

2020 / 21 Annual Report

TSWELOPELE LOCAL
MUNICIPALITY

TSWELOPELE LOCAL MUNICIPALITY

OUR MOTTO

“A municipality in progress”

OUR VISION

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

OUR MISSION

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

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

VALUES

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

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2 MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD



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

We also acknowledge the efforts and decisions taken by the government aimed at protecting both human health and economic development during this dreadful covid-19 period. Our municipal budget has been greatly affected during this period, from a formal point of view, the covid-19 regulations did not affect the budget preparation process for the 2022/23 fiscal year and the observance of the budget calendar as defined by the legislation.

During the pandemic, a significant threat to people has instigated the changes in economic, social, and cultural policies pursued by governments, and this includes new policies when it comes to budget spending and closing down the economy.

However, we as the municipality remain committed to improving the quality of life of our people, addressing the legacy of the past inequalities and ensuring all citizens including those on the margins of society have access to opportunities to earn and contribute to the economy. The municipality is still committed in maintaining the agreement entered into with all the contractors for major projects to ensure that at least 30% of the total projects is subcontracted to the local emerging contractors to promote self- sustainability and social inclusivity.

The council of the municipality through the offices of the speaker and the Mayor has embarked on public participation in the local radio stations and few physical consultations were conducted in Hoopstad and Bultfontein. We would like to further encourage the community to continue to participate in the affairs of the municipality, through any platforms that may be deemed appropriate and safe in order to stay abreast of the developments occurring. We are also take note of the outcome of local elections and would like to give appreciation to our residents for taking their time and making the right decision to vote. We also welcome the new political administration and looking forward to putting the municipality to where it used to be.

The municipality has developed an audit action plan to address all the issues identified by the office of the Auditor General on the audit of 2020/ 2021 financial statements, performance information and compliance. This audit action plan will be monitored by management team and the council of the municipality to ensure effective implementation thereof.

The municipality is also faced with a serious cash flow challenge due to non-payments of municipal services which amongst others result in the municipality having an increasing bulk purchases accounts (Eskom and Sandvet), we therefore would like to encourage our community to pay and make payments arrangement for their municipal accounts and also encourage all the families falling under the threshold of indigents to come to the municipal offices with all relevant documentations to apply for free basic services.

At a Provincial level, we welcome the reviewed Provincial Growth and Development Strategy (PGDS) as the council, which guides us as a municipality, within a province that exists on the borders of different strategic municipalities. We have aligned our municipal priorities to that of the PGDS as well as the National development plan. As we develop and review our Integrated Development Plan (IDP), we are very aware of our roles and responsibility to our residents as well as to future generations.

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

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

CLLR T F MATSHOLO

MAYOR

MUNICIPAL MANAGER'S OVERVIEW

It is with great pleasure that I present Tswelopele Local Municipality's 2020 / 21 Annual Report. Through this report, we track our progress in terms of the goals we set in the municipal Integrated Development Plan, which in the long



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

In the midst of the Covid-19 pandemic the municipality has managed to procure with internal generated funds additional service delivery assets. This great achievement will not be realised without the efforts of our employees and support received from the political office. Plans are underway to prioritise the procurement of yellow fleet assets for 2021/2022 financial year.

The community unrests which occurred in Hoopstad has affected the municipal operations and the provision of services to the community. We appreciate the commitment and support our municipal officials has showed during these trying times and would like to give special thanks to those who stand against vandalisms and destroying of municipal property. We have always prioritized the safety of our community and employees and in these uncertain times, this is no different.

In ensuring the continued financial viability and improved audit opinion management and the political heads needs to put more effort in ensuring effective Governance, Risk Management and Internal Control processes are maintained

Developed implementation plans contained in the revised five-year Integrated Development Plan [IDP] and annual SDBIP were revised to meet up with environmental and social changes. The IDP aims to develop a sustainable and resilient municipality by creating a sustainable environment, promoting the conservation of natural and scarce resources, and developing infrastructure to improve access to educational services, transport and employment. Currently, more than 90% of the community have access to the four basic services of water, electricity, sanitation, waste water and solid waste management. The municipality is currently in a process of servicing the new developments in both towns with water, sanitation and electricity services.

We welcome the audit opinion of the Auditor General South Africa for 2020/2021 financial year and management has developed the audit action plan. This plan will be a standing item in all management and audit committee meetings and the action plan will be monitored by Internal Audit on a monthly basis and presented accordingly to Audit Committee and Council.

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

The municipality is striving towards improved financial performance by embarking on a revenue enhancement strategy that was adopted by municipal Council in October 2021. The review of the municipal organisation structure will be undertaken and this will assist the municipality improve financial viability and meet goals set in the Integrated Development Plan. The increasing vacancy rate of the municipality is worrisome but the management team has developed a plan to address this deficiency. The non-payment of municipal services by consumers has drastically impacted on the going concern and financial viability of the municipality. We therefore plead with our community to prioritise their municipal accounts and arrangements made.

Our commitment to providing services to all our residents is achieved through our greatest assets: our employees working across various operational disciplines. The municipality aims to foster a high-performance attitude by attracting and retaining skilled and qualified people. The vision of delivering professional, diverse and competent human capital is achieved through our Human Resources Policies, which is implemented across the municipality. I would like to express my appreciation for the support received from the political leadership in Council, the Mayor, and the Speaker, EXCO, MSA Section 80 Committees, Audit Committee, Performance Management Committee and Municipal Public Accounts Committee. Administratively I would like to thank the Management team and the entire staff of the Municipality for their continued support. Collectively we remain committed to efficient service delivery and the attainment of a liveable, sustainable and resilient municipality.

MS. MRE MOGOPODI
MUNICIPAL MANAGER

3 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

BACKGROUND DATA

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

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

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

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

DEMOGRAPHIC PROFILE

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

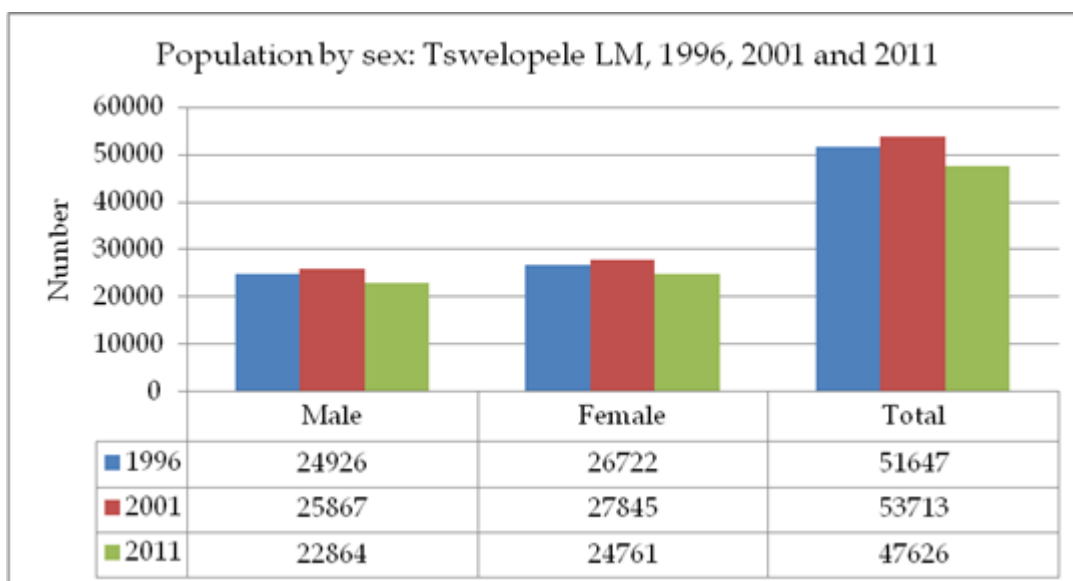
Tswelopele Municipality is 6 506 68 square kilometres in extent. The demographic profile of the municipality according to the most recent information available is shown in the table below:

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

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

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

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



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

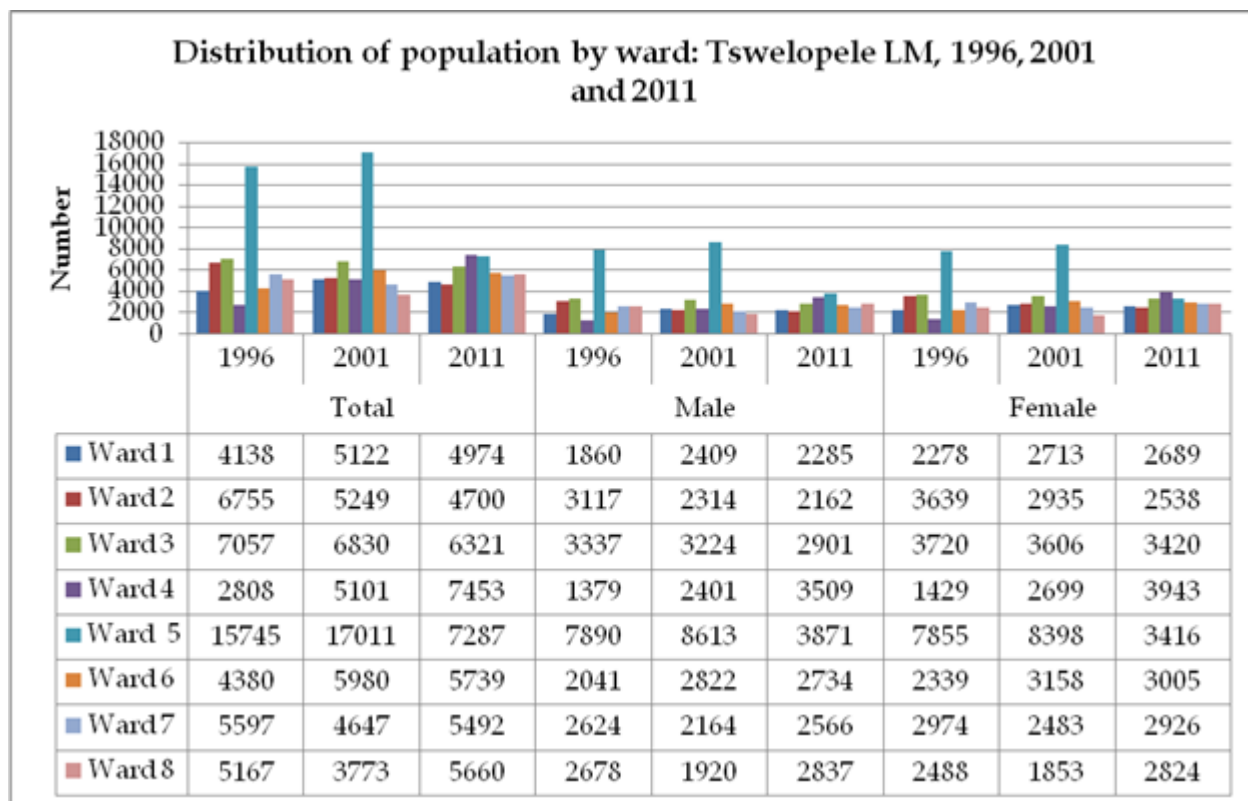
This graph shows that the population in terms of males increased by 3.8% from 1996 to 2001 and showed a decrease of 11.6% in 2011 the reasons for this decrease should be investigated as they might have a negative impact on the local economic development of the area. The population in terms of females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

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

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

POPULATION BREAKDOWN PER WARD, AGE AND GENDER

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



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

POPULATION PER MUNICIPAL AREA

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

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

SOCIO ECONOMIC STATUS INDIVIDUAL MONTHLY INCOME

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

Statistics South Africa: Census 2011

EMPLOYMENT STATUS

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

Statistics South Africa: Census 2011

OVERVIEW OF NEIGHBOURING MUNICIPALITIES

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

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

4 MUNICIPAL FUNCTIONS

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

5 SERVICE DELIVERY OVERVIEW

The municipality continued to ensure the sustainable provision of services to the community. Public members who have registered in the indigent register also continued to benefit from municipal services.

The Municipality experienced community unrest in Hoopstad, Tikwana, from September 2020 until 2 November 2020. The unrest started when community members in Tikwana were complaining about the quality of drinking water that is provided by the Municipality. The community engaged in various activities to show their dissatisfaction and added more matters to the initial water quality issue. The community resorted to vandalising and destroying municipal property and assets when they felt that the Municipality was not attending to its concerns to their satisfaction. The municipality suffered a loss of assets for the reporting period of R 864 691.

The municipality in ensuring that services are provided to the community without delays, procured four (4) municipal bakkies, two (2) tractors, one (1) road Grader and one (1) TLB. Plans were made and are currently ongoing to procure additional yellow fleet assets with internally generated funds. Below is the status quo with regards to basic municipal services:

ELECTRICITY SERVICES

The municipality provides electricity in the towns and all formalised households, public facilities and businesses have access to electricity services. Applications for new connections in town are also done by the municipality while Eskom provides electricity in the townships. Each registered indigent household receives 50kW of electricity per month. The municipality has seen an increase in electricity losses, this is due to electricity meter tempering, aging infrastructure, theft of electricity cables, etc.

The municipality working with Eskom concluded the electrification of Ext. 9 in Phahameng/Bultfontein in the 2020/2021 financial year.

