2001 to 2011. The number of households has declined from 12 624 in 2001 to 11 992 in 2011. The number of households has declined from 12430 in 2001 to 11 992 in 2011 and increased to 13 705 in 2016 community survey

**Figure 1: Distribution of population by sex: Tswelopele LM, 1996, 2001 and 2011**



Source: Statistics SA, Census, 1996, 2001 and 2011

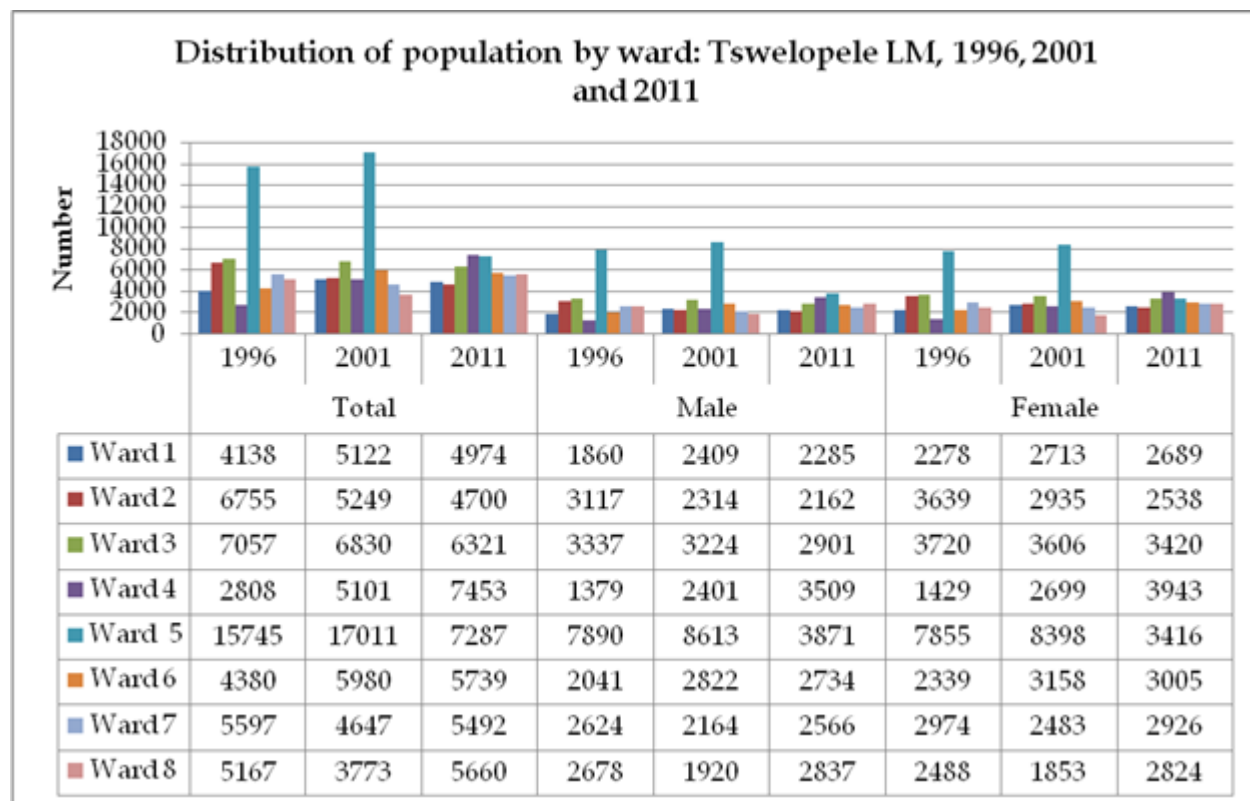
This graph shows that the population in terms of males increased by 3.8% from 1996 to 2001 and showed a decrease of 11.6% in 2011 the reasons for this decrease should investigated as they might have negative impact on the local economic development of the area. The population in terms of females showed an increase of 4.2% from 1996 to 2001 and showed a decrease of 11% which is more or less the same decrease of the males in 2011. The reasons for this decrease must be investigated.

The 2016 community survey shows a slight decrease in the total population of men as compared to 2011 sensors count from 22 864 to 22 858 which is a decrease of 6 men. The reasons to this slight decrease are not know and might be investigated.

The 2016 community survey also shows a slight decrease in the total population of women as compared to 2011 sensors count from 24 761 to 22 515 which is a decrease of 6 women. The reasons to this slight decrease are not know and might be investigated.

### 3.3 POPULATION BREAKDOWN PER WARD, AGE AND GENDER

**Figure 3: Distribution of population by sex: Tswelopele LM, 1996, 2001 and 2011**



Analysis are made in terms of population per ward and that the most popular ward and which shows high population vacillations is ward 5, as per the above table the ward had a population of 15 745 people in 1996 and increased to 17 011 people in 2001, the statistics showed an enormous to 7 287 people in 2011 and this is due to the demarcation processes that took out extension 7 & 8 and the ward thereafter consisted of the farms only. As a result of demarcation processes undertaken every 5 years the municipality cannot make a clear analysis of population vacillations per ward to the local economic development abroad.

### 3.4 POPULATION PER MUNICIPAL AREA

Population Group	Sanded		Hoopstad		Tikwana		Tswelopele NU		Bultfontein		Phahameng	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Black African	9	3	237	144	6744	7605	3711	3189	420	420	9615	11355
Coloured	-	-	12	12	156	144	90	57	3	6	39	57
Indian or Asian	-	-	12	6	39	3	-	3	15	3	78	18
White	-	-	405	450	9	15	609	537	567	702	6	3
Other	-	-	15	9	21	3	15	6	27	15	15	-

<b>Sub-total</b>	9	3	681	621	6969	7770	4425	3792	1032	1146	9753	11433
<b>Total</b>	<b>12</b>		<b>1302</b>		<b>14739</b>		<b>8217</b>		<b>2178</b>		<b>21186</b>	
Statistics South Africa: Census 2011												

### 3.5 SOCIO ECONOMIC STATUS INDIVIDUAL MONTHLY INCOME

Ward	R 1 - R 800	R 801 - R 3 200	R 3 201 - R 12 800	R 12 801 - R 51 200	R 51 201 - R 204 800	R 204 801 or more	No income	Unspecified	Not applicable
<b>Ward 1</b>	1923	813	105	30	3	-	2016	81	-
<b>Ward 2</b>	1653	747	147	21	-	3	2067	66	-
<b>Ward 3</b>	2121	1335	282	36	3	-	2430	111	-
<b>Ward 4</b>	2424	1263	528	159	15	3	2643	300	117
<b>Ward 5</b>	1842	2361	216	99	36	12	2268	423	30
<b>Ward 6</b>	2028	921	123	24	6	-	2460	177	-
<b>Ward 7</b>	1638	1098	267	57	-	-	2238	189	-
<b>Ward 8</b>	1572	978	363	135	18	15	1845	351	378

Statistics South Africa: Census 2011

### 3.6 EMPLOYMENT STATUS

Ward	Employed		Unemployed		Discouraged work-seeker		Other not economically active		Age less than 15 years		Not applicable	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
<b>Ward 1</b>	369	282	252	450	192	252	435	639	-	-	1038	1068
<b>Ward 2</b>	318	249	348	384	138	216	438	624	-	-	918	1068
<b>Ward 3</b>	480	393	330	405	66	141	792	1131	-	-	1233	1347
<b>Ward 4</b>	948	513	450	696	102	213	564	864	-	-	1446	1659
<b>Ward 5</b>	2130	849	75	192	18	150	387	1080	-	-	1260	1140
<b>Ward 6</b>	519	324	204	291	120	186	798	1017	-	-	1095	1185
<b>Ward 7</b>	543	441	246	330	171	243	603	831	-	-	1005	1086
<b>Ward 8</b>	882	453	204	315	57	99	651	870	-	-	1044	1083

Statistics South Africa: Census 2011

### 3.7 OVERVIEW OF NEIGHBOURING MUNICIPALITIES

Local Municipality	Black African		Coloured		Indian or Asian		White		Other		Grand Total
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
<b>Masilonyana</b>	29250	28764	402	324	174	33	2004	2211	129	39	63330
<b>Tokologo</b>	12135	12348	660	666	174	21	1380	1503	63	36	28986
<b>Tswelopele</b>	20733	22719	303	273	141	30	1596	1704	93	33	47625
<b>Matjhabeng</b>	176805	179544	4251	4482	1002	453	18915	20217	534	255	406458
<b>Nala</b>	36078	39573	237	264	162	45	2250	2424	138	45	81216

<b>Grand Total</b>	275001	282948	5853	6009	1653	582	26145	28059	957	408	627615
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Statistics South Africa: Census 2011

## 4 MUNICIPAL FUNCTIONS

Tswelopele Local Municipality is dedicated to the provision of sustainable quality services to its residents. The municipality is responsible for the provision of basic services and constitutionally mandated to perform in terms of Schedule 4 (Part B) and Schedule 5 (Part B) of the Constitution of Republic of South Africa, 1996

## 5 SERVICE DELIVERY OVERVIEW

The municipality continued to ensure the sustainable provision of services to the community. Public members who have registered in the indigent register also continued to benefit from municipal services. Tswelopele had also experienced an increase in the number of households receiving subsidies from the municipality, as reflected by statistics. This can be attributed directly to the economic downturn in the area as most people are unemployed.

### 5.1 ELECTRICITY SERVICES

The municipality provides electricity in the towns. Applications for new connections in town are also done by the municipality while Eskom provides electricity in the townships. Each registered indigent household receives 50kW of electricity per month. The Municipality in collaboration with Eskom managed to successfully get the newly established Ext. 5 electrified in Tikwana/Hoopstad. The municipality will also be working with Eskom to facilitating the electrification of Ext. 9 in Phahameng/Bultfontein as the detail designs for the area are already completed. There is a delay in construction of the project due to outstanding Environmental Assessment and way leave for supply line approval. The construction and electrification set to kick start as soon as the approvals are in place.

### 5.2 WATER SERVICES

The municipality provides water to all formalised households in the residential areas. The municipality is currently facing challenges of high-water losses due to leaking toilet cisterns, more especially in Phahameng Township. The problem is perpetuated by the community members who do not want to assume the responsibility of the toilets facilities in their erven, and they do not fix the leaking toilet cisterns. The leaking toilet cisterns in turn have an adverse effect on the sustainability of clean water supply because the service reservoirs are always running low due to a high volume of water loss caused by the leaking toilet cisterns.

In an effort to curb the high-water loss volume the Municipality has introduced a temporary planned water supply interruption at specific intervals to increase the water level of the reservoirs in order to build up enough pressure head to provide water to all households at a given time. The temporary planned water supply interruption is also used to save costs on cleaning chemicals, until such time that the leakages are addressed. The municipality has through the assistance of the district municipality embarked on campaigns to fix leaking toilets and to educate the community on saving water.

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There is an ongoing bulk water supply project funded by the Department of Water and Sanitation intended to enhance the bulk water supply system since the Municipality Water Treatment Works Plants were not functioning at their optimum design capacity, when completed there will be assurance of continuous and sustainable water services to the community.

The Municipality started an in-house water reticulation project in Ext. 9 Phahameng. The project commenced in March 2020 and was set to complete in 6 weeks. The completion set date could not be realised due to the national lockdown imposed by the Covid 19 pandemic. However, the Municipality technical team planned to conclude the project post lifting of the restrictions/regulations put in place by the Government due to the pandemic.

### 5.3 SANITATION SERVICES

The municipality is committed to a clean environment and provision of sanitation services to all the household in line the RDP standards. Formalised households have got access to sanitation services in both towns and the municipality is also focusing on servicing the new developments in both towns. Ext. 5 in Tikwana/Hoopstad also known as “499 sites” construction for the internal sewerage network and toilets top structures is underway and set to complete in February/March 2021.

The Municipality managed to secure funds from the Water Services Infrastructure Grant (WSIG) to refurbish all the pump stations in Hoopstad/Tikwana. The project is being implemented and conducted under emergency measures as guided by the SCM. The project has already commenced and is set to complete in February/March 2021.

Funding for Ext. 9 and 10 in Phahameng/Bultfontein secured and the projects are scheduled for implementation between 2020/21 and 2021/22 financial years.

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#### 5.4 REFUSE REMOVAL AND WASTE MANAGEMENT

The municipality collects refuse from all the formalised households in both towns and townships on a weekly basis. Refuse is also collected in the CBD streets of both towns on a daily basis to ensure a clean town and also to attract investments and tourism in our towns. The municipality has managed with limited resources to clean the illegal dumps in both townships and towns, clean the parks, stadiums, cemeteries and open spaces on a regular basis in order to promote a clean environment.

The municipality has two landfill sites (one each town) and have been licensed. The management of the landfill sites is currently a challenge due to lack of funding to procure necessary equipment, proper fencing and access controls to both the landfill sites. The municipality is currently promoting recycling with the intention to reduce the waste in the landfill sites and extension of thereof. The municipality due to shortage of staff in different areas including the waste management unit does not have sufficient personnel to control disposal of waste and management of landfill sites.

#### 5.5 ROADS AND STORMWATER

The municipality is with the assistance of Municipal Infrastructure Grant management managed to complete the construction of a 2 kilometre road in Phahameng and as at 30 June 2019 the municipality continued to construct another 1.3 kilometre road extending from the 2 kilometre mentioned above. The state of road infrastructure in the municipal areas has deteriorated due to aging infrastructure and heavy traffic i.e. trucks and construction vehicles moving in and out of our towns. The municipality is maintaining the tarred roads by fixing the potholes internally and is in the process of regulating the heavy vehicles in both towns to minimize more damage to the roads.

The newly developed townships status of roads is still in the unfavourable level and the municipality is struggling to gravel these streets due to regular breakdown of the municipal yellow fleet used for gravelling of streets in both towns. The municipality has included in the integrated development planning the paving of all streets in both townships with the intention to source funding from sector department for this purpose. Procurement of new yellow fleet is also a priority for the municipality to improve service delivery.

## 6 FINANCIAL HEALTH OVERVIEW

### 6.1 ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE)

Descriptions	2019/ 2020 Final Budget	2019/ 2020 Actual	2019/ 2020 Variance	2019/ 2020 Variance
	R	R	R	%
<b>REVENUE</b>				
Property Rates	21 200 000	22 334 415	1 134 415	5.35
Service Charges – electricity revenue	40 000 000	40 716 404	716 404	1.8
Service charges – water revenue	6 000 000	5 633 459	(366 541)	(6.1)
Service Charges – Sanitation revenue	6 700 000	5 739 571	(960 429)	(14.3)
Service Charges – Refuse revenue	4 500 000	3 727 671	(772 329)	(17.1)
Rental of Facilities and equipment	667 000	1 282 597	615 597	92.29
Interest earned – external investments	900 000	1 420 190	520 190	57.80
Interest earned – Outstanding debtors	500 000	1 622 500	1 122 500	224.5
Dividends Received	103 937	61 437	(42500)	(40.9)
Fines, penalties and forfeits	300 000	360 900	60 900	20.3

Licences and permits	25 000	74 990	49 990	200
Transfers and subsidies	93 873 000	92 837 741	(1 035 259)	1.1
Other revenue	1 009 000	1 112 782	103 782	10.3
<b>TOTAL REVENUE</b>	<b>175 777 937</b>	<b>176 924 657</b>	<b>1 146 720</b>	<b>0.6</b>
<b>EXPENDITURE</b>				
Employee related costs	(66 136 293)	(65 298 886)	837 407	1.3
Remuneration of councillors	(6 341 623)	(5 708 127)	633 496	10
Debt impairment	(12 900 000)	(16 204 720)	(3 304 720)	(25.6)
Depreciation and asset impairment	(20 000 000)	(25 262 169)	(5 262 169)	(26.3)
Finance charges	(3 308 000)	(5 081 544)	(1 773 544)	(53.6)
Bulk purchases	(39 100 000)	(43 352 824)	(4 252 824)	(10.9)
Other materials	(7 954 820)	-	7 954 820	100
Other expenditure	(36 153 895)	(35 242 774)	911 121	2.5
<b>TOTAL EXPENDITURE</b>	<b>(191 894 631)</b>	<b>(196 151 044)</b>	<b>(4 256 413)</b>	<b>(2.2)</b>
<b>SURPLUS/ (DEFICIT) FOR THE YEAR</b>	<b>(16 116 694)</b>	<b>(19 226 387)</b>	<b>(3 109 693)</b>	<b>(19.3)</b>

## 6.2 EXPENDITURE

Figures in Rand	Note(s)	2020	2019 Restated*
<b>Expenditure</b>			
Employee related costs	30	65 298 886	62 927 302
Remuneration of councillors	31	5 708 127	5 522 232
Depreciation and amortisation	32	25 262 169	24 655 309
Impairment loss	33	2 984 102	140 695
Finance costs	34	5 081 544	6 468 076
Lease rentals on operating lease		435 609	356 021
Debt Impairment	35	16 204 720	21 412 472
Bulk purchases	36	43 352 824	38 841 419
Contracted services	37	5 440 600	4 098 600
Actuarial Services	7	236 861	-
General expenditure	38 & 40	29 378 701	22 057 275
<b>Total expenditure</b>		<b>199 384 143</b>	<b>186 479 401</b>

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## 7 ORGANISATIONAL DEVELOPMENT OVERVIEW

### 7.1 ORGANISATIONAL DEVELOPMENT PERFORMANCE

The role of corporate services department within the institution is to provide administrative, legal and human resource management function to the Council, EXCO, the Municipal Manager and other employees of Council. The department also deals with issues such as training, recruitment and skills development of employees.

The positions of the municipal manager, chief financial officer and the director technical services have been filled, the post of the director corporate services is under sub-Judy care and feedback will be provided once the matter has been finalized. There are key vacant positions and the municipality is in the process of filling the key vacant positions. The municipality has appointed 2 PMU technicians in order to improve basic service delivery and infrastructure development in the municipality.

Employees and councillors participated in different learning programmes and interventions during the 2019 / 20 financial year in terms of the Workplace Skills Plan submitted to LGSETA. Graduates and experiential learners received training in various fields (on the job training).

### 7.2 AUDITOR-GENERAL REPORT

The municipality has in the 2019/ 2020 financial year received an unqualified audit opinion. The municipality has developed an audit action plan to this effect to address all the issues identified by the office of the Auditor General on the audit of financial statements, performance information and compliance. This audit action plan will be monitored closely by Internal Audit, management and the council of the municipality to ensure effective implementation thereof. The implementation of the audit action plan is a priority of management and standing item to both the Audit committee and Management meetings.

### 7.3 STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 <sup>th</sup> quarter Report for previous financial year	
	Submit the 4 <sup>th</sup> quarter Report to council for noting	

4	Submit draft 19/20 Annual Report to Internal Audit for review.	August
5	Audit/Performance committee considers draft Annual Report of municipality.	
7	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	
9	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	September - October
10	Municipalities receive and start to address the Auditor General's comments	January
11	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
12	Audited Annual Report is made public and representation is invited	February
13	Oversight Committee assesses Annual Report	
14	Council adopts Oversight report	March
15	Oversight report is made public	
16	Oversight report is submitted to relevant provincial councils	
17	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input.	March

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## 8 GOVERNANCE

### 8.1 POLITICAL GOVERNANCE

#### INTRODUCTION TO POLITICAL GOVERNANCE

The mayor is the key figure in the municipality in terms of section 52 of the Municipal Finance Management Act, 2003, [Act 56 of 2003]. Mayor is the chairperson of the Executive Committee [EXCO] that is responsible for receiving reports from various Section 80 Committees of Council and makes recommendations to Council as determined by Section 49 of the Municipal Structures Act, Act 117 of 1998].

The speaker is the chairperson of Council and performs function as stipulated in section 37 of the Municipal Structures Act, 1998, [Act 117 of 1998]. The mayor's duties and functions include any ceremonial functions, and exercise powers delegated to the Mayor by Council or the Executive Committee. The speaker ensures that the council meets at least quarterly, ensuring compliance in the council and Council Committees with code of conduct.

The Audit Committee consists of four members and met as scheduled, four times per annum in terms of its approved terms of reference. The Audit Committee has reviewed and discussed with the Accounting Officer the Audited Financial Statements to be included in the annual report, reviewed the accounting policies and practices.

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## 9 POLITICAL STRUCTURE

### 9.1 MAYOR

The Mayor presides at the meetings of the Executive Committee. The Mayor performs duties and functions including any ceremonial functions, and exercise powers delegated to the Mayor by Council or the Executive Committee.

### 9.2 SPEAKER

Presides at Council meetings and performs duties and exercises powers delegated to the Speaker in terms of section 59 of Local Government: Municipal Systems Act, 2000 [Act 32 of 2000]. Furthermore the Speaker has the following functions:

- To ensure that the council meets at least quarterly
- To maintain order during council meetings
- To ensure compliance in the council and council committees with the Code of Conduct
- To ensure that council meetings are conducted in accordance with rules and orders of the Council.

### 9.3 EXECUTIVE COMMITTEE

The executive committee of the municipality consisted of the following councillors during the year under review:

- Mayor;
- Chief Whip of the ruling party; and
- One councillor of the opposition.

Tswelopele Local Municipality is a collective executive committee system and it consists of the council, which is the highest decision making body and it meets quarterly with the Executive Committee meeting once in every month.



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Below is the names of councillors and constituencies:

WARD COUNCILLORS

WARD	WARD COUNCILLORS
Ward 1	Bangani Petrus Eseu
Ward 2	Magojenyane Henry Segopolo
Ward 3	Mzonjani Johannes Mgiya
Ward 4	Molahlehi Andries Monei
Ward 5	Motshabinyana Welhemina Raseu
Ward 6	Moeketsi Brudiwicks Mohlabakoe
Ward 7	Teboho Thomas Taedi
Ward 8	Mzonakele Simon Baleni

PR COUNCILLORS

PR. COUNCILLORS
Frans Tankiso Matsholo
Dilahloane Agnes Njodina
Matebalo Suzan Bonokwane
Moshe Moses Snyer

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Charles Horn
Elizabeth Catharina Joubert
Teboho Alec Soaisa

#### 9.4 POLITICAL DECISION-MAKING

The Council of the Tswelopele Local Municipality is the highest decision-making authority in the institution. It guides and instructs the administrative component, which implements the decisions taken by the political component through resolution implementation process. The council resolution execution register is kept and maintained by the Office of the Municipal Manager, in order to track the implementation of all resolutions taken at different committees.

### 10 OTHER COUNCIL GOVERNANCE STRUCTURES

#### 10.1 PERFORMANCE AUDIT COMMITTEE

The Municipality has a functional Audit, Performance and Risk Committee in place, guided by an Audit, Performance and Risk Committee Charter. The members of the committee are all external individuals and advise council on matters relating to governance and compliance issues quarterly.

#### 10.2 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The municipal council has appointed Municipal Public Account Committee to handle matters of oversight and other municipal operations. For the reporting period, the committee conducted MPAC meetings to scrutinise and advice council on the annual report. Thorough Unauthorised, Irregular and Fruitless expenditure investigations were not conducted as such this were deferred to the next financial year..

#### 10.3 ADMINISTRATIVE GOVERNANCE

The municipal manager is the head of the administration and accounting officer of the institution. The political leadership through the mayor and the administration through the municipal manager complement each other in implementing council resolutions and other municipal programmes that are promoting good governance and public participation.

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## 10.4 INTERGOVERNMENTAL RELATIONS

Intergovernmental relations are intended to promote and facilitate cooperative decision making and to ensure that policies and activities across all spheres of government encourage service delivery and meet the needs of citizens in an effective way also to assist in curbing the duplication of various resources.

## 11 PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The objective is achieved by holding public meetings, ward meetings, communication with and through non-governmental organisations and with the use of Community Development Workers. Political leaders of parties represented in council also give feedback to the community through meetings of those structures and the municipal website which is updated on the regular basis.

### 11.1 PUBLIC MEETINGS

#### COMMUNICATION, PARTICIPATION AND FORUMS

The following mechanisms are used as tools to ensure public participation and communication with the community of Tswelopele: loud-hailers, ward councillor's meeting, Community Development Workers and ward committees hold their sectional meetings in their respective wards to enhance public participation.

The IDP and budget consultative meetings are held, as stipulated by law, through different forums and they are inclusive of steering committee, stakeholder's forum, sectional meetings, ward and mass meetings. All these meetings are held on scheduled dates and communicated to the public through local newspapers or municipal notice boards as prescribed by law. The efficiency and effectiveness of these forums is improved through taking members to workshop that provide them with relevant skills. As a result of Covid-19 mass meetings were discouraged in order to minimise infections.

