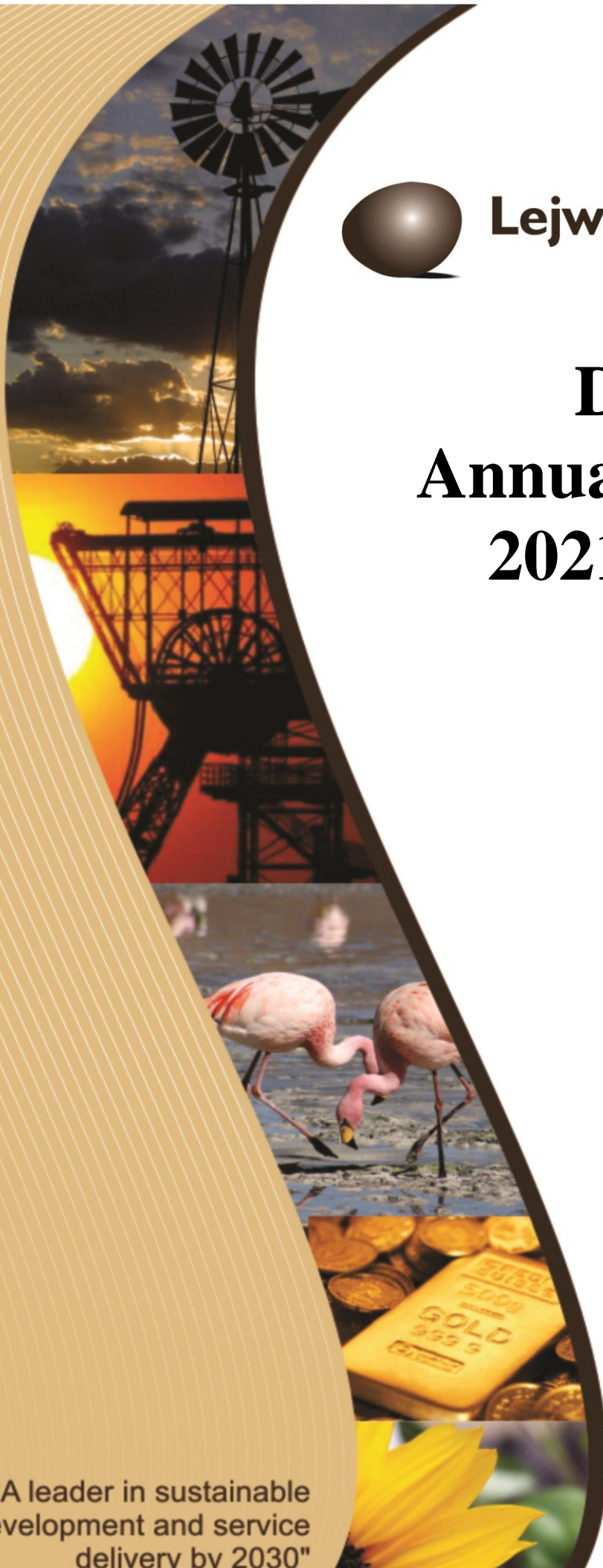


Lejweleputswa
DISTRICT MUNICIPALITY

Draft Annual Report 2021/2022

"A leader in sustainable
development and service
delivery by 2030"



VISION

“A LEADER IN SUSTAINABLE DEVELOPMENT AND SERVICE DELIVERY
TO ALL”

MISSION STATEMENT

THE LDM STRIVES TO ACHIEVE ITS VISION THROUGH

1. PROVIDING SOUND FINANCIAL MANAGEMENT
2. PROVIDING EXCELLENT, VIBRANT PUBLIC PARTICIPATION AND HIGH QUALITY LOCAL MUNICIPAL SUPPORT PROGRAMMES MAINTAINING GOOD WORKING RELATIONS IN THE SPIRIT OF CO-OPERATIVE GOVERNANCE
3. ENHANCING HIGH STAFF MORALE, PRODUCTIVITY AND MOTIVATION

THE VALUES OF THE LDM ARE THE FOLLOWING

1. INTEGRITY
2. HIGH WORK ETHICS
3. OPENNESS
4. TRANSPARENCY
5. HONESTY
6. CONSULTATION
7. PROFESSIONALISM

LDM STRATEGIC OBJECTIVES

- 1. Strategic objective** - Build a capacitated workforce and communities.

- 2. Strategic objective** - Sustainable Environmental Management and Public Safety

- 3. Strategic objective** - Growing an inclusive district economy.

- 4. Strategic objective** - Financial Viability.

- 5. Strategic objective** - Good Governance.

VALUES

ABOUT THIS ANNUAL REPORT

Category B Municipalities in South Africa were mandated to perform the under – mentioned functions for the achievement of set goals and objectives of a development by central Government.

- Municipal abattoirs
- Municipal park and recreation
- Local Sport Facilities
- Street Trading
- Municipal planning
- Municipal Roads
- Public places
- Refuse removal , refusal of dumps and solid waste
- Traffic and parking
- Municipal Public Transport
- Public, Nuisance control Fire Fighting Service
- Pontoons, Ferries, Jetties, Piers and Harbors
- Markets Stalls and Trade Areas
- Storm Water Management
- Local Tourism
- Cemeteries, Funeral Parlours and Crematoria
- Building, Trading Regulations, Liquor and Public, Nuisance Control
- Beaches and Amusement Facilities Advertisements in Public Places

Section 84 of the Municipal Systems Act, 2000 (Act 32 of 2000) provides for the following functions of District municipalities.

- Integrated Development and Planning for the District as a whole
- Bulk Infrastructure Planning
- Solid Waste Disposal
- Provincial Roads
- Regulation of Passenger Transport Services
- Municipal Health Services
- Fire Fighting Service in the District / Disaster management
- Promotion of Local Tourism.

Lejweleputswa District Municipality continues to forge and strengthen relations with local Municipalities in the District and plays its role of support, coordination, facilitation and innovation as mandated by the legislation. Through, integrated development planning and promoting bulk infrastructural development, the District strives to capacitate local municipalities in performing their functions to address issues of service delivery and triple challenges that are facing our country as a contribution to **THUMA MINA PROJECT**.

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CHAPTER 1
EXECUTIVE SUMMARY:
FOREWORD BY THE
EXECUTIVE
MAYOR AND OVERVIEW BY
THE
MUNICIPAL MANAGER



EXECUTIVE MAYOR'S FOREWORD

IDP 2021/2022

On behalf of the Lejweleputswa District Council and officials, I hereby present this Annual Report for the financial Year 2021/2022. This report will outline our performance on the targets we set ourselves to do over this period. The report will give our stakeholders and communities an insight into the performance and achievements of the district.

The 2021/2024 term of Council will strive to improve on the achievements of our predecessors and accelerate the provision of the much needed municipal services focusing on the five developmental local government key performance areas: Infrastructure and Service Delivery; Institutional Transformation and Development; Local Economic Development and Planning; Financial Viability, and Good Governance & Public Participation.

The IDP review process remains a strategic governance mechanism which enables the Municipality to interface with communities and stakeholders on their needs. Accordingly, this IDP carries the aspirations of the masses of our community which the 2021/22 budget aims to finance. Therefore, this IDP must be seen as a beacon of hope that will continue to guide us over the next financial year in our collective endeavours of building a better life for all our communities. The tracking of this process is critical as it affords the Municipality an opportunity to reflect on the previous plans against the achievements recorded as it relates to service delivery objectives in view of the needs of the various communities.

Unemployment and inequality remain a challenge in the region; our programmes must promote economic growth and development through working with communities, the private sector and labour. Job creation and sustainable livelihoods must be at the centre of all municipal programmes. The Municipality has to ensure that it complements other spheres of government in reaching the identified targets. The successful implementation of the IDP and Budget can be achieved only through a partnership with all spheres of government, communities and the private sector

We have worked tirelessly to attract new investment opportunities in other parts of the district, being weary of the dwindling productivity levels in the mining sector. Our planning is still engraved on a Lejweleputswa that will no longer depend on the mining sector to sustain the district's economy.

We take seriously the values of good governance and believe we are capable of turning the tide on unfavourable audit opinions in pursuit of a clean audit as set by the "Operation Clean

Audit of 2014” target. We need to inculcate in all concerned a culture of excellence, care, accountability and good governance. The turning point for a clean administration and, consequently, audit is not entirely lodged solely on the shoulders of administrators but requires of all of us i.e. Council, administration, business and residence to take part and assume our individual and collective responsibility with prestige, impunity and integrity.

Signed By :.....
CLLR VERONICA NTAKUMBANA
EXECUTIVE MAYOR



MUNICIPAL MANAGER'S OVERVIEW

This Annual report records the performance and progress made by the Lejweleputswa District Municipality in fulfilling its strategic objectives contained in the Integrated Development Plan (IDP), Institutional Scorecard and Service Delivery and Budget Implementation Plan (SDBIP) approved by Council for the year under review.

The report is not only a compliance matter but provides a fair presentation of the performance of the municipality for the year under review. Our attitude to the annual report is that all our key stakeholders and partners i.e. Council, administration, communities and business must take a keen interest in tracking and reviewing municipal performance. This essential exercise is vital in shaping and influencing our individual and collective plans, processes and services in our future development.

The August 2016 local government elections ushered in the 4th five-year IDP cycle, referred to as the 4th generation IDP's for municipalities. This 4th Generation IDP was effective from 1 July 2017 up to 30 June 2022. The 2021/2022 IDP is the last review of the 4th Generation IDP of the Lejweleputswa District Municipality. The strategic direction of the Lejweleputswa District Municipality as captured in the 5-year IDP remains a direction pointer. The review process provides an opportunity to reflect on the lessons learnt during the previous financial years since the adoption of the 4th generation IDP, and to improve on the way that we as the Lejweleputswa District Municipality plan, budget and implement in order to ensure maximum impact and delivery of service to the community.

Enclosed in this review is our updated roadmap for the future and the exact route for the next years as described in the subsequent chapters. An exciting future lies ahead, change of mind-set, attitudes and working together will make Lejweleputswa the incredible district we all aspire and want our future generations to inherit from us.

The Constitution of the Republic of South Africa mandates Lejweleputswa District Municipality to give priority to the basic needs and socio-economic development of local communities. Consultation and engagement with communities and different stakeholders regarding the district's development planning processes are therefore critical. Through our public participation programmes, the communities of Lejweleputswa District have reaffirmed their needs, which include water, employment, roads, electricity, health and educational facilities, SMME empowerment and support, and sports and recreational facilities.

We have a lot of ground to cover in our quest to improve the quality of life of our communities; we invite all partners to play a role in crafting the desired outlook of our communities. Administratively, we need to improve our operating systems, our organizational culture and instil values of a responsive and accountable administrative component. There is a solid base to propel excellence even further.

We are counting on Council to create an environment conducive enough for all parties to efficiently play a meaningful role and we depend on our community to provide the much needed support.

Signed by-----

**Mme Palesa Kaota
Municipal Manager**

1.1. MUNICIPAL FUNCTIONS, POPULATION AND THE ENVIRONMENT

Lejweleputswa District Municipality is situated in the mid-western part of the Free State province, with an estimated area of about 31930 km² (Local government hand book, 2013). The district borders the North-West province to the north, Fezile Dabi District Municipality to the north east, and Thabo Mofutsanyane District Municipality to the east. It also borders Mangaung Metro and Xhariep District to the south and the Northern Cape Province to the west. It consists of 22.9% of the Free State province's population, down from 26.7 % in 1996 (IHS Global Insight, 2015). The District is made up of five local municipalities, namely; Matjhabeng, Tokologo, Tswelopele, Nala and Masilonyana with about 17 towns¹.

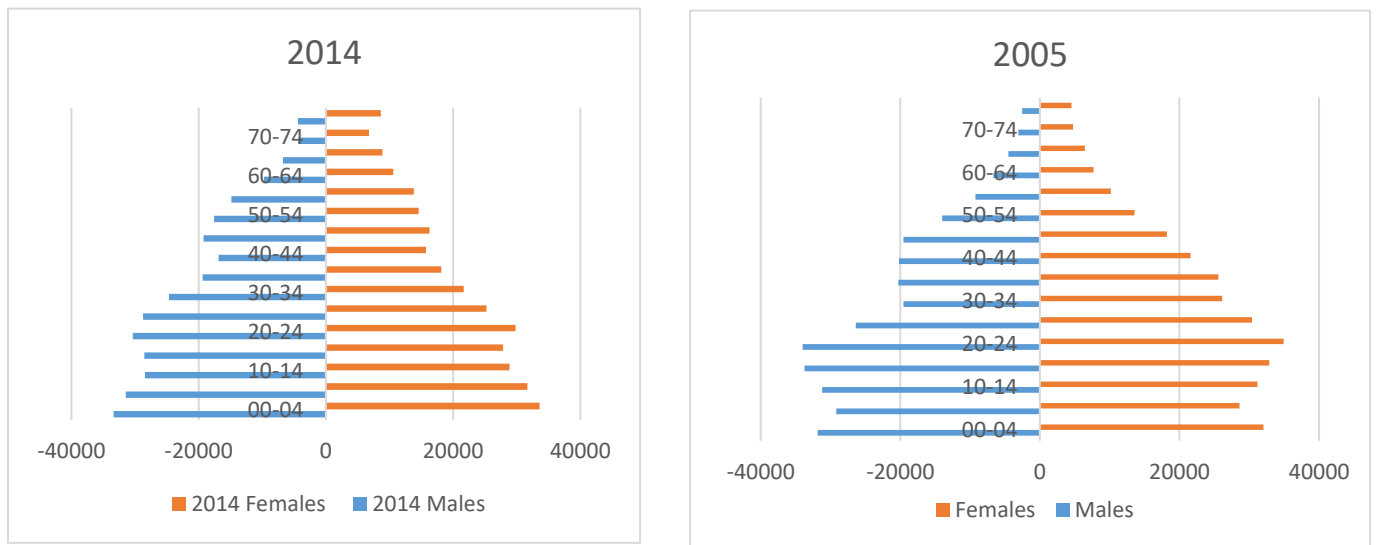
The economy of the District relies heavily on the gold mining sector as the largest sector, dominant in two of the municipalities, Matjhabeng and Masilonyana, whilst the other Municipalities are dominated by agriculture. There is less diversification of the District's economy relying heavily on the mining sector and community service sector as the largest employers in the District. Matjhabeng is the largest municipality in the District and contributes the largest share of GVA-R in the District. The average annual GDP-R growth rate stands at -1.5 percent in 2014 for the District and forecast to decline even further to -2.9 percent in 2016 according to IHS Global Insight, as a result of low international commodity prices and a persistent drought in the agricultural sector. Output in agriculture is forecast downwards and prices in agricultural goods are expected to rise due to low output levels as given by the South African Reserve Bank in their monetary policy statement in September 2015 for the country in general.

Demographic profile

Lejweleputswa District had a total population of 630 912 in 2014, broken down into 318 662 males and 312 249 females. The District contributed 22.6 percent to the Free State's population in 2014, down from 23.24 percent in 2005. Most of the inhabitants are Africans, constituting 88.73 percent of the total population, followed by Whites (8.86 percent) and then Coloureds (1.9 percent), with a very small Indian community of 0.45 percent. There are more males (51.0 percent) in Lejweleputswa than females (49.0 percent).

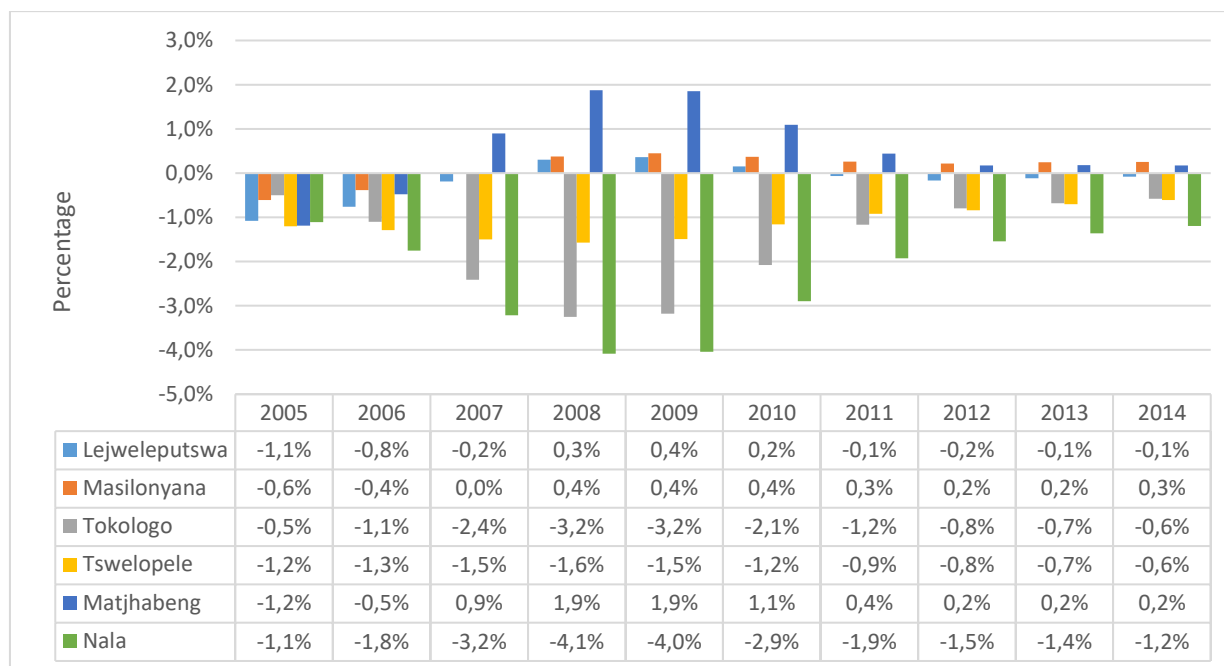
¹Soutpan and Glen area and the surrounding farms in Masilonyane have been incorporated into Mangaung Metro in 2015 (Municipal demarcation Board, 2015)

Figure 4.1: Lejweleputswa District population pyramid



According to figure 4.1 above, the population pyramid of Lejweleputswa, for the years 2005 and 2014 has a broad base, indicating a large portion of children and the youth below 25 years of age. In 2005 Lejweleputswa District had a relatively large proportion of middle aged inhabitants, both the males and the females above 15 years of age and below 30 years of age, compared to the year 2014 which has a relatively sliding scale of both males and females in the same age cohort of 15 years and 30 years. The reflection of the relatively large proportion of the middle aged population in the District in 2005 coincided with a relatively strong mining sector, specifically in Matjhabeng. Whilst a smaller middle age group in 2014 indicates migration away from the District in general terms, probably to other mining related towns in search of better living conditions like platinum sector in the North West, which has a similar kind of operational structures like the gold sector, and therefore uses similar kinds of labour skills. The migration patterns of Lejweleputswa, especially in its smaller municipalities, is as a result of better employment opportunities by the working age groups. From figure 4.1, it is evident that in 2014 women were living longer than men, almost doubling them. In the age group 75+ there are 4 367 males against 8 623 females. This is reflective of a better life expectancy for women than for men, although for both men and women life expectancy has improved between 2005 and 2014.

Figure 4.2: Population growth rates in Lejweleputswa by local municipalities

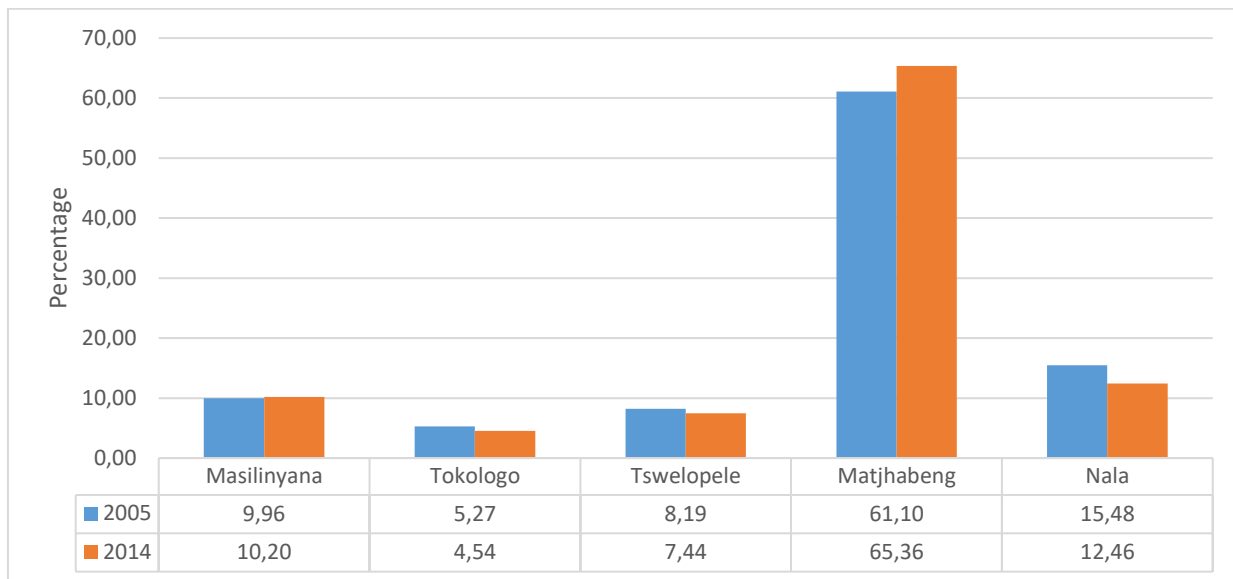


Source: IHS Global Insight Regional eXplorer, 2015

Figure 4.2, indicates that the growth rate in Lejweleputswa's population had been negative for the large part of the review period (2005 – 2014) with the exception of 2008 (0.3%), 2009 (0.4%) and 2010 (0.2%), where it showed some positive recovery. The recovery happened because Matjhabeng, which contributed 25 percent to the population of the District, showed some positive growth rate during the period 2007 to 2011, which had a pulling effect on the District's population growth rate. Nala displayed negative population growth rate reaching -4.1 percent at its lowest point in 2008, which had a little impact on Lejweleputswa due to its small contribution to the District population. The average growth rate for Lejweleputswa for the period under review is -0.2 percent, indicating a decline in the total population of the District. The decline is due to among others, net out migration and low fertility rates according to Statistics South Africa (2013).

The two most worst performing local municipalities in terms of population growth rate are Nala with a -2.3 percent average population growth rate and Tokologo with -1.6 percent average population growth rate between 2005 and 2014.

Figure 4.3: Population Distribution in Lejweleputswa District as a percentage



Source: IHS Global Insight Regional eXplorer, 2015

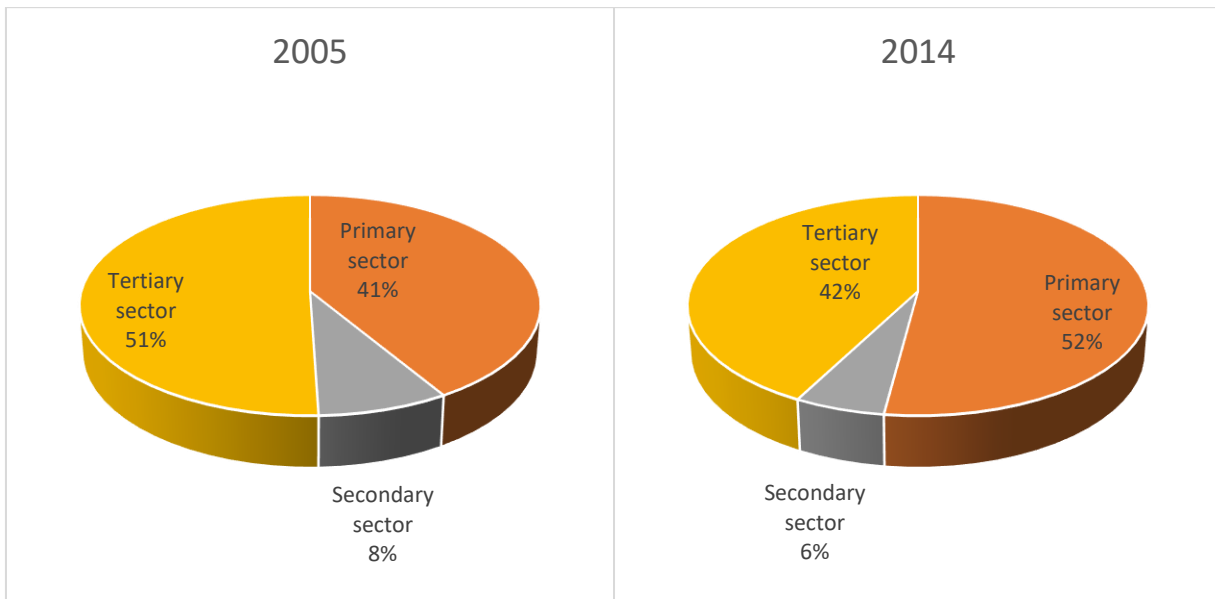
Matjhabeng had the highest share of Lejweleputswa's population at 65.36 percent in 2014 according to figure 4.3, which is up from 61.10 percent in 2005, followed by Nala with 12.46 percent and Masilonyana with 10.20 percent all in 2014. The total District's share of the population in the province has declined from 23.24% percent in 2005 to 22.49 percent in 2014, which is a 0.75 percentage point decline. The decline in Lejweleputswa's share of the population was driven more by smaller municipalities because Matjhabeng increased slightly between 2005 and 2014, as a result of mainly outward migration from the smaller municipalities.

1.2. Economy structure and performance

The main economic activities in the Lejweleputswa District happened in the primary sector and the tertiary sector. The primary sector in Lejweleputswa is driven by agriculture and mining. Matjhabeng is the largest municipality in the District and it contains most of the mining activities, especially gold mining, followed by Masilonyana with some of the gold mining and diamond mining. Recently the mining sector has been on a downward trend as a result of closure of many of the shafts as a result of high costs of production among others and the need for deep mining. The recent decline in world commodity prices, has aggravated the situation in general with many businesses that have traditionally dependent on the mining sector either have closed down or are in the process of closing down. Other municipalities' primary sector rely heavily on agriculture.

Economic Structure

Figure 4.4: Sectoral composition of Lejweleputswa economy (% , current prices)



Source: IHS Global Insight Regional eXplorer, 2015

The composition of the District's economy is dominated by the primary sector at 52 percent in 2014 as shown by figure 4.4, up from 41 percent in 2005. The tertiary sector contributed 42 percent to the District's economy in 2014, decreasing by 9 percentage points from 51 percent in 2005. The secondary sector's share declined from 8 percent in 2005 to 6 percent in 2014, further indicating the difficulties that the sector is facing. Very little value adding is taking place in the region by using the vast primary products the District has in abundance.

Sectoral composition of the economy

Sectoral composition is the contribution of the different sectors to total GDP of Lejweleputswa's economy. This includes all the nine sectors within an economy of a region as classified by the South African Standard Industrial Classification (SIC) of all economic activities (CSS fifth edition).

Table 4.1: Sectoral composition of Lejweleputswa's economy by local municipalities, 2014.