WATER SERVICES

The municipality provides water to all formalised households in the residential areas. The municipality is currently facing challenges which have been reported year in year out, of high-water losses due to leaking toilet cisterns,

more especially in Phahameng Township. This is further emphasised that the problem is perpetuated by the community members who do not want to assume the responsibility of the toilet's facilities in their erven, and they do not fix the leaking toilet cisterns. The leaking toilet cisterns in turn have an adverse effect on the sustainability of clean water supply because the service reservoirs are always running low due to a high volume of water loss caused by the leaking toilet cisterns.

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

The municipality has gone out on tender for the panel of consultants for the construction of Water Reticulation in Phahameng/Bultfontein Ext 10 (426 sites). This project is intended to be completed in the next coming financial years. The municipality has however failed to achieve the upgrading of bulk water pipeline supply in Bultfontein and Hoopstad due to covid-19 and community unrests that took place in Hoopstad, the projects timelines were reviewed and subsequently included in the performance targets of the municipality for 2021/2022 financial year.

SANITATION SERVICES

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

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

Funding for Ext. 9 and 10 in Phahameng/Bultfontein was also secured and the projects are scheduled for implementation in 2021/22 and 2022/23 financial years.

REFUSE REMOVAL AND WASTE MANAGEMENT

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

The municipality has two landfill sites (one each town) and have been licensed. The management of the landfill sites is currently a challenge due to lack of funding to procure necessary equipment, proper fencing and access

controls to both the landfill sites. The municipality is currently promoting recycling with the intention to reduce the waste in the landfill sites and extension of thereof. The municipality due to shortage of staff in different areas including the waste management unit does not sufficient personnel to control disposal of waste and management of landfill sites.

ROADS AND STORMWATER

The municipality with the assistance of Municipal Infrastructure Grant management managed to complete the construction of a 2-kilometre road in Phahameng 2019 /2020 financial year and continued to construct and complete another 1.3-kilometre road extending from the 2-kilometre mentioned above in the 2020/2021 financial year. The municipality is anticipating to realise a pavement project from public works in the 2021/2022 financial year set to kickstart in October 2021. The state of road infrastructure in the municipal areas has deteriorated due to aging infrastructure and heavy traffic i.e., trucks and construction vehicles moving in and out of our towns. The municipality is maintaining the tarred roads by fixing the potholes internally and is in the processes of regulating the heavy vehicles in both towns to minimize more damage to the roads.

As previously reported the newly developed townships status of roads is still in the unfavourable level and the municipality was struggling to gravel these streets due to regular breakdown of the municipal yellow fleet, however this won't be the challenge going forward as the municipality has procured a grader which is in good condition. Procurement of new yellow fleet is also a priority for the municipality to improve service delivery.

6 FINANCIAL HEALTH OVERVIEW

ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE)

Descriptions	2020/ 2021 Final Budget	2020/ 2021 Actual	2020/ 2021 Variance	2020/ 2021 Variance
	R	R	R	%
REVENUE				
Property Rates	23 100 000	25 444 738	2 344 738	10,15
Service Charges – electricity revenue	42 475 000	43 184 486	(709 486)	(1,67)
Service charges – water revenue	6 300 000	5 582 924	717 076	11,38
Service Charges – Sanitation revenue	7 385 000	6 060 577	1 324 423	17,93
Service Charges – Refuse revenue	4 920 000	3 920 717	999 283	20,31
Rental of Facilities and equipment	540 000	2 577 585	2 037 585	377,33
Interest earned – external investments	1 100 000	795 068	(304 932)	(27,72)
Interest earned – Outstanding debtors	250 000	1 799 263	1 549 263	619,71
Dividends Received	100 000	65 454	(34 546)	(34,55)
Fines, penalties and forfeits	300 000	524 100	224 100	74,70

Licences and permits	50 000	67 550	17 550	35,1
Transfers and subsidies	94 521 000	94 521 000	-	-
Public Contributions	-	152 569	152 569	100
Other revenue	2 267 000	2 112 263	(154 737)	(6,83)
TOTAL REVENUE	183 308 000	186 808 294	3 500 294	1,91
EXPENDITURE				
Employee related costs	(70 300 000)	(69 839 361)	460 639	0,66
Remuneration of councillors	(6 778 000)	(5 711 700)	1 066 300	15,73
Debt impairment	(13 000 000)	(17 699 080)	(4 699 080)	(36,15)
Depreciation and asset impairment	(20 000 000)	(33 265 951)	(13 265 951)	(66,33)
Finance charges	(3 208 000)	(10 540 821)	(7 332 821)	(228,58)
Bulk purchases	(48 209 000)	(46 974 651)	1 234 349	2,56
Lease rentals on operating lease	-	(1 868 129)	(1 868 129)	(100)
Actuarial losses	-	(6 504 544)	(6 504 544)	(100)
Other expenditure	(54 767 000)	(30 924 893)	23 842 107	43,53
TOTAL EXPENDITURE	(216 262 000)	(223 329 130)	(7 067 130)	(3,27)
SURPLUS/ (DEFICIT) FOR THE YEAR	(32 954 000)	(36 520 836)	(3 566 836)	(10,82)

7 ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

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

The positions of the municipal manager, chief financial officer, director community services and the director technical services have been filled, the post of the director corporate services is under sub-Judy care and feedback will be provided once the matter has been finalized. There are key vacant positions and the municipality is in the process of filling the key vacant positions. The municipality has appointed 2 finance managers and 3 accountants in order to beef up and improve financial services in the municipality.

Employees and councillors participated in different learning programmes and interventions during the 2020 / 21 financial year in terms of the Workplace Skills Plan submitted to LGSETA. Graduates and experiential learners received training in various fields (on the job training).

AUDITOR-GENERAL REPORT

The municipality has in the 2020/ 2021 financial year received an unqualified audit opinion. The municipality has developed an audit action plan to this effect to address all the issues identified by the office of the Auditor General on the audit of financial statements, performance information and compliance. This audit action plan will be monitored closely by Internal Audit, management and the council of the municipality to ensure effective implementation thereof. The implementation of the audit action plan is a priority of management and standing item to both the Audit committee and Management meetings.

STATUTORY ANNUAL REPORT PROCESS

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

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

8 GOVERNANCE

POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

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

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

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

9 POLITICAL STRUCTURE

MAYOR

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

SPEAKER

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

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

EXECUTIVE COMMITTEE

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

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

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

Below is the names of councillors and constituencies:

WARD COUNCILLORS

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

PR COUNCILLORS

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

Charles Horn
Elizabeth Catharina Joubert
Teboho Alec Soaisa

POLITICAL DECISION-MAKING

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

10 OTHER COUNCIL GOVERNANCE STRUCTURES

PERFORMANCE AUDIT COMMITTEE

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

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The municipal council has appointed Municipal Public Account Committee to handle matters of oversight and other municipal operations. For the reporting period, the committee conducted MPAC meetings to scrutinise and advice council on the annual report. MPAC sat in several meeting to investigate unauthorised, irregular and fruitless expenditure, however the expenditure was not investigated to determine if any person was liable for the expenditure.

ADMINISTRATIVE GOVERNANCE

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

INTERGOVERNMENTAL RELATIONS

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

11 PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

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

PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

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

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

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

Ward committees have a crucial role of ensuring that community needs are reported to the municipality through the Office of the Speaker. The municipality is in full support of all ward committees and to sustain their existence as they serve as a point of contact between the municipality and the residents. However, since the breakout of the corona virus the committee could not execute its mandate due to the covid-19 proposed measures and the lack of financial resources to avail PPE to ward committees.

IDP PARTICIPATION AND ALIGNMENT

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

12 CORPORATE GOVERNANCE

RISK MANAGEMENT

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

In executing the risk management strategy risk assessments were conducted and the risk register was compiled accordingly. Furthermore, the risk response plans to further mitigate the risks were documented and monitoring thereof was undertaken to ensure that risks owners are effectively managing risks in their respective areas of work.

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

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

ANTI-CORRUPTION AND FRAUD

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

Management, officials and the audit, performance and risk committee members' have also signed disclosure of interest forms to ensure that there won't be conflict of interest.

SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT UNIT

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

The SCM regulations stipulate the following:

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

Adoption of SCM Policy

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

BY-LAWS

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

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

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

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

WEBSITE

Documents published on the Municipality's Website	Yes / No
Current annual and adjustments budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual reports	Yes
The annual report (2019 / 20) published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2020 / 21) and resulting scorecards	Yes
All service delivery agreements	Yes
All long-term borrowing contracts	N/A
All supply chain management contracts above a prescribed value	Yes
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	Yes
Contracts agreed in to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Yes
Public-private partnership agreements referred to in section 120	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during the year (The municipality also placed the section 72 reports-Mid Year Assessment)	Yes

MUNICIPAL WEBSITE CONTENT AND ACCESS

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

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

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

PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The municipality did not conduct any public satisfaction surveys on municipal services for the period under review. The office of the Speaker will be conducting community satisfactory survey for 2021/ 22 performance of the municipality and the report from the survey will publicised once finalized and approved by council.

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

13 SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

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

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

14 BASIC SERVICES

WATER PROVISION

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

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

Total Use of Water by Sector (cubic meters)				
Year	Agriculture	Forestry	Industrial & Domestic	Unaccountable water losses
2015/ 16	N/A	N/A	2 628 674	892 367
2016/ 17	N/A	N/A	4 895 903	339 101
2017/ 18	N/A	N/A	2 335 180	343 000
2018/ 19	N/A	N/A	2 701 629	610 299
2019/20	N/A	N/A	3 331 458	543 461
2020/21	N/A	N/A	3 369 468	824 652

Description	2016/ 2017	2017/ 2018	2018/ 2019	2019/2020	2020/2021
	Actual	Actual	Actual	Actual	Actual
<u>Water: (above min level)</u>					
Piped water inside dwelling	3820	3820	3820	3820	3820
Piped water inside yard (but not in dwelling)	8172	8172	8172	8172	8172
Using public tap (within 200m from dwelling)					
Other water supply (within 200m)					
Minimum Service Level and Above sub-total	11992	12523	12523	12523	12523
Minimum Service Level and Above Percentage	100%	91%	91%	91%	91%
<u>Water: (below min level)</u>					
Using public tap (more than 200m from dwelling)					
Other water supply (more than 200m from dwelling)	NA	NA	NA	NA	NA
No water supply					
Below Minimum Service Level sub-total	0	0	0	0	0
Below Minimum Service Level Percentage	0%	0%	0%	0%	0%
Total number of households*	11992	12523	12523	12523	12523

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

Description	2016/2017	2017/ 2018	2018/2019	2019/2020	2020/2021		
	Original				Actual	Adjusted	Original
	No.	No.	No.	No.	No.		
Total households	11992	12523	12523	12523	12523	-	12523
Households below minimum service level	0		1182	1182	1182		1182
Proportion of households below minimum service level	0		0	0	0	-	0
Total households	-		-	-	-	-	-
Households below minimum service level	0		0	0	0	-	-
Proportion of households below minimum service level	0		0	0	0	-	-

SANITATION PROVISION

The municipality is committed to a clean environment and provision of sanitation services to all the household in line the RDP standards. Formalised households have got access to sanitation services in both towns and the municipality is also focusing on servicing the new developments in both towns. Ext. 4 in Tikwana/Hoopstad also known as “499 sites” construction for the internal sewerage network and toilets top structures is underway and set to complete in June 2022. The municipality has also managed to secure funds for the construction of 837 toilet structures for Extension 7 and 8 in Bultfontein. This project is still in process and has been budgeted R12.5 million.

The municipality is currently busy with phase 3 for the upgrading of bulk water supply in Bultfontein to assist in improving the quality and sustainable water supply and curb the water losses. The municipality has reported an average of 19.66% of water losses for the financial year under review.

Description	2016/ 17	2017/18	2018/ 19	2019/ 20	2020/21
	Actual	Actual	Actual	Actual	Actual
	No.	No.	No.	No.	No.
<u>Sanitation/sewerage:</u> (above minimum level)					
Flush toilet (connected to sewerage)	11 138	12523	12523	12523	12523
Flush toilet (with septic tank)	17	17	17	17	17
Chemical toilet	0	0	0	0	0
Pit toilet (ventilated)	0	0	0	0	0
Other toilet provisions (above minimum. Service level)					
<i>Minimum Service Level and Above sub-total</i>	11155	12523	12523	12523	12523
<i>Minimum Service Level and Above Percentage</i>	100%	91%	91%	91%	91%
<u>Sanitation/sewerage:</u> (below minimum level)					
Bucket toilet	0	0	0	0	0
Other toilet provisions (below min.service level)	837	1182	1182	1182	1182
No toilet provisions	0	0	0	0	0
<i>Below Minimum Service Level sub-total</i>	837	1182	1182	1182	1182
<i>Below Minimum Service Level Percentage</i>					
Total households	11992	13705	13705	13705	13705

ELECTRICITY

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

WASTE MANAGEMENT

Residents of the municipality were rendered weekly refuse collection throughout the financial year. There were disruptions with the refuse collection service in Hoopstad and Tikwana as a result of a community unrest that affected and brought the Town to a standstill. This saw the destruction of some of the equipment that the municipality uses for delivering the waste management service, as a result the municipality was at times unable to provide the collection service on a weekly basis. In Bultfontein and Phahameng there were occasional disruptions also that mainly resulted from breakdowns as the Municipality's fleet is aged. Shortage of personnel has also affected the weekly operations in some areas. Bad weather has seen some areas being inaccessible due to unsurfaced roads.