The municipality is committed to public engagement and participation in planning and decision-making processes. In this regard, it has established a broad spectrum of engagement and consultation programmes and platforms aimed at the various communities.

Ward committees have a crucial role of ensuring that community needs are reported to the municipality through the Office of the Speaker. The municipality is in full support of all ward committees and to sustain their existence as they serve as a point of contact between the municipality and the residents.

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## 11.2 IDP PARTICIPATION AND ALIGNMENT

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

## 12 CORPORATE GOVERNANCE

### 12.1 RISK MANAGEMENT

The Municipality have an approved risk management policy which outlines the municipality's commitment to managing risks events which might impact on the achievement of our objectives. Furthermore, the Municipality have an approved risks management strategy which details our plan of action on how to effectively implement the risk management policy in day-to-day activities.

In executing the risk management strategy risk assessments were conducted and the risk register was compiled accordingly. Furthermore, the risk response plans to further mitigate the risks were documented and monitoring thereof was not undertaken to ensure that risks owners are effectively managing risks in their respective areas of work.

The Municipality had a functional Risk management Committee chaired by an independent person. The Committee which provide oversight on risk management activities. This committee has met on quarterly basis as scheduled.

The charter for the combined committee have been amended with the responsibilities of the committee on aspects of risk management clause.

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## 12.2 ANTI-CORRUPTION AND FRAUD

To promote zero tolerance environment to fraudulent and corrupt activities, the Municipality Fraud and Corruption Policy and Fraud and Corruption Prevention Plan were approved by council which were also communicated to all officials.

The Audit, performance and risk committee members' have also signed disclosure of interest forms to ensure that there won't be conflict of interest.

## 12.3 SUPPLY CHAIN MANAGEMENT

### SUPPLY CHAIN MANAGEMENT UNIT

The Supply Chain Management unit operates under direct supervision of the CFO. The Manager: SCM & Asset reports to the CFO.

The SCM regulations stipulate the following:

- a) SCM regulation 6(2) (a) (i) - that the council of a municipality must maintain oversight over the implementation of its SCM policy. For the purpose of such oversight the accounting officer must within 30 days of each financial year submit a report on the implementation of the SCM policy of the municipality to the Council.
- b) SCM regulation 6(2) (3) – the Accounting Officer shall within 10 days after the end of each quarter submit implementation reports on SCM to the mayor.

### Adoption of SCM Policy

The SCM policy has been adopted by council, the management reports to council on quarterly basis on the implementation of the SCM policy as required by the regulations.

## 12.4 BY-LAWS

A by-law is a law that is passed by the council of a municipality to regulate the affairs and the services it provides within its area of jurisdiction.

As people have a right and duty to participate in government and civil society, public participation conducted included holding community meetings, joining civil and / or political organisations, public hearings and public consultation meetings.

All by-laws are enforced by way of policies or municipal courts and notices in Provincial Gazette. Public hearings are held in all the towns falling under the jurisdiction of our Municipality. The inputs of the community are

incorporated into the document, after completion of this process; the by-laws were been promulgated in the Provincial Gazette to have an effect of the law.

## 12.5 WEBSITE

Documents published on the Municipality's Website	Yes / No
Current annual and adjustments budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual reports	Yes
The annual report (2018 / 19) published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2013 / 14) and resulting scorecards	Yes
All service delivery agreements	Yes
All long-term borrowing contracts	N/A
All supply chain management contracts above a prescribed value	Yes
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	Yes
Contracts agreed in to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Yes
Public-private partnership agreements referred to in section 120	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during the year (The municipality also placed the section 72 reports-Mid Year Assessment)	Yes

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## MUNICIPAL WEBSITE CONTENT AND ACCESS

The municipal website has been updated with recent municipal information as guided by section 75 of the MFMA.

All the information relating to quotations, procurement advertisement is uploaded through Corporate Services department by the office of Information Technology. The IT division has also developed a procedure to be followed when uploading information: -

- Users complete a form when requesting the information to be uploaded
- Head of Corporate services authorises the form and acknowledges the information to be uploaded
- The information is then forwarded to the IT office in a soft copy format
- Thereafter the IT Officer will login as the administrator and upload the information on the website
- Upon successful uploading of information, it should be accessible within five minutes.

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## 12.6 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The municipality did not conduct any public satisfaction surveys on municipal services for the period under review. The office of the Speaker is intending to conduct community satisfactory survey for 2020/ 21 performance of the municipality and the report from the survey will publicised once finalized and approved by council.

The municipality has a manual complaints and complements registers used by the community members for any complaints and compliments with regard to the services provided by the municipality in both Hoopstad and Bultfontein. The register is monitored by the senior management to ensure that all the issues raised by the community in the register have been addressed.

The municipality is working with department of cooperative governance and traditional affairs in the province for the municipality to start using the electronic complaints management system hosted by the department.



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### 13 SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

The municipality is committed to quality service delivery for residents of Tswelopele and to the extension of basic services to those who were previously denied access.

These sections of the report put focus on the service delivery related areas of the municipality, including performance highlights as they prevailed for the period reported herein.

### 14 BASIC SERVICES

#### 14.1 WATER PROVISION

The municipal strategic approach to the provision of water services is contained in the Water Services Development Plan (WSDP) that has been developed and approved by the council. The municipality will continue to curb the water losses that is being experienced and unaccounted. Strict measures will be enforced to deal with water wastage.

The table below shows the level of distribution of water in cubic meters to various sectors and households in the municipality and also provide the water losses for the financial year under review.

Total Use of Water by Sector (cubic meters)					
Year	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2015/ 16	N/A	N/A	577 264	2 051 410	892 367
2016/ 17	N/A	N/A	417 172	1 850 057	339 101
2017/ 18	N/A	N/A	425 180	1 910 000	343 000
2018/ 19	N/A	N/A	529 908	2 171 721	610 299
2019/20	N/A	N/A	629 754	2 701 704	543 461

Description	2016/ 2017	2017/ 2018	2018/ 2019	2019/2020
	Actual	Actual	Actual	Actual
<b><u>Water:</u> (above min level)</b>				
Piped water inside dwelling	3820	3820	3820	3820
Piped water inside yard (but not in dwelling)	8172	8172	8172	8172
Using public tap (within 200m from dwelling )				
Other water supply (within 200m)				
<b>Minimum Service Level and Above sub-total</b>	11992	12523	12523	12523
<b>Minimum Service Level and Above Percentage</b>	100%	91%	91%	91%
<b><u>Water:</u> (below min level)</b>				
Using public tap (more than 200m from dwelling)				
Other water supply (more than 200m from dwelling)	NA	NA	NA	NA
No water supply				
<b>Below Minimum Service Level sub-total</b>	0	0	0	0
<b>Below Minimum Service Level Percentage</b>	0%	0%	0%	0%
<b>Total number of households*</b>	<b>11992</b>	<b>12523</b>	<b>12523</b>	<b>12523</b>

The table above shows that 12523 households in the municipality have access to piped water services, there is total number of 1182 households that have below RDP standards basic services which are the new developments. The municipality has made an application for funding to service the new development in both towns. Currently the municipality has a committed funding from MIG to service the 499 sites (new development) in Tikwana for the 2018/ 2019 financial year and the project is in progress.

Description	2016/2017	2017/ 2018	2018/2019	2019/2020		
	Original			Actual	Adjusted	Original
	No.	No.		No.		
<b>Total households</b>	11992	12523	12523	12523	-	12523
<b>Households below minimum service level</b>	0		1182	1182		1182
<b>Proportion of households below minimum service level</b>	0		0	0	-	0
<b>Total households</b>	-		-	-	-	-
<b>Households below minimum service level</b>	0		0	0	-	-
<b>Proportion of households below minimum service level</b>	0		0	0	-	-

## 14.2 SANITATION PROVISION

The municipality is committed to a clean environment and provision of sanitation services to all the household in line the RDP standards. Formalised households have got access to sanitation services in both towns and the municipality is also focusing on servicing the new developments in both towns. Ext. 4 in Tikwana/Hoopstad also known as “499 sites” construction for the internal sewerage network and toilets top structures is underway and set to complete in February/March 2021. The municipality has also managed to secure funds for the construction of 837 toilet structures for Extension 7 and 8 in Bultfontein. This project is still in process and has been budgeted R12.5 million.

The municipality is currently busy with phase 3 in the 2019/ 2020 for the upgrading of bulk water supply in Bultfontein to assist in improving the quality and sustainable water supply and curb the water losses. The municipality has reported an average of 14.025% of water losses for the financial year under review.

Description	2015 / 16	2016/ 17	2017/18	2018/ 19	2019/ 20
	Actual	Actual	Actual		
	No.	No.	No.	No	
<b><u>Sanitation/sewerage:</u></b> (above minimum level)					
Flush toilet (connected to sewerage)	11 138	11 138	12523	12523	12523
Flush toilet (with septic tank)	17	17	17	17	17
Chemical toilet	0	0	0	0	0
Pit toilet (ventilated)	0	0	0	0	0
Other toilet provisions (above minimum. Service level)					
<b>Minimum Service Level and Above sub-total</b>	11155	11155	12523	12523	12523
<b>Minimum Service Level and Above Percentage</b>	100%	100%	91%	91%	91%
<b><u>Sanitation/sewerage:</u></b> (below minimum level)					
Bucket toilet	0	0	0	0	0
Other toilet provisions (below min.service level)	837	837	1182	1182	1182
No toilet provisions	0	0	0	0	0
<b>Below Minimum Service Level sub-total</b>	837	837	1182	1182	1182
<b>Below Minimum Service Level Percentage</b>					
<b>Total households</b>	<b>11992</b>	<b>11992</b>	<b>13705</b>	<b>13705</b>	<b>13705</b>

### 14.3 ELECTRICITY

The basic level of access to electricity is defined as including connection of the household to the grid and basic level of service includes 10 AMP connection. Electricity generation and transmission is the sole responsibility of ESKOM. The municipality has been licensed by NERSA for distribution only. The municipality has electrified 499 sites in a new development in Tikwana Hoopstad and sourcing funding to electrify extension 9 in Phahameng. The municipality has secured funding for electrifying extension 10 in Phahameng Bultfontein.

### 14.4 WASTE MANAGEMENT

The municipality has managed to provide a weekly waste collection services to the residents in line with the National Domestic Collection Standards. This services was provided to businesses, schools and health care facilities. It should however be noted that the municipality only collects general waste and not health care risk waste. Both townships, namely Tikwana and Phahameng have grown in size over the last few years, this has impacted on municipal resources intended for the management of waste.

The following list reflects achievements and challenges faced by the municipality regarding waste management.

- The waste collection service has been extended to extension 9 a newly formalised residential area in Phahameng.
- Refuse collection was extended to extension 6 in Tikwana, a new residential area in Tikwana.
- The Hoopstad landfill site reported on the National waste information System as required by law.
- Bultfontein landfill site reported on the National Waste Information System as per the waste Act.
- Project workers assisted the municipality for 6 months to provide the refuse removal service to residents of Tswelopele.
- The municipality has two operational landfill sites, one in each town.
- Both (Bultfontein and Hoopstad) Landfill sites are licensed;
- Municipality has waste management by-laws.
- The Integrated Waste Management Plan was reviewed internally and approved by the council;
- The cleaning of streets is done daily in the two towns.
- 5 environmental awareness campaigns were held for pupils and community members.
- Municipality is assisting local waste pickers to encourage recycling.
- Staff shortage in waste management is a challenge in the municipality.
- Old fleet is also a challenge facing the municipality.
- Illegal dumping and lack of fleet to manage landfill sites is a challenge.



Refuse collection in Tikwana – household waste being loaded onto a tractor & trailer.



Street cleaning in Hoopstad.

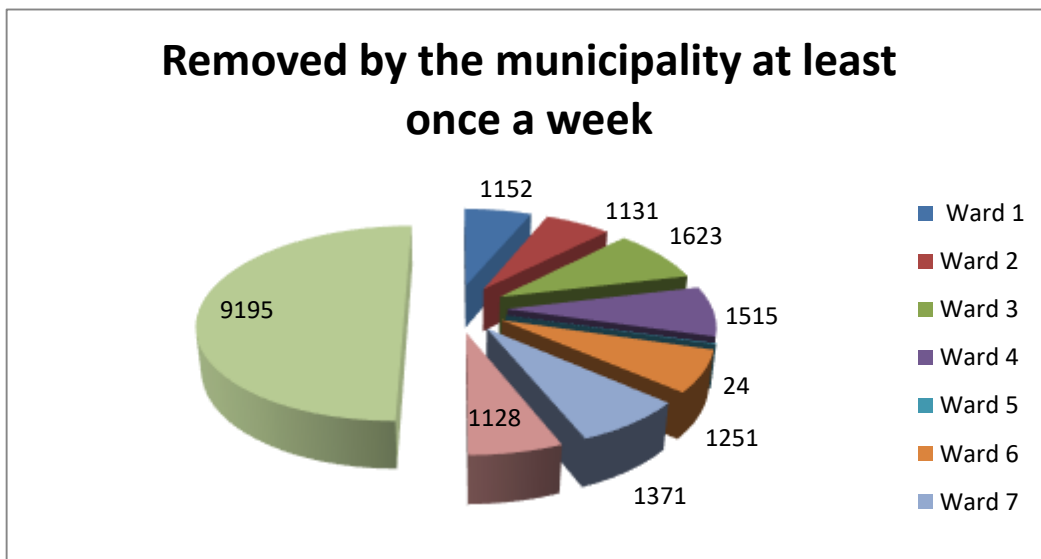




**Local waste recyclers are assisted with bags to keep recyclable materials.**

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Number of houses with access to refuse removal



Statistics South Africa: Census 2011

## 14.5 HUMAN SETTLEMENT

Human Settlement in the Free State Province is a provincial competency unless in instances where a municipality has been accredited by the provincial government to build government funded houses. The responsibility of Tswelopele Municipality with regards to human settlement is beneficiary management through management of waiting list for residents applying for sites and beneficiaries who have service sites but are in need of RDP houses.

The municipality ensures the provision of land and use of municipal owned land in support of the human settlement programme as initiated by the Province. The municipality also conducts identification of well-located land suitable for social and other housing through Local Spatial Development Framework (LSDF) processes. The Municipality also allows for basic considerations, such as suitability and servicing, and applications are approved accordingly through Council resolutions.

Community Services department reviewed internally a Human Settlement Sector Plan and was approved by council in June 2019. The Human Settlement Sector Plan addresses all human settlement challenges and remedial action including informal settlement related issues. . Apart from that, it a legislative requirement for Municipalities to compile a human settlement plan that form part of the Integrated Development Plan. One of the core functions of a municipality is to ensure that service delivery reaches community at large and human settlement is a core function of a municipality.

The municipality has managed with the assistance of the Department of Human Settlement in the province completed the construction of 832 RDP houses in Phahameng during 2017/2018 financial year. The municipality has included in the integrated development plan the backlog of 8461 for the ervens and a RDP housing backlog of 2277. The list of number of people entered on housing and ervens waiting list increases daily. The municipality has allocated sites at extension 10 in Bultfontein in the 2019/ 2020 financial year. The Municipality has township establishment of (499) four hundred and ninety nine allocated sites which will be electrified by Eskom during 2019/2020 financial year in Tikwana –Extension 4.

### SITE ALLOCATION – 2019/20 FINANCIAL YEAR

EXTENSION	NO. OF SITE	SITE ALLOCATED TO DATE
Ext. 4 Tikwana	499	469
Ext. 9 Phahameng	481	397
Ext. 10 Phahameng / Bultfontein	429	70
652 Erven Tikwana	652	503



There are a number of title deed which are in the position of the Municipality. The title deeds are categorised per Ward, as indicated in the table below:

<b>BULTFONTEIN / PHAHAMENG</b>		
<b>WARD NUMBER</b>	<b>ISSUED OUT</b>	<b>REMAINING TITLE DEEDS</b>
Ward 1	2	22
Ward 2	3	17
Ward 3	7	30
Ward 4	4	13
Ward 5	0	0
<b>TOTAL REMAINING WITHIN THE MUNICIPALITY : BULTFONTEIN</b>		<b>82</b>
<b>HOOPSTAD / TIKWANA</b>		
<b>WARD NUMBER</b>	<b>ISSUED OUT</b>	<b>REMAINING TITLE DEEDS</b>
Ward 6	463	366
Ward 7	106	347
Ward 8	97	21
<b>TOTAL REMAINING WITHIN THE MUNICIPALITY: HOOPSTAD</b>		<b>734</b>

## 14.6 BASIC SERVICES AND INDIGENT SUPPORT

The municipal council must give priority to the basic needs of the community, promote the social and economic development of the community and ensure that all residents and communities in the municipality have access to at least the minimum level of basic municipal services in terms of section 152(1) (b) and 153(b) of the Constitution.

Basic services are generally regarded to be access to electricity, access to clean water within a reasonable distance of one's dwelling, basic sanitation, solid waste removal and access to and availability of roads. The key purpose of an indigent subsidy policy is to ensure that households with no or lower income are not denied a reasonable service, and on the contrary, the Municipality is not financially burdened with non-payment of services. Provided that grants are received and funds are available, the indigent subsidy policy should remain intact.

The Indigent Subsidy Scheme was introduced by the municipality in order to provide basic services to poor households (water, sanitation and energy). On an annual basis the indigent register is reviewed and residents who qualify are encouraged to apply. Entry level amount for the 2019 / 2020 financial year is determined as R3 500 per month. Grants-in-aid may, within the financial ability of the municipality, be allocated to household owners or tenants of premises who receive electricity, refuse removal, water and sewer services as well as assessment rate services, in respect of charges payable to the municipality for such services.

### Free Basic Services

Free Basic Services To Low Income Households										
	Number Of Households									
	Total	Households Earning Less Than R 3 500.00 per Month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2019 / 20	12523	12523	3726	30%	3726	30%	3726	30%	1336	11%

## 14.7 TRAFFIC TRANSPORT

The municipality is required to provide safe, affordable, sustainable and accessible road network services and infrastructure that promotes integrated land use development. The municipality is not responsible for any road transport.

Gravel Road Infrastructure				
Financial year	Kilometres			
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to pave	Gravel graded/maintained roads
2011 / 12	98.8	500 m	0	180,5
2012 / 13	93.8	1 km	5 km	180.5
2013 / 14	92.3	1.5 km	0	120
2014 / 15	90.8	0	1.5 km	40 km
2015 / 16	90.8	0	0	50km
2016/ 17	90.8	0	0	36Km
2017/18	90.8	0	2 km	35 km
2018/19	90.8	0	0	37 km
2019/20	90.8	0	0	20km

Tarred Road Infrastructure					
Kilometres					
Financial year	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar maintained roads
2011 / 12	54 km	0	0	0	5 km
2012 / 13	61 km	5 km	0	0	6 km
2013 / 14	61 km	0	0	0	1.5 km
2014 / 15	61 km	0	0	0	5 km
2015 / 16	61km	0	0	0	10
2016/ 17	61Km	0	0	0	2 km
2017/18	61km	0	0	0	2km
2018/19	61km	0	0	0	1km
2019/20	61km	0	0	0	500 m

## 14.8 PLANNING AND DEVELOPMENT

Planning is administered within Community Services department where all land development application, township establishment applications are handled. The Municipality has a functional Municipal Planning Tribunal which is in operation and consists of Planners from CoGTA as well as relevant Municipal Officials. The Municipality has Planning Municipal Land Use and Planning By-laws that includes all land within the jurisdiction of Tswelopele Local Municipality including all farm land.

The Municipality is in a process of finalising the Land Use Management Scheme with the assistance from CoGTA and currently all Municipal township still do not have a Land Use Scheme and under the Black Communities Development Act, (Act No. 4 of 1984) which poses a limit in development as the Act is only limited to a number of land uses which it allows and which lead to slow growth within the townships. The Spatial Development Framework has been reviewed for the 2019/20 financial year and is SPLUMA compliant and includes all both township and town areas.

Tswelopele Local Municipality is slightly growing as the Municipality is currently receiving a number of land use application from local residential as well as farmers who are subdividing and rezoning their land. the Municipality also received 2 (two) township establishment application as well a truck stop, which is an indication that there is an improvement in the economy even though unemployment is still on the rise.

The municipality needs to ensure the enforcement and building control on numerous illegal land users. The practice of erecting new houses and extension of existing housing units occurs without residents submitting building plans to the municipality for approval. As a result, Building Control Division conducts National Building Standards and regulations awareness's to the Community members during ward committee meetings to educate the Community members about the importance of submitting building plans for approval before erecting any structure, Building Control division compiled pamphlets to be handed to the community members by conducting door to door visits, since Building Control Division has taken into note that most of the Community members of Tswelopele Local Municipality are not aware of the importance of submitting building plans before erecting any structure.

### **NATIONAL BUILDING STANDARDS AND REGULATIONS AWARENESS CONDECTED FOR 2019/2020 FINANCIAL YEAR**

QUARTER	WARD	PLACE	DATE
1 <sup>ST</sup> Quarter	6	Tikwana	16 September 2019
2 <sup>nd</sup> Quarter	4	Phahameng	28 November 2019
3 <sup>rd</sup> Quarter	Not conducted due to Covid_19 pandemic (lockdown)		
4 <sup>th</sup> Quarter	Not conducted due to Covid_19 pandemic (lockdown)		

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Building Control division approved ninety-seven (97) building plans for the 2019/2020 financial year and the building application fees paid to the Municipality amount to a total of twenty-one thousand, seven hundred and twenty-four rands and eighty-nine cents (R 21 724.89). Every year, Building Control Division compiles a list of completed buildings that have been erected around Tswelopele Local Municipality to be submitted to the Finance department for the purpose of valuation roll to be updated.

#### 14.9 LOCAL ECONOMIC DEVELOPMENT AND TOURISM

The vision, mission and the objectives of the local economic development unit is to support the following strategic focus areas in stimulating the local economy:

- Agriculture Sector
- Tourism Sector
- Manufacturing
- SMME's Promotion

The municipality has reviewed the Local Economic Strategy in the financial year under review. Amongst others the objective of the strategy is to promote job creation in the local authority through assistance of the emerging farmers and cooperatives with the minimum resources directed to LED by the municipality and other sectors of government. The municipality is continuing to avail land to emerging farmers so that they can create sustainable jobs for themselves. The biggest achievement from Tswelopele Local Municipality Local Economic Development Unit is the support provided to six youth owners of Tuck-shop with groceries stock in the previous financial year.

#### SMMEE'S DEVELOPMENT

Tswelopele local Municipality is a small municipality whereby most SMMEE's do not have the big wholesale where they can buy in bulk, therefore the municipality facilitated the following projects:

1. The Free State Department of Rural Development supported the Iyo Park Poultry Project with a budget of R555 849.97 to procure feed, medication, 2000 day old chickens, equipment and installation of curtains to two poultry houses.
2. The Free State Department of Rural Development also trained Iyo Park members on Financial Management, Broiler Production Management and Marketing.
3. SALGA identified from the municipality's database, three car wash owners (projects) to be provided with R5000 each as part of Covid\_19 initiatives or subsidy.

#### TOURISM DEVELOPMENT

The municipality has appointed through the assistance of the National Department of Tourism the two local youth to be Tourism Data Collectors in the Municipality for the duration of 12 months. The two learners will after completion of the training contract graduate for National Certificate in Tourism Data Collector NQF Level 5.

### 15 COMMUNITY & SOCIAL SERVICES

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## 15.1 MUNICIPAL FACILITIES

Tswelopele Local Municipality has the following facilities which are managed within Community Services Department, namely

- Amanda Coetzer Hall (Lapa)
- Bultfontein Town Hall
- Bultfontein Stadium
- Hoopstad Town Hall
- Hoopstad Stadium
- Louis Botha Hall (Pan Palace)
- Phahameng Hall
- Phahameng Stadium
- Solomon Mahlangu Hall
- Sebokolodi Hall
- Tikwana Stadium

As part of service delivery, the Municipality offer services for catering for the community's events by availing the above-mentioned facilities for various types of events.

Community Services has approved procedure manuals which provide detailed information on how to acquire and utilise municipal facilities. The above-mentioned facilities are not in a satisfactory state as there is a need for refurbishment of the facilities. All Municipal facilities have standard tariff fees allocated. The Municipality is in a process of refurbishing all facilities per phases. Municipal facilities are rented out the general public and accessible to all. The Municipality utilises the first-come-first serve process.



