



Annual Report

2021 - 22

DRAFT

"Leaders in integrated Municipal Governance"





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2021/2022

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ANNUAL REPORT

CHAPTER 1

MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD



I take this great pleasure in presenting the draft Annual Report for the 2021/2022 financial year as dictated to by section 121(1) of the Municipal Finance Management Act, read with section 46(1) of the Municipal Systems Act of 2000. This report highlights the achievements and a plethora of challenges experienced by the municipality for the year under review. The municipality takes pride in serving the community as an extension of good governance and those decisions taken in the best interests of the people of Ngaka Modiri Molema. The report is brutally honest about our achievements and challenges. I am confident that with the existing leadership collective wisdom of all political parties in council, and the administration we shall improve the services we are providing to our masses.

It remains equally pivotal to refocus our energies and efforts on maintaining and improving the existing performance standards in all areas. Every effort must be geared towards maintaining a culture of accountability and enhance sound fiscal and administrative responsibilities executed with precision and diligence.

Since the inception of this council in November 2021 we have been dealing with several historical service delivery challenges and I can safely mention that we have managed to identify impediments and a comprehensive strategy is underway to turn the tide.

Our focus as an institution is guided and driven by the Integrated Development Plan which was adopted by council with emphasis on maintaining a good performance management system. We must continue unabated and unashamedly to improve in the provision of water and decent sanitation. Special attention must also be paid to strengthening the internal controls and improvement in planning for implementation of programmes and projects to ensure achievements of the Key Performance Indicators.

We need not to be oblivious to the recent developments regarding the disestablishment of Sedibeng Water and introduction of Magalies Water Board,

but we need to ensure that we strive for distinctive role clarification with regard to powers and functions of the affected parties. As a Water Service Authority our municipality must continue to discharge its constitutional mandate without fear or favour.

The achievement of service delivery targets and deliverables is obviously viewed together with the municipality's financial performance and our ability to comply with a whole suite of municipal legislation. This report is therefore intended to attest to the collective efforts of the municipal administration and council to progressively address the expectations of our people.

"You never change things by fighting the existing reality. To change something, build a new model that makes the existing model obsolete"

I must take this opportunity to thank councillors and the administration for working together to improve the lives of our people, but I must equally acknowledge that there is much that still needs to be done. Let us double our efforts and recommit ourselves to excellence in service delivery.

CLLR KHUMALO MOLEFE
EXECUTIVE MAYOR

T 1.0.1

1.1 COMPONENT B: EXECUTIVE SUMMARY

MUNICIPAL MANAGER'S OVERVIEW



The past financial year has seen the country and district experiencing flood where roads were washed away, roads and other infrastructure washed away, and a number of households flooded. The Ngaka Modiri Molema was no exception as we saw the villages of Kraaipan, Witpan 1 & 2, Brooksby and Loombaslagte being flooded.

The District Municipality responded by restoring bridges that isolated communities in respect of Kraaipan. Disaster Response material were procured for displaced communities across the district, and Deelpan Village was the most struck by the floods. Through the efforts of the Executive Mayor, public formations as in the Gift of the Givers, Ngaka Modiri Molema Motor Biking Clubs, the Mmabatho Palms Hotel, District Farmers, and individuals landed their helping hands in ensuring relief to the communities that had been displaced by the floods. It is on a good note to report that many people received the required help during these floods as the District Community Services unit was able to assist. Indeed, it is true that together we can win and together we can take care of our own where the need arises.

Early in the financial year, a formation styled as AFRIFORUM sought a court order to the effect that the District Municipality should not only focus on bulk supply but also on reticulation. In terms of the Water Services Act, the District Municipality's role is limited to bulk supply; whereas Local Municipalities are Water Service Providers in line with service level agreements signed with them. In the spirit of cooperative governance, the Provincial Government advised that the District Municipality should not fight the court order launched by AFRIFORM but ensure that services are delivered to the people of Tswaing: a vast area including the towns and suburbs of Ottosdal, Sannieshof, Delareyville and surrounding villages. In line with the advice from the Provincial Government, the District deployed a team of twenty-five officials to Tswaing.

One cannot speak of Tswaing without mentioning sewer spillages and Wastewater Treatment Plants. The District has procured the services of Professional Service Providers to assist wastewater treatment plants. Inherent in the service level agreement is for the service provider to impart skills to our officials post the contractual term. The District is winning bar to indicate that the pace is not as fast as one would have wished. Slow progress is registered in Mahikeng, but the District is engaging the appointed Service Provider.

It would be irresponsible not to mention the fact that vandalism and theft of municipal infrastructure remains a challenge. These incidents have been reported to the law enforcement agencies with dated case numbers. Not much traction has been registered in this regard, but one has reason to believe that the law enforcement agencies shall unravel these cases. The NMMDM urges communities to assist in the apprehension of these insurgence as these assets belong to the people and the District Municipality is just a custodian.

Servicing all communities in the District remains a clarion call and focus. The District is quite broad and grows exponentially. Such growth can be likened to shooting a moving target since communities move to un-serviced areas without human settlement infrastructure. Despite the challenges, one is grateful that communities, while frustrated at times, have exercised the necessary patients as the District strives to ensure service delivery across the board. The District had experienced challenges in Ramotshere Moiloa Local Municipality on the N4. Upon engagement with the communities, restraint has been exercised and the patients and understanding of communities is appreciated.

The District municipality is still committed and recommits to the adage that water is life and sanitation is dignity. To that end, the district shall continue to do the best it can in ensuring that the people are served.

MR A O LOSABA
MUNICIPAL MANAGER

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

The NMMDM as one of the spheres of government is mandated to deliver basic services (particularly sanitation and water) throughout the five constituent local municipalities as per Section 76 of the Municipal Systems Act, No. 32 of 2000. Located north of the Northwest Province Ngaka Modiri Molema District Municipality, borders the Republic of Botswana and is made up of five local municipalities: namely, Ditsobotla, Mahikeng, Ratlou, Ramotshere Moiloa and Tswaing.

Historically an agricultural region, Ngaka Modiri Molema District hosts the capital of the province and that is the city of Mafikeng. The district has a proud heritage and tourism infrastructure that has not been fully explored optimally. In 2018 the small farming town of Groot Marico situated in Ramotshere Moiloa Local Municipality, was officially declared as a biosphere reserve through the United Nations Education and Scientific Organization (UNESCO).

A biosphere is a protected area. It hosts all forms of life and ecosystems. The Groot Marico biosphere reserve is one of two in the province and covers 450 000 hectares. It is the second to be declared in the province, the Magaliesberg reserve was the first biosphere to be declared the district's strategic position contributes positively towards Local Economic Development activities of the District and the South African Development Community (SADC) at large. Ngaka Modiri Molema District Municipality has an estimated extent of 28 114km² with an overall population estimate of 842 698 as indicated by STATSSA, Census 2011.

According to STATSSA, Census 2011, 82% of the overall District population has access to formal dwelling, while 80% and 66% have access to electricity for lighting and cooking respectively. Although Ngaka Modiri Molema District Municipality has a very low percentage of people with access to piped water in the yard as well as proper sanitation, there is a steady improvement on those services since Census 2001 to Census 2011. There is also a decrease by 2% on the female headed families from Census 2001 to Census 2011.

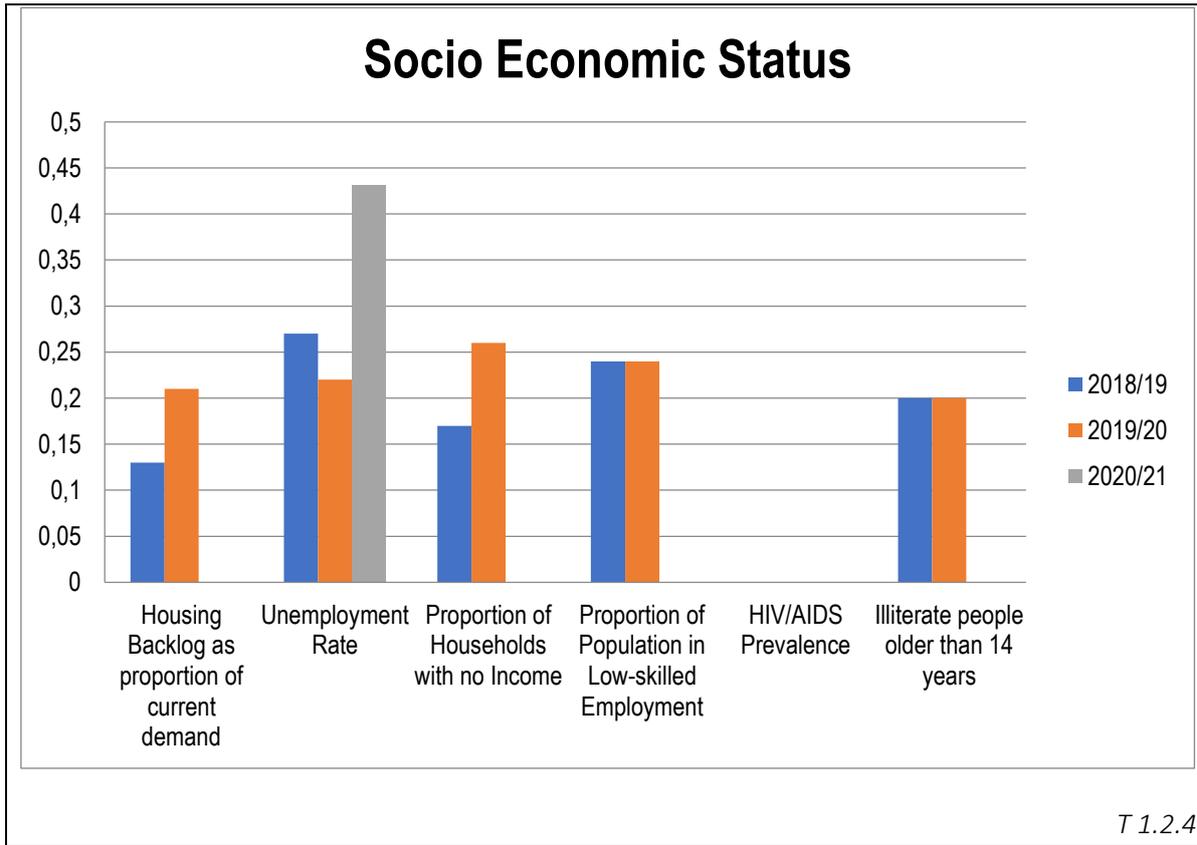
Chapter 1

Population Details									
Age Group	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	47 968	47 256	95 224	47 184	46 597	93 780	46 830	46 320	93 150
5-9	50 915	50 915	50 915	48 940	48 238	97 177	48 450	47 702	96 152
10-14	50 110	50 209	100 319	50 695	50 651	101 346	50 428	50 142	100 570
15-19	40 662	40 713	81 375	42 093	42 153	84 247	43 183	43 569	86 752
20-24	36 480	36 100	72 580	35 370	35 441	70 811	35 485	35 437	70 922
25-29	37 918	36 708	74 626	36 973	35 691	72 664	36 644	35 460	72 103
30-34	38 402	37 468	75 870	38 281	37 319	75 600	38 283	37 248	75 531
35-39	32 508	32 448	64 957	33 608	33 463	67 071	34 625	34 334	68 959
40-44	25 620	26 378	51 998	26 678	27 116	53 794	27 647	28 039	55 687
45-49	20 931	23 126	44 058	21 222	23 595	44 817	21 609	24 022	45 631
50-54	17 446	19 810	37 255	17 804	20 072	37 876	18 213	20 402	38 616
55-59	14 364	17 320	31 684	14 560	17 630	32 191	14 789	17 851	32 640
60-64	11 371	14 811	26 183	11 657	15 005	26 663	11 908	15 314	27 221
65-69	7 959	12 379	20 338	8 131	12 697	20 828	8 360	12 925	21 285
70-74	5 696	9 217	14 913	5 755	9 491	15 245	5 779	9 853	15 632
75-79	3 610	7 248	10 858	3 684	7 308	10 992	3 795	7 325	11 120
80+	2 001	7 040	9 041	1 935	7 270	9 205	2 054	7 614	9 668
Total	443 962	469 146	862 193	444 571	469 736	914 307	448 083	473 557	921 640

T 1.2.2

Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
2019/20	21%	22%	26%	24%		20%
2020/21		43%				
2021/22						

T 1.2.3



Geography type and Geography hierarchy 2016 by Summation Options

Overview of Neighbourhoods within 'Name of Municipality'			
Settlement Type	Geographic Area	Population Size	Number Household
Urban	DC38: Ngaka Modiri Molema	255 923	82 095
	NW381: Ratlou	0	0
	NW383: Mafikeng	54 257	20 712
	NW384: Ditsobotla	104 910	31 808
	NW385: Ramotshere Moiloa	36 115	12 791
	NW382: Tswaing	60 641	16 784
Traditional	DC38: Ngaka Modiri Molema	590 318	170 386
	NW381: Ratlou	104 557	28 360
	NW383: Mafikeng	256 133	80 657
	NW384: Ditsobotla	56 366	14 414
	NW385: Ramotshere Moiloa	115 213	32 022
	NW382: Tswaing	58 049	14 934
Farms	DC38: Ngaka Modiri Molema	42 868	17 496
	NW381: Ratlou	1 551	760
	NW383: Mafikeng	4 004	1 965
	NW384: Ditsobotla	20 589	7 932
	NW385: Ramotshere Moiloa	6 362	3 258
	NW382: Tswaing	10 362	3 581

Source Stats SA 2016 Source Stats SA 2016: As per the Statistic South Africa (Stat SA) classification categories of settlements and municipalities, Ratlou Local Municipality does not have an urban type of settlement category; it only consists of Traditional and Farms categories, as populated above.

T1.2.5

Chapter 1

Natural Resources	
Major Natural Resource	Relevance to Community
Minerals Resources (Gold, diamond, Chrome, Slate, Cement etc	Most of our Local Municipalities have signed social labour plans with local mining houses that will ultimately assist communities in creation of jobs through identified projects in the social labour Plans. Most of our SMME's are included on the Mining houses supplier data base for purpose of allowing them to participate in the procurement systems of the mining houses.
Protected Areas/Conservation/Tourism	The Tourism Sector could not perform as expected in this financial year due to Covid 19 pandemic. As a result, less Tourists visited our District Municipality.

Natural Resources	
Major Natural Resource	Relevance to Community
Agriculture land	The District Municipality have enough Agricultural Land that can assist in Food Security, Sustainable food production, local agro-processing plants, these can lead to poverty alleviation, income generation from agricultural land process and job creation
Water Source (catchment area, dolomitic aquifer, dolomitic eyes, rivers	Ngaka Modiri Molema District Municipality as a water authority has the responsibility to Provide water for commercial farming, small scale farming as well as subsistence farming and livestock watering sources
<i>T 1.2.6</i>	

COMMENT ON BACKGROUND DATA:

Climate: The NMMDM has over the four financial years increased its participation in numerous training programmes and workshops that were solely focused on the Climate Change phenomenon, organised by the Departments of Environmental Affairs. The attendees are gradually empowered to integrate Climate Change resilience in spatial planning, rural development and human settlements.

Hydrology: NMMDM faces a multitude of issues with regards to water availability, since most surface water resources are non-perennial, resulting in water stress and limiting development. Groundwater is utilised for communal and small-town water supply, agriculture and to a lesser extent for mining. NMMDM has a very low to extremely low development potential however, when considering irrigated agriculture; the development potential may be higher. The district through its environmental management framework (EMF) studies has noted the impact of alien plant invasion on the supply of the following crops, wood, and water, there was a significant decrease in the supply. This has subsequently impacted on the natural processes of air and water purification, recreation, tourism, as well as cultural and heritage value.

Geology: NMMDM is currently handling a substantial application for prospecting rights for various minerals whilst at the same time there is an emerging group of informal artisanal miners digging up residue minerals In Ditsobotla and Ratlou areas.

Soils: The District and relevant stakeholders has ensured adherence to legislation that protects food production and keeping development away from prime agricultural land.

Biodiversity: NMMDM is home to the recently listed Marico Biosphere through the United Nations Education and Scientific Organisation (UNESCO). The protection of the biodiversity within the District makes a large contribution to economic development within the province and will allow a bigger migration space for animals, creating a prime eco-tourism destination.

T 1.2.7

1.3 SERVICE DELIVERY OVERVIEW

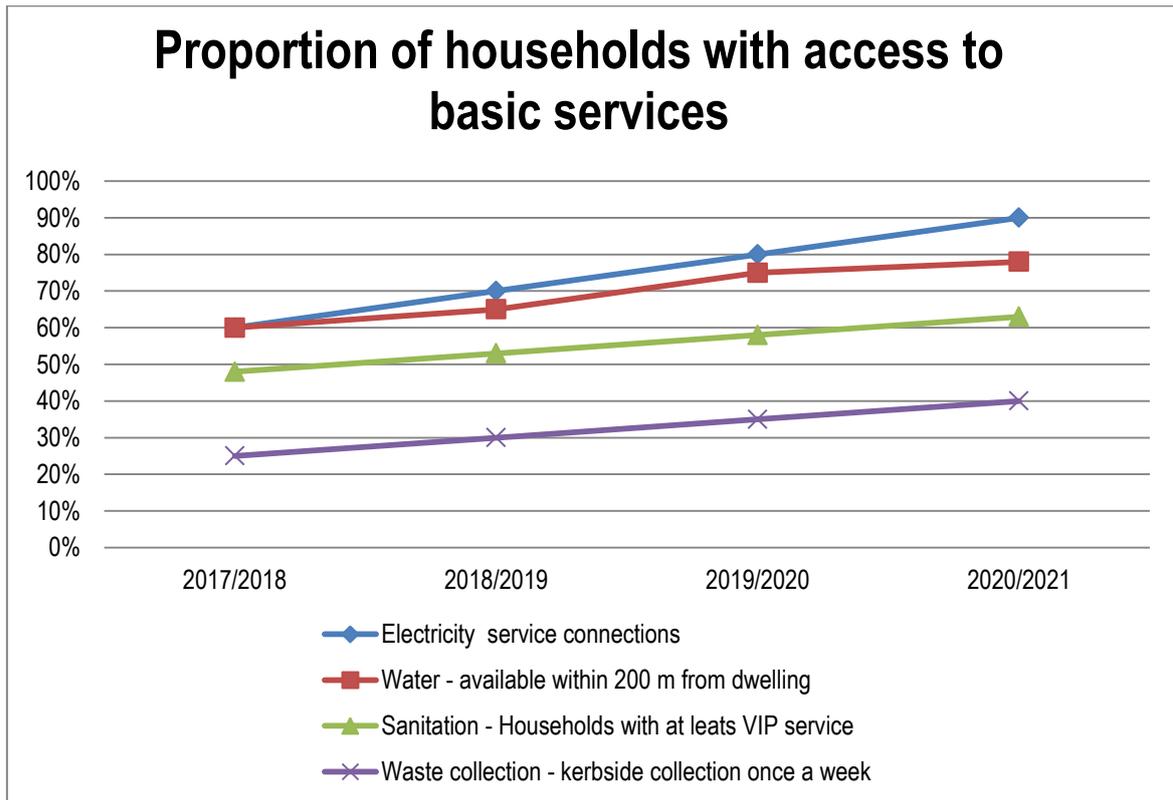
SERVICE DELIVERY INTRODUCTION

Ngaka Modiri Molema District Municipality as the water Service Authority has a constitutional responsibility to ensure access to quality, efficient, affordable, economic, and sustainable (bulk and retail) water and sanitation services for all communities within its area of jurisdiction, through operation and maintenance of infrastructure, emergency programs and implementation of capital projects.

The water services model used is by providing water services by use of internal mechanism and/or contract external water services providers to undertake the provision function.

The District Municipality is responsible for ensuring regional security and reliability of water supply to water services users by acquiring DWS licenses to abstract water from, and to discharge waste effluent to, the water resource and may regulate the provision of water services within its local area through by-laws and contracts. In-terms of the DORA the District Municipality is obliged to support its Local Municipalities with the Transfer allocation of R 10 million per financial year.

T 1.3.1



T 1.3.2

COMMENT ON ACCESS TO BASIC SERVICES:

To battle the spread of the pandemic and the curb water supply shortages the Municipality has procured a number of Tanks and 05 (internal) Tankers to have a total of 11 internal tankers to mitigate and redress the situation across the District Municipality. Over and above the district has procured new four (04) sanitation Trucks and eight (08) water Trucks through National Treasury to do away with outsourcing of these services.

In order to attend to issues relating to water (boreholes and pumpstations) and sanitation (Waste water Treatment Plants-WWTW) infrastructure maintenance the Municipality has appointed a panel of the following service providers;

- a) Six (06) Service providers for the supply and delivery of water material, tools and electrical components on as and when required basis for a period of 03 years;
- b) Three (03) Service providers for the electrical supply, repairs and maintenance on boreholes and associated infrastructure (control panels, motors, high lift pumps) on as and when required basis for a period of 03 years;
- c) Three (03) service providers for the mechanical repairs for water engines and emergency supply of water engines, engine stands, storage tank stands, storage tanks, pump houses and fence on as and when required basis for a period of 03 years

- d) Seven (07) service providers for the drilling/ re-drilling, pump testing, equipping of boreholes with concrete pump houses, palisade fencing and storage tanks on as and when required basis for a period of 03 years
- e) Accreted Water Laboratory services for a period of 03 years

Despite these challenges encountered during the heavy rain seasons over the financial year and other challenges, a number of emergency projects were completed to improved water provision at the following areas:

- a) Replacement of leaking 4.2km Asbestos pipeline between Mahikeng Treatment Plant and Riviera Park to Signal-hill reservoirs,
- b) Replacement of 2.5km leaking pipeline from Geysdorp pump station to Delareyville bulk reservoirs
- c) Drilling and equipping of new boreholes at Deelpan, Molelwane, Lobatla village, Shaleng Coligny and Mofufutso village.

The Eskom connections to water sources are very slow and the current implementation on stages of load shedding has greatly impacted the water provision across the district municipality. This has caused the Municipality to opt on the procurement of standby generators while waiting for the Eskom to connect at various villages across the district. Other than that, vandalism, theft and illegal water connections are some of the components that hamper the service delivery to our communities within NMMDM.

T 1.3.3

1.4 FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The financial objective of the municipality is to secure sound and sustainable management of the financial affairs of the municipality and to assist the five local municipalities to be financially viable.

Critical functional areas for the district municipality amongst others include effective financial management, fully functional internal audit units and audit committees, high vacancy rate in key positions, declining growth in Regional Services Council Replacement Grant, increase an operational expenditure, which negatively impacts service delivery. Issue 3 of the IDP relates to financial viability and includes projects that contributed to the financial viability of the District and Local Municipalities. Refer executive summary: Annual Financial Statement Chapter 5

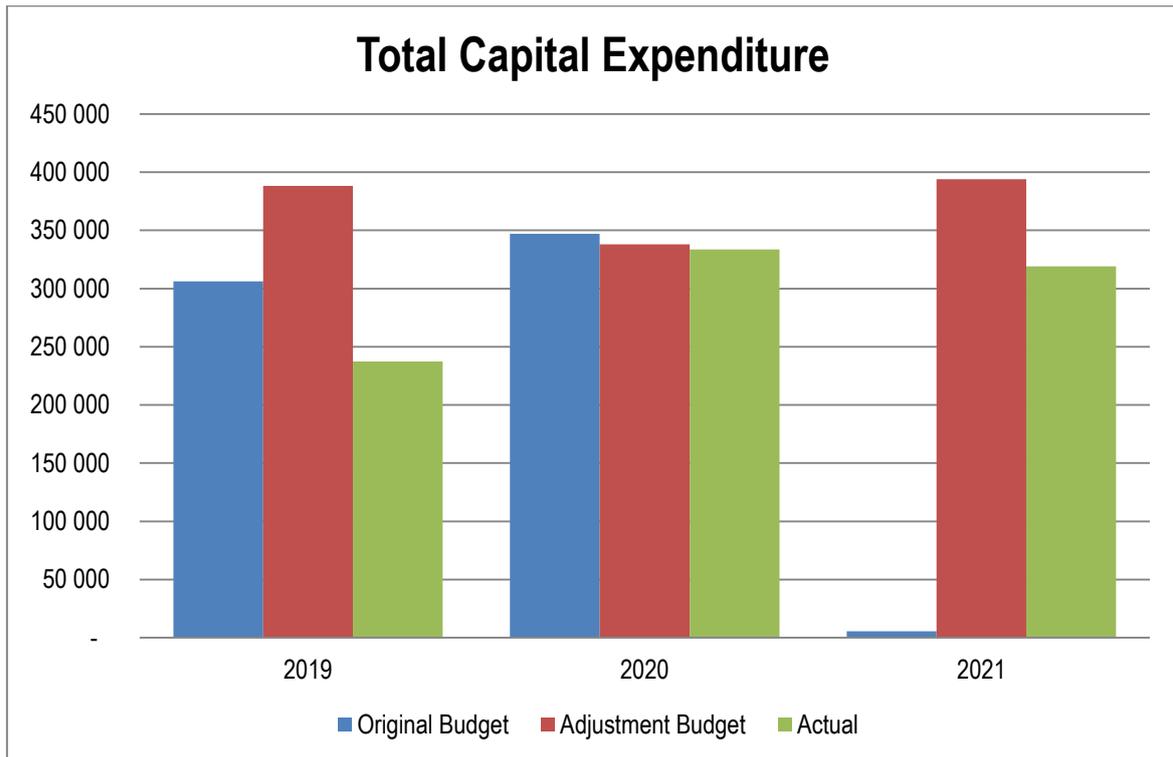
T 1.4.1

Chapter 1

Financial Overview: 2021/2022			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants			
Taxes, Levies and tariffs			
Other			
Sub Total			
Less: Expenditure			
Net Total*			
* Note: surplus/(deficit)			T 1.4.2

Operating Ratios	
Detail	%
Employee Cost	
Repairs & Maintenance	
Finance Charges & Impairment	
T 1.4.3	

Total Capital Expenditure: 2019/2020 to 2021/2022			
			R'000
Detail	2019/2020	2020/2021	2021/2022
Original Budget	347 144	5 525	
Adjustment Budget	338 125	393 949	
Actual	333 741	319 015	
			T 1.4.4



T1.4.5

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The performance of a municipality is integrally linked to that of its staff. If employees do not perform, a municipality will fail. It is therefore important to manage both at the same time. The relationship between organisational performance and employee performance starts from planning, implementation, monitoring and review. The policy for cascading performance management to lower levels is in the processes of implementation, workshops were held by Human Resource Management and the process was explained to employees.

The Municipality use performance measurement to drive improvements and successfully translate vision and strategies into action. In other words, we use performance measurement processes for managing implementation of Integrated Development Plan and the Budget. It is important to note that PMS is dynamic and will change and develop over time to reflect the unique features of the organisation.

T 1.5.1

1.6 AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: 201/2022

T 1.6.1

1.7 STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	30/07/22
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalize the 4th quarter Report for previous financial year	31/07/22
4	Submit draft 2021/2022 Annual Report to Internal Audit and Auditor-General	22/08/22
5	Municipal entities submit draft annual reports to MM	N/A
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	22/08/22
7	Mayor tables the unaudited Annual Report	30/08/22
8	Municipality submits draft Annual Report including annual financial statements and performance report to Auditor General	31/08/22
9	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	07/09/22
10	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	07/09 – 30/11/22
11	Municipalities receive and start to address the Auditor General's comments	30/11/22
12	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	31/01/23
13	Audited Annual Report is made public, and representation is invited	03/02/23
14	Oversight Committee assesses Annual Report	03/02/23
15	Council adopts Oversight report	29/03/23
16	Oversight report is made public	03/04/23
17	Oversight report is submitted to relevant provincial councils	03/04/23
18	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	29/04/23

T 1.7.1

COMMENT ON THE ANNUAL REPORT PROCESS:

The Annual Report process for 2021/2022 started on the 1st of July 2022. The PMS Unit was responsible for collating information from respective Departments. The Unaudited Annual Report was table by the Executive Mayor in a Council Meeting held 31 August 2021. The District Municipality will receive the report from the Auditor General after auditing the Annual Financial Statements and the Annual Performance Report.

The Final Annual Report for 2021/2022 will be tabled by the Executive Mayor on or before the 31st of January 2023. The tabled Annual Report will be submitted to the Municipal Public Accounts Committee which will interrogate the report and consult the community to give them feedback on the Annual Report. The Municipal Public Accounts Committee will ensure that the Oversight Report on the Annual Report is submitted to Council on or before 31 March 2023 and within seven days submit their report to the Provincial Legislature.

T1.7.1.2



2021/2022

DRAFT ANNUAL REPORT

CHAPTER 2



"Leaders in Integrated Municipal Governance"

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

The Ngaka Modiri Molema District Municipality is a Category C and a Water Authority municipality which operates within the Executive System with all the Executive powers of the Council vested in the Executive Mayor, who is assisted by members of the Mayoral Committee. The Council has established a Mayoral Committee system in line with the provisions of Section 80 (1) of the Municipal Structures Act 117 of 1998, as amended. The Municipal Council is the highest decision-making authority in the Municipality. It guides and instructs the administrative component, which implements the decisions taken by the political component.

T 2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Ngaka Modiri Molema District Municipality is an ANC led municipality

The focus of (Municipal Structures Act: Section 79 Committees is to ensure the effective and efficient performance of any of the municipal council's powers and functions. The district municipality has established Rules and Ethics Committee chaired by the Speaker of Council and Municipal Public Accounts Committee chaired by one of the directly elected councillors from opposition parties. Over and above that there is an Audit and Risk Committee as an independent advisory body appointed by council.

The Audit and Risk Committee ensures effective systems that complement service delivery, the safeguarding of municipal assets, financial records, risk management, information technology governance, effective corporate governance, and an effective internal control system.

The Administrative wing is responsible for Corporate Governance and administers the administrative affairs of the Municipality as prescribed by various legislative frameworks. The administration wing is led by the Accounting Officer commonly referred to as Municipal Manager and seven (7) senior managers appointed in terms of Section 56 of the Municipal Systems Act 32 of 2000. It be noted that two senior management positions (Senior Manager Planning and Development and Senior Manager: Office of the Executive Mayor) remain vacant.

T 2.1.0

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Local Government elections took place on 01 November 2021 and 42 councillors were elected to serve Ngaka Modiri Molema District Municipality in accordance with Schedule 2, Part 1, of the Municipal Structures Act, No. 117 of 1998 as amended. Seventeen (17) of whom are directly elected (proportional representatives) and twenty-five (25) are seconded/designated by local municipalities within the district municipality to represent those local municipalities at the district level. The Executive Mayor, Speaker, Council-whip, eight members of the Mayoral Committee and MPAC Chairperson have been appointed fulltime by council for a term ending 2026. The following are portfolio committees established in terms of Section 80 on the Municipal Structures Act 117 of 1998 as amended. (i) Finance, Budget, and Treasury Office, (ii) Corporate Support and ICT Shared Services, (iii) Rural Development, Economic, Agriculture and Tourism, (iv) Sports, Arts Culture and Traditional Affairs, (v) Intergovernmental Relations, Integrated District Development and Spatial Planning, (vi) Special Projects, Youth, Women Empowerment, Senior Citizens, People with Disability and Children, (vii) Infrastructure Development, Technical Services and Maintenance, (viii) Community Services, Health, Environment, Disaster Management and Social Development

There are five political parties represented in the municipal council. The following is the allocation of seats per political party in the Municipal Council. The municipality is still awaiting the office of the MEC for Local Government, Human Settlement and Traditional Affairs to allocate seats to Traditional Leaders expected to serve at the district municipality:

Political Party	Number of seats
ANC	= 26
EFF	= 8
DA	= 4
F4SD	= 3
FF+	= 1
Total	= 42

The municipal council ensures that the above political parties are represented on the various committees of Council established in terms of Section 79 of the Municipal Structures Act 117 of 1998 as amended. Some councillors participate in more than one committee with the exceptions of MPAC. This arrangement ensures a stable political environment and buy-in from all parties regarding recommendations/resolutions.

POLITICAL STRUCTURE

The Ngaka Modiri Molema District Municipality has 42 Councillors, 2 of which represent local municipalities and 17 of which are directly elected. Appendix B, sets out committees and committee purposes. Councillors are remunerated according to the "Determination of the Upper Limits of Salaries, Allowances and Benefits of Municipal Councillors for the 2021 financial year" Regulation. In order to ensure that Councillors fulfil their obligations to their communities and support the achievement by the Municipality in an ethical manner, Councillors must adhere to the Code of Conduct as established in Schedule one (7) of the Local Government: Municipal Structures Amendment Act. The Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), section 117 prohibits Councillors from being part of the tender process.