The two municipal landfill sites are licensed and still have enough air space to receive waste for more years to come. Each landfill site has a site office and the municipality has allocated a Landfill Attendant to each site. The sites are registered on the National Waste Information System. This enables the sites to report estimates of waste that enter the site on a monthly basis, this information can be used to inform planning of waste initiatives at all levels. The condition of landfill sites deteriorated during the financial year in question due to the vandalism of municipal equipment in Hoopstad and the breakdown of the aged machines that work the sites in Bultfontein. The municipality is unable to clean the sites without the appropriate machinery.

The municipality managed to secure two new tractors to beef-up the delivery of the service in Hoopstad and Tikwana. Municipality must address the shortage of workers in waste management and the issue of fleet to collect refuse and to work in the landfill site.



New Tractor for refuse collection



Aged refuse collection fleet

HUMAN SETTLEMENT

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

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

Community Services department reviewed internally a Human Settlement Sector Plan and was approved by council in June 2020. The Human Settlement Sector Plan addresses all human settlement challenges and remedial action including informal settlement related issues. Apart from that, it a legislative requirement for Municipalities to compile a human settlement plan that form part of the Integrated Development Plan. One of the core functions of a municipality is to ensure that service delivery reaches community at large and human settlement is a core function of a municipality.

The municipality has managed with the assistance of the Department of Human Settlement in the province completed the construction of 832 RDP houses in Phahameng during 2017/2018 financial year. The municipality has included in the integrated development plan the backlog of 8755 for the ervens and a RDP housing backlog of 2282. The list of number of people entered on housing and ervens waiting list increases daily. The municipality continued with the allocation of sites in extension 10 in Bultfontein. The Municipality has township establishment of (499) four hundred and ninety nine allocated sites which has successful received services in 2020/2021 financial year in Tikwana –Extension 4.

SITE ALLOCATION – 2020/21 FINANCIAL YEAR

EXTENSION	NO. OF SITE	SITE ALLOCATED TO DATE
Ext. 4 Tikwana	499	470
Ext. 9 Phahameng	481	408
Ext. 10 Phahameng / Bultfontein	429	93
652 Erven Tikwana	652	503

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

BULTFONTEIN / PHAHAMENG		
WARD NUMBER	ISSUED OUT	REMAINING TITLE DEEDS
Ward 1	1	21
Ward 2	1	16
Ward 3	0	30
Ward 4	0	13
Ward 5	0	0
TOTAL REMAINING WITHIN THE MUNICIPALITY : BULTFONTEIN		80
HOOPSTAD / TIKWANA		
WARD NUMBER	ISSUED OUT	REMAINING TITLE DEEDS
Ward 6	110	256
Ward 7	248	99
Ward 8	8	13
TOTAL REMAINING WITHIN THE MUNICIPALITY: HOOPSTAD		368

BASIC SERVICES AND INDIGENT SUPPORT

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

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

The Indigent Subsidy Scheme was introduced by the municipality in order to provide basic services to poor households (water, sanitation and energy). On an annual basis the indigent register is reviewed and residents who qualify are encouraged to apply. Entry level amount for the 2020 / 2021 financial year is determined as R3 500 per month. Grants-in-aid may, within the financial ability of the municipality, be allocated to household owners or tenants of premises who receive electricity, refuse removal, water and sewer services as well as assessment rate services, in respect of charges payable to the municipality for such services.

Free Basic Services

Free Basic Services To Low Income Households										
	Number Of Households									
	Total	Households Earning Less Than R 3 500.00 per Month								
		Free Basic Water			Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2020 / 21	12523	3674	3674	100%	3674	100%	3674	100%	3674	100%

TRAFFIC TRANSPORT

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

Gravel Road Infrastructure				
Financial year	Kilometres			
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to pave	Gravel graded/maintained roads
2011 / 12	98.8	500 m	0	180,5
2012 / 13	93.8	1 km	5 km	180.5
2013 / 14	92.3	1.5 km	0	120
2014 / 15	90.8	0	1.5 km	40 km
2015 / 16	90.8	0	0	50km
2016/ 17	90.8	0	0	36Km
2017/18	90.8	0	2 km	35 km
2018/19	90.8	0	0	37 km
2019/20	90.8	0	0	20km
2020/21	90.8	0	1.3km	25km

Tarred Road Infrastructure					
Kilometres					
Financial year	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2011 / 12	54 km	0	0	0	5 km
2012 / 13	61 km	5 km	0	0	6 km
2013 / 14	61 km	0	0	0	1.5 km
2014 / 15	61 km	0	0	0	5 km
2015 / 16	61km	0	0	0	10
2016/ 17	61Km	0	0	0	2 km
2017/18	61km	0	0	0	2km
2018/19	61km	0	0	0	1km
2019/20	61km	0	0	0	500 m
2020/21	61km	0	0	0	1km

PLANNING AND DEVELOPMENT

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

The Municipality is in a process of finalising the Land Use Management Scheme with the assistance from CoGTA and currently all Municipal township still do not have a Land Use Scheme and under the Black Communities Development Act, (Act No. 4 of 1984) which poses a limit in development as the Act is only limited to a number of land uses which it allows and which lead to slow growth within the townships. The Spatial Development Framework has been reviewed for the 2020/21 financial year and is SPLUMA compliant and includes all both township and town areas.

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

NATIONAL BUILDING STANDARDS AND REGULATIONS AWARENESS CONDUCTED FOR 2020/2021 FINANCIAL YEAR

QUARTER	WARD	PLACE	DATE
1 ST Quarter	Not conducted due to Covid-19		
2 nd Quarter	Extension 10	Bultfontein	18 November 2021
3 rd Quarter	7	Hoopstad	31 March 2021
4 th Quarter	Extension 7 & 8	Bultfontein	June 2021

Building Control division approved ninety-seven (129) building plans for the 2020/2021 financial year and the building application fees paid to the Municipality amount to a total of twelve thousand, two hundred and ninety and eighty-eight cents (R 12 290.88). Every year, Building Control Division compiles a list of completed buildings that

have been erected around Tswelopele Local Municipality to be submitted to the Finance department for the purpose of valuation roll to be updated.

LOCAL ECONOMIC DEVELOPMENT AND TOURISM

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

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

Agriculture Sector

ACHIEVEMENT by LED Unit New windmill, water tanks, animal water – tank containers, solar system power and garden equipment for irrigation system supported by Department Agriculture/Rural Development Tourism Sector.

ACHIEVEMENT by LED Training the youth in tourism by Department of Tourism, youth received a stipend of R3495 per month. The municipality has Ya Rona Digital Ambassadors Programme which is supported by (NEMISA) National Electronic Media of South Africa which provided 15 members of ambassadors with a monthly stipend of R3000 6 month. The municipality has registered Tikwana Madikoko Quest house in Visitor Guide book in FREE STATE TOUR GUIDE.

Manufacturing

SMME's Promotion

ACHIEVEMENT by LED Unit developed and promoted (3) SMMEs carwash supported by SALGA with carwash equipment R5000 per business.

Training and Registration of SMMEs Sole trading and Cooperative

ACHIEVEMENT by LED Unit registered 40 SMMEs and received (CPRO) Companies and Intellectual Property Commission certificate supported by SEDA.

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

SMME'S DEVELOPMENT

The municipality has developed local economic development strategy which still needs to be reviewed and tabled to council for approval and it is the intention of the municipality to ensure that the process is finalized soon. For the 2020/2021 financial year, the local economic development unit has embarked on establishing LED and Tourism which were aimed at creating a harmonious dialogue between the municipality and the business community. The creation of this structures has benefited the municipality greatly since there is now a platform to discuss issues affecting the development of local economy.

Subsequent to that process LED unit identified skills gaps that existed within the Small, Micro and Medium Enterprises (SMMEs) fraternity and in responding to that challenge a series of trainings were organized as follows:

- Training for tourism officer national certificate NQF level 5
- Training for unemployed youth targeting Matric/Grade 12 and Computer literate for national certificate in digital literacy NQF level 5
- Training all Small, Micro and Medium Enterprises (SMMEs) by SEDA

In further continuing developing Agriculture sector in the area the municipality is continuing to avail land to emerging farmers so that they can create sustainable jobs for themselves and on that note a total number of 2184 hectares was leased to emerging farmers in the financial year 2020/2021. In promoting sustainable livelihood there are food garden projects that were established in both Bultfontein and Hoopstad which are running satisfactorily. In Hoopstad Tikwana still have challenge grazing land for commonage user there is still stray animals' cattle and pigs in residential area

Tswelopele Local Municipality places SMME's development high on its agenda since it is one of the main pillars for the local economic development within the municipality and on that note a total amount of more than 5 million was spent on local suppliers for the financial year 2020/2021.

The Expanded Public Works Programme is one of government's programmes aimed at providing poverty and income relief through temporary work for the unemployed and as such the municipality has been able to create a total number of 150 through this initiative.

15 COMMUNITY & SOCIAL SERVICES

MUNICIPAL FACILITIES

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

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

As part of service delivery, the Municipality offer services for catering for the community's events by availing the above-mentioned facilities for various types of events. Due to covid-19 the municipality has seen a drastic drop or decrease in the renting of the above facilities for reporting period.

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

A special note should be made that most of community assets in Tikwana/Hoopstad were vandalised due to the community unrest experienced from September 2020 until 2 November 2020. The municipality is in the process of sourcing funds to rehabilitate the damaged assets and plans are also underway to use internal generated funds to make necessary improvements to the affected community assets, however damaged/burned yellow fleet assets takes preference.

CEMETERIES AND CREMATORIUMS

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

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

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

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

TRAFFIC MANAGEMENT

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

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

The unit ensures monthly reporting and consolidation of traffic fines which are submitted to internal audit and performance office. A total number of 589 traffic notices were issued during the 2020/ 2021 and the amount equal to R93 310 was received from magistrate court.

DISASTER MANAGEMENT

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

- Disaster Risk Assessment,
- Disaster Risk Reduction,
- Response and Recovery,

-
- Public and Scholar's Awareness on risk disaster and climate change management.

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

Committees:

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

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

Stakeholders:

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

EXECUTIVE AND COUNCIL

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

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

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

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

FINANCIAL SERVICE

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

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

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

HUMAN RESOURCE SERVICES

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

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

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

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

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

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

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

CAPACITATION OF THE MUNICIPAL WORKFORCE:

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

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

A number of programmes are in place to assist the employees and the municipality and all initiative programmes are aimed at building capacity for acceleration of knowledge and competencies. The municipality could to subject

all the identified officials of the municipality in line with the approved work skills plan due the financial constraints. The 2018/ 2019 and 2019/2020 budget was directed to funding of councillors training as a result the work skills plan could not be implemented accordingly.

During 2020/21 financial year the municipality did conduct skills audit in January 2021 of employees and management but Work Skills Plan was compiled and submitted to LGSETA on 30 April 2021. The municipality is training four (4) councillors for Diploma or Certificate in Local Government Law & Administration with Fort Hare University.

The following training were conducted on employees;

- Diploma in Law Certificate – 4 Councillors
- MFMP - 6 Financial Interns
- MFMP - 2 Officials – IT Officer & Risk Officer

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

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

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

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

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

Network Connectivity

This will be done in phases:

1.1 Upgraded and constant network connectivity.

Review the Financial Management Systems

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

Hardware and Software

3.1 Standardised licensed hardware and software for the municipality.

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

RISK MANAGEMENT SERVICES

RISK MANAGEMENT

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

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

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



TSWELOPELE
LOCAL MUNICIPALITY
A MUNICIPALITY IN PROGRESS

TSWELOPELE LOCAL MUNICIPALITY

ANNUAL PERFORMANCE REPORT (QUARTER 1 - 4)

TLM NON-FINANCIAL PERFORMANCE REPORT (Q1 JULY 2020 TO Q4 JUNE 2021)

REPORTING PERIOD: AS AT 30 JUNE 2021

INTRODUCTION

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

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

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

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

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

LEGISLATIVE REQUIREMENTS

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

TLM STRATEGIC PERFORMANCE

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

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

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

The purpose of this performance report is as follows:

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

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

This report covers the performance information from 1 July 2020 to 30 June 2021 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the Integrated Development Plan (IDP). In addition, the report provides an overview of improvements made to the performance management system and shortcomings that still need to be addressed and progress made in the implementation..

INSTITUTIONAL PERFORMANCE MANAGEMENT PROCESS OVERVIEW

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

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

- Adoption of the Performance Management System Policy and Framework

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

- Municipal IDP and Budget

The IDP was revised and updated for 2020/21 as well as the budget, the documents were approved by Council in June 2020. The municipality started with the process of aligning the IDP with the performance management requirements and has improved the alignment of the IDP, Budget and the SDBIP for the 2020/21 financial year.

- The Service Delivery Budget Implementation Plan

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

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

The MFMA Circular No.13 prescribes that:

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

The SDBIP was prepared, as prescribed by legislation and approved by the Mayor in July 2020 and later revised during February 2021.