## 15.2 CEMETERIES AND CREMATORIUMS

Tswelopele Local Municipality has a pauper burial policy where only the indigent and unknown deceased residents within the municipality are assisted with the burial process namely:

1. A free grave
2. Coffin (R1 500.00 for adult and R500.00 for children)

The applicants submit the required information to the municipality and the councillor / CDW (Community Development Workers) conduct a household study in order to determine the living conditions of the applicant. Community Services then verify whether the applicant is in the indigent registry. When all information meets all requirements then the municipality pays the funds to the undertaker on behalf of the family members.

Tswelopele Municipality does not own or provide crematorium facilities and services. The municipality is committed to creating and maintaining landscaped cemeteries in a sustainable, clean and safe environment.

## 15.3 TRAFFIC MANAGEMENT

Tswelopele Local Municipality has four (4) traffic officers with a functional structure; all four traffic officers are servicing both towns (Bultfontein & Hoopstad) on a rotational basis. Their function includes law enforcement and traffic management. The unit prepares weekly plans as well as reports which details all activities undertaken. The main activities conducted by Traffic Division include amongst others ensuring that all road users comply with the rules and regulations of the road. Road Users transgressing National Road Traffic Act and related legislations are issued with Section 56 Notices and when there is a need arrested. The Unit also serves warrants of arrests for those who do not pay notices and fail to appear in court.

Traffic Division also on regular basis conducts multi-stakeholder joint operations and roadblocks in collaboration with Provincial Traffic and South African Police Service. The division also work with the Department of Police, Roads and Transport particularly Road Safety Directorate to conduct road safety educational campaigns and training of Scholar Patrols at schools.

The unit ensures monthly reporting and consolidation of traffic fines which are submitted to internal audit and performance office. A total number of 681 traffic notices were issued during the 2019/ 2020 amounting to R399 500 (actual amount received R 190 130, 00).  
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## 15.4 DISASTER MANAGEMENT

Municipality have a Disaster Management Office and One (1) Official appointed as Disaster Management Officer. Disaster Risk Management plan was developed and adopted by Council in 2013 and; was reviewed in 2017 and, the plan deals specifically with the following:

- Disaster Risk Assessment,
- Disaster Risk Reduction,
- Response and Recovery,
- Public and Scholar's Awareness on risk disaster and climate change management.



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The division deals with fire incidents and have developed a Fire Management plan that was adopted by Council in 2017. The division have affiliated with Fire Protection Association – that deals with veld fires and other fire related issues / matters.

Committees:

- Local Disaster Management committee meet once on quarterly basis and,
- Attend – District Disaster Management on quarterly basis.
- Attends Provincial Fire Services Committee meeting on quarterly basis.

The division have developed Business Continuity plan that was adopted by Council in 2017.

Stakeholders:

- District, Provincial and, National Disaster Management Centres,
- SASSA,
- UFS,
- Working on Fire,
- Matjhabeng and Mangaung Fire Services,
- Department of Agriculture and Rural Development,
- Department of Agriculture, Feld Forest and Fisheries,
- Fire Protection Association,
- Emergency Medical Services,
- SAPS

## 15.5 EXECUTIVE AND COUNCIL

Tswelopele is a collective type municipality. Council structures are as follows: EXCO, Section 80 Committees, Ward Committees, etc. Committees are accountable to the Speaker. Staff is as follows: Office Manager, PPO and Driver.

The legislative and executive authority of a municipality is vested in its municipal council. Municipal council resolutions and recommendations are implemented. The municipal council exercise oversight authority over the executive actions of the mayor and the municipal manager in terms of delegated authority.

Sections 11 of MSA, directs a council to monitor municipal services, monitor the impact and effectiveness of services, policies, programmes and plans. Section 40 directs the council to monitor and review the council's performance management systems of specific responsibilities.

Section 80 Committees were established for the effective and efficient performance of any of its function's or the exercise of any of its powers. No vacancies existed in the Office of the Speaker for the financial year under review. The Manager in the Office of the Mayor is responsible for public participation and managing the office and the staff. The Public Participation Officer is responsible to ensure the community becomes involved in the affairs of the municipality. In the Office of the Mayor we have PA to the Mayor who is responsible for day to day running of the mayor's office, Special Programmes Officer is responsible for transversal issues, Youth Development Officer is responsible for youth programmes.

## 15.6 FINANCIAL SERVICE

The Financial Department is primarily responsible for executing all the financial management of the municipality. The functions of one of the sections, namely the Budget and Treasury Office, may be broken into the following components:

1. Budget and Reporting: this function spearheads the preparations and monitoring of the budgeting process. This also include mandatory reporting to all external stakeholders like National Treasury , Provincial Treasury among others
2. Supply Chain Management: this function is responsible for managing the entire procurement process arc cording to legislation and regulations. This is essential as all departments provisions within municipality are sourced through Supply Chain Processes.
3. Expenditure Management: this relates to all payments done within the municipality to service providers and salary of staff.
4. Revenue Management: this involves billing the customers for services provided by municipality and the collection process. This is key function as the municipality cannot function properly without funding. Consequently this function allows the municipality to continue to offer services to its customers.
5. Asset Management: This involves safeguarding of assets in accordance to legislation and council policies. Accounting for assets will enable the municipality to make some corrective measures and will result in efficient and effective service delivery to the community.

The financial administration is done together with all the departments within the municipality with the BTO taking the leading supportive role

## 15.7 HUMAN RESOURCE SERVICES

Human resources are the primary investment for the municipality and the municipality endeavours to maintain its investment in its staff hence the municipality is in the process of the recruitment of qualified individuals in line with the critical posts identified, organizational structure review, training of staff members as per the annual Workplace Skills Plan (WSP), comprehensive capacity building program for Councillors and a sound and conducive labour relations environment.

### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

*Note: MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.*

Tswelopele Local Municipality is conscious of a lack of both infrastructure and skilled workforce to meet the needs of delivery services to our communities.

In managing workforce capacity development the municipality has developed a strategy with the following goals:-

- The right people with the right skills will be in the right place at the right time
- Analysis of the existing workplace to determine expected and internal supply
- Analysis of the gap between existing and future needs.
- Predict workforce needs for the future
- Develop strategies to address the gaps
- Continuously evaluate the process

In order to fully achieve the goals listed above, the municipality is investing in training of our personnel to become highly skilled.

### CAPACITATION OF THE MUNICIPAL WORKFORCE:

Workforce training and development learning interventions were implemented satisfactory as planned.

Capacity building is an ongoing process that requires continuous engagements with stakeholders, improved planning and regular planning and evaluation of progress made. The relevant beneficiaries for the minimum competencies have achieved the desired end results, however the training is also continuous as per the new appointments are made.

A number of programmes are in place to assist the employees and the municipality and all initiative programmes are aimed at building capacity for acceleration of knowledge and competencies. The municipality could subject all the identified officials of the municipality in line with the approved work skills plan due the financial constraints.

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The 2018/ 2019 and 2019/2020 budget was directed to funding of councillors training as a result the work skills plan could not be implemented accordingly.

During 2019/20 financial year the municipality did conduct skills audit in January 2020 of employees and management but Work Skills Plan was compiled and submitted to LGSETA on 30 April 2020. The municipality is training four (4) councillors for Diploma or Certificate in Local Government Law & Administration with Fort Hare University.

The following training were conducted on employees;

1. Diploma in Law Certificate – 4- Councillors
2. Office Management – 1 Vuiswa
3. Masters in Town Planning -1- MG January
4. B-Tech IT – 1- TA Makoko
5. Human Resource Development Management – M Makwetla and SJ Matuka

The municipality also provides for the health and welfare of all its employees. The municipality is having a dedicated Health and Safety Committee and regular workshops or awareness campaigns are conducted for all employees.

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## 15.8 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The municipality has deployed clearOS Firewall/Proxy on its network to guard against cyber-crimes, to block certain websites that are not work related and spoofing e-mails. Furthermore, the municipality has renewed its ESAT anti-virus protection also to guard municipality systems against viruses.

The municipality has appointed Ntelecom company to host the municipality with, e-mails and VOIP services and Internet, the connection was also upgraded to 10Mbps. The municipality has also put on the Virtual Private Network (VPN) with 8 Mbps connection in place to connect the remote site to the main site for financial system purposes. The municipality has appointed Munsoft to run the financial system that is MSCOA compliant hence there is a need to upgrade the internet speed and network infrastructure because the system has to run live at all times and for backup purposes too.

The municipality has developed an ICT Strategic Plan and the purpose of the Municipality's IT strategic plan is to ensure that the municipality will allocate sufficient resources and establish priorities using the municipality's broader vision to enhance the business processes.

The municipality to gain a competitive advantage in the use of Information Technology has to ensure that the following are implemented as short-term, medium-term or long-term projects:

### **Network Connectivity**

This will be done in phases:

1.1 Upgraded and constant network connectivity.

### **Review the Financial Management Systems**

2.1 Financial Management Systems that complies with the Municipal Finance Management Act (MFMA) and MSCOA.

### **Hardware and Software**

3.1 Standardised licensed hardware and software for the municipality.

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This was just to name few projects and that the municipality should ensure that these projects are implemented within the timeframes.

## 15.9 RISK MANAGEMENT SERVICES

### RISK MANAGEMENT

The role of Risk Management in the municipality is to co-ordinate and offer guidance with regard to the process of managing risks in the municipality and the following were taken into consideration.

- By ensuring that there is regular updating of risks on quarterly basis in the risks registers in pursuit of set objectives and improved risk maturity level
- By ensuring that there is embedding of risk management culture in the municipality by the risk owners and other role players
- Ensure that there is functional and effective Risk Management Committee in place to play an oversight role over risk management matters.

In terms of the Risk Management Strategy, risk management is not a stand-alone function, but is part of the strategic planning, business process and operational activities.



**TSWELOPELE**  
LOCAL MUNICIPALITY  
A MUNICIPALITY IN PROGRESS

**TSWELOPELE LOCAL MUNICIPALITY**

**ANNUAL PERFORMANCE REPORT (QUARTER 1 - 4)**

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## TLM NON-FINANCIAL PERFORMANCE REPORT (Q1 JULY 2019 TO Q4 JUNE 2020)

### REPORTING PERIOD: AS AT 30 JUNE 2020

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#### 16.1 INTRODUCTION

Performance management is a process which measures the implementation of actions identified to achieve the organisation's strategy. It assists management to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality. According to the Local Government Municipal Finance Management Act, Act 56 of 2003, Section 52 (c) thereof, the Mayor must take all reasonable steps to ensure that the municipality performs its Constitutional and statutory functions within the limits of the municipality's approved budget.

Performance management is prescribed by chapter 6 of the Municipal Systems Act 2000 and the Municipal Planning and Performance Regulation of August 2001. Section 7 of the aforementioned regulation states that "A municipality's performance management systems entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of different role players" This framework should reflect the linkage between the IDP, Budget and SDBIP.

The constitution of S.A (1996), section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of section 195 (1) are also linked with the concept of performance management, with reference to the principles of inter alia:

- the promotion of efficient, economic and effective use of resources,
- accountable public administration,
- to be transparent by providing information,
- to be responsive to the needs of the community, and
- To facilitate a culture of public service and accountability amongst staff.

The Municipal Systems Act (MSA), no. 32 of 2000, requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA), no. 56 of 2003, requires the Integrated Development Plan (IDP) to be aligned with the municipal budget and be monitored for the performance of the budget against the IDP by using the Service Delivery and the Budget Implementation Plan (SDBIP).



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## 16.2 LEGISLATIVE REQUIREMENTS

In terms of section 46(1)(a) of the MSA, a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with performance in the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

## 16.3 TLM STRATEGIC PERFORMANCE

Strategic performance indicates how well the municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must be monitored on an ongoing basis and the results must be reported during the financial year to various role-players so as to enable them to timeously implement corrective measures where required.

This report highlight the strategic performance in terms of the municipality's Top Layer Service Delivery Budget Implementation Plan (SDBIP), high level performance in terms of the National Key Performance Areas and an overall summary of performance at a functional level. Details regarding specific basic service delivery targets, achievements and challenges will be included in this report as well as the detailed Annual Report of the municipality.

Tswelopele Local Municipality compiled its consolidated performance report (Q1 to Q4) in line with the above mentioned legislation. The purpose of the report is to outline the achievements of the municipality in the period under review. The report further seeks to outline challenges and remedial actions that have been implored as corrective measures thereto.

The purpose of this performance report is as follows:

- 
- To analyze the performance of the municipality for the entire financial year
  - To track progress against the targets set in the SDBIP.
  - Inform decision making and future goal setting
  - To identify problems regarding performance of municipal programmes with a view to obtain solutions.
  - To determine whether the objectives of various programmes have been met and whether it is appropriate to review and amend them given the changing circumstances.

For the financial year under review, the Municipality (TLM) comprised of four departments, namely; Municipal Manager's Office, Finance, Corporate Services, and Technical Services. All Heads of Department positions have been filled except the corporate services which is under sub-Judy care.

This report covers the performance information from 1 July 2019 to 30 June 2020 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the Integrated Development Plan (IDP). In addition, the report provides an overview of improvements made to the performance management system and shortcomings that still need to be addressed and progress made in the implementation..

#### 16.4 INSTITUTIONAL PERFORMANCE MANAGEMENT PROCESS OVERVIEW

At the commencement of the financial year, every attempt was made to ensure that the municipality complies with legislation concerning the development, operation, compliance and maintenance of a performance management system that is commensurate to the institutional service delivery objectives captured in the IDP. Tswelopele Local Municipality continued to maintain the effective operation of the following mechanisms:

- The Strategic Services Division conducts individual meetings with the nominated PMS Champions.
- PMS Champions then coordinates the collection of data and supporting evidence within their respective departments.
- All objectives and targets as contained in the performance plan and SDBIP are reported.
- Upon receipt of documentation, the Strategic Services Division analyses the submitted information and prepares a performance report.
- Draft performance report gets presented to the PMS Champion with the view of reaching consensus.
- Thereafter submitted evidence together with the draft performance report is then submitted to the Internal Audit Division for auditing, verification and quality assurance. Thus quarterly performance reports with supporting evidence were prepared by managers directly reporting to the Municipal Manager (MM). Quarterly performance reports were objectively and independently audited by the Internal Audit unit to verify and to confirm performance information as reflected in the reports; the unit also confirms the credibility of evidence that was submitted.
- Meetings take place between the Internal Audit and Strategic Services Division to deliberate intensively on the report.

- Adoption of the Performance Management System Policy and Framework

Performance management is prescribed by chapter 6 of the Municipal Systems Act, Act 32 of 2000 and the Municipal Planning and Performance Management Regulations of August 2001. Section 7 (1) of the aforementioned regulation states that “A Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different role players.” This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and service provider performance. The municipality adopted a performance management policy framework which was followed in managing performance throughout the financial year. The policy and framework will be reviewed annually and inputs will be solicited from various stakeholders.

- Municipal IDP and Budget

The IDP was revised and updated for 2019/20 as well as the budget, the documents were approved by Council in June 2019. The municipality started with the process of aligning the IDP with the performance management requirements and has improved the alignment of the IDP, Budget and the SDBIP for the 2019/20 financial year.

- The Service Delivery Budget Implementation Plan

The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the service delivery budget implementation plan (SDBIP) at directorate levels.

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and budget.

The MFMA Circular No.13 prescribes that:

- The IDP and budget must be aligned;
- The budget must address the strategic priorities;
- The SDBIP should indicate what the municipality is going to do during next 12 months; and
- The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes.

The SDBIP was prepared, as prescribed by legislation and approved by the Mayor in July 2019 and later revised during February 2020.

#### **MUNICIPAL SCORECARD (TOP LAYER SDBIP)**

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The municipal scorecard (Top Layer SDBIP) consolidate service delivery targets set by Council and provides the overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities.

Components of the Top Layer SDBIP included:

- Monthly projections of revenue to be collected for each source;
- Expected revenue to be collected not billed;
- Monthly projections of expenditure (operating and capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators for each vote;
- Non-financial measurable performance objectives in the form of targets and indicators; and
- Detailed capital project plan broken down by ward over three years.

Top layer SDBIP gets operationalized into directorate scorecards (performance plans) it captures the performance of each directorate. Unlike the municipal scorecard, which reflects on the strategic performance of the municipality, the performance plan provides a comprehensive picture of the performance of that directorate.

## 16.6 ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

The organisational performance was monitored and evaluated within the SDBIP and the performance process can be summarised as follows:

- The Top Layer SDBIP was approved by the Mayor and the information was loaded to municipal website.
- The actual results against monthly and quarterly targets set, were discussed in the monthly meetings (Dash-board and commitments) to determine early warning indicators and discuss corrective measures that were needed in cases of non-performance.
- The first and second quarterly report formed part of the section 72 report in terms of the Municipal Finance Management Act, which was submitted to the Mayor in January 2020.
- The Quarterly SDBIP performance reports were also submitted to the Audit Committee.
- Internal Audit performed a statutory compliance review which included revision of the information contained in the budget, SDBIP, reviewed IDP and reported thereon. Continuous validation of reported performance has been maintained.

## 16.7 INDIVIDUAL PERFORMANCE MANAGEMENT

Municipal Manager and Managers Directly Accountable to the Municipal Manager

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The Municipal Systems Act, 2000 (Act 32 of 2000) prescribes that the municipality must enter into performance-based agreements with the all s57-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). All Heads of Departments have signed the performance agreements and performance plans.

The appraisal of the actual performance in terms of the signed agreement did take place as regulated whereby the MM and Managers reporting directly to him should be assessed and evaluated.

#### Other Municipal Personnel

The municipality has not yet initiated a process of implementing individual performance management to lower level staff, however a phased in approach will be implemented as encompassed by the policy and framework. Performance agreements/scorecard will be developed and signed between the staff on other post levels and immediate managers/supervisors. Progress in this regard will be reported on in future.

### 16.8 SERVICE DELIVERY KEY MUNICIPAL PERFORMANCE FOR 2019/2020 AND MEASURES TAKEN TO IMPROVE OVERALL MUNICIPAL PERFORMANCE

This section provides an overview on the strategic achievements of the municipality in terms of deliverables achieved. The Top Layer SDBIP and the municipality's strategic plan shows strategic alignment between the IDP, budget and the performance plans.

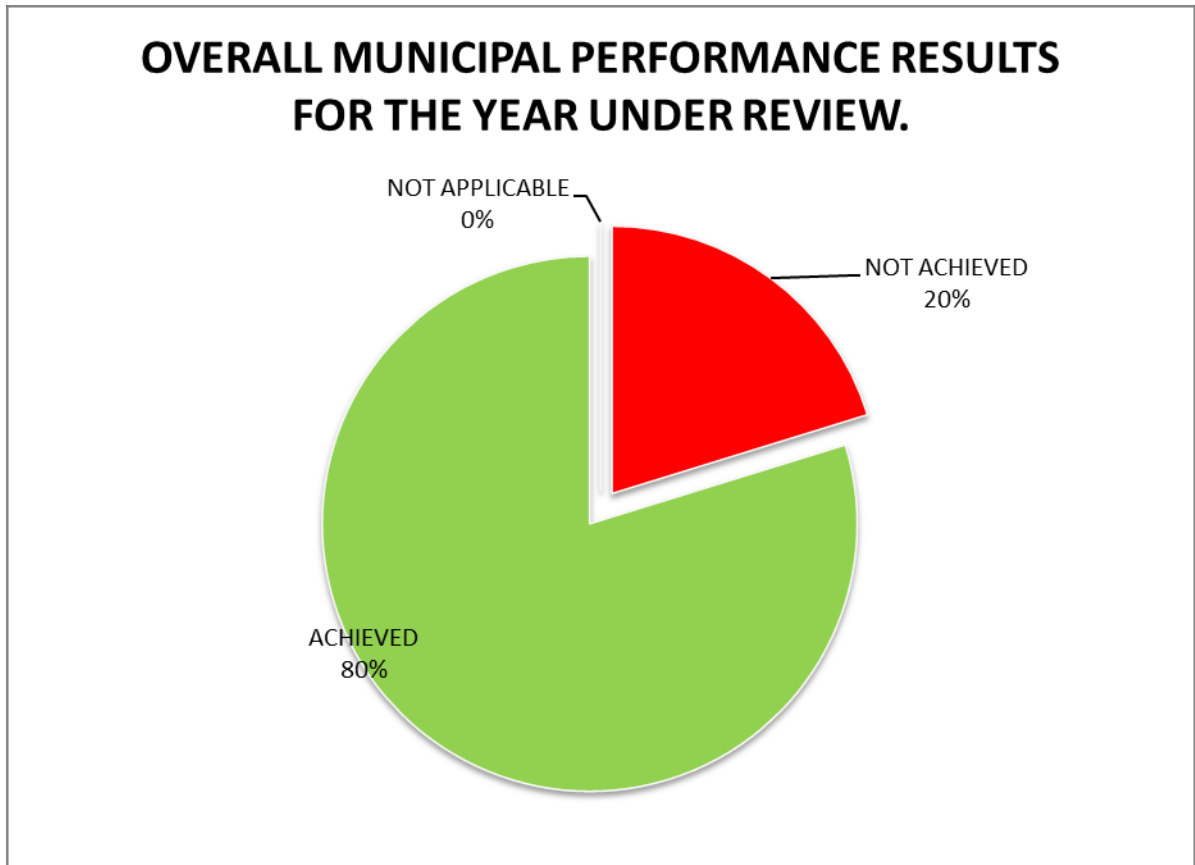
Strategic performance of the municipality was therefore measured in terms of the municipality's performance on its key performance indicators set in the Top Layer SDBIP. The sections below illustrates the performance achieved according to the 5 National Key Performance Areas (KPA) linked to the IDP objectives.

The overall assessment of actual performance against targets set for the key performance indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology.

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## 16.9 SYNOPSIS OF MUNICIPAL PERFORMANCE RESULTS AT A STRATEGIC LEVEL

Following graphs illustrate the overall performance of the municipality measured in terms of the Top Layer (strategic) SDBIP and performance plans. The performance is measured and reported per National KPA.



### **MUNICIPAL MANAGERS OFFICE**

The Municipal Manager's Office had (55) targets set as per the key performance indicators; Attained (44), not achieved (11).

### **FINANCE**

The Finance Department had (38) targets set as per the key performance indicators; Attained (34), not achieved (4).

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### **CORPORATE SERVICES**

The Corporate Services had (29) targets set as per the key performance indicators; Attained (18), not achieved (11).

### **TECHNICAL SERVICES**

The Technical Services had (46) targets set as per the key performance indicators; Attained (38), not achieved (8).

## 16.10 PERFORMANCE DEFICIENCIES AND CORRECTIVE MEASURES PER DEPARTMENT

### DEPARTMENT: MUNICIPAL MANAGER

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance
1.	Organizational structure was not reviewed in the year under review.	The organizational structure was supposed to be reviewed in the fourth quarter of the financial year but due to Covid_19 lockdown the target could not be achieved.	The target has been reviewed and put as a target in the 2020/ 2021 financial year.
2.	The disaster advisory forums were not conducted.	The advisory forums could not continue due to poor attendance of stakeholder and the COVID_19 lockdown.	The target will be reviewed and the advisory forums will be made visually.
3.	75% completion of the rehabilitation and upgrading of 1.3 km paved road in Phahameng.	The project could not be completed due to COVID_19 lockdown.	The target has been reviewed and put as a target in the 2020/ 2021 financial year.
4.	85% completion of the sewer connections and building structures in Tikwana 499 sites.	The project could not be completed due to COVID_19 lockdown.	The target has been reviewed and put as a target in the 2020/ 2021 financial year.
5.	0% completion of the sewer connections and building and building toilet structures	The project could not be completed due to	The target has been reviewed and put as



	in Ext 7 & 8 in Phahameng.	COVID_19 lockdown.	a target in the 2020/ 2021 financial year.
6.	No awareness campaign pertaining to change of ownership on land tenure been conducted.	The awareness campaign could not be conducted due to Covid_19 lockdown.	The target has been reviewed and put as part of plan for 2020/ 2021 financial year.
7.	Only two forums were conducted during the 2019/20 financial year.	The 2 business forum meetings could not be conducted due to Covid_19 lockdown.	The target has been reviewed and put as part of plan for 2020/ 2021 financial year.
8.	The municipality has obtained qualified audit opinion.	The municipality was qualified based on the material findings on assets.	The municipality has developed an audit action plan to address all the findings of the AGSA and the plan has been monitored on monthly basis.
9.	Organizational overtime was reduced by 19% as at 30 June 2020.	None	None
10.	No risk management activities performed in the financial year under review.	The risk officer resigned and therefore there was no official performing the risk and compliance activities in the financial year under review.	The management will advertise the position of risk and compliance officer to fill the vacancy.
11.	2 consolidated ward committees' reports have been prepared and submitted.	Ward committee meeting in the third and fourth quarter could not sit due to Covid_19 Lockdown.	The target has been reviewed and put as part of 2020/ 2021 planning.