	<p>MAYOR CLLR.KHUMALO MOLEFE</p>
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	<p>SINGLE WHIP CLLR.CROSBY MAEMA</p>
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SPEAKER
CLLR. NTHABISENG SUPING



MPAC: CHAIRPERSON
CLLR. MBAHARE KEKANA

Chapter 2

**MMC: INFRASTRUCTURE DEVELOPMENT,
TECHNICAL SERVICES & MAINTENANCE**

CLLR. MARIA MONNANA



MMC: FINANCE (BUDGET & TREASURY)

CLLR: THEMBINKOSI MABOVU



**MMC: COMMUNITY SERVICES, HEALTH,
LAND USE, ENVIRONMENT, DISASTER
MANAGEMENT & SOCIAL
DEVELOPMENT**

CLLR. MADIBUSENG MOKOME



**MMC: SPORTS, ARTS, CULTURE &
TRADITIONAL AFFAIRS**

CLLR: NOMBULELO NGQOBE



**MMC: LED, AGRICULTURE, RURAL
DEVELOPMENT & TOURISM**

CLLR: ITUMELENG MOARABI



**MMC: CORPORATE SUPPORT, ICT &
SHARED SERVICES**

CLLR: PORTIA LETSHUFI



**MMC: INTER-GOVERNMENTAL
RELATIONS, INTEGRATED DISTRICT
DEVELOPMENT & SPATIAL PLANNING**

CLLR: MONNAPULA MOTHIBI



**MMC: SPECIAL PROJECTS,
STAKEHOLDER RELATIONS, YOUTH,
WOMAN EMPOWERMENT, SENIOR
CITIZENS, PEOPLE WITH DISABILITY**

CLLR. BOITSHOKO SELEKANYANE



POLITICAL DECISION-TAKING

The highest decision-making body in the municipality is the Council, empowered by section 160(1) of the Constitution to make decisions and by section 59 of the Municipal Systems Act to delegate some of its powers to any of the municipality's political office bearers, political structures, Councillors, or staff members, in accordance with an approved system of delegations.

Troika, which consists of Speaker, Council Whip and Executive Mayor, convenes their meetings every Tuesday. The Municipal Manager and other support staff attend the Troika meetings per invitation to provide support and advice. A day before the date of Council meeting, a Caucus meets to consider items in the agenda of Council with a view to determine any potential contentious matters so that members engage to facilitate smooth transition through Council.

The Standing Rules and Orders of Council make provision for all political parties to convene Caucus meetings before Council Meeting. The Council makes decisions on all matters pertaining to community development and service delivery in the NMMDM area of jurisdiction. Council resolutions are taken based on reports and recommendations made by the Mayoral Committee. The decision-making model is built into the Governance Framework which outlines all document flow processes leading to the tabling of reports to Council.

Twelve council meetings were held during the year under review and one hundred and four (104) council resolutions were taken and some have been implemented, and some are work in progress whereas a few are not yet implemented due to certain challenges. Council has developed a Resolutions Register which is used as a system to record and track the implementation of all resolutions taken. There is a standing item on the tracking of the implementation of Council resolutions. The tracking of the implementation of resolutions is done through a template where management is expected to regularly report the progress made and a report to this effect is submitted to Council. In that way, all Council resolutions are followed-up. Councillors at any stage may put forward motions to call for or propose something emanating from any decision/resolution taken by the council.

T 2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The district municipality appointed a substantive municipal manager and commenced duties during February 2019. The employment contract of the municipal manager is coming to an end in October 2022 which is not more than one year after the election of the new council. Council has at its special meeting granted the Executive Mayor permission to start with the recruitment of the Municipal Manager to fill the upcoming vacant position as of 01 November 2022.

The municipal manager/accounting officer is the head of administration and is responsible for the efficient and effective administrative management of the affairs of the municipality as outlined in different pieces of legislation. The municipality is trying to avoid a vacuum come November 2022.

The organisation structure of the district municipality has 7 senior management positions (Section 56 of MSA 32 of 2000) reporting directly to the municipal manager. Five of them are filled with substantive senior managers and one is filled in an acting capacity whereas one remains vacant. The newly elected council resolved to create Senior Manager Local Economic Development position subject to inclusion in the to-be-reviewed Organisational Structure and approval by MEC for COGHSTA as per the Municipal Staff Regulations.

T 2.2.1

TOP ADMINISTRATIVE STRUCTURE



Municipal Manager

Mr. OA Losaba

FUNCTIONS

- Forming and developing an economic, efficient and accountable administration.
- Implementing and managing the District Municipality's performance management system;
- Coordinating and implementing the District Municipality's IDP;
- Managing the Municipality's administration in accordance with the Constitution, the Local Government Structures Act, the Municipal Systems Act, the Municipal Finance Management Act and all other national and provincial legislation applicable to the District Municipality;
- Managing provision of services to the local community in a sustainable and equitable Manner;
- Facilitating participation of the local community in the affairs of the District Municipality;
- Developing and maintaining a system to access community satisfaction with Municipal Services;
- Appointing, managing, effectively utilizing and training staff and maintaining staff discipline;
- Promoting sound labour relations and compliance by the District Municipality with applicable labour legislation;
- Advising political structures and political office bearers of the District Municipality, managing communications between them, administering, implementing council resolutions and carrying out their decisions;
- Administering and implementing the District Municipality's by-laws and other legislation;
- Being responsible for all income and expenditure of the District Municipality, all assets, the discharge of all liabilities of the District Municipality and proper and diligent compliance with applicable Municipal Finance Management legislation
- Implementing strategic goals of the District Municipality through co-operation and innovative.



Chief Financial Officer

Mr. SS Mphato

FUNCTIONS

- Reporting directly to the Municipal Manager on key departmental activities.
- Overall management of the Budget & Treasury Office/Department. Implement the Integrated Development Plan (IDP) as well as strategic goals of the Budget & Treasury Office/Department.
- Implement departmental Service Delivery Budget Implementation Plan (SDBIP).
- Develop and implement key strategic / business plans including Supply Chain Management, Revenue Management, Expenditure Management and Budget & Reporting.
- Prepare and implement municipal budget.
- Prepare Annual Financial Statements and other mandatory financial management reports.
- Manage Departmental budget, human resources & other resources in accordance with local government legislation;
- Establish, operate and maintain support structures, processes and systems;
- Direct and control key deliverables and outcomes for the department; Liaise with internal and external stakeholders;
- Facilitate stakeholder participation and involvement;
- Ensure legislative, regulatory, policy, practices and operating standards compliance;
- Management and monitoring of all income, expenditure, assets and Liabilities; Cash-flow management;
- Ensure implementation of GAMAP & GRAP Standards;
- Ensure the development of appropriate Strategies, Policies and plans for all relevant areas in the Department linked to the IDP and that will also have a measurable positive impact on the financial performance;
- Develop and implement Supply Chain Management Policy, specific procedures, systems and controls;
- Ensure timely preparation of Budget and Financial Statements; Implement all financial policies and ensure they comply with applicable legislation and National Treasury Regulations.



Senior Manager: Technical Services

Mr. M Rassool

FUNCTIONS

- To manage the Technical Services, PMU and department of the municipality.
- Assist the CFO to compile annual projects budgets
- To assist the council to draw up and implement annual strategic plans
- To ensure compliance to all water service providers
- Ensure water and sewer effluent quality compliance to adhere to the Department of Water and Sanitation (DWS) Blue Drop and Green Drop requirements respectively.
- Ensure implementation of the council Free Basic Services (FBS) Policy.
- Ensures that all required licensing and permitting of all raw water abstraction and sewer effluent will be done and upheld.
- Ensure that Water Service development Plan (WSDP), By-Laws and tariffs are regularly updated.
- Approve technical reports of water, sanitation and roads projects in alignment with respective Municipal IDP's and Regional provincial Growth and Development Plan.
- Ensure that all projects are implemented using the EPWP principles.
- Ensures compliance to all legal aspects and conditions, required from different spheres of Government.
- Manage all contract administration of all projects implemented by council.
- Manage and control the approved budget of engineering department.
- Be prepared to serve on the Bid Adjudication Committee or Bid Evaluation Committee as and when required by the Municipal Manager.
- Maintain Project Performance data on a National Database.



Senior Manager: Corporate Resource Support Services

Mrs. MD Dambuza

FUNCTIONS

- Managing and controlling various line functions within the Directorate which include general administration, Human Resources, Council Support, Corporate strategy, Information Technology and Communications, and Security Services;
- Leading, directing and managing staff within the Department so that they are able to meet their objectives;
- Staff control and discipline;
- Rendering Support by advising and overseeing all matters of procedures relating to minutes and resolutions of the Council Committees;
- Planning, organising, coordinating and controlling the activities of management and administration section;
- Providing administrative support to political Office-bearers;
- Managing and controlling the compilation and execution of the departmental capital and operating budget;
- Executing any function delegated by the municipal Manager in terms of powers and delegations in the relevant legislation and related to the functions of this post;
- Administering records/archives registry, skills development, legal matters and employment Equity;
- Overseeing the execution of the IDP Programmes attached to the Department and monitoring individual performance management;
- Developing, implementing Collective Agreements and managing strategic goals, policies, procedures and plans; aligned with strategic goals of the district municipality through cooperation and innovation teamwork;
- Ensuring proper administration of Council delegation System;
- Providing secretarial services to Council and its Committees



Senior Manager: Community Services

Ms. SM Nkadimang

FUNCTIONS

- To provide strategic management and leadership to the Department that includes, Municipal Health Services, Disaster Management and Fire Fighting services to the entire district;
- Ensure co-ordination, integration and uninterrupted provision of Community Services;
- Integrate service delivery in the context of Council's IDP and oversee implementation;
- Participate in the IDP, SDBIP and Budget processes of the district municipality;
- Establishing a partnership with Governmental and non-Governmental stakeholders/role players dealing with environmental health, fire and public disasters;
- Manage the directorate budget planning, implementation and budget review to support priorities and the deliverables; update Council's by-laws and relevant policies.



Chief Audit Executive

Ms. L Mosiane

FUNCTIONS

- Responsible for the overall functioning of the Internal Audit Departments so that the audit fulfils the purpose, role and responsibilities as established in the Audit Charter.
- The effectiveness and adequacy of controls, risk management and governance processes.
- Reliability and integrity of financial and operational information.
- Economic application of resources.
- Safeguard of the company's assets.
- Compliance with laws, regulations, contracts, policies, and procedures
- Monitor and verify the adequacy, effectiveness, and correct operation of the internal control system.

Acting Senior Manager: Planning & Development

Mr. C Mbengu

FUNCTIONS

- Promote and guide the spatial and physical development of the district through integrated, strategic development and regulatory framework.
- Promote spatial efficiencies and play a strategic role in advancing the principles and objectives of sustainable development.
- District planning, policy and system planning. Economic development. Integrated Development Plan (IDP).
- Performance Management System.
- Implement departmental Service Delivery Budget Implementation Plan (SDBIP).
- Facilitates stakeholder participation and involvement

T 2.2.2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Ngaka Modiri Molema District Municipality is a full functionary of the Intergovernmental Relations and has demonstrated this by ensuring that there is a Unit designated at performing this function.

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

Ngaka Modiri Molema is a full member of the National IGR Forums

T 2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

Ngaka Modiri Molema District Municipality also participates in all Provincial IGR structures such as MUNIMEC, Premier's Coordinating Council, SALGA Forums and any other Ad-hoc Forums.

T 2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITIES

The Relationship between the District Municipality has realized significant improvements. All Appointed Water Service Providers (Local Municipalities) have signed Service Delivery Agreements with the Water Service Authority (District Municipality). This is to ensure that the relationship is professionally managed and highly regulated.

It has been through this relationship that we managed to improve support to all locals quantified in monetary and other resources. The district continues to improve its transfer of allocation to all locals, which has seen the year under review all locals receiving an allocation of R10 Million each.

Currently in the District we have only one entity and that is Sedibeng Water. The relationship with this Water Board remains under monitoring, with only one agreement in place, "Bulk Services Service level agreement."

T 2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

The following structures have been fully functional during the year under review:

1. The Political IGR Forum is Chaired by the District Executive Mayor and comprising of all Mayors from all Local Municipalities in the district.
2. Recently in the advent of COVID 19, a new Political Structure that has since built capacity of the Political IGR was born, District Command Council. This Structure is also chaired by the District Executive Mayor and is comprised of all Mayors, all Speakers, and all Council Whip, EXCO/MMCs for Planning, Finance, and Infrastructure. This structure has now been charged with the responsibility of Coordinating all the District Development Model functions and activities.
3. District Development Model has a functional technical team facilitated by the District IGR Office and all Sector Departments, Municipalities and National government departments and public entities operating in the jurisdiction of the district are represented.
4. Municipal Managers' Forum Chaired by the District Municipal Manager and comprising of all Municipal Managers, CFOs, and Technical Services Directors

T 2.3.4

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Municipal Public Accounts Committee (MPAC) holds meetings quarterly with departments, and quarterly conducts inspections in loco around the district and make recommendations to the Council.

The MPAC did not hold its consultative meetings for 2020/2021 financial year, due to the failure in filling the vacancy of the MPAC Chairperson.

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

The District Municipality in consultation with 5 Local Municipalities formulated District IDP Framework and Process Plan which was tabled and adopted by Council as per Resolution Number **SC02/2021/2022**

T 2.4.1

WARD COMMITTEES

T 2.4.2

Public Meetings					
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)
Ratlou Local Municipality	10 May 2022	24	28	0	YES
Tswaing Local Municipality	11 May 2022	21	27	0	YES
Ditsobotla local municipality	12 May 2022	24	29	0	YES
Ramotshere Local Municipality	13 May 2022	24	21	0	YES
Mahikeng Local Municipality	16 May 2022	36	33	0	YES
NMMDM IDP Rep forum	24 May 2022	4	16	176	YES

T 2.4.3

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

The meetings were very much effective given the number of community members as well as political bears who were in attendance during those meetings. The level of participation was very high and inputs given assisted in insuring that their inputs and views and find expression in the 5th generation IDP 2022-2027.

T 2.4.3.1

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the 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
	T 2.5.1

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Through corporate governance the Ngaka Modiri Molema District Municipality closely monitors its business principles through policy guidelines, risk management and political oversight to ensure compliance, aiming to obtain an improved audit outcome. The implementation of the principles of good governance as promoted in the King IV Report on Governance, enshrined in the Code of Governance Principles for South Africa have been accepted as crucial elements towards the success of Government, including local government in meeting the needs of the people.

The first step to achieving ethical leadership is for the leadership within a municipality, whether political office bearers, managers, different committees or any other structure promoting leadership within the municipality, to clearly understand their respective roles and responsibilities, including the separation of duties as provisioned in legislation. A clear understanding of such roles and responsibilities will then allow for an ethical culture and the principle of accountability. Ngaka Modiri Molema District Municipality, through Good Governance, seeks to outline in summary the roles of different structures within the municipality. The purpose of the Framework is ensuring that political and administrative structures are aware of their roles and responsibilities to ensure synergy in the way Council Structures operate.

T2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

Risk assessment is a process that seeks to determine the possibility of expected and unexpected events occurring. These might have a negative effect on the achievement of municipal objectives. The first step in the Risk Management process is setting the objective of risk management followed by a systematic process to identify, assess, manage, and monitor risk on a continuous basis. Risk Management is a valuable management tool which increases an organization's prospects of success through minimizing negative outcomes and optimizing opportunities.

During the current financial year Risk Management Unit lead by the Chief Risk Officer facilitated the risk assessment process to identify strategic risks. The purpose of risk assessment was to identify and assess risk that could hamper the municipality in achieving its objectives and for Internal Audit to develop a risk based Annual Audit Plan.

Top Five Risk

No.	Risk	Root Cause	Progress
1	Poor operations and non-maintenance of Wastewater treatment Plants	1. Human and financial resources limitations 2. Lack of operational and maintenance plan.	1. Draft Operational and Maintenance plan have been developed. 2. Service Providers have since been appointed to assist with maintenance of sewer plants 3. Maintenance of Plants are ongoing with a good progress achieved to date.
2	Noncompliance to SCM processes, policies and procedures	1. Management Override of Internal Controls. 2. SCM unit inappropriately resourced.	1. Adherence to the Procurement plan and Quarterly reporting to the Mayor on progress made. 2. SOP to be implemented after training of SCM officials
3	Inadequate funding of LED Projects	1. Non-Prioritizing of the LED 2. Insufficient mobilization of External resource funding	1. Leveraging funding through collaboration with other socio-economic formations
4	Ageing, Dilapidated and obsolete Municipal Assets	1. Limited budget for capex and maintenance	1. Utilization of Assets Consultants to assist with management of Assets and assets register 2. Asset condition assessment conducted, and assets register updated. Municipality has developed and maintained assets register
5	Non-optimization of the current Human Capital Workforce	1. Inadequate/ Insufficient requisite skills and knowledge within municipal workforce	Municipality still to embark on structure review Development and Implementation of Human Capital Strategy and Plan

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

The Anti-fraud and Corruption policies are in place within Ngaka Modiri Molema District Municipality. These are reviewed annually, and community awareness campaigns are conducted. An Audit and Risk Committee comprising of 4 independent members is in place to assist the Municipality in strengthening operational controls.

Municipality's new Council will adopt the Local Government anti-corruption strategy and reviewed Policies in the 2022/23 financial year. Ngaka Modiri Molema District Municipality did not detect cases on Financial Misconduct. Had they been detected; they would have been referred to the appropriate offices for investigation.

T 2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

The Supply Chain Management processes were frustrated by several challenges mostly related to the Covid 19 pandemic. The budget for infrastructure was not spent as envisaged and the prioritized projects were delayed due to approval protocols from the Department of Water and Sanitation. Be that as it may, the Municipality made strides to procure major infrastructure such as fire engines and water pumpers to augment the aging fire and rescue fleet.

The overall performance of the unit has been steadily improving on compliance with legislation and business process to shorten the turnaround times. However, there is a need to enhance ability and competence within SCM.

T 2.8.1

2.9 BY-LAWS

By-laws Introduced during 2021/2022					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
There were no by-laws for the year under review					
*Note: See MSA section 13.					T 2.9.1

COMMENT ON BY-LAWS:

The District did not pass any by-laws in the financial year under review.

T 2.9.1.1

2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	11/03/2022
All current budget-related policies	Yes	06/01/2022
The previous annual report 2020/2021	Yes	01/04/2022
The annual report 2021/2022 to be published	Yes	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act 2021/2022 and resulting scorecards	Yes	05/10/21
All service delivery agreements 2021/2022	No	N/A
All long-term borrowing contracts 2021/2022	N/A	N/A
All supply chain management contracts above a prescribed value (give value) for 2021/2022	No	N/A
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2021/2022	No	N/A
Contracts agreed in 2020/2021 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N/A	N/A
Public-private partnership agreements referred to in section 120 made in 2021/2022	N/A	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during 2021/2022	Yes	08/10/21
		T 2.10.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The NMMDM website remains an intergral part of the municipalities communication infrastructure strategy. The key manadate of the Ngaka Modiri Molema District Municipality's website, as platform for information dissemination, participation and disclosure has been suggestively accommodated for in various pieces of legislation, such as:

The Local Government Municipal Systems Act No 32 of 2000 ("the Systems Act");
The Local Government Municipal Financial Management Act No 56 of 2003 ("the MFMA")

The Act evidently highlight that the municipal documents should be uploaded/ publicised to ensure transparency and public partcipation. Our documents are uploaded as recommended and reported.

The municipal website will continue to strive to deliver information on service delivery achievements and highlights, including those of the local municipalities and provicial government as part of the District Deveopment Model that is championed by Hon. Deputy minister Obed Bapela in the district of Ngaka Modiri Molema.

T 2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFCATION LEVELS

A survey was conducted during the financial year 2021/22 of which a sample of five hundred (500) survey forms were analysed by an Independent Service Provider of which the general conclusion of the results is that basic services like water, sanitation and roads are non-existent. In the short period of time that the study was commissioned, some findings were arrived at that there is a general accession that both the district and the local municipality did not perform as expected by the residents.

It has also been noted that communities know their Councillors and this provide a positive note that indeed municipalities within Ngaka Modiri Molema District communicate with their communities. The report of the community satisfactory survey which recommends a broader survey will be submitted to Council for consideration.

T 2.11.1



2021/2022

DRAFT ANNUAL REPORT

CHAPTER 3



"Leaders in Integrated Municipal Governance"

Chapter 3

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

INTRODUCTION

The District Municipality is mainly responsible for the provision of Bulk Water and Sanitation. This is achieved through implementation of Capital Projects packaged with operations and maintenance.

Project Management Unit (PMU)

The PMU strives to eliminate service delivery backlogs and contribute positively to sustainable economic development of the District Municipality through the provision of infrastructure.

All service delivery capital projects are a core function of the PMU. The PMU assist in project implementation across the district and has a wealth of technical experience, skill, and acumen.

Functions of PMU

- Coordination of project feasibility and business planning processes.
- Coordination of the project identification processes in line with the IDP.
- Enforce compliance with statutory requirements (OHS, ECSA, CIDB, etc).
- Develop new and upcoming contractors.
- Liaise with other government stakeholders for all infrastructure projects within the district.
- Encourage the use of labour-intensive construction methods to assist in job creation and poverty alleviation.
- Ensures project related capacity building and empowerment.
- Evaluate, monitor, and report on all projects

Challenges

The main challenges that the Municipality is facing are as follows:

- ❑ Limited financial resources for implementation of infrastructure maintenance.
- ❑ Energizing by Eskom has been slow thus leading to projects not closing and handover being postponed.
- ❑ Source development since there is limited ground water capacity and the lack of rain. As a result, projects are more expensive to implement since boreholes must be drilled too deep.
- ❑ MIG funding is not registering a wide-spread footprint in eradicating backlogs due to technical reports that are being approved with shortfalls.
- ❑ Dilapidating infrastructure.
- ❑ Declining revenue base due to grants being transferred to a Water Board that is experiencing in-house challenges.

Chapter 3

COMPONENT A: BASIC SERVICES

This component includes water; wastewater (sanitation); and a summary of free basic services.

**THIS SECTION NEEDS TO BE CLEANED AS IT APPEARS TO BE REPEATED. SENIOR
MANAGER TECHNICAL SERVICES TO PROVIDE ASSISTANCE**

INTRODUCTION TO BASIC SERVICES

The institutional arrangements of the NMMDM to respond to its mandate are set out as follows:

PMU – Responsible for provision of water and sanitation infrastructure.
•Infrastructure Development & Management Unit – Operation and maintenance for the provision of sustainable and efficient water and sanitation services.

The PMU strives to eliminate service delivery backlogs and contribute positively to sustainable economic development of the District Municipality through the provision of infrastructure.

All service delivery capital projects are a core function of the PMU. This is a key department with regard to service delivery project implementation.

Functions of PMU

- Co-ordinating the project feasibility and business planning process, with the involvement of other municipal departments where appropriate.
- Co-ordinate the project identification process between municipalities in line with the IDPs.
- Ensure compliance with statutory requirements (OHS, ECSA, CIDB, etc).
- Development of local contractors.
- Liaise with other government stakeholders for all infrastructure projects within the municipal area.
- Encourage the use labour intensive construction methods on projects to alleviate poverty by creating job opportunities.
- Project management, ensuring projects meet planning objectives.
- Ensuring that project-related capacity building and development objectives are met; and
- Manage, monitor, evaluate and prepares reports as and when required.

The projects are mainly focused on providing water and sanitation services across all five Local Municipalities, which includes Bulk Water Supply projects,

Chapter 3

Water Treatment Plants, Wastewater Treatment Plants, and augmentation programmes in accordance with the backlogs identified in Integrated Development Plan (IDP), cited by both the District Municipality in conjunction with the Local Municipalities in its jurisdiction.

While the main objectives of the projects are to meet the basic human need of clean drinking water and decent sanitation facilities, their impact create a far reach on social betterment of communities and stimulation of local economic development.

Ngaka Modiri Molema District Municipality faces challenges in their quest to accelerated service delivery on a daily basis.

- The first challenge deals with project cost recovery. The population within the district earns below the normal living wage, this makes it difficult to recover funds spent on infrastructure assets.
- The illegal connections to services rendered are also on the rise as the influx of people moving from areas with no services to areas of basic services.
- Another challenge is approval of inadequate funds against the proposed estimated project costs by the Department of Water and Sanitation. Projects in the rural areas are significantly more expensive than those implemented in urban areas; this issue is exacerbated in the case of Ngaka Modiri Molema District due to arid conditions as well as lack of natural surface water reserves in the district.
- Village sizes, remoteness and uncontrolled expansion make it impossible to achieve economies of scale on these projects.
- The limited financial resources available to the municipality for the implementation of infrastructure projects limit the impact of the PMU's deliverables.
- Energising by Eskom slow and this leads to projects not being completed on time

Chapter 3

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

Water is a basic human right and has no substitute, and as a result, life cannot be sustained without water. In response to these challenges the Municipality identified areas without access to water and sanitation and these included rural settlements and water scarce towns. These identified areas were declared as hotspots that required immediate intervention.

Eleven (11) Municipal trucks are also used to deliver water to funeral related services, schools, clinics and deployed to other Local Municipalities on an as and when required basis. Given the cost associated with tankering and the posture that outsourced tankering should be an intervention of the last resort, the municipality procured 5 water trucks and four honey suckers (sewer trucks) on a state transversal contract.

In as far as operations and maintenance are concerned, the district has deployed teams in line with the schematic diagram below:

Municipality	Senior Foreman	Team Leaders	Members
Mahikeng	1	6	25
Ditsobotla	1	2	14
Tswaing	-	2	10
Ramotshere	0	3	13
Ratlou	1	2	18
Total	3	15	80

The above team are supervised by:

1 x Geo-hydrologist

1 x electrician

1 x Technical Assistant

The District Municipality has about 2 100 boreholes (as at the time of compiling the report) and 1 701 of them are currently operational, while 399 are not functional. The Municipality is maintaining 40% of infrastructure using its internal staff and 60% is being outsourced on mechanical and electrical repairs of boreholes and pump stations. The District Municipality has pump operators in every village and these operators are nominated through a consultation process through community meetings with Traditional Authorities and Ward Councillors. The duties and responsibilities of all pump operators are to operate boreholes and pump stations and also oversee the functionality of this infrastructure and report any discrepancies to the district technical team and Councillors.

Chapter 3

Water sources have been severely affected due to a high demand of water emanating from illegal yard connections, gardening and livestock watering. Boreholes are being over pumped and the lifespan of these sources is affected on daily basis hence the Municipality is experiencing a high rate of reactive maintenance. The District Municipality has eight (08) bulk portable Water Treatment Plants and 03 intermediate Pump Stations.

T 3.1.1

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2018/2019				9	11
2019/2020				0	0
2020/2021				0	0
<i>The reconciled accurate volume will be populated in the next financial year (2021/22) after sourcing and engaging from various sector department</i>					

T3.1.2

COMMENT ON WATER USE BY SECTOR:

The Department of Water and Sanitation is a public trustee of the nation's Water resources and has overall responsibility for water resource management. This among other includes the assurance that water is protected, used, conserved, managed, and controlled in a sustainable and equitable manner for the benefit of all, regulate the use, flow, and control of water, establish a National Water Resource Strategy and Management, and ensure public participation on water resource management.

The Department is responsible for administering all aspects of the Water Services Act delegated to it by the Minister or Director-General. Its role is that of water services sector leader, supporter, and regulator. This means that it provides direction to the overall water sector as well as provides support and regulates the activities of water services institutions. It is responsible for water services national policy, norms, and standards, establishing a national information system, and monitoring the performance of every water services institution. The Department is also responsible for development and monitoring of Dams, Eyes and Dolomitic Areas. They issue abstraction licenses for institutions.

DWS is providing bulk water to the District Municipality from Molopo Eye, which is no longer producing water as it used to. For example, the eye used to produce 1,400 kiloliters of water per hour and that has since reduced to 750 kiloliters per hour. Out of the twelve (12) boreholes, nine have dried up and only three remain operational. The District has completed the replacement of leaking 4.2km Asbestos pipeline between Mahikeng Treatment Plant and Riviera Park to Signal-hill reservoirs.

Chapter 3

Grootfontein has reached its lifespan and is severely leaking at different spots in a space of 13km, towards the Mahikeng water treatment plant. As a result, the municipality has conducted an assessment for repairs or replacement of the aged asbestos pipeline which will be implemented the next financial year 2022/23

The municipality managed to replace a leaking pipeline of 2.5km between Geysdorp pump station to Delareyville bulk reservoirs

The municipality also drilled and equipped new boreholes at Deelpan, Molelwane, Lobatla village, Shaleng, Coligny and Mofufutso village.

Currently the municipality is in a process of drilling and equipping of boreholes at the following municipalities to be completed the next financial year 2022/23:

Ditsobotla LM: Bodibe, Springbokpan

Mahikeng LM (Lomanyaneng-Setlopo (ward 17 & 18), Majemantsho, Dithakong (ward 31 & 35) & Masutlhe) which will be completed the next financial year 2022/23.

Ramotshere Moiloa LM: Borakalalo, Motswedi, Ntsweletsoku & Dinokana-Matlhase.

Ratlou LM: Madibogo Garelang & RDP Section

T 3.1.3

Chapter 3

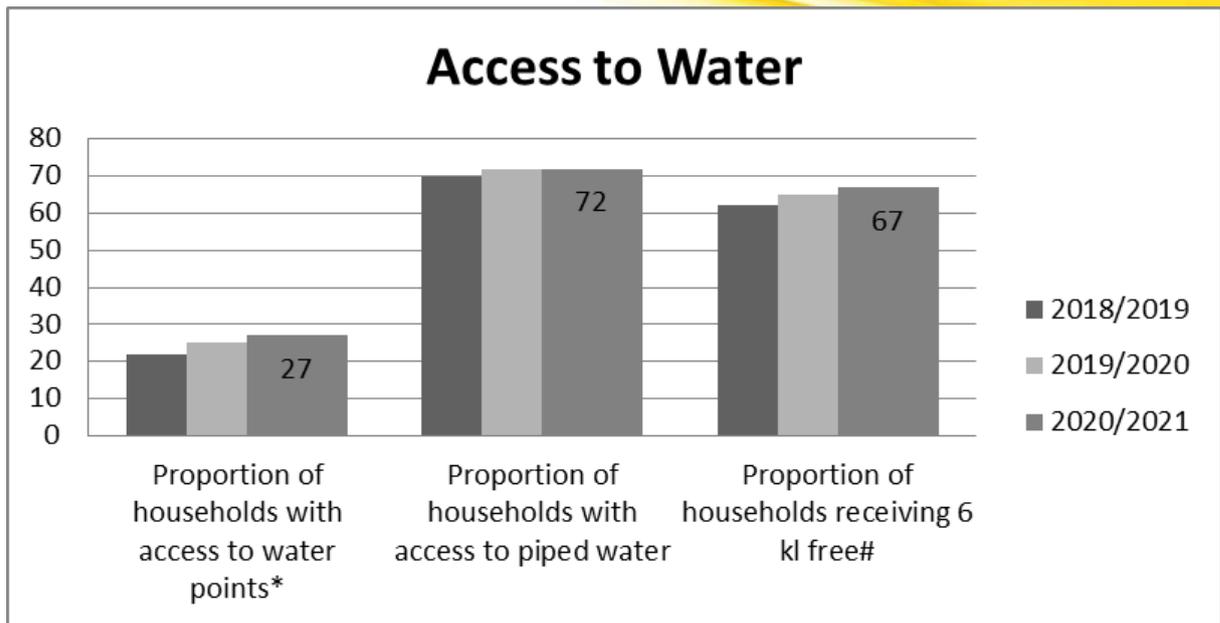
Water Service Delivery Levels				
Description	Households			
	18/19	19/20	20/21	21/22
	Actual No.	Actual No.	Actual No.	Actual No.
Water: (above min level)				
Piped water inside dwelling	50613	50613	50613	50613
Piped water inside yard (but not in dwelling)	30705	30705	30705	30705
Using public tap (within 200m from dwelling)	28107	29357	30557	30610
Other water supply (within 200m)	56961	56711	76 266	76 319
<i>Minimum Service Level and Above sub-total</i>	166386	167386	188161	188247
<i>Minimum Service Level and Above Percentage</i>	73.29%	73.43%	82.65%	82.65%
Water: (below min level)				
Using public tap (more than 200m from dwelling)	0	0	0	0
Other water supply (more than 200m from dwelling)	39498	39498	39498	39498
No water supply	21045	21045	0	0
<i>Below Minimum Service Level sub-total</i>	60543	60543	39498	39498
<i>Below Minimum Service Level Percentage</i>	26.71%	26.56%	17.35%	17.35%
Total number of households*	226929	227929	227639	227745

T 3.1.4

Description	Households			
	2017/2018	2018/2019	2019/2020	2020/2021
	Actual No.	Actual No.	Actual No.	Original Budget
Formal Settlements				
Total households	214857	214857	214857	227639
Households below minimum service level	55147	55147	56711	76 266
Proportion of households below minimum service level	26%	26%	26.4%	34%
Informal Settlements				
Total households	214857	214857	214857	39498
Households ts below minimum service level	21045	21045	21045	0
Proportion of households is below minimum service level	10%	10%	10%	0%

T 3.1.5

Chapter 3



T 3.1.6

Chapter 3

Water Service Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2018/2019		2019/2020			2020/2021	2021/2022	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
<i>Improve reliability of water supply</i>	Reduce the number of interruptions in supply of one hour or more compared to the baseline of Year -1 (xxx interruptions of one hour or more during the year	90%	90%	100%	90%	90%	90%	95%	98%
T 3.1.7									

Chapter 3

Employees: Water Services					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
T19-26	0	0	0	0	0%
T14-18	1	4	1	3	75%
T9-13	6	26	6	20	76.9%
T1-8	122	129	122	7	5.43%
	129	159	129	30	18.8%
					<i>T 3.1.8</i>

Financial Performance 2020/2021: Water Services					
					R'000
Details	2019/2020	2020/2021			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue		N/A	N/A		
Expenditure:					
Employees	49601				
Repairs and Maintenance	101945	20 000	139 900	81 779	-58 121
water Tankering	97200	4 000	14 500	25 769	11 269
Total Operational Expenditure	248746	24 000	154 400	81 805	-46 852
Net Operational Expenditure					
					<i>T 3.1.9</i>

Chapter 3

Capital Expenditure 2021/2022 Sanitation					
Capital Projects	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Ditsobotla Rural Sanitation	59 353 149	R11 756 584	R71 109 733	19,81%	R71 109 733
Mafikeng Rural Sanitation	R49 771 729	R69 499 777	R119 271 506	140%	R119 271 506
Zeerust WWTP Phase II	R56 873 800	-R42 578 897	R14 294 903	-75%	R14 294 903
					<i>T 3.1.10</i>

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

While resources are invested in the drilling and equipping of new boreholes, the district remain sere and the ageing and dilapidating infrastructure is not assisting at all. The regime governing the MIG does not speak to maintenance but to new projects. This posture would require a review in that towns that fell in the erstwhile Western Transvaal are challenged in respect of asbestos pipes and sanitation

T3.1.11

3.2 WASTEWATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

The Bulk Sanitation Unit is entails the collection of raw sewage through the highly details engineering and sophisticated infrastructure networks throughout the entire district area of jurisdiction wherever there are such collection networks and in areas of such no infrastructures an alternative appropriate sanitation technologies are provided in the form onsite dry sanitation, septic tanks and/or double pit latrines.