MUNICIPAL SCORECARD (TOP LAYER SDBIP)

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

Components of the Top Layer SDBIP included:

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

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

ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

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

- The Top Layer SDBIP was approved by the Mayor and the information was loaded to municipal website.
- The actual results against monthly and quarterly targets set, were discussed in the monthly meetings (Dash-board and commitments) to determine early warning indicators and discuss corrective measures that were needed in cases of non-performance.
- The first and second quarterly report formed part of the section 72 report in terms of the Municipal Finance Management Act, which was submitted to the Mayor in January 2021.
- The Quarterly SDBIP performance reports were also submitted to the Audit Committee.
- Internal Audit performed a statutory compliance review which included revision of the information contained in the budget, SDBIP, reviewed IDP and reported thereon. Continuous validation of reported performance has been maintained.

INDIVIDUAL PERFORMANCE MANAGEMENT

Municipal Manager and Managers Directly Accountable to the Municipal Manager

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

The appraisal of the actual performance in terms of the signed agreement did not take place as regulated whereby the MM and Managers reporting directly to him should be assessed and evaluated.

Other Municipal Personnel

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

SERVICE DELIVERY KEY MUNICIPAL PERFORMANCE FOR 2020/2021 AND MEASURES TAKEN TO IMPROVE OVERALL MUNICIPAL PERFORMANCE

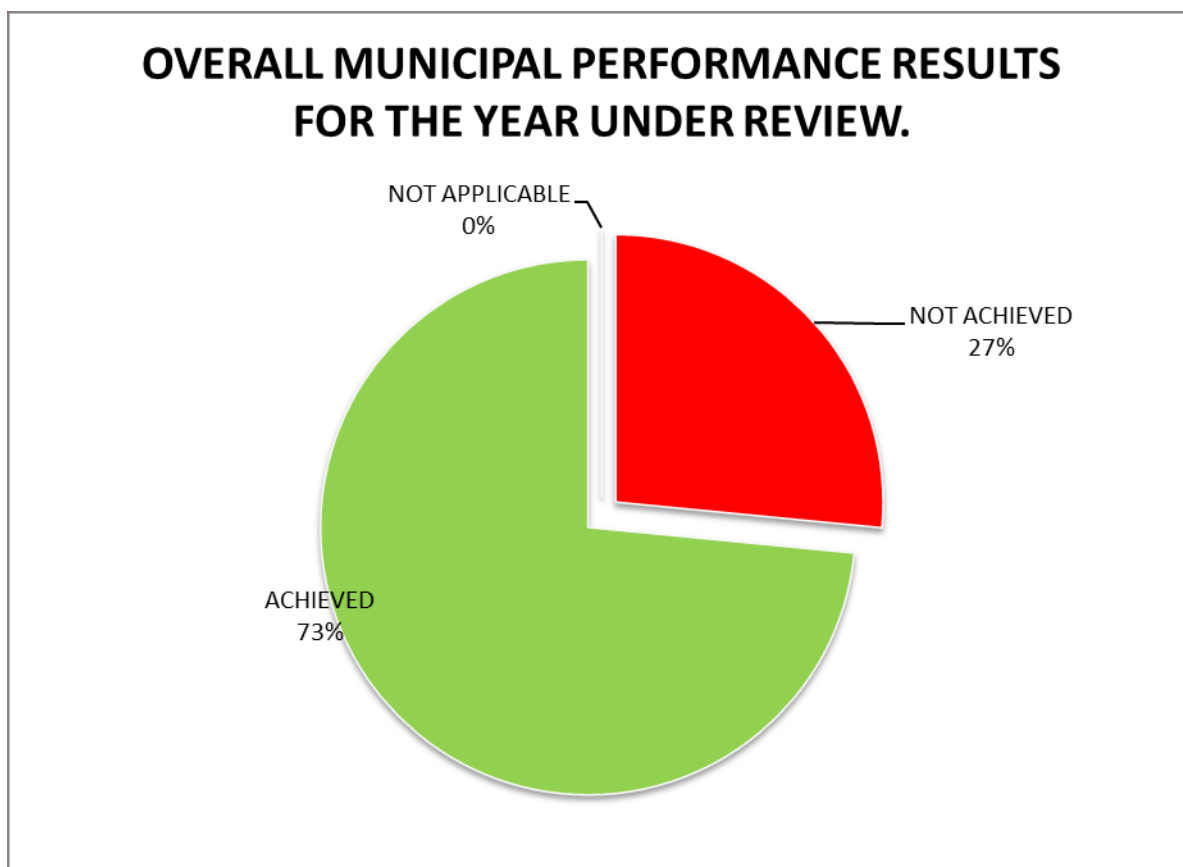
This section provides an overview on the strategic achievements of the municipality in terms of deliverables achieved. The Top Layer SDBIP and the municipality's strategic plan shows strategic alignment between the IDP, budget and the performance plans.

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

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

SYNOPSIS OF MUNICIPAL PERFORMANCE RESULTS AT A STRATEGIC LEVEL

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



MUNICIPAL MANAGERS OFFICE

The Municipal Manager's Office had (45) targets set as per the key performance indicators; Attained (31), not achieved (14).

FINANCE

The Finance Department had (38) targets set as per the key performance indicators; Attained (33), not achieved (5).

CORPORATE SERVICES

The Corporate Services had (29) targets set as per the key performance indicators; Attained (23), not achieved (6).

COMMUNITY SERVICES

The Corporate Services had (41) targets set as per the key performance indicators; Attained (29), not achieved (12).

TECHNICAL SERVICES

The Technical Services had (43) targets set as per the key performance indicators; Attained (28), not achieved (15).

PERFORMANCE DEFICIENCIES AND CORRECTIVE MEASURES PER DEPARTMENT

DEPARTMENT: MUNICIPAL MANAGER

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance
1.	Quarterly performance evaluation reports not submitted;	No reasons provided for this indicator	The target has been reviewed and included in the 2021/2022 financial year.
2.	Annual performance evaluation not performed;	No reasons provided for this indicator	The target has been reviewed and included in the 2021/2022 financial year.
3.	Appointment of consultants for the construction of Water Reticulation in Phahameng/Bultfontein Ext 10 (426 sites) could not be realized as the municipality has only gone out on tender for the panel of consultants.	No reasons provided for this indicator	The target has been reviewed and included in the 2021/2022 financial year.
4.	0% of budget spent on the upgrade of bulk water pipeline supply in Bultfontein (Actual expenditure divided by the total approved budget) x 100};	No reasons provided for this indicator	The target has been reviewed and included in the 2021/2022 financial year.

5.	50.04% of budget spent on the upgrade of bulk water pipeline supply in Hoopstad (Actual expenditure divided by the total approved budget) x 100}	No reasons provided for this indicator	The target has been reviewed and included in the 2021/2022 financial year.
6.	62.07% of budget spent on construction of sewer connections and building of toilet structures in Tikwana for 499 sites (Actual expenditure divided by the total approved budget) x 100}	No reasons provided for this indicator	The target has been reviewed and included in the 2021/2022 financial year.
7.	92% of budget spent on construction of toilet structures in Phahameng ext. 7 and 8 (Actual expenditure divided by the total approved budget) x 100};	No reasons provided for this indicator	The target has been reviewed and included in the 2021/2022 financial year.
8.	Appointment of consultant for the construction of Sewer Reticulation in Phahameng/Bultfontein Ext 10 (426 sites) could not be realized as the municipality has only gone out on tender for the panel of consultants;	No reasons provided for this indicator	The target has been reviewed and included in the 2021/2022 financial year.
9.	Appointment of consultants for the construction of Sewer Reticulation in Phahameng/Bultfontein Ext 9 was	No reasons provided for this indicator	The target has been reviewed and included in the 2021/2022 financial year.

postponed to the next financial year;

10.	77% of budget spent on the refurbishment of pump station in Tikwana (Actual expenditure divided by the total approved budget) x 100}	No reasons provided for this indicator	The target has been reviewed and included in the 2021/2022 financial year.
11.	The overall organisational overtime increased from R2 208 701,95 to R2 961 635.10;	Overtime increased due to covid_19, indigent registration and loadshedding.	None
12.	The revenue enhancement committee was not established;	No reasons provided for this indicator	The target has been reviewed and included in the 2021/2022 financial year.
13.	Revenue enhancement strategy was not reviewed for the period under review,	No reasons provided for this indicator	The target has been reviewed and included in the 2021/2022 financial year.
14.	Ward committee reports for the 4th quarter were not submitted.	Ward committee meetings could not be held due to covid_19 proposed measures and the lack of PPEs.	None

DEPARTMENT: FINANCIAL SERVICES

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance
1.	Revenue enhancement strategy was not reviewed for the period under review.	No reasons provided for this indicator	The target has been reviewed and included in the 2021/2022 financial year.
2.	Departmental overtime increased from R12 480 .38 to R15 116.13	Overtime increased due to indigent registrations	None
3.	Only 82% of issues raised and proposed corrective measures by the AGSA were attended to.	No reasons provided for this indicator	All outstanding issues will be resolved during the compilation of the AFS.
4.	Only 79% of issues raised and proposed corrective measures by the Internal auditors were attended to.	No reasons provided for this indicator	Internal audit recovery plan will be monitored and be a standing item in departmental meetings
5.	There are no quarterly reports on the implementation of the compliance checklist.	The municipality did not monitor compliance on a monthly basis as advised.	The compliance register is under development and will be monitored by the Risk Officer.

DEPARTMENT: CORPORATE SERVICES

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance
1.	The organisational structure was reviewed on 17 May 2021 and still awaiting MM's approval.	No reasons provided for this indicator	The target has been reviewed and included in the 2021/2022 financial year.
2.	Procurement for installation of Microsoft office was not done due to financial constraints of the Municipality;	Financial constraints prevented the municipality to achieve the target.	The target has been reviewed and included in the 2021/2022 financial year.
3.	There was no revenue enhancement strategy;	No reasons provided for this indicator	The target has been reviewed and included in the 2021/2022 financial year.
4.	100% compliance with section 75 of the MFMA was not achieved;	The municipality did not monitor compliance on a monthly basis as advised.	The compliance register is under development and will be monitored by the Risk Officer.
5.	Quarterly reports on the implementation of the compliance checklist not submitted;	The municipality did not monitor compliance on a monthly basis as advised.	The compliance register is under development and will be monitored by the Risk Officer.

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance
6.	Ward committee reports for the 4th quarter were not submitted.	Ward committee meetings could not be held due to covid_19 proposed measures and the lack of PPEs.	None

DEPARTMENT: COMMUNITY SERVICES

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance
1.	Local disaster advisory forums were suspended due to Covid 19 pandemic;	Covid_19 interrupted disaster forums	The target has been reviewed and included in the 2021/2022 financial year.
2.	Disaster management campaigns were suspended due to Covid 19 pandemic.	Covid_19 interrupted disaster activities	The target has been reviewed and included in the 2021/2022 financial year.
3.	Only 3 building regulations awareness campaigns were conducted and not 4;	No reasons provided for this indicator	The target has been reviewed and included in the 2021/2022 financial year.
4.	Business forums were not conducted due to Covid 19 pandemic;	Covid_19 interrupted business forums	The target has been reviewed and included in the 2021/2022 financial year.
5.	Only one side visit to commonage piggery	No reasons provided for this indicator	The target has been reviewed and

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance
	project for the year under review;		included in the 2021/2022 financial year.
6.	Tourism awareness campaigns were not conducted due to covid_19;	Covid_19 interrupted awareness campaigns	The target has been reviewed and included in the 2021/2022 financial year.
7.	Departmental procurement plan not developed;	No reasons provided for this indicator	None
8.	Departmental overtime increased from R248 697.90 to R605 063.19.	No reasons provided for this indicator	None
9.	Departmental standby increased from R89 209.47 to R92 098.57.	No reasons provided for this indicator	None
10.	Only 70% of issues raised and proposed corrective measures by the AGSA were attended to;	No reasons provided for this indicator	None
11.	Service delivery improvement plan not developed;	No reasons provided for this indicator	None
12.	Quarterly reports on the implementation of the compliance checklist were not	The municipality did not monitor compliance on a	The compliance register is under development and will be monitored by the

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance
	reported.	monthly basis as advised.	Risk Officer.

DEPARTMENT: TECHNICAL SERVICES

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance
1.	Water losses for 2020/21 is 19.66%	The municipality is not taking water readings in both townships as such is charging flat rates for the water service. This is caused by damaged water meters and leaking toilet cisterns. The municipality has plans to replace or repair damaged water meters and charge households accordingly for water consumed.	None
2.	Appointment of consultants for the construction of Water Reticulation in Phahameng/Bultfontein Ext 10 (426 sites) could not be realized as the municipality has only gone out on tender for the panel of consultants.	No reasons provided for this indicator	The target has been reviewed and included in the 2021/2022 financial year.