## DEPARTMENT: FINANCIAL SERVICES

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance
1.	64% of issues raised and proposed corrective measures by the AGSA have been attended to.	None	None
2.	0% issues raised and proposed corrective measures by internal audit have been attended to.	None	None
3.	No compliance management checklists updates conducted	The risk officer resigned and therefore there was no official performing the risk and compliance activities in the financial year under review.	The management will advertise the position of risk and compliance officer to fill the vacancy.
4.	No risk management activities performed in the financial year under review.	The risk officer resigned and therefore there was no official performing the risk and compliance activities in the financial year under review.	The management will advertise the position of risk and compliance officer to fill the vacancy.

## DEPARTMENT: CORPORATE SERVICES

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance
1.	No people appointed in the 2019/ 2020 financial year.	The municipality did not appoint on vacant positions due to under collection of revenue by the municipality to fund vacant positions.	None
2.	Organizational structure was not reviewed in the financial year under review.	The organizational structure was supposed to be reviewed in the fourth quarter of the financial year but due to Covid_19 lockdown the target could not be achieved.	The target has been reviewed and put as a target in the 2020/ 2021 financial year.
3.	Only 2 quarterly OHASA awareness campaigns conducted.	The two other awareness campaigns could not be conducted due to Covid_19 lockdown.	None
4.	Only 2 quarterly health and safety meeting conducted.	Due to National lockdown 3rd and 4th quarter Health and Safety Meeting was not conducted.	None
5.	0% installation of licensed Microsoft office to all municipal computers.	The installation of the licensed Microsoft office could not be done due to budget constraints.	The indicator has been revised and included as part of future planning

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance
6.	58% of issues raised by AGSA has been resolved.	None	None
7.	83% of issues raised by internal auditors have been resolved.	None	None
8.	2 LLF meetings were held.	<p>The LLF meeting scheduled for September 2019 could not take place due to councillors attending training at UFH in East London.</p> <p>The meeting for 01 October 2019 did not take place as there was not quorum.</p>	The target has been reviewed and included as part of 2020/ 2021 financial year.
9.	No compliance management checklists updates conducted	The risk officer resigned and therefore there was no official performing the risk and compliance activities in the financial year under review.	The management will advertise the position of risk and compliance officer to fill the vacancy.
10.	2 consolidated ward committees' reports have been prepared and submitted.	Ward committee meeting in the third and fourth quarter could not sit due to Covid_19 Lockdown.	The target has been reviewed and put as part of 2020/ 2021 planning.
11.	No risk management activities performed in the financial year under review.	The risk officer resigned and therefore there was no official performing the risk and compliance activities in the financial year under review.	The management will advertise the position of risk and compliance officer to fill the vacancy.

## DEPARTMENT: TECHNICAL SERVICES

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance
1.	<p>81,15% of formalized households have access to safe and sustainable sanitation services.</p> <p>100% of the public facilities and businesses have access to clean, quality and sustainable water services.</p>	There is new developments in Hoopstad that led to the decline in the percentage of access	The municipality has applied for funding to connect services to the new developments
2.	75% completion of the rehabilitation and upgrading of 1.3 km paved road in Phahameng.	The project could not be completed due to COVID 19 lockdown.	The target has been reviewed and put as a target in the 2020/ 2021 financial year.
3.	75% completion of the sewer connections and building structures in Tikwana 499 sites	The project could not be completed due to COVID 19 lockdown.	The target has been reviewed and put as a target in the 2020/ 2021 financial year.
4.	0% completion of the sewer connections and building and building toilet structures in Ext 7 & 8 in Phahameng,	The project could not be completed due to COVID 19 lockdown.	The target has been reviewed and put as a target in the 2020/ 2021 financial year.

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance
5.	59% of the issues raised and proposed corrective measures by AGSA have been attended to.	None	None
6.	0% of the issues raised and proposed corrective measure by internal auditors have been attended to.	None	None
7.	No compliance management checklists updates conducted	The risk officer resigned and therefore there was no official performing the risk and compliance activities in the financial year under review.	The management will advertise the position of risk and compliance officer to fill the vacancy.
8.	No risk management activities performed in the financial year under review.	The risk officer resigned and therefore there was no official performing the risk and compliance activities in the financial year under review.	The management will advertise the position of risk and compliance officer to fill the vacancy.

## CONCLUSION

Thus, this report reflects the municipal performance as at 30 June 2020. This is a high-level report based on the scores obtained through a process whereby Key Performance Indicators and targets are compared to the initial planning as contained in the 2019/20 SDBIP.

Where under-performance or zero achievement of indicators have been experienced the respective concerns or mitigating reasons are highlighted and detailed pertaining to the relevant measures being implemented or those that need to be implemented.

There has been a drastic deterioration of commitment in the achievement of set objectives as per the approved Service delivery and budget implementation plan of the municipality. Management needs to develop early warning indicators for non-achievement of key performance indicators and take steps to improve performance in order to maintain the 90% target. This was closely observed during quarterly performance reporting.

The municipality will continue improving on its performance management system, particularly, in the application of the SMART principle. Plans are underway to cascade PMS to all employees in order to promote accountability across all post levels.

DEPARTMENT: MUNICIPAL MANAGER							ACTUAL PERFORMANCE REPORTING			
KEY PERFORMANCE AREA 1 - MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT										
OBJECTIVE	KEY PERFORMANC E INDICATOR (KPI)	UNIT OF MEASUREME NT	ANNUAL TARGETS 2019/20	COMPARISO N WITH 2018/19 TARGETS	ANNUAL BUDGET ALLOCATIO N	WEIGH T	ACTUAL PERFORMANC E	CORRECTIV E MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEME NT STATUS
To enhance responsiveness to citizen's priorities and capabilities of	Conduct management meetings	Number of management meetings conducted.	4 quarterly management meetings conducted	4 Quarterly meetings	R33 071 000	4%	4 quarterly management meetings have been held	N/A	ACHIEVED	ACHIEVED



delivery of quality services, quality management and administrative practices	Review and approve the organisational structure.	Number of organisational structures reviewed and approved.	1 Organisation al structure reviewed and approved by municipal manager by 30 June 2020	Approved organisational structure.		4%	Organisational structure was not reviewed in the year under review.	The organisationa l structure was supposed to be reviewed in the fourth quarter of the financial year but due to Covid 19 lockdown the target could not be achieved.  The target has been reviewed and put as a target in the 2020/ 2021 financial year.	NOT ACHIEVED	NOT ACHIEVED
	Sign and conclude Performance Agreements (PA) of the Municipal Manager, Chief Financial Officer, Director Technical; and	Number of performance agreements signed and concluded.	4 signed performance agreements by 28 July 2019 and revised performance agreements by 30 March 2020.	5 Signed performance agreements		4%	3 performance agreements have been concluded and signed by all relevant officials	N/A	ACHIEVED	ACHIEVED

	Director Corporate Service									
	Conduct quarterly Performance Evaluations for the MM; CFO; Director Technical; and Director Corporate Service for the 2018/19	Number of quarterly performance evaluations of the CFO; Director Technical; and Director Corporate Service	4 signed quarterly evaluations of the MM, CFO and all other Directors	3 quarterly performance evaluation reports		4%	4 quarterly performance evaluations for the senior managers have been conducted.	N/A	<b>ACHIEVED</b>	<b>ACHIEVED</b>
	Perform annual performance Evaluations for the MM; CFO; Director Technical; and Director Corporate Service for the 2018/19 based on audited performance report	Number of annual performance evaluations for the MM, CFO, Director Technical; and Director Corporate Service	1 annual Performance Evaluation performed for the MM, CFO, Director Technical; Director Corporate Service by 15 March 2020.	One annual performance evaluation performed		4%	The annual performance evaluations of senior managers has been conducted.	N/A	<b>ACHIEVED</b>	<b>ACHIEVED</b>

				TOTAL		20%				
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DEPARTMENT: MUNICIPAL MANAGER OFFICE							ACTUAL PERFORMANCE REPORTING			
KEY PERFORMANCE AREA 2 - INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY										
OBJECTIV E	KEY PERFORMAN CE INDICATOR (KPI)	UNIT OF MEASUREME NT	ANNUAL TARGETS 2019/20	COMPARIS ON WITH 2018/19 TARGETS	ANNUAL BUDGET ALLOCATI ON	WEIGH T	91,52% of formalise households has access to clean, quality and sustainable water losses	CORRECTI VE MEASURE S TAKEN OR REASONS FOR VARIANCE	INTERNA L AUDITOR S COMMENT S	ACHIEVEME NT STATUS
							100% of the public facilities and businesses have access to clean, quality and sustainable water services.			

To promote and improve effective linkage between the stakeholders and the municipality to ensure accountability and responsive governance structures.	Submit MIG reports to CoGTA	Number of MIG reports submitted to CoGTA	12 MIG reports prepared & submitted (3 per quarter)	12 Reports submitted	R1 000 000	1%	12 MIG reports have been prepared and submitted to CoGTA	N/A	ACHIEVED	ACHIEVED
	Submit EPWP reports to CoGTA	Number of EPWP reports submitted to CoGTA	12 EPWP reports prepared & submitted (3 per quarter) to CoGTA	12 Reports submitted		1%	12 EPWP reports have been prepared and submitted to CoGTA	N/A	ACHIEVED	ACHIEVED
To strengthen road traffic management (result indicator: accidents, deaths) and Improve public transport.	Conduct traffic road blocks.	Number of traffic road blocks conducted.	8 Road blocks conducted by 30 June 2020	8 Road blocks	R50 000	1%	8 roadsblocks were conducted by 30 June 2020	N/A	ACHIEVED	ACHIEVED
	Prepare traffic tickets reconciliations and submit to CFO.	Number of traffic tickets reconciliations prepared and submitted to CFO	12 traffic tickets reconciliation s prepared and submitted to CFO	12 Monthly reports		1%	12 Traffic ticket reconciliation have been prepared and submitted.	N/A	ACHIEVED	ACHIEVED

To support the district municipality in Improving disaster preparedness for extreme climate events.	Conduct Local Disaster Advisory Forum	Number of local disaster advisory forums conducted.	4 quarterly disaster advisory forum conducted	4 quarterly meetings	R50 000	1%	The advisory forums could not continue due to poor attendance of stakeholder and the COVID 19 lockdown.	The target will be reviewed and the advisory forums will be made visully.	NOT ACHIEVED	NOT ACHIEVED
	Conduct disaster management awareness campaigns.	Number of disaster management awareness campaigns conducted.	16 disaster management awareness campaigns conducted	16 Awareness campaigns		1%	16 Disaster management awareness campaigns were held at various schools	N/A	ACHIEVED	ACHIEVED
To ensure accessible road infrastructure and increased life span through proper construction and maintenance of roads and storm water drainages.	Complete the rehabilitation and upgrading of 1.3 km paved road in Phahameng.	% completion for rehabilitation and upgrading of 1.3 km paved road in Phahameng.	100% completion of the rehabilitation and upgrading of 1.3 km paved road in Phahameng by 30 June 2020.	100% 2 km paved road in Phahameng	R5 022 000	1%	92.56% of the formalised households have access to electricity services.	The project could not be completed due to COVID 19 lockdown.  The target has been reviewed and put as a target in the 2020/ 2021 financial year.	NOT ACHIEVED	NOT ACHIEVED

Promote effective and efficient sport and recreation development.	Complete construction of the cricket pitch in Phahameng.	% completion for the construction of the cricket pitch in Phahameng.	100% completion of the construction of the cricket pitch in Phahameng by 30 September 2020	80% completed	R323 000	1%	100% completion of the construction of the cricket pitch in Phahameng.	N/A	<b>ACHIEVED</b>	<b>ACHIEVED</b>
To ensure access to safe and sustainable sanitation services to households, public facilities and households	Complete sewer connections and building of toilet structures in Tikwana 499 sites.	% Completion of the sewer connections and building of toilet structures in Tikwana 499 sites	100 % completion of the sewer connections and building structure in Tikwana 499 sites by 30 June 2020.	60% expenditure by 30 June 2019	R419 000	1%	85% completion of the sewer connections and building structures in Tikwana 499 sites	The project could not be completed due to COVID 19 lockdown. The target has been reviewed and put as a target in the 2020/ 2021 financial year.	<b>NOT ACHIEVED</b>	<b>NOT ACHIEVED</b>

To ensure access to safe and sustainable sanitation services to households , public facilities and households .	Complete sewer connections and building of toilet structures in Ext. 7 & 8 in Phahameng.	% Completion of the sewer connections and building of toilet structures in Ext. 7 & 8 in Phahameng.	60 % completion of the sewer connections and building structure in Ext. 7 & 8 in Phahameng by 30 June 2020.	0%	R1 257 000	2%	0% completion of the sewer connections and building and building toilet structures in Ext 7 & 8 in Phahameng,	The project could not be completed due to COVID 19 lockdown.  The target has been reviewed and put as a target in the 2020/ 2021 financial year.	<b>NOT ACHIEVED</b>	<b>NOT ACHIEVED</b>
To assess and review building plans	Update the building plan register	Number of updated building plan registers.	1 Updated register by 30 June 2020.	1 Updated registers	R5 205 000	1%	1 Building plan register updated on a monthly basis	N/A	<b>ACHIEVED</b>	<b>ACHIEVED</b>
To capacitate communities on building regulations through awareness campaigns	Conduct building regulations awareness campaigns.	Number of building regulations awareness campaigns conducted.	4 building regulations Awareness campaigns conducted	7 Awareness campaigns		2%	7 Building regulations Awareness campaign have been conducted	N/A	<b>ACHIEVED</b>	<b>ACHIEVED</b>

Promote and support integrated, inclusive, sustainable human settlement development.	Updated the human settlement Erven waiting list.	Number of the updated human settlement Erven waiting list.	12 monthly Updated human settlement Erven waiting lists.	12 Updated waiting list		2%	The human settlement Erven waiting list has been updated.	N/A	ACHIEVE D	ACHIEVED
	Review the Human Settlement Sector Plan and approve to council for approval.	Number of human settlement sector plans reviewed and submitted to council for approval.	1 reviewed human settlement sector plan and submitted to council by 30 June 2020.	Approved Human Settlement sector plan		2%	Human settlement sector plan was submitted to Council	N/A	ACHIEVE D	ACHIEVED
Accelerate and streamline township establishment processes and procedures to ensure sustainable settlement.	Conduct the awareness campaign pertaining to change of ownership processes and land tenure.	Number of awareness campaigns pertaining to change of ownership processes and land tenure.	1 awareness campaign pertaining to change of ownership processes and land tenure.	1 Awareness campaign conducted per ward		2%	No awareness campaign pertaining to change of ownership on land tenure been conducted.	The awareness campaign could not be conducted due to Covid 19 lockdown.  The target has been reviewed and put as part of plan for 2020/2021 financial year.	NOT ACHIEVE D	NOT ACHIEVED
				TOTAL		20%				



DEPARTMENT: MUNICIPAL MANAGER OFFICE							ACTUAL PERFORMANCE REPORTING			
KEY PERFORMANCE AREA 3 - LOCAL ECONOMIC DEVELOPMENT							ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITOR'S COMMENTS	ACHIEVEMENT STATUS
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL TARGETS 2019/20	COMPARISON WITH 2018/19 TARGETS	ANNUAL BUDGET ALLOCATION	WEIGHT				
Create an environment that promotes development of the local economy and facilitate job creation.	Conduct business forum meetings	Number of business forum meetings conducted.	4 Business Forum Meetings conducted.	8 Business Forum Meetings conducted.	R80 000	3%	Only two forums were conducted during the 2019/20 financial year	The 2 business forum meetings could not be conducted due to Covid 19 lockdown.  The target has been reviewed and put as part of plan for 2020/2021 financial year.	NOT ACHIEVED	NOT ACHIEVED

	Conduct site inspection to the 5 tuck-shops of the youth SMMEs supported by the municipality with stock	Number of side visits to each of the 5 tuck-shops of the youth SMMEs	4 side visits to each of the 5 tuck-shops of the youth SMMEs supported by the municipality with stock	None		3%	Side visits to the 5 tuck-shops were conducted.	N/A	<b>ACHIEVED</b>	<b>ACHIEVED</b>
	Issue street trading permits	Number of street trading permits issued by 30 June 2020	10 street trading permits	20		3%	Street trading permits were issued	N/A	<b>ACHIEVED</b>	<b>ACHIEVED</b>
	Issue business licenses	Number of business licenses issued by 30 June 2020	20 business licenses	20		3%	Business licenses were issued	N/A	<b>ACHIEVED</b>	<b>ACHIEVED</b>
	Conduct site visits to Iyo park poultry youth cooperative	Number of side visits to Iyo park poultry youth cooperative	4 side visits to Iyo park poultry youth cooperative.	None		2%	Side visits to the Iyo park poultry youth cooperative	N/A	<b>ACHIEVED</b>	<b>ACHIEVED</b>
	Conduct site visits to commonage piggery project.	Number of side visits to commonage piggery project.	4 side visits to commonage piggery project.	None		2%	Side visits to commonage piggery were conducted	N/A	<b>ACHIEVED</b>	<b>ACHIEVED</b>

	Conduct tourism awareness campaign	Number of tourism awareness campaigns conducted.	1 tourism awareness campaign conducted by 30 June 2020.	None		1%	Tourism awareness campaign conducted	N/A	ACHIEVED	ACHIEVED
	Appropriate 30% of the capital budget to the local contractors	% of the capital budget appropriated to the local contractors.	30% of the 2019/ 20 capital budget appropriated to local service providers	30% allocated to local service providers		3%	30% of capital projects/ budget was appropriated to local service providers	N/A	ACHIEVED	ACHIEVED
				TOTAL		20%				
DEPARTMENT: MUNICIPAL MANAGER OFFICE							ACTUAL PERFORMANCE REPORTING			
KEY PERFORMANCE AREA 4 - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREME NT	ANNUAL TARGETS 2019/20	COMPARIS ON WITH 2018/19 TARGETS	ANNUAL BUDGET ALLOCATI ON	WEIGH T	ACTUAL PERFORMANCE	CORRECTI VE MEASURE S TAKEN OR REASONS FOR VARIANCE	INTERNA L AUDITOR S COMMEN TS	ACHIEVEME NT STATUS

To enhance the revenue base of the municipality , improved audit outcome, promote sound financial governance and management	Obtain unqualified audit opinion on the financial statements	Unqualified audit opinion on the 2018/ 2019 Financial Statements	Obtain Unqualified audit opinion on the 2018/ 2019 Financial Statements	Qualified audit opinion.	R2 700 000	2%	The municipality has obtained qualified audit opinion.	The municipality was qualified based on the material findings on assets.  The municipality has developed an audit action plan to address all the findings of the AGSA and the plan has been monitored on monthly basis	NOT ACHIEVED	NOT ACHIEVED
	Organisational overtime expenditure (2019/ 2020 overtime - 2018/ 2019 overtime) x 100	Reduce the organisational overtime by 30% by 30 June 2020 (2019/ 2020 overtime - 2018/ 2019 overtime)/ 2018/ 2019	Reduce the organisational overtime by 30% by 30 June 2020 (2019/ 2020 overtime - 2018/ 2019 overtime)/	None	R4 742 000	2%	Organisational overtime was reduced by 19% as at 30 June 2020.	None	NOT ACHIEVED	NOT ACHIEVED

		overtime x 100	2018/ 2019 overtime x 100							
	Establish the revenue enhancement committee	Number of revenue enhancement committees established	1 revenue enhancement committee established by 30 June 2020.	None		2%	The revenue enhancement committee has been established	N/A	ACHIEVED	ACHIEVED
	Review the organisational Revenue enhancement strategy and submit to the council for adoption	Number of organisational revenue enhancement strategy reviewed and submitted to council.	1 organisational revenue enhancement strategy reviewed and submitted to council.	Approved Revenue enhancement strategy		1%	The Management has developed and submitted the revenue enhancement strategy to council	The council did not consider the revenue enhancement strategy.	ACHIEVED	ACHIEVED
	Spend financial management grant as per DoRA conditions	Percentage spent on financial management grant as per Dora conditions	100% Spending on FMG as per DoRA conditions (June 2020)	100% of FMG spent		3%	100% of FMG was spent	N/A	ACHIEVED	ACHIEVED

	Compile MFMA Section 72 Report and submit to relevant stakeholders.	Number of MFMA section 72 reports submitted to stakeholders.	1 MFMA section 72 reports submitted to stakeholders by 25 January 2020.	Section 72 Report submitted to NT and PT		3%	Compiled 1 MFMA section 72 report and submitted to stakeholders.	N/A	<b>ACHIEVED</b>	<b>ACHIEVED</b>
	Compile the municipal supplementary valuation roll for 2020/ 2021 financial year	Number of municipal supplementary valuation rolls compiled	1 certified supplementary valuation roll by 31 March 2020	Certified municipal valuation roll.	R1 000 000	3%	Certified municipal valuation roll	N/A	<b>ACHIEVED</b>	<b>ACHIEVED</b>
	Submit adjustment budget to council.	Number of adjustment budget submitted to council.	1 Council approved adjustment budget (February 2020)	1 Approved adjustment budget	R4 742 000	2%	Consolidated Municipal adjustment budget was submitted to Council for approval	N/A	<b>ACHIEVED</b>	<b>ACHIEVED</b>
	Submit the municipal budget to council.	Number of municipal budget submitted to council	1 municipal budget submitted to council.	1 Approved budget		2%	Consolidated Municipal budget was submitted to Council for approval	N/A	<b>ACHIEVED</b>	<b>ACHIEVED</b>
				<b>TOTAL</b>		20%				

DEPARTMENT: MUNICIPAL MANAGER							ACTUAL PERFORMANCE REPORTING			
KEY PERFORMANCE AREA 5 - GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
OBJECTIV E	KEY PERFORMAN CE INDICATOR (KPI)	UNIT OF MEASUREME NT	ANNUAL TARGETS 2019/20	COMPARIS ON WITH 2017/18 TARGETS	ANNUAL BUDGET ALLOCATI ON	WEIGH T	ACTUAL PERFORMAN CE	CORRECTI VE MEASURE S TAKEN OR REASONS FOR VARIANCE	INTERNA L AUDITOR S COMMENT S	ACHIEVEME NT STATUS
To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability and responsive governance structures.	Develop the annual calendar (Council, EXCO, Sec 80 Comm, Audit Committee, Risk Committee and MPAC) and submit to council for adoption	Number of developed annual calendars of council and committees meetings.	1 annual calendar developed and submitted to council for approval by July 2019.	Approved annual calendar of council meetings	R4 742 000	1%	Annual calendar developed and submitted to council for approval by July 2019	N/A	ACHIEVED	ACHIEVED
	Develop the municipal turnaround strategy and submit to council for approval.	Number of turnaround strategies developed and submitted to council for approval.	1 municipal turnaround strategy developed and submitted to council for approval by	None		1%	1 municipal turnaround strategy was developed and submitted to council by 30 June 2020	N/A	ACHIEVED	ACHIEVED

			30 June 2020.						
	Review and approve the service delivery improvement plan.	Number of service delivery improvement plans reviewed and approved by the municipal manager.	1 reviewed and approved service delivery improvement plan by the accounting officer by 30 August 2019	None		1%	Service delivery improvement plan has been approved by the municipal manager.	N/A	ACHIEVED
	convene the ordinary council meetings	Number of ordinary council meetings convened.	4 ordinary council meeting convened per annum	4 ordinary council meetings		1%	4 ordinary council meetings have been convened	N/A	ACHIEVED
	Develop service delivery and budget implementation plan and submit to the	Number of service delivery and budget implementation plans developed and	1 service delivery and budget implementation plan developed and	Approved 2018/19 SDBIP		1%	SDBIP developed and submitted to the Mayor by July 2019	N/A	ACHIEVED



	Mayor for approval.	submitted to the Mayor	submitted to the Mayor by July 2019.						
	Table the Annual report of 2018/2019 for adoption by council.	Number of annual reports tabled to council	1 Annual report tabled to council by January 2020.	Draft 2017/2018 Annual Report		1%	Annual report tabled to Council by January 2020	N/A	ACHIEVED
	Publish the draft Annual report for 21 days on the municipal website	Number on publications for the annual reports on the website	1 publication of the annual report on the website by January 2020	1 publication of the draft Annual report		1%	The annual report has been publicised on the website by January 2020	N/A	ACHIEVED
	Convene Oversight Committee to consider the Draft 2018/2019 Annual Report	Number of oversight committees convened to consider the draft annual report	1 oversight committee convened to consider the draft annual report.	1 Oversight Report		1%	Oversight committee meeting was convened to consider the draft annual report	N/A	ACHIEVED

