

2021/2022

ANNUAL REPORT



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Preface

REVISED ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need expressed by a number of municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. This template provides an update to the Municipal Finance Management Act, 56 of 2003, Circular No. 11, issued in January 2005.

This template gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government and Improving Government Performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. The template provides an improved overview of municipal affairs by combining the performance report data required under Municipal Systems Act Section 46 with annual report data referred to in that Act and in the Municipal Finance Management Act, 56 of 2003.

The revised template makes its contribution by forging linkages with the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information in municipalities. This coverage and coherence are achieved by the use of interlocking processes and formats.

The revised template relates to the Medium Term Strategic Framework particularly through the Integrated Development Plan strategic objectives; cross cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual material as set out in Chapters 3, 4 and 5.

It also provides information on good management practice in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5; and addresses the Auditor-General's Report, dealing with Financial and Performance Management arrangements in Chapter 6. This opens up greater possibilities for financial and non-financial comparisons between municipalities and improved value for money.

The revised template provides information on probity, including anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others. Notes are included throughout the format to assist the compiler to understand the various information requirements.

The financial years contained in this template are explained as follows:

- Year -1: The previous financial year;
- Year 0: The financial year of reporting;
- Year 1: The following year, mostly requires future targets; and
- The other financial years will follow a similar sequence as explained above.

We wish to express our gratitude to the members of the Annual Report Reference Group, consisting of national, provincial and municipal officials for their inputs and support throughout the development of this document.

Municipal Finance Management Act Implementation Unit, National Treasury -July 2012

Executive Mayor's Foreword

EXECUTIVE MAYOR'S FOREWORD

a. Vision:

The vision of the municipality as agreed upon by all concerned is:

“ A unified, viable and progressive local municipality”

b. Key Policy Developments:

The municipal Integrated Development Plan focuses on the following Key Performance Areas:

- Basic Services;
- Local Economic Development;
- Institutional Capacity;
- Financial Management;
- Good Governance, Transparency and Accountability; and
- Public Participation.

These Key Performance Areas are aligned to the following priorities:

- Sustainable Development Goals;
- Africa Agenda 2060;
- National Development Plan;
- National Outcomes;
- Back to Basic Principles;
- Free State Growth and Development Strategies;
- Thabo Mofutsanyana District Municipality Integrated Development Plan; and
- Thabo Mofutsanyana District Municipality Development Model-One Plan

c. Key Service Delivery Improvements:

We started our term of office by reviewing the organisational structure in line with the Municipal Staff Regulations of 2021: the process entails the following:

- Engagement with all the department on the Municipal Staff Regulations of 2021;
- Departments to submit their revised organisational structures in line with the new requirements;
- Developing a checklist to provide assurance that the new proposals conform to the requirements as per the Municipal Staff Regulations of 2021;
- Engaging the organised labour throughout the processes, as well as leaders of political parties to ensure transparency;
- Held several Local Labour Forum meetings on the review process, whereby unions requested extension on their submissions, this timeline has passed and at the time of writing the report the next Local Labour Forum meeting has not been held to discuss the unions further inputs;
- Council adopted the draft structure as work in progress and approved that the approval of the structure be extended with a further three months but not later than the 31 August 2022;
- During this time CoGTA extended the implementation of Chapters 2 and 4 for a further year until the 01 July 2023.

In line with the implementation of the resolution of council regarding the implementation of the proposed organisational structure, the Mayoral Committee engaged senior management and managers responsible for the operation of the Ole' Power contract, to ensure the smooth hand-over process and ensure that the municipality absorbs the call centre.

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It became very clear from the onset that this process is not going to be very easy as there are a lot of unanswered questions regarding the handling of the Ole' Power and Ice Clouds contract. The Mayoral Committee is still in the process of investigating some issues that were raised during these meetings and will be reporting to council as soon as the matters are addressed.

In line with our hundred days in office, we have embarked on weekly cleaning, repairs and maintenance activities every Friday, alternating between the four towns that make-up our municipality. As part of its War Room Initiative, the Mayoral Committee resolved to stay for two consecutive weeks, and later to four weeks, in one town to ensure maximum impact. The following activities have been undertaken:

- Cleaning of corner and illegal dumping;
- Repair and maintenance of streets;
- Patching of potholes;
- Unblocking the stormwater drainage system and sewer pipelines; and
- Replacement and fixing of streetlight.

We have also embarked on roadshows to meet with different stakeholders within our municipality to foster working relationships and encouraging them to be involved with the municipal planning and budgeting processes as required by the Local Government: Municipal Systems Act, 32 of 2000.

The second launch of the Operation Patala Programme will be launched in September 2022, where we will be focusing more on consumer debtors, whereby we will be outlining strategies as to how we are going to turnaround the financial situation of the municipality and increase the payment levels of the municipality, for the municipality to be financially sustainable.

We ended the year by welcoming the support team from CoGTA in their endeavour to assist municipalities to move towards a clean audit, the Provincial Treasury has also been in contact with the municipality regarding its assistance, even though there has been some miscommunication, the matter was resolved, and their team arrived. There was also emphasis of matters regarding:

- Irregular expenditure;
- Unauthorised expenditure;
- Restatement of corresponding figures;
- Material uncertainty relating to claims against municipality;
- Material losses;
- Material impairment;
- Material misstatement;
- Inconsistencies between the planned and reported performance information;
- Lack of supporting documentation on the reported performance information;
- Indicators that are not well-defined; and
- Duplications on some of the indicators

d. Public Participation:

In our drive to encourage communities to take part in municipal activities, council mandated the Executive Mayor to have sectoral meetings with all relevant stakeholders within the municipality, and during these engagement communities raised their concerns and provided possible strategies to mitigate against those challenges.

The new council also established Ward Committees as part of its legal obligation to involve community members in its planning and budgeting process as required by the Municipal Structures Act, 117 of 1999, and this process was finalised during April 2022.

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e. Conclusion

In conclusion, I would like to thank the Honourable Speaker, for affording me the opportunity to present the Annual Report 2021/2022, for the period ending June 2022, to this council and submit the Mayoral Committee recommendations, the opposition parties, for always keeping us on our toes regarding the management of the finances of the municipality, the Municipal Manager, Chief Financial Officer and other Directors, for steering the ship in the direction that this council want it to be headed to.

Lastly but not least, all the oversight committees of council, in particular, the Audit and Performance Audit Committee, for the sterling work they are doing, assisted by the Chief Audit Executive and the Integrated Development Planning Manager, the Acting Chief Risk Officer and the Information Technology Specialist, to review and provide assurance on this report before it can be tabled to this municipal council.

I am hopeful that if we all work together for the good of this municipality, we will be able to build trust relationship amongst ourselves, our communities and all our stakeholders, which will lead to a sustainable service delivery for our people. This in turn will ensure that our people see the municipality as a place where they find security and comfort.

COUNICLLOR SEIPATI MBIWE
EXECUTIVE MAYOR

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MUNICIPAL MANAGER'S OVERVIEW

The report covers the period from 01 July 2021 to 30 June 2022. The delivery of services has been met with a lot of challenges during this period as a result of the following:

- Instability at senior management level as a result of a vacancy in the Department of Engineering Services and the suspension of the Municipal Manager;
- Financial constraints;
- Council instability where the council was faced with a various motions of no confidence against the sitting executive mayor;
- Council committees not sitting as there was no executive mayor and chairperson of standing committees; and
- No oversight as there was no Municipal Public Accounts Committee in place.

This annual report is an all-inclusive report on municipal activities during the year under review. The report is intended to give council and all stakeholders and other interested people evidence about the municipality's activities and financial performance as of 30 June 2022. The Local Government: Municipal Finance Management Act, 56 of 2003, required the municipalities to prepare and disclose their annual reports, and may require the annual report to be filed at registry.

This report will also provide information used for audit purpose of this municipality for the financial year 2021/2022. The performance of each department is meticulous in this report per their respective divisions as contained in Chapter 3-Service Delivery Performance-Performance Report Part I. The Department of Engineering Services is responsible for providing basic services under the following sectors:

- Water;
- Sanitation;
- Electricity;
- Roads and Storm Water; and
- Urban Planning and Property Management.

All these are provided through a Project Management Unit and each sector is therefore responsible for maintenance of the provided infrastructure in order to ensure effective, efficient, and sustainable service delivery. The department is zealous to improve the quality of life of its community by providing efficient, sustainable, reliable, and affordable infrastructure and to ensure continuous upgrade and maintenance of the existing infrastructure.

This department is also commanded to ensure adequate serviced land through which residents can develop quality formal housing and receive security of tenure. An increase in population growth in the municipality implies an increasing urgency for development of infrastructure for our communities that can support this increase in population.

Infrastructure is the foundation that enables economic growth and development. Local government is mandated to construct and maintain a range of infrastructure that enables local economic activities and create an enabling environment for economic growth. The department had included key priority projects on the Integrated Development Plan 2022/2022 to secure funding in order to fulfill this mandate.

The mandate of the Department of Development Planning and Social Security is service delivery component and intends to strive to continuously improve how we render services to communities. The experience over a period has shown that it changes approach it required in the way we extend and reach out to the communities to ensure that those areas which were

Chapter 2

not previously serviced are better off. The municipality is also taking into consideration realities in the municipality. As service delivery department, our mandate is as follows:

- Provision of waste disposal system, which is efficient, safe and cost effective,
- Refuse removal and street cleaning,
- To ensure that the environment is conducive and not harmful to the health and wellbeing of communities,
- Public safety and security
- Provision and maintenance of cemeteries,
- Maintenance of parks and greening of open spaces,
- Provision of security to municipal property and personnel,
- Safety of road users through traffic services,
- Assisting in promotion of healthy and cultural lifestyle to communities through sports, arts, and recreation programmes,
- Maintenance of municipal properties and facilities.
- Provision of disaster management service to the community affected as a result of man-made and other natural disasters,
- Provide an efficient and effective Fire Services,
- Create sustainable economic growth and alleviate poverty by maximizing local agriculture and industrial opportunities and exploitation of international export markets through Local Economic Development initiatives,
- Promotion of Tourism development,
- Job creation

The Department of Treasury Services is responsible for the financial management and accounting, viability and sustainability of the municipality through the delegation of the following:

- Revenue Management;
- Expenditure Management;
- Assets Management; and
- Budget and Reporting

To ensure that the municipality's workforce is satisfied at all times and that relevant and skilled personnel are brought into the fold, the municipality through the Department of Corporate Services employs the following services:

- Human Resources Management;
- Human Resources Development;
- Payroll Administration;
- Legal and Contract Management; and
- Administration and Council Services

The Office of the Municipal Manager provides and overall strategic support for all the strategic operational activities of the municipality through the following:

- Office Operations and Unit Support;
- Information Communication Technologies, Communication and Customer Care Relations;
- Internal Audit Unit;

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- Integrated Development Planning and Performance Management System;
- Office of the Executive Mayor for the Political Leadership and Direction;
- Office of the Speaker for Public Participation; and
- Troika for Political and administrative Interface

There has been challenges with regarding to reporting from the political offices, but the municipality intends addressing this issue in the next financial year, to ensure that it achieves it key performance indicators of public participation and good governance, transparency, and accountability.

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1.1. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

The type of Setsoto Local Municipality (FS 191) in terms of Provincial Gazette of 28 October 2016 is hereby changed from the type of municipality with a collective system combined with ward participatory system to a municipality with an Executive Mayoral system combined with a ward participatory system. Setsoto Local Municipality (FS 191) is a category B municipality as determined by the Municipal Demarcation Board in terms of section 4 of the Municipal Structures Act, 117 of 1998.

The boundaries of the municipality as indicated by the demarcation area in the Municipal Demarcation Notice remain unchanged. The council of Setsoto Local Municipality (FS 191) consists of 33 councillors with effect from the local government elections in 2016. The following councillors have been designated full time councillors by the municipality:

- Executive Mayor
- Speaker
- Members of the Executive Mayoral Committee

The powers and function as assigned to the municipality are stipulated in sections 156 and 229 of the Constitution and sections 83 and 84 of Local Government: Municipal Structures act, 117 of 1998 as amended. More specifically, the powers and functions of the municipality relating to sections 84 of the said act which were promulgated in Provincial Gazette Number 25 dated 11 April 2008 and are:

Section 84(1)(e)-Solid Waste disposal sites as it relates to-

- (i) The determination of waste disposal strategy;
- (ii) The regulation of waste disposal; and
- (iii) The establishment, operation and control of waste disposal sites, bulk waste transfer facilities for more than one local municipality in the district.

Section 84(1)(f)-Municipal roads which form an integral part of road transport system for the area of the district municipality.

Section 84(1)(j)-Firefighting services in the area of the district municipality, which includes-

- (i) Planning, co-ordination, and regulation of fire services;
- (ii) Specialised firefighting services such as mountain, veld, and chemical fire services;
- (iii) Co-ordination of standardisation of infrastructure, vehicle, equipment, and procedures; and
- (iv) Training of fire officers.

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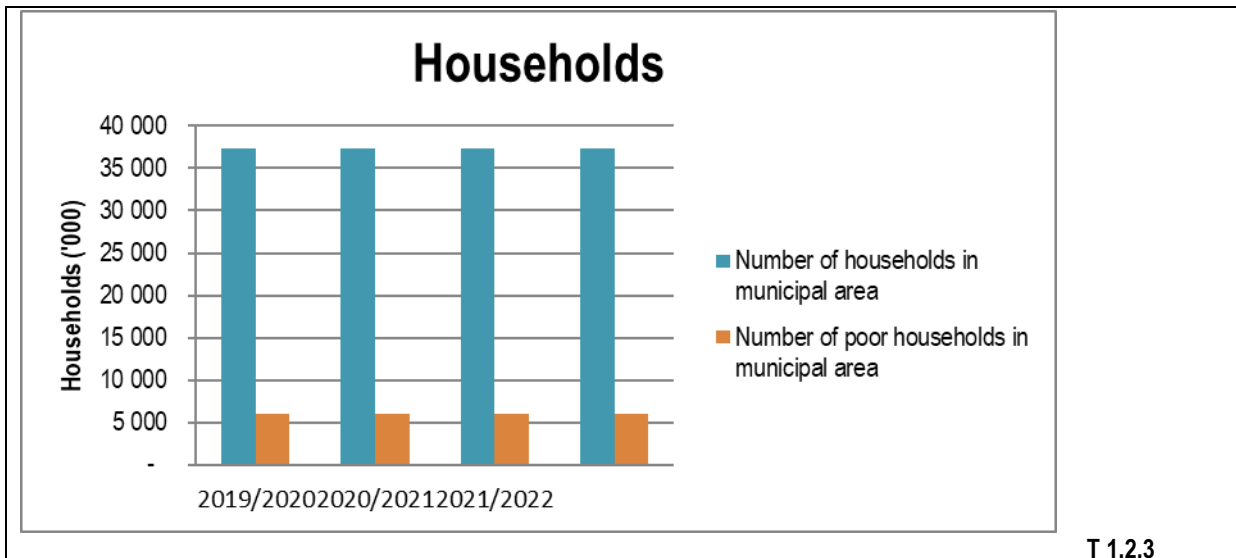
Section 84(1)(l)-The establishment conduct and control of cemeteries and crematoria serving the area of major proportion of municipalities in the district. Section 84(1)(n)-Municipal public works relating to any of the above functions, or any other functions assigned to the district municipality.

The administrative structure of the municipality consists of five departments and four administrative units with the municipal manager as the accounting officer and head of the administration situated in Ficksburg. The other three towns in the municipal are Senekal, Marquard, Clocolan and their neighbourhood areas.

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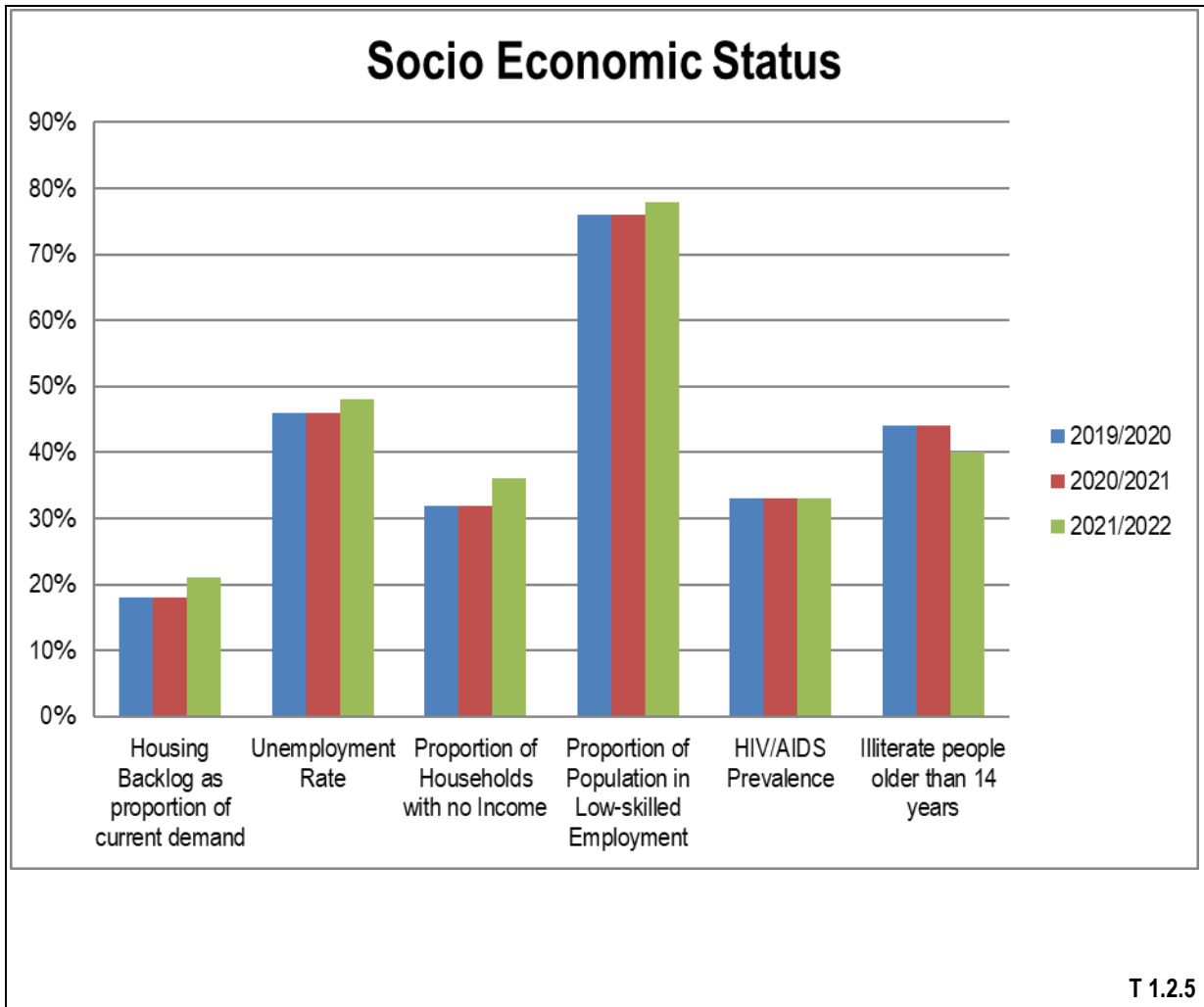
Population Details									
Age	2019/2020			2020/2021			2021/2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	6 260	6 169	12 429	6 260	6 169	12 429	6 260	6 169	12 429
Age: 5 - 9	5 877	5 823	11 700	5 877	5 823	11 700	5 877	5 823	11 700
Age: 10 - 14	5 725	5 915	11 640	5 725	5 915	11 640	5 725	5 915	11 640
Age: 15-19	6 620	6 354	12 974	6 620	6 354	12 974	6 620	6 354	12 974
Age: 20-24	5 405	5 476	10 881	5 405	5 476	10 881	5 405	5 476	10 881
Age: 25-29	6 286	6 017	12 303	6 286	6 017	12 303	6 286	6 017	12 303
Age: 30-34	4 258	5 396	9 654	4 258	5 396	9 654	4 258	5 396	9 654
Age: 35-39	3 186	4 220	7 406	3 186	4 220	7 406	3 186	4 220	7 406
Age: 40-44	2 751	2 989	5 740	2 751	2 989	5 740	2 751	2 989	5 740
Age: 45-49	2 189	2 530	4 719	2 189	2 530	4 719	2 189	2 530	4 719
Age: 50-54	2 021	2 451	4 472	2 021	2 451	4 472	2 021	2 451	4 472
Age: 55-59	1 425	2 187	3 612	1 425	2 187	3 612	1 425	2 187	3 612
Age: 60-64	1 457	1 743	3 200	1 457	1 743	3 200	1 457	1 743	3 200
Age: 65-69	886	1 940	2 826	886	1 940	2 826	886	1 940	2 826
Age: 70-74	580	921	1 501	580	921	1 501	580	921	1 501
Age: 75-79	209	871	1 080	209	871	1 080	209	871	1 080
Age: 80-84	183	534	717	183	534	717	183	534	717
Age: 85+	84	426	510	84	426	510	84	426	510
Total	55 402	61 962	117 364	55 402	61 962	117 364	55 402	61 962	117 364

Source: Statistics SA-Community Survey 2016 T 1.2.2



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Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
2019/2020	18%	46%	32%	76%	33%	44%
2020/2021	18%	46%	32%	76%	33%	44%
2021/2022	21%	48%	36%	78%	33%	40%
T 1.2.4						



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Overview of Neighbourhoods within Setsoto Local Municipality		
Settlement Type	Households	Population
Marquard/Moemaneng		
Marquard		1 119
Moemaneng Extension 1		1 024
Moemaneng Extension 2		1 124
Moemaneng Extension 3		1 950
Moemaneng Extension 4		2 296
Moemaneng Extension 7		1 329
Moemaneng Extension 8		920
Moemaneng SP		4 562
Motampelong		1 280
Riverside		860
Sub-Total	4 460	16 464
Ficksburg/Meqheleng/Caledon Park		
Ficksburg		5 573
Boitumelo		1 628
Ha Molo		382
Itumeleng Zone 3		708
Katlehong		3 326
Khaphamadi		724
Marallaneng		807
Masaleng		2 293
Meqheleng 1		667
Meqheleng 2		1 731
Meqheleng 3		1 299
Meqheleng 4		1 060
Meqheleng 5		1 845
Meqheleng 6		2 943
Meqheleng 7		5 392
Meqheleng 8		10 805
Vukazenzele		1 997
Sub-Total	13 621	43 180
Senekal/Matwabeng		
Senekal		3 600
Matwabeng Extension 4		10 146
Matwabeng Extension 5		2 564
Matwabeng Extension 6		486
Matwabeng SP		1 077
Matwabeng Zone 1		1 344
Matwabeng Zone 2		6 223
Matwabeng Zone 3		1 134
Sub-Total	9 387	26 574
Clocolan/Hlohloiwane		
Clocolan		1 441
Diamong		1 018
Dipotomaneng		1 713
Hlohloiwane Extension 6		6 905
Mandela Park		1 748
Matikareng		1 046
Mokodumela		1 079
Ntsharebone		812
Sunflower Park		2 129
Thethe		712
Sub-Total	6 219	18 603
Rural Settlement		
Farming Areas	2 913	13 130
Informal Settlement	1 000	-
Sub-Total	3 913	13 130
Total	37 600	117 951
		T 1.2.6

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Natural Resources	
Major Natural Resource	Relevance to Community
Caledon River	Water
Sandstone	Mining
Diamond	Mining
Cherries	Agriculture
Asparagus	Agriculture
Peaches	Agriculture
Appels	Agriculture

T 1.2.7

COMMENT ON BACKGROUND DATA

The background data is mainly in terms of census 2011 and some of Community Survey 2016 as provided by the Statistic South Africa, which is the reason as to why the information is only given in the sub-totals in the number of households. The information from Statistic South Africa is aggregated to a ward level not as per the way the template is designed. This challenge needs to be addressed when the template is being reviewed.

We also need to have mechanisms as to how we account for the information during and in between the censuses as it is not captured in the template. The above shows a 4% population growth between 2011 and 2016 period. The average population growth of the Free State Province is 2%.

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1.2. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The South African Constitution states that municipalities have the responsibility to make sure that all citizens are provided with services to satisfy their basic needs. The most important services that the municipality provides are as follow:

- Water supply
- Sewage collection and disposal
- Electricity supply
- Municipal roads and storm water drainage
- Solid Waste Disposal

The lives of the residents of that community are immediately and directly impacted by these services. In addition to limiting individuals' employment options, poor services might make it difficult to draw business or industry to an area. Municipalities being the level of government that is closest to the people, are chosen by the people to serve as their representatives and oversee that the community receives the essential services.

One way the municipality can accomplish this is by offering the service independently utilizing their own resources, including money, tools, and personnel. The delivery of a service may also be contracted out by the municipality. In other words, it may decide to employ a third party to perform the service, but the municipality will still be responsible for selecting the provider and ensuring that the service is effectively provided.

The government provides indigents, who are low-income people, with free basic municipal services. Currently, these services cover the provision of water and electricity. These services, which must adhere to basic standards for a poor household's access to electricity, water, and sanitation, are provided by municipalities.

Chapter 2

Only individuals in need are entitled to free basic services for their houses. The municipality must submit means tests for each application to see whether a family satisfies the criteria set forth by the municipality to be classified as being indigent. The type of subsidy is determined by the municipality on its own.

A municipality might be unable to provide people with some of the basic services. This could be a result of a lack of resources or of the ability to offer a high-quality service at a competitive price. Such municipalities should look for additional means to guarantee that services are enhanced and provided to those who need them the most.

A central challenge for municipality has been its viability and ability to build strong department capable of delivering on the principles of section 53 of the Constitution which states that:

... 'A municipality must structure and manage its administration and budgeting and planning process to give priority to the basic needs of the community, and to promote the social and economic development of the community and participate in national and provincial development programmes'.

If the municipality can achieve the above objectives consistently, within the financial and administrative capacity, it could be described as a functional, well-performing municipality". The following are the focus areas of the municipality:

Universal access to water

All households within the municipality have access to water above the minimum service level.

Universal access to sanitation

All households within the municipality have access to sanitation above the minimum service level.

Universal access to electricity

All households within the municipality have access to electricity above minimum service level.

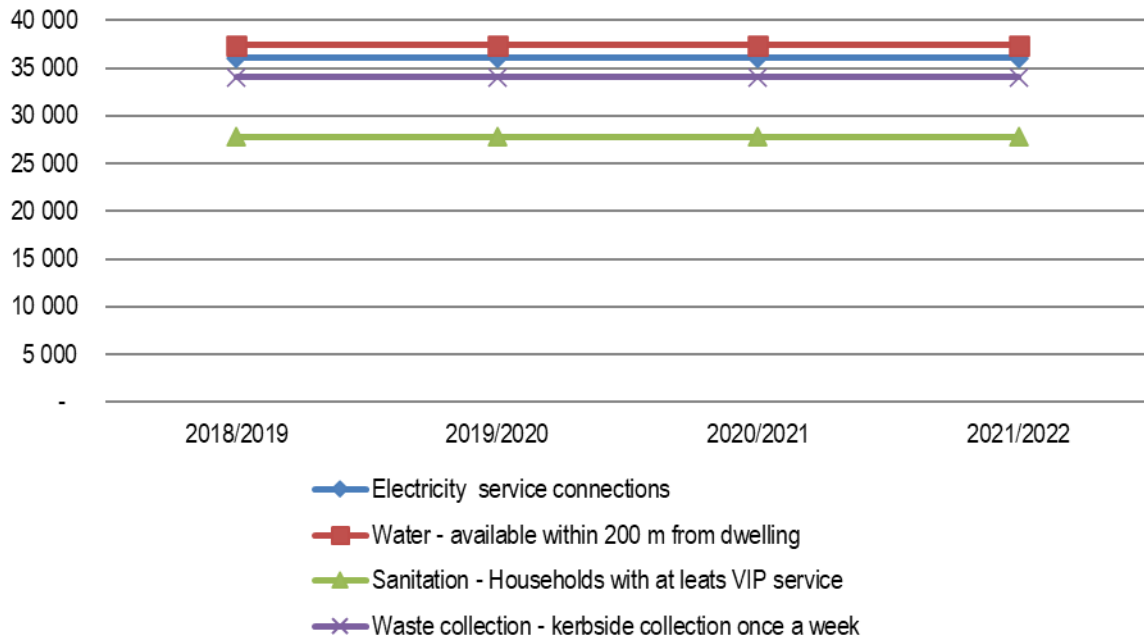
Eradication of informal settlement

The municipality is not a housing authority, in collaboration with the Free State Department of Human Settlement it is ensuring that houses are provided. The land is identified and acquired that is utilised for township establishment and assurance is done on the necessary studies and applications for township establishment.

The process of finalising the rolling-out Spatial Planning and Land Use Management Act, 16 of 2013, has been completed and the municipality is confident that the process will kick-start smoothly from the beginning of the next financial year and that it will impact positively in our endeavours to eradicate informal settlements.

T 1.3.1

Proportion of households with access to basic services



T 1.3.2

COMMENT ON ACCESS TO BASIC SERVICES

The municipality's problems with service delivery are the result of inadequate infrastructure (deteriorating infrastructure) and personnel. This is a relation to the essential infrastructure and facilities required to join the supply chain needed for economic operation and activity.

Numerous factors, such as not being financially self-sufficient and lacking the requisite infrastructure and resources to carry out duties to the public, contribute to the municipality's lack of service delivery. For the municipality, providing services continues to be quite difficult. The municipality is unable to deliver high-quality services to communities quickly due to a lack of infrastructure, resources, and maintenance. Ultimately, the absence of civic infrastructure impedes development in other fields.

T 1.3.3

Chapter 2

1.3. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The municipality ensured that spending is limited against the approved adjustment budget of the municipality, however there were situations that could not be avoided that lead municipality to exceed the budget.

T 1.4.1

Financial Overview: 2021/22				R' 000
Details	Original budget	Adjustment Budget	Actual	
Income				
Grants	406 324	406 324	358 589	
Taxes, Levies and tariffs	311 475	311 475	285 368	
Other	48 216	48 967	47 123	
Sub Total	766 015	766 766	691 080	
Less: Expenditure	634 746	663 616	815 634	
Net Total	131 269	103 150	-124 554	
				T 1.4.2

Detail	%
Employee Cost	28%
Repairs & Maintenance	1%
Finance Charges & Impairment	15%
T 1.4.3	

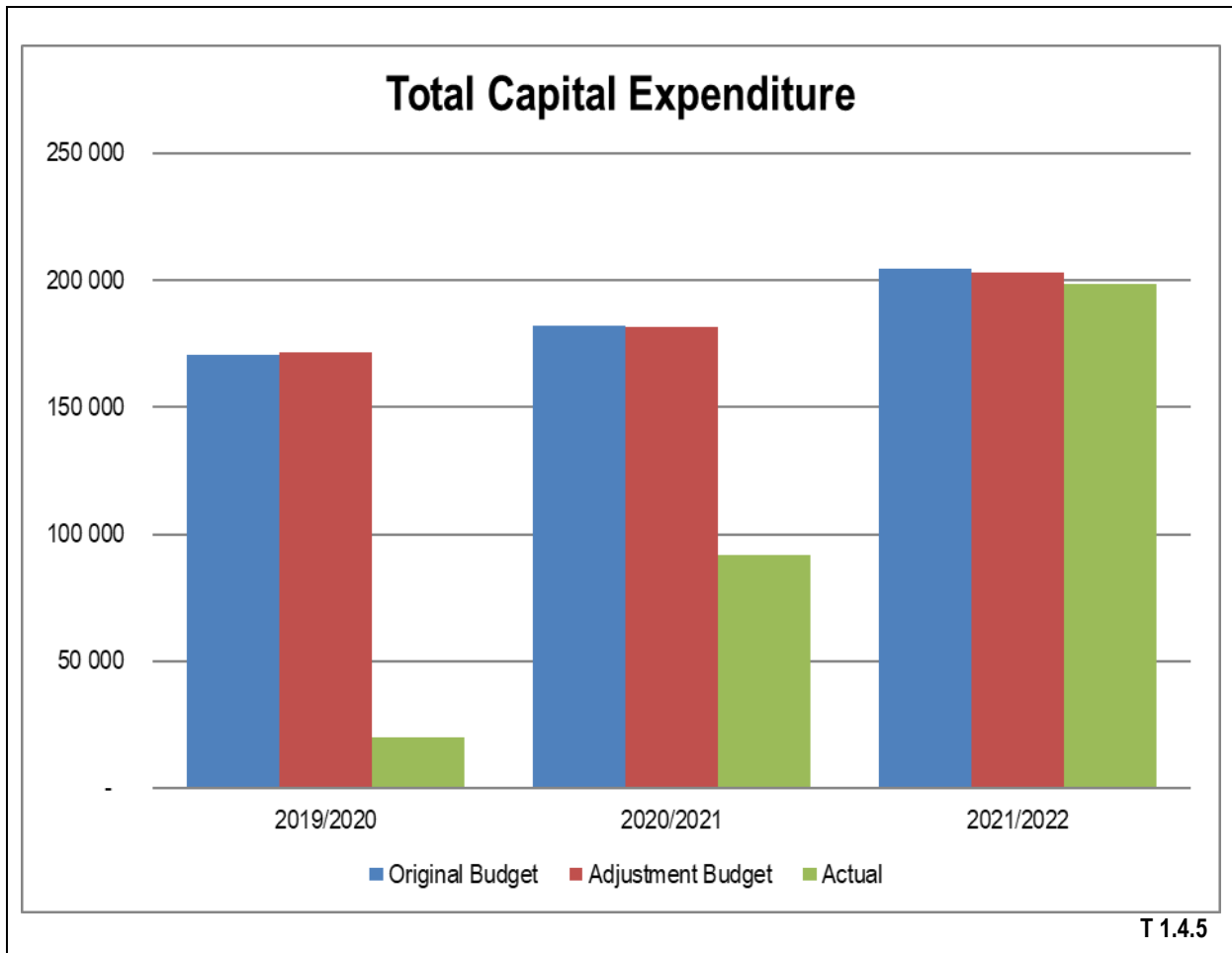
COMMENT ON OPERATING RATIOS

Employee cost against the total expenditure is 28% which is below the norm of 30% which might be attributed to non-filling of vacant post. The performance of repairs and maintenance is very low, and it need to be improved.

T 1.4.3

Total Capital Expenditure: 2019/20 to Year 2021/22				R'000
Detail	2019/20	2020/21	2021/22	
Original Budget	170 382	181 915	204 601	
Adjustment Budget	171 692	181 742	202 914	
Actual	19 927	91 694	198 296	
				T 1.4.4

Chapter 2



COMMENT ON CAPITAL EXPENDITURE

The capital expenditure has been increasing from the previous years; however the amount of unspent grants is also increasing from one year to another.

T 1.4.5.1

Chapter 2

1.4. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The municipal workforce is made up of 631 employees. The Department of Corporate Services renders a support service regarding employee management, employee expenditure, employee relations and employee development. Organisational Development is an objective based approach to systems change within an organization. It enables organisations to build and sustain a new desired state of the entire organization.

The purpose of Organisational Development is to enable an organization to better respond and adapt to industry/market changes and technological advances. During the Financial Year 2021/2022, the Municipality reviewed and submitted 4 (four) Human Resources Policies, Employment Equity Plan) and Workplace Skills Plan to enable the Municipality to reach its IDP Objectives.

T 1.5.1

1.5. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: 2021/2022

The municipality received an unqualified audit opinion with matters of emphasis on the financial affairs of the municipality and a disclaimer on the performance information of the municipality. The issues raised by the Auditor General of South Africa on the financial performance information and the non-financial performance information of the municipality are elaborated in detail in Chapter 6 of the report.

T 1.6.1

1.6. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and Integrated Development Plan Review 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/Integrated Development Plan implementation period	01 July 2022-31 August 2022
2	Implementation and monitoring of approved Budget and Integrated Development Plan commences (In-year financial reporting).	01 July 2021-30 June 2022
3	Finalise the 4 th quarter Report for previous financial year	31 July 2022
4	Submit draft Annual Performance Report to Internal Audit	10 July 2022
6	Audit and Performance Audit Committee considers draft Annual Performance Report	25 July 2022
7	Mayor tables the unaudited Annual Performance Report	31 July 2022
8	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	31 August 2022
9	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	30 September 2022
10	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	01 September 2022-30 November 2022
11	Municipalities receive and start to address the Auditor General's comments	01 September 2022-30 November 2022
12	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	31 January 2022
13	Audited Annual Report is made public, and representation is invited	10 February 2023
14	Oversight Committee assesses Annual Report	15 February 2023-15 March 2023
15	Council adopts Oversight report	31 March 2023
16	Oversight report is made public	10 April 2023

Chapter 2

17	Oversight report is submitted to relevant provincial councils	
18	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	01 September 2022-31 May 2023
		T 1.7.1

COMMENT ON THE ANNUAL REPORT PROCESS:

The compilation of the annual report started with the approval of the Budget 2021/2022 and the Integrated Development Plan 2021/2022. Parallel to the compilation of these two documents, was the process of developing and approving the Service Delivery and Budget Implementation Plan 2021/2022.

The Municipal Manager submitted the draft Service Delivery and Budget Implementation Plan 2021/2022 to the Executive Mayor on the 14 June 2022 and the Executive Mayor approved the document on the 28 June 2022. After these document was approved, senior managers signed performance agreements which were used as a yardstick for their departmental performance.

Section 71 Reports of the Municipal Finance Management Act, 56 of 2003, were then compiled and together with the non-financial performance information were then consolidated into Section 52(d) of the Municipal Finance Management Act, 56 of 2003 and tabled by the Executive Mayor to council in order for council to monitor the implementation of the service delivery and budget implementation plan.

At year end, the municipality compiled a Section 46 Report as per the Municipal Systems Act, 32 of 2000, which report was then submitted to Auditor General of South Africa as Annual Performance Report for regulatory audit. This report together with the audit report and the audited annual financial statement were then consolidated into a Section 121 of the Municipal Finance Management Act, 56 of 2003, as an Annual Report 2021/2022 for tabling to council.

T 1.7.1.1

INTRODUCTION TO GOVERNANCE

The municipality is divided into two major governing structures, namely:

- Political governance; and
- Administrative governance.

Political governance constitutes of public representative elected through wards and proportional representation respectively. These public representatives constitute a municipal council. They are the legislators at the local level and take decisions that are to be implemented by the administrative leadership.

Administrative governance is made up of the municipal manager, supported by the senior managers and all other officials as per the municipal organisational structure. These officials have specific delegated powers and functions that they need to execute in order for the municipality to provide services to its local community.

T 2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Chapter 2

Political and administrative governance in the municipality consists of a set of processes, customs, policies, laws, regulations and institutions affecting the way people direct, administer or control an organisation.

Political and administrative governance also includes the relationships amongst the many role-players involved in the organisations. The principal role-players include communities, management and councillors. Other stakeholders include employees, service providers, customers, businesses, political parties, other organisations and regulators.

T 2.1.0

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Setsoto Local Municipality is a category B Municipality with an Executive Mayoral Committee with Ward Participatory System. The council has its committees namely the Audit and Performance Audit Committee and Municipal Public Accounts Committee which are Section 79 Committees reporting directly to Council. The Council has also established Section 80 Committees with the Chairs of each committee being a member of the Mayoral Committee to deal with issues in the respective Departments.

Councillors				
Surname	Name	Gender	Political Party	Ward/Proportional Representation
Mbiwe	Seipati Justina	Female	African National Congress	Proportional Representation
Mokheseng	Seipati Miriam	Female	Economic Freedom Front	Proportional Representation
Oberholzer	Ilanie Elizabeth	Female	Setsoto Service Delivery Forum	Proportional Representation
Ancell	Tommy	Male	African Transformation Movement	Proportional Representation
Janssonius	Johannes Marius	Male	Setsoto Service Delivery Forum	Proportional Representation
Mofokeng	Morongoe Dina	Female	African National Congress	Proportional Representation
Odendaal	Michiel Frederick	Male	Freedom Front Plus	Proportional Representation
Vermeulen	Phillipus Johannes Martinus	Male	Setsoto Service Delivery Forum	Proportional Representation
Vries	Isak	Male	Setsoto Service Delivery Forum	Proportional Representation
Dell	Henrietta	Female	Democratic Alliance	Proportional Representation
Heymans	Maria Comelia	Female	Freedom Front Plus	Proportional Representation
Mokoakoe	Lebohang Gilbert	Male	Economic Freedom Fighters	Proportional Representation
Manako	Tebello Samuel	Male	Economic Freedom Fighters	Proportional Representation
Koqo	Palesa Elizabeth	Female	African National Congress	Proportional Representation
Mohanoë	Lillian Elaine	Female	African National Congress	Proportional Representation
Mokhele	Modise Moses	Male	Democratic Alliance	Proportional Representation
Motsoane	Tshwanelo Phandreaonx	Male	African National Congress	Ward 1
Langa	Timothy Lebeko	Male	African National Congress	Ward 2
Maleke	Mojalefa Joel	Male	Setsoto Service Delivery Forum	Ward 3
Ponya	Mmasa Alfred	Male	African National Congress	Ward 4
Moipatli	Chere Daniel	Male	African National Congress	Ward 5
Selasi	Motsamai William	Male	African National Congress	Ward 6
Khatlake	Ntema Peter	Male	African National Congress	Ward 7
Mokhobo	Mohau Johannes	Male	Setsoto Service Delivery Forum	Ward 8
Mthimkhulu	Thabo Isaac	Male	African National Congress	Ward 9
Constable	Stephen Manko	Male	African National Congress	ward 10
Koalane	Komane Elias	Male	African National Congress	Ward 11
Letube	Morake Edward	Male	African National Congress	Ward 12
Motloenya	Lefu Elliot	Male	African National Congress	Ward 13
Makae	Thabang Elias	Male	African National Congress	Ward 14
Makhalanyane	Tieho George	Male	Setsoto Service Delivery Forum	Ward 15

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Thamae	Lesole David	Male	African National Congress	Ward 16
Mavaleliso	Pakalitha Isaac	Male	African National Congress	Ward 17

• Appendix A to this annual report provides a list of all councillors post-election including their committee allocations and attendance of council meetings for the 2021/2022 financial year. It also provides a list of all councillors pre-election with attendance.