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance
3.	0% of budget spent on the upgrade of bulk water pipeline supply in Bultfontein (Actual expenditure divided by the total approved budget) x 100};	No reasons provided for this indicator	The target has been reviewed and included in the 2021/2022 financial year.
4.	50.04% of budget spent on the upgrade of bulk water pipeline supply in Hoopstad (Actual expenditure divided by the total approved budget) x 100};	No reasons provided for this indicator	The target has been reviewed and included in the 2021/2022 financial year.
5.	Electricity losses for 2020/21 is 19.07%;	No reasons provided for this indicator	None
6.	62.07% of budget spent on construction of sewer connections and building of toilet structures in Tikwana for 499 sites (Actual expenditure divided by the total approved budget) x 100}	No reasons provided for this indicator	None
7.	92% of budget spent on construction of toilet structures in Phahameng ext. 7 and 8 (Actual expenditure divided by the total approved budget) x 100};	No reasons provided for this indicator	None

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance
8.	Appointment of consultant for the construction of Sewer Reticulation in Phahameng/Bultfontein Ext 10 (426 sites) could not be realized as the municipality has only gone out on tender for the panel of consultants;	No reasons provided for this indicator	The target has been reviewed and included in the 2021/2022 financial year.
9.	Appointment of consultants for the construction of Sewer Reticulation in Phahameng/Bultfontein Ext 9 was postponed to the next financial year;	No reasons provided for this indicator	The target has been reviewed and included in the 2021/2022 financial year.
10.	77% of budget spent on the refurbishment of pump station in Tikwana (Actual expenditure divided by the total approved budget) x 100	No reasons provided for this indicator	The target has been reviewed and included in the 2021/2022 financial year.
11.	Revenue enhancement strategy was not reviewed and acknowledged for the year under review;	No reasons provided for this indicator	The target has been reviewed and included in the 2021/2022 financial year.
12.	Departmental overtime increased from 1 857 263.41 in 2019/20 to 2 319 890.39 in	Overtime increased as a result of loadshedding which affected most pump stations for both water	None

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance
	2020/21;	and sewer. Covid_19 also necessitated the increase of hours for essential services workers.	
13.	Standby increased from 925 221.77 in 2019/20 to 1 025 911.33 in 2020/21;	Standby increased as a result of loadshedding which affected most pump stations for both water and sewer. Covid_19 also necessitated the increase of hours for essential services workers.	None
14.	Only 87% of issues raised and proposed corrective measures by the AGSA were attended to;	No reasons provided for this indicator	The department will ensure that all outstanding issues are resolved before the AFS can be finalized.
15.	Quarterly reports on the implementation of the compliance checklist not submitted.	The municipality did not monitor compliance on a monthly basis as advised.	The compliance register is under development and will be monitored by the Risk Officer.

CONCLUSION

Thus, this report reflects the municipal performance as at 30 June 2021. This is a high level report based on the scores obtained through a process whereby Key Performance Indicators and targets are compared to the initial planning as contained in the 2020/21 SDBIP.

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

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

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

17 SERVICE PROVIDERS PERFORMANCE FOR 2020/ 2021 FINANCIAL YEAR.

SERVICE PROVIDER	PROJECT NAME	BUDGET VALUE	CONTRACT DURATION	PROJECT STATUS	END USER REMARKS ON OVERALL PERFORMANCE BY THE PROVIDER
CORPORATE SERVICE (ICT PERFORMANCE)					
ATCOMM T/A NTELECOMM	Supply and Installation of VOIP/ DATA Solution, Internet, Email services and VPN Hosting for Period ending 30 June 2020.	R29 500 pm fixed rental, without usage	36 Months	Still in Progress (Contract has ended)but they on extension of month to month.	Satisfied with the overall performance provided to the municipality
KGB GROUP	Proposal for the Provision of three(3) year lease and Maintenance agreement of Business machines (Photocopiers , printers& faxes)Period ended 30 June 2021.	As per the tender document	36 Months	Still in Progress (Contract has ended)but they on extension of month to month.	Satisfied with the overall performance provided to the municipality
TECHNICAL SERVICE (PROJECT PERFORMANCE)					
ZALISILE MSEBENZI CIVILS	The construction of cricket Pitch and the completion of community sports facilities: Phahameng/ Tikwana	R 11 259 700.13	6 Months	100% Complete	Not Satisfied with the overall performance provided to the municipality
ZALISILE MSEBENZI CIVILS	Upgrading of Bulk water supply Phase3-Contract B Hoopstad.	R14 968 851.10	48 Weeks	56.75% Complete	Satisfied with the overall performance provided to the municipality.
MLK ENGINEERING AND CONSULTANTS PTY(LTD)	Upgrading of Bulk Water supply Phase3- Contract A	R17 174 110.58	46 Months	0% Complete (just started)	Satisfied with the overall performance provided by the contractor

SERVICE PROVIDER	PROJECT NAME	BUDGET VALUE	CONTRACT DURATION	PROJECT STATUS	END USER REMARKS ON OVERALL PERFORMANCE BY THE PROVIDER
UNATHI CIVIL CONSTRUCTION	The Construction of 837 toilet structure in Ext 7&8 Phahameng Bultfontein.	R 11 259 700.13	6 Months	75% Complete	Satisfied with the overall performance provided to the municipality.
HT PELATONA PROJECTS (PTY) LTD	The Refurbishment of Pump Stations in Hooopsatd / Tikwana	R 9 326 415.91	6 Months	83 % Complete	Satisfied with the overall performance provided to the municipality.
IRRIGATION EQUIPMENT SUPPLIES	The Construction of toilet structures-reticulation (499)Tikwena / Hoopstad.	R 12 728 615.15	12 Months	85% Complete	Satisfied with the overall performance provided to the municipality
NOMANO TRADING	Tswelopele Local Municipality: Phahameng/ Bultfontein: The Construction of 1.3km paved road and related storm water	R10 629 687.04	6 Months	100% complete	Satisfied with the overall performance provided to the municipality.
GAREPALELWENG TRADING AND PROJECTS	Supply and Delivery of diesel/fuel for Tswelopele Local Municipality : Bultfontein and Hoopstad Unit	R 257 999.00	2 Months	100% Complete	Satisfied with the overall performance provided to the municipality
VETRIVIER BOEREDIENSTE (PTY)LTD	Supply and Delivery of diesel/fuel for Tswelopele Local Municipality : Bultfontein and Hoopstad Unit	R 134 460.00	1 Months	100% Complete	Satisfied with the overall performance provided to the municipality
NEWTONGATE	Supply and Delivery of diesel/fuel for Tswelopele Local Municipality : Bultfontein and Hoopstad Unit	R 185 117.40	1 Year	100% Complete	Satisfied with the overall performance provided to the municipality
MBCDE CONSTRUCTION JV	Supply and Delivery of diesel/fuel for Tswelopele Local Municipality : Bultfontein and Hoopstad Unit	R 106 650.00	1 Year	100%Complete	Satisfied with the overall performance provided to the municipality
NEWTONGATE	Supply and Delivery of diesel/fuel	R 198 814.50	1 Year	100% Complete	Satisfied with the overall

SERVICE PROVIDER	PROJECT NAME	BUDGET VALUE	CONTRACT DURATION	PROJECT STATUS	END USER REMARKS ON OVERALL PERFORMANCE BY THE PROVIDER
	for Tswelopele Local Municipality : Bultfontein and Hoopstad Unit				performance provided to the municipality
VETRIVIER BOEREDIENSTE (PTY)LTD	Supply and Delivery of diesel/fuel for Tswelopele Local Municipality : Bultfontein and Hoopstad Unit	R 114 120.00	1 Month	100% Complete	Satisfied with the overall performance provided to the municipality
MBCD CONSTRUCTION JV	Supply and Delivery of diesel/fuel for Tswelopele Local Municipality : Bultfontein and Hoopstad Unit	R 64 450 .00	1 Year	100% Complete	Satisfied with the overall performance provided to the municipality
VETRIVIER BOEREDIENSTE (PTY)LTD	Supply and Delivery of diesel/fuel for Tswelopele Local Municipality : Bultfontein and Hoopstad Unit	R 124 380.00	1 Month	100% Complete	Satisfied with the overall performance provided to the municipality
VETRIVIER BOEREDIENSTE (PTY)LTD	Supply and Delivery of diesel/fuel for Tswelopele Local Municipality : Bultfontein and Hoopstad Unit	R 143 800.00	1 Month	100% Complete	Satisfied with the overall performance provided to the municipality
FINANCE DEPARTMENT (PERFORMANCE)					
BATHUSI CONSULTANTS	Proposal for complication of Grap Complaint annual financial Statement and Assets Register for Financial Year 2019/20	R		100 % Complete	Satisfied with the overall performance provided to the municipality (Contract has ended: 30 March 2021)
MODISENYANE PROPERTY CONSULTANTS	Valuation roll	R2 250 000	72 Months	100% Complete	Satisfied with the overall performance provided to the municipality (Contract has not ended).
FIDELITY SECURITY SERVICES	Cash in transit services	401 760.00 for 3 years with 10% escalation	36 Months	100% Complete	Satisfied with the overall performance provided to the

SERVICE PROVIDER	PROJECT NAME	BUDGET VALUE	CONTRACT DURATION	PROJECT STATUS	END USER REMARKS ON OVERALL PERFORMANCE BY THE PROVIDER
					municipality (Contract has ended).
ERMSA ELECTRICAL	Construction of Switch Stations in Bultfontein and Hoopstad network	8,377,012.98	20 Months	98% complete	Satisfied with the overall performance provided to the municipality
Blaq m Consultants	Short - term Insurance	449 623.00 first year, exclusive of new additions	33 Months	Still in Progress (Contract has not ended)	Satisfied with the overall performance provided to the municipality
Marwin Marketing	Supply and Delivery of Water Purification Chemicals to Tswelopele Local Municipality for period ending 30 June 2020	266,486.40	32 Months	Still in Progress (Contract has not ended)	Satisfied with the overall performance provided to the municipality
Durcharme Consulting	Value added recovery services	9% of the amount claimed from SARS	32 Months	100% Complete	Satisfied with the overall performance provided to the municipality
Test It lab	Water analysis and Reporting	753.99 per sampling and reporting	36 Months	Still in Progress (Contract has not ended)	Satisfied with the overall performance provided to the municipality

18 ORGANISATIONAL DEVELOPMENT PERFORMANCE

EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Relevant Department	Approved posts	Employees No	Vacancies No	Vacancies %
30 JUNE 2021				
TECHNICAL SERVICES	121	78	43	35.54
COMMUNITY SERVICES	118	89	29	24.58
FINANCIAL SERVICES	34	24	10	29.41
CORPORATE SERVICES	25	21	4	16
MUNICIPAL MANAGER	7	5	2	29
30 JUNE 2020				
TECHNICAL SERVICES	121	83	38	31.40
COMMUNITY SERVICES	118	93	25	21.19

FINANCIAL SERVICES	34	24	10	29.41
CORPORATE SERVICES	25	20	5	20
MUNICIPAL MANAGER	7	3	4	57

MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

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

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

INJURIES, SICKNESS AND SUSPENSIONS

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

- ♦ IOD investigations and the response from the Department of Labour.
- ♦ IOD'S attended to during 2020/ 2021.

Employees injured on duty:

- ♦ Hoopstad and Bultfontein : 8

TYPES	CAUSE OF INJURY	NUMBER OF AFFECTED EMPLOYEES
Trailers	Falling from trailer behind the tractor and causing injuries.	2
Tools	Not handling tools accordingly can injure a person.	0
Negligence	Not paying attention when performing duties.	0
Hit by an objects	Flying object from mowing machines.	3
Object lifting	Employees lift heavy object and strain themselves [they don't ask for help].	1
Slipped / fell	Employees don't pay attention to slippery places or floors. They don't check steps.	0
Others	Some employees were stung by bees and bitten by spiders. Foreign particle in the eye.	2

Total number of injured employees	8
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TYPE OF INJURY		INJURY DAYS TAKEN	EMPLOYEE INJURY DAYS	AVERAGE INJURY LEAVE PER EMPLOYEE DAYS
Need basic medical attention	2	100	8	5
Temporary disablement	0	0	0	0
Permanent disablement	0	0	0	0
Fatal	0	0	0	0
Total	2	100	8	5

The total number of IOD leave days taken by injured employees was 100 days.

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

The cases in Bultfontein range from employees being injured by objects falling on them or being struck by objects and employees others hit by bees and bitten by the dog while performing their duties.

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

Awareness Campaigns:

Awareness campaigns conducted were on:

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

PERFORMANCE REWARDS

The municipality has in the financial year under review conducted quarterly performance assessments and 2020/2021 annual performance assessments for the Municipal Manager, Chief Financial Officer, Director Community Services and Director Technical Services are scheduled to be concluded before the end of 2022 financial year.