	Table the oversight committee report to council for approval of the 2018/ 2019 annual report.	Number of oversight committee reports tabled to council for approval of the 2018/ 2019 annual report.	1 oversight committee report tabled to council for approval of the 2018/ 2019 annual report by march 2020.	Approved 2017/2018 Annual report		2%	Oversight committee report was tabled to council for approval.	N/A	<b>ACHIEVE D</b>	<b>ACHIEVED</b>
	Table to council the reviewed integrated development plan after consultation with the relevant stakeholders.	Number of reviewed integrated development plans tabled to council.	1 reviewed integrated development plan table to council after consultation with the relevant stakeholders .	Approved 2017/18 IDP		2%	IDP reviewed and tabled to Council	N/A	<b>ACHIEVE D</b>	<b>ACHIEVED</b>
	Review the 3 year internal audit plan based on the risk assessment and submit to the audit committee for approval by 30 June 2020	Number of reviewed 3 year internal audit plan based on the risk assessment and submitted to the audit committee	1 reviewed 3 year internal audit plan based on risk assessment and submitted to the audit committee for approval by 30 June 2020	Approved 3 year risk based plan		1%	3 year risk based internal audit plan has been submitted to the audit committee	N/A	<b>ACHIEVE D</b>	<b>ACHIEVED</b>

	Report to the audit committee on the implementation of the annual internal audit plan and internal audit activities .	Number of reports submitted to the audit committee on the implementation of the annual internal audit plan and internal audit activities	4 quarterly reports submitted to the MM and the Audit committee	4 quarterly reports		1%	4 quarterly reports have been submitted to the MM and the audit committee	N/A	<b>ACHIEVED</b>	<b>ACHIEVED</b>
	Convene Municipal Public Account Committee meetings.	Number of MPAC meetings convened	4 Municipal Public Accounts Committee meetings coordinated.	4 Meetings		1%	4 municipal accounts committee meetings have been coordinated	N/A	<b>ACHIEVED</b>	<b>ACHIEVED</b>
	Convene the audit committee meetings	Number of audit committee meeting convened	4 audit committee Meetings (1 per quarter)	5 Meetings		1%	5 audit committee meetings have been convened	N/A	<b>ACHIEVED</b>	<b>ACHIEVED</b>

	Submit quarterly risk management reports to the audit, risk and performance committee on the implementation of measures in the action plans.	Number of risk management reports submitted to the APRC.	4 quarterly reports submitted to the audit, risk and performance committee on the implementation of measures in the action plan	None		1%	No risk management activities performed in the financial year under review.	The risk officer resigned and therefore there was no official performing the risk and compliance activities in the financial year under review.  The management will advertise the position of risk and compliance officer to fill the vacancy.	NOT ACHIEVED	NOT ACHIEVED
	Update municipal indigent register.	Number updated municipal indigent register.	100% update of the municipal indigent register captured to the municipal billing for implementation	1 Updated register		1%	100% updates of the municipal indigent register captured to the municipal billing for implementation in 2020/	N/A	ACHIEVED	ACHIEVED

			on in 2020/ 2021				2021			
	Submit consolidated ward committees reports to the Speaker.	Number of quarterly ward committees consolidated reports submitted to the speaker	4 quarterly consolidated ward committee reports submitted to the speaker.	Monthly reports have been submitted		1%	2 consolidated ward committees reports have been prepared and submitted.	Ward committee meeting in the third and fourth quarter could not sit due to Covid 19 Lockdown.  The target has been reviewed and put as part of 2020/2021 planning.	<b>NOT ACHIEVED</b>	<b>NOT ACHIEVED</b>

	Convene LLF Meetings	Number of LLF meetings held.	4 LLF Meetings per annum(1 per quarter)	2 Meetings held		1%	2 LLF meetings were held.	<p>The LLF meeting scheduled for September 2019 could not take place due to councillors attending training at UFH in East London.</p> <p>The meeting for 01 October 2019 did not take place as there was not quorum.</p> <p>The target has been reviewed and included as part of 2020/2021 financial year.</p>	ACHIEVED	ACHIEVED
				TOTAL		20%				

DEPARTMENT: FINANCE							ACTUAL PERFORMANCE REPORTING			
KEY PERFORMANCE AREA 1 - MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT										
OBJECTIVE	KEY PERFORMAN CE INDICATOR (KPI)	UNIT OF MEASUREME NT	ANNUAL TARGETS 2019/20	COMPARIS ON WITH 2018/19 TARGETS	ANNUAL BUDGET ALLOCATI ON	WEIGH T	ACTUAL PERFORMAN CE	CORRECTI VE MEASURE S TAKEN OR REASONS FOR VARIANCE	INTERNA L AUDITOR S COMMENT S	ACHIEVEME NT STATUS
To enhance responsiveness to citizen's priorities and capabilities of delivery of quality services, quality management and administrative practices	Conduct the departmental meetings	Number of departmental meetings conducted.	4 Quarterly departmental meetings	4 Meetings held	R23 153 000	10%	4 quarterly department meetings have been conducted	N/A	ACHIEVED	ACHIEVED
	Prepare monthly Performance reports and submit to municipal Manager	Number of performance reports submitted to the municipal manager.	12 Monthly performance report submitted to the municipal manager.	12 monthly reports		5%	12 monthly performance reports have been submitted to the municipal manager.	N/A	ACHIEVED	ACHIEVED
				TOTAL		15%				
DEPARTMENT: FINANCE							ACTUAL PERFORMANCE REPORTING			

KEY PERFORMANCE AREA 2 - INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL TARGETS 2019/20	COMPARISON WITH 2018/19 TARGETS	ANNUAL BUDGET ALLOCATION	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITOR'S COMMENTS	ACHIEVEMENT STATUS
Maintain and upgrade basic infrastructure at local level	Appropriate funds for repairs and maintenance of infrastructure assets in the 2020/ 2021 Medium term revenue and expenditure framework.	Funds allocated for repairs and maintenance for 2020/ 2021 financial year.	R7 500 000 allocated for repairs and maintenance for 2020/ 2021 Financial year in the Medium term revenue and expenditure framework for infrastructure assets.	R7 448 000 allocated for repairs and maintenance for 2018/ 2019 Financial year in the Medium term revenue and expenditure framework for infrastructure assets.	R8 841 500	10%	R 8 841 500.00 was budgeted for repairs and maintenance	N/A	ACHIEVED	ACHIEVED



To ensure free access to clean, quality and sustainable water services to households	Provide registered indigent households with free basic water	% of registered indigent households provided with free basic water.	90% of registered indigent households provided with free basic water	3792 registered households to be provided with free access to water.	R1 700 000	5%	100% of registered indigent households are provided with basic water	N/A	<b>ACHIEVE D</b>	<b>ACHIEVED</b>
To ensure provision of free sustainable electricity services to indigent household.	Provide registered indigent households with free basic electricity.	% of registered indigent households provided with free basic electricity,	90% of registered indigent households provided with free basic electricity	3970 registered households to be provided with free access to Electricity.	R3 120 000	5%	100% of registered indigent households are provided with basic electricity	N/A	<b>ACHIEVE D</b>	<b>ACHIEVED</b>
To ensure free access to safe and sustainable sanitation services to indigent households.	Provide registered indigent households with free basic sanitation	% of registered indigent households provided with free basic sanitation.	90% of registered indigent households provided with free basic sanitation	3970 registered households to be provided with free access to sanitation.	R1 800 000	5%	100% of registered indigent households are provided with access to sanitation	N/A	<b>ACHIEVE D</b>	<b>ACHIEVED</b>

To ensure free access to regular and sustainable refuse removal services to indigent household	provide registered indigent households with free basic refuse removal.	% registered indigent households provided with free basic refuse removal.	90% registered indigent households provided with free basic refuse removal.	3970 registered households to be provided with free access to refuse removal.	R1 700 000	5%	100% of registered indigent households are provided with access to refuse removal services	N/A	ACHIEVED	ACHIEVED
				TOTAL		30%				
DEPARTMENT: FINANCE							ACTUAL PERFORMANCE REPORTING			
KEY PERFORMANCE AREA 3 - LOCAL ECONOMIC DEVELOPMENT										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL TARGETS 2019/20	COMPARISON WITH 2018/19 TARGETS	ANNUAL BUDGET ALLOCATION	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
Create an environment that promotes development of the local economy and facilitate	Appropriate 30% of the capital budget to the local contractors	% of the capital budget appropriated to the local contractors.	30% of the 2019/ 20 capital budget appropriated to local service providers	30% allocated to local service providers	R16 488 000	5%	30% of capital projects/ budget was appropriated to local service providers	N/A	ACHIEVED	ACHIEVED

job creation.	Appropriate funds for local economic development in the 2020/ 2021 Medium term revenue and expenditure framework.	Funds allocated for local economic developments for 2020/ 2021 financial year.	R50 000 allocated for local economic development for 2020/ 2021 Financial year in the Medium term revenue and expenditure framework	R60 allocated for local economic development for 2019/ 2021 Financial year in the Medium term revenue and expenditure framework	R80 000	5%	R80 000.00 has been allocated to LED.	N/A	ACHIEVED	ACHIEVED
				TOTAL		10%				
DEPARTMENT: FINANCE							ACTUAL PERFORMANCE REPORTING			
KEY PERFORMANCE AREA 4 - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREME NT	ANNUAL TARGETS 2019/20	COMPARIS ON WITH 2018/19 TARGETS	ANNUAL BUDGET ALLOCATI ON	WEIGH T	ACTUAL PERFORMANCE	CORRECTI VE MEASURE S TAKEN OR REASONS FOR VARIANCE	INTERNA L AUDITOR S COMMEN TS	ACHIEVEME NT STATUS
To enhance the revenue base of the municipality, improved audit outcome,	Review budget related policies and submit to council for approval.	Number of budgeted related policies submitted to council.	10 Budget related policies submitted to the council by June 2020	10 Policies approved with the budget	R28 329 000	1%	14 Budget related policies were submitted to Council for approval	N/A	ACHIEVED	ACHIEVED

promote sound financial governance and management .	Develop the schedule of budget timelines and IDP process plan and submit to council for approval.	Number of schedules of budget timelines and IDP process plan submitted to council for approval	1 Schedule of budget timelines and IDP process plan submitted to council for approval by 30 June 2020	Schedule prepared with the Process Plan - Approved August 2019	1%	The budget timelines and IDP and process were submitted to Council	N/A	ACHIEVE D	ACHIEVED
	Compile consolidated municipal budget and submit to council for approval.	Number of municipal budgets submitted to council for approval	1 compiled and consolidated municipal budget submitted to council for approval.	Approved budget	1%	Consolidated Municipal budget was submitted to Council for approval	N/A	ACHIEVE D	ACHIEVED
	Compile consolidated municipal adjustment budget and submit to council for approval	Number of municipal adjustment budgets submitted for approval	Compiled and consolidated municipal Adjustment budget 28 February 2020	Approved budget	1%	Consolidated Municipal adjustment budget was submitted to Council for approval	N/A	ACHIEVE D	ACHIEVED
	Update municipal indigent register.	% Update of the municipal indigent register.	100% update of the municipal register captured to the municipal	1 Updated register	1%	100% updated of the municipal register captured to the municipal billing for implementatio	N/A	ACHIEVE D	ACHIEVED

			billing for implementation in 2020/2021			n				
	Review of the departmental revenue enhancement strategy and submit to the municipal manager.	Number of reviewed revenue enhancement strategies.	1 reviewed departmental revenue enhancement strategy and acknowledged by the Municipal Manager by 30 June 2020	Approved Revenue enhancement strategy		2%	The revenue enhancement strategy has been developed and submitted to MM	N/A	ACHIEVED	ACHIEVED
	Develop departmental procurement plans and submit to the Municipal Manager for approval.	Number of developed departmental procurement plan acknowledged by the Municipal manager.	1 developed departmental procurement plan acknowledged by the municipal manager by 30 July 2019	None		1%	Procurement plan was developed and acknowledged by the Municipal Manager.	N/A	ACHIEVED	ACHIEVED

	Reduce the departmental overtime expenditure (2019/ 2020 overtime - 2018/ 2019 overtime) x 100 [182 929,36 - 128 050,3 = 54 879,06]	Departmental overtime expenditure (2019/ 2020 overtime - 2018/ 2019 overtime)/ 2018/ 2019 overtime x 100	Reduce the departmental overtime by 30% by 30 June 2020 (2019/ 2020 overtime - 2018/ 2019 overtime)/ 2018/ 2019 overtime x 100	None		2,0%	The departmental overtime has been reduced by 68% as at 30 June 2020	N/A	ACHIEVED	ACHIEVED
	Compile the municipal supplementary valuation roll for 2020/ 2021 financial year	Number of municipal supplementary valuation rolls compiled	1 certified supplementary valuation roll by 31 March 2020	Certified municipal valuation roll.		1%	The supplementary valuation roll has been certified.	N/A	ACHIEVED	ACHIEVED
	Issue monthly consumer accounts to all registered consumers of municipal services	% of issuing of monthly consumer accounts to all registered consumers	100% of issuing of monthly consumer accounts	100%		1%	100% of monthly consumer accounts have been billed.	N/A	ACHIEVED	ACHIEVED

	Submit D-forms to NERSA	Number of D-forms submitted to NERSA	1 D_forms submitted to NERSA by October 2019	Submitted D-Forms		1%	Both Financial and Non-Financial D-Forms were submitted in October 2019	N/A	ACHIEVE D	ACHIEVED
	Submit the Financial Management Grant activity plan to National Treasury	Number of financial management grant activity plans submitted to National Treasury.	1 financial management grant activity plan submitted to National Treasury by 30 March 2020.	Submitted FMG to NT		1%	FMG activity plan has been submitted to treasury	N/A	ACHIEVE D	ACHIEVED
	Update conditional grants register.	Number of conditional grants registers updated.	12 monthly updated conditional grants registers	Register updated monthly		1%	12 monthly updates of conditional grants registers have been done.	N/A	ACHIEVE D	ACHIEVED

	Submit MFMA section 71 reports electronically to stakeholders (Mayor, Provincial and National Treasury)	Number of MFMA section 71 reports submitted to stakeholders (Mayor, Provincial and National Treasury)	12 Monthly MFMA section 71 reports submitted electronically to stakeholders (Mayor, Provincial and National Treasury)	Reports submitted monthly		1%	12 monthly section 71 reports submitted to treasury in a form of data strings	N/A	<b>ACHIEVED</b>	<b>ACHIEVED</b>
	Compile municipal Annual financial statement for 2018/ 2019 financial year	Number of compiled Annual financial statement for 2018/ 2019 year	1 Compiled municipal Annual financial statements and signed by the CFO by 30 August 2019	Compiled and signed annual financial statements		2%	The annual financial statements have been compiled and signed by the CFO by 30 August 2019	N/A	<b>ACHIEVED</b>	<b>ACHIEVED</b>
	Compile MFMA Section 72 Report and submit to relevant stakeholders.	Number of MFMA section 72 reports submitted to stakeholders.	1 MFMA section 72 reports submitted to stakeholders by 25 January 2020.	Section 72 Report submitted to NT and PT		2%	MFMA section 72 reports submitted to stakeholders by 25 January 2020	N/A	<b>ACHIEVED</b>	<b>ACHIEVED</b>



	Compile schedule C reports to the municipal manager	Number of schedule C reports compiled and submitted to the municipal manager.	12 Monthly Schedule C reports prepared and submitted to the Municipal manager	12 Schedule C reports submitted		1%	12 Monthly Schedule C reports have been compiled.	N/A	<b>ACHIEVE D</b>	<b>ACHIEVED</b>
	Update Municipal Asset additions list on the monthly basis.	Number of updated municipal asset additions list.	12 updated municipal assets additions list	12 Updates conducted		1%	12 updates on municipal assets additions list have been submitted.	N/A	<b>ACHIEVE D</b>	<b>ACHIEVED</b>
	Attend to issues raised and proposed corrective measures by the AGSA.	Percentage of issues raised and proposed corrective measures by the AGSA attended to.	95% of issues raised and proposed corrective measures by the AGSA attended to	60% of issues attended to.		1%	64% of issues raised and proposed corrective measures by the AGSA have been attended to.	None	<b>NOT ACHIEVE D</b>	<b>NOT ACHIEVED</b>
	Attend to issues raised and proposed corrective measures by the Internal auditors.	Percentage of issues raised and proposed corrective measures by the Internal auditors attended to.	95% of issues raised and proposed corrective measures by the Internal auditors attended to	50% of issues attended to.		2%	0% issues raised and proposed corrective measures by internal audit have been attended to.	None	<b>NOT ACHIEVE D</b>	<b>NOT ACHIEVED</b>

	Spend financial management grant as per DoRA conditions	Percentage spent on financial management grant as per Dora conditions	100% Spending on FMG as per DoRA conditions (June 2020)	100% of FMG spent		1%	100% spent on FMG	N/A	ACHIEVE D	ACHIEVED
	Pay creditors within 30 days of the receipt of the invoices	Percentage payment of creditors within 30 days of receipt of the invoices.	50% of all creditors paid within 30 days (Monthly)	88% of creditors paid		1%	Average of 72% of creditors are paid within 30 days on a monthly basis.	N/A	ACHIEVE D	ACHIEVED
	Submit the VAT returns to SARS	Number of VAT returns submitted to SARS	12 monthly VAT returns submitted to SARS	12 Returns submitted to SARS		1%	12 monthly vat returns submitted to SARS.	N/A	ACHIEVE D	ACHIEVED
	Submit EMP 201 forms to SARS	Number of EMP 201 forms submitted to SARS	12 Monthly EMP 201 forms submitted to SARS	12 Returns submitted to SARS		1%	12 monthly EMP forms submitted	N/A	ACHIEVE D	ACHIEVED
	Compile Supply Chain Management implementation reports and submit to the municipal manager.	Number of supply chain management implementation reports compiled and submitted to municipal manager	4 SCM Implementation reports submitted to the Municipal Manager (Quarter 1, 2, 3 and 4)	4 SCM implementation reports submitted to MM		1%	4 quarterly SCM implementation reports have been prepared and submitted to the municipal manager.	N/A	ACHIEVE D	ACHIEVED

				TOTAL		30%				
DEPARTMENT: FINANCE							ACTUAL PERFORMANCE REPORTING			
KEY PERFORMANCE AREA 5 - GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
OBJECTIVE	KEY PERFORMAN CE INDICATOR (KPI)	UNIT OF MEASUREME NT	ANNUAL TARGETS 2019/20	COMPARIS ON WITH 2018/19 TARGETS	ANNUAL BUDGET ALLOCATI ON	WEIGH T	ACTUAL PERFORMAN CE	CORRECTI VE MEASURE S TAKEN OR REASONS FOR VARIANCE	INTERNA L AUDITOR S COMMENT TS	ACHIEVEME NT STATUS
To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability and responsive governance structures.	Attend public consultation on the 2020/2021 annual budget and tariffs	Attendance register for the public consultations.	4 Meetings for public consultation on the 2019/2020 annual Budget and tariffs by 30 June 2020	2 meetings	R28 219	2,5%	4 meetings for public consultation on the 2019/2020 annual budget and tariffs were conducted.	N/A	ACHIEVED	ACHIEVED
	Implement the council resolutions within the prescribed timeframes.	Percentage of council resolution implemented within the required time frame	100% of the council resolutions implemented within the required timeframes.	80%		5,0%	90% of the council resolutions have been implemented with the required	N/A	ACHIEVED	ACHIEVED

	Prepare reports on implementation of a compliance checklist pertaining to key legislation requirements for the department	Number of progress reports on the implementation of a compliance checklist.	4 quarterly reports on the implementation of the compliance checklist.	4 reports		5,0%	No compliance management checklists updates conducted	<p>The risk officer resigned and therefore there was no official performing the risk and compliance activities in the financial year under review.</p> <p>The management will advertise the position of risk and compliance officer to fill the vacancy.</p>	NOT ACHIEVED	NOT ACHIEVED
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	Prepare reports on implementation of the risk management action plans	Number reports on the implementation of the risk management action plans	12 reports on the implementation of the risk management action plans	12 reports		2,5%	No risk management activities performed in the financial year under review.	The risk officer resigned and therefore there was no official performing the risk and compliance activities in the financial year under review.  The management will advertise the position of risk and compliance officer to fill the vacancy.	NOT ACHIEVED	NOT ACHIEVED
				TOTAL		15%				

DEPARTMENT: TECHNICAL SERVICES							ACTUAL PERFORMANCE REPORTING			
KEY PERFORMANCE AREA 1 - MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT										
OBJECTIVE	KEY PERFORMAN CE INDICATOR (KPI)	UNIT OF MEASUREME NT	ANNUAL TARGETS 2019/20	COMPARIS ON WITH 2018/19 TARGETS	ANNUAL BUDGET ALLOCATI ON	WEIGH T	ACTUAL PERFORMAN CE	CORRECTI VE MEASURE S TAKEN OR REASONS FOR VARIANCE	INTERNA L AUDITOR S COMMENT S	ACHIEVEME NT STATUS
To enhance responsiveness to citizen's priorities and capabilities of delivery of quality services, quality management and administrative practices	Conduct the departmental meetings	Number of departmental meetings conducted.	4 Quarterly departmental meetings	4 Meetings held	R9 475 000	5%	4 department meetings have been conducted.	N/A	ACHIEVED	ACHIEVED
	Prepare monthly Performance reports and submit to municipal Manager	Number of performance reports submitted to the municipal manager.	12 Monthly performance report submitted to the municipal manager.	12 monthly reports		5%	12 Monthly performance reports have been submitted to the municipal manager	N/A	ACHIEVED	ACHIEVED
				TOTAL		10%				
DEPARTMENT: TECHNICAL SERVICES							ACTUAL PERFORMANCE REPORTING			
KEY PERFORMANCE AREA 2 - INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY										

OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL TARGETS 2019/20	COMPARISON WITH 2018/19 TARGETS	ANNUAL BUDGET ALLOCATION	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITOR'S COMMENTS	ACHIEVEMENT STATUS
To ensure access to clean, quality and sustainable water services to households, public facilities and businesses.	Limit water network losses to less than 15% by 30 June 2020 (Difference between water supplied and water billed) ( number of kilolitres water purchased/ purified - number of kilolitres water sold) / number of kilolitres water purchased/ purified x 100} in both towns.	% water losses reported.	Water losses limited to 15%	25% water losses.	R24 109 000	2%	Water losses for the year amounted to 14%	N/A	ACHIEVED	ACHIEVED

	Provide formalized households, public facilities and businesses with access to clean, quality and sustainable water services	% of all formalised households, public facilities and businesses with access to clean, quality and sustainable water services.	90% of formalised households, public facilities and businesses supplied with clean, quality and sustainable water services	90% households		4,0%	91,52% of formalise households has access to clean, quality and sustainable water losses  100% of the public facilities and businesses have access to clean, quality and sustainable water services.	N/A	ACHIEVE D	ACHIEVED
To ensure access to safe and sustainable sanitation services to households,	Provide formalized households, public facilities and businesses with access to	% of all formalised households, public facilities and businesses with access to	90% of all formalised households, 100% of public facilities and businesses	90%	R20 464 000	4,0%	81,15% of formalized households have access to safe and sustainable sanitation	There is new developments in hoopstad that let to the decline		
									NOT ACHIEVE D	NOT ACHIEVED



public facilities and households.	safe and sustainable sanitation services.	safe and sustainable sanitation services. (number of households with access/ number of total formalised households) x 100	with access to safe and sustainable sanitation services				services. 100% of the public facilities and businesses have access to clean, quality and sustainable water services.	in the percentage of access, The municipality has applied for funding to connect services to the new developments	<b>NOT ACHIEVED</b>	<b>NOT ACHIEVED</b>
To ensure accessible road infrastructure and increased life span through proper construction and maintenance of roads and storm water drainages.	Complete the rehabilitation and upgrading of 1.3 km paved road in Phahameng.	% completion for rehabilitation and upgrading of 1.3 km paved road in Phahameng.	100% completion of the rehabilitation and upgrading of 1.3 km paved road in Phahameng by 30 June 2020.	100% 2 km paved road in Phahameng	R550 000	5,0%	75% completion of the rehabilitation and upgrading of 1.3 km paved road in Phahameng.	The project could not be completed due to COVID 19 lockdown.  The target has been reviewed and put as a target in the 2020/ 2021 financial year.	<b>NOT ACHIEVED</b>	<b>ACHIEVED</b>