2014	Lejweleputswa	Masilonyana	Tokologo	Tswelopele	Matjhabeng	Nala
1 Agriculture	5.6%	6.2%	24.6%	36.9%	0.8%	17.7%
2 Mining	46.5%	50.3%	21.6%	1.2%	56.0%	4.7%
3 Manufacturing	2.5%	2.1%	2.9%	2.2%	2.1%	5.2%
4 Electricity	1.5%	1.2%	2.9%	2.8%	1.3%	2.3%
5 Construction	1.7%	2.2%	2.5%	1.8%	1.5%	2.6%
6 Trade	11.0%	8.3%	12.3%	15.4%	10.0%	17.6%
7 Transport	6.3%	5.2%	5.0%	7.8%	5.6%	11.8%
8 Finance	10.8%	8.4%	7.6%	10.6%	10.8%	13.9%
9 Community services	14.2%	16.2%	20.7%	21.4%	11.9%	24.0%
Total Industries	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

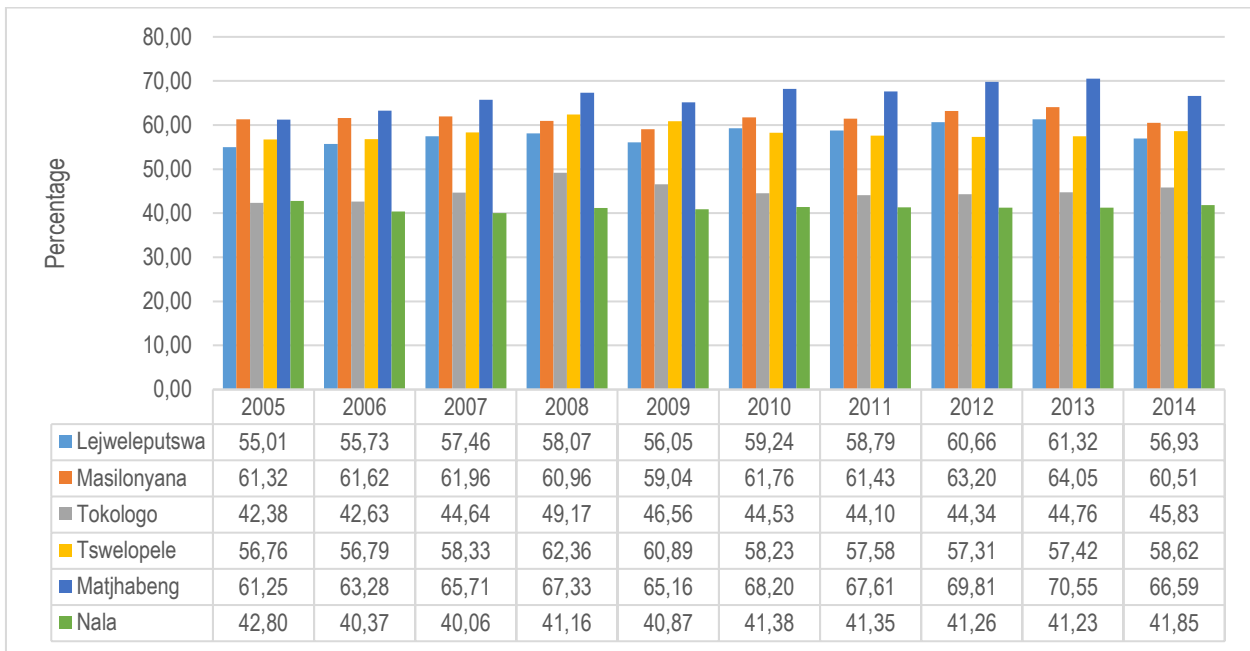
Source: IHS Global Insight Regional eXplorer, 2015

The 2014 sectoral composition of Lejweleputswa as revealed by figure 4.5 points to the dominance of a few sectors in the economy of the District. According to table 3.1, the mining sector is the dominant sector with 46.5 percent of the economic activities of the district, followed by community services sector at 14.2 percent and then trade at 11 percent. The smaller municipalities of Nala, Tswelopele and Tokologo are the municipalities without mining as the dominant sector, instead Tswelopele has agriculture as the dominant sector at 36.9 percent in 2014. Nala had government services as the dominant sector with 24 percent in 2014, whilst Tokologo had agriculture as the dominant sector with 24.6 percent in 2014. In recent years the contribution of mining in Lejweleputswa's economy has been declining due to a number of reasons and recently the effect of lower world commodity prices has fueled the decline of the sector. The share of the primary sector in Lejweleputswa's GVA has also been on a decline, indicating a shift away from the primary sector to the tertiary sector. The community services sector is growing strongly in all of Lejweleputswa's municipalities and is also forecasted to grow further.

Tress Index

The tress index measures the level of diversification or concentration of a region's economy. The index ranges between zero and one. The closer to 0 the index is, the more diversified is the economy. The higher the index or closer to 1, the less diversified the economy, and the more vulnerable the region's economy to exogenous factors that can include things like adverse economic conditions due to natural disasters, like global warming (Wikipedia, 2015).

Figure 4.5: Tress index of Lejweleputswa and the Free State and its Districts



Source: IHS Global Insight Regional eXplorer, 2015

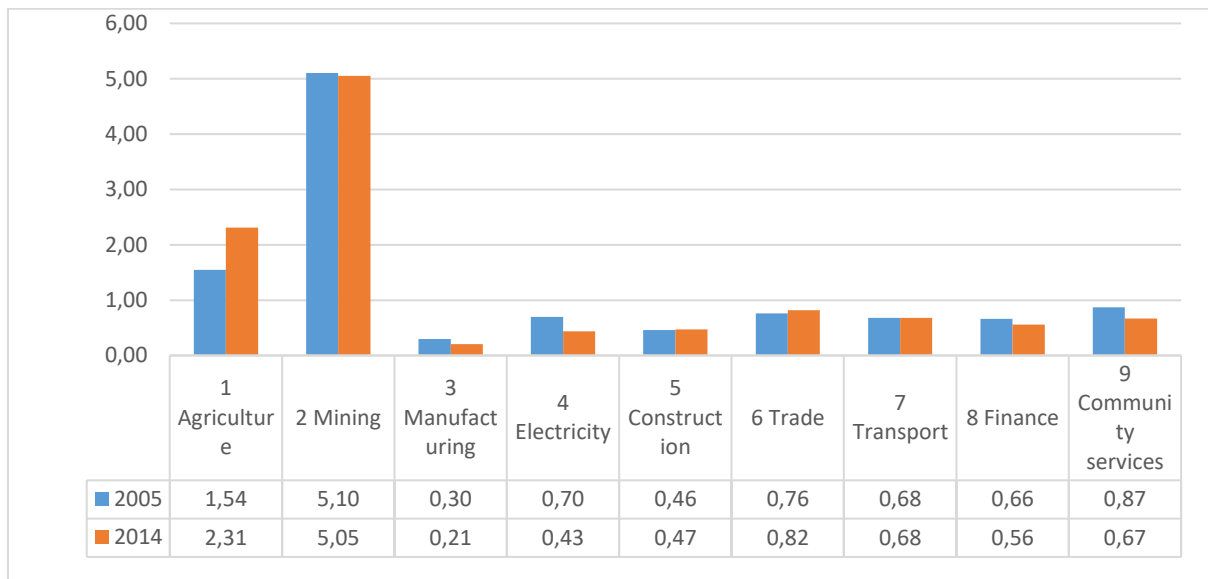
Lejweleputswa’s economy has been leaning more to a less diversified economy due to its increase closer to 1 of its Tress Index over a ten year period as illustrated by figure 4.5. Even though Lejweleputswa’s Tress Index has improved in 2014 (56.93 percent) as compared to (55.01 percent) 2005, the worst years of its less diversification were 2013 (61.32 percent) and 2012 (60.66percent). This simply indicates fewer industries dominating the region’s economy, thus the vulnerability of the region’s economy to outside shocks becomes very easily.

If compared to the rest of the province, Lejweleputswa is the second less diversified regional economy in the Free State after Mangaung Metro. The most diversified economy is that of Fezile Dabi among the Districts and the province is even better than all the Districts.

Location Quotient

Location quotient reveals what makes a particular region “unique” in comparison to the national or provincial average. It is basically a way of quantifying how concentrated a particular industry or cluster is as compared to the province or nationally (EMSI Resource library, 2015)

Figure 4.6: Lejweleputswa’s Location Quotient



Source: IHS Global Insight Regional eXplorer, 2015

According to figure 4.6, above the dominant sector in Lejweleputswa is the mining sector with a location quotient of 5.05 in 2014, which has declined slightly from 5.10 in 2005. By its nature mining is more export orientated and brings into the economy of the region more money than any other sector in the region. Agriculture follows the mining sector though very small as compared to the mining sector with an increase in the location quotient of 2.31 in 2014 as compared to 1.54 location quotient in 2005. The other sectors are less concentrated in the region, all ranging less than 1 location quotient. Trade is one of a few sectors that have shown some positive growth in its location quotient from 0.76 in 2005 to 0.82 in 2014.

Economic Performance

The Gross Value Added by Region (GVA-R) measures the difference between inputs into particular region’s economy and the value of outputs (goods and services) in that region or sector.

Table 4.2: GVA-R. Contribution to total economic growth in Lejweleputswa (% point, Constant 2010 prices)

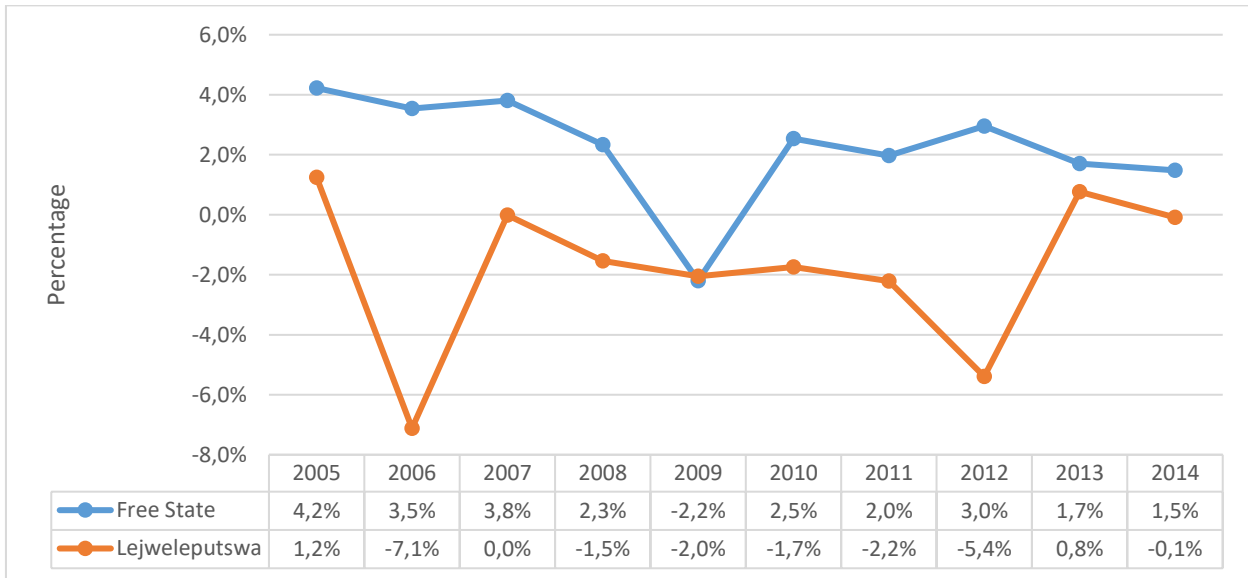
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1 Agriculture	0.1%	-	0.0%	0.9%	0.1%	0.0%	0.5%	0.1%	0.0%	0.2%
2 Mining	0.8%	3.8%	0.7%	-3.0%	2.0%	0.9%	1.3%	2.2%	1.9%	-0.3%
3 Manufacturing	-0.2%	-	0.1%	0.2%	0.2%	0.0%	0.4%	0.5%	0.1%	-0.1%
4 Electricity	0.0%	-	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.0%	0.0%
5 Construction	0.0%	0.1%	0.2%	0.1%	0.2%	0.2%	0.1%	0.1%	0.0%	0.0%
6 Trade	0.1%	-	0.2%	0.1%	0.3%	0.6%	0.2%	0.2%	0.4%	0.0%
7 Transport	0.1%	-	0.2%	0.1%	0.0%	0.3%	0.2%	0.4%	0.2%	0.0%
8 Finance	-0.2%	0.5%	0.3%	0.1%	0.2%	0.5%	0.1%	0.4%	0.2%	0.0%
9 Community services	0.2%	-	0.3%	0.4%	0.1%	0.6%	0.4%	0.8%	0.2%	0.1%
Total Industries	0.9%	6.5%	0.2%	-1.1%	2.3%	1.3%	3.2%	4.8%	0.8%	0.0%
Taxes less Subsidies on products	0.3%	-	0.2%	-0.4%	0.3%	0.4%	1.0%	0.6%	0.0%	-0.1%
Total (Gross Domestic Product - GDP)	1.2%	7.1%	0.0%	-1.5%	2.0%	1.7%	2.2%	5.4%	0.8%	-0.1%

Source: IHS Global Insight Regional eXplorer, 2015

The contribution of mining, which is the dominant sector, in Lejweleputswa district's economic growth has been on a declining trajectory in the review period of 2005 to 2014 according to table 4.1. Table 4.2 above illustrates that although mining has been on a downward trend, 2010 saw a 0.9 percentage point increase in its GVA-R, together with a 1.9 percentage point increase in 2013. Part of the 2013 growth in the mining sector was due to a favourable world commodity prices, which has recently been not very favourable according to the recent world statistics on commodity prices. On average total industries in Lejweleputswa are declining with the 2012 as the worst year with -4.8 percent decrease in total for all the industries. The contribution of community services sector' growth has declined from 0.2 percent in 2005 to 0.1 percent in 2014, indicating a general decline in the activities of the sector. The decline of community services sector could be as a result of recent policy shift to "austerity measures" of trying to reduce government wage bill. The GDP growth in Lejweleputswa is also hovering in recession for most of the review period except for 2013, with a 0.8 percent recovery.

Gross Domestic Product

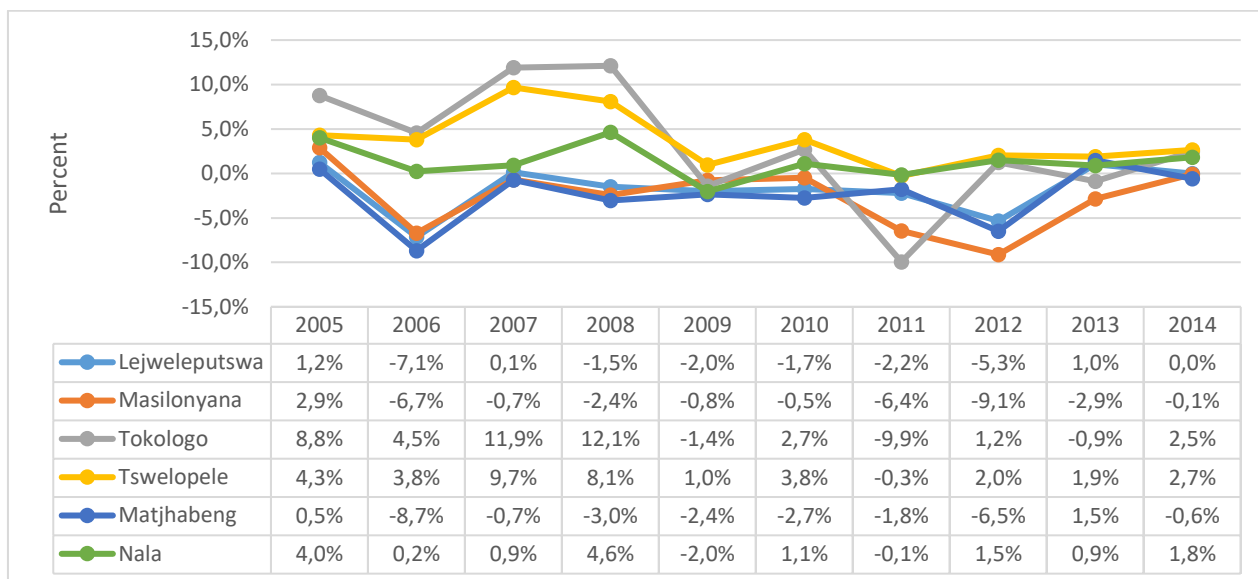
Figure 4.7: GDP-R of Free State and Lejweleputswa District Municipality



Source: IHS Global Insight Regional eXplorer, 2015

Figure 4.7 shows that the GDP-R of Lejweleputswa has been on a continuous negative territory for most of the period under review, except for 2005 with 1.2 percent and 2013 where it recovered by 0.8% percentage points on the back of a strong mining sector which was also positive in 2013 by 1.9 percent. However, it declined further again in 2014 to -0.1 percent, and it is also expected to decline further in 2015 on the back of low worldwide commodity prices. The negative growth rate experienced in most years in the District is affecting the District negatively and is one of the factors pushing people away from the District, leading to what can be termed economic migrants. The sustainability of the District’s economy is in jeopardy because of a continued negative growth rate in the District driven by a declining mining sector and a shrinking agricultural sector. However, the provincial growth rate has always been positive except for the 2009 recession, where it was below that of the District by -2.2 percentage points. The best growth for the province post the recession was in 2012, with a growth rate of 3 percent, which was also the worst growth rate year for Lejweleputswa at -5.4 percent. The recession in Lejweleputswa in 2012 was driven by the mining sector with -2.2 percent and the community services sector with -0.8 percent and other tertiary sectors relying on the mining sector. The 2014 slump is also as a result of low commodity prices affecting the mining sector and a general decrease in total industries of -4.8 percent.

Figure 4.8: GDP-R of Lejweleputswa and its municipalities



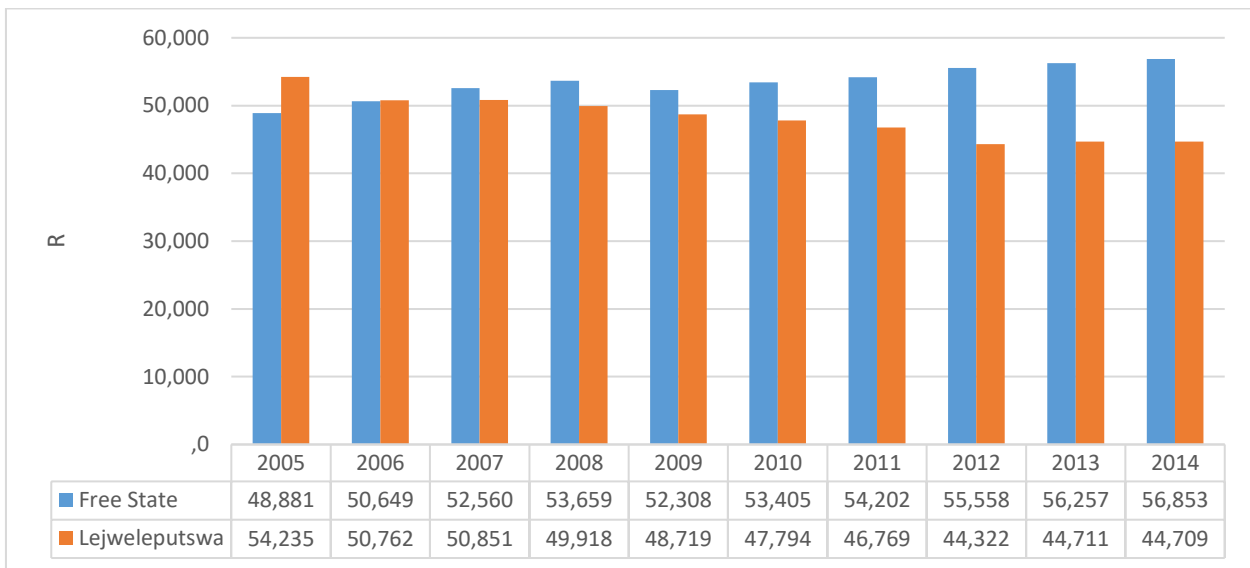
Source: IHS Global Insight Regional eXplorer, 2015

According to figure 4.8, the District’s GDP-R follows that of Matjhabeng to a large extent as compared to the rest of the municipalities. Lejweleputswa’s average growth rate for the period 2005 to 2014 was -1.8 percent, which is a sign for a shrinking economy. The worst average growth rate for the District’s local municipalities in the review period was experienced in Masilonyana with a -2.7 percent average growth rate followed by Matjhabeng with a -2.4 percent between 2005 and 2014. In 2008, Tokologo had the highest growth rate of 12.1 percent, which declined during the 2009 recession to -1.4 and further in 2011 to -9.9 percent making it the worst performing local municipality in Lejweleputswa in 2011. This kind of performance can only happen if there are few participants in the economy of the municipality who have a significant share of the economy. However the average growth rate for Tokologo municipality is 3.2 percent in the review period. Tswelopele has shown the highest average growth rate in the district with a 3.7 percent, followed by Nala with an average growth rate of 1.3 percent in the same period.

GDP-R per capita.

Per capita GDP-R is a measure of the total output of a region that takes into account the gross domestic product and then divides it by the number of the people in the region (World Bank, 2015). It is one of the primary indicators of the region’s performance (investorwords.com, 2015). It is calculated by either adding up everyone’s income during the period or by adding up the value of final goods and services produced in the region during the year (Investorwords.com, 2015)

Figure 4.9: GDP-R Per Capita of Lejweleputswa



Source: IHS Global Insight Regional eXplorer, 2015

Figure 4.9 above shows the relative performance of the Free State’s real GDP-R per capita against that of Lejweleputswa from 2005 to 2014. The real GDP-R per capita of the Free State is on the rise indicating an increase in the standard of living of the people of the province. It increased from R48 881 in 2005 to R56 853 in 2014, which is an average increase of 16.3 percent between 2005 and 2014. On the other hand the GDP-R of Lejweleputswa decreased by 17.5 percent between 2005 and 2014 i.e. from R54 235 in 2005 to R44 709 in 2014. This indicates a declining standard of living of the people of Lejweleputswa. A decline in the average standard of living in one of the regions of the province should be a course for concern for the government and policy makers.

Sectoral analysis and forecast.

Sectoral forecasts are used to help governments and policy makers to determine their strategies over a longer period using historical data to predict future developments in major variables or sectors of interests.

Table 4.3: GVA-R. Forecasted Contribution to total economic growth of Lejweleputswa (Constant 2010 prices)

Source: IHS Global Insight Regional eXplorer, 2015

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1 Agriculture	0.0%	-0.5%	-0.1%	0.0%	0.2%	-0.3%	0.1%	0.1%	0.1%	0.1%
2 Mining	0.9%	-1.3%	-2.2%	1.9%	-0.3%	-0.1%	-1.4%	1.1%	-0.3%	-0.8%
3 Manufacturing	0.0%	-0.4%	-0.5%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4 Electricity	-0.1%	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5 Construction	0.2%	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6 Trade	0.6%	-0.2%	-0.2%	0.4%	0.0%	-0.2%	0.0%	0.1%	0.3%	0.3%
7 Transport	0.3%	-0.2%	-0.4%	0.2%	0.0%	0.0%	0.0%	0.1%	0.1%	0.2%
8 Finance	0.5%	-0.1%	-0.4%	0.2%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
9 Community services	0.6%	-0.4%	-0.8%	0.2%	0.1%	0.0%	0.0%	0.1%	0.2%	0.3%
Total Industries	1.3%	-3.2%	-4.8%	0.8%	0.0%	-0.7%	-1.3%	1.6%	0.6%	0.3%
Taxes less Subsidies on products	0.4%	1.0%	-0.6%	0.0%	-0.1%	0.1%	-0.3%	0.0%	0.0%	0.0%
Total (Gross Domestic Product - GDP)	1.7%	-2.2%	-5.4%	0.8%	-0.1%	-0.6%	-1.6%	1.6%	0.5%	0.2%

Table 4.3 shows the outlook of total contribution to Lejweleputswa's economy's economic growth per sector, from 2010 to 2019, almost a ten year period. The most important sector in Lejweleputswa's economy, i.e. mining is expected to decline further in the outlook period from contributing 0.9 percent to the District's economic growth in 2010 to -0.8 percent in 2019. The decline can also be explained by a natural process in the development of any economy, where as the economy modernize the importance of primary sector slow down and that of the tertiary sector increases, this phenomenon is also called structural change to the economy. Furthermore the decline can be explained by a normal process where most of the mines or mine shafts are reaching the end of their life span. Agriculture in Lejweleputswa is only expected to stabilize around 0.1 percent contribution in the outlook period from 2016 to 2019. The tertiary sector (i.e., the trade industry and community service) is expected to grow positively in the outlook from -0.6 percent contribution in 2010 to 0.3 percent for both in 2019 respectively. However, what is worrying is the slow improvement or slow growth in the secondary and the tertiary sector to counter the dominance of the mining sector in the District. The total outlook for the GDP is also expected to be negative in the forecasted period, as a result of a strong pulling effect of the dominant sector. The resultant negative growth is at the back of lower world commodity prices also forecasted to be very much subdued in the outlook.

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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2 Mining	0.9%	1.3%	2.2%	1.9%	0.3%	0.1%	1.4%	1.1%	0.3%	0.8%
3 Manufacturing	0.0%	-0.4%	-0.5%	-0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
4 Electricity	-0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5 Construction	-0.2%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6 Trade	-0.6%	0.2%	0.2%	-0.4%	0.0%	-0.2%	0.0%	0.1%	0.3%	0.3%

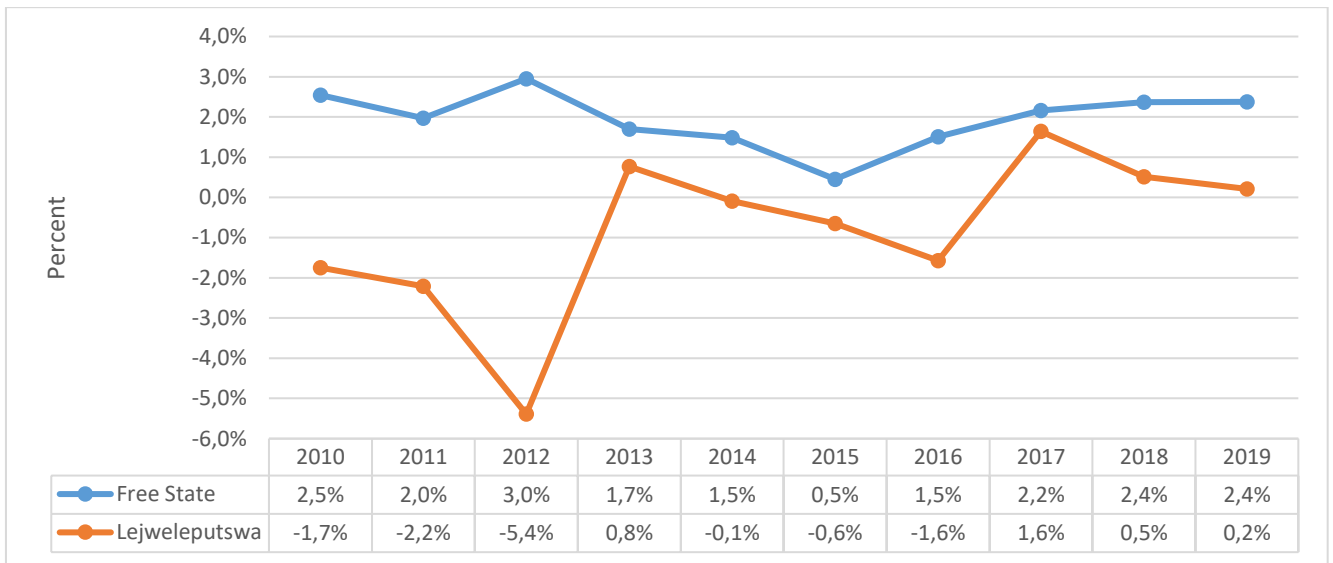
7 Transport	-0.3%	-0.2%	-0.4%	-0.2%	0.0%	0.0%	0.0%	0.1%	0.1%	0.2%
Finance	-0.5%	0.1%	0.4%	-0.2%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
9 Community services	-0.6%	0.4%	0.8%	-0.2%	0.1%	0.0%	0.0%	0.1%	0.2%	0.3%
Total Industries	-1.3%	3.2%	4.8%	0.8%	0.0%	-0.7%	-1.3%	-1.6%	0.6%	0.3%
Taxes less Subsidies on products	-0.4%	1.0%	0.6%	0.0%	0.1%	0.1%	0.3%	0.0%	0.0%	0.0%
Total (Gross Domestic Product - GDP)	-1.7%	2.2%	5.4%	0.8%	0.1%	-0.6%	-1.6%	-1.6%	0.5%	0.2%

Source: IHS Global Insight Regional eXplorer, 2015

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Gross domestic Product at Regional level.