The district has twelve bulk wastewater treatments across the areas of jurisdiction with different technologies applied ranging from modified UCT process, three-stage Bardenpho system process to conventional Biological Nutrient Removal process and simple Oxidation ponds system.

Chapter 3

All methodologies applied needed a highly competent human capital to do operations and maintenance to runs the treatment works to fully life cycles and /or beyond to meet the stringent environmental conditions as amended from time to time by state regulatory bodies and further to achieve a better Green Drop scoring status. The best living environmental surrounding conditions leads to a healthier living and attract more business investments.

The District will strive and ensure that such conditions are attain at all times through a best engineering practice solutions

T 3.2.1

Description	2019/2020	2020/2021	2021/2022
	Outcome/ No.	Outcome No.	Outcome No.
<u>Sanitation/sewerage: (above minimum level)</u>			
Flush toilet (connected to sewerage)	0		
Flush toilet (with septic tank)	0		
Chemical toilet	0	PMU	
Pit toilet (ventilated)	12000		
Other toilet provisions (above minimum service level)			
<i>Minimum Service Level and Above sub-total</i>	10351		
<i>Minimum Service Level and Above Percentage</i>			
<u>Sanitation/sewerage: (below minimum level)</u>			
Bucket toilet			
Other toilet provisions (below in-service level)	0		
No toilet provisions			
<i>Below Minimum Service Level sub-total</i>	0		
<i>Below Minimum Service Level Percentage</i>	0		
Total households			
<i>*Total number of households including informal settlements</i>			

T3.2.2

Chapter 3

Wastewater (Sanitation) Service Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets	2019/2020		2020/2021		
		Target	Actual	Target		Actual
<i>Service Indicators</i> (i)	(ii)	*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)
Service Objective xxx						
To provide sanitation services to rural households						
						T 3.2.3

Employees: Sanitation Services					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
T19-26	0	0	0	0	0%
T14-18	2	3	2	1	33.33%
T9-13	0	18	0	18	100%
T1-8	67	85	67	18	21.17%
Total	69	106	69	37	34.90%
					T 3.2.4

Financial Performance 2020/2021: Sanitation Services					R'000
Details	2020/2021				
	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					
					T 3.2.5

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

The Operations and Maintenance of bulk sanitation infrastructures including associated booster pump stations across the district were recently audited in terms of Green Drop Assessments and the outcomes were not satisfactory and hence actions plans were needed to change the current status quo of these crucial infrastructures and to improve the wellbeing of our communities and caring for our environments especially fauna and flora species so they flourish in the natural inhabitants

The District has drawn an action plans for each bulk treatment works and booster pump stations including plant modifications wherever possible to comply with Green Drop requirements standards and best engineering practice to also extend the life cycles of these costly infrastructures to last more than their design useful life warranties and beyond.

A strictly scheduled operation and maintenance are being followed as per recommendation of the original equipment manufacturers (OEMs) so to limit the unnecessary plant breakdowns and improves plant availabilities.

Chapter 3

In addition the accredited water laboratory service provider and scientific laboratory equipment's were appointed and compulsory monthly wastewater analysis are being carried as stipulated on Integrated Regulator Information System for Chemical and Microbial determinants

T 3.2.6

Capital Expenditure 2021/2022: Sanitation					
R' 000					
Capital Projects	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Ditsobotla Rural Sanitation Programme	R23 000 000	R20 946 192	R56 133 693	91,07%	R90 897 252
Mafikeng Rural Sanitation Programme	R83 000 000	R63 476 074	R90 280 185	76,48%	R117 236 897
Upgrade & Extension of Zeerust WWTW	R42 000 000	R32 000 000	R51 528 062	76,19%	R101 258 798
T 3.2.7					

3.3 FREE BASIC SERVICES AND INDIGENT SUPPORT

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

Through the numerous projects implemented by the District Municipality, many short-term jobs were created **in support of the unemployed**. The District is categorically classified as rural with low levels of economic activity and high levels of unemployment. As a result, about 90% of the projects provide free basic services in the form of water and sanitation. All rural water and sanitation schemes are free basic services.

The poor communities are also supported and empowered through skills transfer **in construction**. **The objective is to skill people thus affording them an opening in seeking employment and the employability factor.**

T 3.3.1

Chapter 3

COMPONENT B: ROAD TRANSPORT

INTRODUCTION TO ROAD TRANSPORT

The NMMDM has a legislative mandate to plan, provide and administer road transport infrastructure and services within its entire area of jurisdiction. In doing so, a professional service provider by the name of Lidwala Consulting Engineer (LCE) was appointed to develop the Rural Roads Asset Management System (RRAMS) for all municipal roads within its area of jurisdiction. This program seeks to classify roads in line with the Roads Infrastructure Strategic Framework of South Africa (RISFSA).

This process will further determine road inventory, infrastructure condition and traffic volumes. The information will be utilised to inform the future funding model by the Department Of Transport and National Treasury. It will also be used by municipalities for planning relating to road infrastructure development and maintenance.

The management of municipal roads within the district is guided by the Roads Asset Management Plan (RAMP). The Ngaka Modiri Molema District prepares the RAMP on behalf of the Local Municipalities as per the prescript of the RRAMS requirements contained in the division of revenue act (DORA). The Local Municipalities are the owners and custodians of the road infrastructure.

Chapter 3

3.4 ROADS

INTRODUCTION TO ROADS

Section 84 (1) (f) of the Municipal Structures Act, 117 of 1998 Act states that the district municipality has a mandate and power to perform functions of “municipal roads which form an integral part of a road transport system for the area of the district municipality as a whole”. Section 88 (2)(a) also states that “a district municipality on request by a local municipality within its area may provide financial, technical and administrative support services to that local municipality to the extent that that district municipality has the capacity to provide those support services”. Ngaka Modiri Molema District Municipality (NMMDM) therefore has a constitutional mandate to construct and maintain municipal roads within its area of operation.

In this regard Ngaka Modiri Molema District municipality is performing this function through internal and external mechanisms, thereby ensuring that synergy in terms of capacity is realised. The municipal and hired plant are utilised for maintenance in this regard.

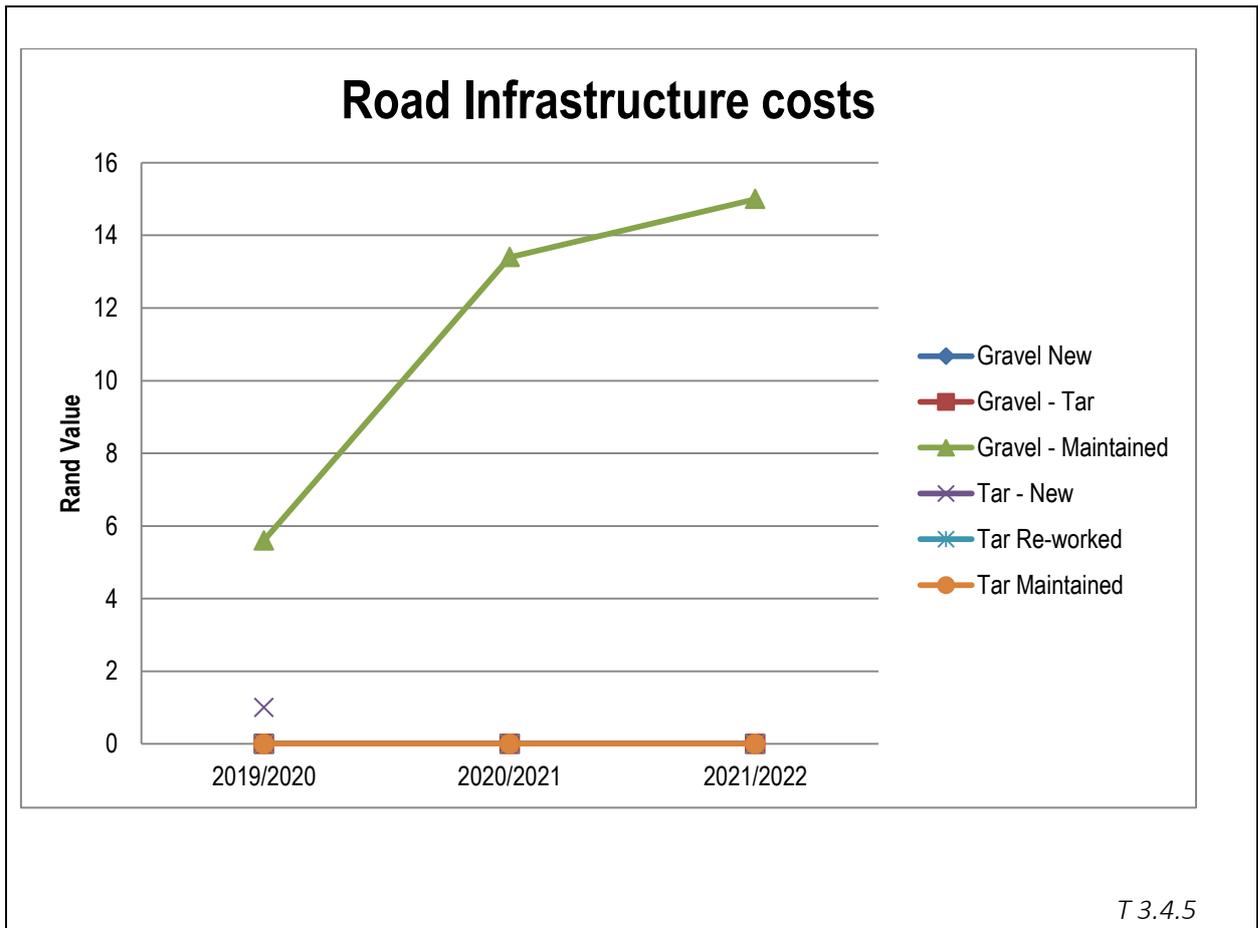
T 3.4.1

Gravel Road Infrastructure					Kilometres
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained	
2019/2020	146.9 KM	6.4 KM	0 KM	140.5 KM	
2020/2021	79 KM		0 KM	79 KM	
2021/2022	42.2 KM		0 KM	42.2 KM	
					T 3.4.2

Tarred Road Infrastructure						Kilometres
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained	
2019/2020	0 KM	0 KM	0 KM	0 KM	0 KM	
2020/2021	0 KM	0 KM	0 KM	0 KM	0 KM	
2021/2022	0 KM	0 KM	0 KM	0 KM	0 KM	
						T 3.4.3

Chapter 3

Cost of Construction/Maintenance					
					R' 000
	Gravel			Tar	
	New	Gravel – Tar	Maintained	Re-worked	Maintained
2019/2020	R0,000	R0,00	R5 .6 m	R0,00	R0,00
2020/2021	R0.00	R0.00	R13,4 m	R0.00	R0.00
2021/2022	R 0.00	R 0.00	R15M	R0.00	R0.00
					T 3.4.4



Chapter 3

Employees: Road Services				
Job Level	2021/2022			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
T19 - 26	0	0	0	0%
T14 - 18	3	1	2	67%
T9 - 13	6	4	2	33%
T1 - 8	21	7	14	67%
Total	30	12	18	60%
				T 3.4.7

Financial Performance 2021/2022: Road Services					
					R'000
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees					
Repairs and Maintenance	R 13.4 M	R15 M	R20 M	BTO	BTO
Other					
Total Operational Expenditure	R 13.4 M	R 15 M	R20 M	BTO	BTO
Net Operational Expenditure					
					T 3.4.8

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The poor condition of road network, non-operational fleet, lack of operators and limited budget has hampered performance for the current financial year. The Municipality is of the view that had there not been the above challenges which restricted us to meet targets, we would have performed better than previous years given that we were better equipped to achieve our set targets.

The service provider for RRAMS performed in terms of the condition of the contract during the first two (2) financial years. The district started experiencing some challenges with the service provider that is not complying with the project's requirements on the third financial year (2021/2022).

T 3.4.9

Chapter 3

COMPONENT C: PLANNING AND DEVELOPMENT

3.5 PLANNING

INTRODUCTION TO PLANNING AND DEVELOPMENT

NMMDM was identified as one of the key Spatial Infrastructure priority programs that require reliable supply and the acceleration of investments in roads, rail, energy, water, sanitation, and ICT as catalyst for social needs delivery such as schools, clinics and hospitals; the facilitation of further development of mining, agricultural activities and tourism opportunities; and the opening up of beneficiation and economic growth opportunities in the key field existing in the District i.e. agriculture and tourism.

The newly developed District Development Model is building on this window of opportunity created through the amalgamation of previously conceptualised programmes and should be viewed as commitment from the national government to support and supplement this initiative and ensure success in all respects.

T 3.5

INTRODUCTION TO PLANNING

The recently compiled and adopted SPLUMA compliant Spatial Development Framework (SDF) will be able to assist the municipality in sourcing and allocating funding for capital projects which will be in line with the SDF objectives of the local municipalities.

All five (5) constituent local municipalities have reviewed the SDF's to be compliant with SPLUMA. All the development in the local municipalities is guided by land use schemes which are also SPLUMA compliant. The district together with other stakeholders will be assisting the municipalities in establishing the Municipal Planning Tribunals (MPT's) to assess land development applications. The district, using their updated software will also be assisting with Geographic Information System (GIS) within the local municipalities.

Planning & Development department has played a pivotal role in Transport Planning throughout the local municipalities. This has enabled the district, with the assistance of the Department of Community Safety and Transport Management (CoSATMA) to compile an Integrated Transport Plan (ITP) as well as Integrated Public Transport Plan (IPTN), these two strategic documents will untangle a lot of challenges that are public transport related.

T 3.5.1

Chapter 3

Chapter 3

Employees: Planning Services					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
T19-26	0	0	0	0	0%
T14-18	6	8	6	2	25%
T9-13	18	26	18	8	30.76%
T1-8	0	2	0	2	100%
Total	24	36	24	12	33.33%
					T 3.5.2

3.6 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

The District is predominantly rural in nature, with spatially dispersed areas and weak infrastructure which makes it difficult for communities to access government services and a risk for potential investors to fully exploit its economic potential. As a result of this dependency and exploitation the district remains characterized as: A district with low population densities and inadequate infrastructure, especially in the remote areas.

A predominantly low living standard measure (LSM) population with high levels of illiteracy and dependency that seriously affect economic productivity and ability to compete for jobs;

An economy driven through very low workforce participation however high government employing work force and unequal distribution of income;

An economy where some of the greatest inequalities between the rich and poor are found;

A district that is experiencing jobless growth in key economic sectors that the district has the potential to tap on but that employment creation through these sectors are lagging behind;

A district that has inherited enormous basic service delivery backlogs which will take time to eradicate.

T 3.6.1

Economic Activity by Sector			
			R '000
Sector	2019/2020	2020/2021	2021/2022
Agric, forestry and fishing	3731	3367	
Mining and quarrying	51183	50647	
Manufacturing	10126	10046	
Wholesale and retail trade	21200	20950	
Finance, property, etc.	24605	24984	

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Govt, community and social services	23774	24099	
Infrastructure services	5042	4894	
Total	139661	138987	
<i>T 3.6.2</i>			

Economic Employment by Sector			
Sector	2019/2020 No.	2020/2021 No.	Jobs
			2021/2022 No.
Agric, forestry and fishing	45 334	48 000	
Mining and quarrying	121 641	126 000	
Manufacturing	62 916	59 000	
Wholesale and retail trade (Trade only)	180 462	177 000	
Finance, property, etc.	84 579	101 000	
Govt, community and social services	239 718	262 000	
Infrastructure services	50 553	57 000	
Total	785203	830 000	
Source: Stats SA. Provincial QLFS Data, the total average of QLFS trend from Jan 2020 to Mar 2021			
<i>T 3.6.3</i>			

COMMENT ON LOCAL JOB OPPORTUNITIES:

The LED Unit did not create any Job opportunities in the financial 2020/21 due to financial constraints and outbreak of Covid 19 pandemic. But the unit has managed to register 183 companies / Cooperatives during the said financial year with a hope that they will contribute to creation of employment within Ngaka Modiri Molema District Municipality.

T 3.6.4

Jobs Created during 2021/2022 LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost

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	No.	No.	No.	
Total (all initiatives)	0	0	0	Registered Companies/ Cooperatives to create more Jobs
The LED Unit has not created or initiated any jobs for the period under review due to unavailability of budget.				
				T 3.6.5

Job creation through EPWP* projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
2019/20	Cleaning of School yards and Heritage Sites within 5 Local Municipality66	97
2020/2021	Screening & Sanitisation in 5 Locals Cleaning of NMMDM buildings in 5 Locals Monitoring of Water tankering in 5 Locals.	224
2021/2022	Screening & Sanitisation in 5 Locals Cleaning of NMMDM buildings in 5 Locals Monitoring of Water tankering in 5 Locals.	224
* - Extended Public Works Programme		T 3.6.6

Chapter 3

Local Economic Development Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2018/2019		2019/2020		2020/2021	2022/2023		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Supplier Development Programme		51	477	0	0	477	0	0	0
<i>For Financial year 2020/21, the department did not plan to do trainings in order to curb the spread of Covid 19</i>									

T 3.6.7

Chapter 3

Employees: Local Economic Development Services					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
T19-26	0	0	0	0	0%
T14-18	0	1	0	1	100%
T9-13	5	6	5	1	16.66%
T1-8	0	0	0	0	0%
Total	5	7	5	2	28.57%
					T 3.6.8

Capital Expenditure 2021/2022: Economic Development Services					
					R' 000
Capital Projects	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R2 000 000	0	R579 663	R1 420 337	
4 Rural Development Projects	R1 500 000	0	R384 263.0	R1 115 737	R384 263.00
5 Tourism SMMEs	R500 000	0	R195 400	304 600	R195 400.00
					T 3.6.9

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

The Rural Development and LED unit gave support to 4 Rural Development Projects and 5 Tourism SMMEs (Guesthouses and Tour Operators). The unit further managed to register 210 Companies/ Cooperatives, lastly the unit created 224 job opportunities through expanded public Works Programme.

T 3.6.10

Chapter 3

3.7 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

INTRODUCTION TO HEALTH

Municipal Health Services are those services defined by the National Health Act 2003, Act 61 of 2003, as amended, that are inclusive of water quality monitoring, waste management, food control, health surveillance of premises, surveillance and control of communicable diseases excluding immunisation, vector control, environmental pollution control, disposal of the dead and chemical safety but exclusive of malaria control, hazardous substances control and port health services.

The Municipal Structures Act 1998, Act 117 of 1998 assigns powers and functions of Municipal Health Services to the Metropolitan and District Municipalities in terms of section 84 (1) (i).

The service delivery priorities for the year of reporting are: (a) Conduct awareness and educational campaigns to communities and stakeholders on topics of Municipal Health Services. (b) Promote good Health & Hygiene practices amid COVID 19 pandemic. (c) Monitor & enforce compliance of food handling premises. (d) Monitor management of human remains amid COVID 19 pandemic. (e) Monitor Early Childhood Development (ECD) centres for health and safety compliance.

T 3.7.1

SERVICE STATISTICS FOR HEALTH

- (a) Awareness & educational campaigns conducted – 93
- (b) Promotion of good Health & Hygiene practices amid COVID 19 pandemic 4 904 people reached
- (c) Food handling premises inspected – 2 475
- (d) Funeral Undertaker premises inspected – 86 (e) ECD centres inspected - 131

T 3.7.2

Chapter 3

Service Objectives	2020/2021		2021/2022	
	Target	Actual	Target	
Service Indicators (i)	*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)
Promote health & practice through education in communities (members of community reached)	2000	2500	2000	2500 people reached
Conduct health awareness & educational campaigns (number of campaigns conducted)	45	75	45	56 awareness & educational campaigns conducted
Promote food safety (number of food handling premises inspected)	1450	2813	1450	1 800 food handling premises inspected
Monitor & Inspect Early Childhood Development (ECD) centres	45	83	45	60 ECD centres inspected
Monitor Management of Human Remains	45	73	45	40

T 3.7.3

Chapter 3

Employees: Health Inspection and Etc					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
T19-26	0	0	0	0	0%
T14-18	1	7	6	0	0%
T9-13	17	52	17	35	67.30%
T1-8	0	0	0	0	0%
Total	18	59	23	35	59.32%
<i>T 3.7.4</i>					

COMMENT ON THE PERFORMANCE OF HEALTH

The COVID 19 pandemic that necessitated declaration of National Disaster impacted negatively due to restrictions on gatherings and other activities, on the normal delivery of services. The gradual relaxation of restrictions towards the end of our financial year saw more activities done on the ground with emphasis on awareness campaigns and education to communities to further control the spread of COVID 19 hence the increased number of campaigns and the increased number of community members reached on health & hygiene education that the previous year reporting.

T 3.7.5

3.8 FIRE

INTRODUCTION TO FIRE SERVICES

The procured four (4) Medium Pumpers, three (3) Water tankers and Equipment were delivered except one (1) Water Tanker and its Equipment which is still outstanding. The remaining Water Tanker and its Equipment were inspected and confirmed for delivery on the 15th June 2022. The Service Provider was emphasising settlement of outstanding amount prior to actual delivery of appliances. This matter has been referred to Finance (SCM) for closure.

The budget for Protective clothing for 2020 / 2021 was rolled to 2021 / 2022 fiscal year after reviewing specifications functionality.

T 3.8.1

Chapter 3

Fire Service Data					
	Details	2021/2022	2020 / 2021		2022/ 2023
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires attended in the year	360	300	388	340
2	Total of other incidents attended in the year	121	40	160	100
3	Average turnout time - urban areas	3 minutes	3 minutes	3 minutes	3 minutes
4	Average turnout time - rural areas	3 minutes	3 minutes	3 minutes	3 minutes
5	Fire fighters in post at year end	215	218	217	215
6	Total fire appliances at year end	13	28	19	13
7	Average number of appliances off the road during the year	08	0	9	04
T 3.8.2					

Chapter 3

Fire Service Policy Objectives Taken From IDP									
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	2021/2022		2020/2021			2021/2022	2022 / 23	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Provide Fire Fighting Function	5	To equip five existing stations with four Medium pumpers, four Water Tankers with their equipment	Ordered four Medium Pumpers and three Water Tankers and their equipment have been delivered and one is still outstanding	Seeking sponsor / strong financial muscle for establishment of Satellite station in with the Fire Service Plan	Financial constrains hindered further planning	Registering acquired pieces of land construction of Tswaing and Setlagole Fire Stations with Deeds Office	Planned to construct Tswaing and Ratlou Fire Stations	Phase one of Setlagole and Tswaing Fire Stations completed	Phase two of Tswaing and Setlagole of Fire Stations completed
	Equip Fire Stations with Fire Engines and Equipment	None	None	Equip all four Fire Stations with Fire Engines and Equipment	Complete the previous Tender and equip four existing Fire Stations accordingly	Delivery of seven Fire Engines instead of 8	Financial constrains hindered further planning	Expanding by establishing addition Satellite stations in line with the Fire Plan	Secure funds for additional Fire Engines (small) and Equipment
	Support of Fire Safety Sub-Unit in relation to PIER activities	Beef up sub-Unit with relevant equipment for Public Information Education Relations (PIER)	105 PIER Conducted	100 PIER Targeted	80 PIER Targeted	105 PIER Conducted	50 PIER to be conducted	80 PIER to conducted	60 PIER to be conducted
	Compliance with Occupational Health and Safety Act in relation with safety of personnel	Provide 217 personnel with Uniform and Protective Clothing	217 Personnel provided with Uniform	Provide 217 personnel with Uniform and PPE	217 Personnel provided with Uniform only	217 Personnel provided with Uniform only	217 Personnel with Protective clothing	Provide 217 personnel with PPE	Provide 215 personnel with PPE

Chapter 3

Employees: Fire Services					
Job Level	2020/2021	2021/2022			
Fire Fighters	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
T19-26	0	0	0	0	0%
T14-18	5	6	5	1	16.66%
T9-13	121	126	116	10	7.93%
T1-8	89	181	89	92	50.82%
Total	215	313	210	103	32.90%

T3.8.4

3.9 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

INTRODUCTION TO DISASTER MANAGEMENT

Chapters 5 of the Disaster Management Act No. 57 of 2002 as amended places more emphasis on the requirements highlighted starting from Section 42 which District Municipalities need to accomplish. The National Disaster Management Framework of 2005 has also coined up those requirements into four (4) KPA's and three (3) enablers that each and every organ of State had to put in place or implement. In so doing, the District Disaster Management Centre had been in the forefront in implementing such requirements.

T 3.9.1

Chapter 3

SERVICE STATISTICS FOR DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

In 2021/22 financial year, much progress has been registered particularly in KPA 1 – Institutional capacity arrangement on the continuation of equipping the allocated building to be used as a Joint District Disaster Management Centre. The Provincial Disaster Management Centre provided equipment for Fire Protection Association (FPA) i.e. knap sack tanks and grass beaters and also assisted further in equipping the District Disaster Management Centre. The Joint Operation Centre was activated during Covid-19 lockdown pronouncement by the State President and it is still in operation. The District Customer Care toll free line was incorporated for 24/7 community services even though it is still operating on an eight (8) hour basis.

The District Disaster Management Centre has also managed to procure a comprehensive system that will assist in coordination, communication and management of incidents within the entire District Municipality in 2019/20 financial year and it is regularly maintained to serve its purpose.

T 3.9.2

Chapter 3

Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc. Policy Objectives Taken From IDP

Service Objectives	Outline Service Targets	2019/2020		2021/2022		2021/2022	2022/2023		
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Following Year	
Service Indicators (i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Disaster awareness campaigns	4 x awareness campaigns	To conduct four (4) awareness campaigns	Three (3) awareness campaigns were conducted	To conduct four (4) awareness campaigns	To conduct four (4) awareness campaigns	All four (4) planned disaster awareness campaigns were conducted through Mahikeng, YOU and Motsweding FM's on the 27/09/2021, 03/12/2021, 17/03/2022 and 15/06/2022 respectively.	To conduct four (4) awareness campaigns	To conduct four (4) awareness campaigns	To conduct four (4) awareness campaigns
Procurement of a two way radio communication system for Fire & Disaster Management	N/A	Procure a two way radio communication system	Two way radio communication system was procured by the end of 2019/20 financial year	To procure two way radio communication system	To install two way radio communication system	Two way radio communication systems were installed in all movable vehicles and control room centres	Update and Maintenance of the system	Update and Maintenance of the system	Update and Maintenance of the system
Disaster Response and Relief Material	200 Households	100 Households	250 blankets, 120 mattresses and 100 salvage sheets were procured	100 Households	100 Households	Nothing was procured because the service provider terminated his services	100 Households	100 Households	100 Households

Chapter 3

Employees: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
T19-26	0	0	0	0	0%
T14-18	2	2	2	0	0%
T9-13	13	21	12	9	42.85%
T1-8	0	0	0	0	0%
Total	15	23	14	9	39.13%
					T 3.9.4

Financial Performance 2021/2022: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc.					
					R'000
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Disaster Management Conditional Grant	R62 000	R207 250	R0	R207 250	R0
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure		R11 760 104.22	R0	R11 255 749.71	R504 354.51
Net Operational Expenditure					
					T 3.9.5

Chapter 3

Capital Expenditure 2021/2022: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc.					
R' 000					
Capital Projects	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Disaster Risk Assessments and Awareness Campaigns	R600 000	R400 000	R263 113.13	R136 886.87	R263 113.13
Procurement of a two way radio communication system for Fire & Disaster Management	R1 000 000	R0	R683 100	R306 900	R683 100
Disaster Response and Relief Material	R1 805 781.99	R829 589	R2 743 974.75	R726 550	R2 743 974.75
Reprioritised Budget for response and relief material due to floods	R0	R5m	R5 752 308.40 (Incl. Hired Mobile Chemical Toilets)	-R752 308.40	R5 752 308.40
T 3.9.6					

3.10 EXECUTIVE AND COUNCIL

This component includes Executive Office (mayor; councilors; and municipal manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

The priorities of the Ngaka Modiri Molema District Municipality areas follow:

- Provision of Water and Sanitation
- District Economic Growth and Rural Development
- Disaster Management
- Municipal Health Services and Safety
- District Internal Rural Roads

T 3.10.1

Chapter 3

Employees: The Executive and Council					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
T19-26	0	0	0	0	0%
T14-18	5	8	9	3	37.50%
T9-13	14	21	16	7	33.33%
T1-8	3	3	2	0	0%
Total	22	32	27	10	31.25%
					T 3.10.2

3.11 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

In line with the Employment Equity Act (55 of 1998), the employment equity report was submitted to the Department of Labour in January 2022. The District Municipality submitted the Workplace Skills Plan as requested by the Department of Employment and Labour, which had extended the submission from April 2022

A total of 3 three employees were trained on different subjects. Which include training of six Managers on CPMD. The newly elected councillors were inducted by SALGA soon after they started in the Municipality.

T 3.11.1

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

The position of Senior Manager Planning and Development remains vacant. Twenty eight employees were appointed on temporary basis to assist political office bearers while the recruitment processes is unfolding. One road technician was appointed. To address the equity issue a woman was appointed in this regard. Twelve employees who were appointed on permanent bases were terminated on various reasons. Over and above the 12 there were 19 officials who were on fixed term of contract were terminated after serving in the offices of the previous office bearers.

T 3.11.2

Chapter 3

Service Objectives/Indicators	Outline Service Targets	2019/2020		2019/2020			2020/2021	2022/2023
		Target	Actual	Target		Actual	Target	Actual
(i)	(ii)	Previous year (iii)	(iv)	Previous year (v)	Current year (vi)	(vii)	Current year (viii)	Current year (ix)
To create an equitable, participative organisational structure	Update and correct the organisational structure	Update and correct the organisational structure by 30 June 2019	Updated and corrected organisational structure approved by Council in May 2019	Update and correct the organisational structure by May 2019	N/A	Implemented arbitration award by creating seven (7) wastewater aid workers positions in the existing organisational structure and approved by council on the 27 th of November, resolution number C54/2019	N/A	Review and Approval of the Organisational Structure by Council by 31 December 2022

T 3.11.3

Chapter 3

Employees: Human Resource Services					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
T19-26	0	0	0	0	0%
T14-18	2	2	2	0	0%
T9-13	9	15	9	6	40%
T1-8	2	2	2	0	0%
Total	13	19	13	6	31.57%
<i>T 3.11.4</i>					

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

The strategic objective of the human resource services is to recruit and retain competent human capital and create a platform for sound labour relations. Added thereto, the unit is expected to support employees, councillors, and communities effectively and efficiently. This objective was pursued through the following projects and programmes:

Recruitment and selection of suitable candidates for positions; Coordination of capacity building activities; Conducting medical surveillance; Hazard identification and risk assessment; Occupational health and safety capacity building; Employee wellness programmes; Employee labour relations; Induction sessions; Compilation and submission of Workplace Skills Plan; Training; Capacitation of young people in the District with regard to learnership and experiential training; Job evaluation, and Implementation of Employment Equity Plan and submission of annual Employment Equity Report.

The Local Labour Forum and labour relations sub-committees as well as human resource committees were established.

T 3.11.5

3.12 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The over-arching mission of this unit is to provide ICT services in support of business needs within the municipality. This mission is supported by strategic objectives and goals which are to provide operations and support, provide ICT network support, and the provision of ICT security system and data base administration.

Chapter 3

Regional Offices in Mahikeng have been connected via Telkom for Internet, Telephone and Data. Lehurutshe Regional Office, Lehurutshe Fire, Ditsobotla Regional Office and Fire (Itsoseng) have been connected in 2021 financial year. Tswaing Fire cannot be connected until power issues within the building occupied are fixed. Ratlou Fire, Telkom busy with feasibility study for Satellite connectivity as there's no fiber infrastructure in the area.

CURRENT STATUS

The ICT Strategy Plan and Business Continuity Plan (Disaster Recovery Plan) are still to be developed by SITA. SITA has submitted the Baseline Business Discovery report which was signed off by the Municipal Manager. Most of the policies still must be reviewed. Laptops and Desktops were procured to replace the obsolete equipment.