Promote effective and efficient sport and recreation development	Complete construction of the cricket pitch in Phahameng.	% completion for the construction of the cricket pitch in Phahameng.	100% completion of the construction of the cricket pitch in Phahameng by 30 September 2020	80% completed	R419 000	5,0%	100% completion of the construction of the cricket pitch in Phahameng.	N/A	<b>ACHIEVED</b>	<b>ACHIEVED</b>
To ensure access to safe and sustainable sanitation services to households, public facilities and households.	Complete sewer connections and building of toilet structures in Tikwana 499 sites.	% Completion of the sewer connections and building of toilet structures in Tikwana 499 sites	100 % completion of the sewer connections and building structure in Tikwana 499 sites by 30 June 2020.	60% expenditure by 30 June 2019	R323 000	5%	75% completion of the sewer connections and building structures in Tikwana 499 sites	The project could not be completed due to COVID 19 lockdown.  The target has been reviewed and put as a target in the 2020/ 2021 financial year.	<b>NOT ACHIEVED</b>	<b>NOT ACHIEVED</b>

To ensure access to safe and sustainable sanitation services to households, public facilities and households.	Complete sewer connections and building of toilet structures in Ext. 7 & 8 in Phahameng.	% Completion of the sewer connections and building of toilet structures in Ext. 7 & 8 in Phahameng.	60 % completion of the sewer connections and building structure in Ext. 7 & 8 in Phahameng by 30 June 2020.	0%	R1 257 000	5%	0% completion of the sewer connections and building and building toilet structures in Ext 7 & 8 in Phahameng,	The project could not be completed due to COVID 19 lockdown.  The target has been reviewed and put as a target in the 2020/ 2021 financial year.	<b>NOT ACHIEVED</b>	<b>NOT ACHIEVED</b>
To ensure provision of sustainable electricity services to all household, public facilities and businesses.	Provide formalized households , public facilities and businesses in Bultfontein and Hoopstad towns with access to electricity services.	% formalized households , public facilities and businesses in Bultfontein and Hoopstad towns with access to electricity services.	90% formalized households , public facilities and businesses in Bultfontein and Hoopstad towns with access to electricity services.	90%	R40 350 000	4%	92.56% of the formalised households have access to electricity services.  100% of public facilities and businesses have access to electricity services.	N/A	<b>ACHIEVED</b>	<b>ACHIEVED</b>

	Limit electricity losses to less than 15% by 30 June 2020 (number of electricity units purchased - number of electricity units sold)/ number of electricity units purchased) x 100	% electricity losses.	Limit electricity losses to less than 15% by 30 June 2020 (number of electricity units purchased - number of electricity units sold)/ number of electricity units purchased) x 100	15% electricity losses		2%	Total electricity losses amounted to 14%	N/A	ACHIEVE D	ACHIEVED
To ensure the provision of facilities that are adequate to treat, recover & dispose waste in a manner consistent with applicable regulations	Submit waste quantities report to national Waste Information System for Hoopstad landfill.	Number of reports submitted to NWIS	6 Reports submitted to the National Waste Information system (July 19- June 20)	6 reports	R9 729 000	1%	85% completion of the sewer connections and building structures in Tikwana 499 sites	N/A	ACHIEVE D	ACHIEVED
	Review the Integrated Waste Management Plan and submit to council for approval.	Number of IWMP reviewed and submitted to council.	1 Annual Review of Integrated Waste Management Plan and submitted to council for	Approved IWMP		1%	Integrated Waste Management Plan was submitted to council for approval.	N/A	ACHIEVE D	ACHIEVED

			approval.							
To ensure the sustainable use of natural resource within municipal area while promoting social and economic development	Review the integrated environmental management plan and submit to council for approval.	Number of IEMPs reviewed and submitted to council for approval.	1 Integrated Environmental Management Plan reviewed and submitted to council for approval	Approved IEMP		1%	Integrated Environmental Management Plan was reviewed and submitted to council for approval	N/A	ACHIEVED	ACHIEVED
To ensure access to regular and sustainable refuse removal services to all household, public facilities and businesses	Clean the municipal recreational parks.	Number of municipal recreational parks cleaned.	1 municipal recreational park cleaned.	1 municipal and recreational park		1%	1 municipal recreational park has been cleaned	N/A	ACHIEVED	ACHIEVED
	Clean municipal cemeteries.	Number of municipal cemeteries cleaned.	4 municipal cemeteries cleaned.	4 cemeteries		1%	4 municipal cemeteries were cleaned	N/A	ACHIEVED	ACHIEVED

	Clean municipal open spaces.	Number of municipal open spaces cleaned.	5 cleaned municipal Open Spaces per semester.	5 open spaces		1%	5 open spaces were cleaned	N/A	ACHIEVE D	ACHIEVED
	Clean municipal stadiums.	Number of municipal stadiums cleaned.	4 municipal stadiums cleaned per quarter.	4 stadiums		2%	4 municipal stadiums were cleaned	N/A	ACHIEVE D	ACHIEVED
	Provide formalized households, public facilities and businesses with weekly waste collection services (refuse removal)	Percentage of formalized households, public facilities and businesses provided with weekly waste collection services (refuse removal)	90% of formalized households, public facilities and businesses provided with weekly waste collection services (refuse removal)	90%		4%	100% of the formalized households, public facilities and businesses have been provided with weekly waste collection services (refuse removal)	N/A	ACHIEVE D	ACHIEVED

	Conduct environmental management awareness campaigns.	Number of environmental awareness campaigns conducted	4 reports awareness campaigns conducted (2 in 2nd quarter and 3rd quarter)	4 campaigns		1%	4 Environmental awareness campaigns were conducted	N/A	ACHIEVED	ACHIEVED
To promote effective EPWP with the aim of improved Job creation	Review the EPWP plan and submit to the municipal manager for approval.	Number of reviewed EPWP plan submitted to the municipal manager.	1 Reviewed EPWP plan submitted to the municipal manager for approval.	Approved EPWP Plan	R1 000 000	1%	EPWP plan was reviewed and submitted to the municipal manager for approval.	N/A	ACHIEVED	ACHIEVED
				TOTAL		50%				
DEPARTMENT: TECHNICAL SERVICES							ACTUAL PERFORMANCE REPORTING			
KEY PERFORMANCE AREA 3 - LOCAL ECONOMIC DEVELOPMENT										
OBJECTIVE	KEY PERFORMAN CE INDICATOR (KPI)	UNIT OF MEASUREME NT	ANNUAL TARGETS 2019/20	COMPARIS ON WITH 2018/19 TARGETS	ANNUAL BUDGET ALLOCATI ON	WEIGH T	ACTUAL PERFORMAN CE	CORRECTI VE MEASURE S TAKEN OR REASONS FOR VARIANCE	INTERNA L AUDITOR S COMMENT TS	ACHIEVEME NT STATUS

Create an environment that promotes development of the local economy and facilitate job creation.	Employ locally based unskilled labour in all the capital projects of the Municipality.	% local unskilled labour appointments is local based.	100% of unskilled labour on all the capital projects from the local municipal area	100% of unskilled labour (ongoing)	R1 000 000	3%	100% of unskilled labour was appointed in all the capital projects from local municipal area	N/A	ACHIEVED	ACHIEVED
	Appropriate 30% of the capital budget to the local contractors	% of the capital budget appropriated to the local contractors.	30% of the 2019/ 20 capital budget appropriated to local service providers	30% allocated to local service providers	R16 488 000	3%	30% of capital projects/ budget was appropriated to local service providers	N/A	ACHIEVED	ACHIEVED
	Create Full Time Equivalent (FTE) through government expenditure with EPWP grant by 30 June 2020	Number of FTE created.	48 Full Time Equivalent created by 30 June 2020	100	R1 000 000	4%	48 full time equivalent have been created by 20 June 2020	N/A	ACHIEVED	ACHIEVED
				TOTAL		10%				
DEPARTMENT: TECHNICAL SERVICES							ACTUAL PERFORMANCE REPORTING			
KEY PERFORMANCE AREA 4 - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
OBJECTIVE	KEY PERFORMAN	UNIT OF MEASUREME	ANNUAL TARGETS	COMPARIS ON WITH	ANNUAL BUDGET	WEIGH T	ACTUAL PERFORMAN	CORRECTI VE	INTERNA L	ACHIEVEME NT STATUS



	CE INDICATOR (KPI)	NT	2019/20	2018/19 TARGETS	ALLOCATI ON		CE	MEASURE S TAKEN OR REASONS FOR VARIANCE	AUDITOR S COMMENT S	
To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Prepare directorate's budget for 2020/21 based on the approved IDP	Departmental budget submitted to finance department.	Departmental budget approved as part of the annual budget by 30 June 2020	Budget inputs submitted to Finance	R9 475 000	2%	Departmental budget was incorporated in the annual budget.	N/A	ACHIEVED	ACHIEVED
	Prepare directorate's adjustment budget for 2019/20 financial year based on the approved midyear budget and performance assessment.	Departmental adjustment budget submitted to finance department.	Department adjustment budget approved as part of the municipal adjustment budget by February 2020.	Budget inputs submitted to Finance		2%	Departmental adjustment budget was incorporated in the municipal adjustment budget.	N/A	ACHIEVED	ACHIEVED

	Review of the departmental revenue enhancement strategy and submit to the municipal manager.	Number of reviewed revenue enhancement strategies.	1 reviewed departmental revenue enhancement strategy and acknowledged by the Municipal Manager by 30 June 2020	Approved Revenue enhancement strategy		2%	Departmental revenue enhancement strategy was acknowledged by the Municipal Manager	N/A	ACHIEVED	ACHIEVED
	Develop departmental procurement plans and submit to the Municipal Manager for approval.	Number of developed departmental procurement plan acknowledged by the Municipal manager.	1 developed departmental procurement plan acknowledged by the municipal manager by 30 July 2019	None		2%	The departmental procurement plan was submitted and acknowledged by the Municipal Manager by 30 July 2019	N/A	ACHIEVED	ACHIEVED
	Reduce the departmental overtime by 30% by 30 June 2020 (2019/ 2020 overtime - 2018/ 2019 overtime)/ 2018/ 2019 overtime x 100	% reduction of the departmental overtime	Reduce the departmental overtime by 30% by 30 June 2020 (2019/ 2020 overtime - 2018/ 2019 overtime)/ 2018/ 2019 overtime x	None		2%	The departmental overtime has been reduced by 30% as at 30 June 2020	N/A	ACHIEVED	ACHIEVED

			100							
	Reduce the departmental standby expenditure (2019/ 2020 standby - 2018/ 2019 standby)/ 2018/ 2019 standby x 100	% reduction of the departmental standby.	Reduce the departmental standby expenditure by 30% by 30 June 2020 (2019/ 2020 standby - 2018/ 2019 standby)/ 2018/ 2019 standby x 100	None		2%	The departmental standby expenditure has reduced by 30% as at 30 2020.	N/A	ACHIEVE D	ACHIEVED
	Submit D-forms to NERSA	Number of D-forms submitted to NERSA	1 D_forms submitted to NERSA by October 2019	Submitted D-Forms		1%	D-Forms were submitted to Nersa	N/A	ACHIEVE D	ACHIEVED

	Perform assets counts on municipal movable assets and submit to CFO	Number of Signed Assets count.	12 counts performed on municipal movable assets and submission to CFO	12 counts performed.		1%	12 counts performed on municipal movable assets have been submitted to CFO.	N/A	ACHIEVE D	ACHIEVED
	Perform conditional assessments on municipal infrastructure assets and yellow fleet	Number of conditional assessments conducted.	1 Condition assessment performed on all vehicles and infrastructure assets by 30 June 2020	1 conditional assessment.		2%	The conditional assessment has been done by the consultant assisting the municipality with the compilation of the asset register.	N/A	ACHIEVE D	ACHIEVED
	Perform inventory counts (Game, diesel, water, stores)	Number of inventory counts	12 monthly Inventory counts (Game, diesel, water, stores) (3 per quarter)	12 Counts conducted		1%	12 inventory counts have been conducted.	N/A	ACHIEVE D	ACHIEVED

	Attend to issues raised and proposed corrective measures by the AGSA.	Percentage of issues raised and proposed corrective measures by the AGSA attended to.	95% of issues raised and proposed corrective measures by the AGSA attended to	60% of issues attended to.		1%	59% of the issues raised and proposed corrective measures by AGSA have been attended to.	None	<b>NOT ACHIEVE D</b>	<b>NOT ACHIEVED</b>
	Attend to issues raised and proposed corrective measures by the Internal auditors.	Percentage of issues raised and proposed corrective measures by the Internal auditors attended to.	95% of issues raised and proposed corrective measures by the Internal auditors attended to	50% of issues attended to.		1%	0% of the issues raised and proposed corrective measure by internal auditors have been attended to.	None	<b>NOT ACHIEVE D</b>	<b>NOT ACHIEVED</b>
	Submit EPWP reports to CoGTA	Number of EPWP reports submitted to CoGTA	12 EPWP reports prepared & submitted (3 per quarter) to CoGTA	12 Reports submitted		2%	12 EPWP reports have been prepared and submitted to CoGTA.	N/A	<b>ACHIEVE D</b>	<b>ACHIEVED</b>
	Submit MIG reports to CoGTA	Number of MIG reports submitted to CoGTA	12 MIG reports prepared & submitted (3 per quarter)	12 Reports submitted		2%	12 MIG reports have been prepared and submitted.	N/A	<b>ACHIEVE D</b>	<b>ACHIEVED</b>
	Report spending to National Treasury on infrastructure	Proof of submission of MIG reports to National Treasury	12 MIG reports submitted to National Treasury	12 reports submitted		1%	12 MIG reports have been prepared and submitted to National	N/A	<b>ACHIEVE D</b>	<b>ACHIEVED</b>

	grant						Treasury.			
	Prepare month reconciliations on EPWP, INEP and MIG infrastructure grants and submit to the CFO	Number of reconciliations submitted to CFO	12 reconciliations submitted on infrastructure grants to the CFO	12 reconciliation submitted on infrastructure grants		1%	12 reconciliations submitted on infrastructure grants have submitted to CFO.	N/A	ACHIEVED	ACHIEVED
				TOTAL		25%				
DEPARTMENT: TECHNICAL SERVICES							ACTUAL PERFORMANCE REPORTING			
KEY PERFORMANCE AREA 5 - GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREM ENT	ANNUAL TARGETS 2019/20	COMPARIS ON WITH 2018/19 TARGETS	ANNUAL BUDGET ALLOCATI ON	WEIGH T	ACTUAL PERFORMANCE	CORRECTI VE MEASURE S TAKEN OR REASONS FOR VARIANCE	INTERNA L AUDITOR S COMMEN TS	ACHIEVEME NT STATUS
To promote and improve effective linkage between the community, stakeholders	Attend public consultation on the 2020/ 2021 annual budget and tariffs	Attendance register for the public consultations.	4 Meetings for public consultation on the 2019/ 2020 annual Budget and tariffs by 30	2 meetings	R9 463 000	1%	4 meetings for public consultation on the 2019/ 2020 annual budget and tariffs were	N/A	ACHIEVED	ACHIEVED

and the municipality to ensure accountability and responsive governance structures.			June 2020				conducted.			
	Develop service delivery improvement plan and submit to the municipal manager for approval.	Number of service delivery improvement plans developed and submitted to the municipal manager for approval.	1 service delivery improvement plan developed and submitted to the municipal manager for approval by 30 August 2019.	None		0,5%	The service delivery improvement plan was developed and submitted to the municipal manager.	N/A	ACHIEVED	ACHIEVED
	Prepare reports on implementation of a compliance checklist pertaining to key legislation requirements for the department	Number of progress reports on the implementation of a compliance checklist.	4 quarterly reports on the implementation of the compliance checklist.	4 reports		1%	No compliance management checklists updates conducted	The risk officer resigned and therefore there was no official performing the risk and compliance activities in the financial year under review.	NOT ACHIEVED	NOT ACHIEVED

								The management will advertise the position of risk and compliance officer to fill the vacancy.		
	Implement the council resolutions within the prescribed timeframes.	Percentage of council resolution implemented within the required time frame	100% of the council resolutions implemented within the required timeframes.	80%		1%	90% of the council resolutions have been implemented	N/A	ACHIEVED	ACHIEVED



	Prepare reports on implementation of the risk management action plans	Prepare reports on implementation of the risk management action plans	Prepare reports on implementation of the risk management action plans	Prepare reports on implementation of the risk management action plans		1%	No risk management activities performed in the financial year under review.	<p>The risk officer resigned and therefore there was no official performing the risk and compliance activities in the financial year under review.</p> <p>The management will advertise the position of risk and compliance officer to fill the vacancy.</p>	NOT ACHIEVED	NOT ACHIEVED
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	Develop all Service Level Agreements with the appointed service providers for capital projects and submit to the municipal manager for signatures.	Number of services level agreements developed and submitted to the municipal manager for approval.	4 service level agreements developed and submitted to the municipal manager for approval by 30 June 2020.	3 signed service level agreements.		1%	4 service level agreements developed and submitted to the municipal manager for approval.	None	<b>ACHIEVED</b>	<b>ACHIEVED</b>
				<b>TOTAL</b>		6%				

DEPARTMENT: CORPORATE SERVICES							ACTUAL PERFORMANCE REPORTING			
KEY PERFORMANCE AREA 1 - MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT										
OBJECTIVE	KEY PERFORMAN CE INDICATOR (KPI)	UNIT OF MEASUREME NT	ANNUAL TARGETS 2019/20	ANNUAL BUDGET ALLOCATI ON	COMPARIS ON WITH 2018/19 TARGETS	WEIGH T	ACTUAL PERFORMAN CE	CORRECTI VE MEASURE S TAKEN OR REASONS FOR VARIANCE	INTERNA L AUDITOR S COMMENT S	ACHIEVEME NT STATUS
To promote equal job opportunities, inclusion and redress.	Employ people inline with the employment equity targets.	Number of people employed inline with the EE targets.	2 People from employment equity target employed (newly appointed) by 30 June 2020 in compliance with the municipality' s approved employment equity plan	R61 468 000	2 people appointed.	5%	No people appointed in the 2019/ 2020 financial year.	The municipality did not appoint on vacant positions due to under collection of revenue by the municipality to fund vacant positions.	NOT ACHIEVE D	NOT ACHIEVED
To enhance responsiveness to citizen's priorities and capabilities of	Prepare monthly Performance reports and submit to	Number of performance reports submitted to the municipal	12 Monthly performance report submitted to the		12 monthly reports	3%	12 Monthly performance reports have been submitted to	N/A	ACHIEVE D	ACHIEVED

delivery of quality services, quality management and administrative practices	municipal Manager	manager.	municipal manager.				the municipal manager			
	Review the organisational structure and submit municipal for approval.	Number of organisational structures reviewed and submitted to the municipal manager for approval.	1 organisation al structure reviewed and submitted to the municipal manager for approval by 30 June 2020		Approved organisation al structure.	3%	Organisational structure was not reviewed in the financial year under review.	The organisation al structure was supposed to be reviewed in the fourth quarter of the financial year but due to Covid 19 lockdown the target could not be achieved.  The target has been reviewed and put as a target in the 2020/ 2021 financial year.	NOT ACHIEVED	NOT ACHIEVED

	Conduct OHASA awareness campaigns to ensure protection of employees.	Number of OHSA awareness campaigns.	4 Quarterly OHASA awareness campaigns conducted		4 Campaigns/ Reports conducted	4%	Only 2 quarterly OHASA awareness campaigns conducted.	The two other awareness campaigns could not be conducted due to Covid 19 lockdown.	<b>NOT ACHIEVED</b>	<b>NOT ACHIEVED</b>
	Conduct health and safety meetings.	Number of health and safety meetings conducted.	4 Quarterly health and safety meetings held.		4 quarterly health and safety meetings	5%	Only 2 quarterly health and safety meeting conducted.	Due to National lockdown 3rd and 4th quarter Health and Safety Meeting was not conducted	<b>NOT ACHIEVED</b>	<b>NOT ACHIEVED</b>
	Develop the work skills plans and submit to the municipal manager for approval.	Number of work skills plans developed and approved	1 WSP developed and approved (April 2020)		Approved WSP	5%	Work skills plan was developed and approved	N/A	<b>ACHIEVED</b>	<b>ACHIEVED</b>

	Capacitate councillors in line with the work skills plan.	Number of councillors Capacitated in terms of workplace skills plan	4 Councillors capacitated as per the WSP by 30 June 2020.		4 identified councillors trained	5%	4 Councillors are enrolled with university of fort hare	N/A	ACHIEVED	ACHIEVED
					TOTAL	30%				
DEPARTMENT: CORPORATE SERVICES							91,52% of formalise households has access to clean, quality and sustainable water losses100% of the public facilities and businesses have access to clean, quality and sustainable water services.			
KEY PERFORMANCE AREA 2 - INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY										
OBJECTIVE	KEY PERFORMAN CE	UNIT OF MEASUREME NT	ANNUAL TARGETS 2019/20	ANNUAL BUDGET ALLOCATI	COMPARIS ON WITH 2018/19	WEIGH T				

	INDICATOR (KPI)			ON	TARGETS				NOT ACHIEVED	NOT ACHIEVED
Expansion, modernisation, access and affordability of our Information and communications infrastructure ensured.	Install licenced Microsoft office to all municipal computers.	Percentage installation of licence Microsoft office.	100% installation of licenced Microsoft office to all municipal computers by 30 June March 2020.	R120 000	100%	10%	98% completion of the rehabilitation and upgrading of 1.3 km paved road in Phahameng.	The installation of the licenced Microsoft office could not be done due to budget constraints.  The indicator has been revised and included as part of future planning	NOT ACHIEVED	NOT ACHIEVED
	Install licenced anti virus to all municipal computers.	Percentage installation of licenced anti virus to all municipal computers.	100% installation of licensed anti virus to all municipal computers.	R30 000	100% of anti-virus was installed	10%	100% Installation of licenced Anti Virus	N/A	ACHIEVED	ACHIEVED

					TOTAL	20%	85% completion of the sewer connections and building structures in Tikwana 499 sites			
DEPARTMENT: CORPORATE SERVICES KEY PERFORMANCE AREA 3 - LOCAL ECONOMIC DEVELOPMENT							92.56% of the formalised households have access to electricity services. 100% of public facilities and businesses have access to electricity services.			
KEY PERFORMANCE AREA 3 - LOCAL ECONOMIC DEVELOPMENT										
OBJECTIVE	KEY PERFORMAN CE INDICATOR (KPI)	UNIT OF MEASUREME NT	ANNUAL TARGETS 2019/20	ANNUAL BUDGET ALLOCATI ON	COMPARIS ON WITH 2018/19 TARGETS	WEIGH T	85% completion of the sewer connections and building structures in Tikwana 499 sites	CORRECTI VE MEASURE S TAKEN OR REASONS FOR VARIANCE	INTERNA L AUDITOR S COMMENT S	ACHIEVEME NT STATUS
Create an environment that promotes development of the local economy and facilitate job creation.	Employ locally based unskilled labour in all the capital projects of the Municipality.	% local unskilled labour appointments is local based.	100% of unskilled labour on all the capital projects from the local municipal area	R1 000 000	100% of unskilled labour (ongoing)	5%	100% of unskilled labour was appointed in all the capital projects from local municipal area	N/A	ACHIEVED	ACHIEVED



	Create Full Time Equivalent (FTE) through government expenditure with EPWP grant by 30 June 2020	Number of FTE created.	48 Full Time Equivalent created by 30 June 2020		100%	5%	48 full time equivalent have bee created by 20 June 2020	N/A	ACHIEVED	ACHIEVED
					TOTAL	10%				
DEPARTMENT: CORPORATE SERVICES							ACTUAL PERFORMANCE REPORTING			
KEY PERFORMANCE AREA 4 - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
OBJECTIVE	KEY PERFORMAN CE INDICATOR (KPI)	UNIT OF MEASUREME NT	ANNUAL TARGETS 2019/20	ANNUAL BUDGET ALLOCATI ON	COMPARIS ON WITH 2018/19 TARGETS	WEIGH T	ACTUAL PERFORMAN CE	CORRECTI VE MEASURE S TAKEN OR REASONS FOR VARIANCE	INTERNA L AUDITOR S COMMEN TS	ACHIEVEME NT STATUS