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

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

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

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

SKILLS DEVELOPMENT AND TRAINING

LGSETA STRATEGIC FOCUS AREA	MUNICIPAL KEY PERFORMANCE AREA	MAIN IDP PRIORITY LINKED TO KEY PERFORMANCE AREA	TOTAL NUMBER TRAINED					
			EMPLOYED		TOTAL	UNEMPLOYED		TOTAL
			FEMALE	MALE		FEMALE	MALE	
Infrastructure and Service Delivery	Basic Service Delivery and Infrastructure Development	To ensure access to basic service delivery	3	10	13	0	0	0
Community Based Participation and Planning	Good Governance and the Deepening of Democracy	To build and enhance the governance system	1	5	6	0	0	0
Management and Leadership	Municipal Transformation and Institutional Development	To enhance public participation	1	3	4	0	0	0
Financial Viability	Municipal Financial Viability and Management	To strengthen the financial management system	0	0	0	0	0	0
Community Based Participation and Planning	Sustainable Local Economic Development	To enhance public participation	0	0	0	0	0	0
SUB-TOTAL			5	18	23	0	0	0
NUMBER OF BENEFICIARIES WHO COMPLETED TRAINING BY TYPE OF LEARNING INTERVENTION								
TYPE OF LEARNING	NUMBER OF BENEFICIARIES BY OCCUPATION CATEGORY							TOTAL

INTERVENTION	Legislators	Managers	Professionals	Technicians and Trade Workers	Community and Personal Services Workers	Clerical and Administrative Workers	Sales and Service Workers	Machine ry Operators and Drivers	Elementary Workers	57
Apprenticeship	0	0	0	0	0	0	0	0	0	0
Bursary	0	0	0	0	0	0	0	0	0	0
Learnership	0	0	5	0	0	0	5	0	0	10
RPL	0	0	0	0	0	0	0	0	0	0
Skills Programme	0	0	0	0	0	5	0	0	1	6
Short Course: Non-credit	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	5	0	0	5	0	0	1	16

TYPE OF LEARNING INTERVENTION BY NQF LEVEL

TYPE OF LEARNING INTERVENTION	NQF LEVEL OF LEARNING INTERVENTIONS										TOTAL
	1	2	3	4	5	6	7	8	9	10	
Apprenticeship	0	0	0	0	0	0	0	0	0	0	0
Bursary	0	0	0	0	0	0	0	0	0	0	0
Learnership	0	0	0	0	0	10	0	0	0	0	10
RPL	0	0	0	0	0	0	0	0	0	0	0
Skills Programme	0	0	2	0	0	1	1	1	1	0	6
Short Course: Non-credit	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	2	0	0	11	1	1	1	0	16

19 FINANCIAL PERFORMANCE

This chapter comprises of three components:

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

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The information will be included after the final audited set of the 2020/ 2021 Financial Statements.

Tswelopele Local Municipality

(Registration number FS183)

Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Performance

Figures in Rand	2021	2020
		Restated*
Revenue		
Revenue from exchange transactions		
Service Charges	58 748 704	55 817 105
Rental of facilities and equipment	2 577 585	1 282 597
Interest received – trading	1 799 263	1 622 500
Licences and permits	67 550	74 990
Change in finance lease liability	-	177 011
Operational Revenue	2 112 263	1 112 782
Interest received – Investment	795 068	1 420 190
Gain on disposal of assets and liabilities	-	157 694
Fair value adjustment	514 860	-
Actuarial gains	837 347	-
Gain on biological assets and agricultural produce	105 100	106 100

Dividends received	65 454	61 437
Total revenue from exchange transactions	67 623 194	61 832 406
Revenue from non-exchange transactions		
Taxation revenue		
Property rates	25 444 738	22 334 415
Transfer revenue		
Government grants & subsidies	139 786 952	92 837 741
Public contributions and donations	152 569	-
Fines, penalties and forfeits	524 100	360 900
Total revenue from non-exchange transactions	165 908 359	115 533 056
Total revenue	233 531 553	177 365 462
Expenditure		
Expenditure		
Employee related costs	(69 839 361)	(64 124 928)
Remuneration of councillors	(5 711 700)	(5 708 127)
Depreciation and amortisation	(32 401 260)	(27 383 741)
Impairment of assets	(864 691)	(808 395)
Finance costs	(10 540 821)	(5 081 544)
Lease rentals	(1 868 129)	(435 609)
Debt impairment	(17 699 080)	(16 204 720)
Bulk purchases	(46 974 651)	(43 352 824)
Contracted services	(6 504 544)	(5 440 600)
Loss on disposal of assets and liabilities	(1 437 736)	-
Fair value adjustments	-	(2 959 105)
Actuarial losses	-	(236 861)
Work-in-progress write off	(2 500)	-
General Expenses	(30 924 893)	(26 076 911)
Total expenditure	(224 769 366)	(197 813 365)
(Deficit)/Surplus for the year end	8 762 187	(20 447 903)

GRANTS

Government grants and subsidies	2021	2020
Capital and operating grants		
Equitable share	91 453 000	74 224 000
Financial Management Grant	1 900 000	1 970 000
EPWP Government Grant	1 168 000	1 319 000
Disaster Relief Grant	-	179 000
Water Services Infrastructure Grant	11 000 000	-
Regional Bulk Infrastructure	13 015 581	3 704 112
Municipal infrastructure grant	21 250 371	11 441 629
	139 786 952	92 837 741

ASSET MANAGEMENT

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

The municipality has secured the services of the SCM and Asset Manager for proper and improved management of assets in the municipality.

SOURCES OF FINANCE

Figures in Rand	2021	2020
Revenue		
Service Charges	58 748 704	55 817 105
Rental of facilities and equipment	2 577 585	1 282 597
Interest received – trading	1 799 263	1 622 500
Licences and permits	67 550	74 990
Change in finance lease liability	-	177 011
Operational Revenue	2 112 263	1 112 782
Interest received – Investment	795 068	1 420 190
Gain on disposal of assets and liabilities	-	157 694
Fair value adjustment	514 860	-
Actuarial gains	837 347	-
Gain on biological assets and agricultural produce	105 100	106 100
Dividends received	65 454	61 437
Total revenue from exchange transactions	67 623 194	61 832 406

CASH FLOW MANAGEMENT AND INVESTMENTS

Cash Flow Statement

Figures in Rand	2021	2020
		Restated*
Cash flows from operating activities		
Receipts		
Sale of goods and services	63 400 804	66 725 442
Grants	134 740 581	97 298 276
Interest income	795 068	1 420 190
Dividends received	65 454	61 437
Fines, penalties and forfeits	355 169	317 690
	199 357 076	165 823 035
Payments		
Employee costs	(74 885 477)	(71 223 348)
Suppliers	(83 651 133)	(75 065 232)
Finance costs	(958 063)	(1 198 150)
	(159 494 673)	(147 486 730)
Net cash flows from operating activities	39 862 403	18 336 305
Cash flows from investing activities		
Purchase of property, plant and equipment	(39 608 172)	(13 595 849)
Proceeds from sale of biological assets	-	133 900
Proceeds from sale of assets and liabilities	981 510	180 000
Net cash flows from investing activities	(38 626 662)	(13 281 949)
Cash flows from financing activities		
Repayment of other financial liabilities	220 118	(2 610 060)

Finance lease incurred	-	201 356
Finance lease payments	(505 457)	-
Net cash flows from financing activities	(285 339)	(2 408 704)
<hr/>		
Net increase / (decrease) in cash and cash equivalents	950 402	2 645 652
Cash and cash equivalents at the beginning of the year	11 536 684	8 891 030
Cash and cash equivalents at the end of the year	12 487 086	11 536 682

OTHER FINANCIAL MATTERS

The information will be included after the final audited set of the 2020/ 2021 Financial Statements.

SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT UNIT

The functions of the SCM unit involve:

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

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

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

The SCM regulations stipulate the following:

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

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

INTERNAL SCM PROCEDURES AND PROCESSES

Threshold values

The threshold values have been determined as follows:

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

SCM Process for acquisitions up to R200 000.00

The SCM process of Tswelopele Local Municipality operates as follows;

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

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

SCM Process for acquisition above R200 000.00

Bid Documents

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

Bid Committee Structures

The following committees have been established:

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

The Accounting Officer appoints members for each committee.

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

i) Bid Specification committee – must be composed of:

a) One or more officials of the municipality, preferably from user departments requiring the goods or services.

b) SCM practitioners

c) And when appropriate, include external technical specialists.

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

a) Officials from departments requiring the goods and services

b) At least one SCM practitioner of the municipality

iii) Bid adjudication committee – must consist of

a) At least four senior managers of the municipality (including the CFO)

b) At least one SCM practitioner who is an official of the municipality

c) A technical expert in the relevant field who is an official of the municipality

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

MUNICIPAL SERVICE CHARGES ASSESSMENT AND OUTSTANDING DEBTORS.

	2021	2020
Consumer debtors		
Gross balances		
Electricity	17 693 377	14 152 871
Water	16 079 160	13 287 110
Sewerage	22 697 425	18 641 915
Refuse	17 054 893	12 950 395
Other	7 413 780	5 126 508
	80 938 635	64 158 799

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Tswelopele Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Tswelopele Local Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 10 of 2020 (Dora).

Basis for opinion

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

Material uncertainty relating to going concern

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

7. Note 61 to the financial statements indicates that the municipality's current liabilities exceeded its current assets by R44 753 959 as at 30 June 2021. In addition, the municipality owed Eskom R51859 855 (2020: R45 931 583) and the water board R11 336 897 (2020: R12 621 170) as at 30 June 2021, both of which debts were long overdue. These events or conditions, along with other matters as set forth in note 61, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matters

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

Irregular expenditure

9. As disclosed in note 55 to the financial statements, the municipality incurred irregular expenditure of R25 279 466 (2020: R38 931 707), due to non-compliance with supply chain management (SCM) requirements. In addition, the full extent of irregular is in process of being determined.

Restatement of corresponding figures

10. As disclosed in note 49 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2021.

Material impairment

11. As disclosed in note 36 to the financial statements, receivables from exchange transactions and receivables from non-exchange transactions were impaired by R17 699 080 (2020: R16 204 720).

Material losses

12. As disclosed in note 37 to the financial statements, material electricity distribution losses of 15,06% (2020: 17,63%) were incurred by the municipality mainly due to line losses, tampering and theft.

Other matter

13. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

14. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This

disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

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

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

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

Report on the audit of the annual performance report

Introduction and scope

19. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for key performance areas (KPAs) objectives presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

20. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
21. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected KPA presented in the municipality's annual performance report for the year ended 30 June 2021:

KPA	Pages in the annual performance report
KPA 2 – infrastructure development and service delivery	x – x

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

KPA 2 – infrastructure development and service delivery

Various indicators

24. I was unable to obtain sufficient appropriate audit evidence for the achievements for two of the indicators relating to this KPA. This was due to the lack of accurate and complete records. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report for the indicators listed below:

Indicator description	Planned target	Report achievement
Provide formalised households, public facilities and businesses with access to clean, quality and	90% of formalised households, public facilities and	100% of formalised households, public facilities and businesses supplied

sustainable water services	businesses supplied with clean, quality and sustainable water services	with clean, quality and sustainable water services
Provide formalised households, public facilities and businesses with access to safe and sustainable sanitation services.	90% of all formalised households, 100% of public facilities and businesses with access to safe and sustainable sanitation services	100% of all formalised households, public facilities and businesses have access to safe and sustainable sanitation services

Other matters

25. I draw attention to the matters below.

Achievement of planned targets

26. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the reliability of the reported performance information in paragraph 24 of this report.

Adjustment of material misstatements

27. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of KPA2 - infrastructure development and service delivery. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

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

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

Annual financial statements

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

Expenditure management

31. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The value of R25 279 466, as disclosed in note 55, is not complete, as management was still in the process of quantifying the full extent of the irregular expenditure. The majority of the disclosed irregular expenditure was caused by non-compliance with procurement processes when awarding quotations and competitive bids. Irregular expenditure amounting to R6 870 461 was incurred on the construction of toilet structures and sewer connections reticulation (499 sites) in Tikwana and Hoopstad.
32. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R1 387 000, as disclosed in note 53 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by the overspending of the approved budget.

Revenue management

33. An adequate management, accounting and information system which accounts for revenue was not in place, as required by section 64(2)(e) of the MFMA.
34. An effective system of internal control for debtors was not in place, as required by section 64(2)(f) of the MFMA.

Asset management

35. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.

Procurement and contract management

36. Some of the written quotations were accepted from prospective providers who were not on the list of accredited prospective providers and did not meet the listing requirements prescribed by the SCM policy, in contravention of SCM regulations 16(b) and 17(1)(b).
37. Some of the quotations were accepted from bidders whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43. Similar non-compliance was also reported in the prior year.

38. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a).
39. Some of the contracts were extended or modified without the approval of a properly delegated official, in contravention of SCM regulation 5. Similar non-compliance was also reported in the prior year.
40. Sufficient appropriate audit evidence could not be obtained that the performance of contractors or providers was monitored on a monthly basis as required by section 116(2) of the MFMA.
41. Sufficient appropriate audit evidence could not be obtained that contract performance and monitoring measures were in place to ensure effective contract management as required by section 116(2)(c)(ii) of the MFMA.

Consequence management

42. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person was liable for the expenditure, as required by as required by section 32(2)(a) of the MFMA.
43. Irregular expenditure incurred by the municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Other information

44. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected KPA presented in the annual performance report that have been specifically reported in this auditor's report.
45. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
46. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected KPA presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
47. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and

request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

48. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.
49. Leadership did not adequately monitor and enforce the implementation of the corrective measures included in the audit action plan to address inadequate internal control measures. Leadership also did not apply consequence management for weaknesses in the finance and SCM directorates relating to procurement and contract management to prevent irregular expenditure.
50. Management's failure to prioritise, develop and apply standard operating procedures to manage performance reporting, including the safeguarding of information and effective monitoring and evaluation of reported performance information, resulted in material adjustments to the annual performance report.
51. Management's lack of detailed review of the financial statements and the underlying records, due to significant vacancies in the finance division, resulted in material misstatements. These misstatements were not detected and corrected or prevented by the municipality's internal processes. The corrected misstatements resulted in material non-compliance included in the report.