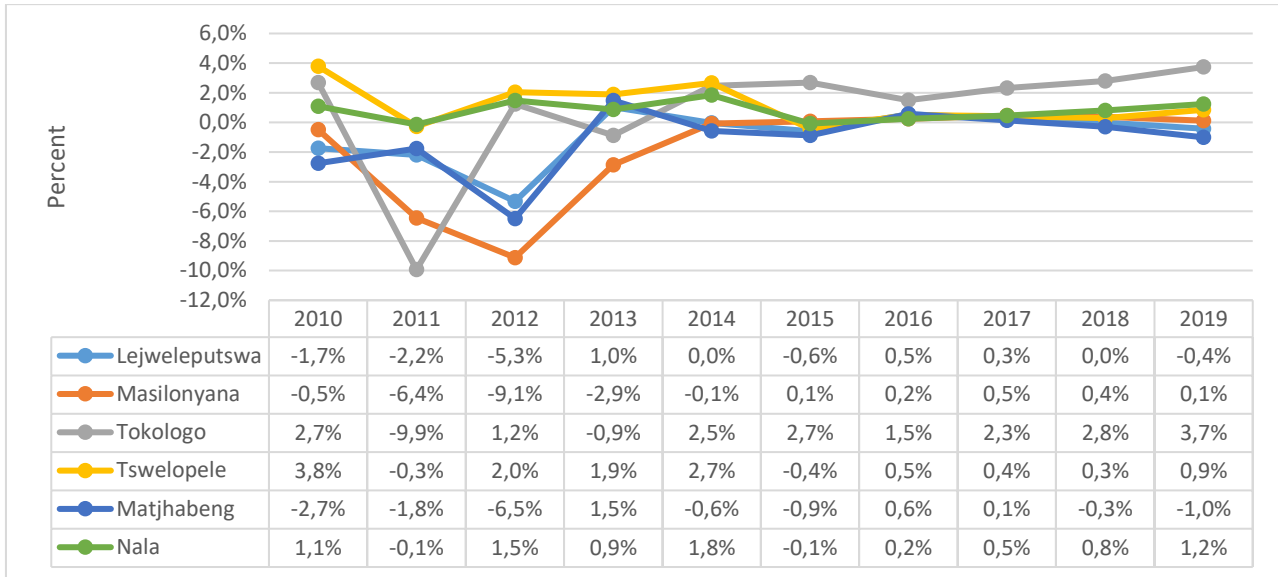
Figure 4.10: GDP-R growth Forecast for Lejweleputswa



Source: IHS Global Insight Regional eXplorer, 2015

Figure 4.10 shows that the average growth rate of the Free State is expected to be 1.9 percent between 2010 and 2019, which is the forecasted period. Lejweleputswa is expected to grow sluggishly with projected average of -0.9 percent over the forecasted period. The growth rate of Lejweleputswa is forecasted to be below that of the province for the entire forecast period and that has a dampening effect on the growth rate of the provincial economy. The result is that Lejweleputswa’s economy is dominated by the mining sector which is estimated to contract in the forecasted period. However, this dependence on the mining sector reflects the inability or the slowness of the District economy to diversify to the tertiary sector as the economy modernizes, thus reflecting a structural change or the deficiency thereof. The second dominant sector is agriculture and is also not growing as expected due to in general the consequences of global warming, and it shows that the district economy is more exposed to external shocks.

Figure 4.11: GDP-R Growth forecast of Lejweleputswa and its municipalities, 2010 – 2019



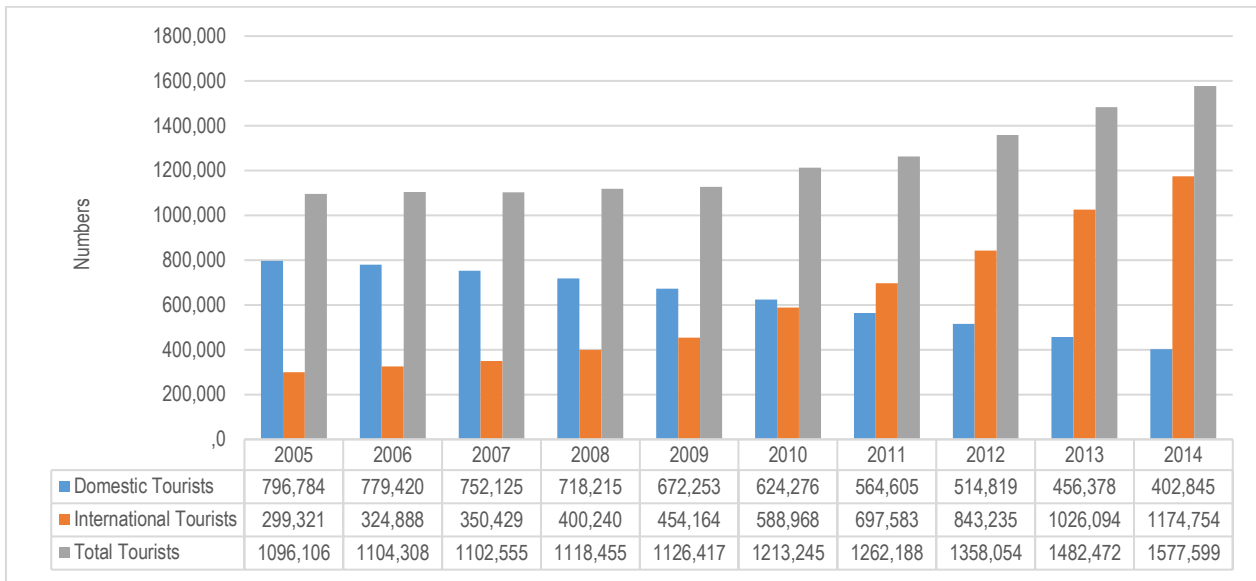
Source: IHS Global Insight Regional eXplorer, 2015

Figure 3.11, illustrates that the forecasted growth rate of Lejweleputswa between 2010 and 2019 mirrors that of Matjhabeng to a certain extent because of its large influence on the District economy. The average forecasted growth rate of -0.8 percent in Lejweleputswa in the forecasted period is influenced by the average forecast of -1.2 percent of Matjhabeng and -1.8 percent of Masilonyana. The influence of the other three municipalities, i.e., Tokologo, Tswelopele and Nala which are expected to grow positively in the forecasted period (0.9%, 1.2% & 0.8%, respectively) have very little impact on the overall outcomes of growth in the District because of their small economic sizes. The expected average growth rate for the three municipalities are Tokologo 0.9 percent, Tswelopele 1.2 percent and Nala 0.8 percent over the forecasted period.

4. Tourism sector

According to United Nations World Tourism Organization (UNWTO) tourism is defined as “comprising the activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes” (2015). In today’s modern world, tourism is a major source of income for many countries, and it affects the economy of both the source and the host and is of vital importance. However tourism in the country is not well defined because it includes a host of other things related to other industries e.g. beverage, bed night and things like food. The importance of tourism is that it creates employment for people with less educational skills. For the purposes of simplicity we will employ bed nights in order to be able to deal with the number of tourists in the province and the District.

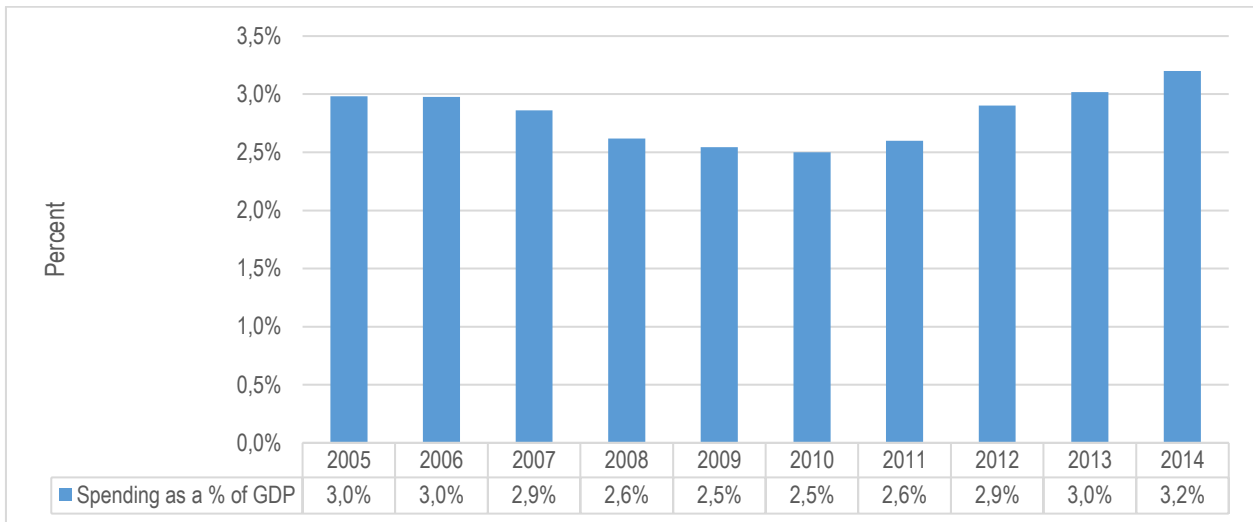
Figure 4.12: Bed nights by origin of tourist



Source: IHS Global Insight Regional eXplorer, 2015

According to figure 4.12, the number of tourists in Lejweleputswa in 2005 were more than a million combined that includes the domestic tourists and the international tourists. The domestic tourists have been on a decline from 796 thousand plus in 2005 to just above 402 thousands plus in 2014. The international tourists started picking increasing just around the soccer world cup in 2010 from 588,968, and catching up with domestic tourists who have been on a continuous decline at 624,276 in 2010. The total number of tourists increased from 1,096,106 million bed nights in 2005 to 1,577,599 million bed nights in 2014 and a growth rate of 43 percentage points between 2005 and 2014.

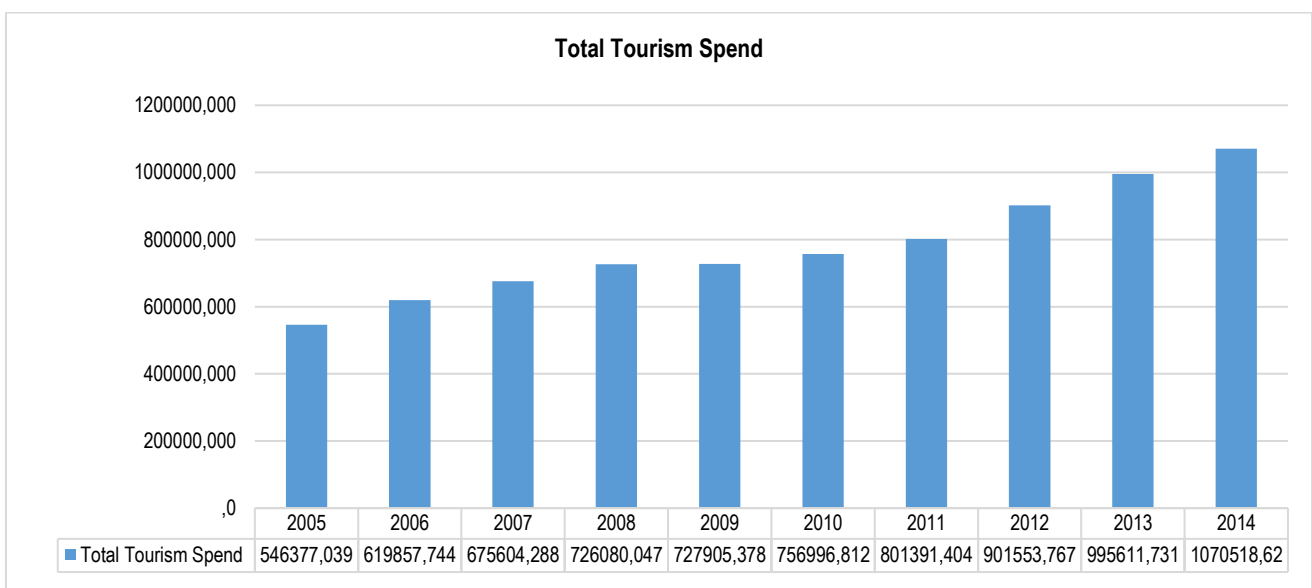
Figure 4.13: Total tourism spending as a percentage of GDP (constant prices 2010)



Source: IHS Global Insight Regional eXplorer, 2015

Figure 4.13, illustrates that tourism spending as a percentage of GDP was 3 percent in 2005 in the district and started to decrease in 2008 from 2.6 percent, to 2.5 percent in 2010, and then started to increase again to 3.2 in 2014. The resultant decline was due to the economic recession in 2008/09 and only started to recover in 2012 to 2.9 percent. Between 2005 and 2007, total tourism spending as a percentage of GDP was above 2.9 percent and it was very much significant considering the small sector in the district. The average tourism spending for the period under review was 2.8 percentage points.

Figure 4.14: Total tourism spend, (R1000, current prices) in Lejweleputswa.



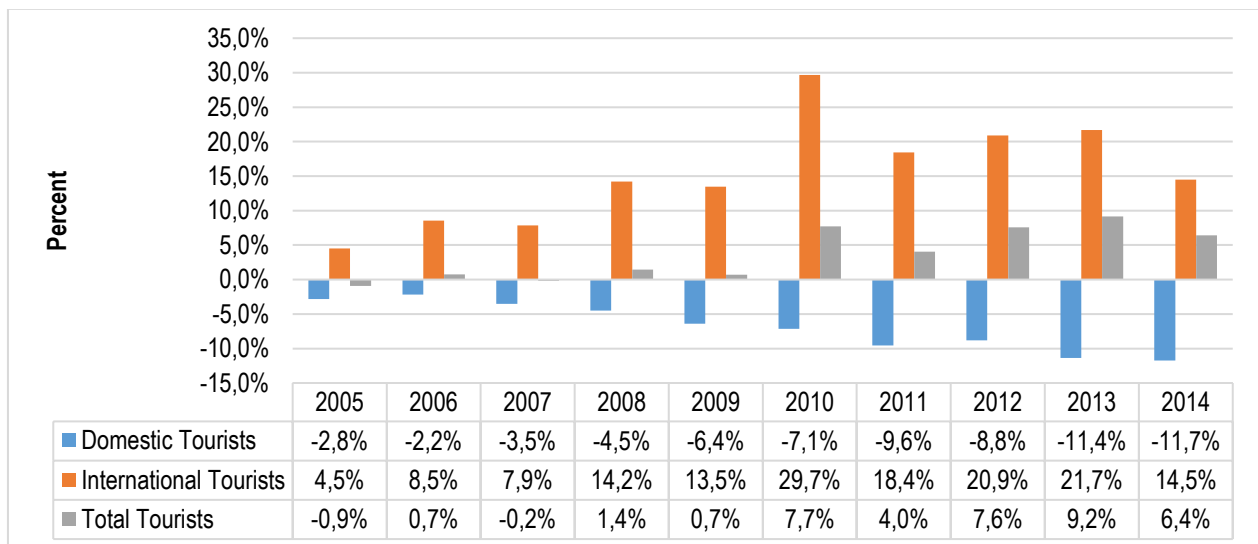
Source: IHS Global Insight Regional eXplorer, 2015

Tourism has many economic benefits which includes the generation of foreign exchange, the creation of new employment especially to those with less skills, stimulation of trade, income and entrepreneurship in the service industry and greater tax revenue to mention some of the few benefits. According to figure 4.14, total tourism spending has generally been increasing from R546 million to R1, 070 million in current prices. Which shows that the spending by tourists at current prices is increasing and the benefits of tourists in the local economy have a multiplier effect.

Growth in tourism

Tourism is one of the major growing industries internationally and countries are doing everything to promote their own countries. Figure 4.15 illustrates that Domestic tourists are declining to a certain extent between 2005 and 2011, which means that they are not growing positively. However what is more promising is the growth of international tourists especially after the 2010 soccer world cup, and they have grown from 13.5 percent in 2009 to 14.5 percent in 2014, an average of 15.4 percentage points between 2005 and 2014 . What is also significant in the tourism industry, which the whole country can benefit from is the rise in China’s middle class, which is a huge potential for our country in relation to good ties the country has with China as a trading partner. South Africa and the province in particular can use the friendship with China in the BRICS Countries to lure them to our country and that can be a great boost in the local tourism industry.

Figure 4.15: Growth in tourism



Source: IHS Global Insight Regional eXplorer, 2015

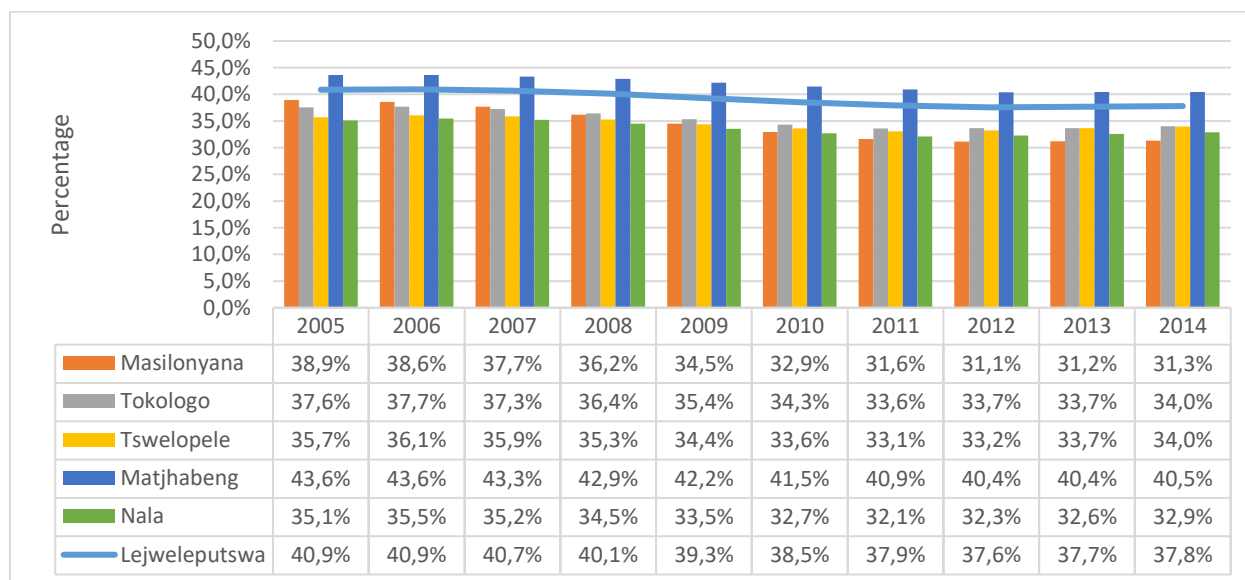
5. Labour market

Employment in Lejweleputswa

Economically active population comprises all persons between the ages of 15 and 64 years of age that are either employed or actively seeking employment (StatsSA, 2015)

Figure 4.16 below illustrates that the economically active population of Lejweleputswa has been declining from 40.9 percent in 2005 to 37.8 percent in 2014, an average decline of -7.6 percentage points with a growth rate -0.87 percentage points over the review period. The highest economically active population in Lejweleputswa's municipalities is Matjhabeng with an average of 41.9 percent and it has been decreasing from 43.6 percent in 2005 to 40.5 percent in 2014. The lowest economically active population in the district is in Nala with an average of 33.6 percent between 2005 and 2014 and is also declining from 35.1 percent in 2005 to 32.9 percent in 2014. The other municipalities in the District namely; Tswelopele, Tokologo and Masilonyana have an average economically active populations of 35.4 percent and 34.4 percent respectively. A lower economically active population can also indicate a higher dependency ratio.

Figure 4.16: Economically Active population as % of total population in Lejweleputswa's municipalities (Official Definition)



Source: IHS Global Insight Regional eXplorer, 2015

Table 4.4 below illustrates that Lejweleputswa's employment is dominated by the community services sector at 20.57 percent followed by trade at 19.35 percent and then mining in third place with a 17.34 percent. The dominance of mining in Lejweleputswa is being eroded slowly

as the sector is facing difficult times. However mining is still dominant in Masilonyana with a 26.87 percent and Matjhabeng with a 21.44 percent, and both are traditional mining towns. Trade, community services sector and household sector plays a major role in the district as the employer, signifying the growing community service sector. Agriculture is also still very important especially in Tokologo with a 38.90 percent and Tswelopele with a 15.98 percent of the total employment in the district.

Table 4.4: Total formal employment by sector as a percentage, 2014.

	Lejweleputsw a	Masilonyan a	Tokolog o	Tswelope e	Matjhaben g	Nala
1 Agriculture	7.51	4.69	38.90	15.98	2.62	21.30
2 Mining	17.34	26.87	2.72	0.92	21.44	1.46
3 Manufacturing	5.40	3.62	2.81	3.28	5.08	11.31
4 Electricity	0.48	0.28	0.11	0.71	0.38	1.34
5 Construction	5.64	9.76	2.03	6.30	5.81	2.83
6 Trade	19.35	13.66	8.56	17.66	20.47	22.22
7 Transport	3.91	2.67	0.83	1.20	4.88	1.72
8 Finance	7.89	8.45	2.67	5.36	8.89	4.99
9 Community services	20.57	16.21	13.31	28.12	20.99	19.29
Households	11.91	13.80	28.07	20.48	9.44	13.53

Source: IHS Global Insight Regional eXplorer, 2015

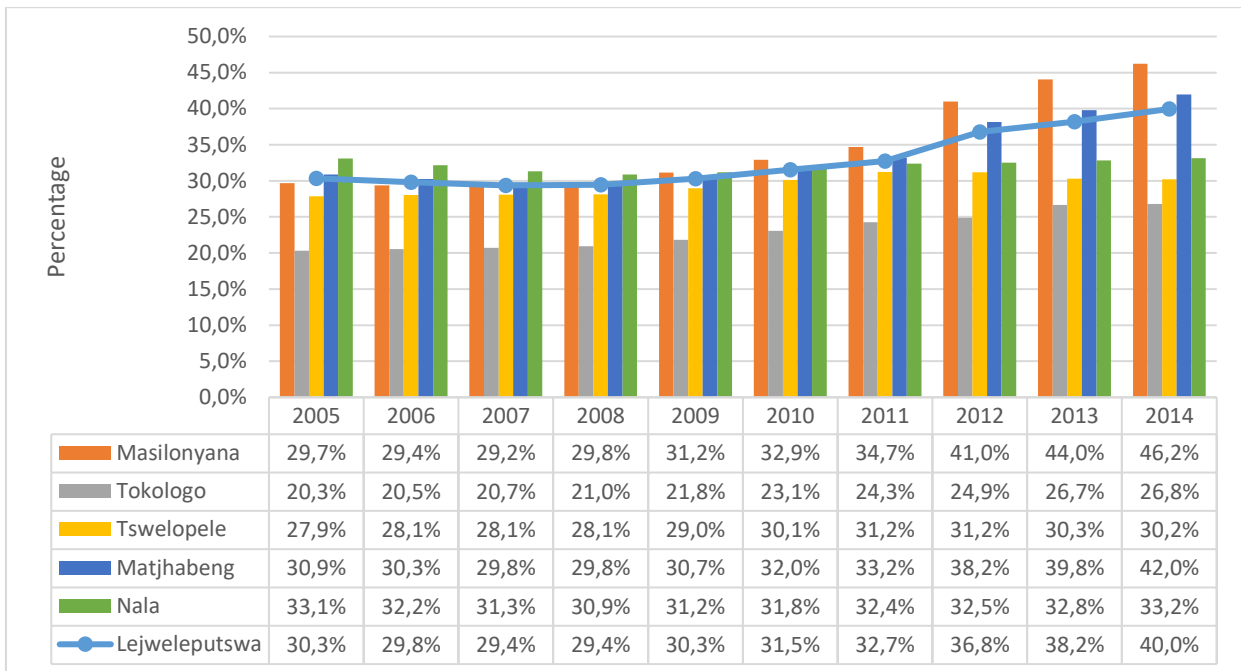
Unemployment rate in Lejweleputswa

Statistics South Africa defines unemployment rate as a measure of the prevalence of unemployment and is calculated as a percentage, by dividing the number of unemployed individuals by all individuals currently in the labour force.

Unemployment rate has increased in Lejweleputswa as illustrated by figure 4.17 below, from 30.3 percent in 2005 to 40 percent in 2014, with an average of 32.8 percent in the review period. The highest rate of the unemployment in the District was recorded in Masilonyana which increased from 29.7 percent in 2005 to 46.2 percent in 2014, an average unemployment rate of 34.8 percent for the municipality. All of Lejweleputswa's municipalities' unemployment rate is increasing, with Matjhabeng recording the second highest unemployment rate after **Masilonyana** (46.2 percent) of 42 percent in 2014 from 30.9 percent in 2005, with an average of 33.7 percent unemployment rate over the review period. The lowest recorded unemployment rate in the District was Tokologo which also increased from 20.3 percent in 2005 to 26.8 percent in 2014, with an average of 23 percent unemployment rate. Part of the unemployment in the

District can be explained by the decline in the mining sector and agricultural sector and the accompanying multiplier effect on other sectors.

Figure 4.17: Total Unemployment rate in Lejweleputswa (Official Definition %)

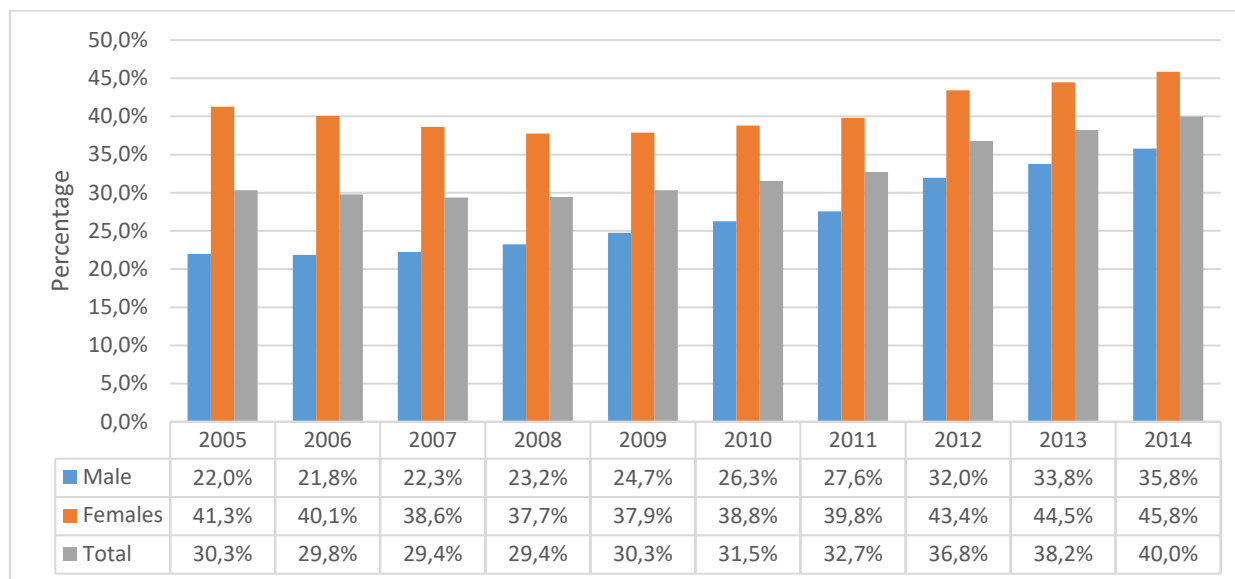


Source: IHS Global Insight Regional eXplorer, 2015

Male and Female unemployment rate

Male and female unemployment is the share of each sex in the unemployment rate of a country or region. Traditionally unemployment rate for women has always been higher for females than for males. This is because males have always been regarded as the providers and females as the receivers. As a result men are more likely to be in paid employment than females regardless of race, females are more likely to be doing unpaid economic work.

Figure 4.18: Male and Female Unemployment rate in Lejweleputswa (Official definition %)



Source: IHS Global Insight Regional eXplorer, 2015

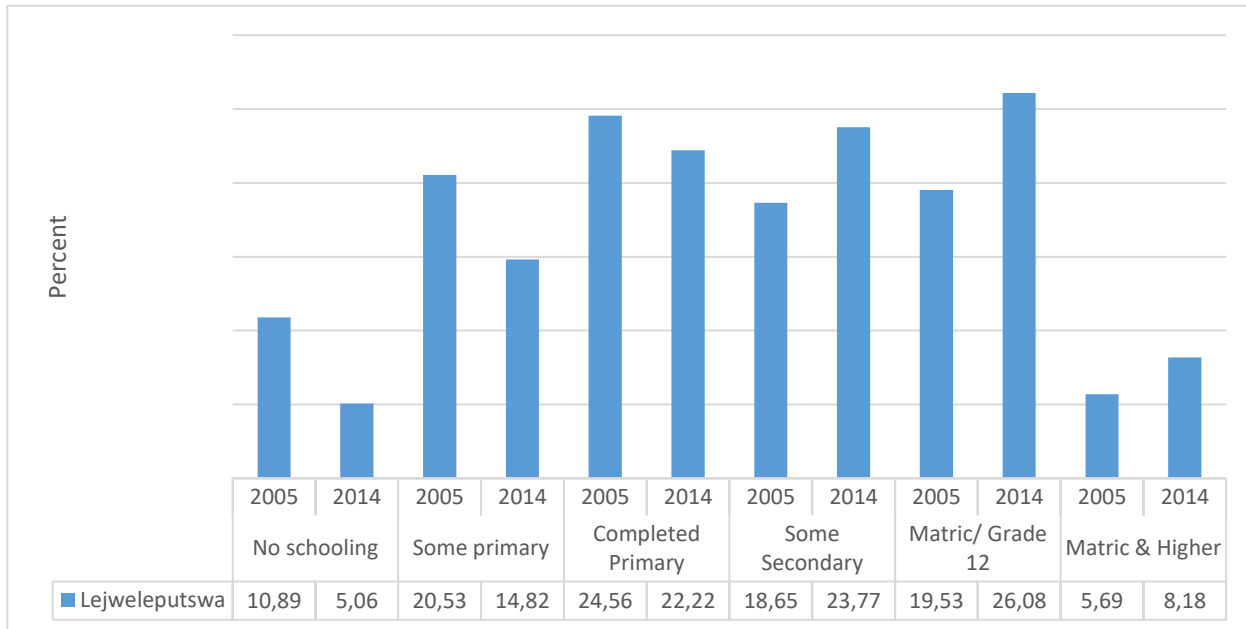
Figure 4.18 depicts a normal historical picture, where unemployment rate for men is lower than that of their female counterparts. The unemployment rate for females has fallen slightly during the 2008/09 recession to 37.7 percent from 41.3 percent in 2005. However after 2009 the female unemployment increased again to 35.8 percent in 2014. The result could signal that females are easily discouraged during times of recession and after the recession they join the labour market again by seeking employment. Unemployment rate for men has remained lower than that of their female counterpart for much of the period under review, starting from 22.0 percent in 2005 increasing to 35.8 percent in 2014. Generally unemployment rate in Lejweleputswa has increased from 30.3 percent in 2005 to 40 percent in 2014, indicating an average growth of 5.6 percentage points for men and an average growth of 1.24 percentage points for females. The average growth simply indicates that unemployment among males is increasing at a faster pace than for females.

6. Education profile

The education profiles of the economically active population in Lejweleputswa.

Education plays a major role in the employment of the economically active population, because many occupations require a certain level of education in order to be eligible for employment.

Figure 4.19: Highest level of Education attained by persons aged 20+



Source:

IHS Global Insight Regional eXplorer, 2015

Figure 4.19, illustrates that the majority of the persons aged 20 years and older are concentrated below matric level in Lejweleputswa with positive increases of persons completing matric. The number of persons with some primary 14.82 percent and completed primary 22.22 percent in 2014, far outweigh the number in other categories. The number of persons with some secondary education were 23.77 percent in 2014, an increase of about 5 percentage points and the number of persons with matric also increased from 19.53 percent to 26.08 an increase of more than 6 percentage points. The figures shows that an estimated 65 percent of the population in Lejweleputswa have an average education below matric, which simply means limited skills with limited employment opportunities. However the number of persons with a higher qualification than matric stood only at 8.18 percent in 2014 a slight increase from the 2005 figures of 5.69 percent. The rest of the municipalities in Lejweleputswa follow a more or less similar pattern.

7. Conclusion.

Overall Lejweleputswa continues to play an important role in the economy of the province, though its importance is declining due to a decline in its economic growth rate of -1.4 percent

on average in the review period of 2005 to 2014. The resultant decline in the district growth rate is as a result of the decline in the mining sector which is the mainstay of the district economy, which declined by an average of 0.3 percent from 2005 to 2014. Growth in the district is expected to decline further by an average of -0.9 from 2010 until 2019 in the forecasted period, due to low commodity prices (expected decline in the mining sector).

Employment creation is relatively low as the labour absorptive sectors, mining and agriculture are forecasted to grow negatively over the forecasted period of up to 2019.

Unemployment is relatively high at 40 percent in 2014 in the district and is expected to increase even further as the labour force grows and the economy struggling to recover.

SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY

The following key service delivery initiatives were rolled out by various departments of Lejweleputswa DM during the 2021/22 financial year:

OFFICE OF THE MUNICIPAL MANAGER

- Development and execution of the RBAP
- The Internal Audit Charter allows the Internal Audit Unit to perform consulting assignments. Significant reviews for the 2017/18 year included: Compliance to mSCOA Regulations. Investigation for Council Committee regarding 2016/17 irregular, unauthorised and fruitless and wasteful expenditure in LDA.
- Effective Performance Management System which follows “SMART” principle system and appropriate measures were taken in enhancing PMS section.

Basic Services

- Road Infrastructure development carried out in Five Local Municipalities.
- LDM implemented EPWP project with a total of 81 work opportunities with the EPWP Integrated Grant.
- 2 Employees were appointed in the Department for successful Execution of LDM's Legislated mandate to Locals.

WASTE MANAGEMENT

- The District has developed a draft Waste Management Policy and By-Laws to apply its mandate as set out in Section 84 of The Local Government: Municipal Structures Act 117 of 1998. The policy is outdated and to be reviewed and adopted by municipality
- Programmes and materials have been compiled to assist the local municipalities on waste diversion from the landfill function.

MUNICIPAL HEALTH

- Informal red meat traders' health and hygiene programme rolled out to informal red meat traders
- Listeriosis outbreak - samples were taken regularly and the disease was contained in the district
- Bird Flu outbreak –Breeding house was closed down and the bird flu virus was contained.
- EHP's Successfully monitored informal food premises, public toilet facilities and waste facilities. Improvement of hygiene standards which can be prescribed to the inspection rates.
- Improvement of water quality (Drinking water and final effluent Waste Water Treatment Plants) in the region.
- Inspections conducted at state owned premises, for example: hospitals, police station etc. were done as a new function that was taken over from the Provincial Health Department.
- EHP's of the LDM were responsible for inspection and monitoring of food preparation activities in all five Local municipalities
- Lejweleputswa District Municipal Health Office received a certificate for rendering outstanding environmental health services during the 2017 -18 Fiscal period and came second in the Country.

FIRE, RESCUE SERVICES and FLEET MANAGEMENT

- In the year 2016/17 Lejweleputswa District Municipality offered training to 12 Firefighters in Local Municipalities. Training was aimed at establishing District Fire fighting Section.
- In 2017/18 Plans of such developments were escalated to the MEC taking into cognizance number of fire incidents which take place within the District
- Lejweleputswa District municipality for the year under review Conducted +/- 8 Fire Campaigns across Municipal District area.

Disaster Management

- Lejweleputswa District Municipality assisted Masilonyana Local Municipality rainfall which caused storms and severe damages to few houses.
- Disaster Contingency and Evacuation plans established and Training to be given all senior staff.
- Flood and drought awareness campaigns were held in collaboration with 8 primary schools in the District Municipal area.
- Lejweleputswa District Municipality, in collaboration with the South African National Roads Agency executed two accident simulations on the N1.
- Over the last 5 years the Lejweleputswa District Municipality through its Cluster meetings has been assisting in building capacity at local authority levels, facilitating formal and informal training sessions.

LDM: ROADS SERVICES

Network Extent	The asset extent reported relates to the total extent of roads and structures identified through field surveys, historical shapefiles/datasets and digitising of aerial/satellite imagery. It is understood that these values may change as further field surveys are made and data becomes available. At completion the asset extent will have been verified through field surveys.
Condition	Progress in terms of road asset condition assessment is made here. This asset condition assessment progress reported should be less than or equal to the asset inventory extent. Condition assessment must be carried out using the relevant TMH guideline.
RCAM Classification Asset Usage	Extent of the identified road network which has been classified according to RISFSA and/or RCAM. The total number of planned traffic counts and the number of traffic counts actually carried out, from those planned, are to be reported here.
Expenditure	The expenditure of the annual grant allocation for the municipal financial year to date and within the reporting quarter are to be input.

CORPORATE-/STRATEGIC SERVICES

Objectives

- Employee well being of Employees through Employee wellness programmes
- Ensuring well developed human capital through Training.
- Ensuring Local Development through Offering Bursaries to Disadvantaged and well deserving youth.
- Finalization of Municipal employee job evaluation

TOURISM

Main objective was to improve sustainable tourism through increasing awareness of tourism attractions and ensure improved infrastructure development.

ICT

- Successful implementation MScoa financial System
- Inadequate Staff to execute IT functions – this issue has being addressed
- Adoption of IT Policies

Legal Services

- Contract management
- The delegation register and the Rules of Order were reviewed.

FINANCIAL SERVICES

- Improvement of Municipal Audit Opinion.
- Improvement of cash and financial position.
- Improvement in cash reserve balances through investments

SUPPLY CHAIN MANAGEMENT

- SCM made use of the National Treasury's central electronic tender bulletin.
- Use of National Treasury's CSD for sourcing quotations
- Majority of the SCM officials completed their certificates.

FINANCIAL HEALTH OVERVIEW

Refer to Section 3 of the annual report for the highlights and challenges of the finance department as contained in the annual performance report.

Financial overview (Old stats) New stats				
Details	Original Budget	Adjustment	Final Budget	Actual Amounts
Grants	R146,987, 000	R135,627	R147,122,627	R142,665,626
Interest Received Trading	R200,000	R0	R200,000	R340,317
Interest Received Investment	R2,850,000	R1,253,330	R4,103 330	R4,706,907
Other Income	R250 000	R21,119	R271,119	R137,650
Gain on Disposal of Assets				
Total Revenue	R150,287,000	R1,410,076	R151,697,076	R147,850,500
Less Total Operating Expenditure	R-176,952,802	R-2,614,633	R-179,567,435	R-160,594,075
Net total	R-26,665,802	R-1,204,558	R-27,870,360	R-12,743,575

*****Old stats : New stats to be updated after Auditing

Operating Ratios	
Detail	
Employee Costs including Councilors remuneration	R113,029,034
Repairs and Maintenance	R401,321
Finance Charges and Impairment	R0

COMMENT ON OPERATING RATIOS**Employee Costs**

The employee related costs are very high and the municipality has applied for Exemptions on yearly increments as an endeavour to control ever increasing salary bill. Management is investigating turn around strategies to decrease this ratio Repairs and maintenance. Municipal resources were inadequate to allocate some to repairs and maintenance.

COMMENT ON OPERATING RATIOS:**Employee Costs:**

The employee related costs are higher than the norm, as the majority of the core functions must have a minimum of employees as stated in legislation to perform the functions.

Repairs and maintenance:

There are limited funding available to allocate to repairs and maintenance. However, repairs and maintenance were done.

The challenge still remains of funding to source the increased maintenance. The main source of income increases 3% which is not aligned to the average CPIX.

Finance Charges and Impairment

No new loans have been taken up for a number of years.

Old statistics

Total Capital Expenditure: 2018/19 to 2021/22 (R'000)				
Detail	2018/19	2019/20	2020/21	2021/22
Original Budget	R4,745,000	R16,300,000	R13,550,000	R13,150,000
Adjustment Budget	R4,995,000	R17,100,000	R14,238,700	R13,150,000
Actual	R2,815,550.22	R4,068,823	R9,963,831	R5,447,154

COMMENT ON CAPITAL EXPENDITURE:

Municipal Capital Expenditure shows that the municipality's financial position has significantly improved and there is an increase in capital expenditure in the past three fiscal periods.

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

The Human Resources Section consists of the following disciplines:

- Human Resource Management
- Employment Equity
- Recruitment and Selection
- Human Resources Administration & Conditions of Service
- Training and Development-
- Labor Relations
- Occupational Health and Safety
- Wellness and Employee Assistance

1.5.1 BACKGROUND AND OBJECTIVE

Lejweleputswa District Municipality is consistent with the constitutional mandate of Local Government, the legislative obligations for Human Resources and the Organisational Strategies, the Human Resources Section regards its mission as dedicating itself to serve and support the organization in achieving its strategic objectives, whilst serving the interest of its employees. To give effect to its mission, HR endeavour to :

- (i) Empower employees towards maximizing their personal potential and deliver on and exceed organizational requirements,
- (ii) Continuously align the HR Strategy with the Organizational Strategy (IDP), Legislative Requirements and Best Practices in the HR field.
- (iii) Champion the cause of our human resource (employees/people) as Lejweleputswa District Municipality's most valuable resource and the key to success in service delivery,
- (iv) Promote and practice "People First Principles", Equity, Fairness, Objectivity and Consistency,
- (v) Actively influence the achievement of an employee corps with high morale, high commitment to organizational goals/values and dedication to public/community service,
- (vi) Commit to professional conduct, promote professional HR management practices and advance the knowledge and proficiency of HR to the benefit of the LDM, and
- (vii) Develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration

BENEFITS OF HR STANDARDS

The vision of the project is to set national HR standards in order to improve the quality of HR work, irrespective of the location of a HR professional, or industry and organizational differences. Ultimately, HR professionalism will be enhanced by reducing inconsistencies in the profession.

The goals of the project are as follows:

- To improve standardised approaches to professional HR practices and thus promoting HR professionalism;
- To develop a national HR scorecard with specific HR measurements and metrics, supported by a National HR Research and Benchmarking Centre;
- To create a National HR Academy with a standardised HR Curriculum;
- To ensure that HR features in integrated reporting;
- To develop a foundation for integrating HR in the King IV Code of Governance.

AUDITOR GENERAL REPORT

AUDITED OUTCOMES

Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Status	Unqualified with matters	Unqualified with matters	Unqualified with matters	Unqualified with matters	Unqualified with matters	Unqualified with matters

STATUTORY ANNUAL REPORT PROCESS

Amendment made in terms of Exemption of section 177(1)(b) of Local Government Municipal Finance Management Act , 2003 (act no 56 of 2003) exempt municipalities and municipal entities from the provision of that act and regulations as set out in the schedule

Nr.	Activity	Time Frame
1.	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	August 2020
2.	Implementation and monitoring of approved Budget and IDP commenced (In-year financial reporting).	Monthly
3.	Finalise the 4th quarterly Report for previous financial year.	August 2022
4.	Submit draft 2021/22 Annual Report to Internal Audit and Auditor-General.	October 2022
5.	Municipal entities submit draft annual reports to MM.	October 2022
6.	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant).	October 2022
7.	Mayor tables the unaudited Annual Report.	October 2022
8.	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	October 2022
9.	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase.	October 2022
10.	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data.	Nov – Dec 22
11.	Municipalities receive and start to address the Auditor General's comments.	November 2022
12.	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report.	January 2023
13.	Audited Annual Report is made public and representation is invited.	February 2023
14.	Oversight Committee assesses Annual Report.	
15.	Council adopts Oversight report.	
16.	Oversight report is made public.	March 2023
17.	Oversight report is submitted to relevant provincial council	
18.	Commencement of draft Budget/IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input.	

CHAPTER 2 GOVERNANCE

INTRODUCTION TO GOVERNANCE

2.1.1. Introduction to Governance

Lejweleputswa District Municipality has, as all other municipalities, essential administrative and other support functions that are not necessarily statutory prescribed, but that are necessary in order for the organization to function. These functions are referred to as support services functions.

Good governance ensures Excellent, Accurate, Effective and Efficient administrative and secretarial/support service to Council, Mayoral Committee, Section 79 and 80 Committees and other standing Committees.

2.1.2. Introduction to Political and Administrative Governance

Lejweleputswa District Municipality Corporate/Strategic Services ensures that Council, Executive Mayoral Committee, Portfolio Committees and other standing Committees meets regularly as per approved Council's meeting schedule.

The directorate ascertains arrangement of special meetings, as and when required to do so. Agendas of all Council and Committee meetings are compiled, produced and distributed to thirty five (35) Councillors, Management and officials. Minutes of all meeting proceedings are recorded and safeguarded for record purposes and future reference.

Lejweleputswa District municipality makes use of Resolution register to keep track of all Council resolutions and its implementation, thereof.

Political Structure



Executive Mayor
Cllr Ntombizodwa Ntakumbana



Speaker
Cllr Nokwanje Leeto

Section 80: Portfolio Committee chairpersons



Cllr V Rooyen
IDP, PMS, Policy Development and Monitoring



Cllr PP Maleka
Corporate Services: Including HR And Legal Services



Cllr MS Baleni
Municipal Infrastructure Services



Cllr BA Kadi
Community Services



Cllr MJ Meli
Economic, Small Business and Rural Development: Including Agriculture and Tourism









Cllr D Kotzee
Finance: Including Budget & Treasury



Cllr SE Tsuinke
Environmental Health Services & Disaster Management : Including Fire Fighting

2.1.3. COMPOSITION OF COUNCIL

Lejweleputswa District Municipality consists of 39 Councillors

ANC	DA	EFF	FF+	ISANCO	ADEC
					
22	8	5	1	2	1

COMPILATION OF COUNCIL

Proportional	Matjhabeng Municipality	Tswelopele Municipality	Nala Municipality	Masilonyana Municipality	Tokologo Municipality
23	15	2	3	2	1

Political Party	Name of Councillor	Representing
1. ANC	Cllr NV Ntakumbana	LDM Executive Mayor
2. ANC	Cllr NS Leeto	LDM Speaker
3. ANC	Cllr SE Tsuinke	Chairperson of Municipal Health Service & Disaster Management :Fire Fighting
4. ANC	Cllr V Rooyen	Chairperson of IDP PMS Policy Development and Monitoring
5. ANC	Cllr PP Maleka	Chairperson of Corporate Service :HR and Legal
6. ANC	Cllr MJ Meli	Chairperson of Economic Small Business and Rural Development : Agriculture & Tourism
7. ANC	Cllr BA Kadi	Chairperson of Community Services
8. ANC	Cllr D Kotzee	Chairperson of Finance (Budget and Treasury)
9. ANC	Cllr MS Baleni	Chairperson of Municipal Infrastructure
10. DA	Cllr PF Botha	Member of Portfolio Committee
11. DA	Cllr AJJ Kruger	Member of Portfolio Committee
12. DA	Cllr MJ Kose	Member of Portfolio Committee
13. EFF	Cllr LE Khetsi	Member of Portfolio Committee
14. EFF	Cllr MI Lentsa	Member of Portfolio Committee

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15. ANC	Cllr PE Maile	Member of Portfolio Committee
16. ANC	Cllr M Moeti	Chairperson of MPAC
17. ANC	Cllr JS Mabitla	Member of Portfolio Committee
18. ANC	Cllr PV Nthuba	Member of Portfolio Committee
19. ANC	Cllr NP Nkone	Member of Portfolio Committee
20. ANC	Cllr V Sotenjwa	Chairperson of Woven Caucus
21. ANC	Cllr IP Mphore	Member of Portfolio Committee
22. ANC	Cllr MJ Twala	Member of Portfolio Committee
23. DA	Cllr A. Styger	Chairperson of Disciplinary and ethics Committee
24. DA	Cllr SE Putsoenyane	Member of Portfolio Committee
25. ANC	Cllr MG Fosi	Member of Portfolio Committee
26. DA	Cllr C Malherbe	Member of Portfolio Committee
27. FF +	Cllr M Pienaar	Member of Portfolio Committee
28. EFF	CllrMT Macingwane	Member of Portfolio Committee
29. ANC	Cllr BH Mkhondwani	Member of Portfolio Committee
30. ANC	Cllr MM Molutsi	Member of Portfolio Committee
31. DA	Cllr MM Snyder	Member of Portfolio Committee
32. ANC	Cllr T Molale	Member of Portfolio Committee
33. ADEC	Cllr LJ Maile	Member of Portfolio Committee
34. EFF	Cllr A Dyantyi	Member of Portfolio Committee
35. ANC	Cllr NW Speelman	Chairperson of Rules Committee
36. EFF	Cllr IS Mokotedi	Member of Portfolio Committee
37. DA	Cllr TW Letlhake	Member of Portfolio Committee
38. ISANCO	Cllr ME Mahlaku	Member of Portfolio Committee
39. ISANCO	Cllr BM Bale	Member of Portfolio Committee

2.1.4 RACE AND GENDER REPRESENTATION IN COUNCIL

During the year under view, political parties were represented as follows:

Note: A = Africans, C = Coloured, I = Indians and W = Whites

Political Party	Male				Female				TOTAL
	A	C	I	W	A	C	I	W	
African National Congress (ANC)	13	0	0	0	9	0	0	0	22
Democratic Alliance (DA)	1	0	0	5	1	0	0	1	8

EFF	3	0	0	0	2	0	0	0	5
Ff+	0	0	0	0	0	0	0	1	1
ISANCO	1	0	0	0	1	0	0	0	2
ADEC	1	0	0	0	0	0	0	0	1
TOTAL	19	0	0	5	13	0	0	2	39

Number of Meetings Held

Types of Meetings	No of Meetings	Number of Members per Portfolio	Agendas Distributed per Sittings
Council Meetings	9	50	450
Mpac Meetings	18	6	108
Corporate services Portfolio Committees	4	14	56
Finance Portfolio Committees	4	13	52
Led Portfolio Committees	4	12	48
Public Participation Committee	1	11	11
Municipal Health Services	3	11	33
Sports, Arts, Culture and Recreation Portfolio Committee	1	9	9
Special Programmes Portfolio Committees	1	12	12
Municipal Support and Infrastructure Portfolio Committees	1	10	10
Mayoral Committees	9	16	144
Rules Portfolio Committee	1	10	10
Language and Public Places	1	2	2
Ethics and Disciplinary Committee	1	6	6
IDP, Pms Policy development and Monitoring Portfolio Committee	4	6	24
Total	53		975

2.1.5 EXECUTIVE MAYORAL COMMITTEE

The Executive Mayor is at the centre of the system of governance; therefore executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. (Refer to Section 60 of the Structures Act).

Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in consultation with the Mayoral Committee. The Mayoral Committee is chaired by the Executive Mayor.

Name and Portfolio of each member of the Mayoral Committee for 1 July 2021 - 30 June 2022:

Name of Member	Capacity
Cllr KVV Rooyen	IDP, PMS, Policy Development & Monitoring
Cllr MS Baleni	Municipal Infrastructure
Cllr D Kotzee	Finance Including Budget and Treasury
Cllr BA Kabi	Community Services
Cllr MJ Meli	Small Economic, Small Business & Rural Development: Agriculture and Tourism
Cllr SE Tsuinke	Municipal Health Services & Disaster management Including Fire Fighting
Cllr PP Maleka	Corporate Services Including HR and Legal Services

2.1.6. COMMITTEES

The Municipal Structures Act allows a municipal council to establish two types of committees - Section 79 and Section 80 Portfolio Committees.

Section 79 Committee, also known as council committees, meet every second month and report their oversight outcomes to Council, via the MAYCO. Lejweleputswa DM has the following Section 79 Committees:

- MPAC
- Training & Development
- Occupational Health & Safety
- Local Labour Forum; and
- Disciplinary Committee.

Section 80 Portfolio Committees meet on a monthly basis to discuss matters referred to them and to make suitable recommendations to the MAYCO. Members are appointed to assist the Executive Mayor with his/her duties. Lejweleputswa District Municipality has the following Section 80 Committees:

- Road Infrastructure
- Financial Services
- Community Services
- Municipal Health Services & Disaster management: Fire Fighting
- Small Economic, Small Business Rural Development: Agriculture and Tourism
- Corporate Services
- IDP, PMS, Policy Development & Monitoring

2.1.7 SECTION 79 AND 80 COMMITTEES

SECTION 80 COMMITTEES			
Committee	Functions	Chairperson	Executive Manager
Municipal Infrastructure	Roads Infrastructure	Cllr SE Tsuinke	Mr YM Kupiso
Financial Including Budget And Treasury	Income and Expenditure, Supply Chain, BTO, Revenue Management, Asset Management, Stores, Financial Statements, GRAP Statements	Cllr D Kotzee	Mr PK Pitso
Community Services	Sport	Cllr BA Kabi	Mr YM Kupiso
Small Economic, Small Business Rural Development: Agriculture and Tourism	Local Economic Development through Training of Smmes, Agricultural Cooperatives Development and Tourism Promotion	Cllr MJ Meli	Mr ML Makhetha
Municipal Health Services & Disaster management: Fire Fighting	Municipal Environmental Protection and Disaster Management	Cllr SE Tsuinke	Mr YM Kupiso
Corporate Services Including HR and Legal Services	Human Resource Development, Support services. Access Control), Committee Services, Legal Services, Gender / Disability related matters.	Cllr PP Maleka	Me LM Mahlangu
IDP, PMS, Policy Development & Monitoring	IDP, Performance management System	Cllr KVV Rooyen	DF Maselwa/ S Musapelo

2.1.8. Section 79 Committees

Committee	Chairperson	Other political representation	Unions
MPAC	Cllr M Molefi (ANC)	Cllr NW Speelman(Anc), Cllr NP Nkone (Anc), Cllr IP Mphore(Anc), Cllr BN Mkhondwane (Anc), Cllr V Sotenjwa (Anc), Cllr MG Fosi(Anc), Cllr AJJ Kruger(Da), Cllr MT Macingwane (Eff) , Cllr M Pienaar (FF+), Cllr A Styger (DA) Cllr BS Ramosie(ISANCO) Cllr LJ Maile(ADEC)	
Rules Committee	Cllr NW Speelman (ANC)	Cllr IP Mphore (Anc), Cllr NP Nkone(Anc), Cllr V Sotenjwa (Anc), Cllr A Styger(Da), Cllr IS Mokoteli (Eff) ,	
Disciplinary and Ethics Committee	A Styger(Da)	Cllr MJ Twala (Anc), Cllr TW Letlhake (Da), Cllr MM Molutsi (Anc), M Pienaar (FF+), M Molefi (Anc)	
Public Participation	Cllr Masina (Anc)	Cllr NV. Ntakumbana(Anc), Cllr V Qabela (Anc), Cllr KV Van Rooyen (Anc) Cllr BP Eseu (Anc), Cllr GK Magomo (Anc), Cllr NE Monjovo (Anc), Cllr MS Ntlhakeng (DA), Cllr EJ Jacobs (DA), Cllr PD Malakoane (EFF), Cllr SDMT	

2.1.8 POLITICAL DECISION-MAKING PROCESS

Step 1	Executive Managers	Submit Reports to Portfolio Committee
Step 2	Council Committees	For notice and/or Recommendations
Step 3	Mayoral Committee	Recommendation
Step 4	Council	Approve / Consider
Step 5	Executive Manager	Execution

All decisions taken by Committees or Council are listed on municipal Resolution Register for Implementation.

2.2 ADMINISTRATIVE GOVERNANCE

2.2.1 INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager is regarded, in terms of legislation, as the head of administration and is responsible and accountable for the management of the municipality's administration. The Accounting Officer must at all times act with fidelity, honesty, integrity and in the best interests of the municipality in managing its financial affairs.

The Management team comprises of the following officials:

Municipal Manager	Me PME Kaota
Executive Manager: Corporate Services	Me L Mahlangu
Executive Manager: Financial Services	Mr PK. Pitso
Executive Manager: Local Economic Development	Mr LM Makhetha
Executive Manager: Basic Services	Mr YM Kupiso

In order to ensure that administrative governance is enforced and elevated, a number of departmental structures have been put in place viz;

- Senior Management meetings (Exco);
- Middle Management meetings
- Operation Clean Audit
- Departmental Management meetings.

The administration ascribes to the Batho Pele Principles and the values are contained in the vision and mission of the Municipality. The administration has also implemented an Anti-Fraud & Anti-Corruption Hotline during February 2014, which is aimed at fostering a clean administration and enhancing a code of ethics and good governance.

Senior Management is continuously striving at elevating the corporate culture of the administration, by inculcating corporate values, high levels of integrity and professionalism.

TOP ADMINISTRATIVE STRUCTURE



Me PME Kaota
Accounting Officer



Mr PK Pitso
Chief Financial Officer



Mr L Makhetha
Director: LED



Me LJ Mahlangu
Director: Corporate Services



Mr YM Kupiso
Director: EHS

Performance Agreement Status		
Name of official	Department	Performance Agreement Signed? Y/N
Me PME Kaota	Municipal Manager	Yes
Me LJ Mahlangu	Corporate Services	Yes
Mr PK Pitso	Financial Services	Yes
Mr ML Makhetha	Local Economic Development	Yes
Mr YM Kupiso	Basic Services	Yes

2.3. COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTERGOVERNMENTAL RELATIONS

2.3.1 INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Lejweleputswa DM, via the utilisation of its Intergovernmental Relations function and established functions, seeks to achieve the following:

- To promote horizontal and vertical partnership building towards coherent governance for the effective provision of municipal services and the realization of national priorities;
- Co – ordinate and partake in district, provincial and national intergovernmental structures;
- The implementation, reporting and monitoring of the Back – to Basics – Programme;
- To co-ordinate and facilitate good relationships with municipalities and Provincial and National spheres of government;
- To ensure that internal departments and sections build strategic developmental partnerships with their technical counterparts;
- To co-ordinate the sharing of best practices, knowledge and information amongst municipalities; and
- To enhance both municipal human and financial resources capacity, leading to improved municipal service delivery.

2.3.2 PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The major structure envisaged to promote and facilitate intergovernmental relations between the provinces and local governments in the province is the Premier's Intergovernmental Forum. Lejweleputswa District Municipality actively participates on various provincial intergovernmental structures. In this regard there is direct engagement on a political and senior management level with regard to the following provincial structures:

District IDP Managers' Forum, LED Managers' Forum, Chief Financial Officer's forum, Intergovernmental Political Forum. Intergovernmental Technical Forum, Mayor's forum

Through this process, all agenda settings and engagement matters relating to Lejweleputswa District Municipality and local municipalities in its area of jurisdiction are elevated to a provincial level. The under – mentioned meetings are held Quarterly

- Provincial IDP forums
- Provincial IDP assessment Panel
- Provincial LED Forums
- Provincial Disaster Management Forums
- Provincial Performance Management meetings

Reason for attendance

- To attain guidance to municipal planning process
- To report on district s planning process
- For attainment of financial support and technical support on municipal ldp and public participation
- To ensure alignment of Policies with National and Provincial sector
- & For identification of Capacity gaps, training and development

2.3.3 Relationship with Municipal Entities

Below is various internal municipal platforms utilised by both Lejweleputswa district municipality and Lejwe leputswa development urgency to enhance accountability.

- Management Committee
- Council's Section 79 and Section 80 Committees
- Mayoral Committee
- Municipal Public Accounts Committee (MPAC)
- Audit Management Committee
- Budget Steering Committee
- Training and Development Committee

2.3.4 DISTRICT INTERGOVERNMENTAL STRUCTURES

Lejweleputswa District Municipality as a custodian of inter-governmental relations structures in the district has facilitated the establishment of the following 11 forums for better coordination with the five local municipalities. The Executive Mayor of Lejweleputswa District municipality envisaged the significance of IGR Political especially with regard to information sharing with local municipality and district's playing its oversight role

Forum Name	Does it have a TOR?	Is Forum Active	Frequency of Meeting	Purpose of forum	Composition of Forum	Chairperson
Mayors Forum	Yes	Yes	4	Both Local And District Executive Mayors and Locals meet to engage on Governance	1) District Mayor 2) 5 Local municipalities' Executive Mayors	District Mayor: Cllr Ntombizodwa Ntakumbana
Speakers Forum	Yes	Yes	4	To identify and implement programs	1) District Speaker 2) 5 Local Municipalities' Speakers	District Speaker: Cllr Nokwanje Leeto
Municipal Managers Forum	Yes	Yes	4	For discussions of matters of Municipal interest	1) District Municipal Manager 2) 5 Local Municipalities' Accounting Officer	District Municipal Manager: Me Palesa Kaota
IDP Managers Forum	Yes	Yes	4	It's a Platform of engagement by IDP managers to discuss IDP processes and alignment between District and Locals	1) District IDP Manager. 2) 5 Local municipalities' IDP managers and Cogta members	Mr Silone Musapelo District IDP Manager
LED Managers Forum	Yes	Yes	4	LED practitioners of both District and Local engage in ways to improve projects and stimulate local	1) District LED Manager. 2) 5 Local municipalities' LED managers	Mr Thamsanqa Skele District LED Manager
Internal Audit	Yes	Yes	4	Internal Auditors of Both District and Locals meet to engage on ways to improve Audit, AG's audit Finding and exchange Ideas on Best Audit Practices	1) District Internal Audit Manager. 2) 5 Local municipalities' Internal Audit managers	Andre Bester

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Performance Management Forum	Yes	Yes	4	Performance Managers of Both District and Locals meet to engage on ways to improve Performance System, reporting , AG's and Performance Findings.	1) District Performance Manager 2)5 Local municipalities' Internal Audit managers and Cogta	D F Maselwa
IGR Technical	Yes	Yes	4	Officials of Both Local Municipality and a District meet to discuss issues of intergovernmental relations and best practices	District Officials and Locals	Me Palesa Kaota
Waste Management Forum	Yes	Yes	4	To discuss waste management matters	Provincial waste managers, District waste managers and Local municipalities' waste managers.	Mr Louis Vollchenk
Disaster Management Forum	Yes	Yes	4	To discuss disaster related issues	Provincial Disaster managers, District disaster managers and Local municipalities' disaster managers	Mr Sibonda Nzume
Labor Relations Forum	Yes	Yes	4	Labor related Issues	Management and Employee representatives	Clllr Phindiwe Maleka

COMPONENT C: PUBLIC ACCOUNTABILITY

Overview of Public Accountability and Participation

MSA section 15 (b) requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16 (i) states that a municipality must develop a system of municipal governance that complements formal representative governance with a system of participatory governance. Section 18 (i) **(d)** requires a municipality to supply its community with information concerning municipal governance, management and development.

The participation outlined above is required in terms of:

- the preparation, implementation and review of the IDP;
- the preparation, implementation and review of the municipal SDF;
- the drafting of the municipal budget;
- strict adherence to Section 27 of the Municipal Systems Act;
- MPAC and APAC oversight committee;
- notifying the public on council meetings;
- publication of Performance Agreements on the municipal website;
- Supply Chain Management procedures and processes;
- the development, implementation and mitigation of municipal risks through a risk register;
- implementation of iComply Eunomia to ensure legislative compliance;
- the municipal Annual Report;

2.4 IDP PARTICIPATION & PERFORMANCE ALIGNMENT

IDP Participation and Alignment Criteria	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26, Municipal Systems Act 2000	

COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships amongst the many stakeholders involved and the goals for which the institution is governed.

2.5 RISK MANAGEMENT

2.5.1 GOOD GOVERNANCE: RISK MANAGEMENT

To maintain an overall positive perception of the municipality and confidence in the municipality from the public and other stakeholders, well planned goals and objectives should be coordinated and achieved within the district. Lejweleputswa DM has instituted Risk Management as a systematic and formalised process in order to identify, assess, manage and monitor risks which effectively ensures achievement of those planned goals and objectives. Thus, Risk management is essentially a good governance measure instituted to ensure the municipality accomplishes its vision, mission and strategic plans.

Risk refers to a beneficial or unwanted outcome, actual or potential, to the organisation's service delivery and other performance objectives, caused by the presence of risk factors. A risk factor is seen as any threat or event which creates, or has the potential to create risk, i.e. it is the root cause of the risk. The occurrence of these risks would be an example of a factor that could hamper service delivery. Some risk factors also present upside potential, which management must be aware of and be prepared to exploit. Such opportunities are encompassed in this definition of risk.

2.5.2 BENEFITS OF RISK MANAGEMENT

Risk management is a valuable management tool which increases an institution's prospects of success through minimising negative outcomes and optimising opportunities.

Instituting a system of risk management may have the following beneficial outcomes for Lejweleputswa DM:

- More sustainable and reliable delivery of services;
- Informed decisions underpinned by appropriate rigour and analysis;
- Achievement of strategic goals as set out in the Integrated Development Plan;
- Reduced waste;
- Prevention of fraud and corruption;
- Better value for money through more efficient use of resources; and
- Better outputs and outcomes through improved project and program management.

2.5.3 LEGISLATIVE REQUIREMENTS

Sections 62(1)(c)(i) and 95(c)(i) of the MFMA specifically require Accounting Officers to ensure that their municipalities and municipal entities have and maintain effective, efficient and transparent systems of risk management.

2.5.4 THE RISK MANAGEMENT PROCESS

The risk management process is the basic structure that guides the entire risk management unit and consists of 8 vital steps:

- Step 1: Internal Environment** the municipality’s internal environment is the base of all other components of risk management and needs to be thoroughly assessed.
- Step 2: Objective Setting** – this is a precondition to event identification, risk assessment and risk response. There must first be objectives before management can identify risks to their achievement and take necessary actions to manage the risks.
- Step 3: Event identification** – as part of event identification management recognises that uncertainties exist, but does not know when an event may occur, or when its outcome should occur.
- Step 4: Risk Assessment** – management considers the mix of potential future events relevant to the municipality and its activities. This entails examining factors including the municipality’s size, complexity of operations and degree of regulation over its activities that shape the municipality’s risk profile and influence the methodology it uses to assess risks. Individual risks are assessed on inherent and residual levels, and on impact and likelihood of occurrence.
- Step 5: Risk Response** – this involves identifying and evaluating possible responses to the risks identified. Evaluation of likelihood and impact of risks is done then plotted on the following graph (which is used to categorise risks as low, medium or high) in order to gauge the type of response needed.

Graph: Risk Response required according to impact and likelihood.

Medium Risk	High Risk
Share (Insurance)	Avoid & Reduce (Control)
Low Risk	Medium Risk
Accept (Risk Appetite)	Reduce (Control)

Likelihood

Step 6: Control Activities – three types of control activities are recognised in risk management. These are preventative controls (striving to eliminate the occurrence of certain risks), detective controls (striving to identify and bring attention to risks that have already occurred or materialised), and corrective controls (striving to counteract the effects of risks that have already occurred or materialised).

In order for activities and operations to run effectively and efficiently LDM must optimally distribute its resources according to significance of those activities and operations.

Step 7: Information and Communication – information should be delivered to personnel in a form and timeframe that enables them to carry out their risk management and other responsibilities.

Step 8: Monitoring – risk management operates in an ever-changing and dynamic environment.

Management needs to regularly determine whether the functioning of each risk management component continues to be effective.

It should be noted that the below risks were identified during the annual risk assessment and has not been approved by council yet.

As at 30 June 2019, the top 7 risks to the municipality

No.	Risk Group	Risk	Cause of risk (root cause)
1.	Ensure Financial Sustainability.	Loss of Assets.	Theft of assets, Theft of fire vehicles prohibiting service delivery.
2.	Promote good Governance	Failure to properly execute the Individual and Organizational Performance	Capacity constraints, Lack of cooperation from departments, Incomplete performance updates and evidence files.
3.	Ensure Financial Sustainability	Failure to implement mSCOA (AFS)	Reluctance to adapt to change. Limited understanding of staff. Negatively affecting business processes . Significant costs of system implementation. Insufficient support by service provider.

As at 30 June 2020, the top 7 risks to the municipality, in no particular order			
No.	Risk Group	Risk	Cause of risk (root cause)
			Loss of clean audit report, work load impair mSCOA implementation due to capacity constraints.
6.	Ensure Financial Sustainability.	Lack of / insufficient revenue.	Lack of accountability and responsibility. Economic realities.
7.	Ensure Financial Sustainability	Do not have the resources to effectively implement projects.	Inadequate Grants for a District to execute its main powers and functions.

RISK MANAGEMENT: ACCOMPLISHMENTS AND THE WAY FORWARD

Risk management remains an ongoing process and an important factor in change management in Lejweleputswa DM. Also, best practices are being formulated and evaluated within the field of risk management on a provincial level on a continuous basis. The Lejweleputswa District Internal Audit and Risk Management Forum was established which includes all B Municipalities in the district. This allows all members to give constructive inputs into risk discussions that affect the whole district. mSCOA implementation for municipalities was a big challenge but most municipalities curbed this momentous change in legislation and are moving forward with great strides.

Risk Champions are involved in the identification of risk and the input of controls within their respective departments. Full circle communication is yet to be established and the communication gap with the mitigation of risks within LDM is still a problem.

2.6 ANTI-CORRUPTION AND FRAUD

Section 83(c) of the Municipal Systems Act (MSA) refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), Section 112(1) (m) (i) identifies supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) (b) of the MFMA further states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system, to minimize the likelihood of corruption and fraud.

2.6.1 LDM ANTI-FRAUD AND ANTI-CORRUPTION STRATEGY

Lejweleputswa has established its own Anti -fraud and Corruption which is handled by Risk Management Section in the Office of the Accounting Officer. The policies and Plans for Anti -Corruption and Fraud were reviewed by municipal Council in 2016/17.

2.7 SUPPLY CHAIN MANAGEMENT

- Lejweleputswa District Municipality's supply chain maturity has evolved to become more stringent to statutory financial compliance and this can be clearly witnessed in the Municipal Audit report. In the Fiscal period under review Lejweleputswa's supply Chain Management had minor issues with the municipality getting an Unqualified Audit Opinion. It is a norm that financial maladministration issues such unauthorised expenditure, irregular and wasteful expenditure and fruitless expenditure emanate from supply Chain. Lejweleputswa District municipality has taken a stance in supply chain management in ascertaining that goods procured are in a manner that's fair, equitable and cost effective.
- Developed internal Control systems by our Internal Audit section, ranging from sourcing of quotations to facilitation of procurement through a variety of tender processes played a very important role.
- Supply chain management personnel were capacitated to enable them to execute their responsibilities appropriately and in accordance to supply chain management rules and regulations. Free State National Treasury played a major role not only in training but through securing very competent service providers in executing these function.
- 2017/18 financial year has seen new reforms being introduced and implemented, a good indication that supply chain management is continuously evolving and keeping in line with international trends on good corporate governance.
- 1st of July 2017 brought into effect the use of the National Treasury's Central Supplier Database, an exciting innovation that is intended to reduce the burden of doing business between Public Sector and Private Sector. Government initially had placed the responsibility of Maintenance of a supplier or vendor database with each and every individual institution and that meant for any entity that had services to offer it had to register on the individual databases of each institution. The process was not just cumbersome in itself but redundant and costly as the same documents had to be lodged with each institution. Any amendment in those details had to undergo the same process. Central Supplier Database has done away with such and provided the business sector one entry point to the entire government. This

initiative has been seen as a milestone in government interventions and innovations and not only has it reduced the cost and administrative process but it has provided the business fraternity an exponential exposure to all of government business.

- In addition to the National Treasury Central Database, was the introduction of e-tender portal, all public institution are now required to publish all their tenders on e-tender, thus making it easy and accessible to all service providers. Not only is it making publication of tenders to be easily accessible to all at one central location, but it also save the public the cost and time of having to go through various publications to identify potential business. We trust that such innovations can only increase the level of satisfaction and public trust in dealing with government.

2.7.1 SUMMARY OF BEE COMPANIES DIFFERENTIATING BETWEEN CAPITAL AND NON-CAPITAL ITEMS FOR FORMAL TENDERS

Capital projects exceeding R 1 000 000				
Type	Total number of tenders awarded for the year	Total No. of companies with BEE Certificates to whom tenders were awarded	Total No. of companies without BBE Certificates to whom tenders were awarded	Percentage of BEE Certified Companies
GOODS	2	2	0	100%

Capital projects less than R 1 000 000				
GOODS	1	1	0	100%

Non-Capital Projects (Less than R 1 000 000)				
Type	Total number of tenders awarded for the year	Total No. of companies with BEE Certificates to whom tenders were awarded	Total No. of companies without BBE Certificates to whom tenders were awarded	Percentage of BEE Certified Companies
GOODS	1	1	0	100%

2.7.2 THE WAY FORWARD

Section 217 of the Constitution of the Republic of South Africa, 1996, When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods and services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost effective. Subsection 1 does not prevent the organs of state or institutions referred to in that subsection from implementing a procurement policy providing for, categories of preference in all allocation of contracts and the protection of advancement of persons, or categories of persons, disadvantaged by unfair discrimination.

Supply Chain Management is no longer just about procurement, it has evolved to become a key strategic tool to any public sector entity that seeks to realise much more than just goods and services. Supply Chain Management within public sector remains at the heart of much discussion whether as a key driver for economic empowerment, transformation or under the scrutiny of public as a fertile ground for corruption and maladministration. Proper strategic planning has to be embedded in public sector practise to ensure that government can live up to the promises of section 217 of the constitution of the South African Republic.

Economic empowerment, sustainable development and growth will not take place if all sectors of society do not share in the same vision. The revision of the Preferential Procurement Regulation 2011 to 2017, can only translate that regulations and institution need to actively participate in the economic and empowerment process willingly without government enforcing stricter reforms to achieving these objectives.

Council endeavours to create an economic buzz in this region that will ensure growth and sustainability in the long term. Having a Policy and system that enforces fairness, equitability, transparency, competitiveness and cost effectiveness as a means for obtaining value for money and local economic development is an objective we seek to achieve. Public confidence in the manner that Council executes its mandate is of paramount importance and council will ensure through its financial systems that Lejweleputswa District Municipality is forever synonymous with excellent corporate governance.

2.8 MUNICIPAL WEBSITE

Section 75 of the Municipal Finance Management Act requires municipalities to place key documents and information on their website, including the IDP, the	Yes/No
Current annual and adjustments budgets and all budget-related documents (2021/22)	Yes
All current budget-related policies for the 2021/22 budget	Yes
The annual report for 2020/21	Yes
The annual report for 2021/22 to be published	March 2023
All performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2020/21) and resulting scorecards	Yes
All supply chain management contracts above a prescribed value	Yes
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	Nothing disposed
Contracts agreed in Year 1 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Yes
Public-private partnership agreements referred to in section 120 made in Year 1	No
All quarterly reports tabled in the council in terms of section 52 (d) during Year 1	Yes

1. INTRODUCTION

The Audit Committee of Lejweleputswa District Municipality (“the Committee”) herewith presents its Annual Report on activities performed during the 2021/2022 financial year.

The Committee, as an independent advisory committee appointed by Council, has been established in terms of the provisions of section 166 of the Local Government: Municipal Finance Management Act No. 56 of 2003 (“MFMA”) as well as section 79 of the Local Government: Municipal Structures Act No.117 of 1998 (“MSA”).

The Committee was appointed from the 1st of June 2020 and will conclude its term of 3 years on the 31st of May 2023. In accordance with good governance prescripts, the Parent Municipality ensured continuity in the appointment of the new Committee members.

The Committee is focussed on ensuring the integrity of the Lejweleputswa District Municipality’s financial reporting and improving the internal control environment.

2. AUDIT COMMITTEE MEMBERS AND OFFICIALS ATTENDANCE

The Audit Committee (“Committee”) consists of five independent members. Members are appointed by the Municipal Council in terms of section 166 of Municipal Finance Management Act, 2003 (Act No. 56 of 2003). During the 2021/2022 financial year one special and five ordinary meetings were held. The attendance is reflected in the table below:

Name of Member	Position	Attended	Apologies	Total
Me G Mayisela	Chairperson	5	1	6
Me S P T Monosi	Member	4	2	6
Mr. T A Motshoikha	Member	6	0	6
Me. D S Nage	Member	5	1	6
Mr. T J Macholo	Member	6	0	6

The following stakeholders participate in the meetings of the Committee either on a permanent or Ad Hoc basis:

1. The Auditor General’s office (External Auditor);
2. Chief Executive Officer;
3. Municipal Manager of the Parent Municipality;
4. Chief Financial Officer of the Parent Municipality;
5. Internal Audit Unit;
6. Chairperson of the Risk Management Committee;
7. Risk Manager; and
8. Free State Provincial Treasury Representatives.

3. AUDIT COMMITTEE RESPONSIBILITIES

The Audit Committee has adopted formal Terms of Reference as its Audit Committee Charter (“the Charter”). The Charter is subjected to a review on an annual basis and the latest review was approved by the Municipal Council on 19th November 2021. The Charter serves as a guide to the Committee in navigating its roles and responsibilities and to give effect to its mandate in clear terms.

The key objective of the Committee is to assist and advice the Lejweleputswa District Municipality in ensuring the integrity of the financial reporting.

The Committee responsibilities entail the following:

- Internal Control Environment,
- Internal Audit,
- Adequacy, reliability and accuracy of financial reporting and information,
- Risk Management,
- Compliance with Laws and Regulations,
- Performance Management,
- Effective Governance,
- Annual Financial Statements, and
- Any other matters referred to it by Council.

4. REPORT ON THE OPERATIONS OF THE AUDIT COMMITTEE

In discharging its responsibilities as stated above and in its terms of reference, the Committee has developed a schedule of quarterly meetings and has adopted a standard agenda aligned to the Municipal Finance Management Act, Act 56 of 2003 and also to reporting guidelines as published from time to time by National Treasury. The attendance of the meetings is disclosed in paragraph 2 above.

At its meetings during the 2021/2022 reporting period, the Committee focussed on financial reporting, internal and external audit, performance, compliance and risk management. It also reviewed the charters for both the Audit Committee and the Internal Audit Unit.

The Committee's overall opinion is that the municipality has and maintains appropriate levels of internal controls to ensure that it achieves its service delivery objectives. Furthermore, both the Municipal Council and Management have taken appropriate steps in strengthening the control environment. This opinion is informed by the information (documentary and otherwise) as well as explanations given by Management, Internal and External Auditors. Given the inherent nature of the municipality's business, there will always be areas of improvement, these are highlighted herein under and narrated as follows:

4.1 Financial Reporting

In addressing our key objective, which is to assist and advice the Lejweleputswa District Municipality in ensuring the integrity of their financial reporting, we reviewed the 2021/2022 Annual Financial Statements at an ordinary Audit Committee Meeting during August 2022, concentrating on the following:

- Compliance with financial reporting standards and governance reporting requirements,
- Areas requiring significant judgements to be made in applying accounting policies,
- The appropriateness of accounting policies,
- The procedures and controls around estimates in applying accounting policies,
- Whether the Annual Report and accounts, is fair, balanced, understandable and provides the information necessary for stakeholders to assess the performance of the Municipal Council and its employees, and
- Any relevant correspondence from regulators.

4.1.1 Year-End Statutory Audit

The Auditor General presented the Audit Strategy for the year ended 30 June 2022 prior to the commencement of the year end audit. The Committee considered and approved this Audit Strategy. There was an overall increase of 5% in the proposed audit fees from the previous year mainly as a result of an average tariff increase. The Audit Committee requested that the Auditor General's office must have a closer collaboration with Internal Audit Unit so as to increase areas of reliance and ultimately reduce audit fees.

The Committee remains optimistic that the Municipality will retain its unqualified opinion with significant improvement in matters of emphasis henceforth or at best, attain a clean audit if such matters are addressed robustly and with the commitment and support of all relevant stakeholders.

4.2 Control Environment

4.2.1 Internal Control Environment

The assessment made by the Committee in relation to the control environment is informed by the assertions made by Management, Internal Audit Unit as well as the External Auditors' reports. The implementation and execution of the Risk Based Internal Audit Plan led to a continuous evaluation of the internal control environment.

The Committee has approved a risk-based three-year Rolling Internal Audit Strategy and an annual operational audit plan. All proposed internal audit assignments were executed.

We highlight the following items from our audit engagements:

Performance information

Timely collation; packaging; and submission of portfolio of evidence on municipality's performance still remains a challenge.

Lejwe Le Putswa Development Agency

The going concern status of the Development Agency remains a critical area of concern to the Committee and this is a red flag not to be ignored.

Compliance

Compliance to adopted laws, regulations and policies.

Our opinion that the control environment is effective and has strengthened over the last few years as the number of queries issued/raised by the AGSA have reduced significantly in comparison to those of previous external audits *inter alia*.

4.2.2 Risk Management

The implementation of risk management has progressed well. Policies and frameworks were adopted and utilized in the execution of risk related instructions. The following risks are also considered major:

- Inability to conduct community-based risk assessments,
- Absence of ICT disaster recovery plan,
- Non-compliance with Section 32 of the MFMA,
- Inability to ensure financial compliance with mSCOA, Treasury regulations and accurate reporting,
- Loss of life or destruction of infrastructure due to land/earth subsidence in Thabong,
- Inability to provide support, coordination and facilitation to local municipalities,

- Misuse of Covid 19 Funding,
- Covid 19,
- Uncertainty of future leadership, and
- Political disruptions / violence and increase in spread of Covid during the elections

4.2.3 Compliance with Laws and Regulations

The Committee has noted the initiatives that management has implemented towards the establishment of an effective compliance program focusing at this stage on the MFMA and legislated duties. The completion and reporting on the compliance program are reported to the Audit Committee during ordinary meetings, however, compliance remains an area of concern, which the Municipality should zoom into and find ways or a model for improvement.

4.2.4 Performance Management

The Municipality has made significant progress in implementation of the Performance Management System. Internal Audit Unit is working with the office of the Auditor General and Municipal Manager to improve the collation; packaging; and submission of portfolio of evidence on Municipal performance information. The KPI's have been redefined using the SMART (**S**imple, **M**easurable, **A**ttainable, **R**eliable, **T**ime bound) principle and this is one of the first steps towards a clean audit opinion on the predetermined objectives. The next area of focus for the ensuing year will be to define technical indicators underpinning the KPIs and as the Audit Committee, we recognize the current efforts and believe that this will assist in the compilation of the annual report.

4.2.5 Effective Governance

The municipality has developed and implemented necessary policies to regulate and guide the day-to-day decision making and ensure appropriate control environment.

4.2.6 IT Governance

An Information Technology Governance Framework was developed to assist and guide day to day decision making and ensure the appropriate control environment.

4.2.7 Lejwe Le Putswa Development Agency

The Audit Committee and Internal Audit at the Municipality are extended to cover the Development Agency. This is done to ensure consistency and/or alignment in the application of applicable policies and procedures in improving governance as well as the control environment.

The Development Agency turned the corner with project implementation and is now in a better position to deliver on its mandate. From project reports received it is clear that the Agency is involved in various projects allowing the Agency to deliver to the community.

The Committee is excited about revenue enhancement projects in Tokologo and Tswelopele Local Municipalities with the aim to build sustainable revenue collection. We trust that it will be extended to other local municipalities in the region.

The Agency is reaching its potential to grow, impact on the local economy and the Committee remains optimistic that a solution to the financial sustainability is closer now.

5. INTERNAL AUDIT

The Accounting Officer is obliged, in terms of section 165 of the MFMA, to ensure that the entity has a system of internal audit under the control and direction of the Committee. The Committee is satisfied that the internal audit function has properly discharged its functions and responsibilities during the year under review. The Committee expects that charters, programmes, evaluations and training plans will contribute to the internal audit function becoming more efficient, more responsive to challenges and better able to provide audit reports of a high quality to management and the committee on a timely basis.

6. COUNCIL RESOLUTIONS

Audit Committee, in their quarterly reports to the Council, make recommendations for implementation. These recommendations are important to clear out avoidable risks during the financial year in preparation for improved performance.

7. EVALUATION

Provincial Treasury in their bi-annual Key Performance Indicators Assessment for the period 1 July 2021 to 31 December 2021, focussing on functionality, assessed the Audit Committee and Internal Audit Unit as follow:

- Audit Committee 88%,
- Internal Audit Unit 57%

Provincial Treasury highlight that the Lejweleputswa Municipality's Audit Committee and Internal Audit Unit are performing well in the province.

8. APPRECIATION

The Audit Committee wishes to thank the Accounting Officer of Lejweleputswa District Municipality, municipal officials and all other stakeholders for the cordial manner in which the preparation of the 2021/2022 financial year audit was conducted together with the enthusiasm portrayed by management in ensuring that issues raised/identified in prior year audits were addressed. This is a task, and however daunting it may seem, with a collective effort by all – from the lowest ranking support staff to Executive Management and Councillors, the municipality will surely reach greater heights and be a benchmark municipality not only in the province but nationally. In the end, a clean audit is a result of everybody's effort and determination and fundamentally, it is achievable!

On behalf of Lejweleputswa District Municipal Audit Committee

LEJWELEPUTSWA DISTRICT HIGHLIGHTS 2021/22

Employee Wellness



Waste Management Clean-up Campaign and Recycling.



Cleaning Campaign



Food Gardens



Moral Regeneration



ELECTRIFICATION OF HOUSEHOLD IN MASILONYANA



EHS - Highlights

- Drinking water samples are taken on a monthly basis to audit water quality provided by Municipalities. Cases of non-compliance are given immediate notices for correction measures. Poor water quality in Tokologo and Masilonyana LM's have been corrected by these corrective measures, thus protecting human health against water-borne diseases.
- Continuous implementation of Operation Hlasela and Fiela Food Inspection Campaigns in co-operation with sector departments SAPS, Home Affairs to visit informal food shops to inspect poor quality food sold and adherence to food legislative requirements, those in non-compliance are closed down.
- Quarterly assessment report from all landfill sites and waste collection services enhance effective service delivery and disposal of waste. Non-compliance reports are sent to the relevant LM's and to DEA. This intervention actions has motivate for the upgrading of the Matjhabeng – Welkom Municipal Landfill site with funding from DEA. This Upgrading Project is still on-going
- During the national outbreak of Listeriosis food samples were taken from different food outlets and milk sellers. The continuous sampling ensured that cases of Listeriosis were identified soon after the outbreak. Sampling and swift corrective action prevented the cases to the minimal. EHPs were actively involved in removing contaminated food products from shelves and destroy it safely.
- In the National MHS Audit of 2019 the LDM obtained an audit mark of 84.7%.

Challenges:

- Increase budget needed to improve water sampling especially to monitor sewerage spillages close to residential households, public swimming pools and open water sources/pans used by communities for recreational or washing purposes
- Increase budget needed to improve frequency of food sampling during public events, informal food sector and hawkers. The outbreak of Listeriosis emphasized the importance of frequent food sampling as to protect the community against food outbreaks
- The Review of the Integrated Waste Management Plan is of critical importance
- Intergovernmental (IGR) platforms must be used to create awareness on the importance to prioritize waste management.
- An Environmental Management Inspectorate is need to ensure swift and accurate law enforcement
- The current ratio of LDM is 1 EHP for every 65 000 of the population in comparison to the National required ratio of 1 EHP for every 10 000 people in the community in order to ensure that all the above facilities are regular inspected and to protect human health against disease
Inadequate Environmental Health Practitioners to ensure the frequent, regular and diligent execution of inspections of food premises, child care centers, nursing homes, maternity homes, old age homes, schools ,accommodation establishments, beauty salons, swimming pools, dry cleaning establishments, clinics and hospitals, funeral undertakers, prisons, industrial premises, offensive trades, public gatherings and caterings.

- An Environmental Health Bylaw is critically needed and in the process of development
- An Air Quality Monitoring Station is urgently needed to ensure effective monitoring of air pollution from emitters and to apply polluter-pays principle
- Inadequate human resources – An Air Quality Officer is needed to monitor and audit emitters.
- The Review of the Integrated Air Quality Management Plan is of critical importance
- The development of an Environmental Management Plan is of critical importance

Disaster Management Center

The Lejweleputswa District Disaster Management got the nod from the National Disaster Management to host to supporting events for the commemoration of the International Day of Disaster Risk Reduction which is commemorated on the 13 October every year. The LDMDM hosted two events:

- A Workshop for Councillors on 26 September 2019;
- A Workshop for Ward Committees on 27 September 2019.

The two events were well attended and were pronounced by the National Disaster Management Centre as very success full.

Challenges:

The Disaster Management Centre still have issues budgetary constraints. The department still have problems with emergency supplies such as:

- Salvage screens to cover the roofs of victims houses during and/or in the aftermath of strong wings and thunderstorm incidents;
- Emergency procurement measures for urgent assistance of victims if and when necessary.

-

CHAPTER 3

SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART 1)

1. OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION.

Municipal Performance management system is a tool used to measure the implementation of Organisational strategies. It is a planning tool used to monitor, measure and review set municipal indicators in order to ascertain effectiveness, efficiency and service delivery impact by the Municipality.

Performance management provides mechanism to measure whether strategic targets set by an organisation and employees are met.

The Constitution of South Africa 1996, Section 152 which deals with the objectives of Local Government flags on Accountable Government as a requirement. These upsurges the principle of Section 195 (i) which are linked to performance management which are as follows:

- Promotion of efficient , economic and effective usage of resources
- Accountable public administration
- Promotion of Transparency through provision of information
- To be responsive to needs of own community
- Through facilitation of public service culture and accountability amongst staff members.

Municipal systems act 2000 requires municipalities to establish a Performance management system and Municipal Finance Management Act requires proper alignment between municipal budget and its integrated development plan and encourages monitoring of performance of budget against IDP through Service Delivery budget Implementation plan.

In addition , Regulation 7(I) Of Local Government : Municipal planning and Performance management regulations, 2001 states that a municipality management system entails a framework which deals on how a municipality 's cycle and processes of performance planning , monitoring, measurement, review, reporting and improvement will be conducted including determining roles of different role players. Relevance of Performance is not only on the municipality it extends to municipal employees, external service providers and municipal entities like our own LDA.

The municipality adopted its own Framework which was approved by Council in September 2008. Lejweleputswa reviewed its policy on 15 June 2015.

1.1 LEGISLATIVE REQUIREMENTS

This Annual Performance Report has been compiled in compliance with the requirements of section 46 (1) of the Local Government: Municipal Systems Act, 2000; which stipulates as follows:

- (1) A municipality must prepare for each financial year a performance report reflecting—
 - (a) the performance of the Municipality and each external service provider during that financial year;
 - (b) a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and
 - (c) Measures taken to improve performance

1.2 ORGANISATION PERFORMANCE

This Report reflects actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for 2017/2018.

The format of the report will reflect the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Area. Each Key Municipal KPA has a number as set out in municipal IDP which was deliberately designed by the Lejweleputswa District Municipality to focus its development initiatives in a more coherent and organised manner. This report will also endeavour to report to Council the Municipality's performance in terms of the five (5) National Government's Strategic key Performance Areas for local government mentioned below

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

1.3 FOLLOWED PERFORMANCE SYSTEM FOR 2021/22

The municipality followed its adopted Framework which was approved by Council in September 2008 which was reviewed in December 2020.

1.4 THE IDP AND BUDGET

The IDP was reviewed for 2021/22 and the Budget was approved by Council in June 2021. Municipal’s strategic goals and objectives are linked to the budget through the SDBIP. The SDBIP serves as management performance tool and forms part of Lejweleputswa’s performance management system.

The Municipality endeavoured during the development of the Top Layer as well as with the development of its SDBIP that the “SMART” principle was adhered to in the setting of indicators and objectives. Emphasis was placed on ensuring that targets were specific and time bound, thus making it measurable.

The IDP was developed for 2018-2022.

Performance Management Checklist

	Performance Management Framework	All MSA s57/56 Performance contracts signed	Audit Committee	Municipal Public Accounts Committee (MPAC)	Quarterly Performance Reporting to Council	Annual Reporting to Council
In Place?	Yes	Yes	Yes	Yes	Yes	Yes

1.5 The Service Delivery and Budget Implementation Plan

The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the Service Delivery Budget Implementation Plan (SDBIP) at departmental levels.

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

The MFMA Circular No.13 prescribes that:

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

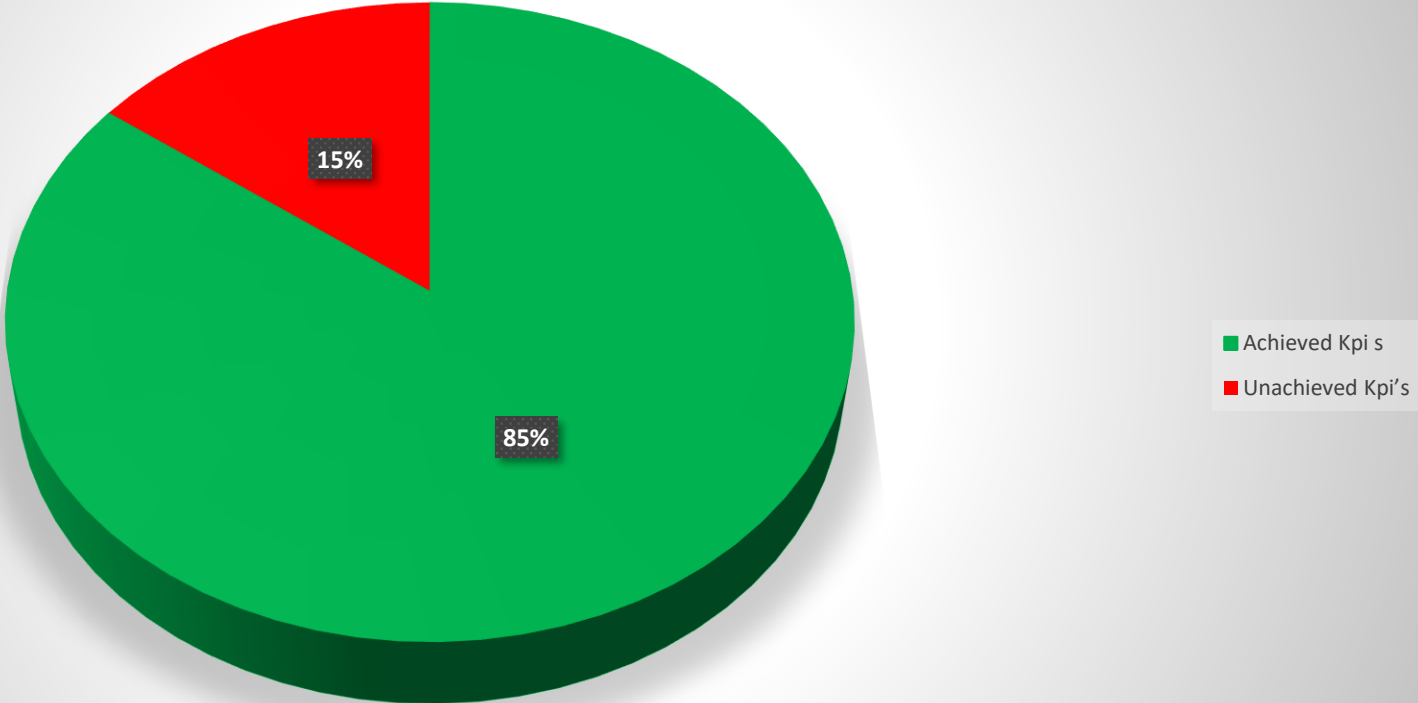
The overall assessment of actual performance against targets set for the Key Performance Indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology:

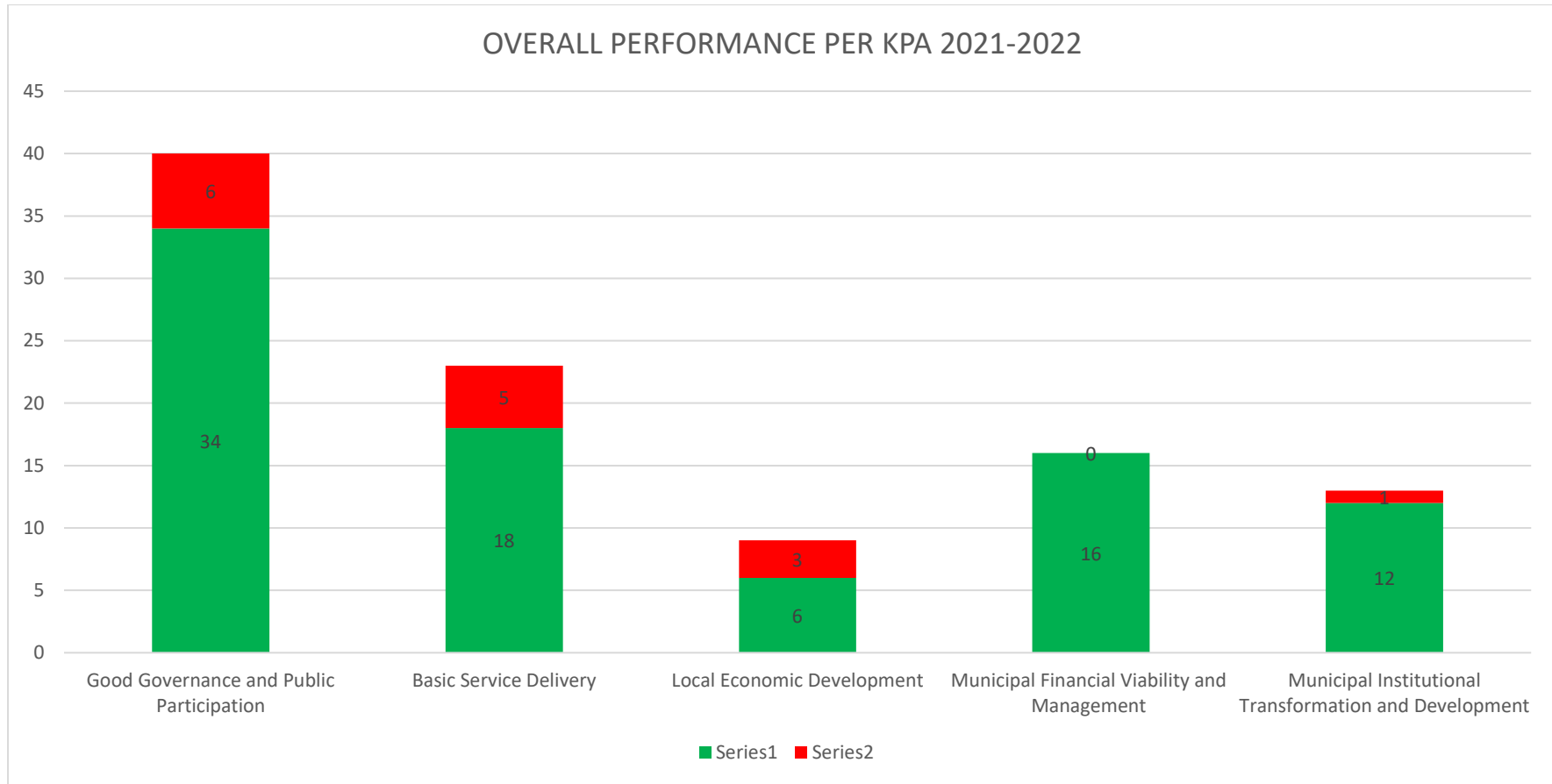
Color	Category	Explanations
	Kpi not met	Target not achieved
	Kpi well met	Target achieved

PLANNED TARGETS VS ACTUAL RESULTS FOR THE 2020/2021 FINANCIAL YEAR (JULY 2021 - JUNE 2022)

Lejweleputswa District Municipality		Key Performance Areas				
		Good Governance and Public Participation	Basic Service Delivery	Local Economic Development	Municipal Financial Viability and Management	Municipal Institutional Transformation and Development
Achieved Kpi s	86	34	18	6	16	12
Unachieved Kpi's	15	6	5	3	0	1
Total KPI's	101	40	23	9	16	13

Overall Performance 2021-2022





KPA 1 Good Governance: Office of Executive Mayor												
ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
1.1	IDP Rep Forum	To ensure development of legally compliant and credible IDPs in the district & local municipalities within the district	Ensure that the municipality's IDP is aligned with the IDPs of local municipalities within the district, and that all IDPs incorporate communities and stakeholders' views and inputs and that they are prepared in accordance with the prescribed framework.	3 IDP Rep Forum Meetings by 30 June 2022.	Number of IDP Rep Forum Meetings by 30 June 2022.	IDP Rep Forum	2	4	3	2 Not Achieved	Not Achieved	Non-achievement was due to elections. Remedial Action: Will be done as per the plan (IDP framework and process plans)
1.2	Moral regeneration	To promote ethical behaviour & social values & principles enshrined in the country's constitution among the communities within the District	Engage communities through various special programs of the municipality in pursuance of promotion of ethical behaviour and values.	4 moral regeneration awareness campaigns in the district targeting, gangsterism and drug abuse learners by 30 June 2022.	Number of moral regeneration awareness campaigns in the district targeting learners, gangsterism and drug abuse held by 30 June 2022.	Moral regeneration	4	3	4	4 Achieved	Achieved	
1.3	Gender, Disability, Elderly and	To strengthen a meaningful community participation and	Develop and implement annual community participation and	Community awareness campaigns in the district	Number of community awareness campaigns in the	Targeted Campaigns A. elderly,	1	1	1	1 Achieved	Achieved	

KPA 1 Good Governance: Office of Executive Mayor												
ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
	Children's Programme	interaction program.	interaction program.	targeting the interest of designated groups i.e. elderly, women, and people with disabilities and children by 30 June 2022.	district targeting the interest of designated groups' i.e. A. elderly, B. Women, C. People with disabilities and D. Children by 30 June 2022.	B. Women, C. People with disabilities and D. Children	1	1	1	2 Achieved	Achieved	
							1	1	1	2 Achieved	Achieved	
							1	1	1	1 Achieved	Achieved	
1.4	Mandela day	To participate in the 67 minutes Mandela day in July.	Celebrate Mandela day	1 Mandela Day held by 30 June 2022	Number of Mandeladay held by 30 June 2022	Mandela day	1	1	1	1 Achieved	Achieved	
1.5	HIV & AIDS	To raise awareness towards the reduction in the prevalence of HIV/AIDS in the district	In collaboration with the District Department of Health and all stakeholders work with HIV/AIDS profile HIV/AIDS awareness campaigns and promote regular HIV testing & disclosure amongst	4 HIV/AIDS awareness campaigns in the district targeting youth, men and women schools held by 30 June 2022.	Number of HIV/AIDS awareness campaigns in the district targeting youth, men, women and schools held by 30 June 2022.	HIV and AIDS awareness campaigns	4	4	4	4 Achieved	Achieved	

KPA 1 Good Governance: Office of Executive Mayor												
ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
			Communities within the District.									
1.6	Functional District AIDS council	To promote functionality of DAC	Coordinate District Aids Council meetings	Coordinate 4 District Aids Council meetings by 30 June 2022	Number of DAC meetings coordinated by 30 June 2022	DAC	4	4	4	3 Not Achieved	Not Achieved	Non achievement was due to elections. Remedial Action: This is a continuous program, it is therefore included in 2022-2023 SDBIP. Schedule of meetings planned to take place earlier in the quarter
1.7	Youth development	To ensure that the needs of young people are catered for	Organize youth activities in the District	2 Youth activities organized by 30 June 2022	Number of youth development activities organized by June 2022	Youth development	2	2	2	3 Achieved	Achieved	
1.8	Grant -in -Aid	To provide assistance to destitute family members	Assist destitute family members during times of need	Prepare 4 quarterly reports in assisting destitute families in times of need by 30 June 2022	Number of reports generated on families assisted by 30 June 2022	Grant -in -Aid	4	4	4	6 Achieved	Achieved	

KPA 1 Good Governance: Office of Executive Mayor												
ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
1.9	OR Tambo Games	To plan, coordinate & support sports amongst the youth	Ensure exposure of youth to new opportunities in sports.	Host 1 annual OR Tambo Games by 30 June 2022.	Number of annual OR Tambo Games hosted by 30 June 2022.	OR Tambo games			1	0 Not Achieved	Not Achieved	This is a national event and because of Covid 19 it was put on hold. Remedial Action: It is in the 2022-2023 SDBIP. Now that there is no state of emergency it is planned to take place.
1.10	National Campaign	Ensure coordination of Freedom Day celebration	Coordinate Freedom Day celebration	Coordinate 1 FreedomDay celebration by 30 June 2022	Number of FreedomDay celebration coordinated by 30 June 2022	Freedom Day celebration	1	1	1	1 Achieved	Achieved	
1.11	16 Days of Activism	Ensure coordination of 16 days of activism against women and children abuse in the district	Raise awareness campaign of 16 days of activism against women and children abuse	Convene one campaign on 16 days of activism against women and children abuse by 30 June 2022	Number of campaigns on 16 days of activism against women and children launched 30 June 2022	16 Days of activism	1	1	1	1 Achieved	Achieved	
1.12	Grade 12 motivation Programme	To motivate grade 12 learners to pass with better results	Conduct motivational talk	1 Motivational talk by 30 June 2022	Number of motivational talks conducted by 30 June 2022	Grade 12 motivation Programme	1	0	1	1 Achieved	Achieved	

KPA 1 Good Governance: Office of Executive Mayor												
ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
1.13	Poverty Alleviation	To Address the plight of indigent households in our District	Coordinate four food Gardens within the District	4 Food Gardens Coordinated within the District by 30 June 2022	Number of Food Gardens Coordinated within the District by 30 June 2022.	Poverty Alleviation	4	4	4	5 Achieved	Achieved	

KPA 1 Good Governance: Office of the Speaker												
ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
1.14	Men's Forum	To enhance moral regeneration	Develop and implement annual community participation, and interaction program aimed at enhancing moral regeneration.	4 men's forum sessions convened by 30 June 2022.	Number of men's forum sessions convened by 30 June 2022.	Men's Forum	2	2	4	4 Achieved	Achieved	

KPA 1 Good Governance: Office of the Speaker

ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
1.15	Councillor training programme	To upgrade the skills of councillors	Enrol LDM councillors with accredited institutions of higher learning for short courses to improve their skills.	Enrol 2 LDM Councillors with accredited institutions of higher learning for a short course by 30 June 2022.	Number of LDM councillors enrolled with accredited institutions of higher learning for short courses by 30 June 2022.	Councillor training programme	2	2	2	1 Not Achieved	Not Achieved	Non Achievement was due to new political appointments. Remedial Action: More budget has been allocated to ensure that more Councillors get qualifications. Indicators included in the 2022-2023 SDBIP
1.16	Councillor training programme	To upgrade the skills of Councillors	In-house short course training for LDM councillors	Train 36 LDM Councillors by 30 June 2022	A report on LDM councillors trained in-house by 30 June 2022	Councillor training programme	1	1	1	1 Achieved	Achieved	
1.17	Outreach programs	To facilitate the registration of citizens in conjunction with the department of Home Affairs	By convening unregistered citizens to outreach programmes in 5 local municipality.	Outreach programs in 5 local municipalities by 30 June 2022. ID campaign	Number of outreach programme (ID campaigns) coordinated by 30 June 2022.	Outreach programs	3	3	5	2 Not Achieved	Not Achieved	Non achievement was due to non-alignment with Dept of Home Affairs and elections. Remedial Action: Included in the 2022-2023 SDBIP and has been aligned with the schedule of Dept of Home Affairs
1.18	Public Participation	Provide a platform for the promotion of stakeholder	Convene public participation meetings in	1 Public Participation meeting	Number of Public participation	Public Participation	5	5	5	5	Achieved	

KPA 1 Good Governance: Office of the Speaker												
ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
		participation in municipal matters affecting community members	each local municipality.	held in each municipality by 30 June 2022.	meetings convened by 30 June 2022.					Achieved		
1.19	MPAC Meetings	Provide a platform for the promotion of stakeholder participation	Convene 4 MPAC meetings by 30 June 2022	4 MPAC Meetings convened by 30 June 2022.	Number of MPAC Meetings Convened by 30 June 2022.	MPAC meetings	5	5	4	6 Achieved	Achieved	
1.20	Speakers Forum	Provide platform of participation by all Speakers in the District.	Convene 4 Speakers forum a year	4 Speakers Forums Convened by 30 June 2022.	Number of Speakers Forums Convened by 30 June 2022.	Speakers Forums	2	2	4	3 Not Achieved	Not Achieved	Non Achievement was due to elections. Remedial Action: Indicator is included in the 2022-2023 SDBIP

KPA 1 Good Governance: Office of the Municipal Manager

ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
1.21	Risk Management	To build a risk conscious culture within the organization.	Reduction of high risk levels to tolerable levels by performing regular risk assessment, updating risk registers and following up on implementation of risk treatment plans by departments	4 quarterly risk assessment performed by 30 June 2020 and risk register and risk mitigation plans subsequently updated.	Number of quarterly risk assessment performed by 30 June 2020 and risk register and risk mitigation plans subsequently updated.	Risk Management	4	4	4	4 Achieved	Achieved	
1.22	Performance Management	To ensure Good Governance practices to ensure effective, functioning municipality	Fully comply with the provisions of the municipality's Performance Management System from planning to reporting.	Submit 1 SDBIP for the 2020/21 budget year and 5 Annual performance agreements for signature approval by council by 14 July 2021.	A. Number of SDBIP submitted for the 2020/21 budget years and B. Number of annual performance agreements signed and approved by council by 14 July 2021.	Performance Management	1	1	1	1 Achieved	Achieved	
						Performance Agreements	5	5	5	5 Achieved	Achieved	
1.23	Performance Management	To ensure Good Governance practices to ensure effective, functioning municipality	Fully comply with the provisions of the municipality's Performance Management System from	4 quarterly performance assessment reports for 5 senior managers (including the Municipal Manager) concluded and signed-off not later than 30	A. Number of quarterly performance assessment reports not later than 30 days after the end of each quarter and	Performance Management/Assessment reports	4	4	4	4 Achieved	Achieved	

KPA 1 Good Governance: Office of the Municipal Manager

ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
			planning to reporting,	days after the end of each quarter during 2021/22 and 1 annual performance report for 2020/21 signed-off and submitted to the Auditor- General by 31 August 2021	B. Number of annual performance reports by 31 August 2021 for 2020/21.							
							1	1	1	1 Achieved	Achieved	
1.24	Performance Management	To ensure good Governance practices and effective functional municipality	Fully comply with the provisions of the municipality's Performance Management System from planning to reporting	Signed-off Mid-term performance report approved by council for 2021/22	Number of Signed-off Mid-term performance report approved by council for 2021/22	Performance Management /Mid-term report approved	1	1	1	1 Achieved	Achieved	
1.25	Performance Management	To ensure Good Governance practices to ensure effective, functioning Municipality	Fully comply with the provisions of the municipality's Performance Management System from planning to reporting,	Submit 1 audited annual report for 2020/21 to Provincial Treasury, CoGTA and National Treasury by 31 January 2022.	Number of audited annual report for 2020/21 submitted to Provincial Treasury, CoGTA and National Treasury by the end of 31 January 2022.	Performance Management /Audited annual report	1	1	1	1 Achieved	Achieved	
1.26	Performance Monitoring and evaluation	Ensure implementation of a single window of coordination in the district. M & E is a combination of	Fully comply with the provisions of the municipality's Performance Management System from	Submit quarterly performance monitoring & evaluation report to Council by 30 June 2022	Number of performance monitoring and evaluation reports submitted to Council by 30 June 2022.	Performance Monitoring and evaluation	4	4	4	4 Achieved	Achieved	

KPA 1 Good Governance: Office of the Municipal Manager

ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
		data collection and analysis (monitoring) and assessing to what extent a program or intervention has, or has not, met its objectives (evaluation).	planning to reporting,									
1.27	IGR Meetings	To promote and facilitate Inter-Governmental Relations amongst stakeholders in the district.	Facilitate compliance with the principles of co-operative government and intergovernmental relations within the district.	IGR Meetings (Political, Technical, CFO, DCF, CSF) convened by 30 June 2022	Number of IGR meetings held by 30 June 2022.	IGR	4	4	4	4 Achieved	Achieved	
1.28	Internal Audit	To ensure oversight over the affairs of the municipality	Provide assurance as to the effectiveness of internal controls of the municipality through Internal Audit service	4 quarterly Internal Audit reports on the performance assessment of the effectiveness of the controls within the municipality submitted to the Audit – Committee by 30 June 2022	Number of quarterly Internal Audit reports on the performance assessment of the effectiveness of the controls within the municipality submitted to the Audit – Committee by 30 June 2022.	Internal audit reports	4	4	4	4 Achieved	Achieved	

KPA 1 Good Governance: Office of the Municipal Manager

ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
1.29	Internal Audit	To ensure oversight over the affairs of the municipality	Submit the quarterly internally audited performance reports and the annual report to the audit Committee & MPAC	4 quarterly performance reports and a draft annual report for 2020/21 internally audited and submitted to the Audit Committee & MPAC by 30 June 2022.	A. Number of quarterly performance report internally audited	Internal Audit/Performance report internally audited	4	4	4	4 Achieved	Achieved	
							1	1	1	1 Achieved	Achieved	
1.30 A	Internal audit	Improve administrative and financial capability of the municipality.	Establish and implement good governance practices inline with Treasury risk management, adequate internal controls for improved financial management, and improved overall organizational performance. Regulations to ensure proper	Post Audit Action Plan matters for 2020/21 relating to leadership, predetermined objectives and other matters addressed by 30 June 2022	Post Audit Action Plan matters for 2020/21 relating to leadership, predetermined objectives and other matters addressed by 30 June 2022.	Post Audit Action Plan	2	2	2	2 Achieved	Achieved	
1.30 B	To ensure financial management practices that enhances viability &	Plan, implement, monitor and report financial management activities in accordance with	Quarterly reviews and updating of financial management related internal controls based on	Number of quarterly reviews and updating of financial management related internal controls based on the quarterly	Update on Audit report			4	4 Achieved	Achieved		

KPA 1 Good Governance: Office of the Municipal Manager

ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
	compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	MFMA, its associated regulations and prescribed norms and standards	the quarterly Internal Audit reports by 30 June 2022.	Internal Audit reports by 30 June 2022.								
1.31	Municipal signage and banners	Ensure effective branding of LDM activities	Procure signage and banners for a municipality	Municipal signage and banners procured by 30 June 2022.	Number of municipalsignage and banners procured by 30 June 2022.	Municipal signage and banners	1	1	1	1 Achieved	Achieved	
1.32	Adverts in the Media	Ensure effective branding of LDM and communication with all its stakeholders	Reflect quarterly Communication of Achievements of the Municipality through newsletters, print orelectronic Data	Advertise in various mediasources by 30 June 2022.	Number of Adverts inthe Media by 30 June 2022.	Adverts in the Media	4	4	4	4 Achieved	Achieved	
1.33	External student assistance programme	Roll out support to indigent students with bursaries to register and attend tertiary institutions in pursuit of post matric qualifications	Allocate bursaries to students in the district	Provided bursary opportunities to students in the district by 30 June 2022.	Report on bursaries by 30 June 2022	Student Bursaries Report	1	1	1	1 Achieved	Achieved	

Key Performance Area 2 : Basic Service Delivery And Infrastructure Development

ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
Technical projects												
2.1	Assessment of road conditions	To assess the condition of roads in the District	Prepare and submit reports on conditions of roads in the District	Reports on roads conditions submitted by 30 June 2022.	Number of roads assessments reports by 30 June 2022.	Road infrastructure Assessment	1	1	1	1 Achieved	Achieved	
2.2	Acquisition of Yellow Fleet	To ensure maintenance of gravel roads in the District	Maintenance of gravel roads in the district	Reports on roads maintenance submitted by June 2022	Number of roads maintenance reports by 30 June 2022	Yellow Fleet	1	1	1	0 Not Achieved	Not Achieved	Non achievement was due To PPPFA Restriction. Remedial Action: The procurement process will be concluded earlier, between the first quarter and the second quarter of the new year.
2.3	Upgrading of Parking Site and Wall Fence	To ensure adequate parking space and Upgrade wall fencing	Upgrading parking site and wall fencing of the municipality	Report on the Upgrading of parking site and wall fencing by 30 June 2022	1 report on the upgrading of parking site and wall fencing by 30 June 2022	Upgrading of parking site and wall fencing	New		1	0 Not Achieved	Not Achieved	Non achievement was due To PPPFA Restriction. Remedial Action: The procurement process will be concluded earlier, between the first quarter and the second quarter of the new year.

Key Performance Area 2 : Basic Service Delivery And Infrastructure Development												
ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
2.4	Refurbishment of municipal Building	To ensure that Municipal Building is refurbished	Refurbishment of Municipal Building	Refurbished Municipal Building by 30 June 2022	Number of Municipal Building refurbished by 30 June 2022	Municipal Building Refurbishment	1	1	1	0 Not Achieved	Not Achieved	Non achievement was due To PPPFA Restriction. Remedial Action: The procurement process will be concluded earlier, between the first quarter and the second quarter of the new year.
2.5	EPWP	To facilitate the creation of jobs for unemployed communities.	Create temporary jobs for 80 unemployed communities	Employ 80 people from communities by 30 June 2022.	A.Number of jobs created by 30 June 2022. B. Quarterly reports	EPWP	80	89	80	111 Achieved	Achieved	Over achievement was due to internal funds allocated to EPWP, the minimum number is 80
									4	4 Achieved	Achieved	
EHP Projects												
2.6	Municipal health services	To provide Municipal Health Services effectively & equitably in the District.	Ensure equitable allocation and distribution of Municipal Health Services resources across the District to ensure fair and equitable health services within the District by June 2022.	Monthly Water Quality reports on the status of water in the 5 local municipalities submitted by 30 June 2022.	Number of Monthly Water Quality reports on the status of water in the 5 local municipalities submitted by 30 June 2022	Water Quality Monitoring	12	12	12	12 Achieved	Achieved	
2.7	Municipal health services	To provide Municipal Health Services effectively & equitably in the District.	Ensure equitable allocation and distribution of Municipal Health Services resources	Monthly reports on compliance of food selling outlets in the 5 Local	Number of monthly reports on compliance of food selling outlets in the 5	Food Quality Monitoring	12	12	12	12 Achieved	Achieved	

Key Performance Area 2 : Basic Service Delivery And Infrastructure Development												
ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
			across the District to ensure fair and equitable health services within the District	Municipality submitted by June 2022.	Local Municipality submitted by June 2022.							
2.8	Municipal health services	To provide Municipal Health Services effectively & equitably in the District.	Ensure equitable allocation and distribution of Municipal Health Services resources across the District to ensure fair and equitable health services within the District	Monthly reports on food sampling in the 5 Local Municipalities by June 2022.	Number of monthly reports on food sampling in the 5 Local Municipalities by June 2022.	Food sampling	12	11	12	12 Achieved	Achieved	
2.9	Municipal health services	To provide Municipal Health Services effectively & equitably in the District.	Ensure effective compliance standards in line with National Health Norms and Standards (National Health Act 61 of 2003)	Development of Municipal Health By-laws and Tariff System by 30 June 2022	Status report on the development and adoption of MH By-laws and Tariff System by 30 June 2022	By laws and Tariff system	New		1	1 Achieved	Achieved	
2.10	Municipal health services	To provide Municipal Health Services effectively & equitably in the District.	Ensure equitable allocation and distribution of Municipal Health Services resources across the District to ensure fair and equitable health services within the District	4 reports on environmental awareness campaigns in the District by 30 June 2022	Number of reports submitted on environmental awareness campaigns in the District by 30 June 2022.	Environmental Health awareness campaigns	4	4	4	4 Achieved	Achieved	

Key Performance Area 2 : Basic Service Delivery And Infrastructure Development												
ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
2.11	Municipal health services	To provide Municipal Environmental Services effectively and equitably in the District	Ensure equitable allocation and distribution of Air Quality Management resources across the District to ensure fair and equitable health	4 Reports on air quality management in the District submitted by 30 June 2022.	Number of Reports on air quality management in the District submitted by 30 June 2022	Air Quality Management	4	4	4	4 Achieved	Achieved	
2.12	Exhumation	Ensure that exhumation processes are followed as per legislation	By conducting exhumation as per legislation	1 Report on Exhumation by 30 June 2022	Number of exhumation reports by 30 June 2022	Exhumations	New		1	1 Achieved	Achieved	
2.13	Environmental Management Service	To provide Municipal Environmental Services effectively & equitably in the District.	Ensure equitable allocation and distribution of Municipal Health Services resources across the District to ensure fair and equitable health	4 reports on waste management compliance submitted in the District by 30 June 2022.	Number of reports on waste management compliance submitted in the District by 30 June 2022.	Waste management Audits	4	4	4	4 Achieved	Achieved	
2.14	Environmental Health Development and Support	Support Environmental Health Development and Growth	Support Environmental Health through development of Air Quality Plan	Air Quality Plan Developed by 30 June 2022	Number of Air Quality Plans Developed by 30 June 2022	Air Quality Plan	1	1	1	1 Not Achieved	Not Achieved	The 1 st phase of the plans was concluded in 2020/2021 financial year (draft), we could not proceed with the final draft due to budget constraints. No allocation was done for further development of the plans. Remedial Action: Revenue regenerated from the By-Laws enforcement and licencing will be ringfenced and repurposed for further development of

Key Performance Area 2 : Basic Service Delivery And Infrastructure Development												
ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
												these plans – KPI will be allocated once By-Law is endorsed by Council.
2.15	Environmental Health Development and Support	Support Environmental Health development and growth	Support Environmental Health through development of Waste management Plan.	1 Waste management plan developed by 30 June 2022	Waste management Plan Developed 30 June 2022	Waste Management Plan	1	1	1	1 Not Achieved	Not Achieved	The 1 st phase of the plans was concluded in 2020/2021 financial year (draft), we could not proceed with the final draft due to budget constraints. No allocation was done for further development of the plans. Remedial Action: Revenue regenerated from the By-Lea enforcement and licencing will be ringfenced and repurposed for further development of these plans – KPI will be allocated once By-Law is endorsed by Council.
DISASTER MANAGEMENT REPORT												
2.16	Disaster Management response and recovery	To ensure effective & efficient disaster management response and recovery in the district.	Coordinate an effective and efficient response to incidents and disasters throughout the district by 30 June 2022.	Coordination of rapid and efficient response to disasters and post-disaster recovery and rehabilitation 30 June 2022.	Number of responses to incidents and disasters 30 June 2022.	Disaster Relief Fire Floods Earth-Subsidence	1	1	4	4 Achieved	Achieved	
2.17	Disaster Management	To ensure effective & efficient disaster	Conduct disaster awareness campaigns in 5	Quarterly disaster awareness	Number of quarterly disaster awareness	Disaster awareness campaigns	4	4	4	4 Achieved	Achieved	

Key Performance Area 2 : Basic Service Delivery And Infrastructure Development												
ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
		management services in the district.	local municipalities by 30 June 2022	campaigns in schools and communities in the district by 30 June 2022.	campaigns in vulnerable communities conducted in the district by 30 June 2022.							
2.18	Disaster Management Forum Meetings	To promote and facilitate IGR stakeholders in the District	Facilitate 4 Disaster Management Forum Meetings by 30 June 2022	4 District Management Forum meetings held by 30 June 2022	Number of District Management Forum meetings held by 30 June 2022	Disaster Management Forum meetings	4	4	4	4 Achieved	Achieved	
2.19	Fire Safety Awareness Campaigns	To ensure effective & efficient fire safety management services in the district.	Organize fire safety awareness in all local municipalities in the District	4 fire safety awareness campaigns in all local municipalities in the District by 30 June 2021.	4 fire safety awareness campaigns in the district conducted by 30 June 2021.8	Fire Safety awareness campaigns	2	2	4	4 Achieved	Achieved	
2.20	Disaster Management	Attendance of Provincial Advisory Forum Meetings	Attendance of 4 Provincial Advisory Forum meetings	4 Provincial Advisory Forum meetings attended by 30 June 2022	Number of Provincial Advisory Forum meetings attended by 30 June 2022	Provincial Advisory Forum meetings	3	2	4	4 Achieved	Achieved	
COMMUNITY SERVICES												
2.21	Waste Campaign	To provide Municipal Environmental Services effectively & equitably in the District.	Ensure equitable allocation and distribution of Environmental Management Services resources across the District	4 reports on waste management campaigns in the District by 30 June 2022.	Number of reports on waste management campaigns in the District by 30 June 2022.	Waste Campaign	4	4	4	4 Achieved	Achieved	

Key Performance Area 2 : Basic Service Delivery And Infrastructure Development												
ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
			to ensure fair and equitable health									
2.22	Environmental Management Service	To provide environmental sustainability throughout the District by planting Trees	Planting of trees in the District by 30 June 2022	Reports on tree planting submitted by 30 June 2022	Number of reports on tree planting submitted by 30 June 2022	Tree Planting	New		1	1 Achieved	Achieved	

Key Performance Area 3 : Local Economic Development & Planning												
ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
LED Projects												
3.1	SMME Development Support	To ensure SMME business development and support	SMME's/Cooperatives funding and business support that are in the inside of LDM	Offer SMMEs/Cooperatives Funding to SMMEs and Cooperatives in Local Municipalities in the District 30 June 2022	Number of SMME And Cooperatives in Local Municipalities Funded	SMME's & Cooperatives funding	1	0	6	0 Not Achieved	Not Achieved	Non achievement was due To PPPFA Restriction. Remedial Action: NB: To be implemented in the new financial year

Key Performance Area 3 : Local Economic Development & Planning

ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
3.2	Youth SMMEs Business Corners development support.	To ensure Youth SMMEs Business support and funding	To fund the Youth SMMEs Business Corners electrification in Matjhabeng LM (Kutloanong and Meloding)	Offer Youth SMMEs Business Corners funding of electrification in Matjhabeng LM at Kutloanong and Meloding by 30 June 2022	Number of Youth SMMEs Business Corners funded with electricity connection	Youth SMMEs Business Corners electrification	New		2	0 Not Achieved	Not Achieved	Non achievement was due To PPPFA Restriction. Remedial Action: The KPA KPI have been changed to SMMEs/Cooperative support NB: it will then be implemented in the new financial year
Tourism Section												
3.3	Tourism Development and Support	Support programme for tourism development and growth	Enhance capacity for tourism development	1 Tourism Awareness campaigns by 30 June 2022.	Number of tourism awareness campaigns undertaken 30 June 2022.	Tourism Awareness campaigns	0	0	1	1 Achieved	Achieved	
3.4	Tourism Development and Support	Support programme for tourism development and growth	Convene District tourism Forum	1 District tourism Forums convened by 30 June 2022.	Number of District Tourism Forum Meetings convened by 30 June 2022.	District tourism Forum	2	2	1	1 Achieved	Achieved	
3.5	Tourism Development and Support	Support programme for tourism development and growth	Enhance Capacity for tourism development	1 Tourism road show convened by 30 June 2022.	Number of tourism road shows convened by 30 June 2022.	Tourism Road show	New		1	1 Achieved	Achieved	
IDP												
3.6	District IDP Managers Forums	To facilitate and coordinate District IDP Managers forum meetings	Facilitate and Coordinate District IDP Managers forum meetings.	3 District IDP Managers Forums coordinated 30 June 2022.	Number of District IDP Managers Forums Meetings	District IDP Managers Forums	3	3	3	3 Achieved	Achieved	

Key Performance Area 3 : Local Economic Development & Planning

ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
					coordinated by 30 June 2022.							
3.7	IDP Steering committee	To facilitate and coordinate District IDP Steering Committee meetings	Facilitate and Coordinate District IDP Steering Committee meetings.	4 IDP Steering committee Meetings coordinated by 30 June 2022.	Number of IDP Steering committee Meetings coordinated by 30 June 2022.	IDP Steering committee	4	4	4	3 Not Achieved	Not Achieved	
3.8	District IDP Framework Plan.	Ensure implementation of a District wide integrated planning process	To review District IDP framework plan to inform Process Plans of all local municipalities.	District IDP Framework Plan reviewed by 30 June 2022.	Number of Framework Plans reviewed by 30 June 2022	District IDP Framework Plan.	1	1	1	1 Achieved	Achieved	
3.9	District IDP Process plan.	Ensure implementation of a District wide integrated planning process	A. 1 District IDP process plan B. 5 Local IDP process plans by 30 June 2020	Number of process plans reviewed by 30 June 2020.	District and Local municipalities' IDP process plans	District IDP Process Plan.	6	6	6	6 Achieved	Achieved	

Key Performance Area 4: Municipal Financial Viability

ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
4.1	Submission Performance	To ensure Performance Management	Development and submission of departmental	12 Monthly Performance management	Number of Reports Developed and	Performance reports	12	12	12	12 Achieved	Achieved	

Key Performance Area 4: Municipal Financial Viability												
ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
	Management reports	Practice that reports timeously and Accurately on Municipal Objectives	Performance Reports Monthly.	Reports submitted on time by 30 June 2022	submitted on Time by 30 June 2022							
4.2	Internal audit	Improve administrative and financial capability of the municipality.	Establish and implement good governance practices inline with Treasury risk management, adequate internal controls for improved financial management, and improved overall organizational performance. Regulations to ensure proper	Post Audit Action Plan matters for 2020/21 relating to leadership, predetermined objectives and other matters addressed by 30 June 2022	Post Audit Action Plan matters for 2020/21 relating to leadership, predetermined objectives and other matters addressed by 30 June 2022.	Post Audit Action Plan	2	2	2	2 Achieved	Achieved	
4.3	Implement financial control	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and prescribed	100% cash-backed approved budget for 2022/23 financial year.	100% cash-backed approved budget for 2022/23 financial year	Funded Annual Budget	1	1	1	1 Achieved	Achieved	

Key Performance Area 4: Municipal Financial Viability												
ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
			accounting norms and standards									
4.4	Municipal Investments	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards	12 Return on Investment report Submitted by 30 June 2022	Number of Investments reports developed and submitted on time	Investments reports	12	12	12	12	Achieved	
4.5	Implement financial control	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report Financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards	4 Budget related policies reviewed, updated and approved by Council by 30 June 2022.	Number of Budget related policies reviewed, updated and approved by Council by 30 June 2022.	Reviewed Budget policies	4	4	4	4	Achieved	

Key Performance Area 4: Municipal Financial Viability												
ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
4.6	Implement financial control	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards	Suppliers and service providers paid within 30 days of receipt of valid invoice, with no disputed delivery of goods / services throughout 2021/22.	Number of days it takes to pay suppliers and service providers after receipt of valid invoice, with no disputed delivery of goods / services throughout 2021/22.	30 Days Compliance	12	12	12	12 Achieved	Achieved	
4.7	Implement financial control	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards	Prepare 4 reports on payment vouchers and accompanying supporting documents of filed, registered and kept in safe custody Quarterly throughout 2021/22 financial years.	Number of reports on payment vouchers and accompanying supporting documents of filed, registered and kept in safe custody Quarterly throughout 2021/22 financial year.	Payments reports	4	4	4	4 Achieved	Achieved	
4.8	Implement financial control	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and	Prepare 4 reports on contracted services creditorson the system reconciled to supporting documentation Quarterly throughout 2021/22 financial years.	Number of reports on contracted services creditors on the system reconciled to supporting documentation quarterly throughout 2021/22 financial years.	Contracted Services	4	4	4	4 Achieved	Achieved	

Key Performance Area 4: Municipal Financial Viability												
ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
			prescribed accounting norms and standards									
4.9	Implement financial control	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards	2 biannual assets verification performed and asset registers updated with all assets movements, and report any damaged / missing items by 30 June 2022.	Number of biannual assets verification performed and asset registers updated with all assets movements, and report any damaged / missing items by 30 June 2022.	Assets Verification	2	1	2	2 Achieved	Achieved	
4.10	Implement financial control	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards	Review and sign-off one (1) Audit File and Audit File schedule respectively for 2020/21 financial year that is compliant with Annexure A of MFMA Circular 50	Number of reviewed and signed-off audit file schedule and the actual Audit file for 2020/21 financial year that is compliant with Annexure A of MFMA Circular 50	Audit File	1	1	1	1 Achieved	Achieved	
4.11	Implement financial control	To ensure financial management practices that enhances viability & compliance with the requirements of	Plan, implement, monitor and report financial management activities in	2020/21 signed-off Annual Financial Statements prepared in accordance with the South African	Auditor-General's Report on the 2020/21 Annual Financial Statements (AFS)	Annual Financial Statements	1	1	1	1 Achieved	Achieved	

Key Performance Area 4: Municipal Financial Viability

ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
		MFMA & other relevant legislation in order to achieve a clean audit.	accordance with MFMA, its associated regulations and prescribed accounting norms and standards	Standards of Generally Recognized Accounting Practices (GRAP) and section 122 of MFMA by 31 August 2021.	with no paragraph relating to AFS not being compiled in accordance with GRAP and section 122 of MFMA.							
4.12	Implement financial control	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards	Nil / Zero amount of unauthorized, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 June 2022.	Amount of unauthorized, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 June 2022.	Internal Controls/ UIFW	4	4	4	4 Achieved	Achieved	

Key Performance Area 4: Municipal Financial Viability												
ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
4.13	Implement financial control	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards	A)12 signed-off monthly budget statement reports (Section 71 of MFMA), quarterly financial reports B)(Section 52 (d) of the MFMA) for 2021/22 produced and submitted to the Executive Mayor by 30 June 2022.	A) Number of signed-off monthly budget statement reports (Section 71 of MFMA), quarterly financial reports B)(Section 52 (d) of the MFMA), for 2022/22 produced and submitted to the Executive Mayor by 30 June 2022.	Monthly and Quarterly Reports	12	12	12	12 Achieved	Achieved	
							4	4	4	4 Achieved	Achieved	
4.14	Implement financial control	To ensure financial management practices that enhances viability & compliance with the requirements of MFMA & other relevant legislation in order to achieve a clean audit.	Plan, implement, monitor and report financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards	12 signed-off monthly bank reconciliation statements of all bank accounts by 30 June 2022.	Number of signed-off monthly bank reconciliation statement of all bank accounts by 30 June 2022.	Bank Reconciliation	12	12	12	12 Achieved	Achieved	
4.15	Render effective and efficient ICT services	To provide information through the available ICT platforms to the	Ensure that the municipality's information is regularly updated	12 updates (i.e. 1 per month) of the municipality's	Number of updates of the municipality's	ICT Service	12	12	12	12 Achieved	Achieved	

Key Performance Area 4: Municipal Financial Viability												
ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
		municipality and to improve the corporate image of the municipality	on the municipality's website and other digital communication platforms of the municipality.	website performed by 30 June 2022.	website performed by 30 June 2022.							

Key Performance Area 5: Municipal Transformation and Organizational Development

ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
5.1	Portfolio committee meetings	To adhere to administrative responsibilities	Develop and distribute signed portfolio committee agendas and minutes	16 Portfolio committee meetings by 30 June 2022	Number of signed portfolio committee agendas and minutes developed and distributed by 30 June 2022.	Portfolio committee meetings	16	25	16	16 Achieved	Achieved	
5.2	MAYCO Meetings	To adhere to administrative responsibilities	Develop and distribute signed MAYCO agendas and minutes	4 MAYCO meetings by 30 June 2022.	Number of signed MAYCO agendas and minutes by 30 June 2022.	MAYCO meetings	4	12	4	6 Achieved	Achieved	
5.3	Council Meetings	To adhere to administrative responsibilities	Develop and distribute signed council agendas and minutes	4 Council meetings by 30 June 2022.	Number of signed council agendas and minutes by 30 June 2022.	Council meetings	4	9	4	10 Achieved	Achieved	
5.4	Local Labour Forum	To ensure functional LLF in order to promote sound labour relations in the workplace	Ensure compliance with Collective Agreements, Basic Conditions of Employment Act, Labour Relations and & Institutional policies pertaining to labour relations.	Convene 4 quarterly LLF meetings by 30 June 2022 for the promotion of sound labour relations in the workplace.	Number of LFF meetings convened towards the promotion of sound labour relations in the workplace by 30 June 2022.	LLF meetings	4	3	4	2 Not Achieved	Not Achieved	Non – achievement was due to elections and only 3 meetings took place between January and June 2022. Remedial Action: Indicator is continuous and planned to take place as

Key Performance Area 5: Municipal Transformation and Organizational Development

ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
												scheduled (quarterly)
5.5	Experiential training	To give experiential training to students at tertiary institutions to complete their qualifications.	Placement of students within the district for experiential training.	Place 10 students within the district for experiential training by 30 June 2022	Number of students successfully placed for experiential training by 30 June 2022.	Experiential training	10	21	10	14 Achieved	Achieved	
5.6	Workplace Skills Plan (WSP) And Annual Training Report (ATR)	To upgrade the skills of the staff members	Compile a WSP and ATR for submission to LG SETA	Submit Workplace Skills Plan (WSP) by 30 April 2022. , Annual Training Report (ATR), to LG SETA by 30 June 2022	A. Number of WSP and B. ATR submitted by 30 June 2022.	WSP and ATR	1	1	1	1 Achieved	Achieved	
							12	12	12	12 Achieved	Achieved	
5.7	Skills Development for Staff	To upgrade the skills of the staff members	Enroll employees of the municipality with accredited institutions to improve their skills in a form of short courses	10 employees enrolled with accredited institutions by 30 June 2022	Number of employees enrolled with accredited institutions by 30 June 2022	Skills Development	20	26	10	25 Achieved	Achieved	
5.8	Study Assistance foremployees	To roll out support to staff members to	Provide financial assistance to staff members of the	Provide financial assistance to at least 5 employees in a	Number of LDM employees provided with internal	Study Assistance.	5	6	5	6 Achieved	Achieved	

Key Performance Area 5: Municipal Transformation and Organizational Development

ID	Municipal Focus Area	IDP Strategic Objective	Strategies	KPI	Unit of Measurement	Project Name	Baseline 2020/21		Annual Target 2021/22	Annual Target 2021/22 Achieved/ Not Achieved	Comments by Internal Audit	Remedial Action and Reasons for Over/Under Achievement
		further their qualifications.	LDM to further their studies	form of internal bursary to employees of the LDM by 30 June 2022.	bursaries to further their studies by 30 June 2022.							
5.9	Employee Wellness Programme	Conduct employee wellness programs	Conduct employee wellness programs for the LDM.	Conduct quarterly employee-wellness Programmes by 30 June 2022.	Number of employee wellness Programmes conducted by 30 June 2022.	Employee wellness	2	3	4	5 Achieved	Achieved	
5.10	Employment Equity plan	To ensure that the municipality achieves progress towards employment equity in the workplace, develop, review and submit Employment Equity report to the Department of Labour	Review and submit Employment Equity plan report annually to the Department of Labour.	Review and submit Employment Equity plan report annually to the Department of Labour by 30 June 2022.	Number of employment equity reports submitted to the Department of Labour by 30 June 2022.	Employment Equity plan Report	1	1	1	1 Achieved	Achieved	
5.11	Security Management	Create a safe environment within the institution	Develop security management plan for the LDM and prepare consolidated	Prepare 12 months consolidated security reports for the LDM by 30 June 2022.	Number of monthly security reports by 30 June 2022.	Security Management	New		12	12 Achieved	Achieved	
5.12	Occupational health and safety (OHS)	To ensure a healthy and safe environment in the workplace	Implementation of the OHS policy	Submission of quarterly reports on incidents and inspections by 30 June 2022	Number of reports on incidents and inspections by 30 June 2022	Occupational health and safety (OHS)	4	4	4	4 Achieved	Achieved	

CHAPTER 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE (PART I)

1 NATIONAL KPI'S – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL

DEVELOPMENT

The following table indicates the Municipality's performance in terms of the National KPI's required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These KPI's are linked to the National Key Performance Area – Municipal transformation and Organisational development.

KPA and Indicators	Municipal	
	2020/21	2021/22
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	2	
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	75	

4.2 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Lejweleputswa District Municipality currently employs 139 permanent officials as at 30 June 2021, who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

4.2.1 EMPLOYMENT EQUITY

The Employment Equity Act (1998) Chapter 3, Section 15 (1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to: "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan"

a) Occupational levels - Race

The table below categories the number of employees by race within the occupational levels:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	3	0	0	0	2	0	0	0	5
Senior management	5	1	0	2	1	0	0	0	9

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Professionally qualified and experienced specialists and mid- management	6	1	0	3	6	0	0	0	16
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	15	1	0	2	15	0	0	2	35
Semi-skilled and discretionary decision making	23	0	0	0	27	2	0	0	52
Unskilled and defined decision making	9	0	0	0	7	0	0	0	16
Total permanent	61	3	0	7	58	2	0	2	133
Non- permanent employees	5	0	0	0	8	0	0	0	13
Grand total	66	3	0	7	66	2	0	2	146

b) Departments - Race

The following table categories the number of employees by race within the different departments:

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Municipal Manager	8	2	0	1	5	0	0	0	16
Corporate Services	16	0	0	1	25	0	0	0	42
Financial Services	8	0	0	0	13	0	0	1	22
LED	4	0	0	0	4	1	0	0	8
Basic Service Delivery	17	1	0	4	21	1	0	1	45
Total permanent	53	3	0	6	68	2	0	2	133
Non- permanent	5	0	0	0	8	0	0	0	13
Grand total	58	3	0	6	76	2	0	2	146

c) Vacancy rate

The approved organogram for the Municipality had 139 posts for the financial year. The actual positions filled are indicated in the tables below by post level and by functional level. Posts were vacant at the end of resulting in a vacancy rate of %.

Below is a table that indicates the vacancies within the Municipality:

Per Post Level		
Post level	Filled	Vacant
MM & MSA section 57 & 56	5	-
Middle management/Professionals	25	-
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	35	-
Unskilled and defined decision making/General Workers	16	-
Semi-Skilled	52	-

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Per Post Level		
Post level	Filled	Vacant
Total	133	-
Per Functional Level		
Functional area	Filled	Vacant
Municipal Manager	16	-
Corporate Services	42	-
Financial Services	22	-
LED	8	-
Basic Services Delivery	45	-
Total	133	-

d) Employee turnover rate

A high employee turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/Organisational knowledge. Below is a table that shows the employee turnover rate within the Municipality for the past two financial years:

Financial year	Total no appointments at the end of each financial year	New appointments	Terminations during the year	Turn-over rate
2020/21	139	2	1	
2021/21	133	6	0	

4.3 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analyzing and coordinating employee behavior.

4.3.1 INJURIES

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The table below indicates the total number of injuries within the different departments:

Department	2020/21	2021/22
Office of the Municipal Manager	0	0
Corporate Services	0	0
Financial Services	0	0
LED	0	0
Basic Services Delivery	0	0
Total	0	0

4.3.2 SICK LEAVE

The number of days' sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken. The total number of employees that have taken sick leave during the 2021/22 financial year shows a increase when comparing it with the 2020/21 financial year due to lockdown(Covid19).

The table below indicates the total number sick leave days taken within the different directorates:

Department	2020/21	2021/22
Office of the Municipal Manager	42	37
Corporate Services	339	543
Financial Services	73	145
LED	15	117
Basic Services Delivery	117	351
Total	586	1193

4.3.3 HR POLICIES AND PLANS

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the HR Policies and Plans that are approved:

Approved policies	
Name of policy	Council resolution
Labor Relations & Harassment Policy	C29/10/15
Leave Encashment Policy	C18/05/18
Payroll Management and Administration Policy	C29/10/15
Employee Bursary Policy	C29/10/15
Private work Policy	C29/10/15
Remuneration and allowance Policy	C29/10/15
Training and Development Policy	C29/10/15
Vehicle and Equipment Policy	C29/10/15
Working Hours Policy	C29/10/15
Dress Code Policy	C29/10/15
OHS Policy	C29/10/15
Sexual Harassment Policy	C29/10/15
Resignation Policy	C29/10/15
EAP Policy	C29/10/15
Legal Services Policy	C18/05/18
Recruitment, Selection and Appointment Policy	C29/10/15
Substance Abuse Policy	C29/10/15
Smoking Policy	C29/10/15
Job Evaluation Policy	C30/10/17
Scarce Skills Policy	C29/10/15
HR Policy	C29/12/20
Disciplinary Procedure	C29/12/20
Leave Policy	C29/12/20
Cell-phone Allowance Policy under Remuneration and reward Policy	C29/12/20
Transport Allowance Policy	C29/12/20

The HR department submits policies to the Local Labor Forum on a regular basis for review purposes.

4.3.4 INDIVIDUAL PERFORMANCE AND REWARDS

In accordance with Municipal Planning and Performance Regulations 32 (2001 & 2006), a performance bonus, based on affordability, may be paid to an employee, after -

- The annual report for the financial year under review has been tabled and adopted by the municipal council;
- an evaluation of performance in accordance with the provisions of regulation 23; and
- Approval of such evaluation by the municipal council as a reward for outstanding performance.

4.4 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that a municipality must develop its HR capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose, the HR capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

Type of learning intervention	Name of training intervention	Number of Trained Employees
Learnership	Local Government Accounting (LGAC)	0
Learnership	Local Government Advance Accounting (LGAAC)	0
Learnership	Fire Fighter I	0
Learnership	Fire Fighter II	0
Skills Program	Customer Care	0
Skills Program	Project Management	0
Skills Program	SAMTRAC	0
Skills Program	Dangerous Goods Refresher	0
Skills Program	OHS Representative Training	0
Skills Program	First Aid Training	0
Skills Program	Basic Supervisor	0
Skills Program	Certificate in Labour Dispute Resolution	0
Skills Program	Councillor Training	2
Skills Program	PAYDAY Training	0
Skills Program	Employment Equity	7
Skills Program	Fleet Management	0
Skills Program	Registration & Archives	7
Skills Program	Municipal Performance Management Training	8
Total		24

4.4.1 SKILLS DEVELOPMENT TRAINING

The Skills Development Act (1998) and the MSA, (2000), require employers to supply employees with the necessary training to develop its HR capacity. Section 55(1)(f) states that as head of administration, the Municipal Manager is responsible for the management, utilization and training of staff.

The table below indicates the training that was provided to various levels of staff:

Occupational categories	Gender	Training provided within the reporting period (2020/21)					
		Learnership		Skills programs and other short courses		Total	
		Actual	Target	Actual	Target	Actual	Target
MM and S57	Female			1	2	1	2
	Male			0	2	0	2
Legislators, senior officials and managers	Female			1	1	1	1
	Male			0	1	0	1
Professionals	Female			0	0	0	0
	Male			0	0	0	0
Technicians and associate professionals	Female			0	0	0	0
	Male			1	1	1	1
Clerks	Female			1	2	1	2
	Male			2	2	2	2
Service and sales workers	Female			2	2	2	2
	Male			0	0	0	0
	Male			0	0	0	0
Sub total	Female			5	7	5	7
	Male			3	7	3	6

Skills development training

4.4.2 SKILLS DEVELOPMENT BUDGET ALLOCATION

The table below indicates the budget allocated and total spent on skills development:

Total personnel budget	Total allocated	Total spent	% Spent

Budget allocated and spent on skills development

4.4.3 MFMA COMPETENCIES

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, nonfinancial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the MFMA. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the non-compliant officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013 (exempted until 30 September 2015 as per Government Notice No. 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

The table below provides details of the financial competency development progress as required by the regulation:

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial officials				
Accounting Officer	1	Yes	1	1
Chief Financial Officer	1	Yes	1	1
Senior managers	3	Yes	4	4
Any other financial officials	2	Yes	2	2
SCM officials				
Heads of SCM unit	1	YES	1	1
SCM senior managers	2	2	2	2
TOTAL	10	2	11	11

4.5 THE MUNICIPAL WORKFORCE EXPENDITURE

Section 66 of the MSA states that the Accounting Officer of a municipality must report to Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

4.5.1 PERSONNEL EXPENDITURE

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past two financial years. The Municipality is well over the national norm of between 35 to 40%:

Financial year	Total expenditure salary and allowances	Total operating expenditure	Percentage
	(R'000)	(R'000)	
2020/21	R106,029,034	R155,392,185	68.54%
2021/22	R113,029,034	R160,594,075	70.38%

Operating expenditure

Note: During the 2021/22 Financial Year the calculation of total expenditure for salaries and allowances, Councilor's were included. Below is a summary of Councilor's and staff benefits for the year under review:

Financial year	2020/21	2021/22		
	Actual	Original budget	Adjusted budget	Actual
Description	(R'000)			
Councilor's (Political office bearers plus other)				
Salary	R5,992,574	R6,148,248	R6,679,185	R6,620,242
Pension contributions/medical Aid	R1,120,761	R1,212,931	R1,151,942	R816,893
Motor vehicle allowance	R1,618,640	R1,715,231	R1,823,195	R1,707,698
Cell phone allowance	R624,229	R694,531	R565,324	R477,790
Housing allowance	-	-	-	-
Other benefits or allowances	-	-	-	-
In-kind benefits	-	-	-	-
Sub Total	R9,356,204	R9,770,941	R10,223,646	R9,622,623
Salary	R3,087,785	R6,199,116	R6,199,116	R3,650,075
Pension contributions/medical aid contribution	R735,429	-	-	R686,970

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Financial year	2020/21	2021/22		
Description	Actual	Original budget	Adjusted budget	Actual
	(R'000)			
Motor vehicle allowance	R584,101	-	-	R688,119
Cell phone allowance	R103,500	-	R129,166	R120,000
Housing allowance	R262,524	-	-	R313,927
Performance bonus	R680,812	R921,209	R921,209	R813,295
Bonus 13 th cheque	R176,132	-	-	R233,789
Other benefits or allowances	R81,624	-	-	R187,623
In-kind benefits	-	-	-	-
Sub total	R5,711,907	R7,249,491	R7,249,491	R7,013,487
Other municipal staff				
Basic Salaries and Wages	R53,983,463	R57,965,627	R59,310,615	R58,938,428
Pension Contributions	R9,245,336	R12,364,431	R9,777,074	R9,652,763
Medical Aid Contributions	R4,826,735	R4,687,787	R7,691,397	R7,025,192
Motor vehicle allowance	R8,806,062	R9,206,922	R11,197,497	R10,656,828
Cell phone allowance	R233,671	R213,158	R269,987	R257,620
Housing allowance	R550,420	R748,130	R758,670	R534,289
Overtime	R10,926	R214,525	R209,289	R27,802
Bonus 13 th cheque	R4,380,241	R5,355,747	R4,577,319	R6,327,161
Other benefits or allowances	R9,414,053	R8,512,157	R9,594,869	R5,277,313
Sub total	R91,450,907	R97,415,858	R100,505,093	R96,392,924
Total Municipality	R106,519,018	R114,236,290	R117,978,230	R113,029,034

CHAPTER 5

FINANCIAL PERFORMANCE

CHAPTER 5: FINANCIAL PERFORMANCE

5.1 FINANCIAL MATTERS

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

COMMENT ON FINANCIAL PERFORMANCE:

Based on the 2021/22 financial performance, the municipality made a deficit of R10 935 966 in comparison to R1 185 020 surplus in 2020/21. Overall, the municipality is in good financial health.

Note should be taken of the increase of salaries which indicate an average increase by 6-8%, compared to the Equitable Share (municipality's main income source), which only increased by 3%.

5.2 GRANTS

COMMENT ON OPERATING TRANSFERS AND GRANTS:

The municipality is more than 97% dependant on grants and subsidies and are aiming to be less dependable on grants and to generate more own funds itself.

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

An asset management unit is established at Lejweleputswa District Municipality consisting of the asset manager and an official. Annual asset verification is conducting to ensure all assets are accounted for. Missing assets must be explained by the responsible person the asset is allocated to on the reasons why the assets are missing.

When assets are transferred, an asset transfer form must be completed and submitted to the asset section to update their records.

Every personnel member assets are allocated to, are responsible for the safeguarding of their assets.

Aurecon have previously been appointed to compile an asset maintenance plans for the properties.

There is an approved asset management policy approved by council in 2014 in place, this policy is reviewed annually to ensure it is aligned with GRAP requirements.

Repair and Maintenance Expenditure 2021/22				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and maintenance expenditure	R1,495,240	R1,616,640	R401,321	75%

The Key objectives of the asset management policy are:

- The accurate recording of essential asset information;
- The accurate recording of asset movements;
- Exercising strict physical controls over all assets;
- Treating the assets correctly in the Municipality's Financial Statements;
- Providing accurate and meaningful management information;
- Compliance with the Council's accounting policies and GRAP;
- Adequate insuring of assets;

Maintenance of Council's assets;

- Ensuring that managers are aware of their responsibilities with regard to the assets; and
- Setting out the standards of management, recording and internal controls so as to safeguard the assets against inappropriate utilization or loss.

Details of capital expenditure 2021/2022		
Details	Name	Actual Value
Asset 1	Office Equipment	R423,647
Asset 2	Building	R2,548,145
Asset 3	Computer Software	-
Asset 4	Motor Vehicles	R998,850
Asset 5	Emergency equipment	-
Asset 6	Infrastruture	-
Asset 7	Plant and equipment	R3,744,534
Asset 8	Furniture and fixtures	R46,508

COMMENT ON ASSET MANAGEMENT

Refer to previous table and comments with regards to the additions for the year.

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

There are limited funding available to allocate to repairs and maintenance. Another challenge was that there were no maintenance plans in place.

Aurecon was appointed to compile a maintenance plan for the properties, and the fleet manager compiled a fleet maintenance plan. This will be used in the future as basis for planning and budgeting purposes. The challenge still remains of funding to source the increased maintenance. The main source of income increases 3% which is not aligned to the average CPIX.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Liquidity ratios measure the municipality's ability to pay its bills and are calculated by dividing the current assets, due within one year by the municipality's current liabilities, payable within one year. The higher the ratio, the better it is for the organization.

Ratio calculations for the month ended:		30 JUNE 2022	
Name of municipality:		Lejweputswa District Municipality	
Financial Year		30 June 2022	
Current ratio: Current Assets / Current Liabilities (Norm 2:1)			
		30 JUNE 2021	30 June 2022
Current Assets		R 124,701,649	R 113,701,019
Current Liabilities		R 21,169,111	R 21,912,404
Current Ratio		5.9	5.2 (times)
Comment: The purpose of the current ratio is to determine whether the entity has the ability to pay it's short term liabilities. The norm for the current ratio is 2:1; the current ratio improved to 8.9:1, the main reasons for this was:-increase in Trade Receivables			
2			
Cash/ Cost Coverage Ratio: ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision Actuarial Loss, Impairment Loss and Loss on Disposal of Assets) (Norm: 1-3 months)			
		30 JUNE 2021	30 June 2022
Cash and cash equivalents		R 121,220,822	R 111,525,825
Unspent Conditional Grants		R 26,882	R 0
Bank Overdraft		R 0	R 0
Short term investment		R 0	R 0
Monthly fixed operational exp.		R 8,552,385	R 11,151,705
Depreciation		R 3,094,324	R 3,998,396
Amortisation		R118,512	R122,250
Provision for bad debts		R0	R 0
Actuarial Loss		R 697,000	R 1,754,000
Impairment Loss		R 342,932	R 301,414
Loss on disposal of assets		R 146,436	R 1,303,544
Operating expenditure		R134,199,293	R130,157,134
Cash/ Cost Coverage		9.36	8.33 (months)

Comment: The purpose of the cash/ cost coverage ratio is to determine the amount of cash available to pay monthly operating expenditure, which includes interest, without receiving any additional income. Ideally the municipality should be able to pay its operating expenditure for 5 months without receiving any additional income to proof sustainability. The municipality is able to cover all operating expenditure on a monthly basis.

Net debtor days: $((\text{Gross Debtors} - \text{Bad debt Provision}) / \text{Actual Billed Revenue}) \times 365$ days (Norm: 30 days)					
			30 JUNE 2021	30 June 2022	
Gross debtors closing balance			R 30,760,923	R 30,628,744	
Bad debt provision Net			R -30,236,242	R -30,537,656	(days)
Comment: The purpose of this ratio is to determine how quick the debtors pay the municipality after being billed. The net debtor days is exceedingly more than the accepted norm and improved controls should be implemented to improve recoverability of debtors					
Grant dependency: Government grants and Subsidies / Total Revenue x 100					
			30 JUNE 2021	30 June 2022	
Total revenue			R 157,788,853	R 147,850,500	
Government grants and Subsidies Grant			R 152,280,118	R 142,665,626	
			96.5	96.5	(%)
Comment: The purpose of this ratio is to determine how dependent the municipality is on grants. The ratios indicated that Lejweleputswa District Municipality will be 93% dependable on grants mainly due to the Equitable Share and government grants and subsidies received during 2018 Ficsl period. The ratio decreased with 1% in comparison with June 2017 where the municipality were more dependable on grants.					

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

CAPITAL EXPENDITURE

Introduction to spending against capital budgets

Total Capital Expenditure: 2018/19 to 2020/21 (R'000)			
Detail	2019/20	2020/21	2021/22
Original Budget	R16,300,000	R13,550,000	R13,150,000
Adjustment Budget	R17,100,000	R14,238,700	13,150,000
Actual	R4,068,823	R9,963,831	R5,447,154

COMMENT ON CAPITAL EXPENDITURE

The majority of the budget includes the purchase of necessary computer equipment and Office Equipments

FUNDING OF CAPITAL BUDGET:

2021/2022

The budget will be funded from own sources.

5.6. SOURCES OF FINANCE

With the current financial constraints, limited funding is available to fund capital expenditure.

5.7. CAPITAL SPENDING ON 5 LARGEST PROJECTS

The capital expenditure was spent on:

- Municipal Vehicle
- Software
- Outbuildings : Extensions
- Equipment

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.8 CASH FLOW

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Refer to cash flow statement included in this report.

The municipality use to generate revenue influx from the RSC levies which were abolished in 2006. Since then it relied heavily on Grants to sustain its operations and it faced dire financial constraints. The Equitable Share Grant only increases 3% annually which is not aligned to the continuous increase in expenditure.

District Municipalities do not have any own revenue sources e.g. tariffs that can be raised. Revenue from own resources are limited. Each year, it is a cumbersome task to ensure the budget prepared is cash backed. At the moment it is only our Executive Mayor who has discussions with the Province about the impending situation and the matter needs to be escalated to National Treasury.

5.9 BORROWING AND INVESTMENTS

5.9.1 INVESTMENTS

Money is invested in short term investments (32 day deposits). Excess cash not needed for the daily operations for the next month are invested. Maximum of 25% may be invested with one institution as per the cash and investment policy.

Investments are made in accordance with the cash and investment policy. Excess funds not needed within the next 32 days are invested to generate maximum interest. Investments are limited to 25% per financial institution to diversify risk to council.

5.9.2 BORROWINGS

No new loans have been taken up in the 2021/2022 financial year. It is not envisioned that new loans will be taken up in 2022/2023.

Borrowings: No new loans have been taken up in the 2021/2022 financial year.

COMPONENT D: OTHER FINANCIAL MATTERS

5.11 SUPPLY CHAIN MANAGEMENT

Lejweleputswa District Municipality has a centralized supply chain management unit, all of council procurement is undertaken by dedicated full time Supply Chain Management Practitioners that report under the Chief Finance Officer in Financial Services. They handle all supply chain management's responsibilities which are sourcing of Goods, travel and logistics for all departments. Supply Chain Management System has been developed to ensure it caters for Logistics Management, Disposal Management, Risk Management and Performance management. All the members of the 3 Supply Chain Management Committees, Specification, Evaluation and Adjudication committees have been appointed by the Municipal Manager. Clear segregation of duties as regulated by the Supply Chain Management Regulations is effected in these committees.

Internal controls reviewed by our Internal Audit department regularly, have continuously given comfort to municipal employees and council that the system is fair, transparent and allows for competitiveness in the procurement of goods and services. Lejweleputswa District Municipality continues to pride itself with Cleanest corporate governance and some of the stringent internal control process which we continuously implement to get Clean Audit. Municipal Council will continue to ensure that the limited resources at our disposal are expended in a manner that translates in to value and growth for Lejweleputswa district Municipality.

5.12 GRAP COMPLIANCE

Currently, Lejweleputswa District Municipality lacks the capacity to fully produce GRAP Compliant Annual financial Statements and we use Consultants who assist and also do skills transfer.

There are two GRAP steering committees:

- One committee consists of the finance personnel, chaired by the CFO. This is where the progress by the different sections are discussed, the action plans to address previous audit findings, etc. The meeting is attended by:

- Chief Account;
- Their first line of supervisors;
- The risk officer and
- Internal audit

The second committee serves as a bigger meeting for discussion of financial issues pertaining to the whole municipality and all departments. The meeting is attended by:

- CFO
- Municipal Manager;
- Head of Departments;
- Finance Deputy Managers;
- Internal Audit;

Other Role-Players