All Regional Offices including Fire Stations have been connected to Head-Office except Ratlou Fire Station and Tswaing Fire Station.

T 3.12.1

SERVICE STATISTICS FOR ICT SERVICES

SERVICES PROVIDED

1. Operations Support
2. Network Support
3. Security and Database Administration

T 3.12.2

Chapter 3

ICT Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2018/2019		2019/2020			2020/2021	2022/2023	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Service Indicators (i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
<i>ICT Strategy Plan</i>	Development of ICT Strategic Plan	Develop new ICT Strategic Plan	Develop new ICT Strategic Plan	No performance	Develop new ICT Strategic Plan	Development of ICT Strategic Plan	No performance	Development of ICT Strategic Plan	Development of ICT Strategic Plan and Business Continuity Plan
<i>Business Continuity Plan (Disaster Recovery Plan)</i>	Development of Business Continuity Plan including ICT Disaster Recovery Plan	Development of Business Continuity Plan including ICT Disaster Recovery Plan	Development of Business Continuity Plan including ICT Disaster Recovery Plan	No performance	Development of Business Continuity Plan including ICT Disaster Recovery Plan	Development of Business Continuity Plan including ICT Disaster Recovery Plan	No performance	Development of Business Continuity Plan including ICT Disaster Recovery Plan	Development of Business Continuity Plan including ICT Disaster Recovery Plan

T 3.12.3

Chapter 3

Employees: ICT Services					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
T19-26	0	0	0	0	0%
T14-18	1	1	1	0	0%
T9-13	5	6	5	1	16.67%
T1-8	1	1	1	0	0%
Total	7	8	7	1	12.50%
					T3.12.4

Financial Performance 2020/2021: ICT Services				R'000
Details	2019/2020	2020/2021		
	Actual	Original Budget	Adjustment Budget	
Total Operational Revenue				
Expenditure:				
Employees	4775499			
Repairs and Maintenance	0			
Other (Telephones)	7000000			
Total Operational Expenditure	11775499		s	
Net Operational Expenditure				
				T 3.12.5

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The development of ICT Strategy plan and Business continuity plan needs to be completed urgently to realize the full potential of the ICT Services within the municipality. Operationally, ICT only maintain the ongoing contracts of telephones, software licenses and leasing of photocopy machines. Maintenance of ICT equipment and refresh of laptops and desktops. Due to budget constraints other services could not be catered for like repairs and maintenance.

T 3.12.6

3.13 FINANCIAL PERFORMANCE

Financial Performance Year 2021: Financial Services						R'000
Details	30-Jun-20	30-Jun-21				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	802 577	920 361	941 296	922 724	0%	
Expenditure:						
Employees					#DIV/0!	
Repairs and Maintenance					#DIV/0!	
Other					#DIV/0!	
Total Operational Expenditure	-	265 442	282 839	282 839	6%	
Net Operational Expenditure	-802 577	-654 919	-658 457	-639 885	-2%	
						T 3.13.1

Capital Expenditure Year 2021: Financial Services						R' 000
Capital Projects	30-Jun-21					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	14 671,00	15 821,00	5 506,00	-166%		
Project A				#DIV/0!		
Project B				#DIV/0!		
Project C				#DIV/0!		
Project D				#DIV/0!		
						T 3.13.2



Chapter 4

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

INTRODUCTION

1. OVERVIEW

Organisation development is the planned and systematic enabling of sustained performance in the organisation through the involvement of its people. This is a strategic way of enhancing the operations of the Municipality through Organisational Restructuring and Human Resource Management.

2. FUNCTIONS WITHIN THE UNIT

Facilitation of Organisational Design and Job Evaluation
Employee Wellness Programme
Occupational Health and Safety
Organisational Development and Change Management.

FACILITATION OF ORGANISATIONAL DESIGN AND JOB EVALUATION

With regards to this function, we strive to ensure the manner in which a management achieves the right combination of integration of the organization's operations given the internal and external environment. Integration refers to the linking of differentiated units to achieve synergy of effort in working toward municipal goals. Job Evaluation seeks to ensure rating of jobs in line with a specific and planned procedure in order to determine the relative worth and weight of each job.

OCCUPATIONAL HEALTH AND SAFETY

The Occupational Health and Safety Management System or Plan applies to all sites, offices and workstations of Ngaka Modiri Molema District Municipality. This also includes any project sponsored by the district, Employees, Clients, Visitors and all those who access municipal premises. The purpose of this OHS unit is to establish and maintain effective OHS Management System or Plan, to achieve a consistently high standard of safety performance and to provide OHS services to promote a safe working environment in compliance with legislation.

EMPLOYEE WELLBEING PROGRAMME

To provide employees with a high-quality Employee Wellbeing Programme in the Municipality has to partner with an accredited service provider, an independent external company specializing in employee support service provision. We acknowledge that Employee's personal commitment to the team is vital to our success and to achieve a productive life, with a healthy balance between their professional and personal goals

Chapter 4

ORGANISATIONAL DEVELOPMENT AND CHANGE MANAGEMENT

Organisational Development and Change Management is done in line with our Integrated Development Plan as many of the issues concern the 'people aspects' of change. We monitor organizational change in terms of ensuring right flow of information; change of strategies and manage resistance to change. We furthermore monitor organizational culture.

3. STRATEGIES

Employee Wellbeing Programme Strategy

Organisational Development and Change Management Strategy

T 4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

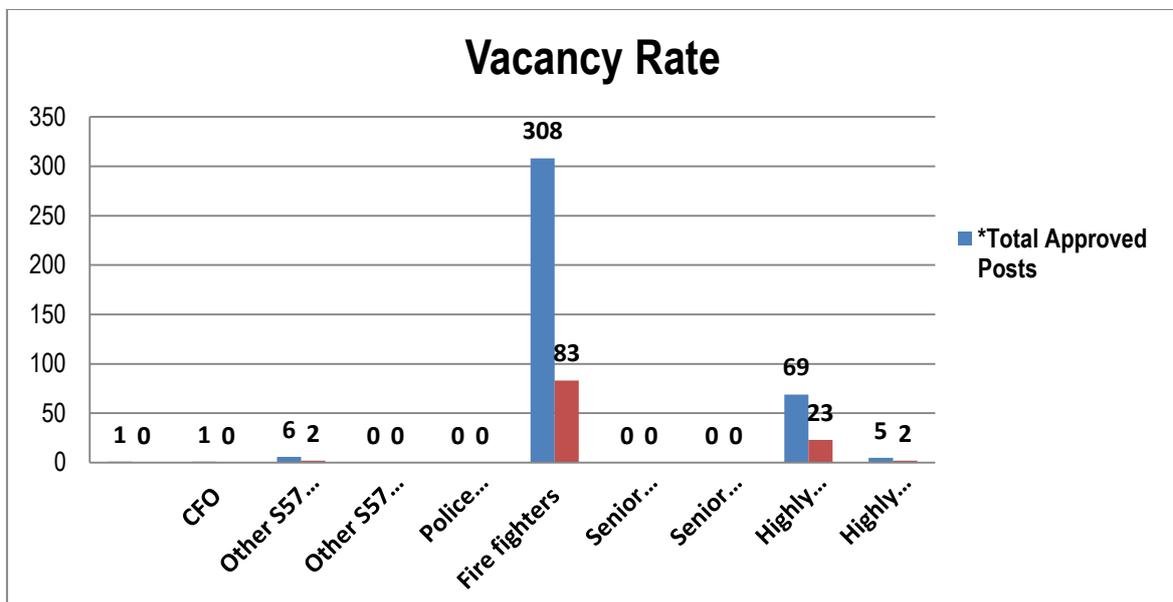
Employees					
Description	2020/2021	2021/2022			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
The Executive & Council (political)	22	32	32	1	37,50
Municipal Manager	23	27	23	7	0,15
Internal Audit Shared Services	12	13	11	2	0,08
Planning and Development	24	37	29	9	0,40
Finance (BTO)	32	60	30	32	0,47
Local Economic Development	5	7	5	1	0,28
Community Services	248	399	253	200	0,38
corporate support services	113	148	109	35	0,25
Technical Services	222	308	210	79	27,50
Totals	701	1 031	702	366	0

T 4.1.1

Chapter 4

Vacancy Rate: 2021/2022			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0,00
CFO	1	0	0,00
Other S57 Managers (excluding Finance Posts)	6	2	33,00
Other S57 Managers (Finance posts)	0	0	0,00
Police officers	0	0	0,00
Fire fighters	308	83	27,00
Senior management: Levels 13-15 (excluding Finance Posts)	0	0	0,00
Senior management: Levels 13-15 (Finance posts)	0	0	0,00
Highly skilled supervision: levels 9-12 (excluding Finance posts)	69	23	33,00
Highly skilled supervision: levels 9-12 (Finance posts)	5	2	40,00
Total	390	110	133,00

T 4.1.2



Chapter 4

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2019/2020	11	10	91%
2020/2021	10	14	140%
2021/2022	32	34	94%
			T 4.1.3

COMMENT ON VACANCIES AND TURNOVER:

The position of Senior Manager Planning became vacant after the substantive Senior Manager vacated that position on the 1st of April 2020. The council in a council sitting of 28/01/2022 with Council resolution C75/2021-2022 granted and approved to advertise the position of Senior Manager Planning and Development. The position was advertised both Internally and Externally (City Press) on 13th February 2022, it was closed on 04th March 2022 and ten (10) applications were received. The short-listing process was conducted on 28th March 2022. Interviews are still pending. Thirty-two terminations were registered that include those employees who were on fixed term contract attached to previous office bearers.

T 4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Workforce Management (WFM) is a term that encompasses all the activities needed to maintain a productive workforce. The position of Senior Manager Planning became vacant after the Senior Manager resigned from this position on the 01 of April 2020. It is still vacant, but recruitment process is underway. Four employees were appointed at Technical Services Department under the Wastewater Treatment Plants to enhance service delivery.

The Local Labour Forum serves as a tool to ensure working relations between the workforce, management, and council. The workforce is represented by Trade Union members who may serve on various committees (Employment Equity, Training and Development, Re-structuring, Conditions of Service, etc.) The workforce is also governed by collective agreements and human related policies.

T 4.2.0

Chapter 4

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Acting Policy	N/A	N/A	Approved by council August 2019
2	Attraction and Retention	N/A	N/A	Not finalised
3	Placement	N/A	N/A	Approved by council August 2019
4	Delegations, Authorisation & Responsibility	N/A	N/A	See Delegation Register
5	Disciplinary Code and Procedures	N/A	N/A	See LRA
8	Employment Equity	N/A	N/A	Policy Manual
9	Performance Management and Development	N/A	N/A	Approved by council August 2019
10	Grievance Procedures	N/A	N/A	
11	HIV/Aids	N/A	N/A	
12	Training and Development	N/A	N/A	Approved by council August 2019
13	Information Technology	N/A	N/A	
14	Job Evaluation	N/A	N/A	
15	Leave	N/A	N/A	Approved by council August 2019
16	Occupational Health and Safety	N/A	N/A	
17	Overtime	N/A	N/A	Approved by council August 2019
18	Official Journeys	N/A	N/A	
19	Official transport to attend Funerals	N/A	N/A	No policy
20	Official Working Hours and Overtime	N/A	N/A	see overtime policy
21	Organisational Rights	N/A	N/A	Regulated by collective agreement
22	Payroll Deductions	N/A	N/A	Regulated by collective agreement
23	Performance Management and Development	N/A	N/A	Approved by council August 2019
24	Recruitment, Selection and Appointments	N/A	N/A	Approved by council August 2019

Chapter 4

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
25	Remuneration Scales and Allowances	N/A	N/A	
26	Reset tlement	N/A	N/A	included on cost containment and recruitment policy
27	Sexual Harassment	N/A	N/A	still needs to be reviewed
28	Skills Development	N/A	N/A	see Training
29	Smoking	N/A	N/A	still needs to be reviewed
30	Special Skills	N/A	N/A	No policy
31	Work Organisation	N/A	N/A	No policy
32	Uniforms and Protective Clothing	N/A	N/A	No policy
33	Other:			
T 4.2.1				

4.3 INJURIES, SICKNESS AND SUSPENSIONS

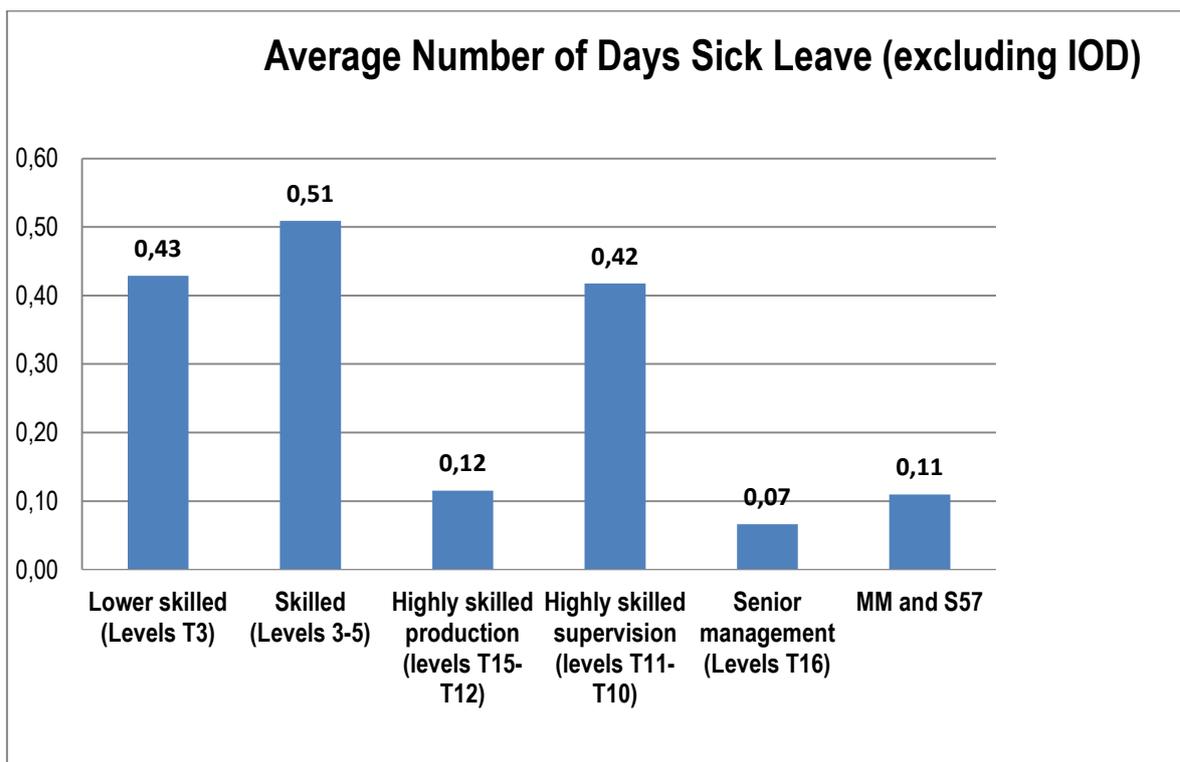
Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	51	3	2700%	27.00	R 42 040.04
Temporary total disablement	112	3	5750%	57.50	R 93 315.17
Permanent disablement	60	2	3100%	31.00	R 14 960.30
Fatal	0			0.00	
Total	223	8	4%	45	R150 316
T 4.3.1					

Chapter 4

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels T3)	305	90%	65	351	0.43	
Skilled (Levels 3-5)	362	4%	65	144	0.51	
Highly skilled production (levels T15-T12)	82	1%	15	63	0.12	
Highly skilled supervision (levels T11-T10)	297	6%	48	118	0.42	
Senior management (Levels T16)	47	1%	8	29	0.07	
MM and S57	78	0%	3	6	0.11	
Total	1171	17%	204	711	1.65	0

* - Number of employees in post at the beginning of the year
 *Average is calculated by taking sick leave in column 2 divided by total employees in column 5

T 4.3.2



T 4.3.3

Chapter 4

COMMENT ON INJURY AND SICK LEAVE:

The report on injury and sick leave for 2021/2022 financial year is based on the new cases reported. We had eight (8) newly reported cases of Injury on Duty for 2021/2022 which cost municipality in monetary value One Hundred and fifty thousand, three hundred and fifteen rand and fifty-one cents (R 150 315,51). There is “No” case which carried on from previous. We also experienced Occupational Disease in a form of Covid-19 for the reporting period and number of employees contracted Covid-19 whilst on duty was twenty-six (26), which costed municipality two hundred and thirty-five (235) days of sick leave in monetary value of two hundred and eighty-seven thousand five hundred and eighty-two rand twelve cents (R 287 582,12). The total number of two hundred and twenty-three (223) days of sick leave due to Injury on Duty and Occupational Disease have costed the municipality One Hundred and fifty thousand, three hundred and fifteen rand and fifty-one cents (R 150 315,51) for the reporting period. It must be noted that the number of IODs have decreased however the impact of Covid-19 as a global pandemic had impacted on us negatively even though the municipality had made all measures to control the spread of the virus.

NMMDM recognises and accepts that it has an obligation under OH&S legislation to provide a healthy and safe working environment. This obligation extends to employees and to all visitors with business in municipal premises. The Municipality could not make provision for the appointment of a professional service provider for comprehensive Occupational Health and Safety service including Occupational Doctors due to financial constraints. All OHS related records are kept and maintained by OHS Unit for each and every financial year.

T 4.3.4

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken, or Status of Case and Reasons why not Finalised	Date Finalised
There were no suspensions during the 2021-2022 financial year				
T 4.3.5				

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
No disciplinary actions conducted during the 2021/2022 financial year as there were no financial misconducts registered			
T4.3.6			

Chapter 4

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

No comments on suspension as there were no employees put on suspension during the year under review.

T 4.3.7

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The process of Capacity Building is managed by Senior Managers in their respective departments. Skills Development requests the training needs of employees in all departments in pursuit of the Workplace Skills Plan, the Annual Training Report and the Pivotal Report 2021/2022. The report was submitted to the Local Government SETA in April 2022. In the Workplace Skills Plan, the training needs of employees are filled in different sections of the document, and these are the Skills Programme, Learnerships and Pivotal programmes. The table below provides details for the training embarked upon in 2021/2022.

No.	Course	Number of Employees
1.	Municipal Executive Financial Management Programme	06
2.	Virtual Training for Disciplinary Board members	06
3.	Records Management Training	04
4.	Plumbing - Pre assessment and Gap Closure	19

T 4.5.0

Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix											
Management level	Gender	Employees in post as of 30 June Year 2020/2021	Number of skilled employees required and actual as of 30 June 2020/2021								
			Learnerships			Skills programmes & other short courses			Other forms of training		Total
			No.	Actual: End of 2021/2022	Actual: End of 2021/2022	2020/2021 Target	Actual: End of 2020/2021	Actual: End of 2021/2022	2020/2021 Target	Actual: End of 2020/2021	Actual: End of 2021/2022
MM and s57	Female		0			1			0		1
	Male		1			2			0		2
Councillors, senior officials and managers	Female		2			1			0		1
	Male		4			4			0		4
Technicians and associate professionals*	Female		0						0		0
	Male		0			1			0		1
Professionals	Female		0						0		0
	Male		0						0		0
Skilled Technical	Female		0			3			0		3
	Male		0			16			0		16
Semi-Skilled	Female		0			0			0		0
	Male		0			0			0		0
Sub total	Female								0		0
	Male								0		0
Total			6			28			0		28

T 4.5.1

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
<i>Accounting officer</i>	1		1	1		1
<i>Chief financial officer</i>	1		1	1		1
<i>Senior managers</i>	4		4	4		4
<i>Any other financial officials</i>	31		31	11		11
Supply Chain Management Officials						
<i>Heads of supply chain management units</i>	1		1	1		1
<i>Supply chain management officials</i>	5		5	2		5
TOTAL	43		43	20		23

T 4.5.2

Skills Development Expenditure										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget
MM and S57	Female	0	0	0						
	Male	0								
Legislators, senior officials and managers	Female	2								
	Male	4	R1M	R348 000						R348 000
Professionals	Female	0								
	Male	0								
Technicians and associate professionals	Female	0								
	Male	0								
Clerks	Female	0								
	Male	0								
Service and sales workers	Female	3								
	Male	16		199 500						R199 500
Plant and machine operators and assemblers	Female	0								
	Male	0								
Elementary occupations	Female	0								
	Male	0								
Sub total	Female	0								
	Male	0								
Total		25	R1 M	R547 500						R547 500

T4.5.3

Chapter 4

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

Not all envisaged training was conducted for the period under review due to Covid 19. According to the 2020/2021 training plan, only four (4) training has been implemented that is Finance Management Programme. The following trainings were implemented with its expenditure:

Name of Training	Number of Beneficiaries	Amount Spent
1. Municipal Executives Financial Management Programme	04	R348 000
2. Training for Disciplinary Board	06	funded by SALGA
3. Records Management	04	funded BY SALGA
4. Plumbing Assessment training	19	R199 500

T 4.5.4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

Job Evaluation has enable municipality to containing the workforce expenditure. Jobs have been evaluated and remunerated is done according to their worth as and when they are filled.

There is still leniency in managing the overtime and standbys. The Management of leave is also not up to screech and impact negatively on workforce expenditure.

T 4.6.1

Chapter 4

Number Of Employees Whose Salaries Were Increased Due to Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	No increase
	Male	No increase
Skilled (Levels 3-5)	Female	No increase
	Male	No increase
Highly skilled production (Levels 6-8)	Female	No increase
	Male	No increase
Highly skilled supervision (Levels 9-12)	Female	No increase
	Male	No increase
Senior management (Levels 13-16)	Females	No increase
	Male	No increase
MM and S 57	Female	No increase
	Male	No increase
Total		0

T 4.6.2

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level (Peromnes)	Reason for deviation
Communications Officer	1	T10	PL7	The new TASK Job Evaluation System graded positions lower than the Peromnes Job Evaluation System which led to Personal to Holder
Admin Officer: Communications	2	T10	PL6	
Customer Care Officer	4	T5	PL10	
Admin Officer: Public Sector Coordination	1	T10	PL7	
Admin Officer: Private Sector Coordination	1	T10	PL7	
Physical Security Officer	1	T7	PL6	
Site Security Officer	1	T7	PL6	
Information Security	1	T7	PL7	
Admin Officer: PMS	1	T10	PL6	
PMS Specialist	1	T12	PL2	
Internal Auditor	4	T11	PL6	
IDP Planner	1	T11	PL3	
Admin Officer: IDP	1	T10	PL6	
LED Coordinator	2	T11	PL3	
Tourism Officer	2	T10	PL7	
GIS Specialist	1	T12	PL3	
GIS Technician	1	T11	PL4	
Agricultural Specialist	1	T12	PL2	
Rural Development Specialist	1	T12	PL2	
Rural Development Coordinator	3	T11	PL2	
EPWP Coordinator	1	T11	PL3	

Chapter 4

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level (Peromnes)	Reason for deviation
Admin Officer: Dev & Town Planning Serv	1	T10	PL6	The new TASK Job Evaluation System graded positions lower than the Peromnes Job Evaluation System which led to Personal to Holder
Administrator LED	1	T10	PL6	
Senior Accountant: Internal Control	1	T13	PL3	
Assistant Accountant: Budget Management	1	T10	PL7	
Senior Accountant: Bid Management	1	T13	PL2	
Senior Accountant: Demand and Acquisition	1	T13	PL3	
Clerk: Demand and Acquisition	1	T7	PL9	
Senior Accountant: General Expenditure	1	T13	PL3	
VAT Specialist	1	T12	PL2	
Assistant Accountant: General Expenditure	2	T10	PL7	
Assistant Accountant: Payroll Admin	2	T10	PL7	
Cashier	2	T7	PL8	
Clerk: General Expenditure	1	T7	PL9	
Clerk: Payroll Admin	1	T7	PL9	
Senior Accountant: Asset Management	1	T13	PL3	
Clerk: Inventory	2	T7	PL9	
Clerk Movable Assets	3	T7	PL9	
Admin Officer	1	T10	PL6	
Admin Officer	1	T10	PL6	
EHP	7	T11	PL5	
Admin Officer	1	T10	PL6	
Platoon Commander	41	T11	PL6	
Senior Fire Fighter	25	T9	PL7	
Fire Fighter	8	T7	PL8	
Junior Fire Fighter	18	T6	PL9	
Trainee Fire Fighter	14	T5	PL12	
Dispatcher/Receptionist	5	T5	PL11	
Admin Officer Disaster Management	1	T10	PL6	
Coordinator Awareness and Training	1	T12	PL4	
Disaster Management Officer	10	T10	PL6	
Admin Officer	1	T10	PL6	
Assistant Manager Human	1	T14	PL2	

Chapter 4

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level (Peromnes)	Reason for deviation
Resources				The new TASK Job Evaluation System graded positions lower than the Peromnes Job Evaluation System which led to Personal to Holder
Skills Development & EE Facilitator	1	T12	PL3	
Snr. HR Practitioner	2	T12	PL3	
Filing Clerk	2	T7	PL9	
Labour Relations Officer	1	T11	PL6	
Employee Assistance Practitioner	1	T11	PL3	
OHS Officer	1	T11	PL3	
Photocopier Operator	1	T4	PL10	
General Worker: Cleaner	26	T3	PL14	
General Worker Gardener	15	T3	PL14	
Project Manager ICT	1	T12	PL1	
Database Administrator	1	T12	PL10	
ICT Technician	2	T11	PL3	
Legal Advisor	1	T14	PL2	
Admin Officer Fleet	1	T10	PL6	
Mechanical Technician	1	T12	PL3	
Fleet Management Coordinator	1	T11	PL3	
Artisan Mechanic	1	T9	PL6	
Mechanic	1	T7	PL7	
Transport Clerk	2	T7	PL9	
Workshop Clerk	1	T7	PL9	
Fuel Attendant	4	T4	PL13	
Trainee Mechanic	2	T5	PL10	
Water System Operator	2	T7	PL7	
Clerk Stores	1	T7	PL9	
Technical Assistant: Civil	1	T11	PL7	
Senior Foreman	3	10	PL6	
Team Leader	15	T7	PL9	
Truck Driver	9	T6	PL11	
TLB Operator	1	T6	PL9	
Water Aid Worker	84	T4	PL12	
Water Quality Specialist	1	T12	PL2	
Clerk Roads	1	T7	PL9	
Transport Planner/Data Base	1	T12	PL6	
Senior Foreman: Roads	1	T10	PL6	
Team Leader: Sanitation	1	T7	PL9	
Waste Water Aid Worker	53	T4	PL12	
Road Workers Aid	5	T4	PL12	
Lowbed Operator	1	T6	PL9	
Admin Officer PMU	1	T10	PL3	
Data Capturer	1	T7	PL9	

Chapter 4

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level (Peromnes)	Reason for deviation
Data Capturer	1	T7	PL6	
Project Manager PMU	5	T14	PL2	

T 4.6.3

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exists
None.				

T 4.6.4

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

No position was upgraded during the year under review, and this was due to the implementation of the TASK Job Evaluation system as it is the only systematic and scientific way of upgrading positions.

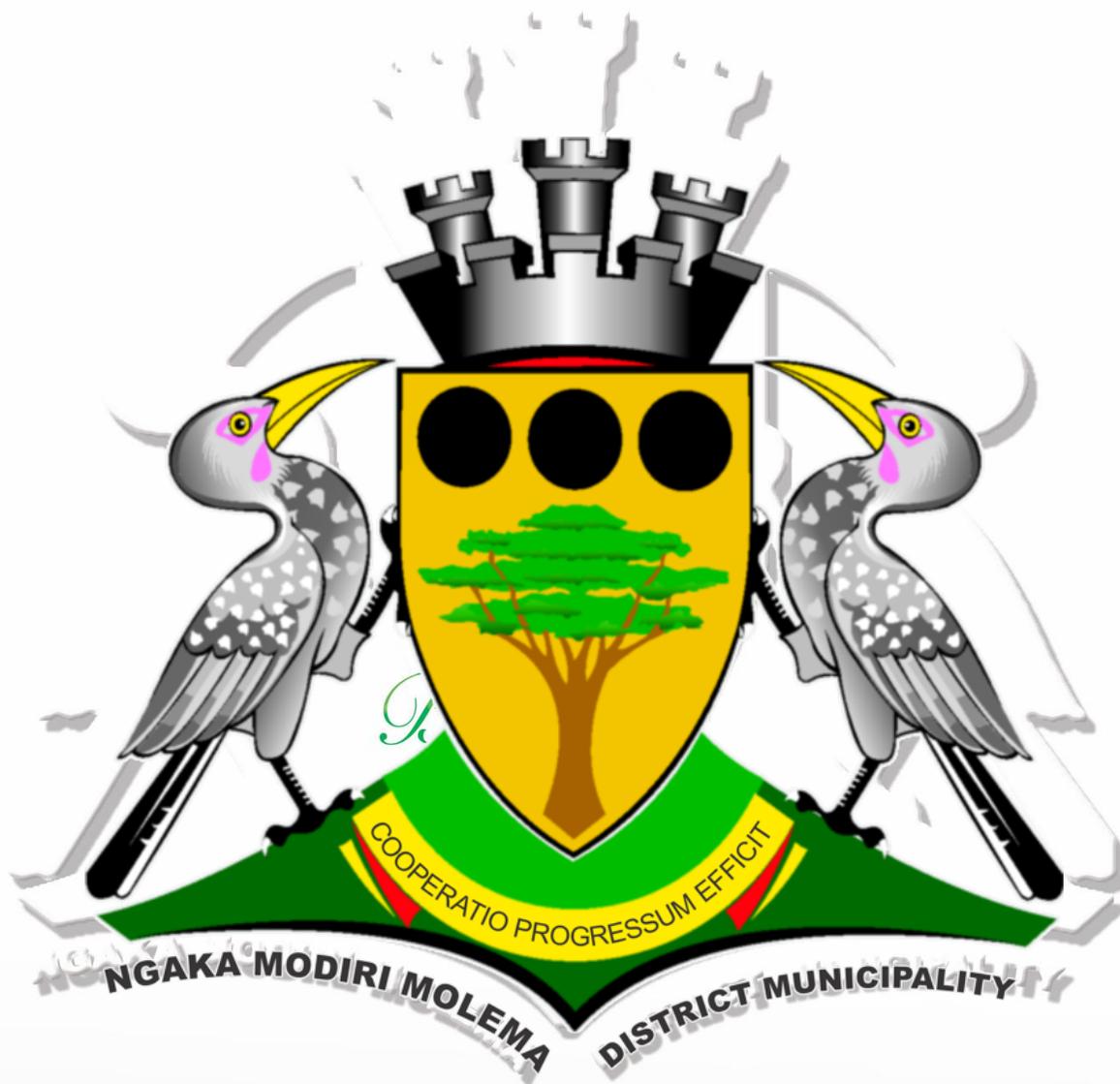
T 4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

The disclosure forms for 2021/2022 were distributed to all employees to complete, however not all employees have responded positively and only a few submitted the completed forms.

The disclosures have been submitted to the Municipal Manager for noting or any other action consequential to such conflict of interest.

T 4.6.6



Chapter 5

CHAPTER 5

FINANCIAL PERFORMANCE

INTRODUCTION

The municipality closely monitors its performance of Budget versus actual on monthly basis using management accounts which reflect material variances. These variances are investigated, and corrective action is taken when required.

Mayoral Committee oversees finances through Section 52(d) quarterly performance and 72 mid-term reports by pronouncing and endorsing the report as tabled in the council.

T 5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The annual financial statements have been prepared on the accrual basis and in accordance with historical cost convention, unless otherwise specified. The annual financial statements have been prepared in accordance with to Standards of Generally Recognized Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standard Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act No. 56 of 2003). The principal accounting policies adopted in the preparation of the annual financial statement are set out in this document.

The municipality reflects adequate financial performance for the 2020/21 financial year, with total revenue of R1 261 501. Typical of district municipalities in the country, the Ngaka Modiri Molema District Municipality (NMMDM)'s revenue sources predominantly comprise operating fiscal transfers from the National Government that accounted 98% of the operating revenues in 2020/21. Equitable shares make up the bulk (99%) of these operating fiscal transfers and are utilized at the municipality's discretion to provide basic services to poor communities with its jurisdiction.