• Appendix B provides a list of all committees of council and their purpose.

T 2.1.2

Political Decision-taking

Decision making within the municipality is guided by its Delegation of Powers and Functions as well as Legislative requirements. Various structures comprising of management meetings, Section 80 Committee meetings, mayoral committee meetings and council meetings consider recommendations and make decisions within their delegated powers.

In 2021/2022 a total of 165 items were resolved by the mayoral committee with hundred percent implementation as reported and a total of 113 items were resolved on by council also with hundred percent implementation according to progress reports from respective directorates. After every mayoral committee or council meeting resolutions are circulated to all Directors for implementation and they are expected to report back on the implementation which is then presented in the next ensuing mayoral committee or council meeting.

T 2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The municipal administration can be defined as a multilevel governance. This is widely defined as governing of the governing. It represents established ethical principles or norms that shape and steer the entire governing process. The quality of governance that the municipality is displaying is that of good governance, this relates to consistent management, cohesive policies, guidance processes and decision rights for a given area of responsibility, and proper oversight and accountability.

Administrative governance is defined as the exercise of ethical and effective leadership by the governing body towards the achievement of the following governance outcomes:

- Ethical culture;
- Good performance;
- Effective control; and
- Legitimacy

Ethical and effective leadership should complement and reinforce each other. Ethical leadership is exemplified by integrity, competence, responsibility, accountability, fairness, and transparency. It involves the anticipation and prevention, or otherwise amelioration, of negative consequences of the organisations activities and outputs on the economy, society and the environment and the capitals that it uses and affects.

Effective leadership is results-driven, it is about achieving strategic objectives and positive outcomes. Effective leadership includes, but goes beyond, an internal focus on effective and efficient execution. The council's primary governance role and responsibilities are part of the dynamic of the municipality's business cycle. This role and responsibilities include to steer the

Chapter 2

municipality and set its strategic direction, based on which management will develop the strategy which is approved by the council.

To give effect to the municipality's strategy, management formulates policy and operational plans, also approved by council. Management then, implements and executes the strategy in accordance with policy and plans which are overseen and supervised by the council. The council finally ensures that there is accountability for municipal performance through, among others, reporting and disclosure. The latter in turn forms the basis for reviewing strategic directions which starts the business cycle anew.

The municipality's administrative governance structure deeply intersects with its council governance structures. The Municipal Manager is the Accounting Officer. He is supported by the four functional area structures, including the Audit and Performance Audit Committee, Risk Management Committee and the Information and Technology Steering Committee. The very important base of our administrative governance structures, however, consists of the following functional area

- Office of the Municipal Manager;
- Department of Corporate Services;
- Department of Engineering Services;
- Department of Development Planning and Social Security; and
- Department of Treasury Services.

The functional areas are headed by the directors who are appointed on a five-year fixed term in terms of Section 57 of the Local Government: Municipal Systems Act, 32 of 2000, as amended, many of whom contribute to the achievement of the municipality's objectives contained in the municipality's approved Integrated Development Plan 2021/2022, Budget 2021/2022, Service Delivery and Budget Implementation Plan 2021/2022. The directors are responsible for their functional areas and cross functional areas, and responsible for functions highly specific to their functional areas' programmes.

The cross-functional areas are headed by the divisional managers. A look at the responsibilities of the directors and divisional managers shows how each contributes to the municipality's ultimate outcome through their functional specific strategic goal, and these are:

- to ensure that the municipality is supporting the delivery of municipal services to the right quality and standard;
- to ensure that the municipality is creating a conducive environment for economic development;
- to ensure that we are building institutional resilience and administrative capability;
- to ensuring sound financial management and accounting;
- to promote good governance, transparency, and accountability; and
- putting people and their concerns first

This is where the matrix structure of our organisation comes in-operations informs the demand of the human resources capital including financial resources injections. Functional and cross-functional areas, however, have no formal decision-making powers in terms of legislation. While proposals for executive and legislative decisions often emanate from the areas, approval flows through the municipal governance structures. (Management Committee, Section 80 Committees, Mayoral Committee and Council.

T 2.2.1

Chapter 2

Position	Name	Function
Municipal Manager	Mr. Ramakarane Tshepiso	Head of administration and accounting officer responsible for: <ul style="list-style-type: none">• Office of the Speaker;• Office of the Executive Mayor;• Office of the Municipal Public Accounts Committee;• Department of Engineering Services;• Department of Corporate Services;• Department of Development Planning and Security Services; and• Department of Corporate Services.
Chief Financial Officer	Mr. Moletsane Lefa	Head of finance department responsible for: <ul style="list-style-type: none">• Expenditure Management;• Revenue Management;• Supply Chain Management;• Assets Management; and• Budget and Reporting.
Director Engineering Services	Mr. Themba Marotholi	Head of public works
Director Development Planning and Security Services	Mr. Themba Zondo	Head of community services responsible for: <ul style="list-style-type: none">• Cemetery management;• Parks and recreational services;• Local economic development;• Sport, Arts and Culture; and• Tourism development.
Director Corporate Services	Mr. Tshepiso Motsima	Head of personnel management responsible for: <ul style="list-style-type: none">• Human Resource Management;• Human Resources Development;• Payroll Management;• Employee Wellness;• Occupational Health;• Labour Relations; and• Legal and Contract Management

T 2.2.2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Chapter 2

Our people's focus is mainly on the audited financial statements and the Auditor General of South Africa's Report on those audited annual financial statements, but they do not consider the effort and intergovernmental interactions that took place to produce such credible annual financial statements. During the year under examination, a lot of intergovernmental activities took place to ensure that communities receive sustainable, uninterrupted services daily. There have been a lot of interdepartmental, sector departmental meetings that took place to ensure that challenges are identified and mitigated upon as soon as possible to ensure smooth running of the administration and service provision.

The systems that are in place included processes through which the municipality's objectives are set and pursued in the context of social, regulatory, political, technological, economical, and market environment. These included mechanisms put in place to monitor actions, policies and decisions of the municipality and its service providers. South Africa has an intergovernmental system that is based on the principle of cooperation between the three spheres of government-local, provincial, and national. While responsibility for certain functions is allocated to a specific sphere, many other functions are shared among the three spheres.

However, the Constitution specifically envisages that as municipalities develop the necessary capacity, the administration of many functions that are currently the responsibility of national and provincial governments will be assigned to municipalities. Whilst this has been taking place, very often the devolution has only been partial-with municipalities not being given the necessary funds, scope of responsibility or without their being subject to clear forms of accountability for their performance. Over the medium-term, government is planning for more functions to be devolved to municipalities.

There is therefore a need for clear principles to guide such assignments to ensure that there are appropriate incentives, funding, and accountability arrangements. The assignment of functions to local government has a direct bearing on the local fiscal framework. Ideally, the framework should provide municipalities with access to revenue sources that are commensurate with powers and functions that they are responsible for. In this regard, it is important to keep in mind that the whole local government fiscal framework is designed to fund local government, and not just the transfers from national government.

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

The following intergovernmental for a play an important role in cooperative governance and in shaping policy and resource decisions:

- **Extended Cabinet**

This is made up of National Cabinet Ministers, extended to Provincial Premiers and the Chairperson of South African Local Government Association. It is the highest cooperative governance mechanism, advising the national cabinet when it finalises the fiscal; framework and the division of revenue on which the Medium-Term Expenditure and Revenue Framework budgets are based.

- **The President's Coordinating Council**

Chair of this forum is the President of the country, and it constitutes nine provincial Premiers, the Chairperson of South African Local Government Association, Executive Mayors' of Metros, and the National Ministers responsible for cross-cutting functions such as provincial and local government affairs, public service and administration, and finance. Other Ministers may be invited to participate.

- **The Budget Council and Budget Forum**

Established in terms of the Intergovernmental Fiscal Relations Act of 1997. The Budget Council consists of Minister of Finance and the Members of the Executive Councils responsible for finance in each province. The Budget Forum consists of the members of the Budget Council plus the

Chapter 2

representatives of South African Local Government Association It provides a forum for discussing financial matters relating to the local government fiscal framework.

- **MinMec**

These are sectoral fora made up of national ministers for concurrent functions and their provincial counterparts. South African Local Government Association represents local government on a number of these fora.

T 2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

Over and above the provincial structures as stated above being in the province, the following are the once that the municipality is participating actively in:

- Provincial Waste Management Forum;
- Free State Traffic Management Committee;
- Free State Umbrella Fire Protection Association;
- Provincial Fire and Disaster Advisory Forum;
- Cross Border Crime Prevention Forum;
- Provincial Security Managers Forum;
- South African Emergency Services Institute;
- Provincial Integrated Development Plan Managers Forum;
- Provincial Planning Forum; and
- Provincial Performance Management Systems Forum
- Back to Basic Principle Forum
- Batho-Pele Forum
- Provincial Internal Audit Forum
- Provincial Risk Management Forum
- Provincial Communicator's Forum
- Information Communication Technology Forum

T 2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITIES

The municipality have not established a municipal entity.

T 2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

The following are at the district level:

- District Municipal Chief Fire Officers Forum
- District Disaster Management Forum
- Thabo Mofutsanyana District Municipality Traffic Management Committee
- Thabo Mofutsanyana District Integrated Development Plan Manager's Forum
- Thabo Mofutsanyana District Performance Management Systems Manager's Forum
- Thabo Mofutsanyana District Internal Auditor's Forum
- Thabo Mofutsanyana District Communicator's Forum
- Back to Basic Principle Forum
- Batho-Pele Forum

Chapter 2

- District Internal Audit Forum
- Risk Management Forum
- Communicator's Forum
- Information Communication Technology Forum

T 2.3.4

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Goal 16 of the 2030 Agenda for Sustainable Development calls for the promotion of peaceful and inclusive societies for sustainable development, the provision of access to justice for all and building effective, accountable, and inclusive institutions at all levels. Specifically target 16.7 addresses the need for responsive, inclusive, participatory, and representative decision-making.

In this connection, we have been focusing on supporting national efforts to promote open, transparent, and inclusive participation and decision-making in development. We assisted governance structures in improving their responsiveness to public needs and engagement of people in the development process.

This included the development and approval of the Integrated Development Plan Review Process Plan 2021/2022 with programme of Action and Budget Costs, the participation, as well as the promotion of the use of open municipal data, to improve accountability, combat corruption and enhance the delivery of public services.

For those who look at issues of governance and the development from the perspective of citizens, it is both the right and the responsibility of citizens to participate in accounting for themselves and in holding other actors to account. If social exclusion and discrimination are reversed, it is particularly important for governments and aid agencies to be accountable to marginalised and excluded citizens. Involving such citizens in accountability initiatives calls for particularly innovative and far-reaching participatory process.

The Integrated Development Planning and Performance Management Division of the municipality is involved in designing, implementing, and supporting and evaluating initiatives that works towards different aspects of accountability, including accountable governance and accountable aid.

The division work not only to facilitate participation in such initiatives and strengthen citizens' voices, but also to understand and address the underlying power relations in our accountability work. Accountability takes many forms, but go on to describe the two key components of most accountability relationships:

- Answerability-the right to get a response, and the obligation to provide one; and
- Enforceability-the capacity to ensure that an action is taken, and access to mechanisms for redress.

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Due to Covid-19 Pandemic, physical meetings were not held in the first quarter of the financial year, but eight meetings were held with different stakeholders to enforce public participation and involvement in municipal planning and budgeting

Chapter 2

processes.

After the elections held in November 2021, the Executive Mayor embark on a public participation drive to solicit the community's satisfaction with the delivery of municipal services and to identify which challenges communities are facing regarding the delivery of services.

T 2.4.1

WARD COMMITTEES

Seventeen ward committees lifespan came to end on the 01 November 2021. The establishment process of ward committees was to be completed by the end of March 2022. This process is in progress and the election started during the week of 24 March 2022 to 01 April 2022.

Ward 1

No	Name	Surname	Gender
	Cllr Tshwanelo	Motsoane	Male
1.	Nthabiseng	Nonyane	Female
2.	Tshele Godfrey	Setai	Male
3.	Mamoitsoi Yvonne	Lipali	Female
4.	Kotsoane	Sejeng	Male
5.	Tlalane	Mapuru	Female
6.	Dimakatso Agnes	Maphisa	Female
7.	Mmabataung	Smit	Female
8.	Madikotsi Rose	Tomas	Female
9.	Taleete Taleete	Matsoso	Male
10.	Ntebaleng Lydia	Lekekela	Female

Ward 2

No	Name	Surname	Gender
	Cllr Lebeko	Langa	Male
1.	Tseleng	Radebe	Female
2.	Mameisi Robin	Naido	Female
3.	Malefetsane	Tsoaela	Male
4.	Nnopi	Motebele	Female
5.	Moselantja	Sekharume	Female
6.	Thabo	Makhaotse	Male
7.	Tumelo	Selelane	Male
8.	Nkholeng	Mokoena	Female
9.	Masabata	Sebusi	Female
10.	Sabata	Molahloe	Male

Ward 3

No	Name	Surname	Gender
	Cllr Joel	Maleke	Male
1.	Mohau	Fokhono	Male
2.	Makoena	Sompane	Female
3.	Moipone	Chacha	Female
4.	Mapulane	Tlako	Female
5.	Lebohang Ernest	Jonas	Male
6.	Disemelo	Motaung	Female
7.	Jannie	Jacobs	Male
8.	Dikeledi	Kekane	Female
9.	Motsamai	Makuwetsana	Male
10.	Nthabiseng	Mohlominyana	Female

Ward 4

No	Name	Surname	Gender
	Cllr Mmasa	Ponya	Male
1.	Mojabeng	Sefuthi	Female
2.	Thabiso David	Thulo	Male
3.	Karabo Dorcas	Lieke	Female
4.	Teboho	Mphosi	Male
5.	Matshowana	Mokoena	Female
6.	Mamphu	Ramaisa	Female

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7.	Mama	Litsoane	Female
8.	Boike	sehloho	Male
9.	Malefetsane	Selikane	Male
10.	Modiehi	Kolobe	Female
Ward 5			
No	Cllr Chere	Moipatli	Male
1.	Mamalanga	Makate	Female
2.	Liapeng	Rankhathali	Female
3.	Lekekiso Jafta	Hlalele	Male
4.	Maitaba	Masolane	Female
5.	Lizzy	Seithathi	Female
6.	Mampe Martha	Lemeko	Female
7.	Mamafa	Lefanya	
8.	Tselane	Tseki	Female
9.	Lebina	Mofolo	Male
10.	Tiisetso	Sekonyela	Male
Ward 6			
No	Cllr Motsamai	Selasi	Male
1.	Mojalefa	Macholo	Male
2.	Isaac Masole	Masole	Male
3.	Dorah	Ndiniza	Female
4.	Moipone	Lebakeng	Female
5.	Mapulane	Nyareli	Female
6.	Lerato Brenda	Khiba	Female
7.	Pitso Victor	Pitso	Male
8.	Moeketsi	Mpekoa	Male
9.	Lefu Godfrey	Matsoso	Male
10.	Diau	Lehlela	Male
Ward 7			
No	Cllr Ntema	Khatlake	Male
1.	Thabo	Pekeshe	Male
2.	Dimakatso	Seloane	Female
3.	David	Mngomezulu	Male
4.	Masabata	Tsolo	Female
5.	Disebo Beauty	Raleting	Female
6.	Dikeledi	Mofokeng	Female
7.	Paulinah	Mtambo	Female
8.	Palesa	Ramohlokoane	Female
9.	Puseletso	Sebutsoe	Female
10.	Bapane	Maloka	Male
Ward 8			
No	Cllr Mohau	Mokhobo	Male
1.	Thabo	Rachere	Male
2.	Mahlomola	Ntoule	Male
3.	Modiehi	Salomone	Female
4.	Sello	Mokone	Male
5.	Mmabasothoana	Mokhobo	Female
6.	Setanana	Mahlatsane	Male
7.	Zakaria	Rapulutsoane	Male
8.	Matsietsi	Mohapi	Female
9.	Mokone	Mohau	Male
10.	Lebohang	Pitso	Male
Ward 9			
No	Cllr Thabo	Mthimkhulu	Male
1.	Lehlohonolo	Zulu	Male
2.	Dithhare	Mofubetsoana	Female
3.	Mampone	Koalane	Female
4.	Tumo	Tsoeu	Male
5.	Dingane	Dlamini	Male
6.	Mohotsi	Mohotsi	
7.	Motshedisi	Motalingoane	Female
8.	Mathabo Mary	Moahloli	Female
9.	Letuka	Nthoroane	Male
10.	Vacant		

Chapter 2

Ward 10			
No	Cllr Stephen	Constable	Male
1.	Daniel	Swan	Male
2.	Maria	Erasmus	Female
3.	Nthabiseng	Lephoto	Female
4.	Manyatso Elsie	Makhendone	Female
5.	Relebohile	Matlanyane	Female
6.	Motlatsi	Mohlabane	Male
7.	Mthuyzi	Mthimkulu	Male
8.	Johan	Krotz	Male
9.	Teboho	Tsweu Tsweu	Male
10.	Keketso	Phahlane	Female

Ward 11			
No	Cllr Komane	Koalane	Male
1.	David	Moeketsane	Male
2.	Diepollo Alina	Sempe	Female
3.	Masentle	Phofu	Female
4.	Matlakala	Lebakeng	
5.	Moselantja	Mphirime	Female
6.	Matshidiso	Nooe	Female
7.	Mathakane	Sempe	Female
8.	Joalane	Ramphoma	Female
9.	Seriti Justina	Lihaba	Female
10.	Khethanyane	Mereko	Male

Ward 12			
No	Cllr Morake	Letube	Male
1.	Mojabeng	Mojpati	Female
2.	Motsoeunyane	Rankati	Female
3.	Phirimana	Mofokeng	Male
4.	Limakatso	Matshela	Female
5.	Ntebaleng	Ntsane	Female
6.	Matsiliso	Mokone	Female
7.	Motlatsi	Mokhachane	Male
8.	Motlalepule	Tshabalala	Male
9.	Emily	Tooane	Female
10.	Kheleli	Tshokolo	Male

Ward 13			
No	Cllr Lefu	Motoenya	Male
1.	Matebesi	Putsoeli	Male
2.	Libuseng	Tsoloane	Female
3.	Joseph	Linyelo	Male
4.	Tsiliso	Nhlapho	Male
5.	Ezekiel	Blangwe	Male
6.	Siphiwe	Msimanga	Male
7.	Mpiti	Makoanyane	Male
8.	Tsheliso	Ramotso	Male
9.	Mamoeti	Potlane	Female
10.	Disebo	Tshaka	Female

Ward 14			
No	Cllr Thabang	Makae	Male
1.	Phahlakaze	Matloha	
2.	Mojakisane	Motsoane	Male
3.	Tlaleng	Kotope	Female
4.	Motlalepula	Likontsane	Male
5.	Lerato	Liakhele	
6.	Dimakatso	Mofokeng	Female
7.	Mokhale	Kutumane	Male
8.	Mpho	Morake	
9.	Maleshoane	Hlalele	Female
10.	Modiehi	Macholo	Female

Ward 15			
No	Cllr Tieho	Makhalanyane	Male
1.	Clectus	Ntsoereng	Male

Chapter 2

2.	Dikenkeng	Mahono	Female
3.	Bafana	Nkosi	Male
4.	Matsediso	Mohosho	Female
5.	Cordier Walter	James	Male
6.	James	Brown	Male
7.	Mota	Popane	Male
8.	Pakiso	Koqo	Male
9.	Anthony	Chaka	Male
10.	Tsekiso	Motete	Male
Ward 16			
No	Clr Lesole	Thamae	Male
1.	Modiehi	Motsehi	Female
2.	Mamaliso	Masena	Female
3.	Puleng	Motseare	Female
4.	Keneuoe	Mosili	Female
5.	Mantebaleng	Machaha	Female
6.	Mamoliehi	Tseeke	Female
7.	Mmojalefa	Mokone	Female
8.	Sekete	Chakela	Male
9.	Linda	Tshabalala	Female
10.	Nteboheng	Madona	Female
Ward 17			
No	Councillor Paka	Mavaleliso	Male
1.	Mantshadi	Letlala	Female
2.	Tshidiso	Pholoana	Male
3.	Leponesa	Motiane	Male
4.	Lucas	Tsoeu	Male
5.	Mensel	Tshabalala	Male
6.	Polo	Lebona	Female
7.	Moelo	Monyane	Female
8.	Puleng	Sephula	Female
9.	Joyce	Khaile	Female
10.	Tsholoane	Mosena	Male
T 2.4.2			

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the Integrated Development Plan have priorities, objectives, Key Performance Indicators, development strategies?	Yes
Does the Integrated Development Plan have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the Key Performance Indicators in the strategic plan?	Yes
Do the Integrated Development Plan Key Performance Indicators align to the Section 57 Managers	Yes
Do the Integrated Development Plan Key Performance Indicators lead to functional area Key Performance Indicators as per the Service Delivery and Budget Implementation Plan?	Yes
Do the Integrated Development Plan Key Performance Indicators align with the provincial Key Performance Indicators 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
T 2.5.1	

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Corporate governance in the municipality deals with the following elements:

- Risk Management;
- Internal Audit;
- Information Communication Technologies;
- Customer Care;
- Integrated Development Planning; and
- Performance Management Systems

Corporate governance is the system of rules, practices, and processes by which organisation is directed and controlled. Corporate governance essentially involves balancing the interests of the organisation's many stakeholders, such as shareholders, management, suppliers, financiers, government, and the community. Since corporate governance also provides the framework for attaining the organisation's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance management measurement and corporate disclosure.

Governance refers specifically to the set of rules, controls and resolutions put in place to dictate corporate behaviour. Proxy advisors and shareholders are important stakeholders who indirectly affect governance, but these are not examples of governance itself. The board of directors is pivotal in governance, and it can have major ramifications for equity valuation. The board of directors is the primary direct stakeholder influencing corporate governance. Directors are elected by shareholders or appointed by other board members, and they represent shareholders of the company.

The board is tasked with making important decisions, such as corporate officer appointments, executive compensation, and dividend policy. In some instances, board obligations stretch beyond financial optimization, when shareholder resolutions call for certain social or environmental concerns to be prioritised. Boards are often made up of inside and independent members. Insiders are major shareholders, founders, and executives. Independent directors do not share the ties of the insiders, but

they are chosen because of their experience managing or directing other large companies. Independents are considered helpful for governance because they dilute the concentration of power and help align shareholder interests with those of insiders.

Bad corporate governance can cast doubt on a company's reliability, integrity, or obligation to shareholders-which can have implications on the company's financial health. Tolerance or support of illegal activities can create scandals. Companies that do not cooperate sufficiently with auditors or do not select auditors with appropriate scale can publish spurious or non-compliant financial results. Bad executive compensation packages fail to create optimal incentive for corporate officers. Poorly structured boards make it too difficult for shareholders to oust ineffective incumbents.

Good corporate governance creates a transparent set of rules and controls in which shareholders, directors and officers have aligned incentives. Most organisations strive to have a high level of corporate governance. For many shareholders, it is not

Chapter 2

enough for an organisation to merely be profitable; it also needs to demonstrate good corporate citizenship through environmental awareness, ethical behaviour, and sound corporate governance practices.

T 2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

Since the adoption of the Municipal Finance Management Act of 2003 Section 62(1) (a), (c (i)), which stipulates the following:

- The accounting officer of the municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure.
- That the resources of the municipality are used effectively, efficiently, and economically.
- That the municipality has and maintains effective, efficient, and transparent systems of financial and risk management and internal control; and
- That the Treasury Regulations issued in terms of the Act infused the public service with a municipal culture, which must add to its emphasis on external sanctions and include stronger internal controls with anticipatory management systems to assess the abuse of power, which is the central principle of risk management.

Therefore, risk management should be central to managing the municipality as a whole, and why risk management should be integral to planning, organising, directing, and coordinating systems aimed at achieving the municipality's goals and objectives. One of the most important mandates is the development and implementation of an integrated risk management strategy whose major objective is to encourage best practice within an evolving government service delivery strategy, while minimising the risks and ensuring that municipality meets its set objectives.

Since the adoption of the reviewed organisational structure no appointments have been made. However, during the financial year under review the Risk Officer has been Acting as the Chief Risk Officer. The majority of strategical, operational and fraud risks have been identified, minimized, controlled, and mitigated during the year under review.

The following are the highlights of the Risk Management activities of the municipality during the year under review:

- Improvement in provincial treasury's assessment ratings
- The monitoring of Strategic Risks Register by Senior Management
- Most departments have managed to minimise identified risks within their divisions
- Ensuring that the Covid 19 pandemic is managed in order to minimize infections in the workplace

There is a proper correlation between the Risk Management Unit, the Internal Audit Unit, and the Integrated Development Plan and Performance Management Systems Division within the municipality, and it is envisaged that with the filling of the vacant posts in the unit this correlation can only be enhanced.

T 2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

Chapter 2

The Fraud Prevention Strategy seeks to focus attention at the macro strategic level in the first instance. It then provides a schema for assessing matters and actions to be addressed at the detailed level. It is important for the Municipality to have a strategy that is highly prescriptive in nature when dealing with issues of fraud and corruption.

It is essential that the municipality promotes a zero-tolerance approach to Fraud and corruption. The commitment, by all officials is to mitigate fraudulent activities and to report when fraud occurs and should be dealt with thoroughly without leniency.

During the year under review the municipality made efforts to educate employees and community members with issues of fraud and corruption that are affecting the Municipality through Public participations and workshops.

The following are the highlights of the Fraud and corruption activities of the municipality during the year under review:

- Managing reported fraud hotline cases
- Reached out to Ward committees in Anti – Fraud and corruption workshop

All the Unauthorised, Irregular, Wasteful and Fruitless expenditure is being dealt with according to Circular 68 and section 32 of the Municipal Finance Management Act, 56 of 2003. All processes followed is that the register is completed and tabled to the Assets and Liability Committee which then submit their recommendations to the Municipal Public Accounts Committee for investigations and recommendation to council. Council will then either, condone, authorise, recoup and/or take legal actions against whoever is liable to the allegations.

T 2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Unit, through consultations with other relevant stakeholders had to ensure that the Supply Chain Management Policy of the municipality is implemented optimally and reviewed regularly to ensure compliance to Constitution of South Africa, Municipal Finance Management Act, 56 of 2003, Municipal Regulations and any other relevant legislations. The Supply Chain Management Policy applies when Setsoto Local Municipality procures goods or services and/or disposes goods no longer needed or required. The policy does not apply in respect of the procurement of electricity from Eskom.

A total of twelve bids and sixty-two formal written price quotations were awarded during the year under review. The average turnaround time on the awarding of bids was four months from closing date to the appointment date. Deviations from Supply Chain Management Policy as results of justifiable reasons are compiled and reported to council via Finance Management Committee and Mayoral Committee. Our Supply Chain Management Policy is deemed to be fair, equitable, transparent, competitive, and cost effective and complies with prescribed regulatory for Municipal Supply Chain Management.

Auditor General of South Africa raised concerns regarding irregular expenditures because of non-compliance to Supply Chain Management Policy and Supply Chain Management Regulations. It was also mentioned that the contract performance and monitoring measures were not in place to ensure effective contract management, as required by section 116(2)(c)(ii) of the Municipal Finance Management Act, 56 of 2003. Remedial actions were implemented to address concerns raised by Auditor General of South Africa and a more detailed Audit Recovery Plan will be compiled and monitored monthly.

The Municipality is determined to ensure that all Supply Chain Management Division personnel meet the prescribed minimum competency level by providing resources or opportunity for the training of officials involved in the implementation of the Supply Chain Management policy. Other officials have completed the Municipal Finance Management Program and

Chapter 2

others completed Supply Chain Management learnership pilot programme, initiative by National Treasury and TETA to bridge a gap identified.

T 2.8.1

2.9 BY-LAWS

No newly developed bylaws during the period under review however the municipality is having the following by-laws in operation:

BYLAW NR	SUBJECT	DATE PROMULGATED	GAZZETE NO
1 OF 2008	PARKING OF VEHICLES ON PUBLIC ROADS BYLAW	19 September 2008	No77
2 OF 2008	COMMONAGE BYLAW	19 September 2008	No77
3 OF 2008	MUNICIPAL MANAGEMENT & CONTROL OF INFORMAL SETTLEMENTS BYLAW	19 September 2008	No77
4 OF 2008	KEEPING OF ANIMALS, POULTRY AND BEES BYLAW	19 September 2008	No77
5 OF 2008	MUNICIPAL OUTDOOR ADVERTISING & SIGNAGE BYLAW	19 September 2008	No77
6 OF 2008	STREET TRADING BYLAW	19 September 2008	No77
7 OF 2008	MUNICIPAL TAXI & BUS RANK BYLAW	19 September 2008	No77
8 OF 2008	MUNICIPAL PROPERTY RATES BYLAW	19 September 2008	No77
9 OF 2008	BYLAWS RELATING TO RULES & ORDERS	19 September 2008	No 27
1 OF 2012	WATER RESTRICTIONS BYLAW	13 July 2012	No 27
2 OF 2012	CEMETERIES AND CREMATORIA BYLAW	13 July 2012	No 27
3 OF 2012	WASTE MANAGEMENT BYLAW	13 July 2012	No 27
4 OF 2012	ELECTRICITY SUPPLY BYLAW	13 July 2012	No 27
1 OF 2013	INDIGENT SUPPORT BYLAW	21 June 2013	No 26
2 OF 2013	TARIFF POLICY BYLAW	21 June 2013	No 26
3 OF 2013	CREDIT CONTROL AND DEBT COLLECTION BYLAW	21 June 2013	No 26
2 OF 2014	STANDARD IMPOUNDMENT OF ANIMALS BYLAW	11 September 2015	No 89
4 OF 2015	PARKING OF VEHICLES ON PUBLIC ROADS BYLAW	11 September 2015	No 89
16 OF 2015	MUNICIPAL LAND USE PLANNING BYLAWS	23 October 2015	No 108
1 OF 2016	WATER SERVICES BYLAW	24 June 2016	No 87
1 OF 2020	PUBLIC PASSENGER AND GOODS TRANSPORTATION BYLAW	21 February 2020	No 115
2 OF 2020	STANDARD BUSINESS REGULATIONS BYLAW	21 February 2020	No 115

T 2.9.1

COMMENT ON BY-LAWS

No new bylaws were developed or introduced during the year under review.

T 2.9.1.1

Chapter 2

2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	04-06-2021
All current budget-related policies	Yes	06-06-2021
The previous Annual Report 2020/2021	Yes	02-02-2022
The Annual Report 2021/2022 to be published	Yes	04-04-2023
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2021/2022) and resulting scorecards	Yes	20-12-2021
All service delivery agreements 2021/2022	Yes	04-08-2021
All long-term borrowing contracts 2021/2022	N/A	
All supply chain management contracts above a prescribed value (give value) for 2021/2022	N/A	
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 2021/2022	N/A	
Contracts agreed in 2021/2022 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N/A	
Public-private partnership agreements referred to in section 120 made in 2021/2022	N/A	
All quarterly reports tabled in the council in terms of section 52 (d) during 2021/2022	Yes	01-10-2021 03-01-2022 02-04-2022 01-06-2022
T 2.10.1		

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

The website serves as an integral part of a municipality's communication infrastructure and strategy. It allows easy access to relevant information, serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance.

The role of website, as platform for information dissemination, participation and disclosure has been significantly catered for in various pieces of legislation, including:

- The Local Government Municipal Systems Act No 32 of 2000;
- The Local Government Municipal Financial Management Act No 56 of 2003; and
- The Municipal Property Rates Act, no 6 of 2004.

T 2.10.1.1

Chapter 2

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFCATION LEVELS

The community is very dissatisfied with the provision of services due to the following challenges:

- Inaccessible road infrastructure
- Water and sewer leakages
- Loadshedding
- Unreliable refuse removal service
- Lack of housing
- Shortage of land
- Security of tenure
- High levels of unemployment rate
- Slow economic growth

T 2.11.1

Satisfaction Surveys Undertaken during 2020/2021 and 2021/2022

Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%)*
Overall satisfaction with:				
a) Municipality				
b) Municipal Service Delivery				
c) Executive Mayor				
Satisfaction with:				
a) Refuse Collection				
b) Road Maintenance				
c) Electricity Supply				
d) Water Supply				
e) Information supplied by municipality to the public				
f) Opportunities for consultation on municipal affairs				
No surveys w conducted for the periods stated above				

T 2.11.2

Concerning T 2.11.2:

In order to comply with legislative requirement, the municipality need to budget and conduct customer satisfaction survey on an annual basis to find out the community how the community feels about the municipal service delivery.

T 2.11.2.1

Chapter 2

COMMENT ON SATISFACTION LEVELS

See T 2.11.1 above.

T 2.11.2.2

Chapter 3

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

Municipalities are the most basic units of government in the country and are tasked with providing basic services and fostering development in the regions they control. Local government in South Africa is largely understood in terms of service delivery and the South African Constitution (Act No. 108 of 1996) assigns municipalities the role to mobilise economic resources towards the improvement of the lives of all citizens.

Basic services are the fundamental building blocks of improved quality of life, and adequate supplies of safe water and adequate sanitation are necessary for life, well-being, and human dignity. Tremendous progress has been made over the past few decades in the delivery of basic services.

The Community Survey 2016 found that 89,8% of households used piped water, that 63,4% used flush toilets connected to either the public sewerage or to a local septic system, that 63,9% of households receive refuse removal services, and finally, that 87,6% of households had access to electricity.

These headline figures, however, hide a lot of variation across provinces, district councils and between local municipalities. Households living in rural municipalities usually have access to far less, and usually also more inferior services to those living in wealthier, particularly more urban municipalities.

Although the reasons for the existence of backlogs differ by service and between municipalities, part of the reason relate to the legacy of unequal development which still haunt former homeland areas, high levels of poverty that limit households' ability to pay for services, as well as the practical constraints of extending services to far off rural areas or densely populated informal areas at great expense to the local municipality.

Although certain 'gold' standards have been set for each service, such as the provision of flush toilets, the provision of running water in the dwelling, or weekly kerbside refuse removal, financial and practical constraints have forced municipalities to provide a variety of service levels in order to meet the very basic needs of residents. Since using a single measure of household access would hide the combination of measures used by municipalities, this report uses an index to explore the complex interchange between different service delivery measures in more detail.

The report shows that households in rural municipalities generally have access to poorer service levels. Although household perceptions of the services they receive vary greatly between municipalities, households in metropolitan municipalities are generally more satisfied than those in smaller municipalities, particularly rural municipalities.

A simple correlation between municipal poverty headcounts and the available infrastructure shows a strong positive relationship. The relationship between household satisfaction with basic services and the quality of infrastructure can also be expressed as a strong positive correlation, meaning that poor households with inadequate access to services are most likely to be dissatisfied with those services. The report finally finds that 75% of households in South Africa did not believe that municipalities were actively addressing the issues they felt was most important for households in their respective municipalities.

T 3.0.1

Chapter 3

COMPONENT A: BASIC SERVICES

INTRODUCTION TO BASIC SERVICES

The basic necessities of life—clean drinking water, sanitary facilities, electricity, shelter, solid waste collection, and roads—are provided by municipalities and are protected under the Bill of Rights and our Constitution as fundamental human rights.

The municipality has served as the main location for the provision of services in South Africa. In terms of providing municipal services like water, sanitation, electricity, and solid waste collection, we have made great progress.

The municipalities still need to improve in terms of:

- The development of fundable consolidated infrastructure plans.
- Ensuring infrastructure maintenance and repairs to reduce losses with respect to:
- Water and sanitation.
- Human Settlements.
- Electricity.
- Waste Management.
- Roads.
- Ensure the provision of Free Basic Services and the maintenance of Indigent register.

T 3.1.0

Chapter 3

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

The Department of engineering services is responsible for providing basic services under the following sectors:

- Water
- Sanitation
- Electricity
- Roads and stormwater
- Planning and Property Management
- Project Management

All these are provided through a project management unit and each sector is therefore responsible for maintenance of the provided infrastructure to ensure effective, efficient, and sustainable service delivery. The department is devoted to improving the quality of life of its community by providing efficient, sustainable, reliable, and affordable infrastructure and to ensure continuous upgrade and maintenance of the existing infrastructure. This department is also mandated to ensure adequate services land through which residents can develop quality formal housing and receive security of tenure.

An increase in population growth in the municipality implies an increasing urgency for development of infrastructure for our communities that can support this increase in population. Infrastructure is the foundation that enables economic growth and development.

Local government is mandated to construct and maintain a range of infrastructure that facilitates local economic activities and create an enabling environment for economic growth. The department had included key priority projects on the Integrated Development Plan 2020/2021 to secure funding to fulfil this mandate.

Infrastructure is the foundation that enables economic growth and development. Local government is mandated to construct and maintain a range of infrastructure that facilitates local economic activities and create an enabling environment for economic growth. From a local perspective, the following infrastructure categories are of key importance specifically in terms of:

1. Water and Sanitation

- Planning the provision of water and sanitation services (Master planning),
- Operation and maintenance of the water and sanitation assets and resources
- Manage the provision of capital infrastructure related
- Project management, and
- Policies, procedure, and standards for the provision of the service

2. Roads and Stormwater

- Planning the provision and upgrading of adequate roads and stormwater
- Maintenance of the existing infrastructure
- Manage the provision of capital infrastructure
- Project management

Chapter 3

3. Electricity

- Plan and manage the distribution of electricity
- Operation and maintenance
- Manage the provision of capital infrastructure
- Project management
- Policies, procedures, and standards for the provision of the services

3. Planning and Property Management

- Plan the provision of housing to the needy by the province
- Assist the Province in coordinating the housing delivery strategies
- Enforce the provincial policies on housing matters, and
- Assist the province in the managing of contractors and the projects
- Provide guidance to the community on housing matters
- Maintain database of housing beneficiaries' waiting list

4. Project Management Unit

- provide support to all the sectors above on implementation of capital
- Coordination of the project identification process between municipalities served by the Project Management Unit, in terms of the relevant Integrated Development Plans;
- Coordination of the project feasibility process, with involvement of other municipal departments where appropriate, in terms of the relevant integrated development plans;
- Establishment and approval of contracts with contractors and consultants for each project, including feasibility studies;
- Project management, including ensuring that projects meet planning objectives;
- Coordination of project-based capacity building initiatives: the Project Management Unit is responsible for ensuring that project-related capacity building and development objectives are met; and
- Management of Municipal Infrastructure Grant Management Information System for registration of projects, facilitate the capture of backlog information, monitoring and preparation of all necessary reports.
- Build capacity to operationalise and manage the Municipal Infrastructure Grant Management –Management Information Systems.

It is important to note that the Project Management Unit is a function or shared function within a municipality. All it requires are the planning, organising, coordinating, controlling, and directing of the activities of a project.

The Department of Development Planning is responsible for the provision and maintenance of the following services:

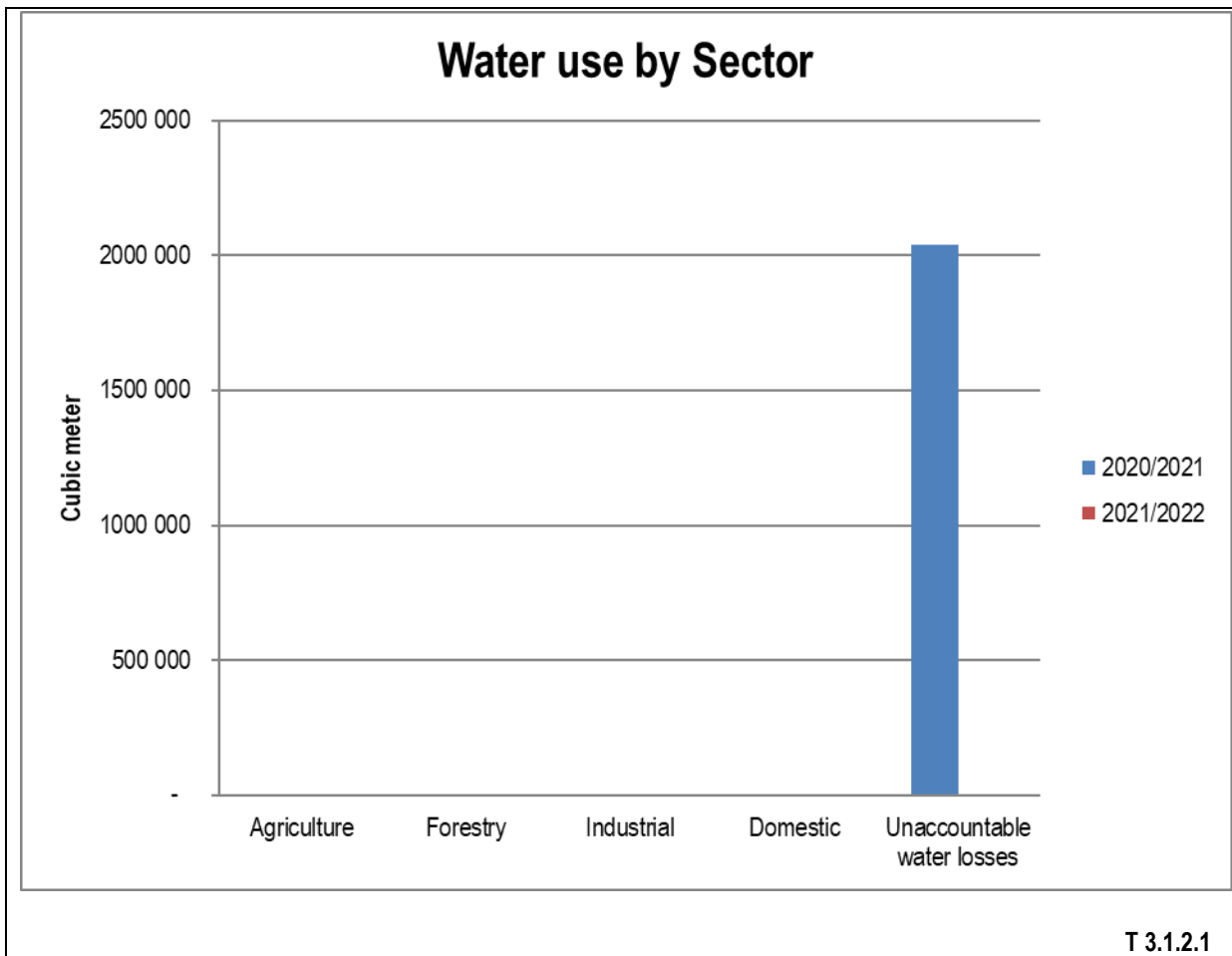
- Security Services and Property Maintenance;
- Traffic Management;
- Disaster Management;
- Waste Management;
- Parks and Cemeteries; and
- Local Economic Development, Tourism, Sport and Recreations.