Bloemfontein

30 November 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected KPA and on the municipality's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Tswelopele Local Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

**20 ANNUAL FINANCIAL STATEMENT WITH THE ANNUAL AUDIT COMMITTEE REPORT
2020 / 2021 FINANCIAL YEAR (ANNEXURE A)**

2020/ 2021 Financial Statements.

21 AUDIT RECOVERY PLAN

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 AUDIT							
FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
GOVERNANCE	CoAF 7: 1. AFS High-level review Differences between the TB and GL	Significant differences between the TB and the GL were identified while performing a high-level review of the financial statements that were submitted for audit.	This occurred due to inadequate review of the financial statements prior to submission for audit to detect and correct all errors, omissions and inconsistencies in the financial statements and the notes.	Management should ensure that the audit file supports the information in the financial statements	CFO and Municipal Manager	31-Aug-22	Reviewed/Signed-off audit file
				Management should ensure that the financial statements are properly reviewed before submission to AGSA			Audit committee, Internal Audit and Management review comments

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
PROPERTY, PLANT AND EQUIPMENT	CoAF 14: PPE - AFS High-level review Differences between the AFS and PPE register	Significant differences between the AFS and the PPE register were identified while performing a high-level review of the financial statements that were submitted for audit	This occurred due to inadequate review of the financial statements prior to submission for audit to detect and correct all errors, omissions and inconsistencies in the financial statements and the notes.	Management should ensure that the audit file supports the information in the financial statements	CFO and Municipal Manager	31-Aug-22	Reviewed/Signed-off audit file
				Management should ensure that the financial statements are properly reviewed before submission to AGSA			Audit committee, Internal Audit and Management review comments
GOVERNANCE	CoAF 18: 1. Payables - Difference between AFS and General	Differences between the AFS and GL were noted during the audit of payables	A lack of proper review by management to ensure that the GL submitted	Management should ensure that the audit file supports the information in the financial statements	CFO and Municipal Manager	31-Aug-22	Reviewed/Signed-off audit file

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
	ledger		for audit agrees with AFS.	Management should ensure that the financial statements are properly reviewed before submission to AGSA			Audit committee, Internal Audit and Management review comments
PAYABLES	CoAF 19: 1. Payables - Overstatement of the leave provision	During the audit of the leave provision it was noted that the provision was calculated for days which exceeded 48 days in contravention with the collective agreement.	High staff turnover or vacancies in the municipality	Management should only make leave provisions to a maximum of 48 days per employee	CFO	31-Aug-22	Leave provision schedule
			The matter occurred as certain employees of the municipality were unable to	All employees with leave days beyond 48 should be notified to take leave	Manager HR and Legal Services	Monthly WEF 01 December 2021	HR Correspondence

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
			take leave due to operational reasons.	Leave days in excess of 48 days not taken should fall away	Manager HR and Legal Services	Monthly WEF 01 December 2021	Leave Book
CONTINGENT LIABILITY	CoAF 22: Contingent liabilities - ASF high level differences	Significant differences between the AFS and contingent register were identified while performing a high-level review of the financial statements submitted for audit: • Case disclosed in the AFS is not on contingent register: RazzMatezz - The matter relates to the construction of 1.3km paved road. R7 384 024 • Case against Senwes limited is	This occurred due to inadequate review of the financial statements prior to submission for audit to detect and correct all errors, omissions and inconsistencies in the financial statements and the notes	Management should ensure that the audit file supports the information in the financial statements	CFO and Municipal Manager	31-Aug-22	Reviewed/Signed-off audit file
				Management should ensure that the financial statements are properly reviewed before submission to AGSA			Audit committee, Internal Audit and Management review comments

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
		disclosed in the AFS at R0 amount and the register amount is R68 719,72					
REVENUE SERVICE CHARGES	CoAF 94: Service Charges - Electricity - Completeness	1, Properties obtained from the meter reading book could not be traced to the billing report; 2, Certain accounts were not billed	This is due to lack of proper review and record keeping to ensure that all meter readings are	Management should review the properties located in its jurisdiction and ensure that all electricity services are billed.	Manager Budget and Revenue	Monthly WEF 01 December 2021	Billing and exception reports

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
		although the meter books indicate that there were usage; and 3, Certain accounts showed a positive usage on the meter book but a negative billing on the billing report.	correctly captured on the system.	Management should ensure that billing is based on meter readings			Billing and exception reports

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
REVENUE SERVICE CHARGES	CoAF 101: Service Charges - Refuse Removal - Occurrence	<p>During the audit of revenue from refuse removal, the following concerns were identified:</p> <p>A) Properties that belong to the municipality as per the valuation roll, and with further inspection of the account it was determined that no title deed exists nor rental were charged on the property and also no payments were made on the account. Therefore, we could not confirm the occurrence of revenue charged</p>	<p>Management did not ensure that refuse removal is not charged on property that is owned by the municipality and where there is no occupancy by third parties.</p>	<p>Management should ensure that refuse removal is not charged on property that is owned by the municipality and where there is no occupancy by third parties.</p>	<p>Manager Budget and Revenue</p>	<p>Monthly WEF 01 December 2021</p>	<p>Billing reports</p>

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
		<p>B. Certain accounts could not be traced to the valuation roll. Therefore, we could confirm the occurrence of revenue charged.</p> <p>C) The property address's of the below mentioned accounts did not match the property addresses as per the valuation roll. Therefore, could we could not confirm the occurrence of refuse removal revenue charged</p>					

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
GOVERNANCE	CoAF 116: Unauthorised Expenditure - Not investigated by council committee	Contrary to the above requirements, unauthorised expenditure was written-off without proper investigation by council committee. Through inspection of the investigation report it was indicated that:	This was due to the unavailability of records from the prior years.	Management should ensure proper record keeping to enable investigations of unauthorised expenditure by council committee	Municipal Manager	Monthly WEF 01 December 2021	Unauthorised expenditure schedules and records
		"Most of the transaction here cannot be traced as most of the information that was captured on the		MPAC should investigate UIF expenditure	Municipal Manager		MPAC Meeting minutes, attendance register and Investigation report

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
		system was lost during the migration from Sebata system to the newly installed system of Moonsoft, it therefore became a problem to collect some of the information for investigation purposes. MPAC should therefore recommend that council write off this unauthorised expenditure."		MPAC should report to Council	Municipal Manager		Council Meeting minutes

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
SEGMENT REPORTING	CoAF 131: Segment reporting - Presentation	(a) Insufficient information disclosed for general information; (B) Line item was not disclosed in the reporting segment note; (c) No reconciliation for differences was disclosed. There were differences noted between the totals as per comparison between the statement of financial performance, statement of financial position and the segment reporting. (d) There is no disclosure on the	Management did not implement proper controls to ensure that all necessary presentations were disclosed in the annual financial statements.	Management should ensure that segment information note to the financial statements is in line with the GRAP 18 requirements and apply the National Treasury accounting guideline for GRAP 18: Segment reporting.	Chief Financial Officer	31-Aug-22	Annual Financial Statements

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
		geographical area within which the municipality operates. Management did not disclose in note 62 the reasons why geographical disclosures could not be made.					

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
FINANCIAL STATEMENTS	CoAF 147: Statement of budget and actual comparison	During the testing of the statement of comparison of budget to actual, the following differences were noted: 1. Differences in amounts used for final budget in the cash flow statements 2. Differences between actual cash flow and actual on a comparable basis	Management did not in all instances review the financial statements prepared to ensure accurate reporting of financial information.	Management should ensure that the audit file supports the information in the financial statements	CFO and Municipal Manager	31-Aug-22	Reviewed/Signed-off audit file
				Management should ensure that the financial statements are properly reviewed before submission to AGSA			Audit committee, Internal Audit and Management review comments
EXPENDITURE MANAGEMENT	CoAF 149: Employee benefit obligations: Difference between GL	During the audit of employee benefit obligations, the classification error was noted when comparing the GL to	Management did not in all instances review the financial statements	Management should ensure that the audit file supports the information in the financial statements	CFO and Municipal Manager	31-Aug-22	Reviewed/Signed-off audit file

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
	and AFS (Classification)	the AFS	prepared to ensure accurate reporting of financial information.	Management should ensure that the financial statements are properly reviewed before submission to AGSA			Audit committee, Internal Audit and Management review comments
RECEIVABLES	CoAF 159: Receivables: Properties not linked/ billed for some services	During the completeness testing of receivables from exchange transactions, various properties were traced from the valuation roll to the debtors aging for completeness of the aging analysis.	Lack of adequate review or supervisory controls over debtor accounts and the maintenance of the applicable accounting records.	The accounting officer should ensure all properties provided with services are adequately charged for service delivery and adequate documentation is maintained for the financial events.	Manager Budget and Revenue	28-Feb-22	Billing reports

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
CONTINGENT LIABILITY	CoAF 165: Contingent liabilities: Various matters	<p>We noted the following whilst performing audit tests on contingent liabilities:</p> <p>1. Confirmed by inspection of the council minutes of the meeting held on 17 March 2021 that reference is made to a matter ft matsholo / council of tswelopele local municipality and 13 other respondents and noted that this matter is not included in the AFS disclosure for contingent liabilities.</p> <p>2. Velakhe July matter: Currently the disclosure in the AFS indicates that the matter originated during the "current financial year". It further notes that the</p>	<p>This occurred due to inadequate review of the financial statements prior to submission for audit to detect and correct all errors, omissions and inconsistencies in the financial statements and the notes.</p>	<p>Management should regularly review the contingent liability register</p>	<p>Manager HR and Legal Services</p>	<p>Monthly WEF 01 December 2021</p>	<p>Contingent Liability Register</p>
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FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
UNCONDITIONAL GRANTS	CoAF 169: Government Grants: Difference in Equitable shares and AFS	A difference of R2 523 033 was identified on the equitable share amount, when the DoRA is compared to the amounts reported in the annual financial statements	This occurred due to inadequate review of the financial statements prior to submission for audit to detect and correct all errors, omissions and inconsistencies in the financial statements and the notes	The accounting officer should ensure all financial events of the municipality (including revenue amounts appropriated and received) are accurately reported in the statement of financial performance.	Manager Budget and Revenue	31-Aug-22	Annual Financial Statements

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
REVENUE SERVICE CHARGES	CoAF 182: Service charges: Availability charges/Basic levies	During the testing of revenue from exchange transactions it was identified that Availability charges / basic levies for water & electricity were incorrectly classified as Revenue from exchange transactions, even though it does not fall within the framework of the definition of revenue from exchange transactions as noted above, as no assets or services were provided to the customer for the basic	The above is due to a different interpretation of management that resulted in the incorrect classification of revenue.	Management should identify all vacant stands that have access to municipal services	Manager Budget and Revenue	31-Jul-22	Billing reports
				Management should ensure that revenue transactions are correctly classified based on the nature of the revenue (Exchange and Non-Exchange Transactions)			Billing reports

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
		service charges raised.					
SEGMENT REPORTING	CoAF 185: Rental of facilities and equipment: Segment reporting	Classification error was noted when comparing the GL to the segments reporting note	A lack of proper review by management to ensure that the annual financial statements submitted for audit agrees with the general ledger.	Management should ensure that the audit file supports the information in the financial statements	CFO and Municipal Manager	31-Aug-22	Reviewed/Sign ed-off audit file
				Management should ensure that the financial statements are properly reviewed before submission to AGSA			Audit committee, Internal Audit and Management review comments

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
SEGMENT REPORTING	CoAF 189: Differences noted between the segment reporting note and GL	Differences were noted before Caseware journals were taken into account (the journals were incorporated in the segment working paper).	This is due to management not ensuring that the amounts on the segment reporting note agree to the amounts on the Statement of financial position and Statement of financial performance.	Management should ensure that the audit file supports the information in the financial statements	CFO and Municipal Manager	31-Aug-22	Reviewed/Signed-off audit file
				Management should ensure that the financial statements are properly reviewed before submission to AGSA			Audit committee, Internal Audit and Management review comments
SEGMENT REPORTING	CoAF 201: Other financial liabilities: Incorrect segment	Other financial liabilities amounting to R7 625 108 (as per updated segment reporting workings) was allocated to the	This is due to management not ensuring that the classifications on the segment	Management should ensure that the audit file supports the information in the financial statements	CFO and Municipal Manager	31-Aug-22	Reviewed/Signed-off audit file

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FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
	classification	Budget and Treasury office segment in note 62 in the financial statements. Based on our understanding the loan relates to funds received from the DBSA to change the bucket system to a water based sewerage system in previous years and is therefore more related to waste water management and would be more appropriately classified under this segment.	reporting note is consistent with the underlying nature and purpose of the other financial liabilities.	Management should ensure that the financial statements are properly reviewed before submission to AGSA			Audit committee, Internal Audit and Management review comments

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
SEGMENT REPORTING	CoAF 206: Cash and cash equivalents - classification difference noted between the GL and segment reporting note	Differences were noted between the GL and the AFS	This is due to management not ensuring that the amounts on the segment reporting note agree to the general ledger.	Management should ensure that segment reporting note is in line with the amounts disclosed in the GL.	CFO and Municipal Manager	31-Aug-22	Reconciliation of segment note to the GL
				Management should ensure that the financial statements are properly reviewed before submission to AGSA			Audit committee, Internal Audit and Management review comments

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
SEGMENT REPORTING	CoAF 207: Inaccurate classification of property, plant and equipment and investment property	<p>A. Investment property:</p> <p>During our testing work performed we noted that the disclosed information under Note 62 Segment reporting for Investment property disclosed under budget and treasury. However, as per GL allocation the amount should be allocated under executive and council. This leads to an overstatement under the heading "Budget and Treasury Office" and understatement in the</p>	This is due to inaccurate computing of disclosures to the annual financial statements.	Management should ensure that segment reporting note is in line with the amounts disclosed in the GL.	CFO and Municipal Manager	31-Aug-22	Reconciliation of segment note to the GL

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FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
		heading "Executive and Council" with the amount of R40 368 541.					

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FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
		<p>B. Property, plant and equipment:</p> <p>During our testing work performed we noted that the disclosed information under Note 62 Segment reporting for Property, plant and equipment have differences.</p>		Management should ensure that the financial statements are properly reviewed before submission to AGSA			Audit committee, Internal Audit and Management review comments
REVENUE SERVICE CHARGES	CoAF 222: Service charges: Understatement of water billing	During the physical verification of meters, the following properties were identified to have meters but were billed	Broken Water Meters	Management should ensure that each household has a working water meter (replacement/installation of meters).	Municipal Manager	30-Jun-22	Water Meter books

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FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
		the unmetered rate. The properties are in townships and charged flat-rate as per Council orders.	These matters resulted due to internal controls not being adequately established and implemented by management to ensure billing of services at correct rates.	Management should ensure that each household is billed on consumption.	Municipal Manager	30-Jun-22	Billing reports
REVENUE SERVICE CHARGES	CoAF 226: Service Charges - Electricity - Completeness - Properties not on billing report	Through physical verification of random electricity meters, some properties identified to have electricity meters but could not be traced to the billing report.	This is due to lack of proper review and record keeping to ensure that all meter readings are correctly	Management should review the properties located in its jurisdiction and ensure that all electricity services are billed.	Manager Budget and Revenue	28-Feb-22	Billing reports

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FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
		Through physical verification of random electricity meters, the following properties were identified to have electricity meters. However through inspection of the billing report, it was discovered that the account type as per the billing report did not match the type of property as per physical verification	captured on the system.				
RECEIVABLES	CoAF 235: Debt impairment is not consistent with	The movement of the debt impairment in the balance sheet (R15 006 291) should be equal to the debt	Lack of adequate review of the financial statements	Management should ensure that the audit file supports the information in the financial statements	CFO and Municipal Manager	31-Aug-22	Reviewed/Sign ed-off audit file

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FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
	movements in gross impairment balance	impairment in the income statement. This is however not the case. Debt impairment in the income statement is R22 192 150. This cause a R7 185 859 difference in the financial statements.	before submission for audit.	Management should ensure that the financial statements are properly reviewed before submission to AGSA			Audit committee, Internal Audit and Management review comments
SEGMENT REPORTING	CoAF 238: Receivables: Segments reported amounts are not consistent with other AFS notes	Differences were identified between the disaggregated amounts allocated to the following categories in note 7 and the allocations to the different segments in note 62 (segment disclosure) for receivables from exchange	This is due to management not ensuring that the classifications on the segment reporting note is consistent with the underlying nature and purpose of the	Note for segment reporting should be consistent with the disaggregated amounts in the note for receivables from exchange transactions to ensure the allocation between segments for this population is correct and	CFO and Municipal Manager	31-Aug-22	Reconciliation of segment note to the receivables note

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FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
		transactions	receivables	consistent with the underlying nature of the receivables from exchange transactions.			
				Management should ensure that the financial statements are properly reviewed before submission to AGSA			Audit committee, Internal Audit and Management review comments

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
SEGMENT REPORTING	CoAF 240: Receivables: Journals excluded from the segment presentation determinations	Journal 958 recorded in the general ledger is identified to be excluded when determining the segments amounts for receivables from non-exchange transactions.	This is due to management not ensuring that the amounts on the segment reporting note agree to the amounts on the statement of financial position and statement of financial performance	Segment reporting note should be in line with the amounts disclosed in the statement of financial position and statement of financial performance.	CFO	31-Aug-22	Reconciliation of the segment note to the statement of financial position and financial performance.

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FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
EXPENDITURE MANAGEMENT	CoAF 245: Fruitless and wasteful expenditure 2021 is overstated	During the testing of fruitless and wasteful expenditure, it was noted that the municipality included amounts of interest from overdue accounts incurred in 2020/21 financial year as part of fruitless & wasteful expenditure. This is incorrect as the Exemption Notice exempt certain actions required by MFMA from being taken during the state of disaster. Thus, the interest transactions do not meet the definition of fruitless and wasteful	Management did not take into account the provisions of the exemption notice to extent applicable when compiling the annual financial statements.	Adjust the fruitless and wasteful expenditure register to comply with the requirements of the MFMA and applicable notices.	Manager SCM and Assets	28-Feb-22	Fruitless and Wasteful expenditure register

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FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
		expenditure					

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
GOVERNANCE	CoAF 54: AOPO - Indicator: Limit water network losses to less than 15% by 30 June 2021 - indicator is not verifiable	During the audit of pre-determined objectives, it was identified that the municipality does not perform meter readings in the township as they are charged on a flat rate. This means the total number of kilolitres sold is not known. Therefore it is not possible to verify the processes and systems that produce the actual performance reported for the indicator	These matters resulted due to internal controls not being adequately established and implemented by management.	<p>Management should ensure that they perform meter readings at the townships to ensure that the reported water losses are accurate and complete</p> <p>Management should also ensure that they keep the supporting meter reading sheets to ensure that the reported results are accurate, valid and complete</p>	CFO and Director Technical Services	30-Jun-22	Meter readings books

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GOVERNANCE	CoAF 80: AOPO: Inconsistencies between the SDBIP and the APR	1, There were inconsistencies between the targeted percentage per the SDBIP and APR 2, There was inconsistency between the reported results and the planned targets (indicator using the percentage however the actual reported results is based on numbers) 3, The indicator relating to conducting disaster management awareness campaigns is included in the APR and not in the SDBIP.	Inadequate review by management to ensure that the reported planned indicators and targets as per the APR are consistent with the planned indicators and targets as per the annual planning document (SDBIP).	Management should ensure that the reported achievements as per the APR are consistent with the annual planning document (Reviewed SDBIP).	Strategic Manager	30-Jun-22	APR and SDBIP

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FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
GOVERNANCE	CoAF 83 and 199 : AOPO - Limitations noted on the APR supporting documents	During the audit of pre-determined objectives the information reported on the following indicators could not be confirmed due to limitations (Number of formalised household, public facilities and businesses - the municipality reached the 90% reported achievement, as there is no proof of the denominator and numerator and it is not clear which supporting information was used to get to this achievement)	This is due to the fact that management did ensure that the APR is reviewed against the supporting evidence to ensure accuracy of the APR.	Management should keep accurate and complete supporting evidence for the indicators reported in the APR and submit for audit.	Strategic Manager	30-Jun-22	APR and performance files

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GOVERNANCE	AOPO: Performance management: Measures taken to improve performance not provided	No reasons were provided for not achieving the performance targets. There were also no measures to be taken to improve performance documented in the report.	Monthly monitoring of performance not undertaken	Management should monitor performance on a monthly basis.	All departments.	Monthly WEF 31 December 2021	Monthly performance reports

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FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
GOVERNANCE	Compliance matters not reviewed and monitored.	Management's non-adherence to policies, procedures, laws and regulations relevant to the finance and supply chain management sections resulted in a weak internal control environment that gave rise to irregular expenditure, payments made to suppliers after 30 days and the procurement processes not followed to procure goods and services.	Vacancy of Risk Officer Compliance register not developed Compliance issues not monitored	Management should develop a compliance checklist and monthly monitor compliance with laws and regulations	Risk Officer	Monthly WEF 31 December 2021	Compliance Checklist

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
PREDETERMINED OBJECTIVES	CoAF 17 - AOPO - Control deficiencies on reported performance	During the review of the municipal control environment, monitoring processes and the related key internal controls the following weaknesses were identified in the municipal processes: There was no evidence attached showing that the statistics taken by STATS SA was adjusted by additional formal settlements after 2016	These matters resulted due to internal controls not being adequately established and implemented by management	Management should conduct an assessment to determine the number of the total households within the municipality	Human Settlement Officer, Revenue Accountant and Strategic Manager	30-Apr-22	Report showing number of households in the municipality providing details of households with access to basic services
				Conduct an assessment to determine the number of household with access to the basic services and should report on the annual performance report based on the assessment			

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
REVENUE	CoAF 81 - Property rates - Control deficiencies regarding improvements on supplementary valuation rolls	Inspectors(Building) from the municipality do not keep record of properties they visited to confirm the state of improvements and there is no evidence provided to confirm improvements on the supplementary valuation rolls. (Involvement/consultation of Building Inspectors reports in the update of the valuation roll)	These matters resulted due to internal controls not being adequately established and implemented by management.	1. Management should ensure that accurate and complete records are kept of inspections performed to confirm the progress of improvements made, as well as the completion of these improvements to ensure that market values of properties are not understated and property rates are not understated.	Community Services & Finance	Feb-22	Improved site inspection report template

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FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
				2. Update site inspection report template to ensure relevant information is recorded.			
				3. share records of property improvements with Finance/consult property improvement records during valuation roll			

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
RECEIVABLES	CoAF 36 - Differences between GL, Aging & Receivables	The annual financial statements are compared to the general ledger and receivables aging for reconciliation of receivables. Differences are identified between the general ledger, annual financial statements and receivables aging as detailed in annexure A.	This occurred due to inadequate review of the financial statements prior to submission for audit to detect and correct all errors, omissions and inconsistencies in the financial statements and the notes.	updates Management should implement a reconciliation control of the general ledger and the financial statements for receivable amounts.	Manager Budget and Revenue	31-Aug-22	Reconciliation of of the GL and AFS (receivables)

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
REVENUE MANAGEMENT	CoAF 218 - Debt impairment: Inconsistent presentation of amounts in note 36	Through our testing work performed on presentation it was noted that the current year value for debt impairment reflected in note 36 has differences and the actual bad debt written off - consumers debtors of R 2 692 788 does not agree to the amount in the general ledger of R 2 430 929,23. The total difference is R261 859.	This is due to inadequate review of the financial statements before they are submitted for audit.	Management should properly review the AFS before submission	Chief Financial Officer	31-Aug-22	Review notes of management, internal audit and audit committee
PROCUREMENT AND CONTRACT	CoAF 123 - 1. SCM: Construction company contracted for	Upsurge Construction was appointed for debt services but	The established procurement/SCM policies and	Management should follow competitive bidding processes for procurement above R200 000	Chief Financial Officer and Municipal Manager	Monthly WEF 31 January 2022	Tender documents for all procurement above R200 000

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FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
MANAGEMENT	debt collection services CoAF 130 - Quotations process followed instead of tender process"	competitive bidding process was not followed and no approved deviation was submitted for audit. The municipality directly contracted the provider without documented evidence of consideration of any other service provider rendering debt collection services. It should also be noted the service provider operates in construction services.	processes were not followed in the appointment of the service provider.				

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FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
PROCUREMENT AND CONTRACT MANAGEMENT	CoAF 128 & 129 - SCM: Deviations not documented and approved by accounting officer	" JICAMA 167 was appointed and no procurement documentation is provided to support the process followed to appoint the bidder. The municipality has an appointed service provider (Mega Water) to supply water purification chemicals. However, the above payment	Reasons for the deviation have not been documented and approved by the delegated official according to the supply chain management policy and processes.	All deviations should be approved by the accounting officer and reported to council on a quarterly basis. All emergency procurement should be properly motivated by the head of the department.	Municipal Manager All departments.	Quarterly WEF January 2022 Monthly WEF January 2022	Deviation register and Council minutes Payment voucher

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FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	ROOT CAUSE	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
FINANCIAL STATEMENTS	CoAF 211 - Differences identified in the cash flow statement	has also been made for water purification chemicals outside the tender process. Reasons for the deviation from procurement processes have not been documented and approved by the accounting officer.	Lack of adequate review of financial statements before submission for audit.	All motivations should be approved by the accounting officer	Municipal Manager	Monthly WEF January 2022	Payment voucher
		Differences were identified in the cash flow statement calculation and presentation		Regularly updating of the irregular and deviation registers	SCM Practitioner	Monthly WEF January 2022	Irregular and Deviation register
		Differences were identified in the cash flow statement calculation and presentation		The accounting officer should implement a detail review supervisory control to enhance the quality of the financial statements.	Chief Financial Officer and Municipal Manager	31-Aug-22	Review notes of management, internal audit and audit committee

22 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 • 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:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

23 APPENDICES

APPENDIX A – COMMITTEES AND COMMITTEE PURPOSES

COMMITTEES AND THEIR PURPOSE

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

APPENDIX B – FUNCTIONS OF MUNICIPALITY

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