T 5.1

Chapter 5

Chapter 5

5.1 STATEMENTS OF FINANCIAL PERFORMANCE 2021/2022

Description	2022											2021
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousands	1	2	3	4	5	6	7	8	9	10	11	15
Financial Performance												
Property rates	-		-			-						
Service charges	109		109			109	101		(8)	93%		141
Investment revenue	-	26	26			26	27		1			23 824
Transfers recognised - operational	563	878	878			878	879					921 315
Other own revenue	585	265	828			828	200		372	100%		921 315
Total Revenue (excluding capital transfers and contributions)	257	879	909	-	-	909	911	-	1	100%	0	945 922
Employee costs	448	402	402			402	404		1	100%		386 583
Remuneration of councillors	198	14	14			14	12		(1)	91%		12 820
Debt impairment			-			-	3		3	#DIV/0!		-
Depreciation & asset impairment	270	214	214			214	212		(1)	99%		200 682
Finance charges	-		-			-	10		10			11 484
Materials and bulk purchases	780	149	149			149	30		(119)	20%		41 812
Transfers and grants	000	50	50			50	50		836	102%		65 000
Other expenditure	536	144	144			144	326		181	226%		144 620

Chapter 5

Description	2022											2021
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthor ised expendit ure	Variance	Actual Outcom e as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	15
Total Expenditure	975 233	(200)	975 033	-	-	975 033	1 051 628	-	76 595	108%	0	863 001
Surplus/(Deficit)	(95 976)	30 738	(65 238)	-	-	(65 238)	(140 155)	-	(74 917)	215%	0	82 921
Transfers recognised - capital	320 169		320 169			320 169	319 710		(459)			314 688
Contributions recognised - capital & contributed assets			-			-	-		-			422
Surplus/(Deficit) after capital transfers & contributions	224 193	30 738	254 931	-	-	254 931	179 555	-	(75 376)	70%	0	398 031
Share of surplus/ (deficit) of associate			-			-						
Surplus/(Deficit) for the year	224 193	30 738	254 931	-	-	254 931	179 555	-	(75 376)	70%	0	398 031

Chapter 5

Description	2022											2021
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcom e as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousands	1	2	3	4	5	6	7	8	9	10	11	15
Capital expenditure & funds sources												
Capital expenditure												
Transfers recognised - capital	308 498	1 400	309 898			309 898	416 331		21 518	107%		314
Public contributions & donations			-			-	-		-			423
Borrowing			-			-			-			
Internally generated funds	45 657	(10 243)	35 414			35 414	978 42		7 564	121%		
Total sources of capital funds	354 155	(8 843)	345 312	-	-	345 312	394 374	-	29 082	108%	0	111 315
Cash flows												
Net cash from (used) operating	2 076 593	322 748	2 399 341			2 399 341	680 245		(2 153 661)	10%		393
Net cash from (used) investing	367 778	(12 466)	355 312			355 312	166 (372)			-105%		(273)
Net cash from (used) financing	-		-			-						
Cash/cash equivalents at the year end	2 444 371	310 281	2 754 653	-	-	2 754 653	486 (126)	-	-2153660892	-5%	0	119 320

T 5.1.1

Chapter 5

T5.1.1

Chapter 5

Financial Performance of Operational Services					
					R '000
Description	2020/2021			2020/2021 Variance	
	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost					
Wastewater (Sanitation)	229 054	342 348			
Component A: sub-total	299 054	342 348			
Wastewater (Storm water Drainage)	50 000	25 000			
Roads	19 294	21 412			
Transport					
Component B: sub-total	69 294	46 412			
Planning					
Local Economic Development	35 915	38 319			
Component B: sub-total	35 915	38 319			
Environmental Protection					
Health	17 251	17 023			
Security and Safety	133 163	133 163			
Corporate Policy Offices and Other	453 530	482 098			
Component D: sub-total	603 944	632 284			
Total Expenditure	959 370	1 081 525			

T 5.1.2

Chapter 5

COMMENT ON FINANCIAL PERFORMANCE:

Revenue

Revenue from service charges increased due to new yard connections that were done in the current year. Interest received also increase due to efficiency savings (commonly referred to as investments)

Government grants and subsidies

The municipality utilised all the transfers received save to indicate that the Water Services Infrastructure Grant (WSIG) was transferred to Sedibeng Water.

Employee Costs

New positions filled in the current year including the following positions MPAC personnel, CRO & Public Participation personnel.

Lease rental on operating lease

This was due to new lease agreement signed with Konica Minolta

General Expenditure

Increase on accounting fees due to appointment of consultants for AFS preparation and mSCOA implementation. Legal fees also increased due to litigations. NB some general expenditure items were budgeted as contracted services due to mSCOA alignment

Finance cost

The finance cost was due to interest on actuarial valuations.

T5.1.3

Chapter 5

5.2 GRANTS

Grant Performance						
R' 000						
Description	2021	2022		Year 2021 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	1 236 003	1 193 516	-	1 198 910	100%	
Equitable share	916 965	873 573	-	873 573	100%	
Municipal Systems Improvement						
Department of Water Affairs						
Levy replacement						
Financial Management Grant	2 700	2 850		2 850	100,00%	
EPWP	1 139	2 140		2 140	100,00%	
LG SETA	511	265		637	100,00%	
Municipal Disaster Recovery						
Grant	-			-	0,00%	
Rural Roads Asset Management	2 561	2 561		2 137	83,43%	
Municipal Infrastructure Grants	312 127	312 127		317 573	101,74%	
Water System Infrastructure Grant	-			-	0,00%	
Other transfers/grants [insert description]						
Provincial Government:	-	-	-	-		
Health subsidy						
Housing						
Ambulance subsidy						
Sports and Recreation						
Other transfers/grants [insert description]						
District Municipality:						
Other grant providers:	-	-	-	-		
[insert description]						
Total Operating Transfers and Grants	1 236 003	1 193 516	-	1 198 910		

Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual.
Full list of provincial and national grants available from published gazettes.

T 5.2.1

Chapter 5

COMMENT ON OPERATING TRANSFERS AND GRANTS:

All operating transfers and grants were fully received and were fully utilized for the **intended** purpose. All operating transfers and grants were fully received. However, not all the grants were fully utilized.

T 5.2.2

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES

For the financial year under review, R317 million was received as conditional grants most of which related to MIG. The said figure represents 98% of these.

T 5.2.3

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The municipality has outsourced the asset management due to capacity constraints. To that end, Vodacom has been appointed through a transversal contract. The Service Level Agreement was signed for 24 months effective from the 1 July 2018.

Capacitation of Asset management unit will be **conducted** during 2021/2022.

T 5.3.1

Chapter 5

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 2021				
Asset 1				
Name	Greater Lichtenburg Water Supply			
Description	Greater Lichtenburg Water Supply			
Asset Type				
Key Staff Involved				
Staff Responsibilities				
	2018	2019	2020	2021
Asset Value			5 788 679,93	32 000 223,33
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 2				
Name	Leeufontein Water Supply			
Description	Zeerust Wastewater Treatment Plant Phase 2			
Asset Type				
Key Staff Involved				
Staff Responsibilities				
	2018	2019	2020	2021
Asset Value		3 254 061,63	4 226 513,57	19 634 704,98
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 3				
Name	Zeerust Wastewater Treatment Plant Phase 2			
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
	2018	2019	2020	2021
Asset Value		29 015 993,98	32 687 679,20	19 376 406,42
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				
				T 5.3.2

Chapter 5

COMMENT ON ASSET MANAGEMENT:

Asset Management refers to all activities and processes carried out during the cycle of acquisition, construction, maintenance, refurbishment, and disposal of all resources consumed during the provision of services by the municipality for the future economic benefit for the municipality.

These resources range from the water and sanitation infrastructure network used to deliver water and sanitation services to householders, vehicles used by personnel to maintain the network, tools utilized in the maintenance of the network, equipment used by the field and office staff during the delivery of services, furniture used by the staff in support of the services to the communities, materials consumed during the construction of service facilities and work in progress in the service infrastructure projects. Capital Assets are classified into the following categories for the financial reporting purposes:

- Property Plant and Equipment
 - Land and Buildings
 - Infrastructure Assets
 - Furniture and Fixtures
 - IT Equipment
 - WIP Infrastructure
 - Emergency Equipment
 - Community Assets
 - Other property plant and equipment

Challenges

- Ageing of Infrastructure
- Vandalism and theft

T 5.3.3

Repair and Maintenance Expenditure: Year 2022				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	69 488	163 219	198 461	-22%
				T 5.3.4

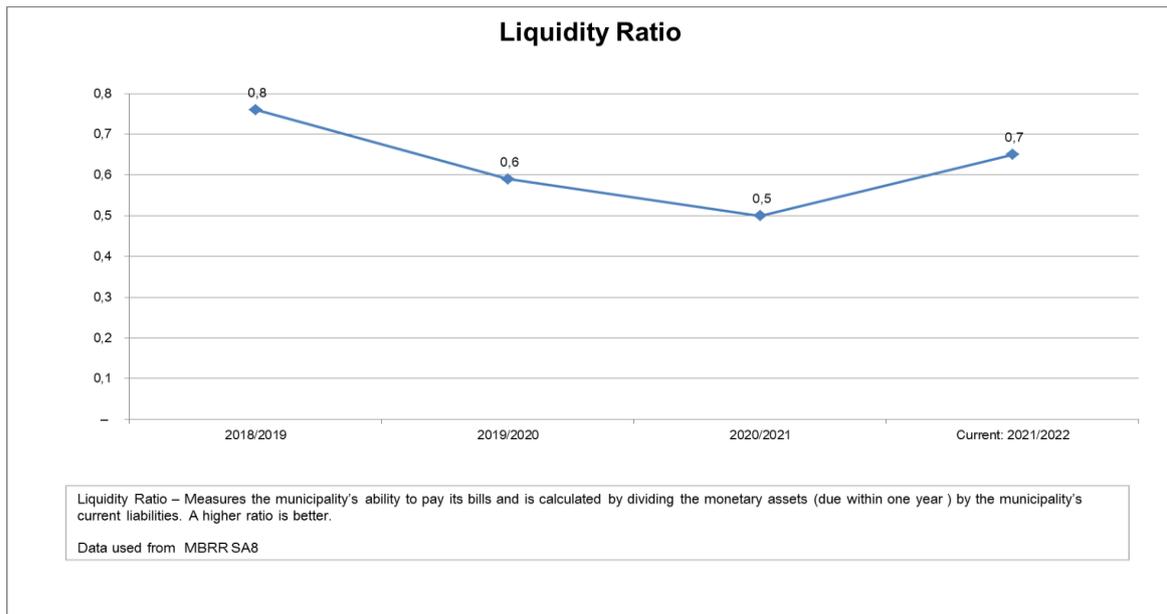
Chapter 5

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

Ideally, the repair and maintenance budget should stand at 8% at least. In the 2018/19 the repair and maintenance was budget stood at 4% which is below the ideal 8% norm. The Repair and Maintenance budget is therefore insufficient to cover both planned to reactive maintenance of our infrastructure.

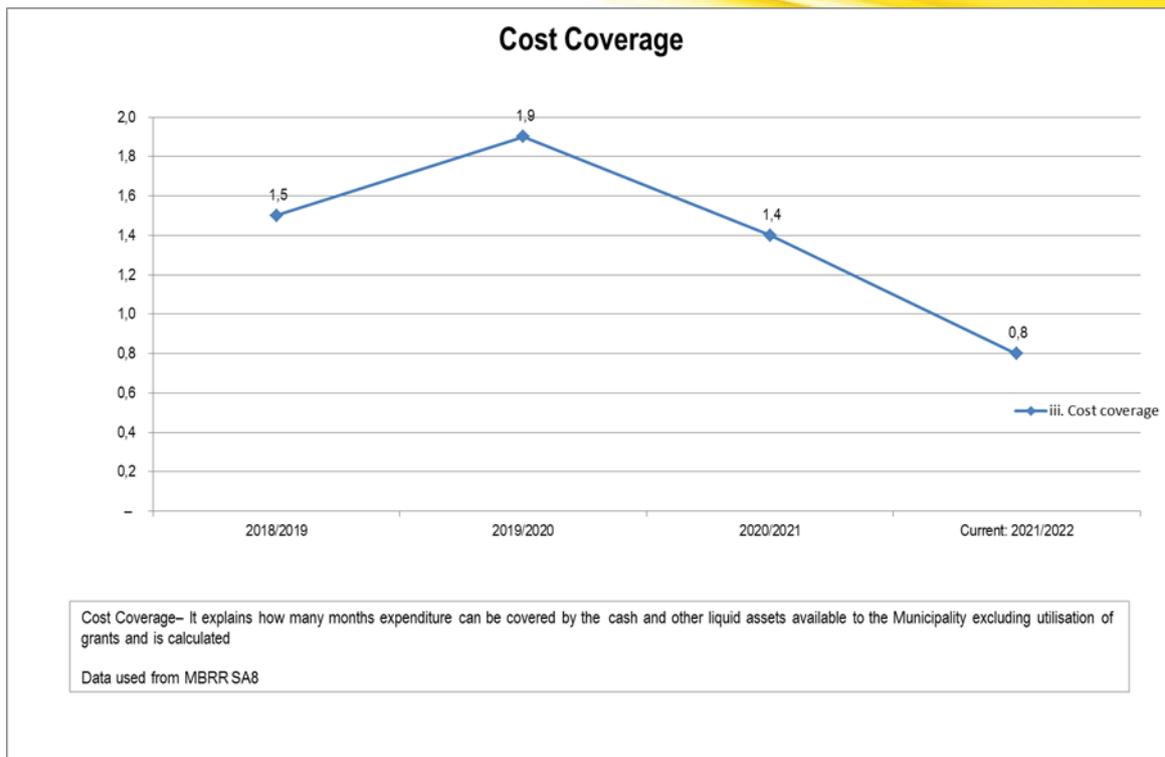
T 5.3.4.1

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

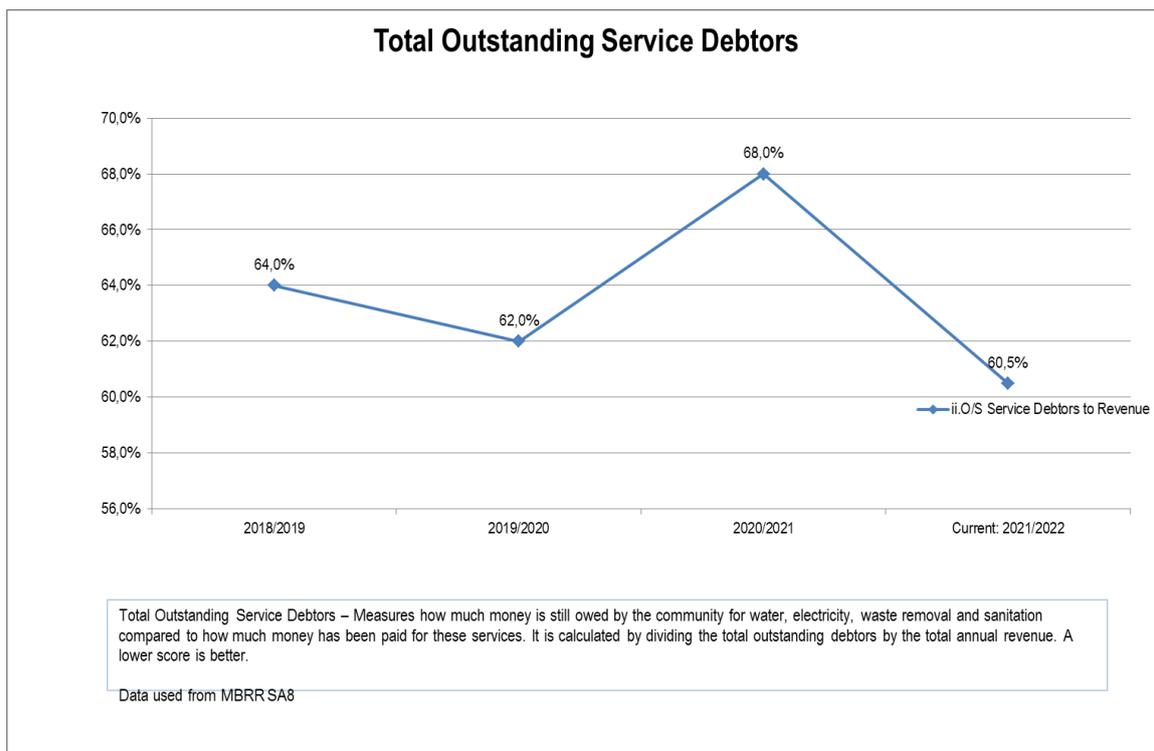


T 5.4.1

Chapter 5

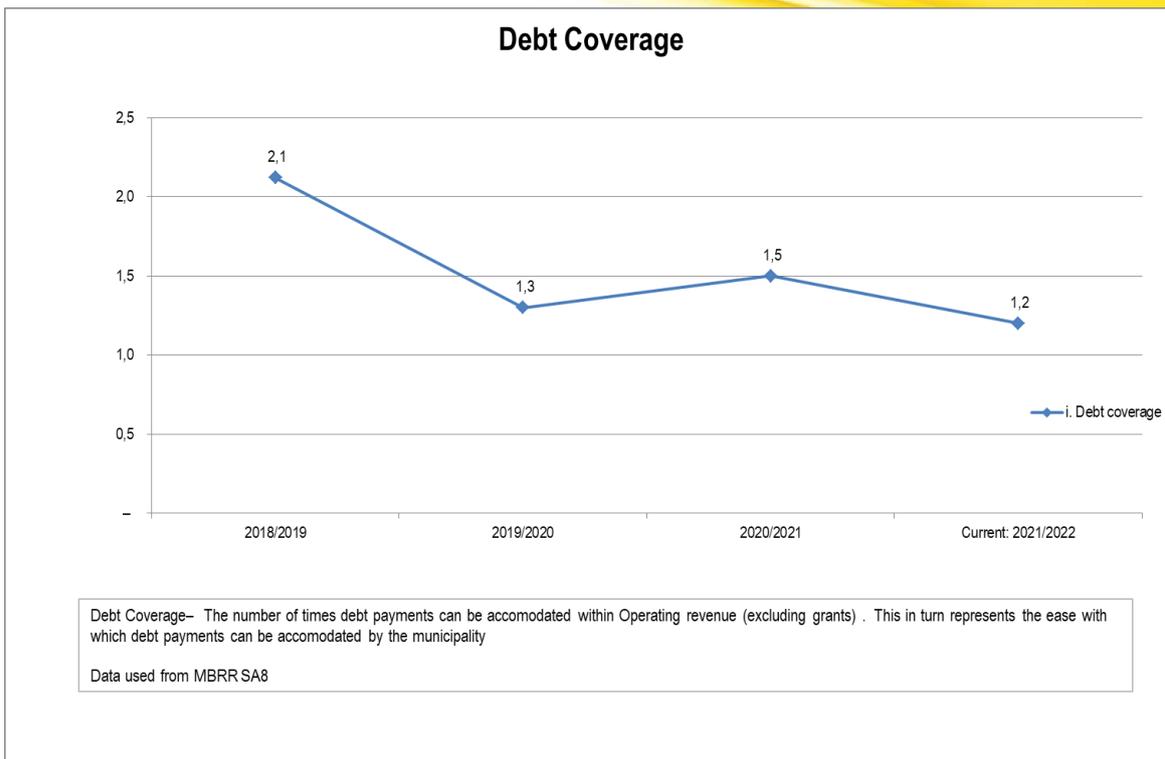


T 5.4.2

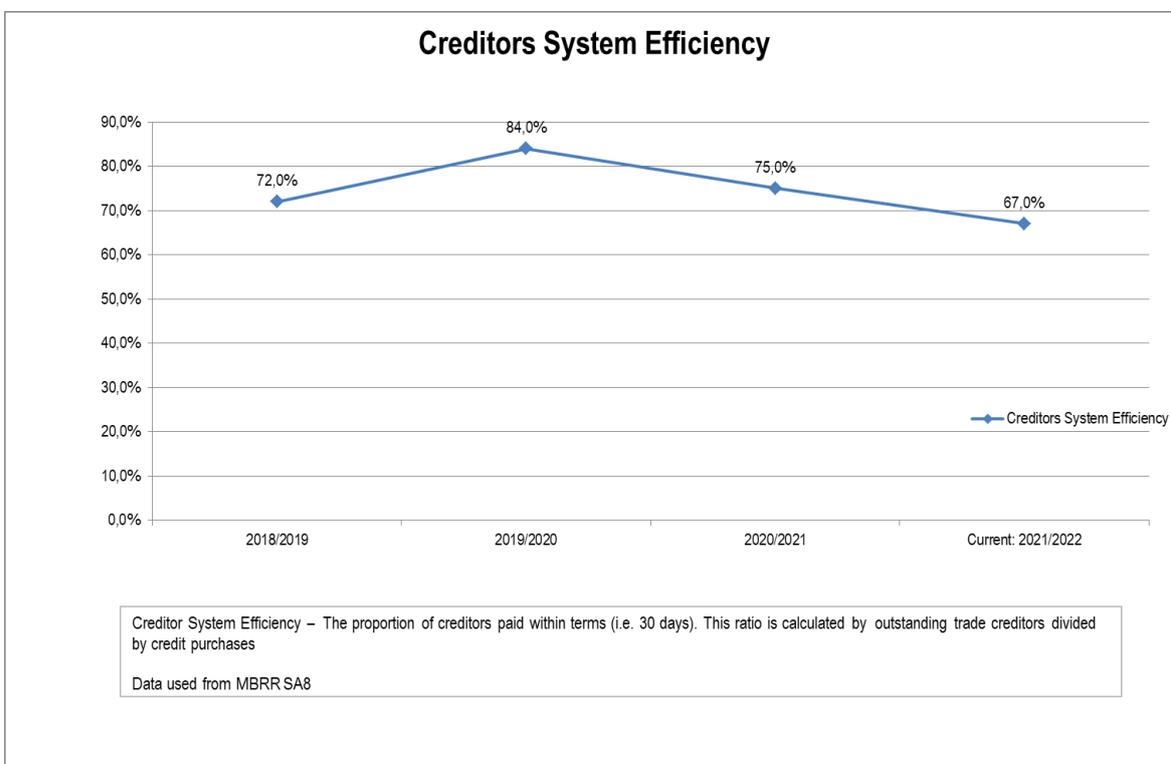


T 5.4.3

Chapter 5



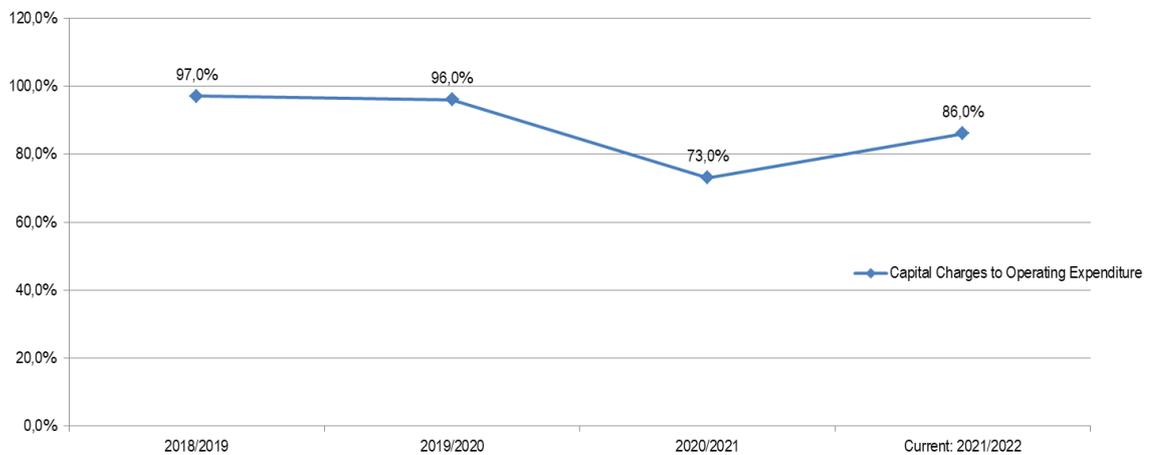
T 5.4.4



T 5.4.5

Chapter 5

Capital Charges to Operating Expenditure

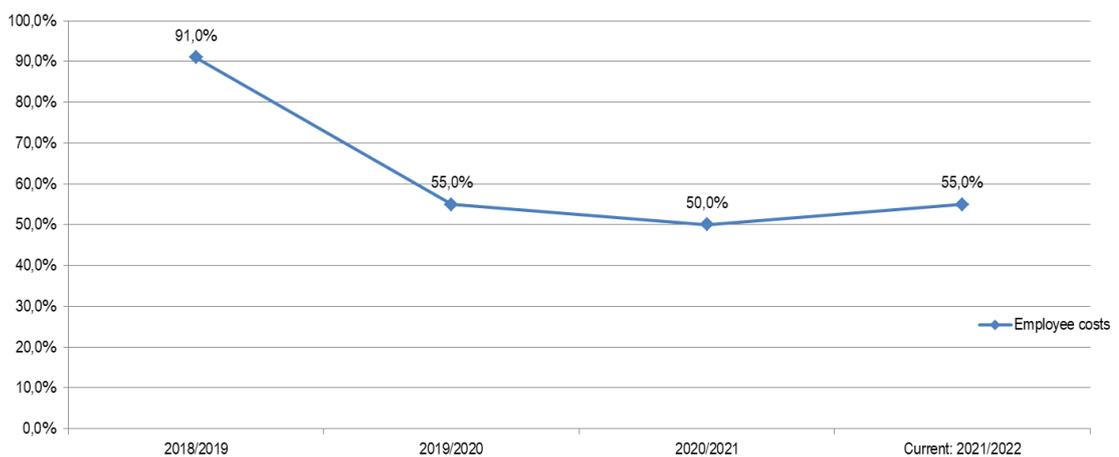


Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

T 5.4.6

Employee Costs

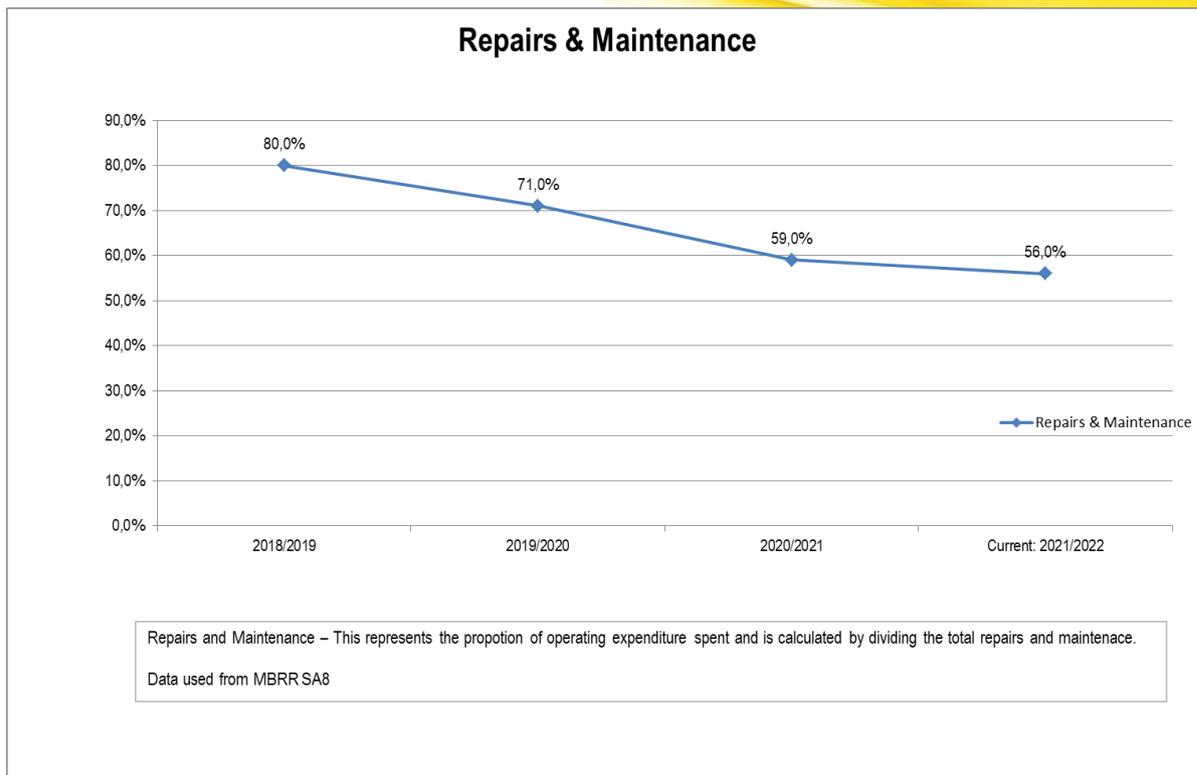


Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

T 5.4.7

Chapter 5



T 5.4.8

COMMENT ON FINANCIAL RATIOS

Liquidity ratio

The ratio measures the municipality's ability to pay its debts when due and is calculated by dividing the total monetary assets by the current liabilities. The municipality has a healthy ratio at 1, 2 as compared to 0, 8 in the prior year.

Cost coverage

The municipality has a healthy ratio, and it can cover its costs on a month-to-month basis as it is sitting with a 1, 1 ratio.

Debt coverage

Since the municipality relies on grants and does not **generate own revenue**, the municipality cannot cover its debts from operating revenue which is internally generated.

Employee cost

Chapter 5

The municipality has a ratio of 44% meaning that it can cover its employee related cost and other expenses. This is largely due to the good management of the equitable share and the use of grants for their intended purpose.

T5.4.9

COMPONENT B:

SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

By their very nature, projects are meant to contribute positively to service delivery, and as a result, the assessed needs inform the size of the project and the required budget.

There were five (5) major projects that were undertaken in the financial year under review, and these are:

1. Mahikeng Rural Sanitation with total expenditure of R 119 271 506
2. Ditsobotla Rural Sanitation with expenditure of R71 109 733
3. Zeerust Wastewater Treatment Plant with expenditure of R14 294 903
4. Greater Lichtenburg Bulk Water Supply with expenditure of R36 800 257
5. Kraaipan Water Supply with Expenditure of R20 073 803

These projects were the main cost drivers on the expenditure for the year under review. The composition of projects implemented is such that 60% is water related projects and 40% sanitation related mainly because of the scarce and sparse distribution of water systems within the district.

There are not as much new projects as there are augmentation schemes as many areas within the district have some water infrastructure though not meeting the required minimum basic level of service. Most areas in the district are under serviced and substantial strides are taken to bridge that service gaps.

T 5.5.0

5.5 CAPITAL EXPENDITURE

COMMENT ON CAPITAL EXPENDITURE

Total allocation for water and sanitation projects was R293 563 61. Total expenditure was R264 637 838 translating to 94% of the total allocation. The variance of 6% reallocated to Covid 19 projects and expenditure thereto can only start in the 2022/23 financial year.

An amount of R59 391 834(22% of total spending) was spent on twelve (12) water projects and R205 246 004 (78% of total spending) was spent on five (5) Sanitation projects.

The Mahikeng Rural Sanitation sought to construct fourteen (14, 000) Ventilated Improved Double Pit(VIDP), and health and hygiene education to the value of R119 271 506

Chapter 5

The Ditsobotla Rural Sanitation Construction of 9350 Ventilated Improved Double Pit(VIDP), and health and hygien education. An application for additional funding for 4351 units. The cost related to the rural sanitation project stands at R71 109 733.00

The Zeerust Waste Water Treatment Plant seeks to construct a new inlet works, a biological reactor, one secondary setting tank, disinfection facilities (chlorine), wash water pump station, sludge recycle and waste pump stations, sludge gravity thickener, sludge drying beds, interconnecting pipework, internal access roads, stormwater, fencing, and buildings to the value R14 294 903.00

The Greater Lichtenburg Bulk Water Supply shall entail the refurbishment of 4 existing boreholes, equipping of 2 new boreholes complete with pump houses, electricals, pipeworks and fencing to the closest reservoir. The refurbishing of 3 booster pump stations and pump houses complete with related works to the 3 reservoirs in the game farm. The replacement of 20km asbestos pipes with UPVC pipes. The refurbishment of the reservoir and pumps at the water treatment plant, and refurbishment of the Chlorine Room. Added thereto would be the construction of the new 5ML reservoir, construction of sludge dam and the erection of fencing around the reservoir. R36 800 257 (thirty six million eight hundred thousand and two hundred and fifty seven rands) represent the estimate. The work required for the Kraaipan Water Supply includes the refurbishment and upgrading, installation of internal water networks and bulk water supply. The 270 kl steel tank is to be refurbished, the equipping of three boreholes and the refurbishment of twenty-two (22) boreholes. The laying of bulk pipes and reticulation of UPVC total length of 59 762m of 75 to 250mm diameter, the installation of 2703 yard connections and the erection of 120m razor mesh fence. R20 073 803 is the estimated cost related thereto.

T 5.5.1

Chapter 5

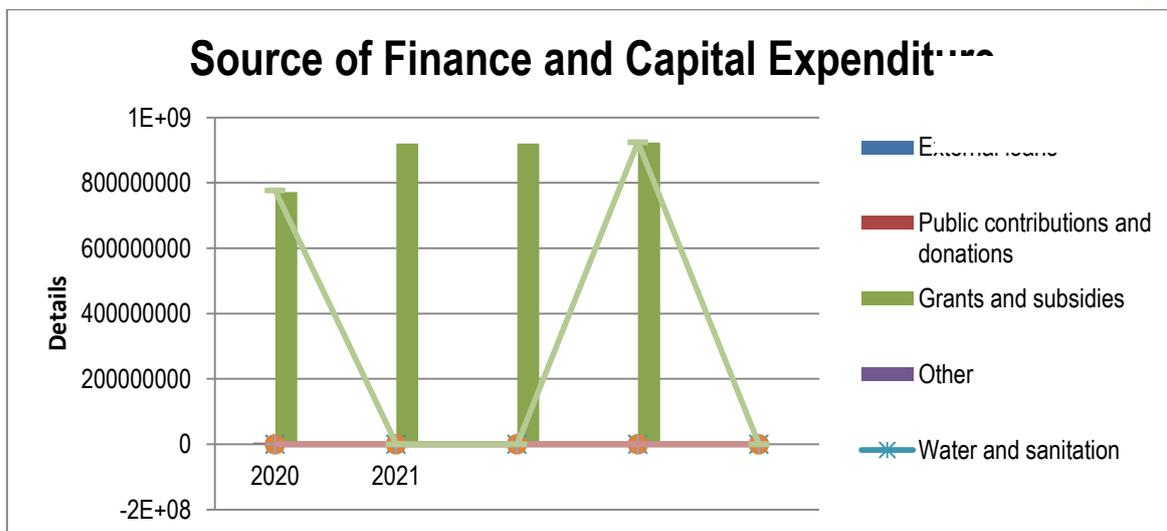
5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: 2019/2020 to 2020/2021

R' 000

Details		2020	2021				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans	0	0	0	0	#DIV/0!	#DIV/0!
	Public contributions and donations	4 512	0	0	423	#DIV/0!	#DIV/0!
	Grants and subsidies	771 729	920 804	920 804	923 876	0,00%	0,33%
	Other					#DIV/0!	#DIV/0!
Total		776241351	920804000	920804000	924298593	#DIV/0!	#DIV/0!
<i>Percentage of finance</i>							
	External loans	0,0%	0,0%	0,0%	0,0%	#DIV/0!	#DIV/0!
	Public contributions and donations	0,6%	0,0%	0,0%	0,0%	#DIV/0!	#DIV/0!
	Grants and subsidies	99,4%	100,0%	100,0%	100,0%	#DIV/0!	#DIV/0!
	Other	0,0%	0,0%	0,0%	0,0%	#DIV/0!	#DIV/0!
Capital expenditure							
	Water and sanitation	1845	4300	4250	4256	-1,16%	-1,02%
	Electricity	1562	2400	2480	2453	3,33%	2,21%
	Housing	1243	2700	2800	2685	3,70%	-0,56%
	Roads and storm water	1352	1500	1400	1486	-6,67%	-0,93%
	Other	776235349	3500	3450	924287713	-1,43%	26408120,37%
Total		776241351	14400	14380	924298593	-2,22%	26408120,07%
<i>Percentage of expenditure</i>							
	Water and sanitation	0,0%	29,9%	29,6%	0,0%	52,4%	0,0%
	Electricity	0,0%	16,7%	17,2%	0,0%	-150,1%	0,0%
	Housing	0,0%	18,8%	19,5%	0,0%	-166,8%	0,0%
	Roads and storm water	0,0%	10,4%	9,7%	0,0%	300,2%	0,0%
	Other	100,0%	24,3%	24,0%	100,0%	64,3%	100,0%

Chapter 5



T5.6.1

COMMENT ON SOURCES OF FUNDING:

Capital infrastructure assets are fully funded through the Municipal Infrastructure Grant (MIG) through the national Department of Cooperative Governance and Traditional Affairs (COGTA). Other infrastructure projects are funded through the national department of Water and Sanitation.

T 5.6.1.1

Chapter 5

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: 22021/2022			Variance: 2021/2022	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Mafikeng Rural Sanitation	9 000 000	41 000 000	50 166 913	456%	82%
Ramotshere Moiloa Rural Sanitation	26 158 495	0	24 291 446	0%	0%
Greater Lichtenburg Bulk Water Supply	16 500 000	15 000 000	31 193 833	91%	48%
Tswaing Rural Sanitation	38 250 000	0	37 678 037	0%	0%
Zeerust Waste Water Treatment Works	55 000 000	10 000 000	64 309 550	18%	16%
* Projects with the highest capital expenditure in 2021/2022					
Mafikeng Rural Sanitation					
Objective of Project	Provide the local community with the services that are necessary to ensure an acceptable and reasonable quality of life, and if not provided would result in poor health, safety or bad environment generally				
Delays	Procurement of a new service provider				
Future Challenges	None				
Anticipated citizen benefits	1850				
Ramotshere Moiloa Rural Sanitation					
Objective of Project	Provide the local community with the services that are necessary to ensure an acceptable and reasonable quality of life, and if not provided would result in poor health, safety or bad environment generally				
Delays	Procurement of a new service provider				
Future Challenges	None				
Anticipated citizen benefits	800				
Greater Lichtenburg Bulk Water Supply					
Objective of Project	Provide the local community with the services that are necessary to ensure an acceptable and reasonable quality of life, and if not provided would result in poor health, safety or bad environment generally				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	7845				
Tswaing Rural Sanitation					
Objective of Project	Provide the local community with the services that are necessary to ensure an acceptable and reasonable quality of life, and if not provided would result in poor health, safety or bad environment generally				
Delays	Beneficiary List				
Future Challenges	None				
Anticipated citizen benefits	1374				

Chapter 5

Zeerust Waste Water Treatment Works	
Objective of Project	Provide the local community with the services that are necessary to ensure an acceptable and reasonable quality of life, and if not provided would result in poor health, safety or bad environment generally
Delays	Termination of Mechanical and Electrical Contractor
Future Challenges	None
Anticipated citizen benefits	7896
<i>T 5.7.1</i>	

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Most of the backlogs identified are informed and extrapolated from the 2011 census. This reality calls on us to acknowledge the reality that circumstances have changed over time. Therefore, the handicap is that the backlogs are certainly ill informed in that villages and human settlements are expanding particularly in rural areas. The growth rates on villages are more than anticipated. The budget will always be adjusted to meet the demands and will be distributed according to the needs of communities as prioritized in the IDP

T 5.8.1

Service Backlogs as of 30 June 2020/2021				
	Households (HHs)			
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water				
Sanitation				
<i>T 5.8.2</i>				

Chapter 5

Municipal Infrastructure Grant (MIG)* Expenditure 2021/2022 on Service backlogs					
					R' 000
Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
Infrastructure - Water	R186 880 220,00	R39 963 795,37	R226 844 015,37	121,38 %	17,62%
<i>Dams & Reservoirs</i>				%	%
<i>Water purification</i>				%	%
<i>Reticulation</i>				%	%
Infrastructure - Sanitation	R121 492 000,00	-R45 498 144,00	R82 904 844,51	68,24%	54,88%
Other Specify: PMU OPERATIONAL BUDGET	R8 627 780,00	R0,00	R7 251 141,00	84,04%	0,00%
				%	%
Total	R317 000 000,00	-R5 534 348,63	R317 000 000,88	100,00 %	-1,75%
* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.					
					T 5,8,3

COMMENT ON BACKLOGS:

Ngaka Modiri Molema District Municipality is a semi-arid area and therefore groundwater becomes the most reliable source for domestic consumption in both rural and urban areas. There are certain areas within the municipality which have limited surface water resource where advanced treatment technologies are utilized at different water treatment plants. For example, the Mmabatho Treatment Works in Mahikeng Local Municipality and Motswedi Treatment Plant in Ramotshere Moiloa Local Municipality.

In this Financial Year most of the grant allocation was spend on sanitation. R230m was spent on Sanitation projects and only R107m was spent on water related projects. In line with the policy regime governing the PMU, a percentage of the municipal allocation is set aside for the operations of the PUM. To that end, R6, 9m was set aside for the PMU operation in the financial year under review.

T 5.8.4

Chapter 5

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

As trustee of public funds, the Council has an obligation to ensure that all investments made by the Municipality **generate the required returns in the most efficient and profitable manner**. Money invested must be for the benefit of the whole of the community and must be governed by the principal objective to maximise returns from authorised investments, consistent with the secondary objective of minimising risk. For the reporting year, the municipality has nine (9) call-accounts invested with main large banks IN South Africa, namely: FNB, ABSA, NEDBANK, and MOMENTUM

T 5.9

Chapter 5

5.9 CASH FLOW

Cash Flow Outcomes				
				R'000
Description	2020	Current: 2021		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	869	716		762
Government - operating	770 330	920 804		899 840
Government - capital	299 499	299 937		293 727
Interest	29 925			23 848
Dividends	–			
Payments				
Suppliers and employees	(705 982)	(872 302)		(875 775)
Finance charges	(1 086)			(60)
Transfers and Grants	(7 000)	(50 000)		(15 000)
NET CASH FROM/(USED) OPERATING ACTIVITIES	386 555	299 156	–	327 342
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE				
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
Payments				
Capital assets	(235 509)	(365 284)		(208 150)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(235 509)	(365 284)	–	(208 150)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing				
NET CASH FROM/(USED) FINANCING ACTIVITIES	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD	151 046	(66 128)	–	119 192
Cash/cash equivalents at the year begin:	300 183	296 359		451 229
Cash/cash equivalents at the year-end:	451 229	230 230	–	570 421
<i>Source: MBRR A7</i>				<i>T 5.9.1</i>

Chapter 5

COMMENT ON CASH FLOW OUTCOMES:

Cash flow is of vital importance to the financial health of a municipality. The net cash flow from operating activities generated a positive cash flow of R327 342 million. The net cash outflow of investing activities resulted in a cash outflow of R208 150 million. The net cash inflow from financing activities is R0. Overall, the municipality had a positive cash inflow of R 119 192 million and ended the financial year with cash and cash equivalents to the amount of R 570 421 million.

T 5.9.1.1

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

The Municipality, as a custodian of public funds, has an obligation to ensure that financial and non-financial resources are managed effectively, and efficiently. The Council has a responsibility to spend public funds optimally for the benefit all citizens. The purpose of our current policy on borrowing ensures that borrowing forms part of the financial management procedure of the Municipality and that prudent borrowing procedures are applied consistently.

Secondly, to ensure that the funds are obtained at the lowest possible interest rate at minimum risk, within the parameters of authorized borrowings. Most importantly, to ensure compliance with all relevant legal and statutory requirements and National Treasury, borrowing regulations; and to maintain financial sustainability. However, it should be noted that the municipality does not have borrowings, and thus fund its expenses from operating and capital transfers from National Government.

T 5.10.1

Municipal and Entity Investments			
	R' 000		
Investment* type	2019/2020	2020/2021	2021/2022
	Actual	Actual	Actual
Municipality			
Deposits - Bank	353 046	555 257	289 319
Other			
Municipality sub-total	353046239	555257210	289319000
Entities sub-total	0	0	0
Consolidated total:	353046239	555257210	289319000

T 5.10.4

Chapter 5

PUBLIC PRIVATE PARTNERSHIPS

For the year under reviewed the District Municipality did not enter into any public private partnership.

5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The Municipality has a reviewed policy which includes all applicable circulars and regulations. Three officials are currently attending the Course on Supply Chain Management through the Northwest Provincial Treasury. All Officials in the SCM have attained the Minimum Competency requirements prescribed by National Treasury. Auditor General raised the non-compliance matters, which the Municipality has attended to some and strives to ensure that we attain complete compliance with the legislation. Part of the interventions includes capacitating the unit with qualified personnel to ensure optimum performance of all elements of supply chain. Irregular Expenditure will be investigated to ascertain value for money and reduce the recurrence thereof.

T 5.12.1

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

The municipality has complied with statements of Generally Recognized Accounting Practices (GRAP) with regards to reporting on financial information in the financial statements has ensured that the internal systems and processes are implemented such that they facilitate recognition, measurement, disclosure, and presentation in according with the statements.

5.13.1

Chapter 5

6.1 AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

The Annual Financial Statements and Annual Performance Report were submitted to Auditor General on the 31st of August 2020

6.0.

Chapter 5



POST AUDIT ACTION PLAN

20221/2022

"Leaders in Integrated Municipal Governance"

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

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



Mr. S.S. Mphato
Chief Financial Officer

T 6.2.5

2020/21 Post Audit Action Plan

Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
1. PROPERTY, PLANT AND EQUIPMENT (PPE) & ASSET MANAGEMENT							
	COAF 19 EX 55.PPE: Assets not correctly impaired on the assets register	During assets physical verification the following assets were confirmed to be in no working condition and not used by the municipality to generate future economic benefits but were however, these assets were not impaired or written off on the fixed assets register even though they are no longer generating economic benefits for the municipality. These assets no longer and meet the definition of on assets In addition to the misstatement identified above, infrastructure assets in the assets register marked "not used" amounting R286 836 898 were not impaired or removed from the infrastructure assets register even though they are no longer generating future economic benefits to meet definition of an asset (evidence are assets physically verified marked "not used" and confirmed to not been working and not used).The municipality therefore need to demonstrate that they assets still meet the definition of an asset i.e. future economic benefits can still be generated by these assets.	Management did not write off the assets because they have lower carrying amounts. This results in non-compliance with GRAP 1 and in overstatement of Property Plant and Equipment and understatement of loss on write off of assets by the same projected amount of R524 488 Further we are unable to confirm if assets valued R286 836 898 are still worth that balance or should be impaired. We are unable to determine the impact of this misstatement on the balance of assets disclosed in the as well as the impairment and depreciation.	A frequent review of the Fixed Asset register will done on a monthly basis to identify assets that no longer generating future economic benefits to meet definition of an asset , and AFS to be reviewed, also through the disclosure checklist, against the relevant registers and supporting documents/schedules to ensure that the disclosure and presentation are in accordance with GRAP	30 March 2022	EMS BTO	Ongoing
	COAF 74 - Ex 225 Investment property incorrectly classified as PPE	Block of flats municipality rented out to the municipal staff to earn current and future rentals where incorrectly classified as Property Plant and Equipment instead of Investment Property	Lack of understanding of GRAP 16 requirements for recognition for investment property	1. Management identify all land owned by the municipality and ensure that there are correctly classified as owner occupied property, investment property 2.The FAR, Financial statements will be reviewed before submission to the auditors.	30 March 2022	EMS BTO	In Progress

PAAP

	<p>COAF 73 EX 176- Repairs and Maintenance: Assets incorrectly classified as Repairs and Maintenance</p>	<p>Accounting guideline on GRAP 1: para 6.2; Expenses can be classified based on either their nature or their function. Analysing expenses by nature identifies costs and expenses in terms of their character and groups expenses according to the kinds of economic benefits or service potential received in incurring those expenses, irrespective of their application in the entity's operations and/or where the expenses are incurred</p> <p>It has been observed that line items such as "repairs and maintenance", "grant expenditure", "contracted services" and "project expenditure" are presented separately in the financial statements where entities have chosen to present an analysis of expenses by nature. These line items usually consist of a combination of different elements of expenditure by nature. This presentation may not be in accordance with the requirements of GRAP 1 where the nature of expense method is chosen e.g. A line item "contracted services" that consists of different services by nature, such as cleaning services, professional services, security services.</p>	<p>During the audit of Repairs and Maintenance Property, Plant and Equipment items (Infrastructure Assets) were incorrectly classified as Repairs and Maintenance;</p>	<p>1. The repairs and maintenance general ledger supporting documents will be scrutinised to ensure there are classified appropriately</p>	<p>30 March 2022</p>	<p>EMS BTO</p>	<p>In Progress</p>
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Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
1. INVENTORY							
	COAF 69 Ex 208: Inventory (Consumables)- Difference in valuation	During the audit of inventory (consumables), we noted a difference in the recalculated value of consumables	Management failed to ensure that the correct quantity of consumables is used to value final inventory.	1.Management will do investigated of the reasons why there is a system difference on consumables and the correction is made appropriately	15 August 2022	BTO CFO	ONGOING
	COAF 64: Ex 193 Limitation: RFI 127 -Inventory	The following information was requested as part of RFI 127 on 17 Nov 2021 and was not received by 22 Nov 2021.	Management did not implement proper controls to ensure that the information requested by auditors are received within the agreed-upon date.	1.Proper record keeping will be maintained by the Asset unit. 2.Division head of Asset/ CFO will ensure that all supporting documents relating to Inventory are kept for audit purposes and submitted timeously.	15 August 2022	BTO CFO	ONGOING
	COAF 64 - Ex 194 Inventory: Differences identified between stock count sheets and final valuation report	A sample was selected for the inventory stock count and traced to the final valuation report and the following differences were noted between the physical count sheets and the final valuation report	Management did not ensure all inventory counted is included in the final valuation report and further ensure that any variances are updated.	A review of inventory schedule to final valuation will be performed to ensure that amounts recorded on the financial statements agrees with the amounts per supporting documents	15 August 2022	BTO CFO	ONGOING
	COAF 29 - Ex 63 Inventory: Difference between inventory listing recalculated amount and the	During the audit of the inventory listing we noted the Difference between inventory listing recalculated amount and the listing Amount following difference:	Difference between inventory listing recalculated amount and the listing Amount	1.Proper record keeping will be maintained by the Inventory unit. 2.Division head of Asset/ CFO to ensure that all supporting documents relating to Inventory are kept for audit	15 August 2022	BTO Manager :Asset	ONGOING

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Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementati on date	Responsible Official	Progress
1. INVENTORY							
	listing Amount			purposes			
	COAF 87: Ex 273: Inventory prior year 2019/20: Differences between quantity used and stock count sheets	During the audit of the inventory prior year 2019/20, the following differences were noted between the quantity used to value the inventory and quantity as per stock count sheets for 2020 financial year.	Inventory listing not updated by the quantities confirmed during the stock count conducted.	1. Review of the inventory calculation to stock sheets will be performed to ensure that amounts recorded on the financial statements agrees with the amounts per supporting documents	30 June 2022	BTO Manager :Asset	ONGOING

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Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
2. EMPLOYEE BENEFIT OBLIGATION							
	COAF 11: EX 24- Employee benefit obligation-no review of inputs data submitted to actuaries and no review of the reasonableness of the actuarial report	<p>During the performance of the walkthrough for Employee Benefit Obligation, the following was noted:</p> <ol style="list-style-type: none"> Through enquiry with the CFO on the 14 of October 2021 it was confirmed that there are no controls around the validation of the accuracy and completeness of information submitted to the Actuarial experts for the calculation of the post-employment benefit obligation Process: <p>The Accounting department and CFO assesses the basis of the estimate used for the calculation of the liability and perform a sensitivity analysis of the Actuarial report to ensure that amounts and details presented on the actuarial report are accurate and in line with their expectations.</p> <p>Walk through: Enquired with the CFO on the 14 of October and confirmed that the assessment and the sensitivity analysis of the actuarial report was not performed.</p> 	The above will result in a control deficiency	The work of the third party once completed will be internally reviewed for Completeness and accuracy before submission of the Annual financial statements.	15 August 202	Human resource Manager	Ongoing

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Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
3. EMPLOYEE BENEFIT OBLIGATION							
	COAF 11: EX 24- Employee benefit obligation-no review of inputs data submitted to actuaries and no review of the reasonableness of the actuarial report	<p>During the performance of the walkthrough for Employee Benefit Obligation, the following was noted:</p> <p>2. Through enquiry with the CFO on the 14 of October 2021 it was confirmed that there are no controls around the validation of the accuracy and completeness of information submitted to the Actuarial experts for the calculation of the post-employment benefit obligation.</p> <p>3. Process:</p> <p>The Accounting department and CFO assesses the basis of the estimate used for the calculation of the liability and perform a sensitivity analysis of the Actuarial report to ensure that amounts and details presented on the actuarial report are accurate and in line with their expectations.</p> <p>Walk through: Enquired with the CFO on the 14 of October and confirmed that the assessment and the sensitivity analysis of the actuarial report was not performed.</p>	The above will result in a control deficiency	The work of the third party once completed will be internally reviewed for Completeness and accuracy before submission of the Annual financial statements.	15 August 202	Human resource Manager	Ongoing

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Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
4. GOVERNMENT GRANTS & SUBSIDIES (REVENUE NON EXCHANGE)							
	COAF 33: EX 133- Information not submitted RFI 102- Journals	supporting information per request for information number 102 issued on the 26 th October 2021 were not submitted for audit	Management did not implement proper controls to ensure that the information requested by auditors are received within the agreed-upon date.	Division head of Revenue & Expenditure to ensure that all supporting documents relating to Journals are kept for audit purposes	15 August 202	Division head of Revenue & Expenditure	Ongoing
	COAF 13 Ex 46 Revenue from Non-exchange - Limitation of scope for Grants, Fines and Donations	The following information request in RFI 59 (Due 12 October 2021) was not/fully submitted:	Management did not implement proper controls to ensure that the information requested by auditors are received within the agreed-upon date.	Management to ensure proper record keeping and all information to be ready available for auditors in the next cycle.	15 August 202	Division head of Revenue & Expenditure	Ongoing
	COAF 79 - Ex 250 : Revenue from non-exchange: Limitation of scope	During the audit of journals for Revenue from non-exchange the following journal was provided with its supporting documentation, but we could not trace and recalculate the amount to the supporting documentation	Management did not implement proper controls to ensure that the information requested by auditors are received within the agreed-upon date.	Division head of Revenue & Expenditure to ensure that all supporting documents relating to Journals are kept for audit purposes	15 August 202	Division head of Revenue & Expenditure	Ongoing

2020/21 Post Audit Action Plan							
Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
5. CONTRACTED SERVICES							
2	COAF 58: Ex: 157. misclassification of Contracted Service: Tool of trade incorrectly classified as contracted services.	<p>During the audit of Contracted Services: Water Tankering, it was noted that there was a misclassification between water Tankering and other accounts in the general ledger.</p> <p>The finding has been broken down between Matter 1 and Matter 2.</p> <ul style="list-style-type: none"> • Matter 1 address the overstatement of "Contracted Services: Water Tankering" and understatement of "Property Plant and Equipment/PPE" • Matter 2 addresses understatement of "Contracted Services: Water Tankering and overstatement of "General Expenditure: Hire 	Inadequate review of general ledger and supporting information to allow for correct classification and recognition of expenditure.	<p>1. Management will perform a detailed analysis and review of 100% of expenditure accounts and the related payment vouchers as per the GL to identify the possible misclassifications;</p> <p>2. Supporting documents for the transactions which are possibly misclassified will be provided and review the support to determine the descriptions and nature of the services / goods;</p>	30 March 2022	CFO PMU	Ongoing
2	COAF 66: EX 197: Limitation of Scope: Repairs and Maintenance information requested per RFI 133	During the audit of Repairs and Maintenance for the 2020/21 financial year, request for information 133 (RFI 133) was issued to management of the auditee	Management did not implement proper controls to ensure that the information requested by auditors are received within the agreed-upon date.	Division head of Revenue & Expenditure will ensure that all supporting documents relating to Repairs and Maintenance are kept for audit purposes	30 March 2022	1.CFO 2. Division head of Revenue & Expenditure	Ongoing
2	COAF 73 Ex 221- Repairs and Maintenance:	During the audit of Repairs and Maintenance for the 2020/21 financial year, We have noted that the amount per the GL for the transaction does not agree to the amount per the	Lack of review of the AFS by management to ensure that the AFS and Supporting schedule	1.The CFO to ensure that the financial statements are reviewed before submission to the auditors.	30 March 2022	1.CFO 2.INTERNAL AUDIT	Ongoing

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Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
5. CONTRACTED SERVICES							
	Incorrect supporting documentation submitted for amount on the GL	invoice	used to prepare the AFS agree to the supporting documents	2.The AFS to be subjected to at least two level of independent review before there are submitted for audit purposes, i.e. Internal Audit/Audit committee and the CFO (if not prepared by him). 3.The AFS to be subjected to at least two level of independent review before there are submitted for audit purposes, i.e. Internal Audit/Audit committee and the CFO			
2	COAF 71 Ex 91 Contracted Services: Water Tankering Inconsistent truck capacity and claims	During the audit of contracted services, auditors identified a number of issues as detailed below. It should further, be noted that there were two separate contracts that provide water Tankering and sanitation services to the municipality for the year ended 30 June 2021. <u>Inconsistencies truck capacity and Claims</u> During the audit of Water Tankering and Sanitation, services a sample of job cards were tested. It was noted that some of the water and sewer trucks used under the Ziggy Investment Contract , were also used in new contract with Panel suppliers, namely Tasmica Construction and Plant Hire . This is attributable to the fact	Inadequate implementation of controls to prevent over claims, monitoring and adherence to expenditure management	1. The job cards will be reviewed on a monthly basis by Technical Department prior to payment of invoices to ensure that the Kms and areas information is accurate and valid. The review to focus on, but not limited to: (a) Kilometres claimed; (b) Litres of water delivered; (c) Exact villages; (d) Confirmations by the receiver of water; This information should be confirmed for accuracy and validity;	15 August 2022	1. Various Managers 2. PMS 3. CFO	Ongoing

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Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
5. CONTRACTED SERVICES							
		<p>that:</p> <ul style="list-style-type: none"> • The same Director owns Ziggy Investments and Tasmica construction and Plant Hire • Therefore, expectation that the same trucks may be used in both contract no NMMDM 16/17/03(Ziggy) and NMMDM 19/20/17 PWBS Tasmica Construction and Plant Hire. • The same truck YMY 365 GP was used as a 14KL truck in the month of July 2020 under the contract no NMMDM 16/17/03 (Ziggy). • In the month of June 2021, the same truck was changed to a 18KL and supplier accordingly claimed the applicable contract rates under NMMDM 19/20/17 PWBS -Tasmica • This supplier therefore used the same truck under both contracts and companies, however claimed at higher rates at disadvantage of municipality for the month of June 2021 under the NMMDM 19/20/17 PWBS -Tasmica contract • The same trucks as per above table 2, were used as a 14KL truck in the month of August 2020 under the contract no NMMDM 16/17/03 (Ziggy). Thus claiming 14KL rate on the NMMDM 16/17/03 contract <ul style="list-style-type: none"> ○ However, Tasmica in the month of June 2021 claimed at a 10KL rate under NMMDM 19/20/17. ○ This furthermore limits the auditors' ability to place reliance on the source documents such as job cards, plant log sheets and 		<ol style="list-style-type: none"> 2. Expenditure for water Tankering per the GL will be reconciled with the actual performance achieved for the month/quarter to ensure completeness thereof. 3. Quarterly and annual performance reports will be reviewed prior to final submission to internal and external auditors. 			

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Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
5. CONTRACTED SERVICES							
		invoices on the reliable capacity for each truck to claim. iii. Lack of controls: <ul style="list-style-type: none"> o There are no controls in place to ensure occurrence and accuracy of claims by suppliers, as the municipality does not verify the vehicle capacities during claims under both contracts o This limits auditor as auditor is unable to determine the actual capacity and potential over claiming or under claiming thereof. 					
2	COAF 68: Ex: 200-Contracted Services -Security Services- Limitation of scope (occurrence books not submitted)	During the audit of Security Services, a request for information no 91 requesting for information stated below was issued to management on the 21st of October 2021, however information was not submitted to the auditor Lack of review by management to ensure that transactions processed are accurate and agree with the supporting documents.	Management did not implement proper controls to ensure that all the information is received as required by auditors within the agreed-upon dates.	Division head of Revenue & Expenditure will ensure that all supporting documents relating to Contracted Service are kept for audit purposes	30 March 2022	Division head of Revenue & Expenditure	Ongoing

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Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementati on date	Responsible Official	Progress																
6. GENERAL EXPENSES																							
2	COAF 73 Ex 213 – Different between the claim amount and re-calculated Amount-S&T	<p>During the audit of Subsistence and travel, differences were noted between the amount claimed and the amount recalculated by auditors.</p> <table border="1"> <thead> <tr> <th>Claimant name</th> <th>Amount as per VIP payroll</th> <th>Re-calculated amount as per supporting document</th> <th>Different</th> </tr> </thead> <tbody> <tr> <td>Matlhoko Matlhola</td> <td>154 973.82</td> <td>176 035,35</td> <td>21 061,54</td> </tr> <tr> <td>Moloi Ntholeng</td> <td>64 142.20</td> <td>64 254.72</td> <td>62.52</td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td>21 124,06</td> </tr> </tbody> </table>	Claimant name	Amount as per VIP payroll	Re-calculated amount as per supporting document	Different	Matlhoko Matlhola	154 973.82	176 035,35	21 061,54	Moloi Ntholeng	64 142.20	64 254.72	62.52	Total			21 124,06	Lack of review by management of processed transactions and ensuring that transactions processed on the VIP payroll agrees to supporting documents	Responsible Manager within each unit will thoroughly review all claims before submission to the payroll department.	30 March 2022	1.CFO 2.Various Departments	Ongoing
Claimant name	Amount as per VIP payroll	Re-calculated amount as per supporting document	Different																				
Matlhoko Matlhola	154 973.82	176 035,35	21 061,54																				
Moloi Ntholeng	64 142.20	64 254.72	62.52																				
Total			21 124,06																				
2	COAF 68 Ex 199 – Different between the claim amount and re-calculated Amount-S&T	During the audit of Subsistence and travel, differences were noted between the amount claimed and the amount recalculated by auditors	Lack of review by management of processed transactions and ensuring that transactions process on the VIP payroll agrees to supporting documents. Lack of monitoring of compliance with laws and regulations.	Management will ensure that differences identified on S&T is investigated and the correction is made appropriately.	30 March 2022	CFO	Ongoing																

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Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementati on date	Responsible Official	Progress
6. GENERAL EXPENSES							
2	COAF 62: EX 186 - Contracted Services: Legal Costs-VAT on disbursements not accounted for.	Whilst performing our normal audit procedures, it was noted that a supplier, Motshabi and Associates, did not levy VAT on the disbursements invoices to the auditee, although the third party did levy VAT on their invoice. Consequently, VAT was not processed on these transactions and this resulted in Ngaka Modiri Molema District Municipality not claiming the input VAT.	Management did not ensure that invoices are correctly issued by the supplier as the invoices were not properly compared to supporting documentation before being processed.	1.Review of expenditure on legal costs will be performed to ensure that invoices for legal fees are correctly issued and properly compared to supporting documentation before processing	30 March 2022	CFO	Ongoing
2	COAF 44 EX 163: Limitation of scope – Fuel and Petrol	During the audit, we noted that the following information related to the fuel and petrol for RFI 106 was not submitted, as the information provided was not talk to the sample provided.	Management did not implement proper controls to ensure that the information requested by auditors are received within the agreed-upon date.	1.Management will make sure that all the figures disclosed are confirmed with the figures per schedules.ie fuel and petrol schedule 2. Proper record keeping will be maintained by the BTO unit.	15 August 2022	CFO 2.Expenditure Manager	Ongoing
2	COAF 37: Ex 92 General expenditure: No evidence that services were Rendered- General expenditure hire.	During the audit of hire expenditure, a report, timesheet or job card to validate the services rendered was not submitted for audits a result there was no evidence to indicate that management had confirmed that the services were rendered for the following transactions. In addition, the auditor was unable to determine if the service were indeed received as there are no alternative documents for the auditor to verify that the services were indeed	Management did not implement controls and provide documented proof of implementing controls that would substantiate that goods were received or services were rendered prior to payment.	All the supporting documentation, including working schedules, job cards will be sorted and kept on file.	15 August 2022	1.CFO 2.PMU	Ongoing

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Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
6. GENERAL EXPENSES							
		delivered.					
2	COAF37: EX 93: Difference between GL and invoice amount- Electricity	During the audit of general expenditure - electricity, the following differences relating to the incorrect treatment of VAT were noted between the amounts per GL and invoices	Lack of review by management of processed transactions and ensuring that transactions recorded agrees to supporting documents.	The whole population on general expenditure will be investigated and incorrect allocations will be corrected. Preventative and detective control measures will also be implemented.	30 March 2022	CFO	Ongoing
2	COAF 45: Ex 151 Payables from exchange transactions: Non-compliance with GRAP 104	The creditors of Ngaka Modiri Molema district municipality do not charge interest on overdue accounts. Therefore, the terms of the arrangement are not market related. Most of the invoices indicate that payment is due in 30 days therefore the credit term is 30 days. Since interest was not charged and the municipality will still pay what they owed as per the invoice, the fair value of the outstanding balance should therefore be reduced by the interest that was not charged by the suppliers to the municipality	Management did not correctly apply GRAP 104.	RAP 104 AG5.9 Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation. Based on the above paragraph, trade creditors are not discounted if the creditors terms are consistent with the public practice. Majority of the municipality's suppliers have multi-year year contracts with the	15 August 2022	1.EXPENDITUR E MANAGER 2.CFO	Ongoing

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Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementati on date	Responsible Official	Progress
6. GENERAL EXPENSES							
				<p>municipality and do not charge interest. Secondly, on awarding of the contract an Order is created and the account payable is raised based the contract value. As the supplier completes the work, there will issue an invoice based complete the work. On the Age Analysis, the amount not yet claimed or billed would appear as under Over 90 days, this would appear as if its long outstanding while it is not the case. Therefore, in terms of GRAP 104 AG5.9, payables are not discounted. This is practice is also consistent with municipalities within the public sector.</p>			
2	COAF 62 EX 190: Limitation of scope – S&T and differences	During the audit of S&T, we have noted that claim forms for the following transactions requested in RFI 130 dated 18 th of November was not submitted for audit.	Management did not implement proper controls to ensure that the information requested by	1.Proper record keeping will be maintained by the BTO unit.	15 August 2022	CFO BTO	Ongoing

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Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
6. GENERAL EXPENSES							
	between supporting schedules and the AFS		auditors are received within the agreed-upon date.	2.Division head of BTO will ensure that all supporting documents relating to S&T are kept for audit purposes.			
2	COAF 78 Ex 119 General expenditure- Misclassification of water Tankering as plant hire	During the audit of hire expenditure, it was identified that the following transactions were incorrectly classified as hire expenditure and not as water Tankering services	Inadequate review of the AFS against supporting documents to ensure that transactions are correctly classified	1.Management will perform a detailed analysis and review of 100% of expenditure accounts and the related payment vouchers as per the GL to identify the possible misclassifications;	30 March 2022	CFO	Ongoing
2	COAF 78 Ext 121 – S&T expense that relates to prior year was incorrectly recorded as current year S&T expense.	<p>During the audit of the S&T, we noted that the Subsistence and travel from prior years was recorded as S&T in the current year and treated as current year expenditure.</p> <p>During October 2018 the municipality send all fire fighter to fire training course and the municipality did not provide the employees with the meals for the entire training, therefore the employees had to claim the daily subsistence's.</p> <p>During the audit of the S&T, we noted that the Subsistence and travel from prior years was recorded as S&T in the current year and treated as current year expenditure.</p>	<p>Lack of review by management of processed transactions in ensuring that transactions processed on the AFS are for the correct period.</p> <p>In 2018/19 and 2019/20 Understatement of accumulated surplus by a factual amount of R 412 090.74 and understated of payables by the same amount</p>	1. Management will perform a detailed analysis and review of 100% of expenditure accounts and the related payment vouchers as per the GL to identify the possible misclassifications;	30 March 2022	CFO	Ongoing

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Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
6. GENERAL EXPENSES							
		<p>1. Background During October 2018 the municipality send all fire fighter to fire training course and the municipality did not provide the employees with the meals for the entire training, therefore the employees had to claim the daily subsistence's.</p>	<p>In 2020/21 Overstatement of Subsistence and travel by factual amount of R 412 090.74 and understatement of payables by the same amount</p>				
	COAF 47: Ex 90 General expenditure: misclassification of plant hire expenditure	During the audit of hire expenditure, it was identified that transactions were incorrectly classified as Hire instead of business and advisory	Inadequate review of the AFS against supporting documents to ensure that transactions are correctly classified	1. Management will perform a detailed analysis and review of 100% of expenditure accounts and the related payment vouchers as per the GL to identify the possible misclassifications;	30 March 2022	CFO	Ongoing
2	COAF 25: EX 109 Misclassifications of expenditure	<ul style="list-style-type: none"> During the audit of the line item covid-19, we noted that the following transaction are incorrectly classified as covid-19 expenditure instead of protective clothing and uniform. Understatement of protective clothing and uniform by the projected amount R 3 093 066, 00 <p>And Overstatement of Covid- 19 expenditures projected by the same amount.</p>	Lack of proper review of the AFS by management to ensure compliance with GRAP	1. Management will perform a detailed analysis and review of 100% of expenditure accounts and the related payment vouchers as per the GL to identify the possible misclassifications;	30 March 2022	CFO	Ongoing

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Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress								
6. GENERAL EXPENSES															
2	COAF 37: EX 95- Auditors' remuneration differences between amount as per GL and AFS	<p>During the testing of auditor's remuneration, we identified that there is a difference between amount recorded in note 35 and 36 of the AFS and the general ledger</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Component</th> <th>Note 35 and 36 of the AFS for the year ended 30 June 2021</th> <th>General Ledger for the year ended 30 June 2021</th> <th>Differences</th> </tr> </thead> <tbody> <tr> <td>Auditors remuneration</td> <td style="text-align: right;">7 871 136,00</td> <td style="text-align: right;">8 852 159,00</td> <td style="text-align: right;">981 023,26</td> </tr> </tbody> </table>	Component	Note 35 and 36 of the AFS for the year ended 30 June 2021	General Ledger for the year ended 30 June 2021	Differences	Auditors remuneration	7 871 136,00	8 852 159,00	981 023,26	Lack of proper review of the AFS by management to ensure compliance with GRAP	The difference was identified and corrected by means of a journal.	30 March 2022	CFO	Resolved
Component	Note 35 and 36 of the AFS for the year ended 30 June 2021	General Ledger for the year ended 30 June 2021	Differences												
Auditors remuneration	7 871 136,00	8 852 159,00	981 023,26												
2	COAF 68 Ex 74 - No supporting journal provided for reversal of invoice (Auditors remuneration)	<p>During the audit of auditor's remuneration line item, we noted that management reversed the following invoice</p> <p>We had a discussion with the management dated 25th of November 2021 and confirmed that the invoice has been reversed through the system without a journal being process, however we could not able to obtain the supporting document to support the reversal and that will pose a limitation on determining if the correction done was valid and accurate.</p>	Management did not implement proper controls to ensure that the any reversal of invoices is valid and accurate	Management will ensure that there is improved Journal file for all processed and reversal file in place and all information requested is readily available for audit.	30 March 2022	Division head of Revenue & Expenditure	Ongoing								

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Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
6. GENERAL EXPENSES							
2	Coaf 37: EX 93; Difference between GL and invoice - Electricity	During the audit of general expenditure - electricity, the following differences relating to the incorrect treatment of VAT were noted between the amounts per GL and invoices	Management does not ensure amounts captured are captured according to the supporting documentation	The CFO will ensure that there is Integrated finance system in place and review of all expenditure documents against recorded transactions to ensure proper recording of VAT on expenditure.	30 March 2022	CFO	Ongoing

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Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementati on date	Responsible Official	Progress
6. GENERAL EXPENSES							
2	COAF 62: EX 147: Differences between GL and Invoice and fruitless expenditure on sitting allowance	<p>During the audit of sitting allowance, differences were noted between the amount per the invoice and the amount of the GL</p> <p>Sitting allowance was claimed by the audit committee for a meeting that was scheduled for the 25th of June 2021. Through inspection of the minutes of the Audit committee dated 25 June 2021 it was confirmed that the meeting did not take place and was postponed due to power outage.</p> <p>During the audit of Sitting allowance, we have noted that the Audit committee meetings as detailed below were held virtually however the members of the committee still travelled to the municipality and to Woodmead and claimed travel allowance, based on the above the expenditure incurred on the travel cost is fruitless as these costs could have been avoided by the municipality.</p>	Lack of review by management of processed transactions and ensuring that transactions recorded on the GL agrees to supporting documents. Lack of monitoring of compliance with laws and regulations	Senior Manager Corporate services will review documents relating to sitting allowance for allocations before authorisation and implement corrective measures	30 March 2022	Senior Manager Corporate to services	Ongoing
	COAF 62 EX 151: Incorrect classification of Accommodation as S&T	During the audit of the line item subsistence and travel, we noted that the following transactions are incorrectly classified as subsistence and travel instead of accommodation.	Lack of proper review of the AFS by management to ensure that expenditure is classified per nature as required by GRAP 1.	1. A scrutiny will be performed on expenditure incurred on accommodation and Subsistence and travel per vote to ensure correct allocation will be	30 March 2022	CFO	Ongoing

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Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
6. GENERAL EXPENSES							
				completed 2. Management will make sure that all the figures disclosed are confirmed with the figures per schedules.			

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Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
7. EMPLOYEE COST							
3	COAF 74: Ex 229 - Employee cost: Accuracy and validity of journals could not be confirmed due to inappropriate supporting documentation	During the audit of employee cost journals, supporting documentation was submitted by the auditee, however, the documentation was deemed inappropriate by the auditor as it could not assist in obtaining reasonable assurance over the validity and accuracy of the amounts in the journals processed	Management did not verify the appropriateness of the supporting documentation submitted for journal testing.	The following controls around the Journals will be implemented; 1.Numbering of all journals processed. 2.Sequential referencing of journals. 3.All journals will be accompanied by a journal approval sheet (clearly stating the preparer and the approver) and all necessary documentation. 4.Moreover, a journal register will be developed to keep track of all processed journals.	30 March 2022	Senior Manager Corporate Service	On going
3	COAF 26 - EX 52: cellphone allowance not in line with policy	During the audit of the employee related costs for cell phone allowance, the following difference were noted between the cell phone allowance per the payroll and per the auditor's calculation, employee cost was understated which resulted in overstatement of receivables and understatement of payables	Management did not ensure proper review of cell phone allowances as well as the salary instruction forms and the policy to ensure that the allowance received by employees is as per the approved policy.	1.Manager Corporate services will investigate the difference between the cell phone allowance per the payroll and per the auditor's calculation and implement controls to mitigate the risk 2.Align employee earning with contract as per policy.	15 August 2022	Senior Manager Corporate Service	On going
3	COAF 45: Ex 167 Employee cost – RFI 74: Non submission of standby claim forms	After evaluating the submission for request for information 74 that was due on the 15 th of October 2021 it was noted that the following stand by allowance paid to employees could not be validated against the supporting documentation submitted	Management did not implement proper controls to ensure that the information submitted to the auditors are correct within the agreed-upon date	The Manager: Corporate Services will ensure adequate and sufficient internal controls regarding stand by allowance paid to employees are implemented.	15 August 2022	Senior Manager Corporate Service	On going
3	COAF 64 - Ex 75: Attendance	During the audit of employee	Management did not review the timesheets	1.The Manager: Corporate Services will ensure adequate and sufficient internal	15 August 2022	Senior Manager	On going

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Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
7. EMPLOYEE COST							
	registers not authorized for COVID-19 danger allowance	costs COVID-19 danger allowance for the 2020/21 financial period, it was noted that attendance registers for employees which reported for duty during the national lockdown period eligible for the allowance were not signed as proof of authorization from the immediate senior. We therefore could not confirm if these employees were actually at work during this period.	submitted by the employees for payroll processing.	controls regarding COVID-19 danger allowance are implemented 2.The Manager: Corporate Services will in addition ensure that the Municipality keeps complete records relating to attendance registers for employees who report for duty.		Corporate Service	
3	COAF 56 - Ex 178: Limitation of scope - RFI 86 (COVID-19 Danger allowance)	During the audit of employee related costs COVID-29 Danger allowance for the 2020/21 financial year, request for information 86 (RFI 86) was issued to management of the auditee and the following was requested: 1. Duty register/attendance register(s) for the period (01 July 2020 – 30 June 2021). 2. Once-off compensation agreement for front line workers. 3. List of approved rates for COVID-19 allowance. 4. Council resolution for the approval of rates to be paid for the allowance. 5. EMP201s for the 12 months'	Management did not maintain a proper filing system to ensure that attendance registers for essential workers who reported to working during the national lockdown are kept safe and the records are complete.	1.Proper record keeping will be maintained by the corporate service unit. 2.Division head of Corporate Services will ensure that all supporting documents relating to employee related costs are kept for audit purposes.	15 August 2022	Senior Manager Corporate Service	ongoing

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Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
7. EMPLOYEE COST							
		period (01 July 2020 – 30 June 2021)					
3	COAF 62 - Ex 118: Differences were noted between the COVID-19 Danger allowance paid and auditor's recalculation.	During the audit of employee costs COVID-19 danger allowance for the 2020/21 financial year, differences were noted between the allowances paid to employees and the auditor's recalculation of what should have been paid supported by timesheets	Management did not calculate the COVID-19 danger allowance paid according to the exact number of months evidenced by the attendance registers.	1.Management will ensure that differences in allowances is investigated, and the correction is made appropriately 2.Management will adjust the COVID-19 Danger allowance disclosure with the correct amount 3.Management will ensure that all expenditure differences noted are investigated and reported correctly.	15 August 2022	1.HR Manager CFO	On going
3	COAF 58: EX 134- Incorrect classification- Salaries incorrectly classified as electricity.	During the audit of electricity charges, we noted that the below transactions relating to salaries were incorrectly classified as electricity charges	Management did not thoroughly review the supporting schedules used to compile the AFS to ensure that transactions are correctly classified per nature into the correct accounts.	1.A Review of expenditure incurred per vote will be scrutinized to ensure correct allocation 2. Management will make sure that all the figures disclosed are confirmed with the figures per schedules. 3.The CFO will review all the work schedules information before submission for audit.	15 August 2022	2.CFO	Ongoing review of expenditure incurred per vote
3	COAF 47: EX 76: Differences between number	During the audit of defined benefit obligation for the 2020/21 financial year, differences were noted between the number of	Management did not perform a thorough review of the actuarial valuation report to	-Payroll management will incorporate detailed report with the Salary detail, so as to ensure completeness of information and supporting provided for accurate	30 March 2022	1.Finance-Payroll 2.CFO	On going

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Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
7. EMPLOYEE COST							
	of employees as per actuarial report, VIP report and data sent to actuaries	employees as per actuarial report, VIP report and data sent to actuaries.	ensure that the data sent for computing the Post Employment Medical Aid benefit obligation for the 2020/21 financial period has been used correctly.	computations of Employee Benefit obligation.		3.Senior Manager Corporate Service	
3	COAF 45 Ex 124: Differences between medical aid contributions as per VIP report and auditor's recalculation	During the audit of employee costs medical aid contributions by the employer, differences were noted between the medical aid contribution as per VIP payroll report and the auditor's calculation. Further, the municipality did not apply the maximum contribution limits as per Circular 2 of SALGBC effected from 01 July 2020	Management did not apply the guidance of SALGBC Circular 2 in terms of the maximum employer contribution for medical aid.	Management will perform investigations on differences in the medical aid contribution and will make sure that all the figures disclosed are confirmed with the figures per schedules.	30 March 2022	1.CFO 2.HR MANAGER	On going
3	COAF 26 - Ex 87: Incorrect calculation of June 2021 UIF	During the audit of employee costs - UIF, it was noted that UIF for the month of June 2021 was calculated based on the old limit of R148,72 instead of R177,12. Cause Management did not update their payroll system with the updated SARS UIF calculation limits guidelines.	Understatement of employee costs to the value of R21 316,76 and an understatement of UIF creditor account to the value of R21 316,76.	1.HR Management will review the UIF and SDL calculation to ensure that are disclosed accurately to comply with applicable laws and regulations announced by SARS for UIF calculation limits, 2.HR Management will, retrospectively from the 1 June 2021, implement The Minister of Finance announced by notice in the Government Gazetted on Friday, 28 May 2021.	30 March 2022	1.HR Manager	On going
3	EX 72, COAF 20	During the audit of employee costs, information was requested	No proper record keeping of leave	The HR management will implement a proper record keeping measures ensuring	15 August 2022	1.HR Manager	Ongoing

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7. EMPLOYEE COST							
		for testing overtime and Leave and supporting documentation requested were not submitted	supporting documentation by employees at the auditee to ensure that complete, relevant and accurate information is accessible and available to support the audit process	that complete, relevant and accurate information relating to overtime and leave is accessible and available.			
3	COAF 62 - Ex 75: Attendance registers not authorised for COVID-19 danger allowance	During the audit of employee costs COVID-19 danger allowance for the 2020/21 financial period, it was noted that attendance registers for employees which reported for duty during the national lockdown period eligible for the allowance were not signed as proof of authorization from the immediate senior	Possible overstatement of COVID-19 danger allowance expense and payables from exchange transactions (COVID-19 danger allowance accrual). Internal control deficiency relating to oversight responsibility to be discharged by management.	The Divisional Head: Corporate Service Manager will ensure that Attendance registers are authorized and filled on a weekly basis by Managers.	30 March 2022	1.HR Manager	Ongoing
3	COAF 26 - Ex 88: Differences between SDL reported and auditor's recalculation	During the audit of employee costs - SDL contribution, differences were noted between the SDL contribution as per the VIP payroll report and the auditor's recalculation	There was no proper review over the payroll preparation process concerning the accuracy of calculations by management, which are performed on the system.	Management will ensure that there is monthly review between SDL contribution and VIP Payroll	30 March 2022	Manager Human Resource	Ongoing
3	COAF 69 - Ex 146: Differences noted between number of leave days taken as per leave form	During the audit of provision for leave pay charge, differences were noted between the number of leave days taken as per leave form and leave register. Further,	Management did not review the leave register to ensure that all leave days were captured	Management will ensure that there are monthly Leave reconciliations done against leave taken	15 August 2022	Manager Human Resource	Ongoing

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7. EMPLOYEE COST							
	and leave register	there were differences noted between the number of forfeited annual leave days and the auditor's recalculation.	accurately.				
3	COAF 56 - Ex 167: Overtime and standby Shift not submitted	The following supporting information per request for information number 74 issued on the 15th October 2021 were not submitted to date.	Management did not implement proper controls to ensure that the information requested by auditors are received within the agreed-upon date	Management will prepare and review the AFS on overtime and standby shift to ensure that AFS submitted are supported by reliable evidence and prior period error notes are complete and adequately disclosed.	15 August 2022	Manager human Resource	Ongoing
3	COAF 68 EX 180 : Provisions: employees that are no longer in employment with the municipality have been included in valuation	During the audit of provisions, we identified that management included employees that are no longer in employment with the municipality (termination).	Management did not ensure that accurate information is sent to the actuaries for calculation of the provision for long service award.	Management will interrogate Provisions for employees who are no longer employed by the municipality and ensure that the information sent to the actuaries for calculation of the provision for long service award is accurate.	15 August 2022	Manager human Resource	Ongoing

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Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
8. WATER DISTRIBUTION LOSSES							
3	COAF 19 Ex 64 Limitation on testing distribution losses	During the inspection of the AFS note 33, we noted that the municipality disclosed distribution losses of R7 048 546 (86%) (2019: R12 111 389 (98%)), however there is a limitation on auditing this amount due to the fact that the municipality does not have a monitoring tool or system to accurately measure and report the water losses. Management is therefore unable to provide supporting evidence for the actual water distribution losses.	The municipality does not have a system to measure and report water losses and has indicated that they will use the next three years to develop a system or mechanism to accurately measure and report the water losses	<ol style="list-style-type: none"> 1. Management will prepare and review the AFS and ensure that AFS submitted are supported by reliable evidence and prior period error notes are complete and adequately disclosed. 2. Municipality is in the process of measuring water losses through installation of water meters. The calculation available only measures the water losses based on recorded water bought against what has been distributed to the communities based on service provider information recorded. 	15 August 2022	1.CFO 2.BDO	Ongoing

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Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress								
9. COMMITMENTS															
3	COAF 59 - Ex 166: Commitment s: Prior period adjustments - Differences identified	<p>During the audit of commitments, it was noted that management restated the comparative note for commitment and omitted the prior period error note in the AFS. The restated balance for commitments lead to a difference of R57 794 281. The differences between the adjusted 2020 and the audited commitment amount (R388 496 582 - R330 702 301)</p> <p>The management provided an adjusted register to support commitment balance restated and the following was noted:</p> <ul style="list-style-type: none"> • The adjusted register submitted is restating the commitment balance as at 2020 financial year of R275 554 876,89 which cannot be agreed to the prior year audited AFS leading to a difference of R112 941 705.1 without explanation. • The difference between the adjusted 2020 and prior year commitments in the adjusted register is R55 147 424,51 (R330 702 301 - R275 554 876,89) which does not add up to the expected prior period error of R57 794 281. <p>While re-performing the commitment calculation in the adjusted commitment register the below misstatement was noted caused by the following:</p> <ol style="list-style-type: none"> 1. Contract Value - VAT was double counted in some of the contracts 2. Payments Made - Some of the prior year invoices were not included. 3. Retention - The prior year retentions movement was not taking into account as per the retention register. 	Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information	Management will review the commitment balances for prior year to ensure that the figures that are disclosed per the AFS are correct and complete.	30 March 2022	1. Triple M 2. EMS	Ongoing								
3	ISS.63-COAF 29 - Ex 63 Inventory: Difference between inventory	<p>During the audit of the inventory listing we noted the following difference:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;"></th> <th style="width: 15%;">Recalculated Closing</th> <th style="width: 15%;">Listing</th> <th style="width: 15%;">Difference</th> </tr> </thead> <tbody> <tr> <td style="height: 20px;"></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Recalculated Closing	Listing	Difference					Lack of internal controls to ensure financial information is prepared,	Manager to perform Monthly review of inventory Listing before submission to an annual Financial Statement	15 August 2022	Manager Asset	Ongoing
	Recalculated Closing	Listing	Difference												

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listing recalculated amount and the listing Amount		balance			reviewed and reconciled for accuracy.				
	Raw materials	32 480 345,73	14 063	18 416					
			899,89	445,84					
	Consumable stores	1 489 023,06	2 387	(898					
		630,86	607,80)						
	Total	33 969	16 451	17 517					
		368,79	530,75	838,04					

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Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
10. CONTINGENCY AND PAYABLES FROM EXCHANGE TRANSACTIONS							
3	COAF 28: EX 66 Contingencies not disclosed in line with GRAP 19 disclosure requirements	During the audit of the contingent liabilities and contingent assets as per Note 41 we noted that the following cases were not disclosed as per GRAP 19 requirements as the municipality did not provide indications of whether there are uncertainties related to the amount or timing of any outflow and other cases do not have an estimate of the financial effect: The following cases does not have amount (estimate of financial effect): <ul style="list-style-type: none"> • P. Semanya_ • Khethwayo Construction • Sydwele Shabangu • Organization Undoing Tax Abuse • Municipal Employees Pension Fund and Akani Retirement Fund • Hundred Percent Blackstone Supplier Projects • Mafikeng Business Forum • Lele & Tshidi • Molusi Trust • PK Financial Consulting CC • Violet Tshello • Van Der Walt Eljina Trust • CMS water engineering • Civilkox Trading Enterprise 	Management did not adequately review the disclosure note 41 for contingencies in the AFS, to ensure that the contingencies are properly disclosed in terms of requirement GRAP 19.	<ol style="list-style-type: none"> 1. Detailed review of the disclosure will be done to ensure that all the cases as per the register and confirmations are properly and sufficiently disclosed according to GRAP 19. 2. Legal confirmation will be issued to the lawyers pertaining to the current cases and update the litigation register with the confirmed cases. 	30 March 2022	1. Corporate Service Manger 2. Legal Manager	Ongoing

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10. CONTINGENCY AND PAYABLES FROM EXCHANGE TRANSACTIONS							
		The matters from number 1 to 49 as disclosed in notes 41 does not state the uncertainties related to the amount or timing of any outflow and were not detailed enough to support the contingent liability disclosed and they are not clearly indicating the possibility of any disbursement.					
3	COAF 24: Ex 81 Non-submission of information on RFI 101 Trade payables	The following supporting information per request for information number 101 issued on the 26 th October 2021 were not submitted by the 29 th of October 2021 - Parking fees - February 2021	Management did not implement proper controls to ensure that the information requested by auditors are received within the agreed-upon date.	1. Recording of all received invoices in the invoice register 2. More controls to be added to the system to prevent this, Proper record keeping to be maintained by BTO office 3. There will be proper record keeping of documents in the municipality to be made available to the auditors when requested	30 March 2022	CFO	Ongoing
3	COAF 64 EX 195: Non-submission of information on RFI 132	The following supporting information per request for information number 132 issued on the 19 th November 2021 were not submitted by the 23 rd of November 2021	Management did not implement proper controls to ensure that the information requested by auditors are received within the agreed-upon date.	1. Division head of Expenditure will ensure that all supporting documents relating to revenue are kept for audit purposes.	30 March 2022	Manager Expenditure	Ongoing
3	COA 69: Ex 211 Sedibeng water: Misstatement of payables and contingencies overstated	1. During 2019-20 audit communication of audit finding 75 exception 341 was raised relating to the bulk purchases amount that was incorrectly disclosed as contingent liabilities.	Third party information are not communicated internally in order to make necessary adjustments timeously.	1. The Corporate Service Manager and the legal Manager will implement a proper record keeping measures ensuring that complete, relevant and accurate information relating to Sedibeng is accessible and available to support	30 March 2022	1. Corporate Manager 2. Legal Manager	Ongoing



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10. CONTINGENCY AND PAYABLES FROM EXCHANGE TRANSACTIONS							
		<p>Management agreed to the finding and requested an adjustment. An adjustment was granted, however, management only corrected the contingent liability disclosure and did not correct the payables balance. Further, in the current financial year, the comparative disclosure of contingent liabilities was again misstated as the prior year's correction was not reflected.</p> <p>2. In the current financial year, we noted during the audit of contingent liabilities that the municipality again disclosed the full amount of O&M relating to the current year as a contingent liability. This is despite the engagement the auditors had with the municipality that the municipality needs to do an assessment of the invoices received from SW and clearly indicate the portion that should be disclosed as a liability which will be the market related services of the services rendered by SW and the portion that will be disputed and thus disclosed as a contingent liability. In the absence of any assessment we are unable</p>	<p>Management does not obtain all information of litigations from their legal representatives and from the legal department to ensure accuracy of contingent liabilities and payable from non-exchange transactions.</p>	<p>Third party information</p> <p>2. Proper record keeping will be maintained by the corporate service unit.</p> <p>3. Proper record keeping will be implemented and all cases to be included in the litigation register</p>			

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10. CONTINGENCY AND PAYABLES FROM EXCHANGE TRANSACTIONS							
		<p>to assess the completeness of the amount disclosed as trade payables as well as the accuracy of the balance disclosed under contingent liabilities.</p> <p>3. As the above assessment was also not done for the prior year, the prior year limitation in this regard also remains.</p>					
3	COAF 49: Ex 172: Payable understated by outstanding amount due to Sedibeng water	<p>During the audit of payables from exchange transactions, the auditor received a signed positive confirmation from Sedibeng Water that indicated the amount due to them from the municipality. However, the amount per the confirmation does not agree to the amount disclosed in the trade payable listing that supports the amount recognised in note 14. Payables from exchange transactions in the 2020/21 Annual Financial Statements. The auditor shared the supporting statement for Bulk water as at 30 June 2021 received from Sedibeng Water with management.</p>	<p>Third party information are not communicated internally in order to make necessary adjustments timeously</p>	<p>1. The Corporate Service Manager and the legal Manger will implement a proper record keeping measures ensuring that complete, relevant and accurate information relating to Sedibeng is accessible and available to support Third party information</p> <p>2. Proper record keeping will maintained by the corporate service unit.</p> <p>3. Proper record keeping will be implemented and all cases to be included in the litigation register</p>	30 March 2022	<p>1. Corporate Manager</p> <p>2. Legal Manager</p>	Ongoing
3	COAF 33: EX 133- Information not submitted RFI 102-	<p>supporting information per request for information number 102 issued on the 26th October 2021 were not</p>	<p>Management did not implement proper controls to ensure that</p>	<p>The following controls around the Journals will be implemented;</p>	30 March 2022`	CFO	Ongoing

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10. CONTINGENCY AND PAYABLES FROM EXCHANGE TRANSACTIONS							
	Journals	submitted for audit	the information requested by auditors are received within the agreed-upon date.	1.The accounting officer will ensure that all supporting documents relating to Journals are kept for audit purposes. 2.Referencing of all journals processed will be Sequential of journals. 3. All journals will be accompanied by a journal approval sheet (clearly stating the preparer and the approver) and all necessary documentation. 4. Moreover, a journal register will be developed to keep track of all processed journals			

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11. UNAUTHORISED EXPENDITURE							
4	Ex 181 EX 258 Unauthorized Expenditure current year differences	<p>Matter 1 – Vote code not accounted in actual expenditure</p> <p>During the audit of Unauthorized Expenditure of the year ended 30 June 2021, it was noted that the following Capital Expenditure Vote Code X138 was not allocated to any votes and departments Therefore, auditor is unable to allocate this vote code to correct vote and this will impact auditor from performing procedures to test the accuracy of transactions.</p> <p>Matter 2 – Differences in capex budget amounts and actuals</p> <p>During the audit of Unauthorized Expenditure of the year ended 30 June 2021, it was noted that there were differences in the Vote budget amounts for capital expenditure. Additionally, there were VIP toilets expenditure that the municipality did not take into account when calculating the Capex for unauthorized expenditure</p> <p>Matter 3 – Difference in Operational Unauthorized expenditure</p> <p>During the audit of Unauthorized Expenditure of the year ended 30 June 2021, it was noted that there were differences in the unauthorized expenditure for vote 6. This was due to management having netted off both Operational and Capital unauthorized expenditure</p>	Inadequate implementation of controls to ensure accurate disclosure of unauthorized expenditure	<ol style="list-style-type: none"> 1. Management will revisit the unauthorised expenditure workings for the prior year and ensure that correct figures per the approved budget and the compiled (supported) AFS are used; 2. Compile a clearly referenced POE/audit file for the prior period adjustments with sufficient and appropriate evidence; and also ensure that such information safely kept in the records management office; 3. Management will ensure that a review of AFS (with emphasis on prior period errors) is done alongside the supporting documentation in order to ensure that amounts are transferred to the AFS at accurate figures 	15 August 2022	CFO Budget Manager	Ongoing



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Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
11. UNAUTHORISED EXPENDITURE							
4	COAF 19EX 35 Limitation in auditing opening balance	<p>During the audit of unauthorised expenditure we noted that the municipality disclosed unauthorised expenditure in note 49 to the financial statements. The opening balance of unauthorised expenditure as disclosed in note 49 is R1 853 358 332. As part of this disclosure note, the municipality disclosed that " management is unable to quantify the total amount of the opening balance for unauthorised expenditure due to the general ledger not agreeing to the annual financial statements for 2012/13 to 2016/17 financial year and not being able to obtain an adjusted budget for 2012/13 financial year".</p> <p>Further in the prior year, the limitation on auditing the opening balance was also reported in the audit report and remains qualified as the limitation is not yet addressed.</p> <p>As management is unable to provide supporting evidence of the opening balance, there is therefore a limitation in auditing this balance.</p>	Inadequate implementation of controls to ensure accurate disclosure of unauthorised expenditure	Management will implement controls to correct the opening balance and consideration will be taken for the application of GRAP 3 and MFMA circular 68.	15 August 2022	CFO Budget Manager	Ongoing

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12. IRREGULAR EXPENDITURE							
4	COAF 38: Ex: 107 - Irregular Expenditure financial year end and rand value inaccuracies	<p><u>Matter 1 – Incorrect financial year recognition of irregular expenditure</u></p> <ul style="list-style-type: none"> • Invoice from supplier Aliangy Enterprise CC for parking facilities F2020 was incorrectly accounted for in the current year 2020/21 irregular expenditure additions amount for 2020/21. • This invoice should have been accounted for in the irregular expenditure additions of the prior year 2019/20 and not in the 2020/21 Irregular Expenditure additions amount since expenditure was incurred and service rendered for period 01 June – 30 June 2020. • Invoice from Mahlangu (N.G.) Attorneys was incurred for legal services during the period 22 June 2020 to 17 July 2020. This was for the total value of R92 440.00 for Irregular Expenditure. • However, the municipality should have apportioned the accrual of the invoice between the financial years in which the expense was incurred. Therefore, an amount of R28 600.00 should have been recognized in 2019/20 Irregular Expenditure balance as that portion of the expense relates to 2019/20. <p><u>Matter 2</u> During the audit of Irregular Expenditure for the current year 2020/21, there were differences identified between the amount disclosed as Irregular Expenditure on the register and the auditor's recalculation. These differences resulted</p>	Due to inadequate review of registers prior to submission for audit.	Irregular expenditure register will be updated. Expenditure is to be reported and treated according to MFMA sections 32 and 102(1) and 125(2)(d).	30 March 2022	1.SCM MANAGER 2.CFO	Ongoing

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12. IRREGULAR EXPENDITURE							
		in the irregular Expenditure balances being understated with R947 547.83					
4	COAF 83: 262 - Irregular Expenditure: Overstatement	Note 51 of irregular expenditure was restated with irregular expenditure: current adjustment of R 18 035 544 relating to the 2019/20 financial year. It was noted that the below transactions forming part of R18 035 544 were already included in the irregular register for 2019/20 financial year that support R514 018 043 irregular expenditure current previously reported. The prior period error is there duplicating these transactions in the register	Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information	Management to implement controls in place to assist with proper planning to avoid misuse of funds.	30 March 2022	1.SCM MANAGER 2.CFO	Ongoing
4	COAF 25: EX 44- None submission of information for Unauthorized and Irregular Expenditure opening balances and prior period errors	the opening balances and related prior period error. The information submitted did not address all the findings as raised in prior years that resulted in the opening balances of irregular expenditure being misstated such as in the prior 2019/20 financial the following COAF 45: EX-227 was raised, however this was not addressed in information submitted in support of the opening balance of the 2020/21 financial year	Management did not implement proper controls to ensure that the information requested by auditors are received within the agreed-upon date.	Management will revisit the population for the outstanding information and address the opening prior period balances.	30 March 2022		
4	COAF 47 - EX-99: SCM process not followed in evaluating tender for local content	the invitation to Bid did not specified the minimum threshold for local production for supply and delivery of water service material, tools and electrical components. The bid specification mainly comprises of items listed in DTI products	Management did not ensure that the prescripts of the PPR and National Treasury Instruction Note is	Management will ensure that the prescripts of the PPR and National Treasury Instruction Notes are adhered to and enforced.	30 March 2022		

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12. IRREGULAR EXPENDITURE							
	requirement	designated for local production, such as plastic pipes, pumps and medium voltage motors and bulk material handling. Furthermore, the Invitation to bid did not request for has bidders to provide the auditee with the declaration on local production and content. Therefore, no measures have were defined and implemented for the procurements for supply and delivery of water service material, tools and electrical components, to ensure that the supplier is delivering goods complies with the specified minimum threshold for local content:	adhered to and enforced.				
4	COAF 47 - EX-158: SCM process not followed in evaluating tender for local content requirement	the procurement awarded to Boell business enter-blankets for women's month amounting to R155 000.00, it was noted that the invitation to Bid did not specify the minimum threshold for local production and content for blankets(textile), to not be less than the threshold prescribed in the relevant NT Instruction Notes which is 100%. The invitation to Bid did not specify the rates of exchange quoted by the bidder in the Declaration Certificate (MBD 6.2) would be verified. Furthermore, the Invitation to bid did not request the bidders to provide the auditee with the declaration on local production and content.	Management did not ensure that the prescripts of the PPR and National Treasury Instruction Note is adhered to and enforced.	Management will ensure that the prescripts of the PPR and National Treasury Instruction Notes are adhered to and enforced.	30 March 2022		
4	COAF 55 - Ex 117 SCM: winning contractor is not	During the performance of our normal audit procedures, the following noncompliance were	Lack of proper monitoring and reviews of SCM	Management will ensure that the prescripts of the PPR and National Treasury	30 March 2022		

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2020/21 Post Audit Action Plan

Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
12. IRREGULAR EXPENDITURE							
	registered with the CIDB	note: 1. Winning contractors were not registered with the CIDB 2. The tender relates Operation and Maintenance of bulk Waste Water Infrastructure for NMMDM class of construction should have been specialist Works 3. In cases where the winning contractors were a joint venture: - 4. (a) every member of the joint venture was a registered contractor; and (b) The contractor grading designation for a joint venture was not determined	processes	Instruction Notes are adhered to and enforced.			
4	Coaf 55: Ex- 145 SCM tender values above contractor grading designation	During the performance of our normal audit procedures, the following non- compliance were note: 1.Ziggy/Isiphethlu JV Contractors entered in JV agreement and Isiphethlu highest grading is 8 which requires that tender value should be Less than or equal to R 130 000 000 the combined tender value of Ziggy in relation to the below tenders is R 1 68 782 900.Ziggy was quoted more	Lack of proper monitoring and reviews of SCM processes.	Management will ensure that the prescripts of the PPR and National Treasury Instruction Notes are adhered to and enforced.	30 March 2022		

2020/21 Post Audit Action Plan

Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
12. IRREGULAR EXPENDITURE							
		than the total value of what they are registered for.					
4	COAF 47 - EX-159: SCM process not followed in evaluating tending for CIDB requirements	During the audit we discovered that the Invitation to bid for the procurement of Operation and Maintenance of bulk Waste Water Infrastructure for NMMDM did not stipulate the minimum category for which the bidders must be registered at with the CIDB in order to qualify for the tender. The municipality did not set an appropriate grading requirement to evaluate the bidders on functionality	Management did not ensure that the prescripts of the PPR and National Treasury Instruction Note is adhered to and enforced.	Management will ensure that the prescripts of the PPR and National Treasury Instruction Notes are adhered to and enforced.	30 March 2022		
4	COAF 47: EX 165-SCM: Incorrect point evaluation resulting to incorrect supplier appointed	During the audit we discovered that the preferential evaluation was incorrectly performed as Ziggy's contact amount used was R 35 044 975.80 instead of R 91 756 200.00 resulting in incorrectly bidder appointed (Ziggy instead of Khanya engineer)	Management did not ensure that the PPR are enforced and adhered to.	Management will ensure that the prescripts of the PPR and National Treasury Instruction Notes are adhered to and enforced.	30 March 2022		
4	COAF 77: Ex 237 - SCM - Incorrect point system calculation resulted in incorrect bidder awarded	During the audit we discovered that the below issues in preferential evaluation: 1. There were difference between the auditors' recalculation and the BEC report allocated points. Refer to the below table. 2. Incorrect contract value for Ziggy/Isiphethlu JV was used, R50 971 555, 20 instead of R 77 024 700, 00 resulting in Ziggy/Isiphethlu JV scoping -78, 22 points instated 9, 12 points as per the MBEC. 3. As per auditors below recalculation Ziggy/Isiphethlu JV scored lower than Khanya engineering which led to an incorrect bidder	Management did not ensure that the PPR are enforced and adhered to.	Management will ensure that the prescripts of the PPR and National Treasury Instruction Notes are adhered to and enforced.	30 March 2022		

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2020/21 Post Audit Action Plan

Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
12. IRREGULAR EXPENDITURE							
		awarded tender					

2020/21 Post Audit Action Plan

Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementati on date	Responsible Official	Progress
PRIOR YEAR ADJUSTMENTS							
4	COAF 22: EX 80: Information not submitted RFI 36 Prior period error	<p>The following information requested in RFI 36 dated the 17th of September relating to prior period errors was not submitted for audit:</p> <p>Kindly provide a schedule indicating the breakdown of the prior period adjustment as listed under note 45 of the AFS which includes the following:</p> <ul style="list-style-type: none"> -Schedule indicating the breakdown of the adjustment processed -Management's calculation of the prior period adjustment - Explanation of the adjustment processed. -Approved journal of the error processed. -Supporting documents to support the adjustment processed. 	Management did not implement proper controls to ensure that the information requested by auditors are received within the agreed-upon date.	Management will ensure supporting documentation for relating to Prior year period adjustments is submitted to auditors.	30 March 2022	CFO	Ongoing
4	COAF 80 EX 177- Differences noted between the auditor's recalculated amount and the amount per the statement of changes in net Asset	No supporting documents were provided for the adjustment made to the 2018/19 opening balance of R16 558 688 as presented on the 2019/20 AFS to audit the restated opening balance in the 2020/21 financial year, further supporting documents and the breakdown of the R2 463 610 correction made in the current year was not provided (COAF 62 EX 218). The balance of the prior year adjustment amounting to R26 891486 was not fully audited due to limitations imposed on some of the line items making up the adjustment as detailed on (COAF 22 EX 80) based on the above we could not audit the adjustments processed on the opening balance for the current year.	Lack of review by management of the amounts presented on the AFS	Management will provide supporting documentation for the movements relating to restated opening balances and submitted to auditors.	15 August 2022	CFO	ONGOING
4	COAF 73. Ex 209. Irregular Expenditure Write Off overstated	<p>During the audit of Irregular Expenditure for the year ended 2020/21. It was noted that the NMMDM wrote of an amount of R134 295 466.00.</p> <p>However, per inspection of the supporting schedule that supports and makes up the <i>Write Off</i> value per AFS i.e.</p>	Inadequate implementation of controls to ensure accurate disclosure and	<p>1.Management to ensure that all UIF identified are reported accordingly</p> <p>2.Irregular expenditure register must be updated.</p>	15 August 2022	SCM MANAGER	Ongoing

2020/21 Post Audit Action Plan

Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
PRIOR YEAR ADJUSTMENTS							
		the schedule approved by council for the write offs does not agree to the amount stated under note 51 of Irregular Expenditure as write off	strict adherence to internal control.	Expenditure is to be reported and treated according to MFMA sections 32 and 102(1) and 125(2)(d)			
4	COAF 49: Ex 172: Payable understated by outstanding amount due to Sedibeng water	During the audit of payables from exchange transactions, the auditor received a signed positive confirmation from Sedibeng Water that indicated the amount due to them from the municipality. However, the amount per the confirmation does not agree to the amount disclosed in the trade payable listing that supports the amount recognised in note 14. Payables from exchange transactions in the 2020/21 Annual Financial Statements. The auditor shared the supporting statement for Bulk water as at 30 June 2021 received from Sedibeng Water with management.	Third party information are not communicated internally in order to make necessary adjustments timeously	1. Detailed review of the disclosure will be done to ensure that all the cases as per the register and confirmations are properly and sufficiently disclosed	15 August 2022`	CFO	Ongoing
4	COAF37: EX 93: Difference between GL and invoice amount- Electricity	During the audit of general expenditure - electricity, the following differences relating to the incorrect treatment of VAT were noted between the amounts per GL and invoices	Lack of review by management of processed transactions and ensuring that transactions recorded agrees to supporting documents.	The whole population should be investigated and incorrect allocations should be corrected. Preventative and detective control measures should also be implemented.	15 August 2022	CFO	Ongoing
4	COAF 37 Ex 131	During the audit of general expenditure, the following differences were identified between the invoice and the	Lack of review by	Management to ensure that all expenditure	15 August 2022`	1.Manager Expenditure	Ongoing

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2020/21 Post Audit Action Plan

Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
PRIOR YEAR ADJUSTMENTS							
	General expenditure: Difference between the invoice and the GL-Plant hire	general ledger	management to ensure that transactions processed are accurate and agree with the supporting documents.	differences noted are investigated and reported correctly.		2.CFO	

PREDETERMINED OBJECTIVES

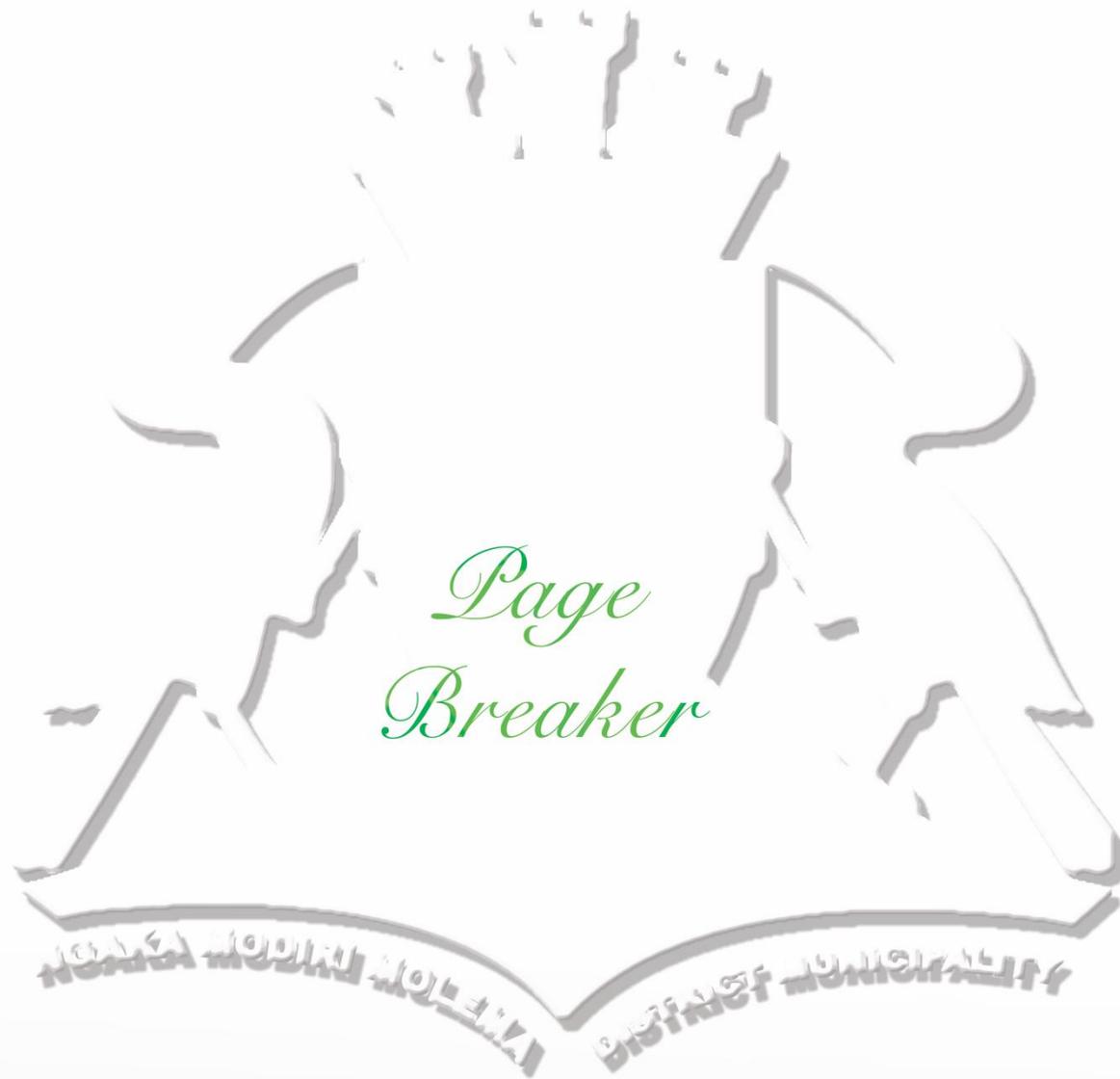
Page No.	Finding number	Finding(s)	Cause	Management Corrective Action	Implementation date	Responsible Official	Progress
4	COAF 85 EX-266: AoPO - Actual performance not reported in the APR	<p>The level of performance for these targets were not reported on APR. The following KPIs are affected:</p> <ul style="list-style-type: none"> • KPI:16 Number of reported water related infrastructure queries resolved • KPI:16 Number of Boreholes mechanically and electrically repaired • KPI 17 Number of kiloliters of water delivered through tankering • KPI 22 Number of VIP Toilets Constructed • KPI 22 Number of sanitation related capital projects in construction to be completed during the course of 2020/21 financial year 	<p>Lack of oversight from by Management whilst preparing the Annual Report.</p>	<p>Management will review the process of preparation of the annual report and ensure the following is implemented:</p> <ol style="list-style-type: none"> 1.urgent refurbishment of boreholes and package plants schemes will be prioritised on the adjustment budget to improve the consistency of water supply for most of the rural scheme in order to reduce augmentation through water tankers; which is not only costly but also increases the quantity of water losses from filling points. This will enable the municipality to deal with private water tankers getting water from its system at no cost. 2. A comparison between planned and actual performance will be included in Performance report 3. The Manager: PMS will review the quarterly report as follows: <ol style="list-style-type: none"> a. Review the report's KPA, Directorate, Objectives, KPIs and Targets (quarterly target for the specific quarter being reported) against the SDBIP to ensure that all of the above are consistent with the SDBIP; b. Review the actual performance reported against the attached supporting documents, including the reconciliation, to ensure that it is valid, accurate and complete. 	15 August 2022	<ol style="list-style-type: none"> 1. Various Managers 2. PMS 	Ongoing

PAAP

			<p>c. Review the reasons for over/underachievement against the attached supporting documents to ensure validity and accuracy;</p> <p>d. Review the remedial action against the attached/referenced plans; and</p> <p>e. Prepare a quarterly performance analysis report to submit together with the quarterly performance report to the office of the MM and Internal Audit.</p> <p>1. The job cards will be reviewed on a monthly basis by Technical Department prior to payment of invoices to ensure that the Kms and areas information is accurate and valid. The review to focus on, but not limited to:</p> <ul style="list-style-type: none"> (a) Kilometres claimed; (b) Litres of water delivered; (c) Exact villages; (d) Confirmations by the receiver of water; <p>This information should be confirmed for accuracy and validity;</p> <p>4. After all the capturing for the month, the Manager/Senior in charge will verify the actual performance reported against the scanned completion certificate to confirm the captured performance's accuracy and validity. The Manager/Senior will again review the TID to ensure that the source documents attached are as per the Technical Indicator Descriptions.</p>			
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GLOSSARY



GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development

	<ul style="list-style-type: none"> Financial viability and management Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e., a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: <i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>



APPENDICES



"Leaders in Integrated Municipal Governance"

APPENDICES

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

NAME	Full Time/ Part Time	COMMITTEES ALLOCATED	Ward and/or Party Represented	Percentage Council Meeting Attendance	Percentage Council Meeting Non- Attendance
Cllr KHUMALO MOLEFE	FT	Budget Steering	ANC	100%	0%
Cllr NTHABISENG SHUPING	FT	Rules and Ethics	ANC	100%	0%
Cllr CROSBY MAEMA	FT	Budget Steering	ANC	100%	0%
Cllr MARIA MONNANA	FT	Infrastructure and Technical Services	ANC	100%	0%
Cllr ABRAM THEMBINKOSI MABOVU	FT	Finance and BTO	ANC	100%	0%
Cllr NOMBULELO REGINA NGQOBE	FT	Sports, Arts and Culture	ANC	83%	17%
Cllr FREDDY ENOCK GANTANA	PT	MPAC	ANC	83%	17%
Cllr DIMAKATSO LYDIA MALWANE	PT	MPAC	ANC	83%	17%
Cllr BOITSHOKO ARCHIBOLD SELEKANYANE	FT	Special Projects	ANC	100%	0%
Cllr MONNAPULA SIMON MOTHIBI	FT	Planning &	ANC	100%	0%
Cllr COLLIN MOHELEKETE	PT	Corporate Support Services	ANC	83%	17%
Cllr GOPOLANG MARUPING	PT		ANC	50%	50%
Cllr KEALEBOGA SEGA	PT	Corporate Support Services	ANC	50%	50%
Cllr MOTHUSI MSIMANGA	PT	Community Services	ANC	50%	50%
Cllr MASEGO KATHAZO	PT	Finance and BTO	ANC	83%	17%
Cllr ITUMELENG MOARABI	FT	Local Economic Development	ANC	100%	0%
Cllr PORTIA LETSHUFI	FT	Corporate Support Services	ANC	100%	0%
Cllr ERNEST PITSO	PT	Corporate Support Services	ANC	83%	17%
Cllr MARGARET DALA	PT	Finance and BTO	ANC	83%	17%
Cllr GOMOTSEGANG MOGAPI	PT	Finance and BTO	ANC	83%	17%
Cllr MMADIBUSENG MOKOME	FT	Community Services	ANC	83%	17%
Cllr ALAMITTA MABALANE	PT	Finance and BTO	ANC	67%	33%
Cllr LEVY TLHAGALE	PT	IGR, District Development & Spatial Planning	ANC	83%	17%
Cllr EMMAH MOLETE	PT	Corporate Support Services	ANC	83%	17%
Cllr DREYER CORNEL	PT	Finance and BTO	DA	83%	17%
Cllr LAHER YUSUF	PT	Finance and BTO	DA	100%	0%

APPENDICES

NAME	Full Time/ Part Time	COMMITTEES ALLOCATED	Ward and/or Party Represented	Percentage Council Meeting Attendance	Percentage Council Meeting Non- Attendance
Cllr TSHOLOFELO BRUNETTE SEBOLAO	PT	Sports, Arts and Culture	EFF	100%	0%
Cllr PETRUS MOTSEOKAE TSAGAE	PT	Special Projects	EFF	83%	17%
Cllr TUMELO JACOB BAMPHITILE	PT	Infrastructure and Technical Services	EFF	100%	0%
Cllr MBAHARE JOHANNES KEKANA	FT	MPAC	F4SD	67%	33%
Cllr JURIE HENDRIK BOTHA	PT	Agriculture, Rural Development & Tourism	FF+	100%	0%
Cllr KABELO GADITHULWE	PT	Agriculture, Rural Development & Tourism	ANC	83%	17%
Cllr KGOSIEMANG MOTLHATHEDI	PT	Special Projects	DA	83%	17%
Cllr MOSIMANEGAPE PHOKOMPE	PT	Community Services	ANC	83%	17%
Cllr GOBUSAMANG MOSIEDI	PT	Agriculture, Rural Development & Tourism	EFF	83%	17%
Cllr KEATLARETSE NKO	PT	Agriculture, Rural Development & Tourism	EFF	33%	67%
Cllr ARISTA-LOUSE ANNANDALE	PT	Corporate Support Services	DA	67%	33%
Cllr KGOMOTSO LEDIKWA	PT	Agriculture, Rural Development & Tourism	F4SD	67%	33%
Cllr SEMPHELE MATSHEKA	PT	IGR, District Development & Spatial Planning	EFF	83%	17%
Cllr KEDIBOGETSE MOLEFE	PT	IGR, District Development & Spatial Planning	EFF	67%	33%
Cllr IRENE TLADI	PT	Community Services	F4SD	67%	33%
Cllr MARIA MERRIAM MORUAPHEKO	PT	IGR, District Development & Spatial Planning	EFF	83%	17%
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APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
COMMUNITY SERVICES, HEALTH, LAND USE, ENVIRONMENT, DISASTER MANAGEMENT & SOCIAL DEVELOPMENT	Fire and Rescue Services of the NMMDM is a service unit that is equipped to manage fire brigade and rescue and municipal health services
CORPORATE SUPPORT, ICT & SHARED SERVICES	the Support Services provides legal support, advise, opinions, contracts drafting and general advice to the council and administration
INFRASTRUCTURE DEVELOPMENT, TECHNICAL SERVICES & MAINTENANCE	Responsible for the operations and maintenance of the water and roads infrastructure
LED, AGRICULTURE, RURAL DEVELOPMENT & TOURISM	
FINANCE (BUDGET & TREASURY)	Responsible for the preparation of the MTREF Budget and sound financial management
RULES AND ETHICS	Responsible for the development of rules and standing orders for council and make sure that they are adhered to
REMUNERATION COMMITTEE	Responsible for upper limits and all benefits related matters
SPECIAL PROJECTS, STAKEHOLDER RELATIONS, YOUTH, WOMAN EMPOWERMENT, SENIOR CITIZENS, PEOPLE WITH DISABILITY COMMITTEE	Responsible for GBV+F, HIV, Women and Children, People living with Disability,
INTER-GOVERNMENTAL RELATIONS, INTEGRATED DISTRICT DEVELOPMENT & SPATIAL PLANNING	Responsible for the preparations, implementation and review of the IDP, Town planning and public participation
SPORTS, ARTS, CULTURE & TRADITIONAL AFFAIRS	
T B	

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Municipal Manager	Olehile Allan Losaba
Office of the Municipal Manager	
Manager in the Municipal Managers Office	Vacant
Manager Performance Management System	G Thaganyane
Manager Communications	L Matsose
Manager Intergovernmental Relations	S Makhoba
Manager Risk	M Modise
Office of the Chief Financial Officer	
Chief Financial Officer	S Mphato
Manager in the office of the CFO	Vacant
Manager Income and Expenditure	N Molefe
Manager Budget and Reporting	M.A Ntaopane
Manager Supply-chain	P Masumbuka
Corporate Resource Support Services	
Senior Manager	D Dambuza
Manager Advisory Services	K Pulenyane
Manager Labour Relations	G Meko
Manager Fleet	M Stemmer
Manager Human Resource	B Mahape
Manager Administration	D Ramotsoela
Manager Information Communication Technology	M.R Mogotsi
Manager Occupational Health and Wellness	N Molale
Infrastructure Development and Maintenance	
Senior Manager	M Rassool
Manager Roads	K Pulenyane
Manager Water Services	A Senwedi
Manager Water and Sanitation	V Maboka
Manager Project Management Unit	G Nthompe
Municipal Health Safety and Services	
Senior Manager	S Nkadimang
Manager Fire and Rescue	G.G Kwena
Manager Disaster Management	S Lesenyego
Manager Municipal Health and Safety	J Moleofane
Manager MISS	D Mashi

APPENDICES

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Planning and Development	
Senior Manager	Vacant
Manager Social Services	T Moselane
Manager Town and Regional Planning	C Mbengo
Manager Integrated Development Plan (IDP)	T Mpa
Manager Rural Development	M Boikanyo
Manager Local Economic Development	Vacant
Manager Research and Monitoring	Vacant
Internal Audit	
Chief Audit Executive	L Mosiane
Audit Executive	P Mahole
Audit Executive	S Oostruis
Audit Executive	Vacant
Office of the Executive Mayor	
Manager Office of the Speaker	P Maltshotlo
Manager Office of the Chief Whip	F Malope
Manager Office of the Mayor	R Mothupi
Manager MPAC	N Motlhabedi
<i>TC</i>	

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions	
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No) *
Constitution Schedule 4, Part B functions:	
Firefighting services	Yes
Local tourism	Yes
Municipal airports	Yes
Municipal planning	Yes
Municipal health services	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Licensing and control of undertakings that sell food to the public	Yes
<i>TD</i>	

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2021/2022

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2021/2022	Recommendations adopted (enter Yes) If not adopted (provide explanation)
12 MAY 2022	Analysis on plan for five years, governance structures, budget, and process plans	YES
	Compliance management/Compliance register to be developed, implemented and progress report be presented in all Audit committee meeting	YES
	Formal Risk Management Training /workshop needs to be conducted	YES
	All Risk Management policies to be approved on or before 30 June 2022	YES
	A robust turnaround strategy with short, medium, and long term should be developed for addressing PAAP	YES
	Implementation of Consequence management to senior managers who are not performing	YES
	Assessment of Senior managers including the backlog	YES
	Assessment of all Service Providers	YES
	MPAC to fast track the investigation of the UIF&W before 30 June 2022	YES
	The municipality to review its evaluation process to avoid terminations of service providers.	YES
	The municipality to consider compiling quarterly financial statements for presentation to the Audit and Risk	YES
	The analysis report on water tankering, set target against the budget and the plans going forward	YES
	Development of Policy framework on Policy development	YES
	Possible establishment of research unit to explore grant funding	YES
Development of infrastructure plan to address vandalism including road maintenance	YES	

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APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of 2021/2022		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor	Cllr PK Molefe	Did not disclose
Member of Mayco / Exco		
Councillors	Cllr C Maema (Chief Whip)	4 Houses (Zeerust) 1 Stand (Zeerust)
	Cllr FE Gantana	House (Tsetse)
	Cllr LD Malwane	Farm (Deelpan) Farm (Sannieshof)
	Cllr NR Ngqobe	Nil
	Cllr JT Bamphitile	Nil
Municipal Manager	OA Losaba	1 House (Mafikeng) 1 House (Westbrook) 1 Flat (Meyersdal) 3 Erven (Mafikeng) Shares/pension – Old Mutual
Chief Financial Officer	SS Mphatho	1 House (Klerksdorp) Two companies disclosed where the Sr. Manager has financial interest/ Tutor at UNISA
Senior Managers	S Nkadimang	1 House (Mmabatho) 1 House (Mosiane)
	LI Mosiane	House Mafikeng
	MD Dambuza	House Unit 8 Mmabatho Farm Mogosane, Mahikeng
	M Rassool	Not disclosed

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APPENDICES

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
Vote Description	2019/2020	2020/2021		Year 2020/21 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	1 055	1 139	1 139	1139	0%	0%
FINANCIAL VIABILITY	766 378	920,362	941 507	948 235	3%	1%
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION						
LOCAL ECONOMIC DEVELOPMENT	0					
BASIC SERVICES AND INFRASTRUCTURE INVESTMENT	319 245	299 937	299 937	312 127	4%	4%
TO PROMOTE SAFETY AND CLEAN ENVIRONMENT	745	60	72	0	0%	0%
Total Revenue by Vote	1 087 423	1 221 498	1 242 655	1261501	37%	100%
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3</i>						T K.1

APPENDICES

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source							R '000			
Description	2020/2021		2021/2022			2021/2022 Variance				
	Actual		Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget			
Property rates	485	26	572	23	075	28	042	23	-2%	-22%
Property rates - penalties & collection charges	541	8	285	8	054	9	456	8	2%	-7%
Service Charges - electricity revenue	355	12	254	10	478	12	219	13	22%	6%
Service Charges - water revenue	232	14	235	13	662	13	097	12	-9%	-13%
Service Charges - sanitation revenue	542	6	496	5	954	5	346	6	13%	6%
Service Charges - refuse revenue	865	1	622	1	865	1	510	1	-7%	-23%
Service Charges - other	643	5	530	5	925	5	304	5	-4%	-12%
Rentals of facilities and equipment	643	5	530	5	925	5	304	5	-4%	-12%
Interest earned - external investments	322	5	470	4	747	5	630	4	3%	-24%
Interest earned - outstanding debtors	455	8	455	8	624	8	554	9	12%	10%
Dividends received	254	1	003	1	191	1	354	1	26%	12%
Fines	516	2	063	2	264	2	340	2	12%	3%
Licences and permits	846	6	230	6	256	7	640	6	6%	-9%
Agency services	546	12	413	10	793	11	542	11	10%	-2%
Transfers recognised - operational	355	2	190	2	425	2	402	2	9%	-1%
Other revenue	542	48	776	40	542	48	115	46	12%	-5%
Gains on disposal of PPE	565	4	698	3	337	4	291	4	14%	-1%
Environmental Protection	649	5	971	4	157	6	971	4	0%	-24%
Total Revenue (excluding capital transfers and contributions)	353	179	791	157	274	181	118	169	6,70%	-7,19%

Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.

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APPENDIX M (I): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*				
R '000				
Description	2019/2020	2020/2021		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure
Capital expenditure by Asset Class				
Infrastructure – Total		112 268	172 008	171 512
Infrastructure: Road transport - Total		2 561		
Roads, Pavements & Bridges		2 561		
Storm water				
Infrastructure: Electricity - Total				
Generation				
Transmission & Reticulation				
Street Lighting				
Infrastructure: Water - Total		72 734	145 808	103 912
Dams & Reservoirs				
Distributions		64 134	72 598	67 265
Boreholes		8 600	73 210	35 647
Infrastructure: Sanitation - Total		369 973	26 200	68 600
Reticulation		10 973		31 632
Wastewater Treatment Works		26 000	26 200	36 968
Infrastructure: Other - Total				
Waste Management				
Transportation				
Gas				
Other				
Fire, safety & emergency				
Other				

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APPENDIX N

CAPITAL PROGRAMME BY PROJECT YEAR 2021/2022

Capital Programme by Project: 2021/2022				
Project Title	BUDGETED MIG FUNDS (2021/2022)	ADJUSTMENT	ADJUSTED BUDGET	Actual Expenditure
BODIBE WARD 17 WATER RETICULATION	R 2 500 000,00	R -	R 2 500 000,00	R -
GAMOTLATLA WATER SUPPLY Additional Work	R 14 000 000,00	R (14 000 000,00)	R -	R -
GREATER LICHTENBURG BWS	R 16 500 000,00	R 15 000 000,00	R 31 500 000,00	R 31 193 833,14
BESSIESVLEI WATER SUPPLY UPGRADE	R 6 900 000,00	R (2 800 000,00)	R 4 100 000,00	R 4 136 224,29
DITSOBOTLA RURAL SANITATION PROGRAMME	R 22 023 000,00	R -	R 22 023 000,00	R 21 783 967,00
			R -	
MAFIKENG RURAL SANITATION PROGRAMME	R 9 000 000,00	R 41 000 000,00	R 50 000 000,00	R 50 166 912,94
LOTLHAKANE WATER SUPPLY	R 15 000 000,00	R -	R 15 000 000,00	
	R -		R -	
LEEUFONTEIN WATER SUPPLY	R 7 000 000,00	R -	R 7 000 000,00	
LOBATLA WATER SUPPLY	R -	R -	R -	
RIETVLEI WATER SUPPLY	R 2 000 000,00	R -	R 2 000 000,00	R 249 054,00
GROOT MARICO WATER SUPPLY	R 11 000 000,00	R -	R 11 000 000,00	R 10 302 002,85
WELBEDACHT MANCHESTER SECTION WATER SUPPLY UPGRADE PHASE 2	R 8 800 000,00	R -	R 8 800 000,00	R 9 038 751,94
RAMOTSHERE-MOILOA RURAL SANITATION	R 26 158 495,00	R -	R 26 158 495,00	R 24 291 445,83
ZEERUST WWTP PHASE 2	R 55 000 000,00	R 10 000 000,00	R 65 000 000,00	R 64 309 550,02
			R -	
MATLODING WATER SUPPLY EXTENSION	R 11 500 000,00	R (10 000 000,00)	R 1 500 000,00	
MADIBOGO RAMABESA WATER UPGRADE	R 2 400 000	R -	R 2 400 000,00	R 1 466 926,81
KRAAIPAN WATER SUPPLY	R 15 409 174,00		R 15 409 174,00	R 14 987 486,00
RATLOU RURAL SANITATION	R 14 300 000,00	R 5 000 000,00	R 19 300 000,00	R 19 172 991,00

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			R -	
SETLAGOLE WATER SUPPLY	R -	R 4 783 000,00	R 4 783 000,00	R 4 783 085,54
MIDDLETON C WATER SUPPLY UPGRADE	R 2 209 209,00	R 520 000 000,00	R 522 209 209,00	R 2 741 113,00
ATAMELANG WATER SUPPLY UPGRADE	R 2 535 054,00	R 3 000 000,00	R 5 535 054,00	R 2 895 726,45
SANNIESHOF/AGISANANG BULK WATER SUPPLY & RETICULATION	R 15 000 000,00	R -	R 15 000 000,00	R 375 177,12
SANNIESHOF WWTW	R 17 000 000,00	R (7 000 000,00)	R 10 000 000,00	R 9 273 007,92
TSWAING RURAL SANITATION PROGRAMME	R 38 250 000,00	R -	R 38 250 000,00	R 37 678 037,23

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APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD

Capital Programme by Project by Ward: 2021/2022		
Capital Project	Municipality	Works completed (Yes/No)
Water		
Bodibe Ward 17 Water Reticulation	Ditsobotla LM	No
Greater Lichtenburg BWS	Ditsobotla LM	Yes
Bessievlei Water Supply _Upgrade	Ditsobotla LM	No
Gamotlatla Water Supply	Ditsobotla LM	No
Lothakane Water Supply	Ditsobotla LM	No
Water Supply in Rietvlei	Ditsobotla LM	No
Leeufontein Water Supply	Ramotshere Moiloa LM	No
Lobatla Water Supply	Ramotshere Moiloa LM	No
Groot Marico Water Supply	Ramotshere Moiloa LM	No
Welbedacht Menchester Water Supply	Ramotshere Moiloa LM	No
Matloding Water Supply	Ratlou LM	No
Madibogo Water Supply	Ratlou LM	No
Augmentattion of Setlagole Internal Water Reticulation	Ratlou LM	No
Kraaipan Water Supply	Ratlou LM	No
Middleton C Water Supply	Ratlou LM	
Atamelang Water Supply	Ratlou LM	
Sannieshof and Agisanang Bulk Water Supply & Reticulation	Tswaing LM	No
Sanitation		
Ditsobotla Rural Sanitation Programme	Ditsobotla LM	No
Mafikeng Rural Sanitation Programme	Mafikeng LM	No
Ramotshere Moiloa LM Rural Sanitation	Ramotshere Moiloa LM	No
Ratlou Rural Sanitation	Ratlou LM	No
Tswaing Rural Sanitation	Tswaing LM	Yes
Upgrade & Extension of Zeerusst WWTw	Ramotshere Moiloa LM	No
Sannieshof Wwtw Extension	Tswaing LM	No
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ANNUAL PERFORMANCE PLAN



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