	Review of the departmental revenue enhancement strategy and submit to the municipal manager.	Number of reviewed revenue enhancement strategies.	1 reviewed departmental revenue enhancement strategy and acknowledged by the Municipal Manager by 30 June 2020	R4 742 000	Approved Revenue enhancement strategy	1%	The revenue enhancement strategy has been developed and submitted to MM	N/A	ACHIEVED	ACHIEVED
	Develop departmental procurement plans and submit to the Municipal Manager for approval.	Number of developed departmental procurement plan acknowledged by the Municipal manager.	1 developed departmental procurement plan acknowledged by the municipal manager by 30 July 2020		None	1%	The departmental procurement plan has been developed and submitted.	N/A	ACHIEVED	ACHIEVED
	Reduce the departmental overtime by 30% by 30 June 2020 (2019/ 2020 overtime - 2018/ 2019 overtime)/ 2018/ 2019 overtime x 100	% reduction of the departmental overtime	Reduce the departmental overtime by 30% by 30 June 2020 (2019/ 2020 overtime - 2018/ 2019 overtime)/ 2018/ 2019 overtime x		None	1,0%	The departmental overtime has been reduced by 30% as at 30 June 2020	N/A	ACHIEVED	ACHIEVED

			100							
	Compliance with section 75 of MFMA (documents to be placed on the website)	1.The annual and adjustment budgets and all budget related documents. 2. All budget related policies. 3. All performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act. 4. All service delivery agreements. 5. All long	100% compliance with section 75 of MFMA (document to be place on the website) Monthly updates		Documents have been placed in the municipal website	1%	100% compliance with section 75 of MFMA has been achieved.	N/A	ACHIEVED	ACHIEVED

		term-borrowing contracts. 6. All supply chain management contracts above a prescribed value. 7. All annual report.								
	Perform assets counts on municipal movable assets and submit to CFO	Number of Signed Assets count sheets	12 assets counts performed on municipal movable assets and submitted to CFO		12 counts	1,0%	12 assets counts have been performed and submitted to CFO	N/A	ACHIEVE D	ACHIEVED
	Spend training budget on the implementation of the approved work skills plan.	% training budget spent by 30 June 2020	100% training budget spent by 30 June 2020		100%	0,5%	The budget for training has been 100% spent.	N/A	ACHIEVE D	ACHIEVED
	Compile monthly leave report.	Number of monthly leave reports compiled.	12 monthly leave reports compiled		12 monthly reports	0,5%	12 monthly leave reports has been compiled	N/A	ACHIEVE D	ACHIEVED

	Prepare directorate's budget for 2020/21 based on the approved IDP	Departmental budget submitted to finance department.	Departmental budget approved as part of the annual budget by 30 June 2020		Budget inputs submitted to Finance	1,0%	Departmental budget was incorporated in the annual budget.	N/A	<b>ACHIEVED</b>	<b>ACHIEVED</b>
	Prepare directorate's adjustment budget for 2019/20 financial year based on the approved midyear budget and performance assessment.	Departmental adjustment budget submitted to finance department.	Department adjustment budget approved as part of the municipal adjustment budget by February 2020.		Budget inputs submitted to Finance	1,0%	Departmental adjustment budget was incorporated in the annual budget.	N/A	<b>ACHIEVED</b>	<b>ACHIEVED</b>
	Attend to issues raised and proposed corrective measures by the AGSA.	Percentage of issues raised and proposed corrective measures by the AGSA attended to.	95% of issues raised and proposed corrective measures by the AGSA attended to		90% of issues attended to.	1,0%	58% of issues raised by AGSA has been resolved.	No reasons for under performance and action to improve performance been provided	<b>NOT ACHIEVED</b>	<b>NOT ACHIEVED</b>

	Attend to issues raised and proposed corrective measures by the Internal auditors.	Percentage of issues raised and proposed corrective measures by the Internal auditors attended to.	95% of issues raised and proposed corrective measures by the Internal auditors attended to		90% of issues attended to.	1,0%	83% of issues raised by internal auditors have beer resolved.	No reasons for under performanc e and action to improve performanc e been provided	NOT ACHIEVE D	NOT ACHIEVED
					TOTAL	10,0%				
DEPARTMENT: CORPORATE SERVICES							ACTUAL PERFORMANCE REPORTING			
KEY PERFORMANCE AREA 5 - GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
OBJECTIVE	KEY PERFORMAN CE INDICATOR (KPI)	UNIT OF MEASUREME NT	ANNUAL TARGETS 2019/20	ANNUAL BUDGET ALLOCATI ON	COMPARIS ON WITH 2018/19 TARGETS	WEIGH T	ACTUAL PERFORMAN CE	CORRECTI VE MEASURE S TAKEN OR REASONS FOR VARIANCE	INTERNA L AUDITOR S COMMEN TS	ACHIEVEME NT STATUS
To promote and improve effective linkage between the community, stakeholders and the municipality to ensure	Develop the annual calendar (Council, EXCO, Sec 80 Comm, Audit Committee, Risk Committee and MPAC)	Number of developed annual calendars for council and committees meetings	1 annual calendar developed and submitted to council for approval by July 2019.	R4 742 000	Approved annual calendar of council meetings	5%	The annual calendar of council meetings was approved by council	N/A	ACHIEVE D	ACHIEVED

accountability and responsive governance structures.	and submit to council for adoption									
	Conduct LLF Meetings	Number of LLF meetings	4 LLF Meetings per annum(1 per quarter)		2 Meetings held	5%	2 LLF meetings were held.	The LLF meeting scheduled for September 2019 could not take place due to councillors attending training at UFH in East London.  The meeting for 01 October 2019 did not take place as there was not quorum.  The target has been reviewed	NOT ACHIEVED	NOT ACHIEVED

								and included as part of 2020/ 2021 financial year.		
	Prepare reports on implementation of a compliance checklist pertaining to key legislation requirements for the department	Number of progress reports on the implementation of a compliance checklist.	4 quarterly reports on the implementation of the compliance checklist.		4 reports.	5%	No compliance management checklists updates conducted	The risk officer resigned and therefore there was no official performing the risk and compliance activities in the financial year under review. The management will	NOT ACHIEVED	NOT ACHIEVED



								advertise the position of risk and compliance officer to fill the vacancy.		
	Prepare consolidated wards committee reports.	Number of quarterly wards consolidated reports	4 quarterly consolidated ward committee reports.		Monthly reports have been submitted	2%	2 consolidated ward committees reports have been prepared and submitted.	<p>Ward committee meeting in the third and fourth quarter could not sit due to Covid 19 Lockdown.</p> <p>The target has been reviewed and put as part of 2020/ 2021 planning.</p>	NOT ACHIEVED	NOT ACHIEVED

	Distribute the council resolutions to all the relevant officials for implementation	% distribution of the council resolutions to all relevant officials	100% council resolutions distributed		100%	5%	Council resolution have been distributed to all relevant officials.	N/A	ACHIEVED	ACHIEVED
	Implement the council resolutions within the prescribed timeframes.	Percentage of council resolution implemented within the required time frame	100% of the council resolutions implemented within the required timeframes.		90%	5%	100% of council resolutions have been implemented.	N/A	ACHIEVED	ACHIEVED
	Prepare reports on implementation of the risk management action plans	Number reports on the implementation of the risk management action plans	12 reports on the implementation of the risk management action plans		12 reports	3%	No reports on the implementation of risk management actions plans been submitted.	There is not operational risk register which was supposed to have been developed for the 2019/ 20 and distributed to all departments . As a result the departments could not carryout this KPIs.	NOT ACHIEVED	NOT ACHIEVED
					<b>TOTAL</b>	30%				

## 17 SERVICE PROVIDERS PERFORMANCE FOR 2019/ 2020 FINANCIAL YEAR.

SERVICE PROVIDER	PROJECT NAME	BUDGET VALUE	CONTRACT DURATION	PROJECT STATUS	END USER REMARKS ON OVERALL PERFORMANCE BY THE PROVIDER
<b>Bathusi Financial Consulting</b>	Compilation of Annual Financial Statements	R900 000-00	1 Year	Complete	Satisfied with the overall performance provided to the municipality
<b>CCG Systems</b>	Compilation of Fixed Asset Register	R1 100 000-00	1 Year	Complete	Satisfied with the overall performance provided to the municipality
<b>Blaq m Consultants</b>	Short - term Insurance	R1 700 000	36 Months	Contract ended	Satisfied with the overall performance provided to the municipality
<b>Ntelecom</b>	VOIP Services	R1 200 600	36 Months	Still in Progress (Contract has not ended)	Satisfied with the overall performance provided to the municipality
<b>Zalisile Msebenzi Construction</b>	The construction of cricket Pitch and the completion of community sports facilities: Phahameng/ Tikwana	6,893,852.96	10 Months	100% Complete	Satisfied with the overall performance provided to the municipality
<b>Nomano Trading</b>	Tswelopele Local Municipality: Phahameng/ Bultfontein: The Construction of 1.3km paved road and related storm water	11,000,000.00	6 Months	92% complete	Satisfied with the overall performance provided to the municipality
<b>Irrigation Equipment Supplies</b>	The Construction of toilet Structures & sewer connections 499 structures: contractors	12 728 615.15	8 Months	76% complete	Satisfied with the overall performance provided to the municipality

SERVICE PROVIDER	PROJECT NAME	BUDGET VALUE	CONTRACT DURATION	PROJECT STATUS	END USER REMARKS ON OVERALL PERFORMANCE BY THE PROVIDER
<b>LeboTebo JV Ndhuna Clvils</b>	Phahameng/Bultfontein: Construction of a 2km paved road and storm water (MIS:227668)	11 740 547.07	12 Months	100 % Complete	Satisfied with the overall performance provided to the municipality
<b>Modisenyane Property Consultants</b>	Valuation roll	R10 000 000	72 Months	Still in Progress (Contract has not ended)	Satisfied with the overall performance provided to the municipality
<b>ABSA Bank</b>	Cash in transit services	R2 000 000 for 3 years	36 Months	Still in Progress (Contract has not ended)	Satisfied with the overall performance provided to the municipality

## 18 ORGANISATIONAL DEVELOPMENT PERFORMANCE

### 18.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Relevant Department	Approved posts	Employees No	Vacancies No	Vacancies %
30 JUNE 2020				
TECHNICAL SERVICES	121	83	38	31.40
COMMUNITY SERVICES	118	93	25	21.19
FINANCIAL SERVICES	34	24	10	29.41
CORPORATE SERVICES	25	20	5	20
MUNICIPAL MANAGER	7	3	4	57
30 JUNE 2019				
TECHNICAL SERVICES	121	87	34	15
COMMUNITY SERVICES	118	93	25	6.78

<b>FINANCIAL SERVICES</b>	34	24	10	15.60
<b>CORPORATE SERVICES</b>	25	21	4	7.40
<b>MUNICIPAL MANAGER</b>	7	5	2	14

## 18.2 MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The municipality has developed and adopted number of policies that are intended to create a fair, efficient and transparent system on matters affecting the employees. The municipality reviews these policies regularly to ensure that they are on par with best practices, new and amended legislation.

The Municipality has approved policies and procedures used to govern the institution, and these policies and procedures are communicated to the staff. As the municipality we do have the Employment Equity Plan however we do not meet the provincial equity targets. We have introduced disclosure of interest and related parties form and confidentiality and non-disclosure declaration. Municipality complies with BCEA and other labour related legislation at workplace. All councillors have signed the disclosure of interest for the financial year review.

### 18.3 INJURIES, SICKNESS AND SUSPENSIONS

The report covers the progress of Health and Safety Division and includes the following reports:

- ♦ IOD investigations and the response from the Department of Labour.
- ♦ IOD'S attended to during 2019/ 2020.

Employees injured on duty:

- ♦ Hoopstad and Bultfontein : 7

TYPES	CAUSE OF INJURY	NUMBER OF AFFECTED EMPLOYEES
Trailers	Falling from trailer behind the tractor and causing injuries.	2
Tools	Not handling tools accordingly can injure a person.	0
Negligence	Not paying attention when performing duties.	0
Hit by an objects	Flying object from mowing machines.	3
Object lifting	Employees lift heavy object and strain themselves [they don't ask for help].	0
Slipped / fell	Employees don't pay attention to slippery places or floors. They don't check steps.	0
Others	Some employees were stung by bees and bitten by spiders. Foreign particle in the eye.	2

Total number of injured employees	7
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TYPE OF INJURY		INJURY DAYS TAKEN	LEAVE DAYS	EMPLOYEE INJURY DAYS	USING LEAVE DAYS	AVERAGE INJURY LEAVE PER EMPLOYEE DAYS
Need basic medical attention	1	120		7		5
Temporary disablement	0	0		0		0
Permanent disablement	0	0		0		0
Fatal	0	0		0		0
Total	1	120		7		5

The total number of IOD leave days taken by injured employees was 120 days.

**NB:** From the total number of injured employees recorded only one were placed on light duty and the others are doing their normal duties.

When the Hoopstad cases were investigated it was found that the injuries on duty were caused by chemical inhalation whilst employees were working.

The cases in Bultfontein range from employees being injured by objects falling on them or being struck by objects and employees lifting heavy objects and straining themselves.

Health and Safety officer follow-up all cases with doctors who examined the injured employees and submit all documentation [i.e. first, progress and final reports] to the Department of Labour.

### Awareness Campaigns:

Awareness campaigns conducted were on:

- Talking ladder safety.
- Protection of integrated eyes, head and face.
- Using machine safety.
- Blind sport psychological factors that can get you injured.
- A guide to eye wash emergency shower station.
- Awareness on manholes entrance.
- 4 tips to make your safety observation more impactful.



#### 18.4 PERFORMANCE REWARDS

The municipality has in the financial year under review conducted quarterly formal assessment and 2018/ 2019 performance assessment for the Municipal Manager, Chief Financial Officer and Director Technical Services. The report for the assessments was submitted to the Audit Committee and Municipal Public Accounts Committee for review. The report has been submitted to council and approved. The council has approved that no performance rewards should be paid to senior managers due to the financial constraints and low achievement of targets. The report has been compiled recording the results of the assessment and the recommendations of the evaluation committees. The annual performance assessments for the 2019/ 2020 are anticipated to be conducted in June 2021.

#### 18.5 INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Work Skills Plan drawn in terms of the Skills Development Act. Assessment of skills levels of employees and gaps are regularly identified and external interventions sought and implemented in line with the Plan.

The municipality has the Human Resource Policy, which gives directives for appointment of sufficiently experienced and skilled personnel. We have conducted skills audit as part of skills intervention to determine how many employees need training intervention as part of capacity building. In terms of our WSP we have identified which employees need capacity development.

The municipal budget for capacitating the workforce in the financial year under review was directed to training of councillors attending at the University of Fort-hare, therefore there has not been a significant capacitation of the workforce in the financial year under review. The municipality has applied for funding from the LGSETA in order to be able to subject workforce to the training as per the approved work skill plan.

## 18.6 SKILLS DEVELOPMENT AND TRAINING

LGSETA STRATEGIC FOCUS AREA	MUNICIPAL KEY PERFORMANCE AREA	MAIN IDP PRIORITY LINKED TO KEY PERFORMANCE AREA	TOTAL NUMBER TRAINED					
			EMPLOYED		TOTAL	UNEMPLOYED		TOTAL
			FEMALE	MALE		FEMALE	MALE	
Infrastructure and Service Delivery	Basic Service Delivery and Infrastructure Development	To ensure access to basic service delivery	1	7	8	0	0	0
Community Based Participation and Planning	Good Governance and the Deepening of Democracy	To build and enhance the governance system	1	4	5	0	0	0
Management and Leadership	Municipal Transformation and Institutional Development	To enhance public participation	1	1	2	0	0	0
Financial Viability	Municipal Financial Viability and Management	To strengthen the financial management system		0	0	0	0	0
Community Based Participation and Planning	Sustainable Local Economic Development	To enhance public participation	0	0	0	0	0	0
SUB-TOTAL			3	12	15	0	0	0
NUMBER OF BENEFICIARIES WHO COMPLETED TRAINING BY TYPE OF LEARNING INTERVENTION								
TYPE OF LEARNING	NUMBER OF BENEFICIARIES BY OCCUPATION CATEGORY							TOTAL

INTERVENTION	Legislators	Managers	Professionals	Technicians and Trade Workers	Community and Personal Services Workers	Clerical and Administrative Workers	Sales and Service Workers	Machine ry Operators and Drivers	Elementary Workers	57
Apprenticeship	0	0	0	0	0	0	0	0	0	0
Bursary	0	0	0	0	0	0	0	0	0	0
Learnership	0	0	5	0	0	0	0	0	0	5
RPL	0	0	0	1	0	0	0	0	0	1
Skills Programme	0	0	0	0	0	3	0	0	1	4
Short Course: Non-credit	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	5	1	0	3	0	0	1	10

# TYPE OF LEARNING INTERVENTION BY NQF LEVEL

TYPE OF LEARNING INTERVENTION	NQF LEVEL OF LEARNING INTERVENTIONS										TOTAL
	1	2	3	4	5	6	7	8	9	10	
Apprenticeship	0	0	0	0	0	0	0	0	0	0	0
Bursary	0	0	0	0	0	0	0	0	0	0	0
Learnership	0	0	0	0	0	5	0	0	0	0	5
RPL	0	0	0	1	0	0	0	0	0	0	1
Skills Programme	0	0	2	0	0	0	0	1	1	0	4
Short Course: Non-credit	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	2	1	0	5	0	1	1	0	10



## 19 FINANCIAL PERFORMANCE

This chapter comprises of three components:

- Component A: Statements of Financial Performance
- Component B: Cash Flow Management and Investments
- Component C: Other Financial Matters

### 19.1 COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The information will be included after the final audited set of the 2019/ 2020 Financial Statements.

Tswelopele Local Municipality

(Registration number FS183)

Annual Financial Statements for the year ended 30 June 2020

Statement of Financial Performance

Figures in Rand	2020	2019
		Restated*
<b>Revenue</b>		
<b>Revenue from exchange transactions</b>		
Service Charges	55 817 105	53 454 997
Rental of facilities and equipment	1 282 597	969 634
Interest received – trading	1 622 500	870 236
Licences and permits	74 990	24 229
Change in finance lease liability	177 011	-
Operational Revenue	1 112 782	1 146 913
Interest received – Investment	1 420 190	1 744 763
Fair value adjustment	-	3 716 268
Actuarial gains	-	510 323
Gain on biological assets and agricultural produce	106 100	37 970
Dividends received	61 437	58,441

<b>Total revenue from exchange transactions</b>	<b>61 817 609</b>	<b>62 533 774</b>
<b>Revenue from non-exchange transactions</b>		
<b>Taxation revenue</b>		
Property rates	22 334 415	22 293 212
<b>Transfer revenue</b>		
Government grants & subsidies	92 837 741	108 453 793
Public contributions and donations	-	2 268 000
Fines, penalties and forfeits	360 900	331 400
<b>Total revenue from non-exchange transactions</b>	<b>115 533 056</b>	<b>133 346 405</b>
<b>Total revenue</b>	<b>177 350 665</b>	<b>195 880 179</b>
<b>Expenditure</b>		
<b>Expenditure</b>		
Employee related costs	(65 298 886)	(62 927 302)
Remuneration of councillors	(5 708 127)	(5 522 232)
Depreciation and amortisation	(25 262 169)	(24 655 309)
Impairment of assets	(2 984 102)	(140 695)
Finance costs	(5 081 544)	(6 468 076)
Lease rentals	(435 609)	(356 021)
Debt impairment	(16 204 720)	(21 412 472)
Bulk purchases	(43 352 824)	(38 841 419)
Contracted services	(5 440 600)	(4 098 600)
Fair value adjustments	(2 970 343)	-
Actuarial losses	(236 861)	-
General Expenses	(26 408 358)	(22 057 275)
<b>Total expenditure</b>	<b>(199 384 143)</b>	<b>(186 479 401)</b>
(Deficit)/Surplus for the year end	(22 033 478)	9 400 778

## 19.2 GRANTS

<b>Government grants and subsidies</b>	<b>2020</b>	<b>2019</b>
<b>Capital and operating grants</b>		
Equitable share	74 224 000	66 966 000
Financial Management Grant	1 970 000	1 970 000
EPWP Government Grant	1 319 000	1 000 000
Free State Capacity building grant	-	1 000 000
INEP Grant	-	2 947 699
Regional Bulk Infrastructure	3 704 112	4 402 488
Municipal infrastructure grant	11 441 629	30 167 606
	<b>92 83 741</b>	<b>108 453 793</b>



### 19.3 ASSET MANAGEMENT

Monthly monitoring and preparation of reconciliations of votes for assets acquired is conducted and newly acquired assets can also be detected if they were not reported in advance by the SCM Unit. Assets are then registered and dispatched to the relevant user after all asset management processes have been exhausted i.e. classification, coding, etc.

The municipality is in the process recruiting the SCM and Asset Manager for proper and improved management of assets in the municipality.

### 19.4 SOURCES OF FINANCE

Figures in Rand	2020	2019
<b>Revenue</b>		
Service Charges	55 817 105	53 454 997
Rental of facilities and equipment	1 282 597	969 634
Interest received – trading	1 622 500	870 236
Licences and permits	74 990	24 229
Change in finance lease liability	177 011	-
Operational Revenue	1 112 782	1 146 913
Interest received – Investment	1 420 190	1 744 763
Fair value adjustment	-	3 716 268
Actuarial gains	-	510 323
Gain on biological assets and agricultural produce	106 100	37 970
Dividends received	61 437	58,441
<b>Total revenue from exchange transactions</b>	<b>61 817 609</b>	<b>62 533 774</b>

## 19.5 CASH FLOW MANAGEMENT AND INVESTMENTS

### Cash Flow Statement

Figures in Rand	2020	2019
		Restated*
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Sale of goods and services	62 076 028	61 380 046
Grants	97 318 754	99 175 488
Interest income	3 071 262	2 589 570
Dividends received	61 437	58 441
Fines, penalties and forfeits	360 900	331 400
Other receipts	2 597 454	4 433 936
VAT receipts	632 620	1 619 641
	<b>166 118 455</b>	<b>169 588 522</b>
<b>Payments</b>		
Employee costs	(68 803 877)	(68 415 488)
Suppliers	(76 575 993)	(62 811 588)
Finance costs	(2 317 719)	(4 436 763)
	<b>(147 697 589)</b>	<b>(135,663,839)</b>
<b>Net cash flows from operating activities</b>	<b>18 420 866</b>	<b>33 924 683</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(13 103 741)	(37 198 014)
Proceeds from sale of biological assets that form part of an agricultural activity	(105 000)	-

Proceeds from sale of assets and liabilities	142 897	–
<b>Net cash flows from investing activities</b>	<b>(13 065 844)</b>	<b>(37 198 014)</b>
<b>Cash flows from financing activities</b>		
Repayment of other financial liabilities	(2 610 060)	102 709
Finance lease payments	(99 308)	926 257
<b>Net cash flows from financing activities</b>	<b>(2 709 368)</b>	<b>1 028 966</b>
<hr/>		
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>2 645 654</b>	<b>(2 244 365)</b>
Cash and cash equivalents at the beginning of the year	8 891 030	11 135 395
<b>Cash and cash equivalents at the end of the year</b>	<b>11 536 684</b>	<b>8 891 030</b>

## 19.6 OTHER FINANCIAL MATTERS

The information will be included after the final audited set of the 2019/ 2020 Financial Statements.

## 19.7 SUPPLY CHAIN MANAGEMENT

### SUPPLY CHAIN MANAGEMENT UNIT

The functions of the SCM unit involve:

1. Managing demand procedures and acquisitions including policies, procedures, database, compliance and adherence to prescribed procurement practices
2. Ensuring tender evaluation and contract prescript are adhered to
3. Managing compliance, risks, performance and reporting in the supply chain management system
4. Coordinating, controlling and applying logistics management practices and procedures in order to administer and manage the receipt, safeguarding and issuing of store items.

Tswelopele Supply Chain Management is a unit within the Finance Section. It is comprised of:

- The Chief Financial Officer (Head of SCM Unit)
- Manager: SCM & Asset
- SCM Practitioner
- 2 x Principle Procurement Clerks

The SCM regulations stipulate the following:

a) SCM regulation 6(2) (a) (i) - that the council of a municipality must maintain oversight over the implementation of its SCM policy. For the purpose of such oversight the accounting officer must within 30 days of each financial year submit a report on the implementation of the SCM policy of the municipality to the Council.

b) SCM regulation 6(2) (3) – the Accounting Officer shall within 10 days after the end of each quarter submit implementation reports on SCM to the Mayor.