T 3.1.1

Chapter 3

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2020/2021	-	-	-	-	2 040 193
2021/2022	-	-	-	-	-

T 3.1.2



COMMENT ON WATER USE BY SECTOR

South Africa, a country with a scarcity of water, continuously aims to use its water resources in the most effective and equitable way possible. To ensure sustainability over the long term, different users in relation to industry, domestic usage, agriculture, and the environment must be given a fair and sufficient share of the resources. Therefore, effective water demand management is crucial in municipalities.

The demand for water resources is rising due to factors such as climate change, population expansion, Industrialisation, and urbanization, yet the limited supply is being affected by water pollution. The difference between water supply and demand in recent years indicates that the problem of water shortage is gradually getting out of hand.

T 3.1.2.2

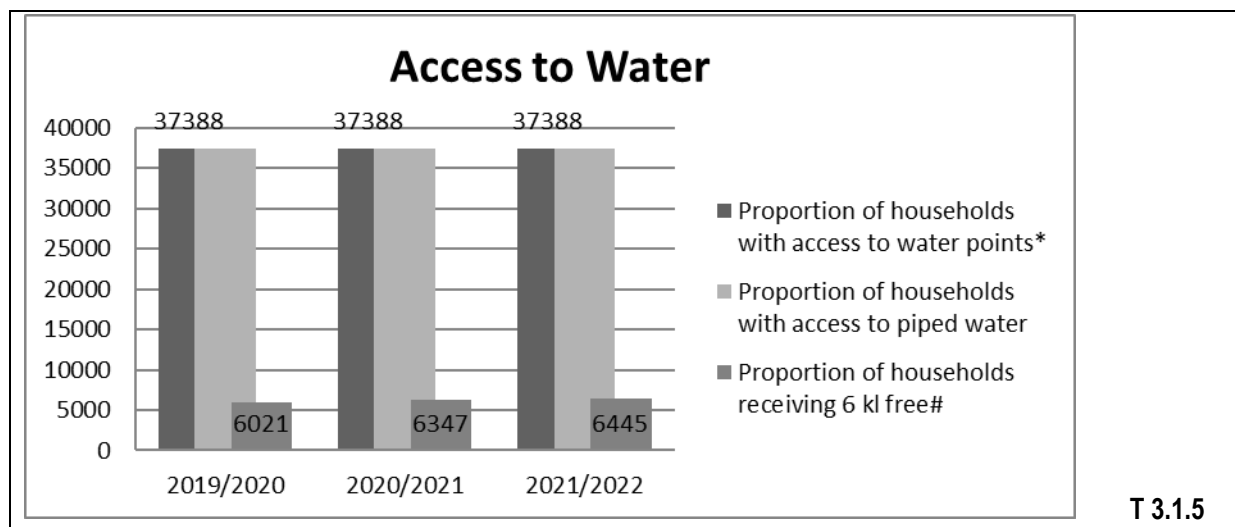
Chapter 3

Water Service Delivery Levels				
Description	2018/2019	2019/2020	2020/2021	Households
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Water: (above min level)				
Piped water inside dwelling	5 693	5 693	5 693	5 693
Piped water inside yard (but not in dwelling)	27 820	27 820	27 820	27 820
Using public tap (within 200m from dwelling)	2 222	2 222	2 222	2 222
Other water supply (within 200m)	830	830	830	830
<i>Minimum Service Level and Above sub-total</i>	36 558	36 558	36 558	36 558
<i>Minimum Service Level and Above Percentage</i>	98%	98%	98%	98%
Water: (below min level)				
Using public tap (more than 200m from dwelling)	0	0	0	0
Other water supply (more than 200m from dwelling)	0	0	0	0
No water supply	823	823	823	823
<i>Below Minimum Service Level sub-total</i>	823	823	823	823
<i>Below Minimum Service Level Percentage</i>	2%	2%	2%	2%
Total number of households*	37 388	37 388	37 388	37 388

T 3.1.3

Description	2017/2018	2018/2019	2019/2020	2020/2021
	Actual	Actual	Actual	Actual
Below Minimum Service Level sub-total	823	823	823	823
Below Minimum Service Level Percentage	2%	2%	2%	2%
Total number of households*	37 388	37 388	37 388	37 388

T 3.1.4



T 3.1.5

Chapter 3

Water Service Policy Objectives Taken From Integrated Development Plan									
Service Objectives	Outline Service Targets	2020/2021		2021/2022			2022/2023	2023/2024	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
(i)	(ii)								
Supporting the delivery of municipal services to the right quality and standard	Megalitre of water purified	7 000		7 000	7 000	8 769	8 769	8 769	8 769
Supporting the delivery of municipal services to the right quality and standard	Litres of Flocculent to be used	360 000		360 000	360 000	304 744	304 744	304 744	304 744
Supporting the delivery of municipal services to the right quality and standard	Kilograms of Chlorine to be used/dosed	30 000		30 000	30 000	30 504	30 504	30 504	30 504
Supporting the delivery of municipal services to the right quality and standard	Number of Water quality compliant report	652		652	652	562	562	562	562
Supporting the delivery of municipal services to the right quality and standard	Number of full SANS 241 analysis report generated	1		1	1	1	1	1	1
Supporting the delivery of municipal services to the right quality and standard	Number of water quality operations monitoring analysis	5 934		5 934	5 934	6 573	6 573	6 573	6 573
Supporting the delivery of municipal services to the right quality and standard	Number of reservoir inspections conducted	480		480	480	1 458	1 458	1 458	1 458
Supporting the delivery of municipal services to the right quality and standard	Megalitres of Wastewater treated	400		400	400	548	548	548	548
Supporting the delivery of municipal services to the right quality and standard	Kilogram of Chlorine to be used for disinfection	2 500		2 500	2 500	835	835	835	835
Supporting the delivery of municipal services to the right quality and standard	Number of Quality Compliance reports generated	96		96	96	76	76	76	76
Supporting the delivery of municipal services to the right quality and standard	Number of water service Development plan completed	1		1	1	0	0	0	0
Supporting the delivery of municipal services to the right quality and standard	Number of unit reports generated	12		12	12	12	12	12	12
Supporting the delivery of municipal services to the right quality and standard	Number of Section 80 reports generated	12		12	12	12	12	12	12
Supporting the delivery of municipal services to the right quality and standard	Number of water forums attended	4		4	4	5	5	5	5

T 3.1.6

Chapter 3

COMMENT ON WATER SERVICES PERFORMANCE OVERALL

We confirm that we have achieved our targets as set out in the Integrated Development Plan with approved budget. The priority area was to increase water supply to all communities, where there has been shortage.

T 3.1.7

3.2 WASTE WATER PROVISION

INTRODUCTION TO SANITATION PROVISION

The primary objective for water and sanitation is to:

- ensure effective, efficient, affordable, economical, and sustainable access to water and sanitation services
- promote sustainable livelihoods and economic development.
- Report annually on progress against development plans to improve access to quality water and sanitation services. Provide for regular maintenance of water and sanitation infrastructure.

The municipality is supplying water through reticulation system to 97% of the formalised areas and supply water through water tanks on those areas which are not having a proper reticulation system. The municipality is still having a historical backlog of households still using bucket system, ventilated improved pit latrine, and septic tanks.

Even though the municipality tries to implement the projects of eradicating this backlog what becomes a stumbling block is the capacity of the Bulk infrastructure that need to be upgraded to handle the additional demand as the bulk infrastructure is overloaded with the existing demand. This causes a lot of sewer spillages especially in the townships which ultimately increases number of complaints relating to sewer spillages by residents.

T 3.2.1

Sanitation Service Delivery Levels				
Description	2018/2019	2019/2020	2020/2021	*Households 2021/2022
	Outcome No.	Outcome No.	Outcome No.	Actual No.
Sanitation/sewerage: (above minimum level)				
Flush toilet (connected to sewerage)	22 777	22 777	22 777	22 777
Flush toilet (with septic tank)	1 482	1 482	1 482	1 482
Chemical toilet	185	185	185	185
Pit toilet (ventilated)	1 562	1 562	1 562	1 562
Other toilet provisions (above min.service level)	1 792	1 792	1 792	1 792
<i>Minimum Service Level and Above sub-total</i>	27 798	27 798	27 798	27 798
<i>Minimum Service Level and Above Percentage</i>	74.3%	74.3%	74.3%	74.3%
Sanitation/sewerage: (below minimum level)				
Bucket toilet	7 841	7 841	7 841	7 841
Other toilet provisions (below min.service level)	373	373	373	373
No toilet provisions	1 377	1 377	1 377	1 377
<i>Below Minimum Service Level sub-total</i>	9 591	9 591	9 591	9 591
<i>Below Minimum Service Level Percentage</i>	25.7%	25.7%	25.7%	25.7%
Total households	37 389	37 389	37 389	37 389
*Total number of households including informal settlements				T 3.2.2

Chapter 3

Households - Sanitation Service Delivery Levels below the minimum						
Description	2018/2019	2019/2020	2020/2021	2021/2022		Households
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	37 388	37 388	37 388	37 388	37 388	37 388
Households below minimum service level	9 591	9 591	9 591	9 591	9 591	9 591
Proportion of households below minimum service level	26%	26%	26%	26%	26%	26%
Informal Settlements						
Total households	37 388	37 388	37 388	37 388	37 388	37 388
Households ts below minimum service level	-	-	-	-	-	-
Proportion of households ts below minimum service level	0%	0%	0%	0%	0%	0%
						T 3.2.3

Chapter 3

Waste Water Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2020/2021		2021/2022			2022/2023	2023/2024	
		Target	Actual	Target		Actual	Target	Target	
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Supporting the delivery of municipal services to the right quality and standard	Percentage of water pipes repaired.	100%	100%	100%	100%	99.00%	100%	100%	100%
Supporting the delivery of municipal services to the right quality and standard	Percentage of water meters repaired or replaced.	100%	100%	100%	100%	91%	100%	100%	100%
Supporting the delivery of municipal services to the right quality and standard	Percentage of fire hydrants repaired.	100%	100%	100%	100%	100%	100%	100%	100%
Supporting the delivery of municipal services to the right quality and standard	Percentage of water valves repaired.	100%	100%	100%	100%	100%	100%	100%	100%
Supporting the delivery of municipal services to the right quality and standard	Percentage of sewer pipes repaired.	100%	100%	100%	100%	71%	100%	100%	100%
Supporting the delivery of municipal services to the right quality and standard	Percentage of unblocked sewer spillages.	100%	100%	100%	100%	100%	100%	100%	100%
Supporting the delivery of municipal services to the right quality and standard	Percentage of repaired/replaced sewer manholes.	100%	100%	100%	100%	100%	100%	100%	100%
Supporting the delivery of municipal services to the right quality and standard	Percentage of buckets removed	100%	58%	100%	100%	75%	100%	100%	100%
Supporting the delivery of municipal services to the right quality and standard	Percentage of VIP and Sceptic tanks serviced.	100%	67%	100%	100%	10%	100%	100%	100%
Supporting the delivery of municipal services to the right quality and standard	Number of Section 80 Committee Reports generated.	12	12	12	12	3%	12	12	12
Supporting the delivery of municipal services to the right quality and standard	Number of Unit Administration Reports generated	12	12	12	12	3.25%	12	12	12

T 3.2.4

Chapter 3

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

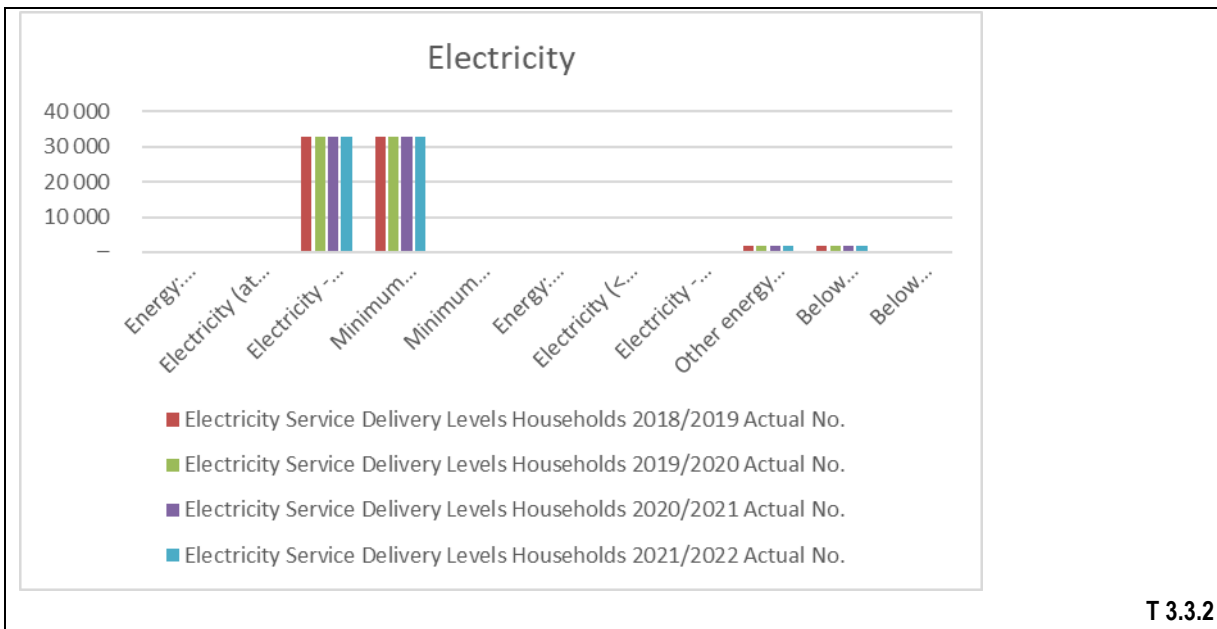
The municipality is the electricity service provider for all town areas with Eskom being the service provider for all townships and farm areas. The electricity provision backlog is currently at 1 321 household. There are also 2 255 un-occupied sites which if occupied will also increase the number of backlogs. There is still a need for a situational analysis for the municipality to ensure that all informal settlements are formalised (as indicated in the urban planning backlogs) and basic access to electricity provided to those areas.

Applications were submitted by the municipality to both Eskom and the Department of Minerals, Resources and Energy to address backlogs on the supply of electricity to formal households, maintain and upgrade the electricity infrastructure. Funding has been approved for the 2021/2022 financial year to address the bulk in Clocolan for the Energizing of Tienie van Rooyen.

The municipality continuously ensure sustainable electricity supply to its supply areas and provide communities with the public lighting by means of streetlights and high mast lights. The municipality also provide free basic electricity to all registered indigents households.

Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.

T 3.3.1



T 3.3.2

Chapter 3

Description	2018/2019	2019/2020	2020/2021	2021/2022
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Energy: (above minimum level)				
Electricity (at least min.service level)	32 887	32 887	32 887	32 887
Electricity - prepaid (min.service level)	32 887	32 887	32 887	32 887
<i>Minimum Service Level and Above sub-total</i>	0.94	0.94	0.94	0.94
<i>Minimum Service Level and Above Percentage</i>				
Energy: (below minimum level)				
Electricity (< min.service level)	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-
Other energy sources	1 971	1 971	1 971	1 971
<i>Below Minimum Service Level sub-total</i>	1 971	1 971	1 971	1 971
<i>Below Minimum Service Level Percentage</i>	0.06	0.06	0.06	0.06
Total number of households	34 858	34 858	34 858	34 858
				T 3.3.3
*** There above figures exclude electricity provision on the farms . The total on the farms is 2 530 households out of a total of 37 388 households in the municipality				

Description	2018/2019	2019/2020	2020/2021	2021/2022		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	34 741	34 741	34 741	34 741	34 741	34 741
Households below minimum service level	1 971	1 971	1 971	1 971	1 971	1 971
Proportion of households below minimum service level	0.06	0.06	0.06	0.06	0.06	0.06
Informal Settlements						
Total households	622	622	622	622	622	622
Households below minimum service level	622	622	622	622	622	622
Proportion of households below minimum service level	0.02	0.02	0.02	0.02	0.02	0.02
						T 3.3.4
*** There above figures exclude electricity provision on the farms . The total on the farms is 2 530 households out of a total of 37 388 households in the municipality						

Chapter 3

Electricity Services Policy Objectives Taken From Integrated Development Plan									
Service Objectives	Outline Service Targets	2020/2021		2021/2022			2022/2023	2023/2024	2024/2025
Service Indicators		Target	Actual	Target	Target	Actual	Target	Target	Target
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
	Number of Streetlights and High mast lights Repair / Replace	500	884	500	1020	500	500	500	500
	Number of sub and mini substations maintained	2	1	2	1	2	2	2	2
	Number of sub and Mini substations cleaned	100	123	100	111	100	100	8	8
	Kilometers of MV and LV network repair / replaced\	8	13.652	8	7.879	8	8	8	8
	Number of SC Committee reports generated	12	12	12	12	12	12	12	12
	Number of Energy Forum reports generated	4	4	4	4	4	4	4	4
	Number of Unit Reports generated	16	16	16	12	16	16	16	16
	Percentage unplanned outage restored within required timeframe	98%	98%	98%	98%	98%	98%	98%	98%

T 3.1.6

Chapter 3

Employees: Electricity Services					
Job Level	2021/2022				
	2020/2021				
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	3	1	2	67%
4 - 6	3	7	3	4	57%
7 - 9	8	11	8	3	27%
10 - 12	0	0	0	0	0%
13 - 15	13	17	13	4	24%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	26	39	26	13	33%
					T 3.3.6

Financial Performance 2021/2022: Electricity Services					
					R'000
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	107 393	126 007	126 007	119 571	-5%
Expenditure					
Employees	9 172	10 340	9 059	9 155	-13%
Repairs and Maintenance	1 312	4 840	2 840	1 913	-153%
Other	81 450	99 828	107 496	96 065	-4%
Total Operational Expenditure	91 934	115 008	119 395	107 133	-7%
Net Operational Expenditure	-15 459	-10 999	-6 612	-12 438	12%
					T 3.3.7

Capital Expenditure 2021/2022: Electricity Services					
					R' 000
Capital Projects	2021/2022				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Total All	10 610	2 155	2 101	-405%	
Electrification Project	2 000	2 000	2 000	0%	280
Streetlights	2 000	20	22	-8 991%	
Network	4 350	50	45	-9 567%	150
Furniture equipment	90	85	34	-165%	320
Furniture equipment new	70	0	0	100%	
Transport	2 100	0	0	100%	90
					T 3.3.8

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL

In Clocolan the project of Upgrading of SS5 and MV network for Tienie van Rooyen on the Integrated National Energy Program funded by the Department of Minerals Resources and Energy was totally spend for the financial year. Extra funding must be used out of own budget to complete the project due to the funds applied for was insufficient. Under the Energy efficiency project of the District Municipality 136 x 1000W Spotlights on the high mast lights in all four units townships were replaced.

The overall performance of the Division was very good due to only one Key Performance Indicator was not reach due to the financial constrains what the municipality has experienced. The repair of streetlights was a great overachievement but stil sit with a big backlog. The lack of equipment and material some of the other part in the division. There is also a need to ensure that all vacant post are filled by qualified, experienced persons in order to ensure efficient, effective and sustainable performance of the electrical division.

T 3.3.9

Chapter 3

3.4 WASTE MANAGEMENT

INTRODUCTION TO WASTE MANAGEMENT

The mandate of the department is mainly a service delivery component and therefore intends to strive to continuously improve how we render services to communities. The experience over a period have shown that it requires the change approach in the way we extend and reach out to the communities to ensure that those areas which were not previously serviced are better off.

As service delivery department our mandate is the provision of waste management service, which is compulsory, efficient, safe, and cost effective and to ensure that the environment is conducive and not harmful to the health and wellbeing of communities. The division is responsible to deliver the following services:

- Collection of households, business, and industrial waste at least once a week.
- Cleaning of the central business areas in all the units with litter picking daily seven (7) days a week.
- Managing the licensed landfill sites in Ficksburg, Senekal, Clocolan and Marquard in terms of the license conditions.
- Strive to on a continuous basis the removal of corner dumping from vacant stands, pavements, and public open areas.
- Community awareness programs introduced to the community.
- Encouraging and supporting recycling projects initiated by local Small Medium Micro Enterprises.
- Cleaning campaigns involving the Extended Public Works Program and Community Works Programme

The management and the personnel worked tirelessly together to improve the level of the service rendered during this year and that can be attributed by increase in percentage with regard to collection of household refuse and collection of business waste.

It is worth mentioning that during this financial year where the COVID 19 pandemic continued to affect our lives however, the employees from the Waste Management Division rendered a refuse collection service as an essential service to all the households and the businesses that were allowed to operate during that lockdown period.

T 3.4.1

Solid Waste Service Delivery Levels				
Description	2018/2019	2019/2020	2020/2021	Households
	Actual	Actual	Actual	2021/2022
	No.	No.	No.	Actual
				No.
Solid Waste Removal: (Minimum level)				
Removed at least once a week	32 913	33 874	33 884	33 884
<i>Minimum Service Level and Above sub-total</i>	329 13	33 874	33 884	33 884
<i>Minimum Service Level and Above percentage</i>	88%	91%	97%	97%
Solid Waste Removal: (Below minimum level)				
Removed less frequently than once a week	4 475	3 514	1 181	1181
Using communal refuse dump	0	0	0	0
Using own refuse dump	0	0	0	0
Other rubbish disposal	0	0	0	0
No rubbish disposal	0	0	0	0
<i>Below Minimum Service Level sub-total</i>	4 475	3514	1 181	1181
<i>Below Minimum Service Level percentage</i>	12%	9%	3%	3%
Total number of households	37 388	37 388	35 065	35 065
				T 3.4.2

Chapter 3

Households - Solid Waste Service Delivery Levels below the minimum						
Description	2018/2019	2019/2020	2020/2021	2021/2022		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual budget
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	34 687	37 388	37 388			
Households below minimum service level	30 55	4 475	3 514	47 566 924	43111153	23150671
Proportion of households below minimum service level	9	12	9			
Informal Settlements						
Total households	0	0	0	0	0	0
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
T 3.4.3						

Chapter 3

Waste Management Policy Objectives Taken From Integrated Development Plan									
Service Objectives	Outline Service Targets	2020/2021		2021/2022			2022/2023	2023/2024	2024/2025
Service Indicators		Target	Actual	Target	Target	Actual	Target	Target	Target
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
<i>Refuse collection and disposal</i>	Percentage of households with access to basic level of solid waste removal	85%	85%	85%	94%	91	90%	90%	90%
<i>Refuse collection and disposal</i>	Number of households serviced	35065	35065	35065	35065	35065	35065	35065	35065
<i>Refuse collection and disposal</i>	Number of businesses in the central business district with access to basic level of refuse removal	674	674	674	674	674	674	674	674
	Number of Public Awareness Campaigns conducted with the Friday Cleaning Campaigns	24	24	24	24	24	36	36	36
Proportion of landfill sites in compliance with the National Environmental Management Waste Act, 59 of 1998.	Percentage compliance of the four (4) landfill sites as per quarterly evaluation in compliance with the National Environmental Management Waste Act, 59 of 1998.	50%	50%	50%	50%	50%	50%	50%	50%
Data collection of disposals of waste at the Ficksburg and Senekal landfill sites	Number of reports of data collected at landfill sites submitted to South African Waste Information Centre	24	24	24	24	24	24	24	24
Proportion of waste that is recycled	Number of reports on partnership forged with local recyclers	4	4	4	4	4	4	4	4
	Number of reports submitted as Designated Waste Management Officer	4	4	4	4	4	4	4	4
Compliance to Environmental Management Waste Act	Number of Integrated Waste Management Plan reviewed	1	1	1	1	1	1	1	1

T 3.25.3

Chapter 3

Employees: Solid Waste Management Services					
Job Level	2020/2021		2021/2022		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	0	1	100%
4 - 6	5	5	4	1	20%
7 - 9	15	15	9	7	47%
10 - 12	6	4	1	3	75%
13 - 15	37	10	7	3	30%
16 - 18	34	81	55	26	32%
Total	98	116	76	41	35%
T 3.4.5					

Financial Performance 2021/2022: Solid Waste Management Service					
					R'000
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-93 064 728	-93 064 728	-73 151 318	-68 087 442	-37%
Expenditure:					
Employees	25 326 912	25 326 912	17 947 864	18 191 603	-39%
Repairs and Maintenance	650 004	650 004	125 008	52 069	-1 148%
Other	30 507 684	30 507 684	56 531 924	35 032 783	13%
Total Operational Expenditure	56 484 600	56 484 600	74 604 796	53 276 455	-6%
Net Operational Expenditure	-36 580 128	-36 580 128	1 453 478	-14 810 987	-147%
T 3.4.7					

CAPITAL EXPENDITURE 2021/2022 WASTE MANAGEMENT				
Total All	Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
No capital projects implemented for the year under review				
T 3.4.8				

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

The households in Setsoto are visited once per week for waste collection but since the vehicles and equipment's are unreliable with regular breakdowns, roads and weather conditions, however the municipality obliged to curb the backlog over the weekend with planned overtime.

The inconsistent collection of refuse results into mushrooming of illegal dumping because you will find that residents would place out refuse for collection on the date that are not meant for their routes and when collection schedule is not adhered to such waste is illegally disposed on public open areas.

The removal of these corner dumps is a major challenge as these are serviced by one Front-end loader available to manage the four units and the licensed landfill sites and by the virtue of dealing with illegal dumping on a weekly basis it also places an additional pressure on the management of the landfill sites.

Number of stands used as base for the collection of refuse as from July 2018 was 37 388. As per s Statistics South Africa Community Survey 2016 the total households in Setsoto are 37388, but that is including the farms.

Therefore, the total number of households in the urban area is 35 065. During the 2018/2019 and the 2019/2020 financial year the total number for households used for the Service Delivery and Budget Implementation Plan was 37 388 that wrongfully included the farms.

The number of households was corrected during the 2020/2021 financial year in the Delivery and Budget Implementation Plan. According to the statistics of 2021/2022 financial year an average of 91% refuse collection rate was achieved.

Chapter 3

The cleaning of the central business areas seven days a week ensures that these areas are clean and neat most of the time. Littering and the placing of refuse for collection by business owners on any day is a challenge, that is attended to on a regular basis.

The increase in the number of customers to the towns due to the Border post with Lesotho in Ficksburg and the N5 running through Senekal are creating more refuse and litter, but this is also an economical benefit to these towns.

The Friday cleaning campaign initiated really showed positive effects, but the challenge with resources as indicated above are experienced. To ensure that service is not hampered the Engineering Department assisted with the provision of other resources (tipper trucks and TLB) and the following strategies were implemented:

- Sharing of vehicles just to be able to service most of the areas.
- Utilize of Extended Public Works Programme employees to assist the permanent employees with the collection of refuse as well as the cleaning of the central business areas over weekends to curb overtime.

The disposal of waste was done at the licensed landfill sites in Ficksburg, Senekal, Clocolan and Marquard. It was however difficult to maintain these sites as per license conditions due to the non-availability or dedicated resources. Trying to improve the level of our service and equipment's the application was also submitted to MIG for:

- The development of the new landfill site in Marquard because the current one in use is closer to the cemetery
- New refuse collection trucks (refuse mobile compactors).
- New Front-end loader to assist with corner dumping and the maintenance of the landfill site

Recycling is being done by private entrepreneurs that were collecting recyclable material from reclaimers at the landfill sites in Setsoto. The reclaimers at the landfill sites were trained by officials from the Department of Environmental Affairs, with a plan to give more formal training to entrepreneurs in the recycling business. In coordination with the Department of Environmental Affairs thirty-two waste pickers at the landfill sites in were registered to receive a stipend.

The approved Integrated Waste Management Plan will be reviewed in the new financial year 2022/2023. The priorities in waste management were:

- The maintenance of refuse collection vehicles to ensure that vehicles are available for service delivery.
- The sharing of vehicles and equipment in a planned way to ensure a waste management service of a high standard, and tipper trucks were shared successfully between The Departments of Engineering and Development Planning for the Friday Cleaning campaigns and to assist with the carting in of gravel.

T 3.4.10

Chapter 3

3.5 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The number of people has increased from 112 599 to 117 363 between 2011 and 2016. It increased with 4 764 people – data from Community Survey 2016. The largest group are Back African [92.3%], followed by Whites [5.7%], the third largest group being the Coloureds [1%] and Indians [0.8%].

The unemployment rate in South Africa were on 34.5% as per the Quarterly labour report issued on 31/05/2022. In the Free State the unemployment percentage was 40.5% in the period January to March 2020 as per the first quarter 2022 report of Statistics South Africa.

A large percentage of the Setsoto population is very poor and thus experiencing low living standards. These low- or no-income levels indicate that a large portion of the population is dependent on government grants. In contributing to the elimination of poverty in the municipality.

The Indigent policy was reviewed to be a bi-annual Indigent Register and thus have the registration process every second year. This change was implemented to support poor communities. Indigent support for the 2021/2022 financial year was granted on a maximum monthly income per household of R 3 820. Indigent support includes:

- 6 kl free basic water,
- 50 kWh free basic electricity,
- Waste Removal free basic service,
- Sanitation
- Rates

In the year under review 5954 Indigent Households were registered

T 3.5.1

Free Basic Services To Low Income Households											
	Number of households										
	Total	Households earning less than R3 760 per month								Free Basic Refuse	
		Total	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Access	%	
		Access	%	Access	%	Access	%	Access	%		
2019/2020	6 877	6 877	6 877	100%	6 877	100%	6 877	100%	6 877	100%	
2020/2021	7 292	7 292	7 292	100%	7 292	100%	7 292	100%	7 292	100%	
2021/2022	5 954	5 954	5 954	100%	5 954	100%	5 954	100%	5 954	100%	
										T 3.5.2	

Financial Performance 2020/2021: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2020/2021			2021/2022	
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	8 307 033	10 864 560.00	10 864 560.00	9 241 084	-18%
Waste Water (Sanitation)	5 812 416	9 645 720	9 645 720	8 204 374	-18%
Electricity	31 912 229	10 864 560	10 864 560	4 304 742	-152%
Waste Management (Solid Waste)	6 554 427	11 386 200	11 386 200	9 691 921	-17%
Total	52 586 105	42 761 040	42 761 040	31 442 121	-36%
					T 3.5.3

Chapter 3

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT

From the statistics it is apparent that there was a decrease in Indigent registrations for the 2021/2022 Financial year. In the 2019/2020 financial year 6877 indigents were registered and in 2020/21 7 292 Indigents registered and in 2021/2022 5 954 Indigent Households were registered and the total at the end of the first year of the bi-annual Register in the 2021/2022 year were 5 954 registered households. Support was given to 5954 households which was 1338 less than the previous year and 1 046 less than the target of 7 000.

The Municipal Elections in November 2021 as well as the late appointment of Ward Committees had an impact on the Indigent Registration process in this financial year. During the 2021/2022 year regular interaction and one on one meetings were held with ward councilors to assist with problems and delays. In the past there was no pressure on Indigent members of the community to register and to receive the subsidy. Towards the end of the 2020/2021 financial year a Panel of Litigators were appointed for Debt Collection. This will put pressure on Indigent Households to register for the Indigent support.

T 3.55

COMPONENT B: ROAD AND STORMWATER

3.7 ROADS AND STORMWATER

INTRODUCTION ROADS AND STORMWATER

It is evident that if we want to improve the state of our road networks, we will need to go forward with four significant and doable actions.

- Accurately assess and quantify the cost of the backlog in municipal road maintenance.
- Increase our spending on infrastructure upkeep and skill development.
- Rebuild/reconstruct roads that are beyond repair and consolidate our road networks.
- Commit the resources required to address the issues affecting our roads.

The exact cost of the backlog in road maintenance is unknown, and it is possible that the true cost of resolving this infrastructure debt and transportation issues will be substantially high. Only through cooperation between private firms, academic institutions, and our government can we achieve the skills, resources, funding, and research needed to meet our needs for road maintenance. Municipalities and road authorities currently face a human resource, national investment, and skills shortfall that needs to be filled. Road maintenance will become less dependable and more necessary if these places are not improved.

In addition to being essential for the general success of several industries and labour forces, road maintenance is also essential for the physical mobility of our society. While applauding the progress being made toward affordable, dependable, and high-quality road maintenance solutions, it is necessary to recognize the difficulties and obstacles that the municipality has regarding maintaining its roads.

Our municipal road networks are an essential component of our economic productivity and will be crucial to South Africa's and most other nations' post-pandemic economic recovery. Unfortunately, as the pandemic draws to a close, the terrible state of some of our transportation infrastructure will continue to impede some of our recovery efforts.

Chapter 3

These roadways are necessary for access to many industries, the majority of workforces, the flow of commodities, workers, and workers between various communities. Due to inefficient driving, frequent road closures, and an increase in the likelihood of traffic accidents, poor road maintenance can restrict this access.

In rural areas, lives and livelihoods are at risk because residents must travel to work, access hospitals, schools, and other vital services, as well as convey agricultural produce. The municipality is aware that adequate road maintenance is a crucial component of infrastructure and calls for substantial public-private cooperation.

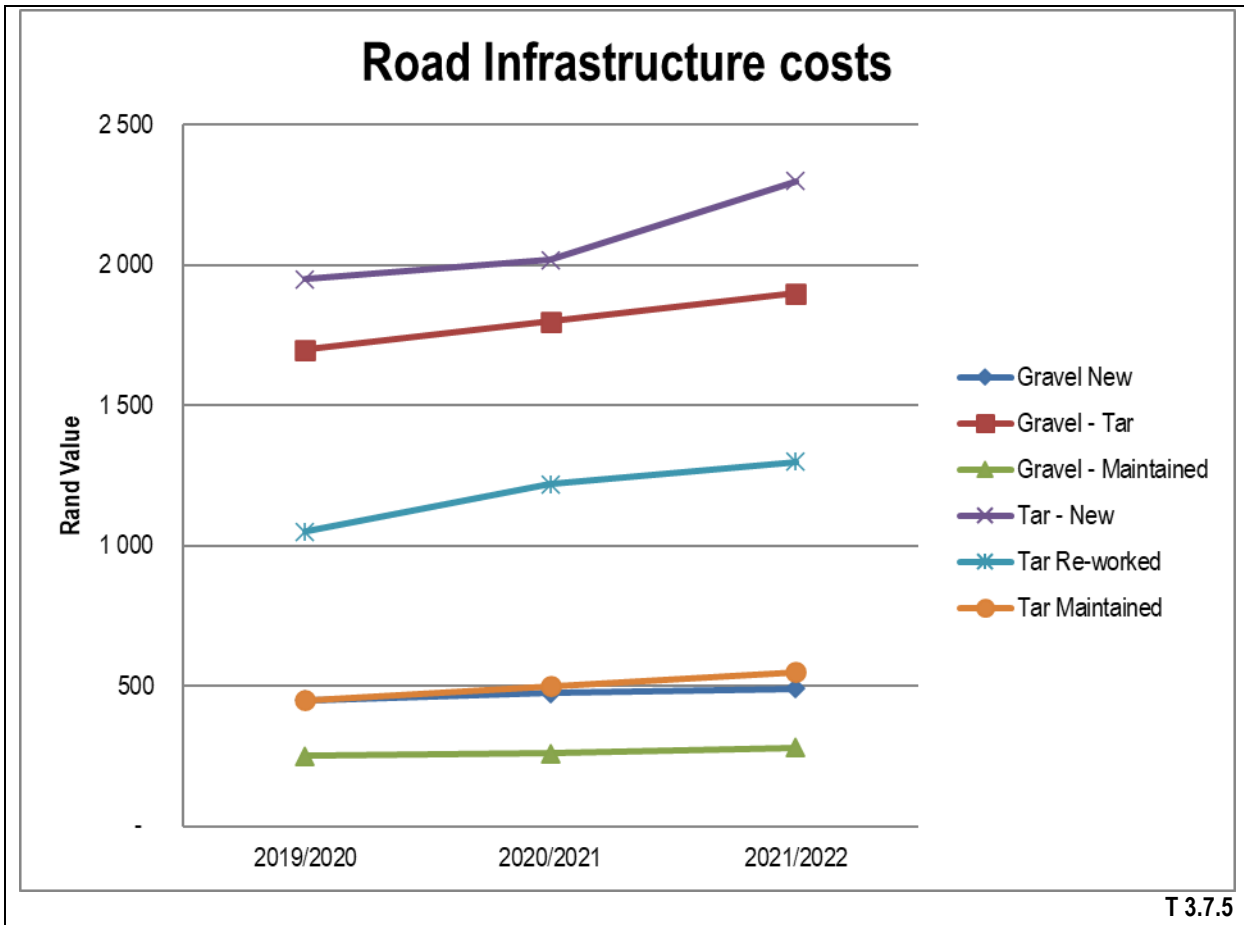
T 3.6.1

Gravel Road Infrastructure				
	Kilometers			
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2019/2020	145	15	10	100
2020/2021	160	20	12	120
2021/2022	166	25	14	140
				T 3.7.2

Tarred Road Infrastructure					
	Kilometers				
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2019/2020	85	10	23	18	100
2020/2021	98	14	25	15	120
2021/2022	114	20	30	25	140
					T 3.7.3

Cost of Construction/Maintenance						
	R' 000					
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
2019/2020	450	1 700	250	1 950	1 050	400
2020/2021	475	1 800	260	2 020	1 220	500
2021/2022	490	1 900	280	2 300	1 300	550
						T 3.7.4

Chapter 3



COMMENT ON THE PERFORMANCE OF ROADS INFRASTRUCTURE MAINTENANCE OVERALL

The municipality has not given much financial support to the roads division for the past +/-11 years. This has resulted in the situation we find ourselves in now. From maintenance of tar and gravel roads, tools and equipment and personnel to execute the routine maintenance.

However, starting from this 2022/2023 financial year procurement of resources, tools and equipment and employment of personnel is being given much needed attention. A plan has been set out to address the conditions we find ourselves in, however the implementation of these plans will not result in an overnight turnover of events.

For these to be a success priority is given to maintenance of existing assets before any new work is undertaken. This means repair or reconstruction of surfaced roads to reinstate them to a good condition, and re-gravelling and reshaping of gravel and dirt roads. The latter is especially important for efficient stormwater drainage to take place, and to control erosion. A well-constructed and well-maintained gravel road provides a good level of service.

To carry out this work departmentally, the municipality will need to have various items of construction equipment and employ sufficient trained personnel to operate them. Minimum equipment for each unit being a grader, a water truck, a self-propelled roller, a hand-operated roller, a loader, a TLB and at least three tipper trucks, as well as several general workers. A concrete mixer should also be provided. Well-situated gravel borrow pits are essential.

Chapter 3

Two tenders are awaiting the adjudication stage for the process to unfold. T03(22/23) Supply and delivery of roads and stormwater tools and equipment for a period of 36 months on an as and when basis, T02(22/23) Supply and delivery of roads and stormwater material for a period of 36 months on an as and when required basis. Maintenance and reconstruction work targets main access and transport routes first, followed by local streets.

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To carry out this work departmentally, the municipality will need to have various items of construction equipment and employ sufficient trained personnel to operate them. Minimum equipment for each unit being a grader, a water truck, a self-propelled roller, a hand-operated roller, a loader, a TLB and at least three tipper trucks, as well as several general workers. A concrete mixer should also be provided. Well-situated gravel borrow pits are essential.

Consideration can also be given to outsourcing the work, as this will obviate the problem of lack of trained operators. General labourers, however, should be drawn from the nearby communities to create local work opportunities. Outsourcing the maintenance of roads should be done on a yearly basis to provide continuity and to avoid regular protracted procurement procedures.

Maintenance and reconstruction work targets main access and transport routes first, followed by local streets. Consulting engineers should be appointed to carry out initial investigative work and to provide plans and specifications. They should also develop a full PMS and assist the municipality to implement it.

T 3.6.10

3.8 FLEET MANAGEMENT

FLEET MANAGEMENT

The ageing of municipal fleet impact badly on our day-to-day services rendered to our communities. This impacts the municipal expenditure when repairs are done as and when required. This is because of the municipality neglecting the fleet services for past +/- 11 years. The unit has been operating with insufficient personnel, resources, and budget hence we are embarking on the municipality to consider a fully functional fleet division.

The little fleet we are operating with needs proper routine maintenance and care for the prolonged lifespan. We have also opted to advertise a tender for the appointment of a panel of service providers for repair and maintenance of municipal fleet for a period of 3 years on an as and when required basis. The bid specification is being finalized and waiting for the conclusion of the tender document/report for the approval of the accounting officer to issue out the advert.

T 3.7.7

Chapter 3

3.8 STORMWATER DRAINAGE

INTRODUCTION TO STORMWATER DRAINAGE

In addition to piped drainage, the individual municipalities and townships rely heavily on surface stormwater drainage using roads and other infrastructure like lined and unlined channels. The best way to define the stormwater infrastructure is outdated. In many instances, capacity issues are also present, partly as a result of debris build-up in the pipes and channels. Additionally, there is a connection between increased sewage and stormwater runoff.

The hydraulic features of the towns/townships in the Setsoto area of authority are directly impacted by the construction of roads, parking places, buildings, and other land improvements related to development. Stormwater runoff properties are drastically changed by removing natural grass veld and replacing them with impermeable roofs or less permeable surfaces.

Stormwater runoff is more efficiently routed through urbanized regions by the building of conduits and canalisation of natural watercourses, but at a faster rate and in bigger quantities than was previously seen in these catchment areas. Stormwater management is required to minimize the damaging effects of development while modifying the natural stormwater flow features.

The best way to define the stormwater infrastructure is outdated. As a result of the build-up of dirt in the pipes and surface drains, capacity issues are occasionally also encountered. For the stormwater systems to operate effectively, this debris (gravel, silt, trash, etc.) is being removed as part of the municipality's maintenance plan.

Culverts that cross the highways have occasionally collapsed; some are being reconstructed while it is nearly impossible to repair other areas without causing further damage to the deteriorating road infrastructure. Other times, inlets' grids have been stolen, which makes the issue of trash being dumped into the systems worse. The solution to this problem is to increase the stormwater capacity at the lowest runoff point working back to the catchpits, this requires a project of its own in all 4 units of the municipality.

T 3.9.4

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL

Same as with the road infrastructure, there has not been sufficient financial support to curb the damage we see today because of insufficient stormwater drainage systems in all 4 units of the municipality. While working on ways to resuscitate the existing infrastructure, the truth is that we need to source funds from sector departments to land a hand in the construction of new infrastructure. The infrastructure will be more than adequate to address challenges in our towns and townships which have multiplied massively.

Through the assistance of the Project Management Unit, we are looking to draw up a business plan which will assist in sourcing of the required funds. This challenge needs to be a multi-year project on its own as this cannot be done inhouse, the plan needs to start from the outfall working up to the inlets to be able to say we have achieved our objective. However, this will take some time to develop and implement based on the funding bodies and the allocations that might be granted to the municipality.

The absence of effective asset management programs has been identified as one of the key problems. This will obviously result in the infrastructure deteriorating and inadequate service delivery. As a result, it is imperative that asset programs be launched immediately. All catchments' watercourses and constructed stormwater infrastructure should be kept clean and free of trash, debris, and other materials that could endanger the lower reaches of the watercourses with pollution.

Chapter 3

No stormwater network can operate to its full potential if the infrastructure is not routinely maintained. This necessitates allocating sufficient funds to the maintenance budget. In places like kerb inlets, pipe conduits, and box culverts where there are no overland escape routes to carry excess runoff when the underground system fails, maintenance is very crucial. As previously mentioned, the standard strategy for managing urban stormwater entails accommodating minor events in the subterranean pipe network and sending the excess runoff from major events overland, often via the road network.

Open channels are suggested as a means of facilitating stormwater drainage as much as is practical since they have been found to be effective in places where they have been used. Only highway crossings ought to have subterranean piping. To get the most benefit, channels should be built and designed in concert with the roads. Channel lining is advised in order to improve drainage effectiveness and lower maintenance. Priority should be given to enhancing drainage in townships with a preponderance of gravel roads, inadequate drainage, and erosion.

T 3.8.9

COMPONENT C: PLANNING AND DEVELOPMENT

3.9 INTEGRATED DEVELOPMENT PLANNING AND PERFORMANCE MANAGEMENT SYSTEMS

INTRODUCTION TO INTEGRATED DEVELOPMENT PLANNING AND PERFORMANCE MANAGEMENT SYSTEMS

The Integrated Development Planning and Performance Management Systems Division is a principal strategic planning instrument which guides and informs all planning, budgeting, management, and decision-making processes in a municipality. Integrated Development Plan is a five-year development plan directly linked to five-year term of office for local councillors therefore It means that planning has to be developmental, and it has to focus on the needs of the poor.

The Integrated Development Plan process can take up to nine months to complete the cycle, but the process does not affect the implementation of existing projects in a municipality. Involves entire municipality and its citizens finding the best solutions to achieve sustainable long-term development. It is the allocation available and accessible resources around certain development priorities and strategies and focus on service delivery. Integrated Development Plan is drawn up to improve the quality of people's lives through the formulation of integrated and sustainable projects and programmes.

Performance Management is a process which measures the implementation of the organisation's strategy. At Local Government level this has become an imperative, with economic development, transformation, governance, and finance and service delivery being the critical elements in terms of Local Government Strategy. Performance Management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees, are met.

National Government has also found it necessary to institutionalize and provide legislation on the Performance Management Process for Local Government. The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the Municipal System Act, 32 of 2000 and the Municipal Finance Management Act, 56 of 2003, requires the Integrated Development Plan to be aligned to the municipal budget and to be monitored for the performance of the budget against the Integrated Development Plan via the Service Delivery and the Budget Implementation implemented and monitored.

This framework therefore describes how the municipality's performance process, for the organisation as a whole will be conducted in organised and managed. We need to migrate to a fully automated performance management systems as soon as possible, particularly due to a new normal brought about by the Covid-19 pandemic and environment.

T 3.9.1

Chapter 3

Integrated Development Plan and Performance Management Systems Policy Objectives Taken From the Integrated Development Plan										
Objective	Key Performance Indicator	2020/2021		2021/2022		2022/2023	2023/2024	204/2025	Reason for Variance	Measure to address underperformance
		Target	Actual	Target	Actual	Target	Target	Target		
Putting people first	Number of Integrated Development Planning Process Plan developed and adopted	1	1	1	1	1	1	1	Target Met	Continue monitoring
Putting people first	Number annual reports developed, submitted to AGSA, and tabled to council for approval	1	1	1	1	1	1	1	Target Met	Continue monitoring
Putting people first	Number of quarterly performance reports (Section 52(d)) developed and submitted to council	4	4	4	4	4	4	4	Target Met	Continue monitoring
Putting people first	Number of Performance Management Systems Handbook reviewed and approved	1	1	1	1	1	1	1	Target Met	Continue monitoring
Putting people first	Number of draft Integrated Development Plan document developed, reviewed, and approved	1	1	1	1	1	1	1	Target Met	Continue monitoring
Putting people first	Number of Integrated Development Plan document developed, reviewed, and approved	1	1	1	1	1	1	1	Target Met	Continue monitoring
Putting people first	Number of employee appraisals conducted	4	0	4	0	4	4	4	Target Met	Continue monitoring
Sound Financial Management	Number of Mid-year Budget and Performance Assessment Reports (Section 72 Reports) developed and tabled to council	1	1	1	1	1	1	1	Target Met	Continue monitoring
Putting people first	Number of Service Delivery and Budget Implementation Plan developed and approved by the Executive Mayor	1	1	1	1	1	1	1	Target Met	Continue monitoring
Putting people first	Number of Adjusted Service Delivery and Budget Implementation Plan developed and approved by council	1	1	1	1	1	1	1	Target Met	Continue monitoring
Putting people first	Number of Risk Registers developed and submitted	4	4	4	0	4	4	4	Target Not Met	Ensure that targets are achieved within the required timeframe
Putting people first	Number of progress report on the implementation of Audit Action Plan	4	4	4	4	4	4	4	Target Met	Continue monitoring
Putting people first	Percentage internal and external audit queries responded to and addressed	1005	100%	100%	100%	100%	100%	100%	Target Met	Continue monitoring

T 3.9.2

Chapter 3

3.9.3 EMPLOYEES: INTEGRATED DEVELOPMENT PLANNING AND PERFORMANCE MANAGEMENT SYSTEMS

Job Level	2020/2021	3021/2022			
	No of Employee	No of Posts	No of Employees	Vacancies (Fulltime Equivalents) No	Vacancies (as a % of total posts) %
0-3	1	1	1	0	0%
4-6	1	2	1	1	50%
7-9	2	2	2	0	0%
Total	4	5	4	1	20%

T 3.10.3

3.9.4 FINANCIAL PERFORMANCE: INTEGRATED DEVELOPMENT PLANNING AND PERFORMANCE MANAGEMENT SYSTEMS

Financial Performance 2021/2022: Integrated Development Planning and Performance Management Systems						R'000
Details	2020/2021	2021/2022				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	2 700 000	2 700 000	2 700 000	691 000	-3	
Expenditure						
Employees	2 100 000	2 100 000	2 100 000	2 100 000	-	
Repairs and Maintenance	-	-	-	-	-	
Other	600 000	600 000	600 000	5 910 000	1	
Total Operational Expenditure	2 700 000	2 700 000	2 700 000	8 010 000	1	
Net Operational Expenditure	-	-	-	7 319 000	1	

T 3.10.4

Capital Expenditure 2021/2022: Integrated Development Planning and Performance Management Systems						R' 000
Capital Projects	2021/2022					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
No capital projects implemented in the year under review						

T 3.10.5

COMMENT ON THE PERFORMANCE OF INTEGRATED DEVELOPMENT PLANNING AND PERFORMANCE MANAGEMENT SYSTEMS OVERALL

The division performed fairly well; the only challenge was that departments did not submit reports in time for a proper review to be done before it reports were to be submitted for assurance processes. In order to mitigate this factor, a total migration to a fully automated performance management system need to be completed, as this will eliminate delay in the submission of performance information and clear inconsistencies between the planning performance information and reported performance information.

T 3.9.6

Chapter 3

3.10 LOCAL ECONOMIC DEVELOPMENT

INTRODUCTION TO ECONOMIC DEVELOPMENT

The economic development activities within Setsoto local municipality should be viewed in the context of its Local Economic Development Strategy which is document developed in line with the 2018-2028 National Framework for Local Economic Development. The National Framework for Local Economic Development in turn was necessitated by the need to advance and deepen the understanding of local economic development and its function in national and regional economic development and growth in South Africa. The Local Economic Development Strategy is the municipality's principle strategic planning document. Importantly, it ensures close co-ordination and integration between projects, programmes, and activities, both internally and externally.

The Local Economic Development Strategy, therefore, ultimately, enhances integrated service delivery, development and promotes sustainable integrated communities, providing a full basket of services, as communities cannot be developed in a fragmented manner. As a key strategic plan for the municipality, the priorities identified in the Local Economic Development Strategy inform all financial planning and budgeting undertaken by the municipality. The attainment of the Local Economic Development Strategy and Budget targets and deliverables is monitored and evaluated on an ongoing basis. However, this requires that targets and deliverables are credible and realistic. Consequently, the Financial Plan as well as the Performance Management and Development Systems of the municipality are also outlined in the Local Economic Development Strategy.

The objective of the document is to assist the municipality, with the development of a strategy that will guide local economic development, integrate existing projects/programmes, align to the priorities of the Integrated Development Plan, identify ways in which the municipality can facilitate and assist economic development in collaboration with the private sector. The strategy will further provide guidance and suggestions regarding implementable projects with long-term sustainability.

The primary means through which this is undertaken is the development of a municipal Integrated Development Plan, a strategic plan through which a municipality integrates and coordinates plans, budgets, and development of the municipality. The development of Local Economic Development Strategy gives effect to the strategies identified in the Integrated Development Plan by identifying strategic and practical actions for the municipality to take to achieve the goals of Local Economic Development in the Integrated Development Plan.

The intention being to improve the municipal economic viability, enabling economic transformation and creating an enabling environment for the development of the local economy that facilitates job creation. The main primary goal of Local Economic Development is to provide a service to the local community such that will expand the local economy in order to enhance the community's quality of life and to improve the living condition of its communities in general. It is inspired by an outcome-driven approach which focuses on the following interventions:

- Investment promotion and business support
- Property and infrastructure development
- Municipal procurement and public-works support
- Small and micro enterprise support including support for the informal sector and
- Support for tourism development initiatives and sports activities

T 3.10.1

Chapter 3

SERVICE STATISTICS: LED, TOURISM, SPORTS, ARTS AND CULTURE								
	Details	2020/2021		2021/2022		2022/2023	2023/2024	2024/2025
		Target	Actuals	Target	Actuals	Target	Target	Target
1	Number of Small Medium Micro Enterprises, Street Traders, and Cooperatives walk-ins for assistance with advice, referrals for finance, skills development support and registrations	200	332	200	347	200	200	200
2	Number of Entrepreneurs capacitated through trainings; workshops; awareness campaigns; roadshows, funding, information sharing sessions and seminars conducted	220	517	80	662	80	80	80
3	Number of updated Vendor database	1	1	1	1	1	1	1
4	Number of people assisted through Agricultural Development initiatives undertaken specifically to target Youth, Women, and disabled people	60	78	40	153	60	60	60
5	Number of projects monitored and evaluated	24	15	18	22	18	18	18
6	Number of Informal Trade Plan and Management Policy Developed	1	0	1	0	1	0	0
7	Number of approved Sector Plans [Local Economic Development Strategy review]	0	0	1	1	1	0	0
8	Number of databases for Arts and Crafters updated,	1	1	1	1	1	1	1
9	Number of updated, tourism Establishment database	1	1	1	1	1	1	1
10	Number of Crafters and Tourism Small Medium Micro Enterprises, Street assisted in development programmes [e.g., crafters market; exhibitions; tour guide Programme]	50	40	20	40	20	20	20
11	Percentage of Business Licenses issued	100%	100%	100%	100%	100%	100%	100%
12	Percentage of Hawker permits issued	100%	100%	100%	100%	100%	100%	100%
13	Number of work opportunities created through Extended Public Works Programme, Community Works Programme, and other related infrastructure	0	411	300	0	200	200	200
14	Number of activities on sports, arts, and culture programmes implemented	6	6	2	2	4	3	4
15	Number of sports council meeting facilitated	4	4	8	7	4	6	4
T 3.10.2								

Economic Activity by Sector			
	R '000		
Sector	2019/2020	2020/2021	2021/2022
Agric. forestry and fishing	179 082	179 082	179 082
Mining and quarrying	111	111	111
Manufacturing	44 450	44 450	44 450
Electricity/Water	7 929	7 929	7 929
Construction	2 769	2 769	2 769
Trade	117 394	117 394	117 394
Transport	22 848	22 848	22 848
Finance	118 939	118 939	118 939
Community	6 574	6 574	6 574
General Government	98 870	98 870	98 870
Other Producers	15 276	15 276	15 276
Total	614 242	614 242	614 242
T 3.10.2			

Chapter 3

Economic Employment by Sector			
Sector	2019/2020	2020/2021	Jobs
	No.	No.	2021/2022
			No.
Agric, forestry and fishing	70	70	70
Mining and quarrying	17	17	17
Manufacturing	68	68	68
Electricity/Water	12	12	12
Construction	56	56	56
Trade	175	175	175
Transport	43	43	43
Finance	54	54	54
Government, Community and Social	190	190	190
Private Households	82	82	82
Total	767	767	767

T 3.10.3

COMMENT ON LOCAL JOB OPPORTUNITIES

Local Economic Development is amongst other things, the practice of creating sustainable jobs in specific localities or regions. The municipality alone cannot create more sustainable jobs due to fiscal constraints. Programmes such as the Extended Public Works Programme and Community Works Programme for instance do not create sustainable jobs because these jobs are linked to specific projects with a limited budget. Sustainable jobs are created in the private sector which makes more money from markets within which they trade.

The municipality's responsibility is to create a conducive environment in which business can flourish and create job opportunities. During the 2021/2022 financial year, jobs created through Extended Public Works Programme and Community Works Programme, and Local Economic Development initiatives were 384.

Furthermore, additional jobs are being created whenever Small Medium Macro Enterprise are awarded tenders and thus engaged in provision of services and goods to municipality. These often takes place in major infrastructure developments where obviously hundreds of millions of rands are spent over a period of three to five years of development processes.

T 3.10.4

2021/2022 Job Creation through Extended Public Works Programme Projects		
Details	Extended Public Works Programme Projects	Method of validation
	No.	
Setsoto Cleaning and Beatification	95	Reports
500mm, 12Km Cyferfontein pipeline	21	Reports
CLC upgrading of WTW phase 2	27	Reports
Cons. Waterborne sanitation system for 580 households in Clocolan	16	Reports
Sen refurbishment of Water Treatment Works	16	Reports
Cons. Van Soelen pipeline phase 2	10	Reports
Replacement of 5Km old asbestos pipeline	20	Reports
Rehabilitation of 1Km surfaced road	16	Reports
Construction of 11ML reservoir in Senekal	12	Reports
Marquard upgrading of sports facilities	8	Reports
Construction of Deput works mechanical, electrical and civil	60	Reports
Setsoto records and archives learnership	20	Reports
Setsoto Inservice training	23	Reports
Total	344	

T 3.10.5

Chapter 3

Local Economic Development, Tourism, Sport, Arts and Culture Policy Objectives Taken From Integrated Development Plan									
Service Objectives	Outline Service Targets	2020/2021		2021/2022			2022/2023	2023/2024	2024/2025
Service Indicators		Target	Actual	Target	Target	Actual	Target	Target	Target
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Creating a conducive environment for local economic development	Number of Small Medium Macro Enterprises, Street Traders, and Cooperative's walk-ins for assistance with advice, referrals for finance, skills development support and registrations	200	283	200	200	347	200	200	200
Creating a conducive environment for local economic development	Number of Entrepreneurs capacitated through trainings; workshops; awareness campaigns; roadshows, information sharing sessions and seminars conducted	400	729	220	80	662	200	200	200
Creating a conducive environment for local economic development	Number of updated Vendor database	1	1	1	1	1	1	1	1
Creating a conducive environment for local economic development	Number of people assisted through Agricultural Development initiatives undertaken specifically to target Youth, Women, and disabled people	60	194	60	40	153	60	60	60
Creating a conducive environment for local economic development	Number of projects monitored and evaluated	24	15	24	18	22	18	18	18
Creating a conducive environment for local economic development	Number of Informal Trade Plan and Management Policy Developed	1	0	1	1	0	1	0	0
Creating a conducive environment for local economic development	Number of approved Sector Plans [Local Economic Development Strategy review]	0	0	0	1	1	0	0	1
Creating a conducive environment for local economic development	Number of databases for Arts and Crafters updated,	1	1	1	1	1	1	1	1
Creating a conducive environment for local economic development	Number of updated, tourism Establishment database	1	1	1	1	1	1	1	1
Creating a conducive environment for local economic development	Number of Crafters & Tourism Small Medium Macro Enterprises assisted in development programmes [e.g., crafters market; exhibitions; tour guide Programme]	50	40	50	20	40	20	20	20
Creating a conducive environment for local economic development	Percentage of Business Licenses issued	100%	100%	100%	100%	100%	100%	100%	100%
Creating a conducive environment for local economic development	Percentage of Hawker permits issued	100%	100%	100%	100%	100%	100%	100%	100%
Creating a conducive environment for local economic development	Number of work opportunities created through Extended Public Works Programme, Community Works Programme, and other related infrastructure	200	411	0	300	0	200	200	200
Creating a conducive environment for local economic development	Number of activities on sports, arts and culture programmes implemented	6	6	6	2	2	4	3	4
Creating a conducive environment for local economic development	Number of sports council meeting facilitated	4	4	4	2	3	4	6	4
Creating a conducive environment for local economic development	Number of updates on the risk register	4	4	4	4	4	4	4	4
Creating a conducive environment for local economic development	Percentage external and internal audit queries responded to and addressed within timeframe.	100%	100%	100%	100%	100%	100%	100%	100%

T 3.10.3

Chapter 3

Employees: Local Economic Development, Tourism, Arts and Culture: 2021/2022					
Job Level	2020/2021		2021/2022		
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	1	1	1	0	0%
4 - 6	1	3	1	2	67%
7 - 9	2	6	2	4	67%
Total	4	10	4	6	60%
					T 3.10.8

Financial Performance 2021/2022: Local Economic Development, Tourism, Arts and Culture						R'000
Details	2020/2021	2021/2022				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	70 242	-75 000	-75000	-51201	-46%	
Expenditure:						
Employees	1 463 492	2 265 252	1 474 698	1 521 084	-49%	
Repairs and Maintenance	0	0	0	0	#DIV/0!	
Other	1 479 129	441 504	18 769	18956	-2 229%	
Total Operational Expenditure	2 942 621	2 706 756	1 493 467	1 540 040	-76%	
Net Operational Expenditure	2 872 379	2 781 756	1 568 467	1 591 241	-75%	
					T 3.10.9	

CAPITAL EXPENDITURE 2021/2022: Local Economic Development, Tourism, Sports, Arts And Culture				
Total All	Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
No Capital project implemented				
				T 3.10.10

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

Our performance is underpinned by five processes which enables us to focus more on activities that drives and support the local economic development process. These five processes or enabling pillars are: Research, Planning and Strategy; Funding And Finance; Organisational and Institutional Arrangements; Human Resources and Capacity Building; and Monitoring and Knowledge Management.

Local Economic Development is a constitutional imperative under which municipality is mandated to focus not only on the provision of services but also on the planning and delivery of socio-economic development. Therefore, when municipality embarks on the process of formulating its Local Economic Development Strategy, it is required to take into account not only its own plans but also national and provincial planning strategic frameworks that

- Support and promote the development of the Small Medium Macro Enterprises
- Facilitate the creation of a conducive environment that attract new investments and retain existing businesses.
- Enhance collaboration with public and private stakeholders
- Ensure business regulation, compliance, and enforcement within the informal sector.

For the year 2021/2022, the Local Economic Development unit had a set of 14 targets or initiatives which were implemented for driving and achieving the above outcomes. The analysis that follows here below give some indication of the actual performance and achievements of the Local Economic Development division:

Chapter 3

- **Office Walk-Ins:**

The Local Economic Development office provides consultative work on an ongoing basis and for the year under review, a total of 347 people had visited our office to obtain various services for different needs – ranging from request for financing information; request for training; requests for land allocation; requests for business planning and requests for assistance to register companies.

- **Entrepreneur capacity building:**

The Local Economic Development unit managed to arrange trainings to almost 662 entrepreneurs, especially on training offered by Small Enterprise Development Agency. The main training course offered by Small Enterprise Development Agency was Basic Business Management Skills or Start-Up One as it is commonly known. There were also trainings for Small Medium Micro Enterprises in agriculture.

Sports Activities

Sports and Recreation Office has been able to deliver sports development to the community through partnership with local sports and recreation council and other stakeholders. With participation of relevant stakeholders, we were able to organise, coordinate and provide facilities for sports activities, competitions, and programmes. Since the outbreak of COVID 19 pandemic, 2021/2022 financial year has had no more than 2 major tournaments hosted in Setsoto.

T 3.10.11

MEASURES UNDERTAKEN TO ADDRESS THE UNDER PERFORMANCE

The high unemployment rate will forever plague the municipality. However, the Local Economic Development will always endeavour to advocate for the establishment of the following key institution in order to address this scourge of unemployment, namely:

Establishment of Artisan and Skills Development Centre

This will provide a sound basis for entrepreneurial development and direct employment through self-employment means.

Infrastructure development

Although developments of this nature require huge amounts of money, this is critical service and a prelude to any industrial development. Without the right infrastructure, the economy will remain stagnated.

Productive use of municipality agricultural land

The municipality needs to develop and finalise the Land Availability Strategy that spells out principles for more productive use of municipal land.

T 3.10.11

Chapter 3

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.11 PARKS AND CEMETEIES

INTRODUCTION TO PARKS AND CEMETERIES

Parks service is seasonal, and the following are covered:

- The maintenance of the municipal gardens, pavements (sidewalks) and open space.
- The maintenance of sport facilities and swimming pool.
- The cleaning of the town halls and community halls.
- The maintenance and management of the caravan parks
- Planting and maintaining trees in municipal area

The service regarding the provision of cemetery management is seen as an important part of the service rendered by the municipality to the community and is done with the necessary sensitivity. The section provides graves to communities ensure that the burial registers are indicative of a proper grave number. The section also provides the maintenance of cemeteries.

Destitute families are assisted by the municipality to obtain a grave and services by a funeral undertaker as per approved indigent policy upon approved requests. Information was obtained from service providers to investigate the possible areas for the planning of cemeteries in Setsoto to ensure adequate space for cemetery development.

T 3.11.1

SERVICE STATISTICS FOR PARKS AND CEMETERIES

	Details	2020/2021		2021/2022		2022/2023	2023/2024	2024/2025
		Target	Actuals	Target	Actuals	Target	Target	Target
1	Number of parks managed	7	7	7	7	7	7	7
2	Number of recreational facilities managed	6	6	6	6	6	6	6
3	Number of trees planted in public places	150	150	150	160	150	150	150
4	Number if halls cleaned and prepared	10	9	8	9	12	12	12
5	Number of approved reviewed Integrated Environmental Management Plan	1	1	1	1	1	1	1
6	Number of cemeteries	21	21	22	22	22	22	23
7	Number of burial registers updated	8	8	8	8	8	8	1
8	Number of updates on the risk register	4	4	4	4	4	4	4
9	Percentage external and internal audit queries responded to and addressed within timeframe	100%	100%	100%	100%	100%	100%	100%

T 3.11.2

Chapter 3

Human Resource Development Policy Objectives Taken From Integrated Development Plan									
Service Objectives	Outline Service Targets	2020/2021		2021/2022			2022/2023	2023/2024	2024/2025
Service Indicators		Target	Actual	Target	Target	Actual	Target	Target	Target
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Ensure proper management and maintenance of parks	Number of parks managed	7	7	7	7	7	7	7	7
Ensure proper management and maintenance of recreational facilities	Number of recreational facilities managed	6	6	6	5	5	5	5	5
Conservation of the environment	Number of trees planted in public places	150	152	150	150	160	150	150	150
Ensure proper management and maintenance of municipal properties	Number of halls cleaned and prepared	10	12	10	8	9	9	12	12
Ensure compliance with environmental regulations	Number of approved reviewed Integrated Environmental Management Plan	1	1	1	1	1	1	1	1
Ensure proper management and maintenance of cemeteries	Number of cemeteries managed	8	21	8	8	8	8	8	8
Ensure proper management and maintenance of cemeteries	Number of Burial Registers updated	8	8	8	8	8	8	8	8
Ensuring proper management of risk and mitigation to the tolerable level within the municipality	Number of updates on the risk register	4	4	4	4	4	4	4	4
Good governance and monitoring of compliance	Percentage external and internal audit queries responded to and addressed within timeframe	100%	100%	100%	100%	100%	100%	100%	100%
									T 3.11.3

Chapter 3

Employees: Parks and cemeteries					
Job Level	2020/2021		2021/2022		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	0	1	100%
4 - 6	2	6	2	4	67%
7 - 9	3	8	3	5	63%
10 - 12	3	9	3	6	67%
13 - 15	15	27	17	10	37%
16 - 18	38	77	29	48	62%
Total	61	128	54	74	58%
					T 3.11.4

Financial Performance Year 2021/2022: Cemeteries and Parks						R'000
Details	2020/2021	2021/2022				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	-1 275 817	-15 000	-1 294 905	-1 127 299	99%	
Expenditure:						
Employees	139 903 399	12 878 952	14 157 880	14 472 274	11%	
Repairs and Maintenance	38 663	1 331 976	580 130	472 820	-182%	
Other	14 629 730	653 796	621 000	525 100	-25%	
Total Operational Expenditure	28 571 792	14 864 724	15 359 010	15 470 194	4%	
Net Operational Expenditure	27 295 975	14 879 724	16 653 915	16 597 493	10%	
					T 3.11.5	

Capital Expenditure 2021/2022: Cemeteries and Parks				
Total All	Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
No capital project implemented				
				T 3.11.6

COMMENT ON THE PERFORMANCE OF PARKS AND CEMETERIES OVERALL:

The service delivery during the year under review was affected among others by absolute vehicles and equipment and high rate of vacancies, which played a negative impact for the division. Provision of graves and the burials were the main service that was provided, however the hiring of the tractor loader backhoe was very high as own tractor loader backhoes were in most of the times broken and the private ones were hired to continue providing the service under the difficult conditions of covid, where the Corporative Governance and Traditional Affairs, South African Local Government Association and South African Cemetery Association encouraged municipalities to avoid the spread of virus at all cost and municipality were requested to use tractor loader backhoe to cover the graves after burials.

This also had huge expenditure on our service on digging and covering of graves. The death rate also increased which also posed a challenge on the availability of burial space. Senekal and Marquard have challenge with Marquard been in desperate moment, where the current site in town will be extended as temporary measure. The engagements with the Project Management Unit are underway to have the problems solved.

Recreational facilities were again opened as the level of the covid19 was reduced and ultimately removed. This also increased the need for proper maintenance and the official opening of the Moemaneng Sports Stadium while we still have shortage of staff to maintain those facilities. Since Dynamos Football Club, Mountain Eagles Football Club, FK Football Club and Marquard Galaxy Football Club use our facilities for their games, we should review our Memorandum of Understanding that the teams should in return provide their services by assisting to maintain the facilities such as cutting the grass, cleaning the facilities as well as litter picking

Chapter 3

The Mayoral Cleaning Campaign also played a great role in assisting the maintenance of the Parks in all four towns, where resources are shared on weekly basis to ensure that all areas are attended with the help of stakeholders such as Expanded Public Works Programme, Community Works Programme, Itekeng Disabled Centre and Working On Fire

T 3.11.7

3.12 SECURITY SERVICE AND PROPERTY MANAGEMENT

INTRODUCTION TO SECURITY SERVICE AND PROPERTY MANAGEMENT

The mandate of the Security Division is to ensure safety of municipal employees and property by means of access control to municipal buildings, implement security measures in the form of counter intelligence and to represent the municipality at broad security forums and participate in all security related matters of local, provincial and national interest. Facilities management section ensures that facilities are maintained to be at the required standard which will enhance the life span off such facilities.

T 3.12.1

Service Statistics: Security Services and Property Management								
	Details	2020/2021		2021/2022		2022/2023	2023/2024	2024/2025
		Target	Actuals	Target	Actuals	Target	Target	Target
1	Number of employees submitted for vetting (Security Clearance)	8	10	8	10	0	10	10
2	Number of Security Managers Forum meetings attended	4	4	4	0	4	4	4
3	Number of properties provided with security	25	33	25	37	25	25	25
4	Percentage of Section 4 meetings held	100%	100%	100%	100%	100%	100%	100%
5	Number of maintenance plan developed and approved	1	1	1	1	1	1	1
6	Percentage of properties maintained and repaired	100%	100%	100%	100%	100%	100%	100%
								T 3.12.2

Chapter 3

Security Services and Property Management Policy Objectives Taken From Integrated Development Plan									
Service Objectives	Outline Service Targets	2020/2021		2021/2022			2022/2023	2023/2024	2024/2025
Service Indicators		Target	Actual	Target	Target	Actual	Target	Target	Target
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Ensure proper management and maintenance of parks	Number of parks managed	7	7	7	7	7	7	7	7
Ensure proper management and maintenance of recreational facilities	Number of recreational facilities managed	6	6	6	5	5	5	5	5
Conservation of the environment	Number of trees planted in public places	150	152	150	150	160	150	150	150
Ensure proper management and maintenance of municipal properties	Number of halls cleaned and prepared	10	12	10	8	9	9	12	12
Ensure compliance with environmental regulations	Number of approved reviewed Integrated Environmental Management Plan	1	1	1	1	1	1	1	1
Ensure proper management and maintenance of cemeteries	Number of cemeteries managed	8	21	8	8	8	8	8	8
Ensure proper management and maintenance of cemeteries	Number of Burial Registers updated	8	8	8	8	8	8	8	8
Ensuring proper management of risk and mitigation to the tolerable level within the municipality	Number of updates on the risk register	4	4	4	4	4	4	4	4
Good governance and monitoring of compliance	Percentage external and internal audit queries responded to and addressed within timeframe	100%	100%	100%	100%	100%	100%	100%	100%
									T 3.12.3

Chapter 3

Employees: Security Services and Property Management: 2021/2022					
Job Level	2020/2021		Fourth Quarter 2021/2022		
	No of Employee	Post	No of Employee	Vacancies (Fulltime Equivalents) No	Vacancies (as a % of total posts) %
0-3	1	1	1	1	100%
4-6	0	2	0	2	100%
7-9	34	68	34	34	50%
10-12	0	1	1	0	0%
Total	35	72	36	37	51%
					T 3.12.4

Financial Performance 2021/2022: Security Services and Property Management				
Details	2020/2021		2021/2022	
	Actual	Original Budget	Actual	Variance to Budget
Total Operating Revenue	-1 345 716	-1 338 996	1 338 996	29%
Expenditure				
Employees	10 687 156	9 808 392	8 333 544	-18%
Repairs and Maintenance	1 077 212	945 000	722 528	-31%
Other	1 345 716	152 988	157 813	3%
Total Expenditure	13 110 084	10 906 380	9 213 885	-18%
Net Operational Expenditure	11 187 413	12 245 376	11 093 172	-10%
				T 3.12.5

Capital Expenditure 2017/2018: Security Services and Property Management				
Total All	Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
No Capital projects implemented				
				T 3.12.6

COMMENT ON THE PERFORMANCE OF SECURITY SERVICES AND PROPERTY MANAGEMENT OVERALL:

Security services was able to represent the municipality at the following meetings:

- Ficksburg South African Police Services Cluster Joints.

The purpose of the meetings deals with matters relating to security at large such as crime prevention, stock theft and any form of security threats for the well-being of South Africans in particular of Setsoto residents.

- Cross Border Crime Prevention Forum

Cross Border meetings consist of Republic of South Africa and Kingdom of Lesotho along the borders of Free State and Lesotho. The main purpose of the forum is to deal with stock theft, illegal grazing, human trafficking, and undocumented persons. There have been numerous achievements by their forum whereby stolen livestock and vehicles were recovered. The forum is formed by the following government departments, South African Police Service, South African National Defense Force, Department of Home Affairs, Municipalities along the border of Republic of South Africa and Lesotho.

- Section 4 meetings.

All Notices for Gatherings received plenary meetings were successfully held relating to marches for handing over of memorandums to different government departments. No incidents of public violence occurred during the proceedings of the marches.

- Security Operations.

Access control is conducted on daily basis where warm bodies are deployed e.g. Head center, stores and water treatment works to ensure safety of municipal assets and employees, new alarm systems were installed.

Chapter 3

The maintenance of municipal properties is being done however due to financial constrains maintenance of municipal properties was done on a small scale. Largely inspections were conducted on municipal properties.

T 3.12.7

3.13 TRAFFIC MANAGEMENT, DISASTER MANAGEMENT AND FIRE FIGHTING SERVICES

INTRODUCTION TO TRAFFIC MANAGEMENT, DISASTER MANAGEMENT AND FIRE FIGHTING SERVICES

The objective and function of Public Safety Division is law enforcement in respect of the National Road Traffic Act and Municipal Bylaws. Safety of all road users is paramount in the approach to Road Safety and Operations. Vehicle fitness is part of the division strategy to combat accidents.

The personnel in this section must ensure that all road users abide by the road traffic management regulations and statutes. The section also ensure that road marking is done and clearing of any impediments to road markings are dealt with.

The Fire Brigade Service main objective is to save lives, protect property, conduct awareness and to provide relief during and or after the incident of fire had occurred. The disaster management function is to coordinate effective response, recovery, rehabilitation, risk assessment, institutional arrangements, and measure of mitigation in relation to disaster management incidents.

Fire Services is currently utilizing the Traffic Officers, Working on Fire Team, Disaster Coordinator and Senior fire Officer to fight the fire on an ad hoc basis. Equipment is obsolete that it does not meet the required standard to fight fire and does not even measure the turnaround time as required. The municipality have Memorandum of Under with Imperani Fire Association to work hand in glove during fire incidents.

T 3.13.1

Service Statistics: Public Safety Disaster Management and Fire Services								
	Details	2020/2021		2021/2022		2022/2023	2023/2024	2024/2025
		Target	Actuals	Target	Actuals	Target	Target	Target
1	Number of traffic operational plans compiled and approved	1	1	1	1	1	1	1
2	Number of roadblocks conducted	8	20	8	16	8	20	20
3	Percentage on traffic fines issued	100%	100%	100%	100%	100%	100%	100%
4	Percentage on point duty and escorts performed	100%	100%	100%	100%	100%	100%	100%
5	Percentage of Rand Received from Escorts Performed	100%	100%	100%	100%	100%	100%	100%
6	Percentage of Emergencies Incidents Reported and attended to	100%	100%	100%	100%	100%	100%	100%
7	Number of Public Awareness Campaigns on Public Safety Conducted	12	12	12	12	12	12	12
8	Number of Disaster Management Fora meeting attended	2	9	2	9	4	4	4
9	Number of Risk Assessment Conducted for Events conducted	3	0	3	0	5	5	5
10	Number of Disaster Management Plan reviewed	1	1	1	1	1	1	1
								T 3.13.2

Chapter 3

Public Safety Disaster Management and Fire Services Policy Objectives Taken From Integrated Development Plan									
Service Objectives	Outline Service Targets	2020/2021		2021/2022			2022/2023	2023/2024	2024/2025
Service Indicators		Target	Actual	Target	Target	Actual	Target	Target	Target
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Ensuring proper control of traffic flow within the municipal area	Number of traffic operational plan compiled and approved	1	1	1	1	1	1	1	1
Ensuring proper control of traffic flow within the municipal area	Number of roadblocks conducted	30	45	8	8	16	14	20	20
Ensuring that traffic offences are managed and controlled	Percentage of Traffic fines issued	100%	100%	100%	100%	100%	100%	100%	100%
Ensuring proper control of traffic flow within the municipal area	Percentage on point duty and escorts performed	100%	100%	100%	100%	100%	100%	100%	100%
Ensuring that traffic offences are managed and controlled	Percentage of Rand received from escorts performed	100%	100%	100%	100%	100%	100%	100%	100%

T 3.13.3

Chapter 3

Employees: Public Safety, Disaster Management and Fire Services: 2021/2022					
Job Level	2020/2021	2021/2022			
	No of Employee	No of Posts	No of Employees	Vacancies (Fulltime Equivalents) No	Vacancies (as a % of total posts) %
0-3	2	4	2	2	50%
4-6	3	4	3	1	25%
7-9	10	33	10	23	70%
10-12	0	0	0	0	0%
13-15	0	30	0	30	100%
16-17	8	8	6	2	25%
Total	23	79	21	58	73%

T 3.13.4

Financial Performance 2021/2022: Public Safety, Disaster Management and Fire Services				
Details	2020/2021	2021/2022		
	Actual	Original Budget	Actual	Variance to Budget
Total Operating Revenue	-30 452	-60 000	-336 73	-25 374
Expenditure				
Employees	9 552 136	10 170 504	9 850 793	-3%
Repairs and Maintenance	0	310 008	64 794	-378%
Other	30 452	233 484	146 644	-59%
Total Expenditure	9 582 588	10 713 996	10 062 231	-6%
Net Operational Expenditure	9 552 136	10 773 996	10 095 904	-7%

T 3.13.5

Capital Expenditure 2020/2021: Public Safety, Disaster Management and Fire Services				
Total All	Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
No Capital project implemented				

T 3.13.6

COMMENT ON THE PERFORMANCE OF PUBLIC SAFETY AND DISASTER MANAGEMENT AND FIRE SERVICES OVERALL

The Division has successfully conducted the following:

- Extinguish fire with Working on Fire Team
- Impound illegal grazing of Livestock.
- Due to Covid 19 pandemic the Disaster Division conducted public awareness to community through community radio on safety measures and covid 19 regulations.
- Conducted Public Awareness related to Fire incidents, Climate Change and Safety Measures.
- The division participate at both Provincial and District Disaster Management Forum and Cluster Meeting.

In ensuring the proper management of the traffic tickets issued and other service, the municipality will consider acquiring the traffic management system. One of the achievements worth mention for traffic division is the truck project in Senekal which was very successful and the amount of R1 95 000 was collected in one day by impounding heavy motor vehicles and R 62 800.00 was also collected through by laws noncompliance. The traffic division participated in numerous roadblocks to ensure the was compliance regarding Covid 19 regulations and clean-up of trucks project within four towns of Setsoto Local Municipality. Some members of community assisted municipality with road marking paints etc. to ensure safety to all road users.

Fire and Disaster management service is not operating optimally as the municipality has not yet procured a fire truck and appointed fire fighters. However, there is a working arrangement between Setsoto Municipality and Imperani Fire Protection Services which help the municipality with combating of structural fires. Working on fire also work well with the municipality in order to assist with extinguishing veld fires. Fire breaks are normally being done quarterly to avoid unwanted fire incidents

T 3.13.7

Chapter 3

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.14 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

- Provide budget support to the municipality;
- Provide reporting support to the municipality and its steering committees; and
- Advising the accounting officer and chief financial officer on financial related matters

In this report, a financial snapshot was conducted to assess the financial performance for the financial year 2020/2021. The actual organisational performance will be measured within the service delivery and budget implementation plan for the reporting period, where performance is to be examined against predetermined and defined key performance areas.

T 3.14.1

Debt Recovery							
Details of the types of account raised and recovered	2020/2021		2021/2022			2022/2023	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
	Property Rates	-66 417	99%	-70 462	-64 828	92%	7 398
Electricity - B&C	-84 002	102%	-90 416	-89 259	99%	9 905	100%
Water - B&C	-60 419	103%	-64 568	-66 271	103%	68 452	100%
Sanitation	-35 033	100%	-37 127	-37 496	101%	39 407	100%
Refuse	-45 192	101%	-48 285	-48 383	100%	51 183	100%
Other	0	0	0	0	0	0	0%
							T 3.14.2

B- Basic; C- Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.

Concerning T 3.25.2

The budgeted amount compared to the actual billed of electricity, water, sanitation and refuse was in line with the budgeted figures. Property rates was 8% less than the budgeted figure.

T 3.14.2.1

Chapter 3

3.15 EXPENDITURE MANAGEMENT

INTRODUCTION TO EXPENDITURE MANAGEMENT

In terms of the Municipal Finance Management Act, 56 of 2003, section 65 (c), the municipality must maintain a system of internal control in respect of creditors and payments to ensure that management and other personnel provide reasonable assurance regarding the achievement of objectives in economy, efficiency and effectiveness of operations and compliance with applicable laws, policies and regulations to accomplish a clean audit report.

Expenditure Management is an ongoing function with the aim of improving creditor's efficiency by improving the percentage in respect of creditors paid within thirty days. More than eighty percent of all invoices are paid within thirty days with only invoices that are in dispute being paid later.

Currently the municipality do experience a negative cash flow challenge that do have a direct impact on our payment rate in respect of creditors to be paid within thirty days. The municipality embarked constantly on revenue enhancement, expenditure reduction strategies to improve the cash flow challenge.

T 3.15.1

Expenditure Management Data							
	Details	2020/21	2021/2022		2022/2023	2023/2024	2024/2025
		Actual No.	Estimate No.	Actual No.	Estimate No.	Estimate No.	Estimate No.
1	Number of reports on the actual amount of cash on hand in terms of the Cash Flow forecast	12	12	12	12	12	12
2	Percentage of creditors paid within 30 days	79%	65%	80%	65%	65%	65%
3	Percentage of reconciled creditors	85%	90%	83%	75%	75%	75%
4	Number of cashbook (Expenditure) reports to COUNCIL (Payments Made)	0	12	12	12	12	12
5	Number of insurance claims generated	12	12	12	12	12	12
6	Number of section 32 report submitted	12	12	12	12	12	12
7	Number of reports on Fruitless and Wasteful Expenditure	12	12	12	12	12	12
8	Percentage of internal audit responded to in required time frame - 5 days	75%	95%	73%	100%	100%	100%
9	Number of credible Audit Recovery Plan for all unresolved internal audit queries	0	12	12	12	12	12
10	Percentage of request for information from Internal Audit responded and addressed - 3 days	0	100%	83%	100%	100%	100%
11	Percentage of external audit responded to in required time frame - 5 days	92%	100%	90%	100%	100%	100%
12	Monthly update of progress on audit action plan	6	6	6	6	6	6
13	Percentage of request for information from the Auditor General responded and addressed - 3 days	0	100%	98%	100%	100%	100%
14	Number of expenditure reduction strategies developed	0	1	1	1	1	1

T 3.15.2

Chapter 3

Human Resource Development Policy Objectives Taken From Integrated Development Plan									
Service Objectives	Outline Service Targets	2020/2021		2021/2022			2022/2023	2023/2024	2024/2025
Service Indicators		Target	Actual	Target	Target	Actual	Target	Target	Target
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Financial management and accounting	Number of reports on the actual amount of cash on hand in terms of the Cash Flow forecast	12	12	12	12	12	12	12	12
Financial management and accounting	Percentage of creditors paid within 30 days	65%	79%	65%	65%	80%	65%	65%	65%
Financial management and accounting	Percentage of reconciled creditors	90%	85%	90%	90%	83%	75%	75%	75%
Financial management and accounting	Number of cashbook (Expenditure) reports to council (Payments Made)	0	0	0	12	12	12	12	12
Financial management and accounting	Number of insurance claims generated	12	12	12	12	12	12	12	12
Financial management and accounting	Number of section 32 report submitted	12	12	12	12	12	12	12	12
Financial management and accounting	Number of reports on Fruitless and Wasteful Expenditure	12	12	12	12	12	12	12	12
Financial management and accounting	Percentage of internal audit responded to in required time frame - 5 days	95%	75%	95%	95%	73%	100%	100%	100%
Financial management and accounting	Number of credible Audit Recovery Plan for all unresolved internal audit queries	0	0	0	12	12	12	12	12
Financial management and accounting	Percentage of request for information from Internal Audit responded and addressed - 3 days	0	0	0	100%	83%	100%	100%	100%
Financial management and accounting	Percentage of external audit responded to in required time frame - 5 days	95%	92%	95%	100%	90%	100%	100%	100%
Financial management and accounting	Monthly update of progress on audit action plan	2	6	2	6	6	6	6	6
Financial management and accounting	Percentage of request for information from the Auditor General responded and addressed - 3 days	0	0	0	100%	98%	100%	100%	100%
Financial management and accounting	Number of expenditure reduction strategies developed	0	0	0	1	1	1	1	1
									T 3.15.2

Chapter 3

Employees: Expenditure Management					
Job Level	2019/2020		2020/2021		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	1	1	50
4 - 6	2	4	2	2	50
7 - 9	3	7	3	4	57
Total	7	13	6	7	54

T 3.15.3

Financial Performance: Expenditure Management					
Details	R'000				
	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0		0	0	0%
Expenditure:					
Employees	3 225	3 480	6 523	5 170	33%
Repairs and Maintenance	0	0	0	0	0%
Other	4 471	0	2 928	2 864	100%
Total Operational Expenditure	7 696	3 480	9 451	8 034	57%
Net Operational Expenditure	7 696	3 480	9 451	8 034	57%

T 3.15.4

Capital Expenditure: Expenditure Management					
Capital Projects	R' 000				
	2019/2020				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
No capital expenditure incurred for the year under review					

T 3.15.5

COMMENT ON THE PERFORMANCE OF EXPENDITURE MANAGEMENT OVERALL

The negative cash flow resulted that the Municipality were not able to pay all suppliers within thirty days as required by Municipal Finance Management Act, 56 of 2003, section 65 (e) but only 83% was paid within thirty days. Challenges are experienced to obtain statements from Small Micro Medium Enterprises as they do not have a proper financial software system and the reluctance of other suppliers to submit statements.

The recording of Irregular, Fruitless and Wasteful expenditure is being done monthly and submit to MPAC via Council for Investigation in terms of Municipal Finance Management Act, 56 of 2003, section 32. Insurance claims when submitted to the Expenditure Division are also reported to the municipality broker to prevent losses.

T 3.15.6

MEASURES UNDERTAKEN TO ADDRESS UNDERPERFORMANCE

Currently the municipality do experience a negative cash flow challenge that do have a direct impact on our payment rate in respect of creditors to be paid within thirty days. The municipality embarked constantly on revenue enhancement, expenditure reduction strategies to improve the cash flow challenge. Suppliers is constantly contacted to submit their statements and assistance provided on how to draft a statement especially the Small, Micro, Medium Enterprises that does not have a financial system. Improved internal controls are being implemented to ensure that information requested from internal and external auditors being supplied timeously and Liaison Officer to be held accountable for queries raised.

T 3.15.7

Chapter 3

3.16 HUMAN RESOURCE DEVELOPMENT

INTRODUCTION TO HUMAN RESOURCE DEVELOPMENT

The Human Resources Development Division derives its mandate from the Integrated Development Plan Key Performance Area-Institutional Development. Three top services that are rendered by the Human Resources Development Division are:

- To provide training for Skills Development
- Employment Equity
- To maintain discipline and sound Labour Relations

T 3.16.1

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Details	2020/2021	2021/2022		2022/2023
	Actual No.	Estimate No.	Actual No.	Estimate No.
Percentage of Municipality's budget actually spent on implementing its workplace skills plan	16.9%	85%	9%	50%
Number of approved Workplace Skill Plan	1	1	1	1
Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality approved employment equity plan	3.75%	20%	2%	20%
Percentage of Reduction in Disciplinary Hearings	31%	50%	30.75%	50%

T 3.16.2

Chapter 3

Human Resource Development Policy Objectives Taken From Integrated Development Plan									
Service Objectives	Outline Service Targets	2020/2021		2021/2022			2022/2023	2023/2024	2024/2025
Service Indicators		Target	Actual	Target	Target	Actual	Target	Target	Target
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Skills Development	Percentage to which planned Workplace Skills Plan programmes are implemented and achieved	50%	16.91%	50%	50%	9%	50%	50%	50%
	Number of approved Workplace Skill Plans	1	1	1	1	1	1	1	1
Employment Equity	Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality Employment Equity Plan	20%	3.75%	20%	20%	2%	20%	20%	20%
Labour Relations	Percentage reduction in Disciplinary Hearings	50%	25%	50%	50%	30.75%	50%	50%	50%
									T 3.16.3

Chapter 3

Employees: Human Resource Development Division					
Job Level	2020/2021		2021/2022		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	3	2	1	33%
4 - 6	1	3	1	2	67%
7 - 9	1	1	1	0	0%
Total	4	7	4	3	43%
					T 3.16.4

Financial Performance 2021/2022 : Human Resource Development Division					
					R'000
Details	2020/2021	2021/2022			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	885	1021	1021	1382	26%
Expenditure:					
Employees	817	890	890	890	0%
Repairs and Maintenance	0	0	0	0	0%
Other	0	0	0	0	0%
Total Operational Expenditure	2825	3 063	3 063	2 702	-13%
Net Operational Expenditure	3710	4 084	4 084	4 084	0%
					T 3.16.5

Capital Expenditure 2021/2022: Human Resources Development					
					R' 000
Capital Projects	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
No capital projects were implemented in the year under review.					
					T 3.16.6

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE DEVELOPMENT OVERALL:

The Human Resources Development Division has ensured that there are sound relationships with Government Departments, Local Government Sector Education and Training Authority and another Sector Education and Training Authorities. This enables the division to obtain strategic partnership with the sectors.

These strategic partners provide funding to the programmes that are implemented in the institution. The type of the funding we receive come in the form of the Discretionary Grants that are utilized to implement Learnerships and Internships. These projects require capital but since we receive Grants, all the programmes that are implemented through those conditional grants.

The compilations of the Employee Equity Plan, Workplace Skills Plan, Annual Training Report, and Policy Development, which can be classified as the capital projects, are not outsourced as the Human Resource Development Division has the capacity to do the work internally.

Currently we rely on the Discretionary Grants, and we have secured funds from Sector Education and Training Authorities for implementation of Supply Chain Management Learnership and Graduate Internship Placement Programme and placement of Technical and Vocational Education Training students to acquire workplace experience at the municipality. Non availability of the Presiding Officers and Prosecutors due to work and South African Local Government Association commitments.

T 3.16.7

Chapter 3

3.17 HUMAN RESOURCES MANAGEMENT

INTRODUCTION TO HUMAN RESOURCES MANAGEMENT

During the financial year 2021/2022 the Division of Human Resources Management was responsible for the overall management of the two functions, which is; Human Resources Management responsible for HR Administration, Benefits Administration, Recruitment and Placement. The second function was the Health and Wellness which is responsible for Employee Wellness and Occupational Health.

T 3.17.1

Human Resources Management Data					
	Details	2018/2019	2019/2020		2020/2021
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Percentage of co-ordinated positions filled	100%	100%	100%	100%
2	Percentage of the effectiveness on the administration of human resources management	80%	100%	80%	100%
3	Percentage of employee benefits administered	100%	100%	100%	100%
4	Percentage towards awareness made on health and safety at the workplace	100%	100%	100%	100%
5	Percentage towards the effectiveness of impact on wellness programmes conducted	100%	100%	100%	100%
6	Percentage of fulltime appointed s56 managers	100%	100%	100%	100%
7	Number of days taken by the municipality to make appointments	253	60	92	60

T 3.17.2

Chapter 3

Human Resource Management Policy Objectives Taken From Integrated Development Plan									
Service Objectives	Outline Service Targets	2020/2021		2021/2022			2022/2023	2023/2024	2024/2025
Service Indicators		Target	Actual	Target	Target	Actual	Target	Target	Target
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Institutional Capacity	Percentage of co-ordinated positions filled	100%	100%	100%	100%	100%	100%	100%	100%
Institutional Capacity	Percentage of the effectiveness on the administration of human resources management	100%	80%	100%	100%	80%	100%	100%	100%
Institutional Capacity	Percentage of employee benefits administered	100%	100%	100%	100%	100%	100%	100%	100%
Institutional Capacity	Percentage towards awareness made on health and safety at the workplace	100%	100%	100%	100%	100%	100%	100%	100%
Institutional Capacity	Percentage towards the effectiveness of impact on wellness programmes conducted	100%	100%	100%	100%	100%	100%	100%	100%
Institutional Capacity	Percentage of fulltime appointed s56 managers	100%	100%	100%	100%	100%	100%	100%	100%
Institutional Capacity	Number of days taken by the municipality to make appointments	60	253	60	60	92	60	60	60
									T 3.17.3

Chapter 3

Employees: Human Resource Management					
Job Level	2020/2021		2021/2022		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	3	3	0	0%
4 - 6	2	4	2	1	25%
7 - 9	3	10	4	6	60%
Total	8	17	9	7	41%
					T 3.17.4

Financial Performance: Human Resource Development					
					R'000
Details	2018/2019	2019/2020			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	120	125	100	95	-32%
Expenditure					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%
					T 3.17.5

Capital Expenditure 2021/2022: Human Resources Management					
					R' 000
Capital Projects	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
No capital projects were implemented in the year under review.					
					T 3.17.6

COMMENT ON THE PERFORMANCE OF HUAN RESOURCE MANAGEMENT OVERALL

During the financial year 2021/2022, the division, Human Resources Management strived to achieve all its targets. The challenge was only on the appointment of Senior Managers where the targets were not met. The appointment of the Municipal Manager was only confirmed by Council on 26/09/2022 which had a negative impact on the performance of the division.

T 3.17.7

3.18 LEGAL SERVICES AND CONTRACT MANAGEMENT

INTRODUCTION TO LEGAL SERVICES AND CONTRACT MANAGEMENT

The Legal Services and Contract Management Division is tasked with providing an effective and efficient legal advisory and contract management services to the Municipality. Through the compilation and monitoring of an updated contracts register, the division has ensured a revenue stream for the municipality as payments are ensured for leased municipal properties.

The negotiation of settlements for private claims against the municipality also saves the municipality legal costs which could be granted against the municipality in the events where parties' claims against the municipality are successful. An additional cost saving measure that has been implemented by Legal Services and Contract Management Division is to request attorneys to submit tax invoices which have been taxed by the Taxing Master to ensure that the amounts charged against the Municipality are in line with the prescribed legal tariffs.

T 3.18.1

Chapter 3

SERVICE STATISTICS FOR LEGAL SERVICES AND CONTRACT MANAGEMENT				
Details	2020/2021	2021/2022		2022/2023
	Actual No.	Estimate No.	Actual No.	Estimate No.
Number of updates on litigations and private claims register	4	4	4	4
Percentage of new and existing contracts entered in the contracts register	100%	100%	100%	100%
Percentage of applications for renewal of expired contracts processed.	100%	100%	100%	100%
Number of settlements reached on private claims and/or letters of demand	0	0	0	0
Number of Section 80 Committee Reports compiled and submitted	12	12	12	12
				T 3.18.2

Chapter 3

Legal Services and Contract Management Policy Objectives Taken From Integrated Development Plan									
Service Objectives	Outline Service Targets	2020/2021		Year 2021/2022			Year 2023	Year 2024	2024/2025
Service Indicators		Target	Actual	Target	Target	Actual	Target	Target	Target
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Promoting good governance, transparency and accountability	Number of updates on litigations and private claims register	4	4	4	4	4	4	4	4
Promoting good governance, transparency and accountability	Percentage of new and existing contracts entered in the contracts register	100%	100%	100%	100%	100%	100%	100%	100%
Promoting good governance, transparency and accountability	Percentage of applications for renewal of expired contracts processed.	100%	100%	100%	100%	100%	100%	100%	100%
Promoting good governance, transparency and accountability	Number of settlements reached on private claims and/or letters of demand	2	2	2	0	0	0	0	0
Promoting good governance, transparency and accountability	Number of Section 80 Committee Reports compiled and submitted	12	9	12	12	12	12	12	12

T 3.18.3

Chapter 3

Employees: Legal Services and Contract Management					
Job Level	2020/2021		2021/2022		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	3	2	1	33%
7 - 9	1	2	1	1	50%
Total	3	5	3	2	40%
T 3.18.4					

Financial Performance 2021/2022: Legal Services and Contract Management					
					R' 000
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	5 059	2 499	2 454	48.5%
Expenditure					
Employees	0	487	91	91	4%
Repairs and Maintenance	0	0	0	0	0%
Other	0	0	0	0	0%
Total Operational Expenditure	0	2 454	2 454	2 454	100%
Net Operational Expenditure	0	2 605	-45	0	0%
T 3.18.5					

Capital Expenditure 2021/2022: Legal Services and Contract Management					
					R' 000
Capital Projects	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
No capital projected implemented in the year under review.					
T 3.18.6					

COMMENT ON THE PERFORMANCE OF LEGAL SERVICES AND CONTRACT MANAGEMENT OVERALL

There were no capital projects carried out by Legal Services and Contract Management for the 2021/2022 financial year. Set targets were achieved and overall performance for the division was good and within the budget. Cost saving measures were implemented and yielded positive result.

T 3.18.7

Chapter 3

3.19 INTRODUCTION TO INFORMATION COMMUNICATION TECHNOLOGIES AND CUSTOMER CARE RELATIONS

The municipality is committed to providing a reliable and sustainable information communication technology environment that supports its goals and objectives, as defined in the Integrated Development Plan. The Information Communication Technology, Communication and Customer Care Relations Section is within the office of the Municipal Manager and is linked to the Integrated Development Plan objective and key performance area of Good Governance, Transparency and Accountability.

The strategic goal of the section is to provide strategic leadership to the strategic operational activities of the municipality. The main responsibility of the Information Communication Technology, Communication and Customer Care Relations Section is providing and maintaining Information Systems that responds to the information needs and requirements of the municipality as well as to ensure connectivity of the users at all times by focusing on the following areas;

- Security of all Information Technology systems and assets;
- Availability of systems;
- High performance of systems;
- Increase service delivery of the municipality to its greater customers through highly effective systems;
- Support and maintain systems used by all departments;
- Ensure IT systems work according to business requirements;
- Ensure policies and procedures are in place for governance;
- Ensure seamless integration of systems and platforms; and
- To lead delivery of information technology systems and services according to industry best practices and government based procedures.

The municipality has adopted the Municipal Corporate Governance of Information and Communication Technology Policy Framework, together with its Information Communication Technology Governance Framework, Policies, and Information Communication Technology Charter for establishing the Information Communication Technology Governance Structures required.

T 19.1

Human Resources Management Data					
	Details	2018/2019	2019/2020		2020/2021
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Percentage effective information communication technologies, communication and customer care relations management systems	100%	100%	100%	100%
2	Number of information technology governance reports	1	1	1	4
3	Number of software licenses renewed and procured	1	0	0	5
4	Number of disaster recovery test conducted	1	1	1	4
					T 3.19.2

Chapter 3

Information Communication Technologies Policy Objectives Taken From Integrated Development Plan									
Service Objectives	Outline Service Targets	2020/2021		Year 2021/2022			Year 2023	Year 2024	2024/2025
Service Indicators		Target	Actual	Target	Target	Actual	Target	Target	Target
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Good Governance, Transparency and Accountability	Percentage effective information communication technologies, communication and customer care relations management systems		100%	100%	100%	100%	100%	100%	100%
Good Governance, Transparency and Accountability	Number of information technology governance reports		1	1	1	1	4	4	4
Good Governance, Transparency and Accountability	Number of software licenses renewed and procured		1	0	0	0	5	5	5
Good Governance, Transparency and Accountability	Number of disaster recovery test conducted		1	1	1	1	4	4	4
									T 3.19.3

Chapter 3

EMPLOYEES: INFORMATION COMMUNICATION TECHNOLOGIES, COMMUNICATIONS & CUSTOMER RELATIONS MANAGEMENT					
Job Level	2020/2021		2021/2022		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	1	0%
4 - 6	0	2	0	2	100%
7 - 9	1	2	1	1	50%
Total	2	5	2	3	60%
					T 3.19.4

FINANCIAL PERFORMANCE 2021/2022 : INFORMATION COMMUNICATION TECHNOLOGIES, COMMUNICATIONS & CUSTOMER RELATIONS MANAGEMENT					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	4 280 927.60	4 252 904.00	4 168 592.01	84 311.99	428 0927.60
Expenditure					
Employees	1 411 286.86	2 141 275.00	1 458 755.20	682 519.80	1 411 286.86
Repairs and Maintenance					
Other	2 869 640.74	2 111 629.00	2 709 836.81	-598 207.81	2 869 640.74
Total Operational Expenditure	4 280 927.60	4 252 904.00	4 168 592.01	84 311.99	4 280 927.60
Net Operational Expenditure	4 280 927.60	4 2529 04.00	4 168 592.01	84 311.99	4 280 927.60
					T 3.19.5

CAPITAL EXPENDITURE 2021/2022 : INFORMATION COMMUNICATION TECHNOLOGIES, COMMUNICATIONS & CUSTOMER RELATIONS MANAGEMENT					
Capital Projects	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
There were no capital projects for the financial year.					
					T 3.19.6

3.20 ADMINISTRATION AND COUNCIL SUPPORT

INTRODUCTION TO ADMINISTRATION AND COUNCIL SUPPORT

The Administration and Support Services Division is within the Corporate Services Departments and is responsible to provide an effective and efficient Administration and Support Services. It comprises of three sections in line with the key focus areas, namely Committee Services, Records and Archive Management as well as the Support Services which also includes the responsibility for Telecommunication and Reprographic Equipment Management, Office Cleaning Services as well as Reception Services. This report reflects the performance of the division for the year 2021/2022.

T 3.19.1

Administration and Support Services Data					
Details		2020/2021	2021/2022		2022/2023
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Percentage of planned Records Management Activities implemented	94%	100%	100%	100%
2	Percentage of planned Committee Services Activities implemented	96%	100%	83%	100%
3	Percentage of planned Telecommunication and Reprographic related activities implemented.	94%	100%	83%	100%
4	Percentage of planned activities in respect of cleaning services implemented	100%	100%	80%	100%
5	Percentage of Planned Activities implemented towards the development and/or review of Bylaws / Administration Policies	92%	100%	75%	100%
					T 3.20.2

Chapter 3

Administration and Support Services Policy Objectives Taken From Integrated Development Plan									
Service Objectives	Outline Service Targets	2020/2021		Year 2021/2022			Year 2023	Year 2024	2024/2025
Service Indicators		Target	Actual	Target	Target	Actual	Target	Target	Target
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Promoting good governance, transparency, and accountability	Percentage of planned Records Management Activities implemented	100%	94%	100%	100%	100%	100%	100%	100%
Promoting good governance, transparency, and accountability	Percentage of planned Committee Services Activities implemented	100%	96%	100%	100%	83%	100%	100%	100%
Promoting good governance, transparency, and accountability	Percentage of planned Telecommunication and Reprographic related activities implemented.	100%	94%	100%	100%	83%	100%	100%	100%
Promoting good governance, transparency, and accountability	Percentage of planned activities in respect of cleaning services implemented	100%	100%	100%	100%	80%	100%	100%	100%
Promoting good governance, transparency, and accountability	Percentage of Planned Activities implemented towards the development and/or review of Bylaws / Administration Policies	100%	92%	100%	100%	75%	100%	100%	100%
									T 3.20.3

Employees: Administration and Support Services					
Job Level	2019/2020		2020/2021		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	1	11	3	8	73%
10 - 12	8	14	8	6	43%
13 - 15	21	24	21	3	13%
Total	34	53	36	17	32%
					T 3.20.4

Financial Performance 2021/2022 : Admin and Support Services					
					R'000
Details	2020/2021	2021/2022			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	0	0	0	0	0%
Expenditure:					
Employees	1 841	0	0	0	0%
Repairs and Maintenance	19	292	115	7	-4 071%
Other	2 719	4 625	3 574	2 899	-60%
Total Operational Expenditure	4 579	4 917	3 689	2 906	-69%
Net Operational Expenditure	4 579	4 917	3 689	2 906	-69%
					T 3.20.5

Capital Expenditure 2021/2022 : Administration and Support Services					
					R' 000
Capital Projects	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
No capital projects were implemented for the year under review					
					T 3.20.6

COMMENT ON THE PERFORMANCE OF ADMINISTRATION AND COUNCIL SUPPORT OVERALL

The division is operating with an overall 32% vacancy rate. At clerical level we have a 56% vacancy rate. As a result, the Manager and Supervisors are dealing with various operational issues on a daily basis to ensure the work gets done and this impacts to sufficient monitoring. Assistance was given through an Extended Public Works Programme with Records Section, but these contracts also came to an end on the 30 June 2022. The vacancies that were budgeted for were not filled during the financial year.

During the year 4 of 5 target were partially achieved and 1 target fully achieved. Various factors impacted such as instability in Council prior to elections whereby no Mayoral Committee or Section 80 Committees were taking place. Another target not achieved related to policies, the Delegated Powers had to be reviewed by 30 June 2022 however due to the Organisational Structure which is not complete this process could not be finalised as it needs to be aligned to the new structure, It will be dealt with after the adoption of the Organisational Structure. Since the inauguration of the new council, we have not had challenges with instability of Council and the meetings continued as scheduled.

T 3.20.7

3.21 PAYROLL ADMINISTRATION

PAYROLL ADMINISTRATION

The Payroll Administration Division is within the Corporate Services Department and is responsible for processing of salaries, benefits, deductions, payments to third parties, pay as you earn reconciliations and all other salary related processes. The Payroll System follows set regulations to ensure compliance to national legislation. Payroll Administration is also responsible for the processing of all leave transactions and maintaining leave records of each employee.

T 3.21.1

Payroll Administration Data

	Details	2020/2021	2021/2022		2022/2023
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of payrolls processed on or before 25 th of every month	12	12	12	12
2	Number of months that Third parties are processed on or before the 3 rd of every month	12	12	12	12
3	Percentage of leave processed	100%	100%	100%	100%
					T 3.21.2

Payroll Administration Policy Objectives Taken From Integrated Development Plan									
Service Objectives	Outline Service Targets	2020/2021		2021/2022			2023	2024	2024/2025
Service Indicators		Target	Actual	Target	Target	Actual	Target	Target	Target
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Promoting good governance, transparency, and accountability	Number of payrolls processed on or before 25 th of every month	12	12	12	12	12	12	12	12
Promoting good governance, transparency, and accountability	Number of months that Third parties are processed on or before the 3 rd of every month	12	12	12	12	12	12	12	12
Promoting good governance, transparency, and accountability	Percentage of leave processed	100%	100%	100%	100%	100%	100%	100%	100%
									T 3.21.3

Chapter 3

Employees: Payroll Administration					
Job Level	2021/2022				
	2020/2021	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Employees				
No.	No.	No.	No.	%	
0 - 3	2	2	2	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	1	0	1	100%
10 - 12	1	1	1	0	0%
19 - 20	0	0	0	0	
Total	4	5	4	1	20%

T 3.21.4

Financial Performance 2021/2022: Payroll Administration					
					R'000
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees	2 832	2 396	2 346	2 357	-2%
Repairs and Maintenance	1	0	0	0	0%
Other	247	338	28	214	-58%
Total Operational Expenditure	3 080	2 734	2 374	2 571	-6%
Net Operational Expenditure	3 080	2 734	2 374	2 571	-6%

T 3.21.5

Capital Expenditure 2021/2022 Payroll Administration					
					R' 000
Capital Projects	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
No capital projects were implemented for the year under review					

T 3.21.6

COMMENT ON THE PERFORMANCE OF PAYROLL ADMINISTRATION SERVICES OVERALL

The division has achieved all targets and the reports were submitted for all four quarters of the financial year 2021/2022 even though the division was only eighty percent staffed with a vacant position of Salary Clerk.

T 3.21.7

Chapter 3

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component of the annual report has been audited by the Office of the Auditor-General during its regulatory audit process from 01 September 2022 to 30 November 2022.

3.22 MUNICIPAL MANAGER'S SCORECARD

3.22.1 KEY PERFORMANCE AREA 1: BASIC SERVICES

Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage of households with access to electricity	Percentage Rand	100%	94%	100%	94%	100%	94%	100%	100%	100%	Target Almost Met Illegal occupation of land and non-development of informal settlements	Ensure that no further illegal land occupation takes place and formalise informal settlements
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage of households with access to refuse removal	Percentage Rand	91%	91%	91%	91%	91%	104%	100%	100%	100%	Target Well Met Target was 91% and actual achievement is 95% Numerator=95% Denominator=91% Total Achievement: [Numerator/Denominator]*100=(95/91)*100=104%	Set realistic target of 100%
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Number of sport facilities utilised	Percentage Rand	5	0	5	0	5	0	5	5	5	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Number of community halls utilised	Number Rand	8	0	8	0	8	0	8	8	8	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator

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Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage of fire incidents attended to within 24 hours	Percentage Rand	100%	0%	100%	0%	100%	0%	100%	100%	100%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Kilometres of road surface graded	Kilometers Rand	40	0	40	0	40	0	40	40	40	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage of surfaced municipal road lanes which has been resurfaced and resealed	Percentage Rand	100%	0%	100%	0%	100%	0%	100%	100%	100%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Kilometres of new municipal road lanes built	Kilometers Rand	40	0	40	0	40	0	40	40	40	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage reported potholes complaints resolved within 7 days	Percentage Rand	100%	0%	100%	0%	100%	2 684%	100%	100%	100%	Target Extremely Met The target for the year was 8 000 potholes but the municipality fixed 21 475 potholes Numerator-21 475 Denominator-8 000 Percentage: Numerator/Denominator =21 475/8 000=2 684%	Set realistic targets and ensure that the current infrastructure is maintained to curb further deterioration
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage of households with access to basic sanitation	Percentage Rand	100%	82%	100%	82%	100%	81%	100%	100%	100%	Target Almost Met Household still being serviced with bucket removals due to illegal occupation of land and informal settlements	Ensure that the current bucket eradication programmes are completed, and no further illegal land occupation is allowed
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage of callouts responded to within 24 hours for sanitation	Percentage Rand	100%	100%	100%	100%	100%	71%	100%	100%	100%	Target Almost Met Some job cards not signed or time of starting or completing the job not indicated	Ensure that job cards are completed fully
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage green drop compliance	Percentage Rand	30%	5%	30%	5%	30%	25.25%	30%	30%	30%	Target Not Met Various non-compliance factors as per the Assessment Report of 2021	Implementation of all the recommendations made in the Assessment Report 2021 on compliance with regard to Water Services Authority and Water Services Provider requirements

Chapter 3

Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage of household with access to basic water supply	Percentage	100%	92%	100%	92%	100%	92%	100%	100%	100%	Target Almost Met Illegal occupation of land and non-formalisation of informal settlements	Ensure that all informal settlements are developed, and no further illegal land occupation is allowed
			Rand					725 843						
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage of callouts responded to within 24 hours for water	Percentage	100%	0%	100%	0%	100%	0%	100%	100%	100%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
			Rand					725 843						
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage of callouts on unplanned water services interruption responded to within 24 hours	Percentage	100%	99%	100%	99%	100%	99%	100%	100%	100%	Target Almost Met Some job cards not signed or time of starting or completing the job not indicated	Ensure that job cards are completed fully
			Rand					725 843						
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage blue drop compliance	Percentage	70%	58.70%	70%	76.80 %	70%	58.70%	70%	70%	70%	Target Almost Met Various non-compliance factors as per the Assessment Report of 2021	Implementation of all the recommendations made in the Assessment Report 2021 on compliance with regard to Water Services Authority and Water Services Provider requirements
			Percentage					725 843						
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage Infrastructure leakage index-electricity	Percentage	12%	0%	12%	0%	12%	0%	12%	12%	12%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
			Percentage					725 843						
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Infrastructure leakage index-water	Percentage	30%	0%	30%	0%	30%	0%	30%	30%	30%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
			Percentage					725 843						
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage of total water connections metered	Percentage	100%	0%	100%	0%	100%	0%	100%	100%	100%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
			Percentage					725 843						

Chapter 3

3.22.2 KEY PERFORMANCE AREA 2: LOCAL ECONOMIC DEVELOPMENT

Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Local Economic Development	Creating a conducive environment for local economic development	Percentage of total municipal budget operating expenditure spent on contracted services physically residing within the municipal area	Percentage	5%	0%	5%	0%	5%	4.6%	2%	2%	2%	Target Met	Continue monitoring
Local Economic Development	Creating a conducive environment for local economic development		Rand					725 843						
Local Economic Development Local Economic Development	Creating a conducive environment for local economic development Creating a conducive environment for local economic development	Percentage of total municipal budget capex expenditure spent on contracted services physically residing within the municipal area	Percentage	30%	0%	30%	0%	30%	0%	30%	30%	30%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
			Rand					725 843						
Local Economic Development Local Economic Development	Creating a conducive environment for local economic development Creating a conducive environment for local economic development	Number of work opportunities created through Public Employment Programmes, including EPWP, CWP, and other related employment programmes	Number	1 500	0	1 500	0	1 500	0	525	525	525	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
			Rand					725 843						
Local Economic Development Local Economic Development	Creating a conducive environment for local economic development Creating a conducive environment for local economic development	Percentage of the municipality's operating budget spent on indigent relief for free basic services	Percentage	2%	0%	2%	0%	2%	0%	2%	2%	2%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
			Rand					725 843						
Local Economic Development	Creating a conducive environment for local economic development	Percentage business license applications and permits processes and approved within the required timeframe	Percentage	100%	100%	100%	100%	100%	100%	100%	100%	100%	Target Met	Continue monitoring
			Rand					725 843						
Local Economic Development	Creating a conducive environment for local economic development	Average number of days from the point of advertising to the letter of award per 80/20 procurement process	Number	90	0	90	0	90	0	90	90	90	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
			Rand					725 843						

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Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Local Economic Development	Creating a conducive environment for local economic development	Percentage of municipal payments made to service providers who submitted complete forms within 30 days of invoice submission	Percentage Rand	100%	0%	100%	0%	55%	0%	100%	100%	100%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator

Chapter 3

3.22.3 KEY PERFORMRANCE AREA 3: INSTITUTIONAL CAPACITY

Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Institutional Capacity	Building institutional resilience and administrative capability	Percentage skills development levy against the municipal operating expenditure	Percentage Rand	1%		1%		1%	0.08%	1%	1%	1%	Target not Met Financial constrains to attend training programmes	Try to acquire additional funding from SETAS during window period
Institutional Capacity	Building institutional resilience and administrative capability	Number of days taken to fill vacant positions	Number Rand	60	126	60	224	60	344	60	60	60	Target Not Met Position left vacant for a very long time before being filled	Ensure that vacancies are filled within the required timeline
Institutional Capacity	Building institutional resilience and administrative capability	Percentage of vacant posts filled within three months	Percentage Rand	100%	0%	100%	0%	100%	0%	100%	100%	100%	Target Not Met Due to the process of reviewing the structure which is currently in process	Appointments be made as soon as possible after the vacancy identified to improve service delivery

Chapter 3

3.22.4 KEY PERFORMANCE AREA 4: FINANCIAL MANAGEMENT

Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Financial Management	Ensuring sound financial management and accounting	Percentage capital expenditure to total expenditure	Percentage	20%	0%	20%	0%	20%	0%	20%	20%	20%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
			Rand					725 843						
Financial Management	Ensuring sound financial management and accounting	Percentage impairment of property, plant and equipment, investment property and intangible assets (carrying value)	Percentage	0%	0%	0%	0%	0%	0%	0%	0%	0%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
			Rand					777 457						
Financial Management	Ensuring sound financial management and accounting	Repairs and maintenance as a percentage property, plant and equipment, investment property and intangible assets (carrying value)	Percentage	0%	0%	0%	0%	0%	0%	0%	0%	0%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
			Rand											
Financial Management	Ensuring sound financial management and accounting	Bad debt written off as a percentage of bad debt provision	Percentage	100%	0%	100%	0%	100%	0%	100%	100%	100%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
			Rand					777 457						
Financial Management	Ensuring sound financial management and accounting	Number of days required to receive payment from consumers for bills/invoices issued to them for service	Days	45	0	45	0	45	0	45	45	45	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
			Rand					777 457						
Financial Management	Ensuring sound financial management and accounting	Period in months within which the municipality will be able to meet at least its monthly fixed operating commitments from cash and short-term investments without collecting any additional revenue, during the month	Months	3	0	3	0	3	0	3	3	3	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
			Rand					777 457						

Chapter 3

Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Financial Management	Ensuring sound financial management and accounting	Range within which the municipality is able to payback it's short-term liabilities (Debt and Payables) with short-term assets (cash, inventory and receivables)	Months	3	0	3	0	3	0%	3	3	3	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
			Rand					725 843						
Financial Management	Ensuring sound financial management and accounting	Capital Cost (Interest Paid and Redemption) as percentage to total Operating Expenditure	Ratio	2:1	0	2:1	0	2:1	0%	2:1	2:1	2:145%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
			Rand					777 457						
Financial Management	Ensuring sound financial management and accounting	Extend of total borrowing in percentage in relation to total operating revenue	Percentage	8%	0%	8%	0%	8%	0%	8%	8%	8%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
			Rand					777 457						
Financial Management	Ensuring sound financial management and accounting	Extend in percentage, to which other reserves, which are required to be cash-backed are backed by cash reserves	Percentage	45%	0%	45%	0%	45%	0%	45%	45%	45%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
			Rand					777 457						
Financial Management	Ensuring sound financial management and accounting	Percentage operating surpluses generated	Percentage	100%	0%	100%	0%	100%	0%	100%	100%	100%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
			Rand					777 457						
Financial Management	Ensuring sound financial management and accounting	Percentage electricity surplus generated	Percentage	0%	0%	0%	0%	0%	0%	0%	0%	0%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
			Rand					777 457						
Financial Management	Ensuring sound financial management and accounting	Percentage water surplus generated	Percentage	0%	0%	0%	0%	0%	0%	0%	0%	0%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
			Rand					725 843						
Financial Management	Ensuring sound financial management and accounting	Percentage refuse surplus generated	Percentage	0%	0%	0%	0%	0%	0%	0%	0%	0%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
			Rand					725 843						

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Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Financial Management	Ensuring sound financial management and accounting	Percentage sanitation and wastewater surplus generated	Percentage Rand	0%	0%	0%	0%	0%	0%	0%	0%	0%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
Financial Management	Ensuring sound financial management and accounting	Percentage in actual growth in the revenue base of the municipality brought by an increase in consumer base rather than in tariff increase	Percentage Rand	0%	0%	0%	0%	0%	0%	0%	0%	0%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
Financial Management	Ensuring sound financial management and accounting	Percentage revenue growth	Percentage Rand	5%	0%	5%	0%	5%	0%	0%	0%	0%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
Financial Management	Ensuring sound financial management and accounting	Percentage revenue growth (excluding capital grants)	Percentage Rand	6%	0%	6%	0%	6%	0%	0%	0%	0%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
Financial Management	Ensuring sound financial management and accounting	Number of days taken to pay trade creditors	Number Rand	45	0%	45	0%	45	0	45	45	45	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
Financial Management	Ensuring sound financial management and accounting	Percentage of irregular, fruitless and wasteful and unauthorised expenditure disclosed	Percentage Rand	100%	0%	100%	0%	100%	0%	100%	100%	100%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
Financial Management	Ensuring sound financial management and accounting	Percentage employee cost to total operating expenditure	Percentage Rand	0%	0%	0%	0%	0%	0%	0%	0%	0%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
Financial Management	Ensuring sound financial management and accounting	Percentage contracted services expenditure to total operating expenditure	Percentage Rand	30%	0%	30%	0%	30%	0%	30%	30%	30%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator

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Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Financial Management	Ensuring sound financial management and accounting	Percentage of internally generated funds for capital expenditure to total operating expenditure	Percentage Rand	2%	0%	2%	0%	2%	0%	2%	2%	2%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
Financial Management	Ensuring sound financial management and accounting	Percentage own source revenue to total operating revenue	Percentage Rand	20%	0%	20%	0%	20%	0%	20%	20%	20%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
Financial Management	Ensuring sound financial management and accounting	Percentage capital expenditure spent	Percentage Rand	55%	0%	55%	0%	55%	0%	55%	55%	55%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
Financial Management	Ensuring sound financial management and accounting	Percentage operating expenditure incurred	Percentage Rand	100%	0%	100%	0%	100%	0%	100%	100%	100%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
Financial Management	Ensuring sound financial management and accounting	Percentage operating revenue sourced	Percentage Rand	25%	0%	25%	0%	25%	0%	25%	25%	25%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator

Chapter 3

3.22.5 KEY PERFORMANCE AREA 5: GOOD GOVERNANCE, TRANSPARENCY AND ACCOUNTABILITY

Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Good governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Percentage of municipal skills development levy recovered	Percentage	1%	0%	1%	0%	1%	0%	1%	1%	1%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
			Rand					725 843						
Good governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Percentage of repeat audit findings addressed and finalised	Percentage	100%	100%	100%	100%	100%	100%	100%	100%	10%	Target Met	Continue monitoring
			Rand					725 843						
Good governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Percentage of councillors who have declared their financial interests	Percentage	100%	100%	100%	100%	100%	100%	100%	100%	10%	Target Met	Continue monitoring
			Rand					725 843						
Good governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Percentage of administrative staff who have declared their financial interests	Percentage	100%	100%	100%	100%	100%	100%	100%	100%	10%	Target Met	Continue monitoring
			Rand					725 843						
Good governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Percentage of agenda items deferred to next meeting	Percentage	100%	100%	100%	100%	100%	100%	100%	100%	10%	Target Met	Continue monitoring
			Rand					725 843						
Good governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Percentage of Municipal Public Accounts Committee Meetings held	Percentage	100%	100%	100%	100%	100%	100%	100%	100%	10%	Target Met	Continue monitoring
			Rand					725 843						
Good governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Percentage of active suspensions finalised within three months	Percentage	100%	0%	100%	0%	100%	0%	100%	100%	100%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
			Rand					725 843						
Good governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Percentage of quarterly salary bill officials suspended for a period longer than three months	Percentage	100%	0%	100%	0%	100%	0%	100%	100%	100%	Target Not Met Indicator was not captured and reported on by the relevant department	Ensure that all the outcome indicators are captured and reported on by the relevant director as per their output indicator
			Rand					725 843						
Good governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Number of Strategic Risks Register updated and mitigated	Number	4	4	4	4	4	4	4	4	4	Target Met	Continue monitoring
			Rand					725 843						

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Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Good governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Number of Operational Risks Register updated and mitigated	Number	4	4	4	4	4	4	4	4	4	Target Met	Continue monitoring
			Rand					725 843						
Good governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Number of Appraisal reports concluded	Number	5	0	5	0	5	0	6	6	6	Target Not Met No appraisals were conducted during the financial year under review	Ensure that all indicators as per legislative requirements are reported on and implemented
			Rand					725 843						

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3.22.6 KEY PERFORMANCE AREA 6: PUBLIC PARTICIPATION

Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Public Participation	Putting people first	Percentage of ward committees with six or more ward committee members, excluding ward councillors functional	Percentage Rand	100%	0%	100%	0%	100%	0%	100%	100%	100%	Target Not Met	Develop Ward Committee Operational Plans and ensure that ward committees functions according to those approved Ward Operational Plans
Public Participation	Putting people first	Percentage of official complaints responded to through the municipal complaints management systems	Percentage Rand	100%	0%	100%	0%	100%	0%	100%	100%	100%	Target Not Met	Ensure that systems in place are utilised fully and where training is needed is provided

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3.23. DIRECTOR CORPORATE SERVICES' SCORECARD

3.23.1 KEY PERFORMANCE AREA 2: INSTITUTIONAL CAPACITY

Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Institutional Capacity	Building institutional resilience and administrative capability	Percentage actual spending of the municipal budget on skills development	Percentage	1%	0.08%	1%	0.08%	1%	0.03%	1%	1%	1%	Target not met due to financial constraints to attend training programmes	Try to acquire additional funding from SETAs during window period
			Rand					2 131 333	2 029 797					
Institutional Capacity	Building institutional resilience and administrative capability	Percentage of fulltime appointed s56 Managers	Percentage	100%	80%	100%	80%	100%	80%	100%	100%	100%	Resignation of Director Engineering Service - 4 OF 5 Senior Management Positions filled	Appointment confirmed during June 2022, the candidate is resuming duty on the 1st July 2022
			Rand					2 131 333	2 029 797					
Institutional Capacity	Building institutional resilience and administrative capability	Percentage of vacant posts filled within three months	Percentage	100%	100%	100%	100%	100%	75%	100%	100%	100%	Target not met due to the process of reviewing the structure which is currently in process	Appointments to improve service delivery
			Rand					2 131 333	2 029 797					
Institutional Capacity	Building institutional resilience and administrative capability	Number of days taken by the municipality to make an appointment	Number	60		60		60	195	60	60	60	Resignation of Director Engineering Services	Appointment confirmed during June 2022, the candidate is resuming duty on the 1st July 2022
			Rand					2 131 333	2 029 797					
Institutional Capacity	Building institutional resilience and administrative capability	Percentage towards awareness made on Health and safety programmes at the workplace	Percentage	100%	100%	100%	100%	100%	100%	100%	100%	100%	Target met	Continue monitoring
			Rand					2 131 333	2 029 797					
Institutional Capacity	Building institutional resilience and administrative capability	Percentage of the effectiveness on the Human Resources Administration	Percentage	100%	100%	100%	100%	100%	80%	100%	100%	100%	4 of 5 targets were met. The division reviewed 1 policy which is awaiting to be tabled to council for approval during the next council meeting.	Ensure that all indicators are met within the required timeframe
			Rand					2 131 333	2 029 797					
Institutional Capacity	Building institutional resilience and administrative capability	Percentage of the effectiveness on the Human Resources Development	Percentage	100%	100%	100%	100%	100%	100%	100%	100%	100%	Target met	Continue monitoring
			Rand					2 131 333	2 029 797					
Institutional Capacity	Building institutional resilience and administrative capability	Percentage of the effectiveness on the Legal Services and Contract Management	Percentage	100%	100%	100%	100%	100%	50%	100%	100%	100%	The first and second indicators we not met	Ensure that all indicators are met within the required timeframe
			Rand					2 131 333	2 029 797					

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Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Institutional Capacity	Building institutional resilience and administrative capability	Percentage of the effectiveness on the Payroll Administration	Percentage Rand	100%	100%	100%	100%	100%	100%	100%	100%	100%	Target met	Continue monitoring
Institutional Capacity	Building institutional resilience and administrative capability	Percentages of the effectiveness on the Administration and Support Services	Percentage Rand	100%	100%	100%	100%	100%	30%	100%	100%	100%	3 of 5 targets were fully achieved and 2 of 5 was partially achieved. The one target relates to Advertising of the Request For Proposals for Telecommunication System as we needed to include the Call Centre of the Prepaid Electricity Project needs analysis which can only be determined with occupation of offices at this building. The other target not achieved was in respect of policies whereby the Delegated Powers had to be reviewed by 30 June 2022 however due to the Organisational Structure which is not complete this process could not be finalised.	Ensure that indicators are met within the required timeframe

3.22.2 KEY PERFORMANCE AREA 5: GOOD GOVERNANCE, TRANSPARENCY AND ACCOUNTABILITY

Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Good Governance, transparency, and	Promoting good governance,	Number of strategic risk	Number Rand	1	1	1	1	1	1	1	1	1	Target Met	Continue monitoring

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accountability	transparency, and accountability	registers developed, updated, and reported on												
Good Governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Number of operational risk registers developed, updated, and reported on	Number	1	1	1	1	1	1	1	1	1	Target Met	Continue monitoring
			Rand											
Good Governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Percentage external communication of audit findings responded to and addressed within timeframe	Percentage	100%	100%	100%	100%	100%	76%	100%	100%	100%	Delays on the response because the managers who were required to response were on leave	To improve on response time of Audit queries
			Rand											
Good Governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Percentage internal communication of audit findings responded to and addressed within timeframe	Percentage	100%	100%	100%	100%	100%	57%	100%	100%	100%	Delays on distribution and managers who were required to response were on leave	To improve on response time of Audit queries
			Rand											

Chapter 3

3.24 CHIEF FINANCIAL OFFICER'S SCORECARD

3.24.1 KEY PERFORMANCE AREA 4: FINANCIAL MANAGEMENT

Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Financial Management	Ensuring sound financial management and accounting	Percentage collection rate	Percentage Rand					65%	74%	75%	75%	75%	Target Met	Continue monitoring
Financial Management	Ensuring sound financial management and accounting	Percentage of irregular, fruitless, and wasteful and unauthorised expenditure disclosed in the 2021 Annual Financial Statements	Percentage Rand	0%	0%	0%	0%	100%	100%	100%	100%	100%	Target Met	Continue monitoring
Financial Management	Ensuring sound financial management and accounting	Percentage contracted services expenditure to total operating expenditure	Percentage Rand	2%	2%	2%	2%	2%	4.6%	2%	2%	2%	Target Not Met	The municipality should employ people with requisite skills in order to reduce expenditure on contracted services
Financial Management Financial Management	Ensuring sound financial management and accounting Ensuring sound financial management and accounting	Percentage of the municipality's Free Basic Services budget spent on free basic services to indigent households	Percentage Rand					85%	154%	85%	85%	85%	Target Extremely Met	The municipality should budget realistically to ensure that spending is within the budgeted amount
Financial Management Financial Management	Ensuring sound financial management and accounting Ensuring sound financial management and accounting	Percentage spending on the approved expenditure budget	Percentage Rand					75%	80%				Target Well Met	The municipality should budget realistically to ensure that spending is within the budgeted amount

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Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Financial Management	Ensuring sound financial management and accounting	Number of departmental meetings held	Number Rand					4 8 544 976	3				Target Not Met	Ensure that indicators are met within the required timeframe
Financial Management	Ensuring sound financial management and accounting	Number of GRAP compliant Annual Financial Statements compiled and submitted	Number Rand	1		1		1 8 544 976	1	1	1	1	Target Met	Continue monitoring
Financial Management	Ensuring sound financial management and accounting	Number of Unallocated Deposit Policy developed	Number Rand	1		1		1 8 544 976	1	1	1	1	Target Met	Continue monitoring
Financial Management	Ensuring sound financial management and accounting	Number of Expenditure Reduction Strategies developed (reviewed)	Number Rand					1 8 544 976	1	1	1	1	Target Met	Continue monitoring
Financial Management	Ensuring sound financial management and accounting	Number of Revenue Enhancement Strategies reviewed	Number Rand	1		1		1 8 544 976	1	1	1	1	Target Met	Continue monitoring
Financial Management	Ensuring sound financial management and accounting	Number of policies developed on treatment of UIF (including SOPs)	Number Rand	1		1		1 8 544 976	1	1	1	1	Target Met	Continue monitoring

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3.24.2 KEY PERFORMANCE AREA 5: GOOD GOVERNANCE, TRANSPARENCY AND ACCOUNTABILITY

Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Good Governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Percentage external communication of audit findings responded to and addressed within timeframe	Percentage	95%	95%	95%	95%	95%	100%	100%	100%	100%	Target Well Met The target was lower than what it is supposed to be set at	Continue monitoring
			Rand					8 544 976						
Good Governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Percentage external audit requests for information responded to and addressed within timeframe	Percentage	100%	100%	100%	100%	100%	82%	100%	100%	100%	Target Almost Met Delay in the submission of the information requested by the internal audit unit	Ensure that all request are dealt with within the required timeframe
			Rand					8 544 976						
Good Governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Percentage internal communication of audit findings responded to and addressed within timeframe	Percentage	100%	100%	100%	100%	100%	94%	100%	100%	100%	Target Almost Met Delay in the submission of the information requested by the internal audit unit	Ensure that all request are dealt with within the required timeframe
			Rand					8 544 976						
Good Governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Number of risk registers developed, updated and reported on	4	4	4	4	4	4	4	4	4	4	Target Met	Continue monitoring
								8 544 976						
Good Governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Number of Appraisal Reports concluded	4	4	4	4	4	4	0	4	4	4	Target Not Met Chief Financial Officer did not appraise the staff below him.	Ensure that all legislation requirement are complied with
								8 544 976						

Chapter 3

3.25 DIRECTOR DEVELOPMENT PLANNING AND SOCIAL SECURITY'S SCORECARD

3.25.1 KEY PERFORMANCE AREA 1: BASIC SERVICES

Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage of households receiving basic refuse removal services	Percentage Rand	90%	95%	90%	95%	90%	95%	90%	90%	90%	Target Well Met Numerator=95 Denominator=90 Achievement= $\frac{\text{Numerator}}{\text{Denominator}} \times 100 = \frac{95}{90} \times 100 = 105\%$	Set realistic indicators to ensure that targets are well define and achievable
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Number of Integrated Waste Management Plans developed, reviewed, and approved	Number Rand	1	1	1	1	1	1	1	1	1	Target Met	Continue monitoring
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage firefighting, disaster and emergencies incidents attended	Percentage Rand	100%	100%	100%	100%	100%	100%	100%	100%	100%	Target Met	Continue monitoring
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage business license applications and permits processed	Percentage Rand	100%	100%	100%	100%	100%	100%	100%	100%	100%	Target Met	Continue monitoring
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Number of Disaster Management Plans developed, reviewed, and approved	Number Rand	1	1	1	1	1	1	1	1	1	Target Met	Continue monitoring

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3.25.2 KEY PERFORMANCE AREA 2: LOCAL ECONOMIC DEVELOPMENT

Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Local Economic Development	Creating a conducive environment for local economic development	Number of Entrepreneurs capacitated/improved through trainings, workshops, awareness campaigns, information sharing sessions and seminars	Number	60	60	60	60	60	338	60	60	60	Target Extremely Met Numerator=338 Denominator=60 Achievement=[(Numerator/Denominator)*100]=(338/60)*100=563%	Set realistic indicators to ensure that targets are well define and achievable
			Rand					2 459 231						

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2.25.3 KEY PERFORMANCE AREA 5: GOOD GOVERNANCE, TRANSPARENCY AND ACCOUNTABILITY

Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Good governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Number of Strategic Risks Register updated and mitigated	Number	4	4	4	4	4	4	4	4	4	Target Met	Continue monitoring
			Rand					2 459 231						
Good governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Percentage external communication of audit findings responded to and addressed within timeframe	Percentage	100%	100%	100%	100%	100%	100%	100%	100%	100%	Target Met	Continue monitoring
			Rand					2 459 231						
Good governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Percentage external audit requests for information responded to and addressed within timeframe	Percentage	100%	0%	100%	0%	100%	0%	100%	100%	100%	Target Not Met	Ensure that the approved Audit Recovery Plan is implemented and monitored
			Rand					2 459 231						
Good governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Percentage internal audit requests for information responded to and addressed within timeframe	Percentage	100%	0%	100%	0%	100%	0%	100%	100%	100%	Target Not Met	Ensure that the approved Audit Recovery Plan is implemented and monitored
			Rand					2 459 231						
Good governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Percentage internal communication of audit findings responded to and addressed within timeframe	Percentage	100%	100%	100%	100%	100%	100%	100%	100%	100%	Target Met	Continue monitoring
			Rand					2 459 231						
Good governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Number of Operational Risks Register updated and mitigated	Number	4	4	4	4	4	4	4	4	4	Target Met	Continue monitoring
			Rand					2 459 231						

Chapter 3

3.26 DIRECTOR ENGINEERING SCORECARD

3.26.1 KEY PERFORMANCE AREA 1: BASIC SERVICES

Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage unplanned outages restored within required timeframe	Percentage Rand	100%	100%	100%	100%	100%	99.52%	100%	100%	100%	Target Almost Met Lack of suitable equipment and old infrastructure that causes unplanned outages	Ensure that targets are met within required timeframe and that there is fleet and equipment to do the work
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage electricity losses	Percentage Rand	12%	8%	12%	10%	12%	6.50%	12%	12%	12%	Target Not Met Old infrastructure, possible theft due to bypassing and cable theft	Replacement of old infrastructure and putting up mechanisms to curb by-passing of meters
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage of households with access to basic sanitation	Percentage Rand	97%	82%	97%	82%	97%	82%	100%	100%	100%	Target Almost Met Some areas still use buckets system	Finalize the current bucket eradication project and ensure that no illegal occupation of land is allowed
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage of household with access to basic water supply	Percentage Rand	100%	98%	100%	98%	100%	92%	100%	100%	100%	Target Almost Met Informal settlement where there are no services provided	Formalise the current informal settlements and ensure that no further illegal

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Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage of unplanned water interruptions and sewer blockages/complaints/callouts responded to within 24 hours	Percentage Rand	100%	0%	100%	0%	100%	0%	100%	100%	100%	Target Not Met The indicator was not reported on and was also not captured in the lower layer service delivery and budget implementation plan	Ensure that indicators are captured in the lower layer service delivery and budget implementation so as to feed into the top-layer service delivery and budget implementation plan
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage blue drop compliance	Percentage Rand	70%	58.7%	70%	58.7%	70%	76.80%	70%	70%	70%	Target Not Met Various reason as per the assessment report done by the Department of Water and Sanitation	To implement all the recommendation as per the Department of Water and Sanitation in their Assessment Report
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage green drop compliance	Percentage Rand	30%	5%	30%	5%	30%	25.25%	30%	30%	30%	Target Almost Met Various reason as per the assessment report done by the Department of Water and Sanitation	To implement all the recommendation as per the Department of Water and Sanitation in their Assessment Report
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage of total water losses	Rand Rand	20%	0%	20%	0%	20%	39.67%	20%	20%	20%	Target Not Met Old infrastructure and community putting alien stuff in the network	Replacement of old infrastructure and conducting of awareness campaigns on the maintenance of infrastructure to communities

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Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage of household with subsidized housing	Percentage Rand	70%	0%	70%	0%	70%	0%	70%	70%	70%	Target Not Met As this information is to be requested from provincial government, there was no responses from our request	Ensure that the department submit request for information to province timeously in order to report accurately
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage of formal sites serviced with water, electricity, refuse removal, sewer, roads and stormwater	Percentage Rand	100%	92%	100%	92%	100%	0.00%	100%	100%	100%	Target Almost Met At some areas community members have invaded land illegally	Ensure that communities are only placed on formalised land with basic services
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage backlogs on title deed on subsidized stand and units	Percentage Rand	20%	0%	20%	0%	20%	0%	20%	20%	20%	Target Not Met As this information is to be requested from provincial government, there was no responses from our request	Ensure that the department submit request for information to province timeously in order to report accurately
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage of storm water infrastructure network maintained	Percentage Rand	20%	0%	20%	0%	20%	0%	20%	20%	20%	Target Not Met The indicator was not reported on and was also not captured in the lower layer service delivery and budget implementation plan	Ensure that indicators are capture in the lower layer service delivery and budget implementation so as to feed into the top-layer service delivery and budget implementation plan

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Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Service Delivery	Supporting the delivery of municipal services to the right quality and standard	Percentage of road infrastructure network maintained	Percentage Rand	50%	0%	50%	0%	50%	0%	50%	50%	50%	Target Not Met The indicator was not reported on and was also not captured in the lower layer service delivery and budget implementation plan	Ensure that indicators are capture in the lower layer service delivery and budget implementation so as to feed into the top-layer service delivery and budget implementation plan
Local Economic Development	Creating a conducive environment for local economic development	Percentage of households receiving free basic electricity in terms of the municipality's Indigent Policy	Percentage Rand	18%	0%	18%	0%	18%	0%	18%	18%	18%	Target Not Met The indicator was not reported on and was also not captured in the lower layer service delivery and budget implementation plan	Ensure that indicators are capture in the lower layer service delivery and budget implementation so as to feed into the top-layer service delivery and budget implementation plan

Chapter 3

3.26.2 KEY PERFORMANCE AREA 5: GOOD GOVERNANCE, TRANSPARENCY AND ACCOUNTABILITY

Key Performance Area	Objective	Key Performance Indicator	Unit of Measure	2019/2020		2020/2021		2021/2022		2022/2023	2023/2024	2024/2025	Reason for Variance	Measure to address underperformance
				Target	Actual	Target	Actual	Target	Actual	Target	Target	Target		
Good governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Percentage external audit queries responded to and addressed within timeframe	Percentage	100%	100%	100%	100%	100%	100%	100%	100%	100%	Target Met	Continue monitoring
			Rand					19 007 105						
Good governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Percentage external communication of audit findings responded to and addressed within timeframe	Percentage	100%	100%	100%	100%	100%	100%	100%	100%	100%	Target Met	Continue monitoring
			Rand					19 007 105						
Good governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Percentage external audit requests for information responded to and addressed within timeframe	Percentage	100%	100%	100%	100%	100%	100%	100%	100%	100%	Target Met	Continue monitoring
			Rand					19 007 105						
Good governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Percentage internal communication of audit findings responded to and addressed within timeframe	Percentage	100%	100%	100%	100%	100%	100%	100%	100%	100%	Target Met	Continue monitoring
			Rand					19 007 105						
Good governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Number of Strategic Risks Register updated and mitigated	Number	4	4	4	4	4	4	4	4	4	Target Met	Continue monitoring
			Rand					19 007 105						
Good governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Number of Operational Risks Register updated and mitigated	Number	4	4	4	4	4	4	4	4	4	Target Met	Continue monitoring
			Rand					19 007 105						
Good governance, transparency, and accountability	Promoting good governance, transparency, and accountability	Number of Appraisal reports concluded	Number	0	0	0	0	6	0	6	6	6	Target Not Met Director did not review the performance of staff below him	Ensure that the performance of staff below the director is review regularly as per the requirements
			Rand					19 007 105						

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

INTRODUCTION

During the financial year 2021/2022, the Department of Corporate Services continued rendering the support services to the institution in terms of Human Resources Management and Human Resources Development. The institution had a total number of permanent. At the level of senior managers, all positions were occupied. During the last financial year, the process of reviewing the organisational structure still unfolded. Inputs were gathered and the structure was tabled to Local Labour Forum for comments. The division also undertook the process of reviewing human resources related policies as well as starting the process of reviewing job descriptions in line with the Municipal Staff Regulations of 2021. This process will also inform the fast tracking and finalisation of job evaluation.

T 4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Description	2020/2021		2021/2022		
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Council General	10	12	8	2	17%
Office of the Municipal Manager	2	14	2	1	7%
Integrated Development Plan and Performance Management and Development Systems	4	5	4	1	20%
Internal Audit	5	10	4	6	60%
Information Communication Technologies, Communication and Customer Relations	4	11	4	7	64%
Treasury Administration	1	1	1	0	0%
Expenditure Management	9	13	9	4	31%
Budget and Reporting	4	10	2	8	80%
Supply Chain Management	9	21	10	9	43%
Revenue Management	33	53	32	21	40%
Assets Management	8	10	8	2	20%
Administration and Council Support Services	34	51	34	17	33%
Human Resources Management	10	17	10	7	41%
Payroll Administration	4	5	4	1	20%
Legal Services	3	5	3	2	40%
Human Resources Development	4	7	4	3	43%
Community Administration	1	1	1	0	0%
Cemeteries	5	24	5	19	79%
Local Economic Development	4	6	4	2	33%
Sport and Recreation	62	124	59	70	56%
Traffic Management	20	41	20	21	51%
Fire Services	1	36	1	35	97%
Disaster Management	1	3	1	2	67%
Security Services	31	70	30	40	57%
Waste Management	70	143	63	75	52%
Engineering Administration	3	1	3	0	0%
Project Management Unit	4	8	4	4	50%
Road and Storm Water	54	125	54	65	52%
Electricity	24	40	24	16	40%
Water Maintenance	65	103	65	41	40%
Waste Management	131	162	118	50	31%
Housing	19	44	17	27	61%
Fleet Management	4	18	4	14	78%
Totals	643	1 194	612	572	48%

T 4.1.1

Chapter 4

Vacancy Rate: 2021/2022			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0.00
Chief Financial Officer	1	0	0.00
Other S57 Managers (excluding Finance Posts)	3	1	0.00%
Other S57 Managers (Finance posts)	4	1	25.00
Police officers	0	3	#DIV/0!
Fire fighters	33	3	52.00
Senior management: Levels 13-15 (excluding Finance Posts)	19	5	26.32
Senior management: Levels 13-15 (Finance posts)	24	2	8.33
Highly skilled supervision: levels 9-12 (excluding Finance posts)	38	8	21.05
Highly skilled supervision: levels 9-12 (Finance posts)	52	1	1.92
Total	175	24	13.71

T 4.1.2

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2019/2020	29	16	55%
2020/2021	25	23	92%
2021/2022	7	21	300%

T 4.1.3

COMMENT ON VACANCIES AND TURNOVER:

During the financial year 2021/2022, all Section 56 positions were filled. We also had 21 terminations, and only 7 positions were filled during the financial year.

T 4.1.4

Chapter 4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The Municipality has developed and adopted appropriate systems, policies, and practice to ensure that there are fair, efficient, effective, and transparent personnel administration. Effective human resource management practices enhance performance by contributing to employees' productivity and development of favorable reputation in the municipality and community. With the adoption of the Municipal Staff Regulations 2021, the municipality also started the process of aligning policies to the regulations, as well as the review of the organizational structure. A process plan was also developed to assist this process.

T 4.2.0

4.2 POLICIES

Name of the policy	Completed %	Reviewed %	Date adopted by council on failure to adopt.
1. Affirmative Action	100	100	Adopted on 27/10/2022
2. Disciplinary code and procedures	100	100	Noted by council in 2018 and in operation until 2023
3. Employment Equity	100	100	Adopted by council 27/10/2022
4. Grievance procedure	100	100	Noted by council and in operation until 30/06/2023
5. Organisational rights	100	100	Noted by council and in operation until 30/06/2023
6. Sexual harassment	100	100	Adopted by council 27/10/2022
7. Skills Development	100	75	To be tabled in the next LLF of February 2023 for consultation prior to adoption by council
8. Placement Policy	100	75	To be tabled before council for adoption
9. Geographical Relocation Policy	100	75	To be tabled before council for adoption

T 4.2.1

COMMENT ON WORKFORCE POLICY DEVELOPMENT

During the Financial Year 2021/2022 the following Workforce Development Policies and Plan were drafted, reviewed, and tabled before the Local Labour Forum for consultation and approval/adoption:

- Sexual Harassment Policy
- Employment Equity Policy
- Placement Policy
- Geographical Relocation Policy
- Employment Equity Plan

T 4.2.1.1

Chapter 4

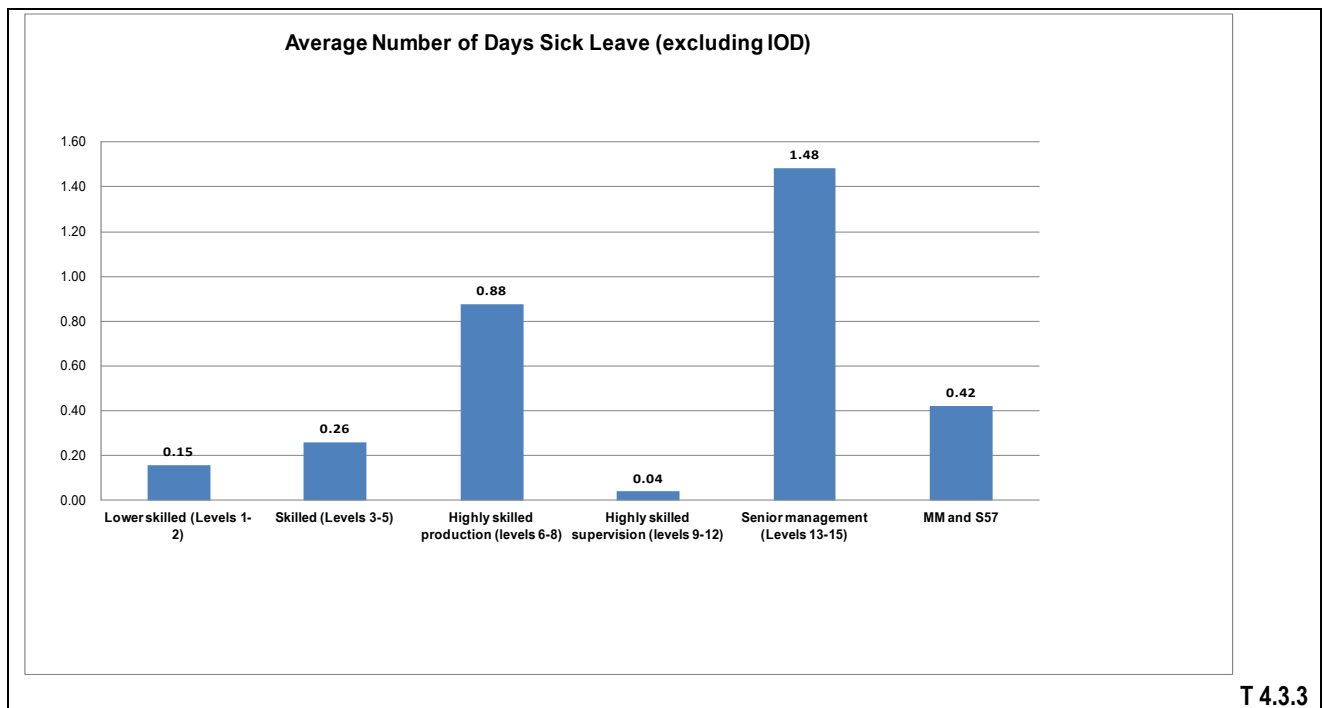
4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	59	9	15%	12	41 759
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
Total	59	9	15%	12	41 759

T 4.3.1

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days	Estimated cost R' 000
Lower skilled (Levels 1-2)	24	90%	10	30	0,15	30
Skilled (Levels 3-5)	40			22	0,26	
Highly skilled production (levels 6-8)	136			58	0,88	
Highly skilled supervision (levels 9-12)	6	95%	2	26	0,04	31
Senior management (Levels 13-15)	230			11	1,48	
Municipal Manager and S57	65			8	0,42	
Total	501	93%	12	155	3,23	61

T 4.3.2



Chapter 4

COMMENT ON INJURY AND SICK LEAVE

A proper leave register is always maintained, and sick leave applications are captured on the VIP Payroll System. During the financial year 9 injury on duty cases were reported and employees were therefore booked off sick for a total number of 59 sick leave days. The division ensured that these cases are also reported to the department of labour.

T 4.3.4

Number and Period of Suspensions

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken, or Status of Case and Reasons why not Finalised	Date Finalised
Debtors Clerk	Misinterpretation	15/09/2017	Medical condition and non-availability of key witness	Pending
Process Controller	Allegation of theft	14/07/2021	Non-Availability of Employees representative	Pending
Plumber	Allegation of theft	14/07/2021	Non-Availability of Employees representative	Pending
Plumber	Allegation of theft	14/07/2021	Non-Availability of Employees representative	Pending
Process Controller	Allegation of theft	14/07/2021	Non-Availability of Employees representative	Pending
General Worker	Rude and abusive action towards Senior manager	9/02/2021	Parties entered into settlement agreement	8/10/2021
General Worker	Rude and abusive action towards Senior manager	9/02/2021	Parties entered into settlement agreement	8/10/2021
General Worker	Rude and abusive action towards Senior manager	9/02/2021	Parties entered into settlement agreement	8/10/2021

T 4.3.5

Disciplinary Action Taken on Cases of Financial Misconduct

Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
Debtors Clerk	It is alleged that the Employee was involved in processing transfer of immovable properties while such transfers were not authorised by the Section of MFMA or Supply Chain Management's Policy regulating transfer and alienation of municipal properties	The Employee was suspended, and disciplinary actions were instituted.	Pending The Disciplinary Tribunal is scheduled for 26th July 2021 . Pending: Disciplinary Tribunal 9th September 2022.
Acting Team Leader	It is alleged that the Employee used the Council's Vehicle without authorization and used it for his personal reasons. It is further alleged that he carried stolen goods with it, and it was impounded by the SAPS	Employee currently on suspension. Investigation Report is still outstanding. Employee still to be formally charged.	Pending: Matter to be scheduled once the Charge Sheet is served

T 4.3.6

Chapter 4

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT

Three General Workers - It is alleged on the 09th February 2021 the employees were rude and abusive towards a Senior Manager they were suspended and further the parties entered into a settlement agreement. The suspension was lifted on the 08th October 2022. Two Plumbers and two Process Controllers were alleged for theft and Employees were suspended on the 07th July 2021. The disciplinary hearing was postponed due the non-availability of the Employees representatives. The status of the matter is still pending subsequent the scheduled date of the disciplinary hearing.

Acting Team Leader: It is alleged that the employee used the council's vehicle without authorization and used it for his personal reasons. It is further alleged that he carried stolen goods with it, and it was impounded by the SAPS. Employee currently on suspension. Investigation Report is still outstanding. Employee still to be formally charged. Matter to be scheduled once the Charge Sheet is served.

Debtor's Clerk: It is alleged that the Employee was involved in processing transfer of immovable properties while such transfers were not authorised by the Section of MFMA or Supply Chain Management's Policy regulating transfer and alienation of municipal properties. The Employee was suspended on 15th September 2017, and disciplinary actions were instituted. The Disciplinary Tribunal is scheduled for 09th September 2022.

T 4.3.7

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The Municipality has submitted the Workplace Skills Plan on the 29th April 2022 subsequent consultation with the Organized Labour component. The training and development policy introduced the legal framework for Study Grant Regulations for Employees from all Employment Categories.

The challenges that were encountered was some employees are not attending skills audit processes and that implies they do not complete Personal Development Plans. They are not captured as beneficiaries in the Workplace Skills Plan and there are no budget allocations for the training.

The Department has also under-budgeted for the trainings that are required to fill the identified skills gap. The internship programmes were introduced for the undergraduates in collaboration with Bank Seta is still commencing and it will be completed on the 11th July 2022.

The Municipality have registered employees with accredited institutions of higher learning through distance learning and block system. The other improvements that were made was that the Human Resources Development managed to enroll senior managers and other finance officials in order to acquire "Minimum Competency Level".

T 4.5.0

Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 2022	Number of skilled employees required and actual as at 30 June Year 2022											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual: End of 2021	Actual: End of 2022	2022 Target	Actual: End of 2021	Actual: End of 2022	2022 Target	Actual: End of 2021	Actual: End of 2022	2022 Target	Actual: End of 2021	Actual: End of 2022
MM and s57	Female					0	0			0	1	0	0	1
	Male					1	1			1	2	1	2	2
Councillors, senior officials and managers	Female					2	2			3	3	2	5	3
	Male					4	4			4	4	4	8	4
Technicians and associate professionals*	Female					6	6			2	2	6	8	2
	Male					6	6			8	9	6	14	9
Professionals	Female					2	2			6	6	2	8	6
	Male					4	4			2	2	4	6	2
Sub total	Female					10	10			11	12	10	21	12
	Male					15	15			15	17	15	30	17
Total		0	0	0	0	50	50	0	0	52	58	50	102	58

*Registered with professional Associate Body

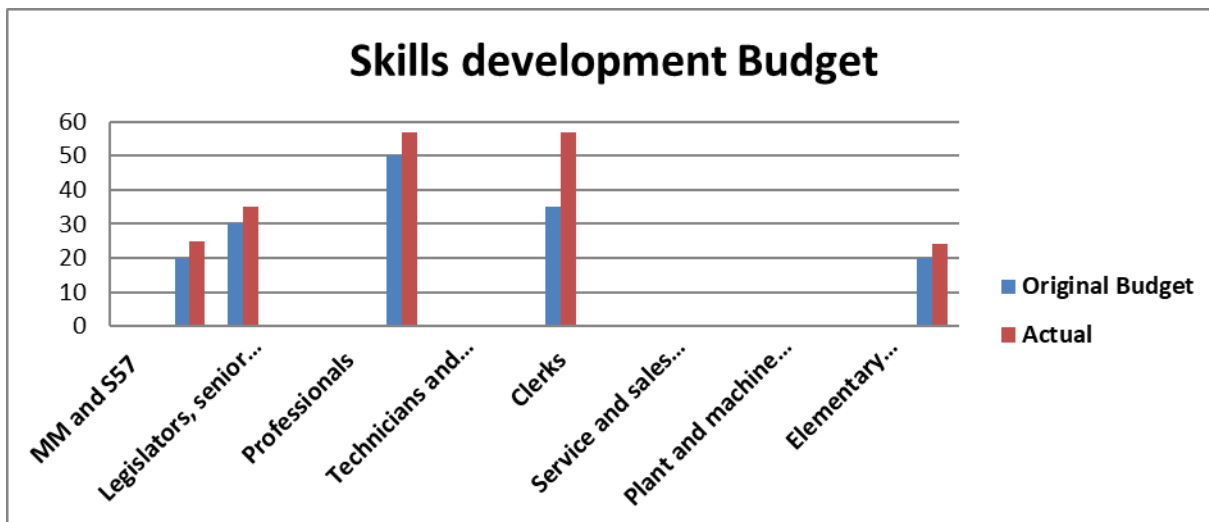
T 4.5.1

Chapter 4

Financial Competency Development: Progress Report						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	1	2	1	1	1
Chief financial officer	1	1	2	0	0	0
Senior managers	0	0	0	2	2	1
Any other financial officials	1	1	2	0	0	9
Supply Chain Management Officials						
Heads of supply chain management units	4	4	8	1	1	1
Supply chain management senior managers	0	0	0	1	1	1
TOTAL	7	7	14	5	5	13
						T 4.5.2

Skills Development Expenditure										
R'000										
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 2021/2022							
			Learnerships		Skills programmes and other short courses		Other forms of training		Total	
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget
MM and S57	Female	0								
	Male	3					20	25	20	25
Legislators, senior officials and managers	Female	24					30	35	30	35
	Male	42								
Professionals	Female	14								
	Male	11					50	57	50	57
Technicians and associate professionals	Female	46								
	Male	55								
Clerks	Female	43					35	57	35	57
	Male	29								
Service and sales workers	Female	10								
	Male	6								
Plant and machine operators and assemblers	Female	15								
	Male	70								
Elementary occupations	Female	56								
	Male	240					20	24	20	24
Sub total	Female	208					65	92	65	92
	Male	456					20	82	20	82
Total		664	0	0	0	0	85	174	85	174
T 4.5.3										

Chapter 4



COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

The Municipality has long embarked on the strategies to ensure that the Employees achieve minimum competency level as enshrined in the Regulation of the Municipal Finance Management Act, 56 of 2003. Challenges were encountered in the past whereby some employees were not declared competency. The Department of Treasury will be providing training for financial officials on the area of supply chain management for the financial year 2021/2022 and 2022/2023.

In 2021/2022 two senior managers were enrolled for Municipal Finance Management Programme in order to ensure that they are competent as per the registrations of the Municipal Finance Management Act, 56 of 2003. The financial officials were also identified for the competency training for those Employees who are still not developed are still to receive training, their training interventions are reflected within the 2021/2022 Workplace Skills Plan.

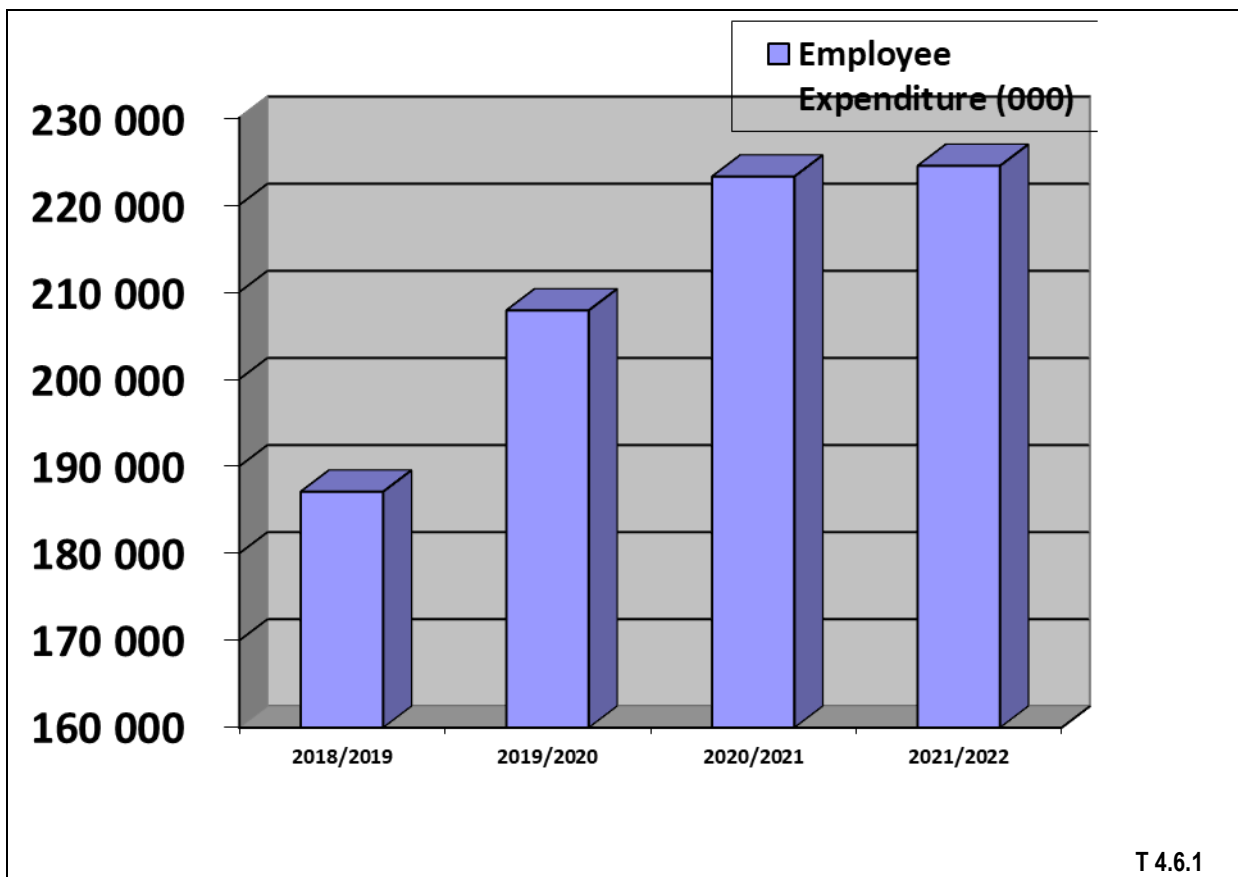
Section 4.5.3 of the Skills Matrix has total number of 664 Employees inclusive of 33 Councilors and 2 Municipal Finance Management Programme Treasury Interns; therefore, as a result the staff compliment does not tally because the financial year of reporting to the Local Government Sector Education and Training Authority is from 01 May 2021 to 30 April 2022 contrary to the financial year of the municipality. The discrepancies are as a result of attrition.

T 4.5.4

Chapter 4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.6 EMPLOYEE EXPENDITURE



Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded

Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels 9-12)	Female	1
	Male	4
Senior management (Levels 13-16)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
Total		5

T 4.6.2

Chapter 4

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exists
Engineering	5	05 July 2015	1	Commission for Conciliation, Mediation and Arbitration Award
Engineering	5	01 September 2007	1	Post was existing in the previous structure
Engineering	2	15 March 2015	1	Promoted
Development Planning and Social Security	5	01 September 2007	1	Post was existing in the previous structure
Development Planning and Social Security	5	01 June 2013	1	Transferred
Treasury	6	01 March 2013	4	Positions were existing in the previous structure
Engineering	8	01 June 2013	2	Positions were existing in the previous structure
Office of the Municipal Manager	9	01 June 2013	1	Transferred
Engineering	1	Amalgamation	1	Positions were existing in the previous structure
Development Planning and Social Security	17	Amalgamation	1	Positions were existing in the previous structure
Development Planning and Social Security	9	Amalgamation	2	Positions were existing in the previous structure

T 4.6.3

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE

During the financial year under review, we had 5 employees whose salaries were upgraded not following normal practice. The five positions are at the level of managers. Secondly, on the current structure, we have positions which are not catered for, which are a total number of 16. These positions will be addressed in the new organisational structure.

T 4.6.4

DISCLOSURES OF FINANCIAL INTERESTS

Refer to disclosures made by officials and councillors concerning their financial interests as required by PM Regulations 805 of 2006 are set out in **Appendix F**.

T 4.6.6

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

T 5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The Annual financial Statements are done with the assistance of an external service provider and review by external service providers before submission to the Office of the Auditor General of South Africa.

T 5.1.0

Chapter 5

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Description R thousands	2021/2022											2020/2021			
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Financial Performance															
Property rates	70 462	-	70 462			70 462	56 168		(14 294)	80%	80%				66 009
Service charges	241 013	1	241 014			241 014	229 200		(11 814)	95%	95%				222 453
Investment revenue	5 025	-	5 025			5 025	4 820		(205)	96%	96%				2 013
Transfers recognised - operational	216 708	-	216 708			216 708	217 482		774	100%	100%				244 576
Other own revenue	43 191	749	43 940			43 940	42 303		(1 637)	96%	98%				35 634
Total Revenue (excluding capital transfers and contributions)	576 399	750	577 149	-	-	577 149	549 973	-	(27 176)	95%	95%	-	-	-	570 685
Employee costs	250 302	(30 781)	219 521			219 521	224 507		4 986	102%	90%				223 273
Remuneration of councillors	14 355	(788)	13 567			13 567	12 871		(696)	95%	90%				12 967
Debt impairment	60 000	60 000	120 000			120 000	113 924		(6 076)	95%	190%				84 986
Depreciation & asset impairment	120 865		120 865			120 865	287 246		166 381	238%	238%				471 691
Finance charges	4 000	56	4 056			4 056	4 661		605	115%	117%				5 934
Materials and bulk purchases	132 573	(14 322)	118 251			118 251	105 187		(13 064)	89%	79%				89 150
Transfers and grants	4 640	10 136	14 776			14 776	129		(14 647)	1%	3%				52
Other expenditure	48 010	4 569	52 580			52 580	67 109		14 529	128%	140%				64 044
Total Expenditure	634 746	28 870	663 616	-	-	663 616	815 634	-	152 018	123%	128%	-	-	-	952 096
Surplus/(Deficit)	(58 346)	(28 120)	(86 467)	-	-	(86 467)	(265 661)	-	(179 194)	307%	455%	-	-	-	(381 411)
Transfers recognised - capital	189 617		189 617			189 617	141 107		(48 510)	74%	74%				158 588
Contributions recognised - capital & contributed assets										#DIV/0!	#DIV/0!				8 076
Surplus/(Deficit) after capital transfers & contributions	131 271	(28 120)	103 150	-	-	103 150	(124 554)	-	(227 704)	-121%	-95%	-	-	-	(214 747)
Share of surplus/ (deficit) of associate										#DIV/0!	#DIV/0!				
Surplus/(Deficit) for the year	131 271	(28 120)	103 150	-	-	103 150	(124 554)	-	(227 704)	-121%	-95%	-	-	-	(214 747)
Capital expenditure & funds sources															
Capital expenditure															
Transfers recognised - capital	189 617		189 617			189 617									
Public contributions & donations															
Borrowing															
Internally generated funds															
Total sources of capital funds	189 617	-	189 617	-	-	189 617	-	-	0	0	0	-	-	-	-
Cash flows															
Net cash from (used) operating															
Net cash from (used) investing															
Net cash from (used) financing															
Cash/cash equivalents at the year end	-	-	-	-	-	-	-	-	0	0	0	-	-	-	-

T 5.1.1

Chapter 5

Financial Performance Of Operational Services							R '000
Description	2020/21	2021/22			2021/22		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Operating Cost							
Water	96 092	54 601	58 306	123 837	55.91%	52.92%	
Waste Water	53 414	29 146	35 803	79 669	63.42%	55.06%	
Electricity	95 516	115 008	113 435	128 555	10.54%	11.76%	
Waste Management	51 775	32 606	38 313	59 248	44.97%	35.33%	
Housing	29 724	15 896	10 845	25 458	37.56%	57.40%	
Component A: sub-total	326 521	247 258	256 702	416 766	40.67%	38.41%	
Waste Water-Stormwater Drainage							
Roads	406 586	138 437	137 877	163 426	15.29%	15.63%	
Transport	0	0	0	0	0	0%	
Component B: sub-total	406 586	138 437	137 877	163 426	15.29%	15.63%	
Planning		2 696	1 909	2 014	-33.90%	5.20%	
Local Economic Development	4 967	2 707	1 493	1 536	-76.26%	2.75%	
Component B: sub-total	4 967	5 403	3 402	3 549	-52.23%	4.14%	
Planning Strategic and Regulatory							
Local Economic Development	0	0	0	0	0	0%	
Component C: sub-total	0	0	0	0	0	0%	
Community and Social Services	20 003	14 987	14 927	31 154	51.90%	52.09%	
Environmental Protection							
Health	0	0	0	0	0	0%	
Security and Safety	12 900	11 174	9 060	8 940	-24.99%	-1.34%	
Sport and Recreation	10 360	10 644	10 894	10 890	2.26%	-0.04%	
Corporate Policy Offices and Other	140 494	206 843	230 754	180 909	-14.34%	-27.55%	
Component D: sub-total	183 757	243 647	265 635	231 893	-5.07%	-14.55%	
Total Expenditure	921 831	634 745	663 616	815 634	22.18%	18.64%	

In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

T 5.1.2

COMMENT ON FINANCIAL PERFORMANCE

In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

The total expenditure variance is above the budgeted figures on both the original budget and the adjusted budget. It should be noted that in trading services such as water, electricity, sanitation and refuse removal and roads that is where the large portion of assets is kept as well as debt impairment therefore their expenditure is likely to exceed the budget due to depreciation and debt impairment.

T 5.1.3

Chapter 5

5.2 GRANTS

Grant Performance							R' 000
Description	2020/2021	2021/2022			2021/2022 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
Operating Transfers and Grants							
National Government:	244,316	216,407	216,407	217,107	100%	100%	
Equitable share	240,514	212,318	212,318	213,018	100%	100%	
Municipal Systems Improvement	0	0	0	0	0%	0%	
Department of Water Affairs	0	0	0	0	0%	0%	
Levy replacement	0	0	0	0	0%	0%	
Other transfers/grants-[Finance Management Grant and Extended Public Works Programme]	3,802	4,089	4,089	4,089	100%	100%	
Provincial Government:							
Health subsidy	0	0	0	0	0%	0%	
Housing	0	0	0	0	0%	0%	
Ambulance subsidy	0	0	0	0	0%	0%	
Sports and Recreation	0	0	0	0	0%	0%	
Other transfers/grants-[Finance Management Grant and Extended Public Works Programme]	0	0	0	0	0%	0%	
District Municipality:							
<i>No grant received</i>	0	0	0	0	0%	0%	
Other grant providers:	260	300	300	375	1.2495367	1.24953667	
<i>Local Government Sector Education and Training Authority</i>	260	300	300	375	124.95%	1.24953667	
Total Operating Transfers and Grants	244,576	216,707	216,707	217,482	100%	100%	

T 5.2.1

COMMENT ON OPERATING TRANSFERS AND GRANTS

All grants were received as scheduled however R 33 million was offset to pay unspent grant in the previous year. The conditional grants allocations for the current year, remained constant over the last three years. The has been significant under spending of conditional grants for the year under review. The underspending is expected to curbed in the 2022/23 financial year.

T 5.2.2

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES

No grants other than DoRA allocations were received during the year.

T 5.2.4

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Management of the assets of the municipality, including the safeguarding and the maintenance of those assets. To ensure that the municipality has and maintains a management, accounting and information system that accounts for the assets of the municipality and that the municipality's assets and are valued in accordance with standards of generally recognised accounting practice and that the municipality has and maintains a system of internal control of assets including an asset register as may be prescribed.

T 5.3.1

Chapter 5

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2021/2022				
Name	Construction Of De Put Abstraction Works- Civils (Senekal/ Matwabeng)			
Description	Distribution			
Asset Type	Water Infrastructure			
Key Staff Involved	Project Management Unit, Technical and Asset Management			
Staff Responsibilities	Maintenance			
Asset Value	2018/2019	2019/2020	2020/2021	2021/2022
				52 478 923
Capital Implications	Monetary Value of Capital Projects			
Future Purpose of Asset	Water Distribution			
Describe Key Issues	Service Delivery to Community			
Policies in Place to Manage Asset	Yes			
Name	Replacement of Old Asbestos Water Rising Main Pipeline (Clocolan/ Hlohlowane)			
Description	Distribution			
Asset Type	Water Infrastructure			
Key Staff Involved	Project Management Unit, Technical and Asset Management			
Staff Responsibilities	Maintenance			
Asset Value	2018/2019	2019/2020	2020/2021	2021/2022
				38 280 549
Capital Implications	Monetary Value of Capital Projects			
Future Purpose of Asset	Water Distribution			
Describe Key Issues	Service Delivery to Community			
Policies in Place to Manage Asset	Yes			
Name	Construction of 11ml Reservoir (Senekal/ Matwabeng)			
Description	Distribution			
Asset Type	Water Infrastructure			
Key Staff Involved	Project Management Unit, Technical and Asset Management			
Staff Responsibilities	Maintenance			
Asset Value	2018/2019	2019/2020	2020/2021	2021/2022
				1 552 959.00
Capital Implications	Monetary Value of Capital Projects			
Future Purpose of Asset	Water Distribution			
Describe Key Issues	Service Delivery to Community			
Policies in Place to Manage Asset	Yes			
T 5.3.2				

COMMENT ON ASSET MANAGEMENT

Most of the municipality's assets are aging and therefore there are serious backlogs in the delivery of basic services to the community since the municipality has financial constraints and only depending on grants. There is also a high rate of theft and vandalism that seems to be increasing daily.

T 5.3.3

Repair and Maintenance Expenditure: 2021/22

	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	25 255	17 123	8 968	64%
T 5.3.4				

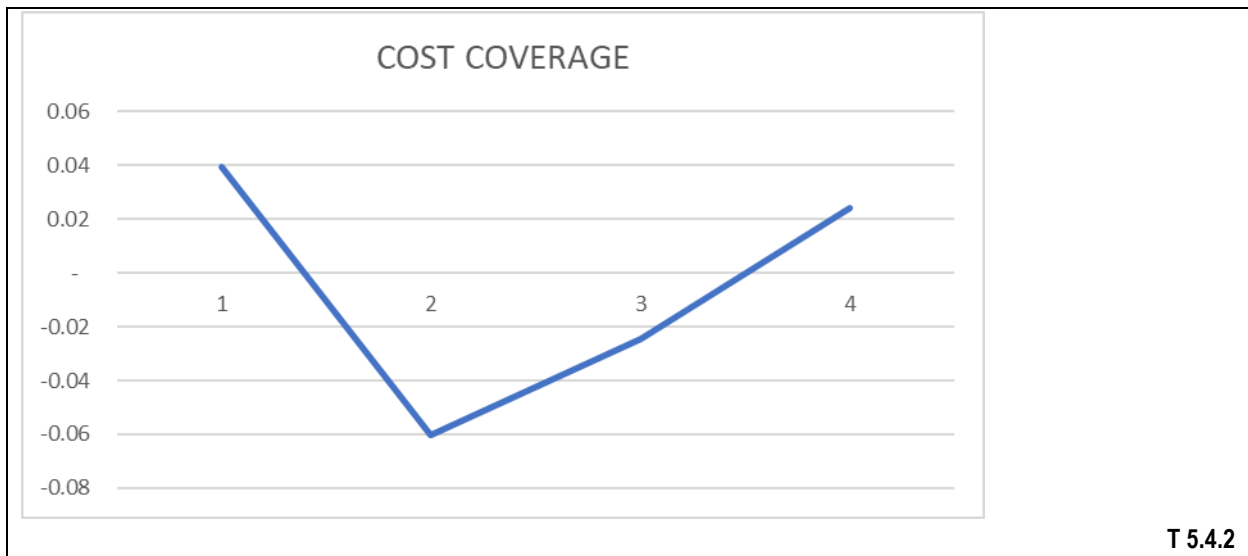
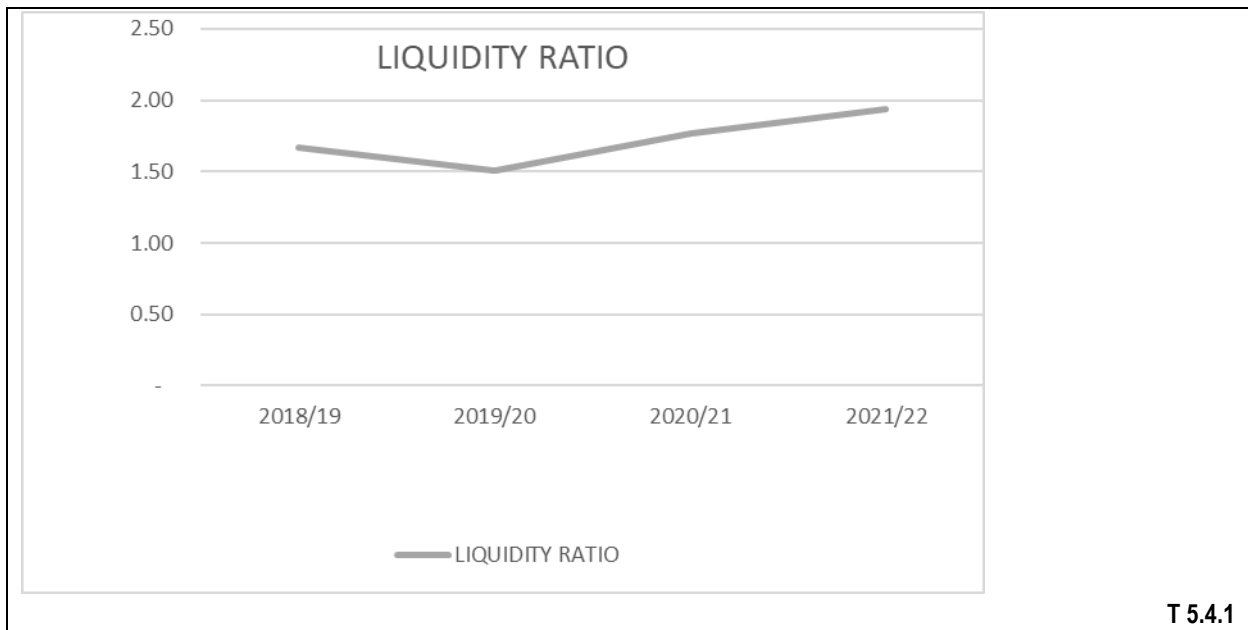
COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE

The municipality's performance against the budget is at 64% which is low when compared to the status of the Property, Plant and Equipment. Due to the financial difficulties that the municipality is undergoing it is impossible to service all assets however those that need urgent attention are attended to.

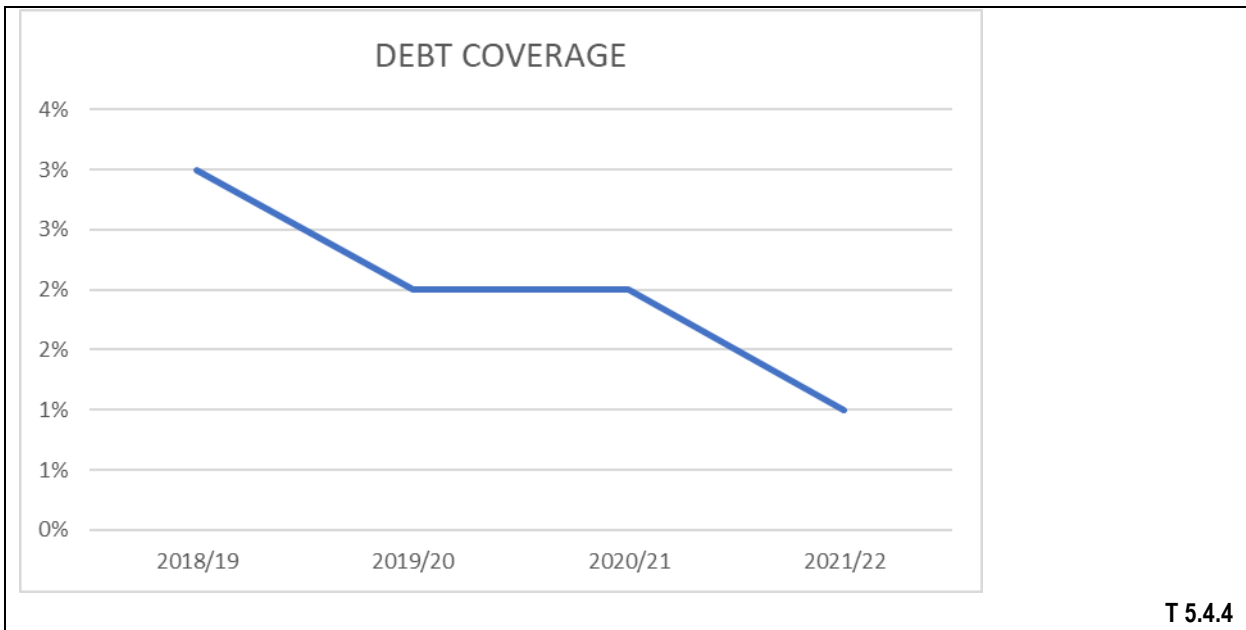
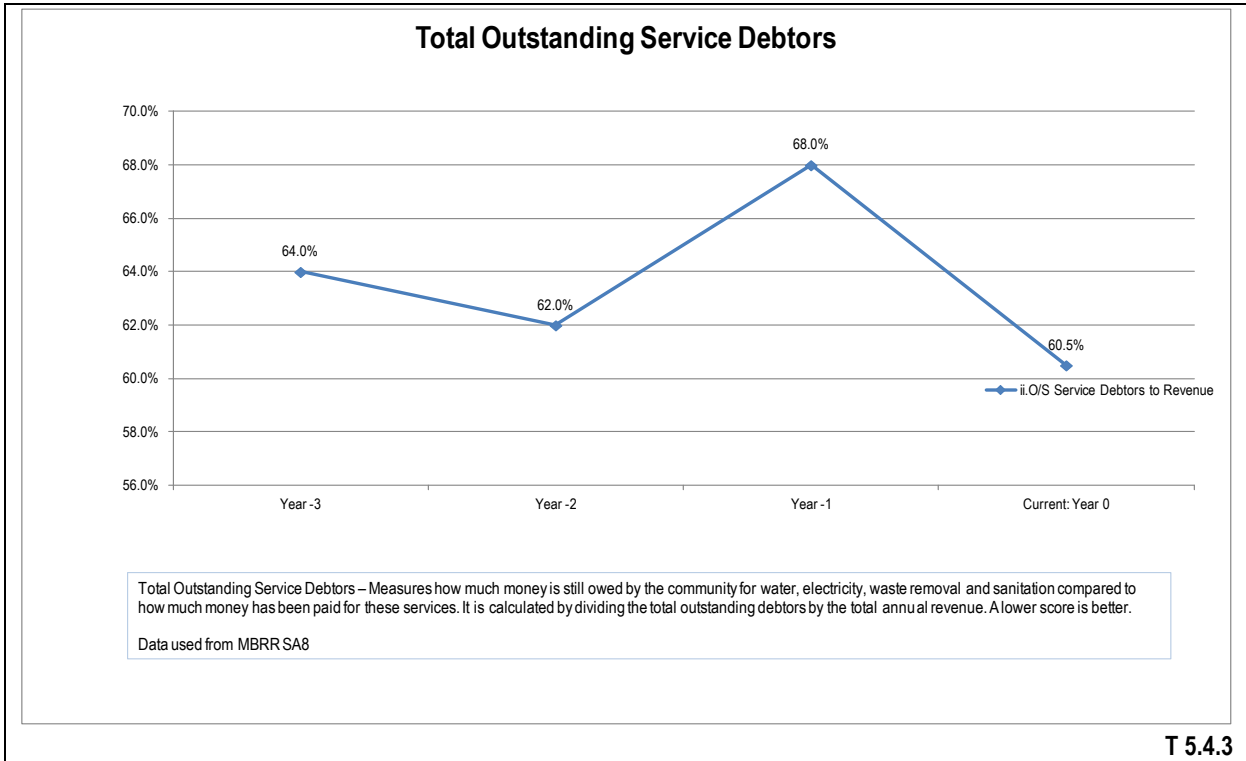
T 5.3.4.1

Chapter 5

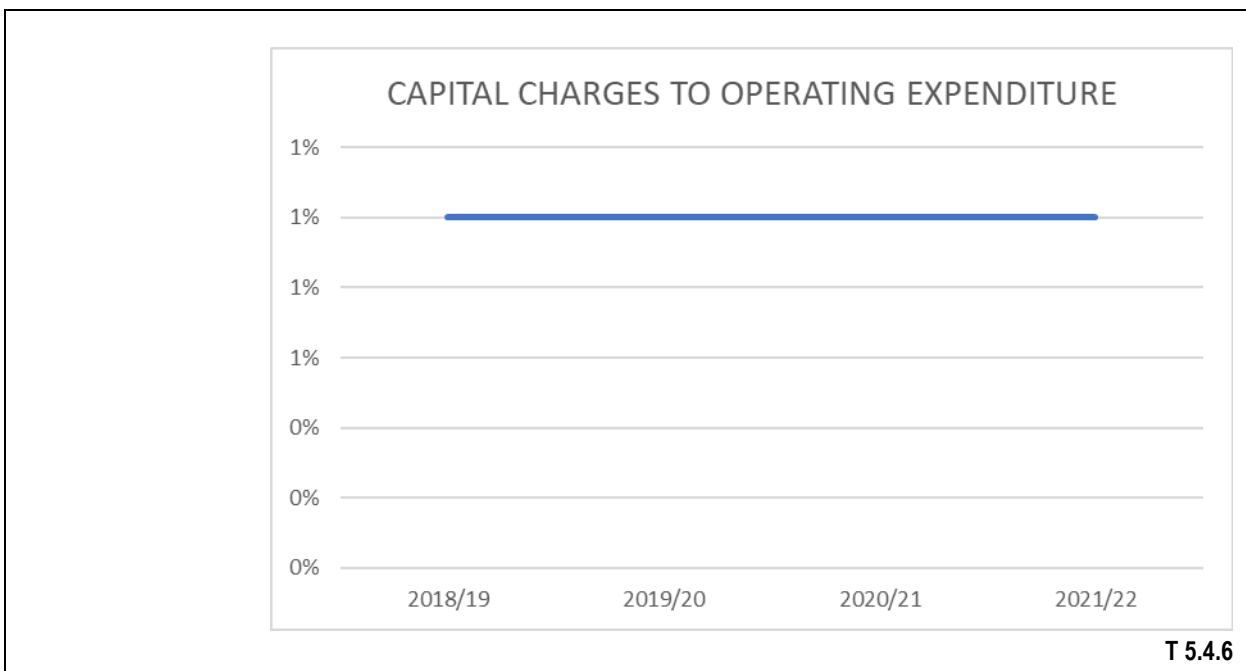
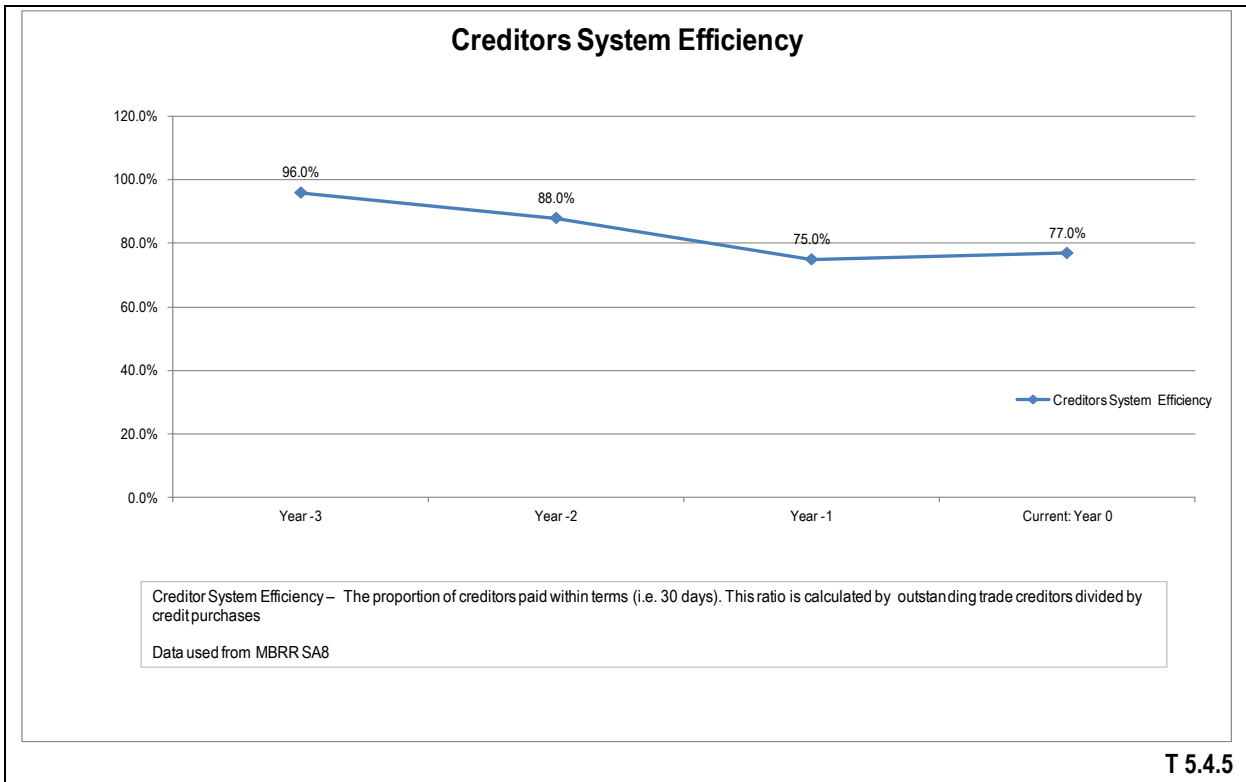
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



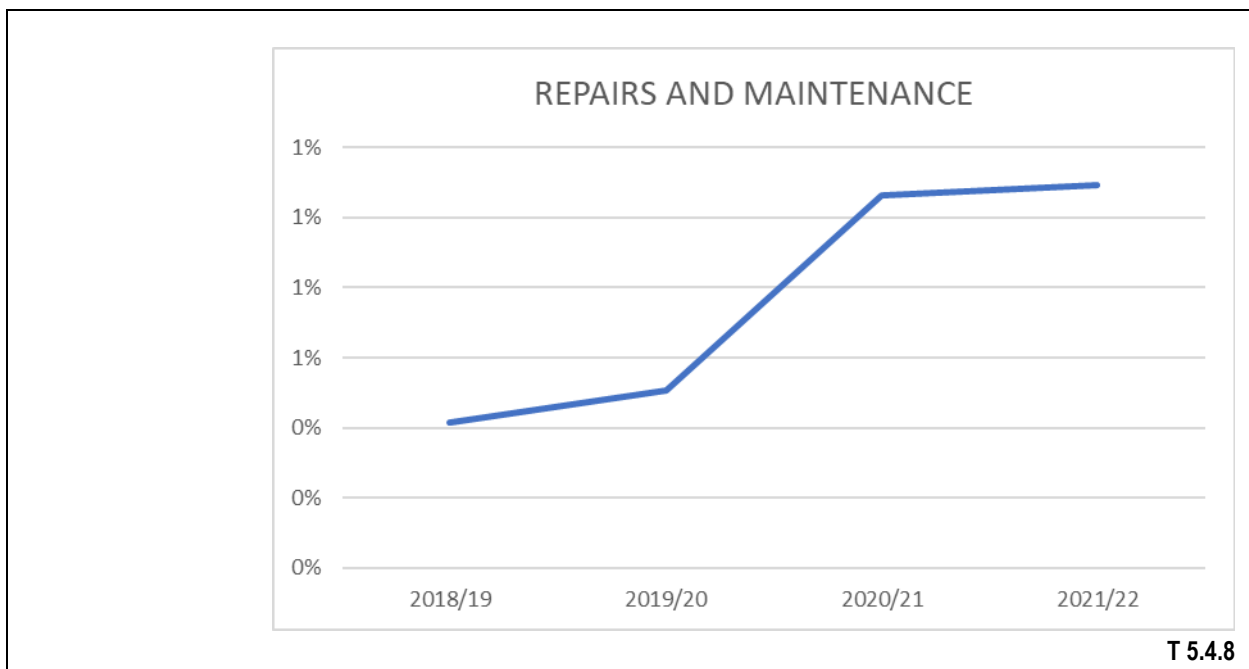
Chapter 5



Chapter 5



Chapter 5



Chapter 5

COMMENT ON FINANCIAL RATIOS

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. The municipality uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (entity treasury) under policies approved by the accounting officer. Municipality treasury identifies, evaluates, and hedges financial risks in close co-operation with the municipality's operating units.

The accounting officer provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared, and adequate utilised borrowing facilities are monitored.

The municipality's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments, and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty. Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

T 5.4.9

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

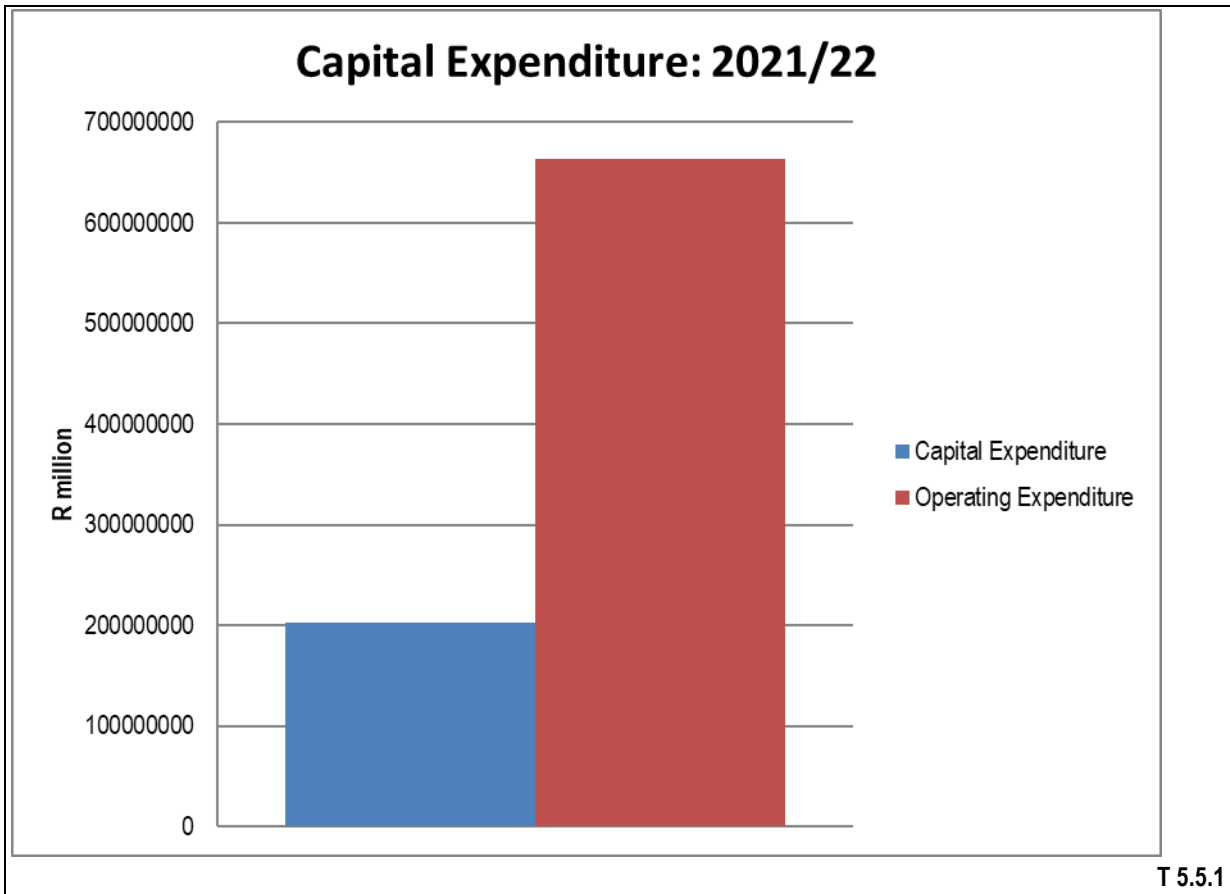
INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

The municipality's major part of capital expenditure is funded by government grants and the remainder is from own funding. The reason for this is that the municipality's collected revenue is not enough to fund operating expenditure and the capital expenditure.

T 5.5.0

Chapter 5

5.5 CAPITAL EXPENDITURE

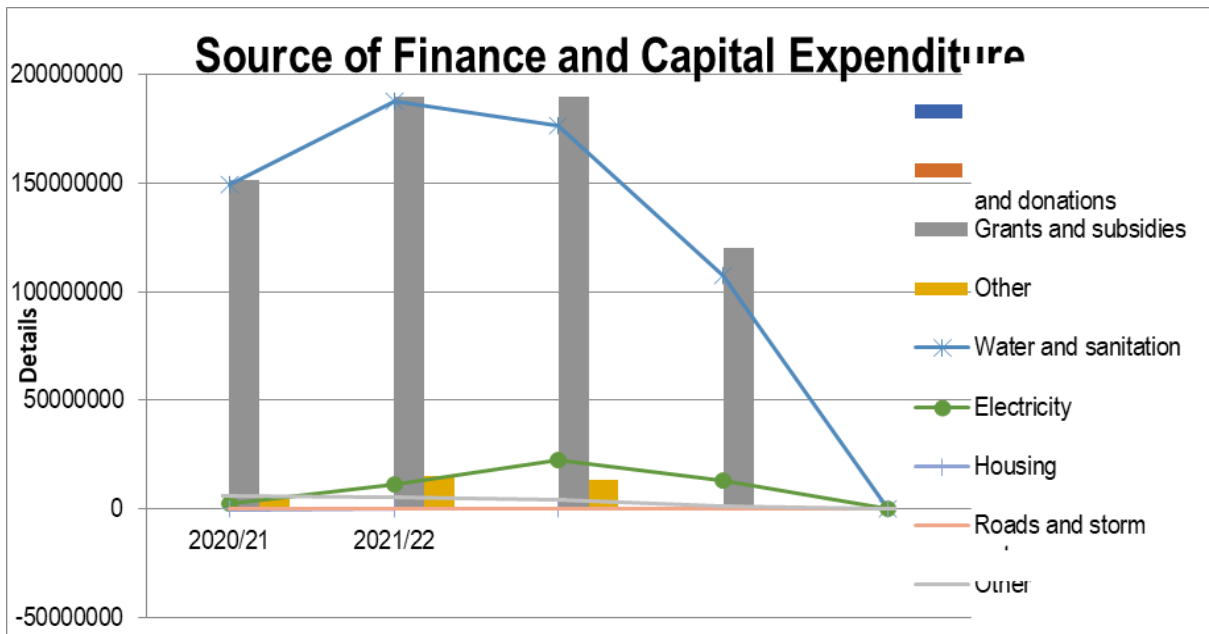


Chapter 5

5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: 2020/21 to Year 2021/22							R' 000
Details	2020/21	2021/22					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
Source of finance							
External loans							
Public contributions and donations							
Grants and subsidies	151,364	189,617	189,617	120,027	0.00%	-36.70%	
Other	5,829	14,984	13,298	1,059	-11.25%	-92.93%	
Total	157,193	204,601	202,915	121,086	-11.25%	-129.63%	
<i>Percentage of finance</i>							
External loans							
Public contributions and donations							
Grants and subsidies	96.3%	92.7%	93.4%	99.1%	0.83%	6.96%	
Other	3.7%	7.3%	6.6%	0.9%	-10.51%	-88.06%	
Capital expenditure							
Water and sanitation	149,364	187,917	176,285	107,259	-6.19%	-42.92%	
Electricity	2,000	11,240	22,220	12,768	97.69%	13.59%	
Housing	-	180	95	-	-47.22%	-100.00%	
Roads and storm water	-	-	-	-	0.00%	0.00%	
Other	5,829	5,264	4,315	1,059	-18.03%	-79.88%	
Total	157,193	204,601	202,915	121,086	26.25%	-209.21%	
<i>Percentage of expenditure</i>							
Water and sanitation	95.0%	91.8%	86.9%	88.6%	-23.6%	20.5%	
Electricity	1.3%	5.5%	11.0%	10.5%	372.2%	-6.5%	
Housing	0.0%	0.1%	0.0%	0.0%	-179.9%	47.8%	
Roads and storm water	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Other	3.7%	2.6%	2.1%	0.9%	-68.7%	38.2%	
						T 5.6.1	

Chapter 5



COMMENT ON SOURCES OF FUNDING

The municipality's capital expenditure is mainly financed through grants and subsidies:

- Regional Bulk Infrastructure Grant
- Municipal Infrastructure Grant
- Integrated National Energy Grant
- Water and Sanitation Integrated Grant: and
- Own funding

Most of the capital expenditure is for the acquisition of infrastructure and service delivery items. Since capital expenditure is financed by conditional grants, the municipality strive to ensure that the budget is implemented accordingly to avoid roll over of grants or future stopping of allocation of grants to the municipality.

T 5.6.1.1

Chapter 5

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The cashflow outlines the inflow and outflow of cash of the municipality in terms of three activities which are operations, financing, and investment.

T 5.9

Chapter 5

5.7 CASH FLOW

Cash Flow Outcomes				
				R'000
Description	2020/2021	2021/2022		Actual
	Audited Outcome	Original Budget	Adjusted Budget	
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	142	226	421	166
Government - operating	405	216	216	217
Government - capital	-	190	190	169
Interest	31	4	4	39
Dividends	-	-	-	-
Payments				
Suppliers and employees	(394)	-	(421)	(413)
Finance charges	(4)	-	-	(2)
Transfers and Grants	-	-	(190)	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	181	636	221	177
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	1	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-
Payments				
Capital assets	(158)	(199)	(202)	(121)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(157)	(199)	(202)	(121)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	-	-	-	-
Borrowing long term/refinancing	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-
Payments				
Repayment of borrowing	(8)	-	-	(9)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(8)	-	-	(9)
NET INCREASE/ (DECREASE) IN CASH HELD	15	436	19	48
Cash/cash equivalents at the year begin:	30	-	-	46
Cash/cash equivalents at the year-end:	46	436	19	93
				T 5.9.1

Chapter 5

COMMENT ON CASH FLOW OUTCOMES

Credit risk consists mainly of cash deposit, cash equivalents, derivative financial instruments, and trade debtor. The municipality only deposits cash with mayor banks with high quality credit standing and limits exposure to anyone counterparty.

T 5.9.1.1

5.8 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

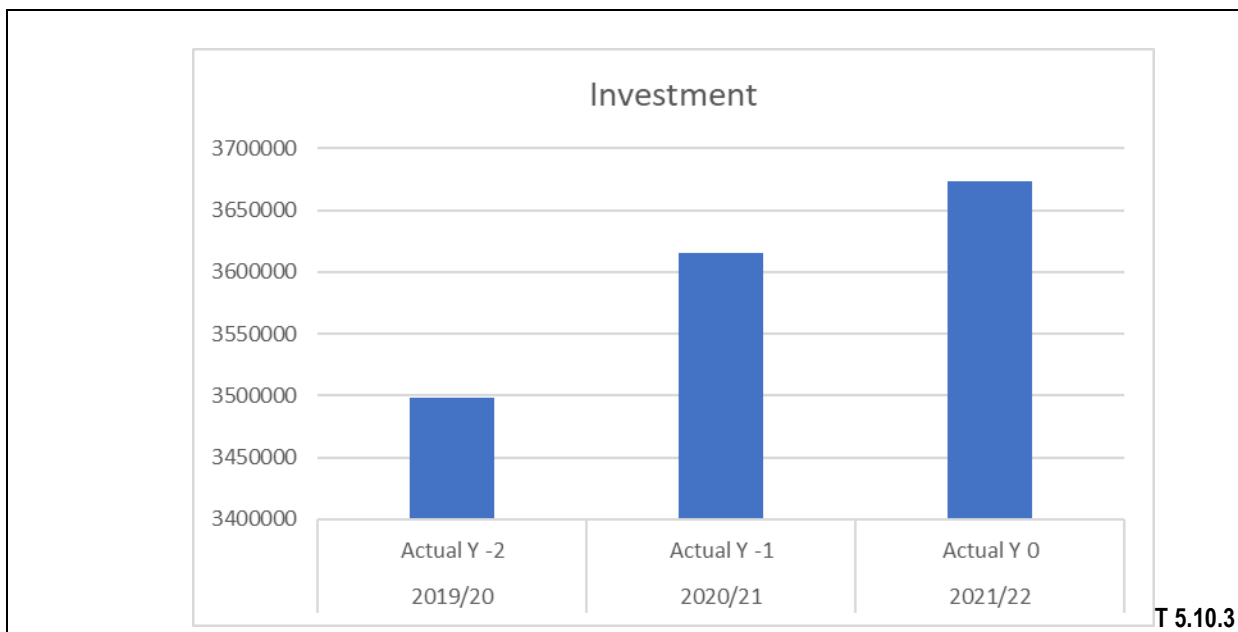
The municipality's borrowings were acquired to finance the Property, Plant and Equipment and Investments.

T 5.10.1

Actual Borrowings: 2019/2020-2021/2022			
	R' 000		
Instrument	2019/2020	2020/2021	2021/2022
Municipality			
Long-Term Loans (annuity/reducing balance)	3 246	2 657	1 999
Long-Term Loans (non-annuity)	0	0	0
Local registered stock	0	0	0
Instalment Credit	0	0	0
Financial Leases	17 526	10 014	1 627
PPP liabilities	0	0	0
Finance Granted By Cap Equipment Supplier	0	0	0
Marketable Bonds	0	0	0
Non-Marketable Bonds	0	0	0
Bankers Acceptances	0	0	0
Financial derivatives	0	0	0
Other Securities	0	0	0
Municipality Total	20 772	12 671	3 626
Municipal Entities			
Long-Term Loans (annuity/reducing balance)	0	0	0
Long-Term Loans (non-annuity)	0	0	0
Local registered stock	0	0	0
Instalment Credit	0	0	0
Financial Leases	0	0	0
PPP liabilities	0	0	0
Finance Granted By Cap Equipment Supplier	0	0	0
Marketable Bonds	0	0	0
Non-Marketable Bonds	0	0	0
Bankers Acceptances	0	0	0
Financial derivatives	0	0	0
Other Securities	0	0	0
Entities Total	0	0	0

T 5.10.2

Chapter 5



T 5.10.3

Municipal Investments			
			R' 000
Investment* type	2019/2020	2020/2021	2021/2022
	Actual	Actual	Actual
Municipality			
Securities - National Government	-	-	-
Listed Corporate Bonds	2 113	2 182	2 218
Deposits - Bank	-	-	-
Deposits - Public Investment Commissioners	-	-	-
Deposits - Corporation for Public Deposits	-	-	-
Bankers Acceptance Certificates	-	-	-
Negotiable Certificates of Deposit - Banks	685	705	689
Guaranteed Endowment Policies (sinking)	700	729	767
Repurchase Agreements - Banks	-	-	-
Municipal Bonds	-	-	-
Other	-	-	-
Municipality Total	3 498	3 616	3 674

T 5.10.4

COMMENT ON BORROWING AND INVESTMENTS

The municipality analyses its interest rate exposure on a adynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing options, alternative financing and hedging. Based on these scenarios, the municipality calculates the impact on surplus and deficit of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

T 5.10.5

Chapter 5

5.9 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

The municipality does not have any partnerships in place.

T 5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.10 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Unit, through consultations with other relevant stakeholders had to ensure that the Supply Chain Management Policy of the municipality is implemented optimally and reviewed regularly to ensure compliance to Constitution of South Africa, Municipal Finance Management Act, 56 of 2003, Municipal Regulations and any other relevant legislations. The Supply Chain Management Policy applies when Setsoto Local Municipality procures goods or services and/or disposes goods no longer needed or required. The policy does not apply in respect of the procurement of electricity from Eskom.

A total of twelve bids and sixty-two formal written price quotations were awarded during the year under review. The average turnaround time on the awarding of bids was four months from closing date to the appointment date. Deviations from Supply Chain Management Policy as results of justifiable reasons are compiled and reported to council via Finance Management Committee and Mayoral Committee. Our Supply Chain Management Policy is deemed to be fair, equitable, transparent, competitive, and cost effective and complies with prescribed regulatory for Municipal Supply Chain Management.

Auditor General of South Africa raised concerns regarding irregular expenditures because of non-compliance to Supply Chain Management Policy and Supply Chain Management Regulations. It was also mentioned that the contract performance and monitoring measures were not in place to ensure effective contract management, as required by section 116(2)(c)(ii) of the Municipal Finance Management Act, 56 of 2003. Remedial actions were implemented to address concerns raised by Auditor General of South Africa and a more detailed Audit Recovery Plan will be compiled and monitored monthly.

The Municipality is determined to ensure that all Supply Chain Management Division personnel meet the prescribed minimum competency level by providing resources or opportunity for the training of officials involved in the implementation of the Supply Chain Management policy. Other officials have completed the Municipal Finance Management Program and others completed Supply Chain Management learnership pilot programme, initiative by National Treasury and TETA to bridge a gap identified.

T 5.12.1

Chapter 5

5.11 GRAP COMPLIANCE

GRAP COMPLIANCE

Financial Statements are GRAP compliant in all material aspects.

T 5.13.1

Chapter 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. Municipal Systems Act, 32 of 2000 section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

The Annual Financial Statements and Annual Performance Report were submitted to the Office of the Auditor General of South Africa on the 31 August 2022 and the audit report was finalised on the 30 November 2022. The Audit Report was then submitted to the municipality for further processing.

T 6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2020/2021

6.1 AUDITOR GENERAL REPORTS 2020/2021

Auditor-General Report on Financial Performance: 2020/2021	
Audit Report Status	
Non-Compliance Issues	Remedial Action Taken
Annual Financial Statement	Developed an Audit Recovery Plan t address the issues raised with a monthly progress report to management and quarterly reporting to council.
Expenditure Management	
Revenue Management	
Consequence Management	
Unauthorised Expenditure	Developed an Audit Recovery Plan t address the issues raised with a monthly progress report to management and quarterly reporting to council.
Irregular Expenditure	
Procurement and contract management	
Utilisation of conditional grants	
6.1.1	

Auditor-General Report on Service Delivery Performance: 2020/2021	
Audit Report Status	
Non-Compliance Issues	Remedial Action Taken
Strategic planning and performance management	Signing of Performance Agreements with clear evaluation timeframes
Internal controls relating to performance monitoring, measurement, review and reporting not performed	
T 6.1.2	

Chapter 6

COMPONENT B: AUDITOR-GENERAL OPINION 2021/2022

6.2 AUDITOR GENERAL REPORT 2021/2022

Auditor-General Report on Financial Performance: 2021/2022	
Audit Report Status	
Non-Compliance Issues	Remedial Action Taken
Annual Financial Statements	Developed an Audit Recovery Plan t address the issues raised with a monthly progress report to management and quarterly reporting to council
Expenditure Management	
Consequence Management	
Unauthorised Expenditure	Developed an Audit Recovery Plan t address the issues raised with a monthly progress report to management and quarterly reporting to council
Irregular Expenditure	
Fruitless and Wasteful Expenditure	
Procurement Management	
6.2.1	

Auditor-General Report on Service Delivery Performance: 2021/2022	
Audit Report Status	
Non-Compliance Issues	Remedial Action Taken
Strategic Planning and Performance Management	
Controls were not maintained or were inadequate as it did not describe how the performance planning, monitoring, measurement, review, reporting, improvement processes should be conducted, organised and managed	<ul style="list-style-type: none"> • Review of the Performance Management and Development Systems to be align to Municipal Staff Regulation of 2021 • Develop and Action Plan to monitor progress on the implementation of the measured taken to address underperformance • Sign Performance Agreements with clear appraisal intervals • Establish Performance Evaluation Committees
T 6.2.2	

Chapter 6

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS 2021/2022

Report of the auditor-general to the Free State Provincial Legislature and the council on the Setsoto Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Setsoto Local Municipality set out on pages 14 to 146, which comprise the statement of financial position as at 30 June 2022, statement of financial performance, statement of changes in net assets, cash flow statement, statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Setsoto Local Municipality as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (Dora).

Basis for opinion

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

Material uncertainty relating to going concern

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. The municipality reported a deficit of R124 553 657 for the period ended 30 June 2022. Note 54 to the financial statements indicates that the municipality was unable to pay its creditor's accounts when they fall due. The municipality owed Eskom R22 028 676 (2021: R26 641 637) as at 30 June 2022, which was long overdue. These events or conditions, along with other matters set out in note 54, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matters

8. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unauthorised expenditure

9. As disclosed in note 48.1 to the financial statements, the municipality incurred unauthorised expenditure of R176 617 291 (2021: R319 561 516), due to the overspending of the budget.

Irregular expenditure

Chapter 6

10. As disclosed in note 48.2 to the financial statements, the municipality incurred irregular expenditure of R53 609 988 (2021: R77 876 589), due to non-compliance with supply chain management (SCM) requirements.

Restatement of corresponding figures

11. As disclosed in note 55 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2022.

Contingent liabilities

12. With reference to note 43 to the financial statements, the municipality is the defendant in various claims against the municipality. The municipality is opposing these claims. The ultimate outcome of these matters could not be determined and no provision for any liabilities that may result was made in the financial statements.

Material losses

13. As disclosed in note 3 and note 4 to the financial statements, receivables from exchange transactions and receivables from non-exchange transactions were impaired by R250 326 574 (2021: R251 050 115).
14. As disclosed in note 52 to the financial statements, material water distribution losses of R12 717 711 (2021: R12 098 388) and electricity distribution losses of R7 161 780 (2021: R10 706 280) were incurred by the municipality mainly due to leakages, burst water pipes, line losses, tampering and theft.

Other matters

Unaudited disclosure notes

15. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Unaudited supplementary schedules

16. The supplementary information set out on pages 147 to 148 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

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

Chapter 6

Auditor-general's responsibilities for the audit of the financial statements

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

Report on the audit of the annual performance report

Introduction and scope

21. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected key performance area (KPA) presented in the annual performance report. I was engaged to perform procedures to identify findings but not to gather evidence to express assurance.
22. I was engaged to evaluate the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected KPA presented in the municipality's annual performance report for the year ended 30 June 2022:
23. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected KPA presented in the annual performance report of the municipality for the year ended 30 June 2022:

KPA	Pages in the annual performance report
KPA 1 – basic services	36 – 61

24. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
25. The material findings on the usefulness and reliability of the performance information of the selected KPA are as follows:

KPA 1 – basic services

Percentage of unplanned water interruptions and sewer blockages complaints/callouts responded to within the required timeframe

26. The planned target of 100% for this indicator was not specific in clearly identifying the nature and required level of performance and/or measurable and did not specify the period or deadline for delivery.

Various indicators

Chapter 6

27. The reported targets for these indicators did not agree with the planned targets as approved in the service delivery and budget implementation plan (SDBIP) for the indicators listed below:

Indicator descriptions	Planned targets per the SDBIP	Planned targets as per APR
Percentage of households with access to basic sanitation	Blank	97%
Percentage of households with access to basic water supply	Blank	100%
Percentage of unplanned water interruptions and sewer blockages complaints/callouts responded to within require timeframe	Blank	100%
Percentage of households with access to electricity	Blank	100%
Percentage electricity losses	Blank	12%

Various indicators

28. I was unable to obtain sufficient appropriate audit evidence that systems and processes were established to enable consistent measurement and reliable reporting of performance against the predetermined indicator definitions for the indicators listed below. This was due to insufficient measurement definitions and processes. As a result, I was also unable to obtain sufficient appropriate audit evidence for the achievements reported in the annual performance report as well as the reasons for the variances between the planned targets and these reported achievements of the listed indicators. I was unable to validate the existence of the systems or to confirm the reasons for the variances and the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements and reasons for the variances.

Indicator descriptions	Planned targets	Reported achievements
Percentage electricity losses	12%	34%
Percentage of total water losses	20%	31%
Percentage of callouts on unplanned water services interruption responded to within 24 hours	100%	99%
Percentage of callouts responded to within 24 hours for sanitation	100%	71%
Percentage of household with access to basic water supply	100%	92%
Percentage of households with access to basic sanitation (Municipal managers)	100%	82%
Percentage of households with access to basic sanitation (Directors)	97%	82%
Percentage of households with access to electricity	100%	94%

Various indicators

29. I was unable to obtain sufficient appropriate audit evidence for the achievements reported against targets in the annual performance report, due to the lack of accurate and complete records. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements.

Indicator descriptions	Planned targets	Reported achievements
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Chapter 6

Indicator descriptions	Planned targets	Reported achievements
Percentage of households with access to refuse removal (Municipal managers)	91%	104%
Percentage of households with access to refuse removal (Directors)	90%	95%

Other matters

30. I draw attention to the matters below.

Achievement of planned targets

31. Refer to the annual performance report on pages 36 to 61 for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 26 to 29 of this report.

Adjustment of material misstatements

32. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of KPA 1 – basic services. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

33. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

34. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

35. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, expenditure, and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

36. Reasonable steps were not taken to prevent irregular expenditure amounting to R53 609 988 as disclosed in note 48.2 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with SCM requirements.

37. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R176 617 291, as disclosed in note 48.1 to the financial statements in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending of the budget vote.

Chapter 6

38. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R2 147 448, as disclosed in note 48.3 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest charged on late payments to the supplier.
39. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

Strategic planning and performance management

40. The performance management system and related controls were not maintained or were inadequate as it did not describe how the performance planning, monitoring, measurement, review, reporting, improvement processes should be conducted, organised and managed, as required by municipal planning and performance management regulation 7(1).

Consequence management

41. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(a) of the MFMA.
42. Irregular expenditure incurred by the municipality were not investigated to determine if any person was liable for the expenditure, as required by 32(2)(b) of the MFMA and reporting regulations 75(1).
43. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA and reporting regulations 75(1).

Procurement and contract management

44. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a).
45. Sufficient appropriate audit evidence could not be obtained that contracts were awarded only to bidders who submitted a declaration on whether they were employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).
46. Sufficient appropriate audit evidence could not be obtained that the performance of contractors or providers was monitored on a monthly basis, as required by section 116(2) of the MFMA. This non-compliance was identified in the procurement processes for the upgrading of Van Soelen outfall sewer pipeline.
47. Sufficient appropriate audit evidence could not be obtained that contract performance and monitoring measures were in place to ensure effective contract management as required by section 116(2)(c)(ii) of the MFMA. A similar limitation was also reported in the prior year. This limitation was identified in the procurement processes for the upgrading of Van Soelen outfall sewer pipeline.

Other information

48. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected KPA presented in the annual performance report that has been specifically reported in this auditor's report.
49. My opinion on the financial statements and findings on the reported performance information and compliance with legislation does not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
50. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected KPA presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

Chapter 6

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

Internal control deficiencies

52. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

53. Leadership did not in all instances exercise oversight, to ensure that accurate and reliable information is submitted timeously, as there were material misstatements in the financial statements and annual performance report that required adjustments during the audit.

54. Council did not ensure that all instances of unauthorised and irregular expenditure are investigated and the responsible officials are held accountable.

55. Although the municipality had an action plan to address the prior year's findings, this was not adequately implemented and monitored as instances of unauthorised, irregular and fruitless and wasteful expenditure and material misstatements in the annual financial statements and annual performance report was identified again in the current year.

56. Management did not implement effective human resource management to ensure that adequate resources are in place and that performance is monitored. There were significant vacancies in key management positions as well as support staff during the financial year.

57. Management did not implement adequate processes to effectively monitor compliance with key legislation, which resulted in non-compliance with applicable laws and regulations in some cases.

Material irregularities

58. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of the material irregularities reported in the previous year's auditor's report.

Status of previously reported material irregularities

Eskom not paid within 30 days

59. The accounting officer did not take all reasonable steps to ensure that amounts due to Eskom for the bulk purchases of electricity were paid within 30 days of receiving the relevant invoice or statement, as required by section 65(2)(e) of the MFMA. The late payment resulted in interest of R2 837 021 being incurred for the period 1 April 2019 to 31 March 2020. The interest incurred is likely to result in a material financial loss for the municipality due to the liability to pay the interest to Eskom.

60. The accounting officer was notified of the material irregularity on 30 March 2021 and was invited to make written submission on the actions taken and those that will be taken to address this matter. The following actions have been taken or is in progress to resolve the material irregularity:

- The municipality had several engagements with Eskom to reach a mutual agreement on a payment agreement. Following a meeting held on 19 September 2022, the municipality submitted a proposed payment plan for the period October 22 to 30 June 2023, which was subsequently accepted by Eskom.

Chapter 6

- The municipality further reached agreement with Eskom to extend the payment terms from 15 days to 30 days, and to reduce the interest rate on amounts due by 2.5%.
 - The municipality planned to reduce the electricity distribution losses through various interventions as part of their revenue enhancement strategy implemented within the various departments at the municipality.
61. I will follow up on the investigation and the implementation of the planned actions during my next audit.

Interest and penalties on late payment of employee taxes

62. The municipality did not pay over money deducted from employees within seven days after the end of the month during which the amounts were deducted or withheld from employees in respect of their liability for normal tax, as required by section 2(1) of the fourth schedule of the Income Tax Act 58 of 1962. The late payment resulted in a material financial loss for the municipality due to interest of R118 071 and penalties of R1 887 396 incurred for the period 1 April 2019 to 30 June 2020.
63. The accounting officer was notified of this material irregularity on 30 March 2021. The following actions have been taken to resolve the material irregularity:
- The municipality paid the full outstanding amount due to the Sars.
 - The municipality undertook a process to review its staff establishment, which was approved by council during June 2022.
 - As part of its revenue enhancement strategy, the municipality appointed a service provider on 10 January 2022 to assist with the submission of request for remission of penalties and interest against applicable taxes for the past five years.
64. Therefore, the material irregularity has been resolved.

Other reports

65. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
66. The municipality was under investigation by the Directorate for Priority Crime Investigation (Hawks) due to the alleged fraud and corruption for the conversion of 969 VIP toilets into waterborne sanitation system project. By the date of this report, the report on the outcome of this investigation was not yet available.

Bloemfontein
30 November 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

T 6.2.3

Chapter 6

COMMENTS ON AUDITOR-GENERAL'S OPINION 2021/2022

Unqualified audit opinion on the Annual Financial Statements and a disclaimer on the Annual Performance Report

T 6.2.4

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer)..... Dated

T 6.2.5

GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	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.
Activities	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”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	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.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	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.
Basic municipal service	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.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	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.
General performance indicators	Key After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	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.
Integrated Development Plan (IDP)	Plan Set out municipal goals and development plans.
National	Key • Service delivery & infrastructure

GLOSSARY

performance areas	<ul style="list-style-type: none"> • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	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".
Outputs	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.
Performance Indicator	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)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	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.
Performance Targets:	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.
Service Delivery Budget Implementation Plan	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.
Vote:	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.

GLOSSARY

Section 1 of the MFMA defines a "vote" as:

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

b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned

APPENDICES

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance						
Council Members (01 July 2021 to 31 October 2021)		Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
					%	%
Mokhuoane	Krog Sexton	Fulltime	Speaker	Proportional Representation/ African National Congress	100,00%	0,00%
Mavaleliso	Paka Isaac	Fulltime	Executive Mayor	Ward 17 / African National Congress	100,00%	0,00%
Hlakane	Moeketsi	Fulltime	Chairperson-Infrastructure Committee	Ward 12 / African National Congress	75,00%	25,00%
Selikane	Thabiso Shadrack	Fulltime	Chairperson-Finance Committee	Ward 02 / African National Congress	75,00%	25,00%
Mthimkulu	Mamotena Lydia	Fulltime	Chairperson-Urban Planning and Housing Committee	Ward 03 / African National Congress	100,00%	0,00%
Jakobo	Tsheliso Bernard	Fulltime	Chairperson-Development Planning and Social Security Committee	Ward 08 / African National Congress	75,00%	25,00%
Sellane	Matieho Theresia	Fulltime	Chairperson-Administration and Human Resources Committee	Ward 15 / African National Congress	75,00%	25,00%
Maoke	Nthateng Alice	Part-time	No committee allocations after reshuffling of Council	Proportional Representation/ African National Congress	50,00%	50,00%
Koalane	Komane Elias	Part-time	No committee allocations after reshuffling of Council	Ward 11 / African National Congress	75,00%	25,00%
Taylor	Nnini Annie	Part-time	No committee allocations after reshuffling of Council	Proportional Representation/ African National Congress	75,00%	25,00%
Senkhane	Nthatisi Petronella	Part-time	No committee allocations after reshuffling of Council	Proportional Representation/ African National Congress	25,00%	75,00%
Selasi	Motsamai William	Part-time	No committee allocations after reshuffling of Council	Ward 06 /African National Congress	100,00%	0,00%
Koqo	Palesa Elizabeth	Part-time	No committee allocations after reshuffling of Council	Proportional Representation/ African National Congress	100,00%	0,00%
Strydom	Evert Phillip	Part-time	No committee allocations after reshuffling of Council	Proportional Representation/ Democratic Alliance	50,00%	50,00%
Mokhele	Modise Moses	Part-time	No committee allocations after reshuffling of Council	Proportional Representation/ Democratic Alliance	75,00%	25,00%
Mathuhle	Motsamai John	Part-time	No committee allocations after reshuffling of Council	Proportional Representation/ Democratic Alliance	50,00%	50,00%
Schee	Pulane Constance	Part-time	No committee allocations after reshuffling of Council	Proportional Representation/ Democratic Alliance	100,00%	0,00%
Lipoko	Ratsholwane Shadrack	Part-time	No committee allocations after reshuffling of Council	Proportional Representation/ Economic Freedom Fighters	100,00%	0,00%

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Councillors, Committees Allocated and Council Attendance						
Council Members (01 July 2021 to 31 October 2021)		Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
		Full Time/Part Time			%	%
Makhubu	Ntali Selina	Part-time	No committee allocations after reshuffling of Council	Proportional Representation/ Economic Freedom Fighters	100,00%	0,00%
Mohosho	Andronika Modiehi	Part-time	No committee allocations after reshuffling of Council	Proportional Representation/ Economic Freedom Fighters	75,00%	25,00%
Matsau	Malefane Patrick	Part-time	No committee allocations after reshuffling of Council	Proportional Representation/ United Front of Civics	50,00%	50,00%
Makhalanyane	Tieho George	Part-time	No committee allocations after reshuffling of Council	Proportional Representation/ United Front of Civics	100,00%	0,00%
Moipatli	Chere Daniel	Part-time	No committee allocations after reshuffling of Council	Proportional Representation/ United Front of Civics	75,00%	25,00%
Heymans	Maria Cornelia	Part-time	No committee allocations after reshuffling of Council	Proportional Representation/ Vryheids Front	75,00%	25,00%
Mothibeli	Moselantja Mercy	Part-time	No committee allocations after reshuffling of Council	Ward 1/ Democratic Alliance	66,67%	33,33%
Ralehlatsi	Mahlomola Klaas	Part-time	No committee allocations after reshuffling of Council	Ward 04 / African National Congress	66,67%	33,33%
Makobane	Serame Ishmael	Part-time	No committee allocations after reshuffling of Council	Ward 05 / African National Congress	100,00%	0,00%
Khatlake	Ntema Peter	Part-time	No committee allocations after reshuffling of Council	Ward 07 / African National Congress	75,00%	25,00%
Mthimkhulu	Thabo Isaac	Part-time	No committee allocations after reshuffling of Council	Ward 09 / African National Congress	75,00%	25,00%
Vries	Isak	Part-time	No committee allocations after reshuffling of Council	Ward 10/ Democratic Alliance	66,67%	33,33%
Semahla	Mookho Hilda	Part-time	No committee allocations after reshuffling of Council	Ward 13 / African National Congress	100,00%	0,00%
Matobako	Puseletso Constance	Part-time	No committee allocations after reshuffling of Council	Ward 14 / African National Congress	100,00%	0,00%
Mokoena	Teboho Jacob	Part-time	Councillor absconded was stopped being paid during December 2020	Ward 16 / African National Congress	0,00%	100,00%

T A

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Councillors, Committees Allocated and Council Attendance						
Council Members (01 November 2021 to 30 June 2022)		Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
					%	%
Mavaleliso	Pakathila Isaac	Full-time	Speaker	Ward 17/African National Congress	100,00%	0,00%
Mbiwe	Seipati Justine	Full-time	Executive Mayor	Proportional Representation/African National Congress	100,00%	0,00%
Makae	Thabang Elias	Full-time	Admin and HR	Ward 14/African National Congress	100,00%	0,00%
Mokheseng	Seipati Miriam	Part-time	Admin and HR	Proportional Representation/Economic Freedom Fighters	90,00%	10,00%
Mopati	Chere Daniel	Part-time	Admin and HR	Ward 05/African National Congress	90,00%	10,00%
Oberholzer	Ilanie Elizabeth	Part-time	Admin and HR	Proportional Representation Councillor Setsoto Service Delivery Forum	90,00%	10,00%
Ancell	Tommy	Full-time	Development Planning and Social Security	Proportional Representation/African Transformation Movement	100,00%	0,00%
Janssonius	Johannes Marius	Part-time	Development Planning and Social Security	Proportional Representation/Setsoto Service Delivery Forum	100,00%	0,00%
Mofokeng	Morongoe Dina	Part-time	Development Planning and Social Security	Proportional Representation/African National Congress	90,00%	10,00%
Mokhobo	Mohau Johannes	Part-time	Development Planning and Social Security	Ward 08/Setsoto Service Delivery Forum	100,00%	0,00%
Motloenya	Lefu Elliot	Part-time	Development Planning and Social Security	Ward 13/African National Congress	100,00%	0,00%
Koalane	Komane Elias	Part-time	Finance	Ward 11/African National Congress	100,00%	0,00%
Odendaal	Michiel Frederik	Part-time	Finance	Proportional Representation/Vryheids Front Plus	100,00%	0,00%
Ponya	Mmasa Alfred	Part-time	Finance	Ward 04/African National Congress	100,00%	0,00%
Maleke	Mojalefa Joel	Part-time	Finance	Ward 03/Setsoto Service Delivery Forum	90,00%	10,00%
Vries	Isak	Part-time	Finance	Proportional Representation Councillor Setsoto Service Delivery Forum	100,00%	0,00%
Selasi	Motsamai William	Full-time	Infrastructure	Ward 06/African National Congress	100,00%	0,00%
Dell	Henriëtta	Part-time	Infrastructure	Proportional Representation/Democratic Alliance	100,00%	0,00%
Heymans	Maria Comelia	Part-time	Infrastructure	Proportional Representation/Vryheids Front Plus	100,00%	0,00%
Langa	Timothy Lebeko	Part-time	Infrastructure	Ward 02/African National Congress	90,00%	10,00%
Letube	Morake Edward	Part-time	Infrastructure	Ward 12/African National Congress	100,00%	0,00%

APPENDICES

Councillors, Committees Allocated and Council Attendance						
Council Members (01 November 2021 to 30 June 2022)		Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
					%	%
Mokoakoe	Lebohang Gilbert	Part-time	Infrastructure	Proportional Representation/Economic Freedom Fighters	100,00%	0,00%
Mthimkhulu	Thabo Isaac	Full-time	Urban Planning and Housing	Ward 09/African National Congress	100,00%	0,00%
Constable	Stephen Manko	Part-time	Urban Planning and Housing	Ward 10/African National Congress	100,00%	0,00%
Makhalanyane	Tieho George	Part-time	Urban Planning and Housing	Ward 15/Setso Service Delivery Forum	80,00%	20,00%
Manako	Tebello Samuel	Part-time	Urban Planning and Housing	Proportional Representation/Economic Freedom Fighters	90,00%	10,00%
Motsoane	Tshwanelo Phandranox	Part-time	Urban Planning and Housing	Ward 01/African National Congress	100,00%	0,00%
Koqo	Palesa Elizabeth	Part-time	MPAC	Proportional Representation/African National Congress	100,00%	0,00%
Khatlake	Ntema Peter	Part-time	MPAC	Ward 07/African National Congress	100,00%	0,00%
Mohano	Lillian Elaine	Part-time	MPAC	Proportional Representation/Setso Service Delivery Forum	90,00%	10,00%
Vermeulen	Phillipus Johannes Martinus	Part-time	Finance	Proportional Representation/Setso Service Delivery Forum	75,00%	25,00%
Mokhele	Modise Moses	Part-time	MPAC	Proportional Representation/Democratic Alliance	90,00%	10,00%
Thamae	Lesole David	Part-time	MPAC	Ward 16/African National Congress	100,00%	0,00%
Saayman	Francois	Part-time	Finance	Proportional Representation Councillor Setso Service Delivery Forum	100%	0,00%
Note: * Councillors appointed on a proportional basis do not have wards allocated to them						T A
Resigned in January 2022						

Concerning T A

Councillors Attendance to Council Meeting is monitored and recorded. A report is compiled quarterly and submitted to the Speaker reflecting on the Quarters attendance and the forms for those that were recorded as absent is completed, signed by the Chairperson, and sent to the Councillor. The Councillor is given 14 days to make a submission to the Speaker who considers the submission and then, if necessary, deductions are processed accordingly.

T A.1

APPENDICES

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Section 79 Committees	
Audit and Performance Management Audit Committee	<ul style="list-style-type: none"> To report to council on issues of Audit and Performance Management
Municipal Public Accounts Committee	<ul style="list-style-type: none"> To investigate audit opinions and outcomes in the annual report prepare oversight report to council. To investigate and recommend to council on Irregular, Fruitless and Wasteful as well as Unauthorised Expenditure.
Risk Management Committee	<ul style="list-style-type: none"> To report to council through the Audit and Performance Audit Committee on issues of Risk Management
Integrated Development Plan Steering Committee	<ul style="list-style-type: none"> To lead the Integrated Development Plan process
Section 80 Committees	
Finance Committee	Portfolio Committee with Chairperson as Member of Mayoral Committee.
Infrastructure Committee	Portfolio Committee with Chairperson as Member of Mayoral Committee.
Community Services and Social Development Committee	Portfolio Committee with Chairperson as Member of Mayoral Committee.
Urban Planning and Housing Committee	Portfolio Committee with Chairperson as Member of Mayoral Committee.
Admin and Human Resource Committee	Portfolio Committee with Chairperson as Member of Mayoral Committee.
Internal Committees	
Bid Specification Committees	To develop Terms of Reference and Specifications for Bids – Appointment subject to need by Municipal Manager. This is not a fixed committee.
Bid Evaluation Committees	To evaluation Bids in line with Supply Chain Management requirements – Appointment subject to need by Municipal Manager. This is not a fixed committee.
Bid Adjudication Committee	To adjudicate the Bid Evaluation Reports and either appoint or recommend to Municipal Manager for appointment in line with Delegations and Supply Chain Management requirements.
Local Labour Forum	To deal with all issues affecting labour within the Municipality.
Training and Development Committee	To consider the issues of Annual Training Report, Skills Development Plan and Training Interventions.
Employment Equity Forum	To ensure implementation of Affirmative Action Measures as per Employment Equity Plan.
Information Technology Steering Committee	To discuss and be accountable for the municipality's Information Communication Technologies environment and ensure that Information Communication Technologies conforms to legislation.

APPENDICES

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Department	Name and Position
Office of the Municipal Manager	Ramakarane Simon Rankhotho-Municipal Manager
Office of the Municipal Manager	Lebeko Dikomo Selina-Chief Audit Executive
Office of the Municipal Manager	Makhele Molahlehi Silvanus-IDP Manager
Department Treasury Services	Nicholas Lefa Moletsane - Chief Financial Officer
Department Treasury Services	Marx Manita-Manager Expenditure Management
Department Treasury Services	Van Tonder D J-Manager Budget and Reporting
Department Treasury Services	Majoale T-Manager Supply Chain Manager
Department Treasury Services	Viljoen Fiona-Manager Revenue Management
Department Treasury Services	Mabeleng M L-Acting Manager Asset Management
Department Development Planning and Social Security	Zondo T-Director Development Planning and Social Security
Department Development Planning and Social Security	Fokane M E-Manager Local Economic Development
Department Development Planning and Social Security	Vacant -Manager Waste Management
Department Development Planning and Social Security	Vacant - Manager Parks, Cemeteries and Recreation
Department Engineering Services	De Villiers W R - Acting Director Engineering Services
Department Engineering Services	Vacant - Manager Housing
Department Engineering Services	Kunene S S-Manager Project Management Unit
Department Engineering Services	Vacant - Manager Roads and Stormwater
Department Engineering Services	De Villiers W R-Manager Electricity
Department Engineering Services	Mashoabathe M S - Manager Water and Sewer: Operations and Maintenance
Department Engineering Services	Mokhethoa M A-Manager Water and Sewer: Bulk Provision
Department of Corporate Services	T P Motsima - Director Corporate Services
Department of Corporate Services	Manager Human Resource Management Mrs B L Mokoena
Department of Corporate Services	Manager Human Resource Development Mr S G Skosana
Department of Corporate Services	Manager Administration and Support Services Mrs S Z Mihalescu
Department of Corporate Services	Manager Payroll Administration Mrs A Pieters
Department of Corporate Services	Manager Legal Services Mrs M Koalane

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APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	No	The municipality does not have an entity
Building regulations	Yes	The municipality does not have an entity
Child care facilities	No	The municipality does not have an entity
Electricity and gas reticulation	Yes	The municipality does not have an entity
Firefighting services	Yes	The municipality does not have an entity
Local tourism	Yes	The municipality does not have an entity
Municipal airports	Yes	The municipality does not have an entity
Municipal planning	Yes	The municipality does not have an entity
Municipal health services	No	The municipality does not have an entity
Municipal public transport	Yes	The municipality does not have an entity
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	The municipality does not have an entity
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	The municipality does not have an entity
Stormwater management systems in built-up areas	Yes	The municipality does not have an entity
Trading regulations	Yes	The municipality does not have an entity
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	The municipality does not have an entity
Beaches and amusement facilities	No	The municipality does not have an entity
Billboards and the display of advertisements in public places	Yes	The municipality does not have an entity
Cemeteries, funeral parlours and crematoria	Yes	The municipality does not have an entity
Cleansing	Yes	The municipality does not have an entity
Control of public nuisances	Yes	The municipality does not have an entity
Control of undertakings that sell liquor to the public	Yes	The municipality does not have an entity
Facilities for the accommodation, care and burial of animals	No	The municipality does not have an entity
Fencing and fences	Yes	The municipality does not have an entity
Licensing of dogs	Yes	The municipality does not have an entity
Licensing and control of undertakings that sell food to the public	Yes	The municipality does not have an entity
Local amenities	Yes	The municipality does not have an entity
Local sport facilities	Yes	The municipality does not have an entity
Markets	Yes	The municipality does not have an entity
Municipal abattoirs	Yes	The municipality does not have an entity
Municipal parks and recreation	Yes	The municipality does not have an entity
Municipal roads	Yes	The municipality does not have an entity
Noise pollution	Yes	The municipality does not have an entity
Pounds	Yes	The municipality does not have an entity
Public places	Yes	The municipality does not have an entity
Refuse removal, refuse dumps and solid waste disposal	Yes	The municipality does not have an entity
Street trading	Yes	The municipality does not have an entity
Street lighting	Yes	The municipality does not have an entity
Traffic and parking	Yes	The municipality does not have an entity

* If municipality: indicate (yes or No); * If entity: Provide name of entity

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APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 1	Councillor Tshwanelo Motsokane	Yes	Yes	Yes	Yes
Ward 2	Councillor Timothy Langa	Yes	Yes	Yes	Yes
Ward 3	Councillor Mojalefa Maleka	Yes	Yes	Yes	Yes
Ward 4	Councillor Mmasa Ponya	Yes	Yes	Yes	Yes
Ward 5	Councillor Chere Moipatli	Yes	Yes	Yes	Yes
Ward 6	Councillor Motsamai Selasi	Yes	Yes	Yes	Yes
Ward 7	Councillor Ntema Khahlake	Yes	Yes	Yes	Yes
Ward 8	Councillor Mohau Mokhobo	Yes	Yes	Yes	Yes
Ward 9	Councillor Thabo Mthimkhulu	Yes	Yes	Yes	Yes
Ward 10	Councillor Stephen Constable	Yes	Yes	Yes	Yes
Ward 11	Councillor Komane Koalane	Yes	Yes	Yes	Yes
Ward 12	Councillor Morake Letube	Yes	Yes	Yes	Yes
Ward 13	Councillor Lefu Motloenya	Yes	Yes	Yes	Yes
Ward 14	Councillor Thabang Makae	Yes	Yes	Yes	Yes
Ward 15	Councillor Makhalanyane	Yes	Yes	Yes	Yes
Ward 16	Councillor Lesole Thamae	Yes	Yes	Yes	Yes
Ward 17	Councillor Pakalitha Mavaleliso	Yes	Yes	Yes	Yes
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APPENDIX F – DISCLOSURE OF FINANCIAL INTERESTS

APPENDIX F – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2021 to 30 June 2022		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor	S.J Mbiwe	<ul style="list-style-type: none"> 20 Shares at Inzalo Sasol limited = R 0, Human Dignity Resturation NPO = R 0, Cherry Jazz Festival NPO = R 0, 40 Koppie Street 1841 in Ficksburg = R 150 000, 3 2 Koppie Street in Ficksburg = ± R 1M, E RF 237, 4461 m² in Ficksburg = R 850
	Speaker	P.I Mavaleliso
Member of Mayoral Committee	T.E Makae	<ul style="list-style-type: none"> ERF 88 Zone 3 in Meqheleng Ficksburg = R 0
	T. Ancell	<ul style="list-style-type: none"> None
	K.E Koalane	<ul style="list-style-type: none"> Hospital Board Member at Department of Health = R 1 300, House = R 250 000
	M.W Selasi	<ul style="list-style-type: none"> Site 5489 in Matwabeng Senekal = R 200 000
	T.I Mthimkhulu	<ul style="list-style-type: none"> 9 Roomed House, 2999 m² in Clocolan = R 200 000, Empty Site 2999 m² in Clocolan = R 50 000
Councillor Current Term	T.L Langa	<ul style="list-style-type: none"> Stand 2192 at Moemaneng in Marquard = R40 000
	F.C Saayman	<ul style="list-style-type: none"> Consulting Civil and Structural Engineer at Ukhukhulu =R 0, Works at Ukhukhulu Consulting Engineers, Consulting Civil and Structural, Engineer and Project Manager = R 44 451
	N.P Khatlake	<ul style="list-style-type: none"> 100 Shares at Sasol = ± R 25 000, 100 Shares at Yebo Yethu =± R 5170, NPK Glasses and Aluminum Private Company = R 0, Manyora Trading Close Corporation = R 0, Chozaza Trading Close Corporation = R 0, Tswelang Farming Private Company = R 0
	L.E Mohanoe	<ul style="list-style-type: none"> Lillian E. Mohanoe Taxi Owner = R 5 000
	T.S Manako	<ul style="list-style-type: none"> None
	M.E Letube	<ul style="list-style-type: none"> None
	S.M Mokheseng	<ul style="list-style-type: none"> None
	M.C Heymans	<ul style="list-style-type: none"> None
	L.G Mokoakoe	<ul style="list-style-type: none"> Kwacyen Properties Private = R 0, Farmboy the Movement Private = R 0, Tshenolo Private = R 0, Land Residential in Clocolan = R 0
	T.P Motsoane	<ul style="list-style-type: none"> Reconstruction and Development Programme House in Marquard = R 30 000
	I.E Oberholzer	<ul style="list-style-type: none"> No Oelofse Law Firm = ± R 23 000, ERF in Senekal = R 500 000, ERF in Senekal = R 100 000
	M.F Odendaal	<ul style="list-style-type: none"> Property Valuer at No Oelofse Inc. = R Commission, ERF 230, 495 m² in Senekal = R 270 000, ERF 231, 495 m² in Senekal = R 30 000
	J.M Janssonius	<ul style="list-style-type: none"> Stock at ADC Development Corp. = R 15 000, Tshepang Carriers + Rentals (PTY) LTD Management Transport, Logistics + Rentals = R 652 875 P.A, Consulting Packaging for Packco = R 6 000 P.A, Corporate Gifts, Clothing = ± R 4 000 P.A, Spirit Beverages from Suppliers ± R 2 000 P.A, Hunting from Dealerships ± R 5 000 P.A
	M.J Mokhobo	<ul style="list-style-type: none"> None
	M.J Maleke	<ul style="list-style-type: none"> None
	H. Dell	<ul style="list-style-type: none"> 50 % Shares SBA Cattle Company = R 500, 25 % Shares Nebo Estate CC = R 25, SBA Cattle Company (PTY) Agriculture = R 0

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Position	Name	Description of Financial interests* (Nil / Or details)
Councillor Current Term	M.M Mokhele	<ul style="list-style-type: none"> 7 Roomed House = R 700 000
	P.E Koqo	<ul style="list-style-type: none"> 1 Share at Waste Management General Green Setsoto Recycling Scrap and Metal = 100%, Reconstruction and Development Programme House in Senekal = R 60 000
	M.D Mofokeng	<ul style="list-style-type: none"> Reconstruction and Development Programme House in Senekal = R 0
	I. Vries	<ul style="list-style-type: none"> 1 Visser Street in Ficksburg = R 500 000
	S.M Constable	<ul style="list-style-type: none"> 10 Semonia Street Caledon in Ficksburg = ± R 350 000
	M.A Ponya	<ul style="list-style-type: none"> Admin Clerk at Department of Education = R 189 936
	T.G Makhalanyane	<ul style="list-style-type: none"> Site 1413 at Meqheleng = R 500 000, 10 Roomed House at 1413 = R 500 000
	L.D Thamae	<ul style="list-style-type: none"> Shares at Rosendal Asparagus Project = R 0, Lease Land 428 hectares in Ficksburg = R 4M
	P.J Vermeulen	<ul style="list-style-type: none"> Shares at Macv Liquor = R 0, Bottle Store Owner at Macv Liquor = R 8 000, Steyn Strfo House in Marquard = R 350 000
	C.D Moipatli	<ul style="list-style-type: none"> Buying , Selling and Exchanging of Scrap Metals = R 0, Two Shares/ 50% each Person at Madam Scrap Metal (PTY) LTD = R 0, Madam Scrap Metal (PTY) LTD Corporative + R 0, Makau Rebecca = R 0, Moipatli Chere = R 0
L.E Motloenya	<ul style="list-style-type: none"> Their Organisation aims to help Youth attain their goals through sports and other developmental activities and equip them with leadership skills = R 0; Local Food Vendor Lapeng Monate Foods = ± R 4 000 	
Councillor Previous Term	M.L Mthimkulu	<ul style="list-style-type: none"> Astoria Farm = R0
Municipal Manager	S T R Ramakarane	<ul style="list-style-type: none"> No declaration submitted as at 30 June 2022
Chief Financial Officer	L. N Moletsane	<ul style="list-style-type: none"> No declaration submitted as at 30 June 2022
Other S57 Officials	T.P Motsima	<ul style="list-style-type: none"> No declaration submitted as at 30 June 2022
	T. Zondo	<ul style="list-style-type: none"> No declaration submitted as at 30 June 2022

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VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.