## **INTERNAL SCM PROCEDURES AND PROCESSES**

### **Threshold values**

The threshold values have been determined as follows:

- 1) Petty cash – R100
- 2) Up to R1 000 (vat included) – One written price quotation
- 3) R1 001 - R2, 000 (vat included) – Two written price quotations
- 4) R2 001 – R30, 000 (vat included) – Three written price quotations
- 5) R30 001 – R200, 000 (vat included) – Three written formal price quotations
- 6) Above R200 000 (vat included) – Competitive bidding process

### **SCM Process for acquisitions up to R200 000.00**

The SCM process of Tswelopele Local Municipality operates as follows;

- Demand Form – The requesting department completes a demand form which is approved by the Head of Department or any delegated official. The demand form is submitted to SCM practitioner who sources quotations.
- A requisition is raised by the SCM Practitioner and approved by the CFO and the Municipal Manager.
- Purchase Order – Based on the above thresholds, quotations are sourced from potential suppliers. A purchase order is raised for the awarded quotation. The orders are done in triplicate of which one copy is sent to the supplier, one copy for filing and one copy is sent to creditors for processing. The order numbers are sequentially numbered from the system. The purchase orders are approved by the CFO and in his absence by a Senior Official delegated by the CFO.

The SCM processes are monitored monthly by use of irregular expenditure registers and deviations registers.

### **SCM Process for acquisition above R200 000.00**

#### **Bid Documents**

The bids documents are as prescribed by the National Treasury include the General Conditions of Contract.

#### **Bid Committee Structures**

The following committees have been established:

- i) The bid specification committee
- ii) The bid evaluation committee
- iii) The adjudication committee

The Accounting Officer appoints members for each committee.

According to the SCM policy the composition of the above committees should be as follows:

i) Bid Specification committee – must be composed of:

- a) One or more officials of the municipality, preferably from user departments requiring the goods or services.
- b) SCM practitioners
- c) And when appropriate, include external technical specialists.

ii) Bid evaluation committee – must as far as possible be composed of:

- a) Officials from departments requiring the goods and services
- b) At least one SCM practitioner of the municipality

iii) Bid adjudication committee – must consist of

- a) At least four senior managers of the municipality (including the CFO)
- b) At least one SCM practitioner who is an official of the municipality
- c) A technical expert in the relevant field who is an official of the municipality

**Compliance** – The bid committees meet the requirements of the SCM policy and SCM regulations.

#### 19.8 MUNICIPAL SERVICE CHARGES ASSESSMENT AND OUTSTANDING DEBTORS.

	2020	2019
<b>Consumer debtors</b>		
<b>Gross balances</b>		
Electricity	14 152 871	13 039 395
Water	13 287 110	12 325 479
Sewerage	18 641 915	17 641 071
Refuse	12 950 395	12 421 486
Other	5 126 508	4 175 653
	<b>64 158 799</b>	<b>59 603 084</b>

## **Report of the auditor-general to the Free State Legislature and the council on the Tswelopele Local Municipality**

**Report on the audit of the financial statements**

**20 ANNUAL FINANCIAL STATEMENT WITH THE ANNUAL AUDIT COMMITTEE REPORT  
2019 / 2020 FINANCIAL YEAR (ANNEXURE A)**

2019/ 2020 Financial Statements.

## 21 AUDIT RECOVERY PLAN

### EXTERNAL AUDIT RECOVERY PLAN FOR 2020 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	Root Cause	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION	MANAGEMENT PROGRESS AS AT 30 APRIL 2021	MANAGEMENT PROGRESS AS AT 31 MAY 2021	MANAGEMENT PROGRESS AS AT 30 JUNE 2021	STATUS	INTERNAL AUDITOR'S COMMENTS / CONCLUSION
INVESTMENT PROPERTY	CoAF 63: Misstatement of investment property in Hoopstad.	Overstatement of land F017 000 000 035 portions 1 and 3 not owned by the	The identification of property is done electronically without inspecting	Follow-up on the ownership matter, together with the possible overstatement in the size and value of the property.	Director Community Service	30-Apr-21	Investment property register					



		municipality	the physical properties of the investment property included	Revisit the population of investment property in order to ensure that properties are not over/understated in size and value.	Director Community Service	30-Apr-21	Investment property register					
				Rectify the Investment Property Register for discrepancies obtained.	Director Community Services and Chief Financial Officer	31-May-21	Investment property register					
				Submit the detailed IP to CFO for inclusion/update of the FAR	Director Community Service	31-Jul-21	Updated Investment Property Register acknowledged by the Director					

<b>INVESTMENT PROPERTY</b>	CoAF 62 & 97: Overstatement due to property not under control of the municipality and existence of accounts receivables could not be confirmed	The deed searches, requested and submitted in request for information 37 of 2020, does not specify owner details of land recognised by municipality. This indicates that the municipality does not have substantive controlling rights in terms of iGRAP-18. The auditor	Management did not follow-up on the issue of ownership once identified that the property title deed does not specify the owner. Lack of adequate debtor follow up of outstanding debtor balances and maintenance of debtor records.	Perform a deed search on investment property to ensure / confirm ownership of investment property of the municipality	Director Community Service	30-Apr-21	Updated investment register and supporting deed registration evidence					
				Data cleansing – municipality will undertake the data cleansing process where each household profile will be updated.	Chief Financial Officer	30-Jun-21	Data cleansing report					
				The municipality will engage with the human settlement department in sourcing out funding and the funding will be used to assist the	Municipal Manager	30-Jun-21	Updated investment register and supporting deed registration					

		was also unable to trace any payments nor any usage consumption of water or electricity to confirm the existence of the following debtor accounts		owners to get title deeds for their properties.			evidence					
				Ensure that all properties leased out have proper supporting records (Rental Contracts acknowledged by both parties).	Director Community Services and Director Corporate Services	31-May-21	Rental Register and Rental Agreements					
				Visit the entire population of properties where properties in the name of the municipality were billed Property Rates	Director Community Services and Chief Financial Officer	31-May-21	Reconciliation of the Billing Reports (Property Rates)					
				Make the necessary adjustments and reclassifications in the Investment Property	Director Community Service	31-Jul-21	Updated investment register and supporting deed					

				Register			registrati on evidence					
INVESTME NT PROPERTY	CoAF 64: Rental/lea se agreements not provided	A list of properties were verified by the audit team. It was determined that each is occupied and rent paid to the municipality , however the rental agreements were not received and one agreement has expired. A similar finding was raised in the 2018/19 financial	Managem ent did not follow-up on the issue of lack of lease agreement s, as identified in the 2018/19 financial year	Update the rental register	Director Corporate Services	Month ly WEF 30 April 2021	Rental register					
				Ensure that all properties leased out have proper rental agreements acknowledged by both parties.	Director Communi ty Services and Director Corporate Services	31- May- 21	Rental Register and Rental Agreeme nts					

		year										
<b>INVESTMENT PROPERTY</b>	CoAF 101: Rental agreements expired	Some rental agreements expired before or during the current financial year.	This resulted from a lack of internal controls to identify contracts and timely replacing it with new contracts where the municipality intends to continue with the rental agreement .	Identify all rental agreements that expire in the current financial year and have less than 12 months.	Director Community Services and Director Corporate Services	31- May- 21	List of rental agreements					
				Submit identified rental agreements to Municipal Manager	Director Community Services and Director Corporate Services	31- May- 21	List of rental agreements					
				Keep the rental agreements up to date and issue new agreements/add endments when	Municipal Manager	30- Jun-21	Renewed or new rental agreements					

				they expire.								
<b>PROCUREMENT</b>	COAF 73: Procurement and contract management: Declaration of interest not provided	Contrary to the above, declaration of interest forms (MBD4 forms) were not submitted for suppliers awarded with quotations and some were incomplete.	Lack of an effective internal control to identify suppliers connected or related to municipal personnel.	Verify / check compliance that all transactions between July 2020 and June 2021 that all Suppliers have declared their interest by completing the MBD Form	Chief Financial Officer	30-Apr-21	Payment Vouchers					
<b>PROCUREMENT</b>	COAF 73: Procurement and contract management: Deviations not	A minimum of 3 quotations were not obtained and reasons were not recorded	Lack of an effective internal control to identify suppliers connected or related	Verify that all procurement that have deviated from the SCM processes are properly motivated and	Chief Financial Officer	30-Apr-21	Deviation register					

	approved and some deviations not justified	and approved as a deviation and some procurement a minimum of 3 quotations were not obtained and reasons were recorded and approved for a deviation. The reasons were reviewed and evidence inspected and the deviation from procurement processes is not regarded as	to municipal personnel.	disclosed in the deviation register								
				Management should investigate the reasons provided and plans should be implemented to ensure that preventative action takes place before an emergency occurs due to a lack of proper planning and maintenance by the municipality.	Chief Financial Officer	30-Apr-21	Approved motivations for deviations					
				Submit the reviewed deviation register to MPAC.	Chief Financial Officer	31-May-21	MPAC Agenda and Minutes					

		justified										
<b>PROCUREMENT</b>	CoAF 75, 81 and 99 : CSD registration not related to services/goods procured and tax compliance evidence not obtained	Quotations were awarded to suppliers not registered with the relevant commodity or industry for the goods and some quotations were awarded to suppliers that were not tax compliant at the time of the award as per CSD compliance history	Inadequate management oversight over the bid and quotation documents maintained.	Inspect the CSD to check if the Supplier is registered for the requested commodity and is also tax compliant on the date the official order is printed and attach proof to the vouchers	Chief Financial Officer	WEF 30 April 2021	Payment Vouchers (CSD Reports)					



<b>PROCUREMENT</b>	CoAF 106: Procurement and contract management: Supplier awarded bid with BAC not correctly composed in prior year	In the 2018-19 audit it was reported that the bid adjudication committee was not properly constituted due to the absence of a senior SCM practitioner. The tenders identified were reported to management and the related non-compliance was reported in the audit report.  In the review of	Inadequate management oversight over the bid process	Develop a 'Control Sheet' which the Manager Assets & SCM will sign as a proof of execution of functions expected from the Snr. SCM Practitioner.	Chief Financial Officer	30-Jun-21	Signed Control Sheet for each tender evaluated						
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		the expenditure we identified the following award which had the same short coming relating to the bid adjudication committee which met in April 2019 to adjudicate this bid.										
<b>PROCUREMENT</b>	CoAF 108: Procurement and contract management: Local content and production	The quotation was awarded to the supplier for items declared as local production	The local content requirements do not form part of the normal procurement process	Review all transactions declared as local production and content to ensure that they comply with the PPR requirements	Chief Financial Officer	30-Apr-21	Local Content Form					

	n not applied on quotation s	and content but the municipality did not apply the PPR requirement s	and manageme nt did not detect the oversight.									
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<b>PROCUREMENT</b>	CoAF 133: Procurement and contract management: Non-compliance in Operational Contracts	The following non-compliances were identified in the audit of contract management: MODISENYA NE PROPERTY CO 0 - SLA not submitted Bathusi Financial Consultants & CCG Systems - Contract price exceeds tender price by R202 755 GAREPALEL WENG TRADING& 25 -	Inadequate management oversight over the contract management	Management should investigate the reported matter and determined the reason for the non-compliance.  Review contracts to ensure that non-compliance does not occur in the future.	Chief Financial Officer	30-Jun-21	Tender documents						
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		<p>Extension and reasons for extension are not documented and tabled in council</p> <p>DUCHARME CONSULTIN</p> <p>G- CE 1 -</p> <p>Total payments R1 504 233,42 under contract exceed the original contract R796 950 by R707 283,42</p> <p>BLAQ.M HOLDING PTY LTD TS -</p> <p>In the absence of a SLA; the MBD7,1-7,2 was not signed by</p>										
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		<p>municipality Munsoft (Pty)Ltd INA67607 - 1. Transversal contract used beyond expiry date of 19 May 2019, 2. No approved extension provided and 3. Procuremen t process not within 6 months for replacing contract</p>										
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<b>PROCUREMENT</b>	CoAF 134: Procurement and contract management: Non-compliance in Construction Contracts	The following non-compliances were identified in the audit of contract management: - Aurecon EF003071-0001 1 130 559 Total payments R13 959 712,49 under contract exceed the original contract R9 867 114,56 by R5 907 402,07. - Zalisile Msebenzi Civils EF003313-0001 No	Inadequate management oversight over the contract management	Management should investigate the reported matter and determined the reason for the non-compliance.  Review contracts to ensure that non-compliance does not occur in the future.	Chief Financial Officer	30-Jun-21	Tender documents					
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		approved extension submitted for audit - Iceburg Group Iceburg Gro EF003351- 0001 1 721 684 No approved extension submitted for audit - Nomano Trading EF002944- 0001 4 057 002 No approved extension submitted for audit - Best Enough & Khethwayo J EF003829- 0001 4 047 425 No approved extension										
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		submitted for audit - Empire Bricks EF003821- 0001 806 067 No approved extension submitted for audit - Down Touch Investments EF003312- 0001 1 259 561 Extension on contract is 39% which exceeds 20% limit placed on expansions and variations. Additionally, expenses of R2 005 144,31 was									
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		incurred without approved extension.										
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GOVERNANCE	CoAF 40: 1. AoPO - Misstatements on consistency, measurability, relevance, presentation and disclosure	Sufficient appropriate audit evidence could not be obtained for the achievements below in the annual performance report due to lack of accurate and complete records:	Performance files not properly supervised or signed off by heads of department	Management should ensure that actual performance is substantiated with accurate and complete evidence	All Departments	WEF 30 April 2021	Performance Files and SDBIP					
		- Complete the rehabilitation and upgrading of 1,3 km paved road in Phahameng	Performance not monitored	Management should monthly monitor performance information	All Departments	30-Jun-21	Monthly performance reports					
		- 75% completion of the rehabilitation	Consequence management not implemented	Each Director should include their corrective action in the SDBIP for all the activities that were not achieved.	All Departments	30-Jun-21	Annual Performance Report					

		n and upgrading of 1,3 km paved road in Phahameng. - Complete sewer connections and building of toilet structures in Tikwana 499 sites - 75% completion of the sewer connections and building structures in Tikwana 499 sites										
<b>EXPENDITURE MANAGEMENT</b>	CoAF 13 & 53 : 1. Bulk Purchases : Payments not made within 30	Bulk purchases transactions were found to not have been paid after 30 days and	The municipality appears to be facing cash flow constraints therefore	Monthly GRN should be done in the financial system regularly and an aging report printed and amounts owing	Chief Financial Officer	WEF 01 April and monthly thereafter	Aging report					

	days of receiving invoice	some bulk purchases transactions were not paid at all in the year and therefore, exceeded 30 days. Non-compliance with section 65 (2) of the MFMA	it is not able pay its creditors within 30 days of receiving the relevant invoice or statement.	approaching the 30 days age brought to the attention of management								
				Submit a list of Creditors approaching 30 days to the CFO and Municipal Manager	Chief Financial Officer	WEF 01 April and monthly thereafter	Creditors List					
				Pay Creditors within 30 days	Municipal Manager	Weekly	Creditors Report					
<b>EXPENDITURE MANAGEMENT</b>	CoAF 139: Consequence management: Unauthorised and irregular	Through enquiry from management and inspection of MPAC and Council	Non-Adherence of MPAC schedule  Unavailability of members	Submit Unauthorised and Irregular Expenditure for the period 01 July 2020 to 30 June 2021 to MPAC	Director Corporate Service and Chief Financial Officer	WEF 01 April and monthly thereafter	Unauthorised and Irregular Register					

	expenditure not properly investigated	minutes, confirmed that the MPAC had a report on unauthorised and irregular expenditure. However, neither the report included in the agenda, nor the minutes contain enough detail to prove that instances of unauthorised and irregular expenditure were investigated to determine if any person is liable for	as such meetings do not proceed.	Investigate the list of transactions on the Unauthorised and Irregular Expenditure and compile a report (with recommendation) and submit such to Council	MPAC and Municipal Manager	WEF 01 April and monthly thereafter	Minutes of MPAC					
				Consider the Unauthorised Expenditure report submitted by MPAC and take a resolution on the report	Municipal Council	WEF 01 April and Quarterly thereafter	Council Minutes					

		the expenditure										
<b>GOVERNANCE</b>	CoAF 14: AoPO: Non-compliance with public participation and submission of information	Contrary to the above, the local community was not consulted on the drafting and implementation of the integrated development plan, the IDP was not drafted considering the integrated development process and proposals	Management did not ensure that the local community is consulted on the planning, drafting, adoption and review of the integrated development plan for the 2019/20 year of assessment.	The council must ensure that the local community is consulted on the planning, drafting, adoption and review of the integrated development plan for the 2021/22 year of assessment	Municipal Manager and Council	30-Jun-21	Attendance Register					

		submitted to it by the district municipality, the local community was not afforded the opportunity to comment on the final draft of the IDP before adoption, amendments to the IDP were made without making the proposed amendments available for public comment and amendments to the IDP were made	Evidence is not maintained of public participation through community meetings.	The accounting officer must ensure that evidence related to public participation on the drafting of the IDP is readily available.	Municipal Manager	30-Jun-21	Attendance Register					
			Management was of the view that the uploading of the adjustment budget on the treasury website is sufficient to comply with the Municipal budgeting and reporting regulations	The accounting officer must ensure that the adjustment budget is uploaded on the municipal website after 10 working days from the date the adjustment budget is approved by council and that evidence is maintained that the timeline was met and that the document was	Municipal Manager	Monthly WEF 30 April 2021	Website upload Register					



		without consultation with the district municipality .		made public.								
			Management and the council did not follow up on the mayor's submission of the quarter 2, 3 and 4 reports on the implementation of the budget and the financial state of affairs of the municipality to the	The council should ensure that the mayor submits the required reports to the council on the implementation of the budget and the financial state of affairs of the municipality within 30 days of the end of each quarter.	Municipal Council	Quarterly WEF 30 April 2021	Council Minutes					

			council.									
<b>PROCUREMENT</b>	CoAF 120: Procurement and Contract Management: Invalid SCM regulation 32 appointment to procure professional engineering services	Some goods or services procured under contracts secured by other organs of state were not procured in accordance with SCM regulation 32 as the contract was no longer valid or active at the time the auditee opted to participate	The municipality was under pressure from the national department to spend the allocated money and it resulted in normal procurement processes not being followed	Management should ensure that project planning is done either before the start of the financial year or as close to it as possible so that the required procurement processes can be followed.	Municipal Manager and Management	WEF 01 April 2021	Project Plans					

		his non-compliance was identified in the procurement processes for the professional consulting services for the upgrading of bulk water supply.										
<b>PROPERTY , PLANT &amp; EQUIPMENT</b>	Fully depreciated assets still in use	Some movable assets identified are still in use, but not depreciated. The municipality did not reassess the useful life of assets that are still in	Asset verification s not conducted frequently.	Investigate the entire population for change in useful life and completeness of assets (in consultation with the Manager Asset and SCM/Consultants )	All Departments	30-Jun-21	Fixed Asset Register					

		use.										
<b>PROPERTY , PLANT &amp; EQUIPMENT</b>	CoAF 110: Property, plant and equipment: Overstated components on asset register - Hoopstad Waste Water Treatment Works (WWTW)	The difference in value between the auditor's calculation and the carrying value of all chambers on asset register was calculated to be R7 253 694, 93	The engineer who certified the project did not also componentise the assets to ensure that these components correlate with the components delivered.	The municipality should verify assets with the appointed consultants to ensure the asset registers are accurate.	Director Technical Services	WEF 30 April 2021	Fixed Asset Register					
				The design report and bill of quantity (final payment certificates) for the Hoopstad WWTW should be utilised to componentise the infrastructure.	Director Technical Services	31-Jul- 21	Design reports, Payment Certificates and Fixed Asset Register					
<b>PROPERTY , PLANT &amp; EQUIPMENT</b>	CoAF 112: Property, plant and	The auditors conducted site visits on	Management's failure to assure	Management should ensure that assets are	Director Technical	WEF from 30	Asset verification					

NT	equipment: Overstated components on asset register - Hoopstad Waste Water Treatment Works (WWTW)	three infrastructures the Bultfontein waste water treatment works, Hoopstad waste water treatment works and Phahameng cricket pitch sport complex. In all three infrastructures, maintenance issues were observed	that assets are well kept as well as a lack of understanding by functional staff of the assets in order to identify issues and alert management.	safeguarded so that they can be effectively used for longer life span	Services	June 2021	n report					
				Develop maintenance plans	Director Technical Services	31-May-21	Maintenance plans					
				Progress on the maintenance plans	Director Technical Services	Monthly WEF 30 June 2021	Report of maintenance work conducted					
PROPERTY , PLANT & EQUIPMENT	CoAF 113: 1. Property, plant and equipment: Phahameng	The auditors conducted a site visit on 21 January 2021, during the site visit in	Substandard practice court carpets supplied and installed	Management should ensure that the retention that was held from the contractor must be utilised	Director Technical Services	30-Apr-21	Expenditure report on the Cricket Pitch					

	g cricket pitch - poor workmans hip or substandard material used	Phahameng cricket pitch facility auditors observed that the carpets were worn. The asset was a year old and this wear was beyond expectation	by the contractor or poor workmans hip during installation	to rectify the damages on the carpets								
<b>EXPENDITURE MANAGEMENT</b>	CoAF 55: Differences identified in the calculation of water and electricity losses	The recalculated losses were compared to the information disclosed in the financial statements (note 36) and the material differences were identified.	The distribution losses calculation was not adequately reviewed to identify errors	Management should timely provide or avail Electricity and Water units purchased and sold.	Revenue Accountant	Monthly WEF 30 April 2021	Sales Report (Units)					
				Management should revisit their calculation of the loss percentage and provide the support	Director Technical Services	Monthly WEF 30 April 2021	Water and Electricity Loss report					

				considered in performing their calculation to the auditor's.								
<b>RECEIVABLES</b>	CoAF 115: Receivables from non-exchange transactions - Difference in impairment allowance	When performing audit work on receivables from non-exchange transactions, the impairment allowance was recalculated and differences were identified.	The review of the supporting documentation was insufficient to ensure that these errors were identified timeously.	Management should review the calculation of the impairment for non-exchange transactions to indicate the correct amount for debt impairment in the financial statements.	Chief Financial Officer	31-Jul-21	Reviewed Impairment calculation					
<b>REVENUE SERVICE CHARGES</b>	CoAF 90: Service charges - June 2019 usage billed in	The meter readings were inspected and it was confirmed	The billing at the municipality take place one month	Management should review the Tariff policy and align billing of customers to billing as per the	Chief Financial Officer	30-May-21	Revised Tariff Policy					

	2019/20 financial year	that the usage of the services by the consumer occurred in June 2019, which falls outside the 2019/20 financial year, however the transaction was recognised in the 2019/20 financial year	later that consumption, therefore the meters are read at the end of the month and the billing is done in the following month.	financial system								
				Management should ensure that revenue from the sale of water and electricity is recognised in the accounting period when usage occurred	Chief Financial Officer	31-Jul-21	Billing Report of July 2021					





## 22 GLOSSARY

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan [IDP]</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are “what we wish to achieve”.
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as “what we produce or deliver”. An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally

	accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

## 23 APPENDICES

### 23.1 APPENDIX A – COMMITTEES AND COMMITTEE PURPOSES

#### COMMITTEES AND THEIR PURPOSE

MUNICIPAL COMMITTEES	PURPOSE OF COMMITTEE
<b>Finance Committee</b>	Deals with municipal financial management.
<b>Audit Committee</b>	It is independent advisory body to council, municipal manager and management staff on financial controls, risk management, accounting policies, performance management.
<b>Housing &amp; erven</b>	Deals with housing & erven matters within the municipality.
<b>Local Labour Forum [LLF]</b>	Platform were organised labour and the employer negotiates and bargains on issues affecting labour at local level.
<b>Education</b>	Deals with local educational matters.
<b>Sports</b>	Deals with issues affecting all sporting codes.
<b>Agriculture &amp; Rural Development</b>	Deals with all matters pertaining to agriculture and rural development.
<b>Economic Development</b>	Deals with local economic development issues.
<b>Social Development</b>	Deals with social & welfare issues affecting the community.

## 23.2 APPENDIX B – FUNCTIONS OF MUNICIPALITY

MUNICIPAL FUNCTIONS	FUNCTION APPLICABLE TO MUNICIPALITY (YES / NO)
<b>CONSTITUTION SCHEDULE 4, PART B FUNCTIONS</b>	
Air pollution	Yes
Building regulations	Yes
Child care facilities	No
Electricity and gas reticulation	Yes
Firefighting services	No
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	No
Storm water management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Beaches and amusement facilities	No
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	No
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	No
Facilities for the accommodation, care and burial of animals	No
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes