

NALA LOCAL MUNICIPALITY

Annual Report 2021/2022



DRAFT ANNUAL REPORT 2021/2022

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CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

This annual report for the financial year 2021/2022, gives presentation of service delivery highlights of achievements and challenges experienced by the municipality for the year under review. Nala LM annual report 2021/2022 will reflect on performance targets achieved in line with each national key performance area as set out in the service delivery budget implementation plan 2021/22. The following are the national key performance areas through the municipality is obliged to render services to the community;

1. Local economic development
2. Financial viability
3. Planning and infrastructure
4. Institutional transformation
5. Good governance and public participation.

We must admit that the municipality has encountered some challenges in their endeavor to provide service delivery to the local community. Despite these challenges, the municipality continues to ensure that basic service delivery is maintained within the existing budget constraints. This financial environment requires proper planning and accurate prioritisation of services. We are confident that the current administration and political leadership has the capacity to steer this municipality in the right trajectory to ensure that basic service delivery targets are achieved.

Challenges identified in the process of providing service delivery should serve as impetus to enhance efforts to improve service delivery strategies. Our mandate is to ensure that the local community has access to service delivery in terms of Chapter 7 of the Constitution of the Republic of South Africa and any deviation from such is non – compliance and compromised service delivery.

Equally important, however, is the role of the community in making a constructive participation in the governance and operations of the municipality for optimal delivery of services. The local municipality has established fora for community and stakeholder

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engagements during IDPs and Budget reviews etc. during these for a stakeholders and members of the community are allowed space to raise their service delivery concerns and issues for purposes of planning and budgeting.

It is critically important to mention that bulk of municipal revenue for the implementation of its service delivery priorities comes from the community and this an urgent need for ratepayers to pay for the services they receive from the municipality. This will help the municipality meet their obligations that are service delivery oriented.

During the last two quarters of 2021/2022 financial year, we saw drastic decline in Covid-19 cases and final relaxation of regulations occasioned by the National State of Disaster in March 2020, and steady resumption of full capacity of operations of the municipality and the national economy. Public participation was resumed for IDP and Budget and members of the community were engaged as part of the municipal public participation mandate. The Mayor of Nala LM accompanied by council held string of public and stakeholder meetings to engage and report back to the community about the current and outer years' service delivery highlights.

The municipality will ensure that its most valuable resources i.e., its staff is highly valuable and supported, training and personnel development are some of the interventions that will need to be enhanced. At the end of the financial year under review, the municipality was busy finalizing implementation of the organizational structure according the TASK grade system.

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The municipality's top structure needs stability as only three (3) posts are filled viz CFO, Director Technical and Infrastructure and Director Corporate Services and it's important that we accelerate appointment of the Municipal Manager and Director Community Services. They are currently filled on acting capacities, with the Municipal Manager position earmarked for filling from the 1st July 2022, whilst the Director Community Community services is still on hold. The latter post needs further unbundling to relocate some of its functions to a new directorate.

Despite many achievements, challenges are always there, and the following area will be our area of focus.

- Public participation initiatives
- Minimization of water losses
- Sustainable roads development and maintenance
- Eradicating cases of irregular, wasteful and wasteful expenditure
- upgrading of land fill sites in compliance with NEMA standards.
- Implementation of special programs unit especially relating to youth development, women, and disabilities.
- Upgrading of recreational facilities
- Land availability and allocation of sites.
- Local economic development and job creation.
- Enhanced programs to curb gender-based violence

I would like to conclude by thanking my fellow councilors and staff led by the Municipal Manager for their cooperation during this financial year.

Thank you

Honorable Councilor N.M. Ntema (The Mayor)

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COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

It is with great pleasure that I present the annual report for the financial year that ended 30 June 2022.

This financial year had its own challenges from

However, amid all the above challenges, minimal improvement has been noted through the interventions at National, Province, District and Council. Since my secondment from the province to assist with service delivery and governance related matters we are working tirelessly with other senior managers to turn things around in the municipality. Some of critical challenges are as follows;

- potholes,
- poorly constructed roads and streets,
- constant electricity outages and loadshedding especially in winter,
- sewer spillages and water leaks, shortage of sites and housing,
- and poorly maintained streetlights and electricity network,
- decrease in cash – flow due to ratepayers not paying for the services they get from the municipality.
- Increasing unemployment rate remains a critical challenge and a direct contributor to the ever-increasing dependency rate and increasing numbers in the indigent register.

The following support programmes from sector departments to the Nala Local Municipality were sustained from the outer year through the financial year;

1. While the performance management system is still under construction and should be up and running in the years to come, backlogs resulting from years dysfunctionality of the unit were addressed. These include the monitoring of the SDBIP and compilation of quarterly performance reports for the financial year under review. The major project during the financial under this financial year was to establish the PMS unit by appointing one official to manage the unit, whilst the Lejweleputswa district Municipality had seconded an intern to provide administrative support to the incumbent. The draft PMS Policy and Framework was tabled before council for noting and further engagements on the 31st March 2022.
2. Capacity building is under way and critical position of Director Technical and Infrastructure has been filled, whilst the post of Municipal Manager and Director Community Services is filled on acting capacities.

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3. Governance structures such as audit committee is functioning with positive inputs made toward improvement of good governance systems in the municipality. However, the municipality suffered another setback with the resignation of Manager: Internal Audit, within six months of her appointment. At the close of financial year 2021/2022 no advertisement for the post has been done.
4. The oversight role of the municipality was not effective due to the non-sitting of the MPAC during the financial year under reporting.
5. Engage in on-going struggle to reduce irregular expenditure and strengthen supply chain evaluation committees.
6. Responding to critical issues raised by the Auditor – General, the municipality has compiled audit action plan and its being monitored monthly by all senior managers.
7. Complaints management system is still manual, and complaints raised by the community are not timeously addressed. Toll free number to installed to increase response capacity to complaints especially on weekends.
8. Subsequent to resignation of Manager Internal Audit, the Lejweleputswa District Municipality has escalated its support to Nala LM provide Internal Audit function to ensure quality assurance.
9. Implementation of the approved organizational structure was delayed by disagreements between parties on critical matters of how the process should unfold. The report on migration of staff to the TASK grade system remains incomplete as a result and the resolution of disputes and appeals will be finalized in the next financial year.
10. Crucial vacant positions have been either filled with acting capacity or in a process of beingfilled through recruitment process. The position of Municipal Manager is earmarked for filling from the 1st July 2022. The Director Community Services remains vacant.
11. The appointment of Manager Administration is critical to improve the filing system and establish a record management system that is compliant with the National Archives Act.
12. The impact of these challenges will still reflect in the current year audit however the impact of the interventions will contribute towards the improved governance service delivery in the financial year ending 30 June 2022.

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We would like to appreciate with gratitude the support given by stakeholders, the municipal council, staff, district and the province to the municipality to ensure that its service delivery mandates and targets are achieved.

Mr. SJ Lehloenya (Municipal Manager)

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1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

This report addresses the performance of the Nala Local Municipality in the Free State in respect of its core legislative obligations and service delivery targets it has set for the financial year under reporting. Nala Local municipality has created government has created various fora to enhance its participatory initiatives.

The 2021/2022 Annual Report reflects on the performance of the Nala Local Municipality for the period starting from the 1st July 2021 to 30th June 2022. This Annual Report is prepared in terms of Section 121(1) of the MFMA.

1.2.1 INTRODUCTION TO BACKGROUND DATA

The most important data for the municipality is reflected below¹:

- ☑ Total estimated population was 78 515 according to Community Survey 2016
- ☑ Total estimated number of households in 2016 was 23 653
- ☑ Total number of formal households in 2016 was 21 961
- ☑ Total number of informal households by end of financial 2021/2022 is 1354.

The Nala Local Municipality is a Category B municipality situated in the northern part of the Lejweleputswa District in the Free State. The former Bothaville and Wesselsbron Traditional Local Councils and a section of the Vetvaal Transitional Rural Council were combined to form the Nala Local Municipality.

The Bothaville/Kgotsoeng area is located approximately 60km south of Klerksdorp, 80km north of Welkom and 240 km south of Pretoria in Gauteng. Wesselsbron/Monyakeng is situated approximately 70km south-west of Bothaville, approximately 35km west of Welkom/Odendaalsrus and 55km east of Hoopstad.

The Nala region is located within a significant agricultural region. It forms part of the so-called 'Maize Triangle' of South Africa. Bothaville is strategically located close to the gold mining towns of Klerksdorp/Orkney, whilst Wesselsbron is in proximity of Welkom/Odendaalsrus.

They are directly dependent on these large urban centres for institutional and commercial support.

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Three major rivers feature prominently in the Free State Province, of which two flows through the Nala Municipality. The Vals River runs from east to west through the town of Bothaville towards the Vaal River, which forms the north-western boundary of the municipality, and the Vet River flows just south of the Wesselsbron district and forms the southern boundary of the Nala region. Both the rivers play a significant role in the provision of water to Bothaville and Wesselsbron respectively. The topography of the area is homogenous, with moderate slopes. The only significant natural feature is the sensitive wetland system found just south of Wesselsbron.



Map 1: Nala Local Municipality with in the South African National Context

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Map 2: Nala Local Municipality within a Provincial Context

According to the table below there is a negative growth of 3.3% in the Nala population between 2011 and 2016. However, the number of households has increased from 20 803 to 23 563.

Population size		
Community Survey 2007	StatsSA 2011	Community Survey 2016
92 585	81 220	78 515

Table 1: Population Size of Nala

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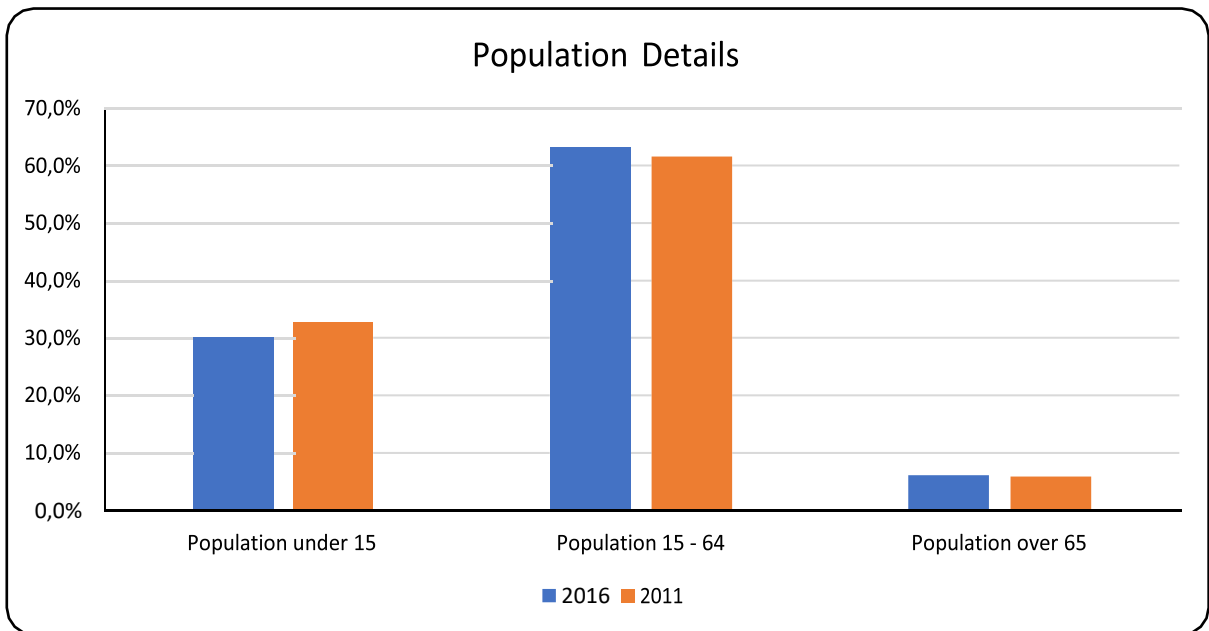


Figure 1: Population Details

According to Census 2011, Nala Local Municipality has a total population of 81 220. The Community Survey of 2016 estimated that the municipality has a total population of 78 515. This reflects a negative population growth for the area.

Population Group	Census 2011	Percentage	Community Survey 2016	Percentage
Black	75 653	93.1%	72 361	92.2%
Coloured	501	0.6%	223	0.3%
Indian or Asian	207	0.2%	309	0.4%
White	4679	5.9%	5622	7.1%
Other	180	0.2%	0%	0%
Total	81 220	100.00%	78 515	100.0%

Table 2: Population Ethnicity

Of those aged 20 years and older (Census 2011), 7.4% have completed primary school, 34.7% have some secondary education, 22.2% have completed matric and 5.6% have some form of higher education. In the 2016 Community Survey it was established that of those aged 20 years and older that 21.7% have no schooling, 16.8% have completed primary school, 55% have some secondary education and 6.5% have some form of higher education.

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Overview of Neighbourhoods within Nala	
Settlement Type	Households
Towns	
Bothaville	1 677
Wesselsbron	598
Sub-Total	2 275
Townships	
Kgotsong	11 055
Monyakeng	7 390
Sub-Total	18 445
Rural settlements	
Balkfontein	83
Sub-Total	83
Informal settlements	
Total	21 219

Table 3: Overview of Neighbourhoods within Nala Municipality

1.3. SERVICE DELIVERY OVERVIEW

It is critical for the municipality to ensure that its citizens have access to basic services, including housing, water, improved sanitation and electricity. It is therefore necessary for the municipality to track progress against the targets set by government and to monitor its progress.

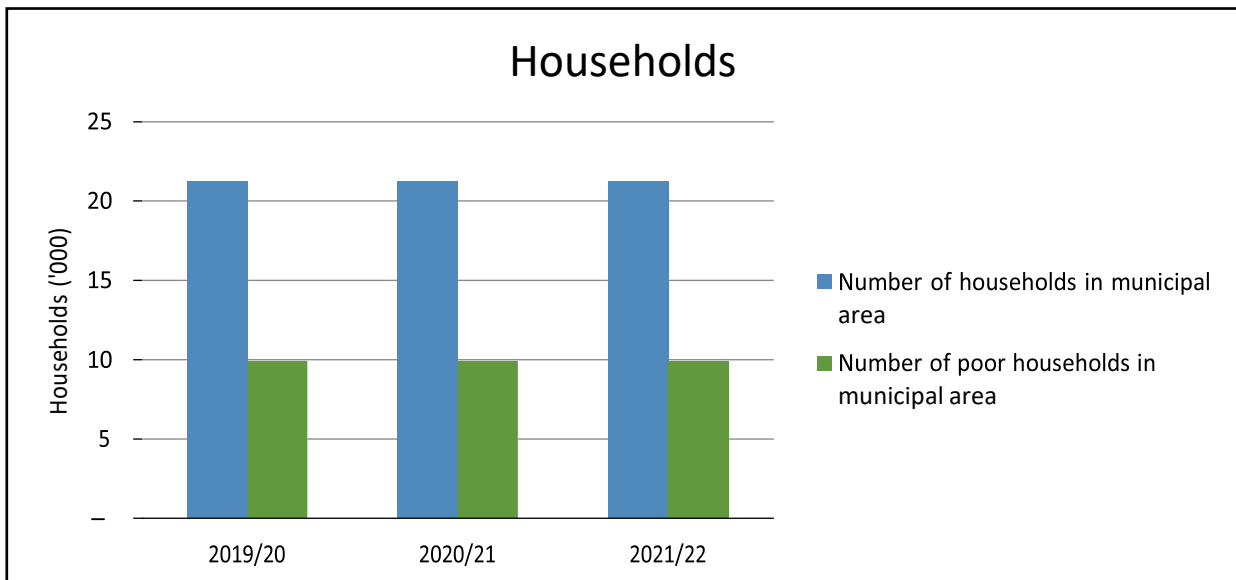


Figure 2: Household Data

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The figure below shows the current state regarding service delivery. The data is reported as reflected in the annual performance reports of the previous financial years.

The municipality provide access to services to their citizens. All the areas that are the municipality's area of responsibility have access to the basic services provided by the municipality. The onus is therefore on the owner of the property to pay for the connection of the services to their households.

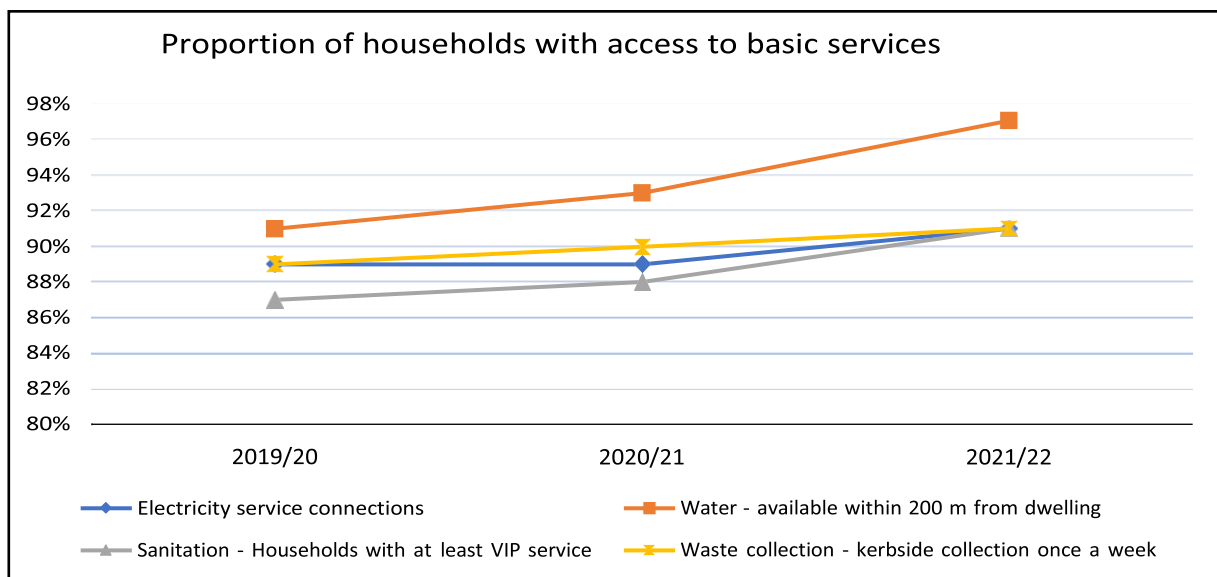


Figure 3: Proportional access to basic services

COMMENT ON ACCESS TO BASIC SERVICES

Currently 97% of the households in the municipal area have access to piped water within 200m from their dwelling. Regarding access to basic sanitation 91% of households had access to flush toilets and ventilated pit latrines (VIPs) and 91% of households received a weekly kerbside refuse removal service. In the municipality's area of operation 91% of households had access to electricity. There were several challenges that need to be addressed, and the following need to be taken into consideration.

- ☑ Nala is providing approximately 21219 households with basic services, and the number is likely to increase as new connections are being implemented. Almost 2000 households in informal settlements earmarked for upgrading will soon add to the above figure as the municipality together with the Department of Human Settlement and Human Development Agency (HAD) embark on a national programme to upgrade informal settlements. Approximately 950 households in Khalinkomo, Vergenog are earmarked for upgrading and
- Nala Local Municipality | **CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY** 18

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formalization, the process which was interrupted by the Covid-19 pandemic. There is an addition of 1354 households with Tjovitjo informal settlement just established in Kgotsong and this figure will now surpass 1000 households that need basic service infrastructure like water, sanitation, electricity and properly constructed roads and streets. The municipality is providing water to these services by water tanks.

- ☑ Water and sanitation reticulation network was earmarked for construction in Botharnia 9 Phase 2 (behind Bothaville Shell Filling station) by the beginning of 2020/2021 (Project No RFP – HS – BO1/2016/2017. However, this project too was delayed by the Covid-19 pandemic. Construction of basic service network infrastructure is still on hold pending the internal processes of the Human Settlement department in the Free State Provincial Government. A few sites have been sold to consumers; however, no division of sites has been done on the land.
- ☑ Breaking New Grounds Housing project (BNG) is earmarked to build 1000 housing units. Phase 1 of this project will cover 645 housing units in Matlharantlha and Phase 2 will cover 355 housing units in identified sites in Kgotsong. For the financial year under reporting 404 households were earmarked for construction. This project is spearheaded by the department of Human Settlement, and they have started with the construction of foundations in the settlement. A few foundations have been completed at the end of financial year under reporting.
- ☑ The municipality had planned to install basic services (water and sanitation) infrastructure to 950 households in Vergenog and Khalinkomo during the financial year under review, however, this project could not be done as the two settlements were still to be formalized. Formalization of Vergenog was just about to be finalized at the end of financial year under reporting.
- ☑ At the end of financial year under reporting the municipality had done two blue drop and green drop assessments to determine the quality of drinking water and sewer respectively. These assessments were done with the assistance of Sedibeng Water and the Department of Water and Sanitation. This collaboration will go a long way to provide capacity to the municipality in this regard.
- ☑ During the financial year under reporting, 11269 indigent households with threshold income below R4 000 pm, were provided with Free Basic Services.
- ☑ The municipality has completed upgrading of 1.6km outfall sewer in Brand Street

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at the end of financial year under review. This upgrading will ease the flow of sewer in Bothaville.

- ☑ There is urgent need to upgrade our landfill sites to the standards prescribed by NEMA. The department of Environmental Affairs provides support to the municipality on how best these landfill sites could be upgraded. This project should cover provision of security at these landfill sites to safeguard landfill sites equipment and fencing to control access to the facility. To combat illegal dumping of refuse especially in open spaces and parks, the municipality has planned to provide bulk refuse bins on illegal dumping sites. Construction of 1.6km paving in Sebotsa, Monnamoncho and Boneni streets was deferred to the 2023/24 financial year.
- ☑ During the financial year under reporting, the municipality has completed paving of 3.2km of roads in Kgotsong and Monyakeng. 5km was planned for the construction of stormwater canals with stone pitching in Monyakeng and Wesselsbron.
- ☑ During the financial year under reporting the municipality had planned to build a Multi – Purpose Sports Complex in Matlharantlheng and four sports ground in Monyakeng. At the end of financial year, the complex had not been started, however construction of four sports ground was complete. The funding for this project is allocated from 5% of MIG projects.
- ☑ The municipality has planned to rezone parks and open spaces to create sites to be sold to community members to address housing and sites backlogs. About 1354 sites were earmarked for sale during the financial year under reporting.
- ☑ The municipality is yet to review critical input sector plans like the IWMP, SDF, Energy Plan, WSDP and the Environmental Management Plan. At the end of financial year 2021/22 these input sector could not be reviewed because of lack of capacity to review in-house. Relevant sector departments will be approached to assist the municipality in this regard.
- ☑ The municipality has not finalized the review of critical input sector plans such as the Water Service Development Plan (WSDP), the Spatial Development Framework (SDF), Integrated Waste Management Plan (IWMP), Energy Plan, Roads and Storm-Water Master Plan and Environmental Management Plan (EMP). Review of these sector plans is critical to

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effectively enhance the credibility of future planning environment in the municipality. The integrated waste management plan is outdated and needs review. The municipality is planning to review this sector plan internally, whilst the Spatial Development Framework (SDF) will be reviewed through the support of Department of Agriculture, Land Reform and Rural Development (DALRRD). The draft SDF should be ready for tabling before council by the 31st March 2023.

- ☑ Schools and households in farming areas which do not have access to basic services such as refuse removal, water and sanitation is a challenge. The municipality cannot provide services in farms because they fall outside its infrastructure network; and these households are in private land.
- ☑ Unprotected and unguarded landfill sites are still a challenge as they contribute more to environmental pollution and vandalism of landfill equipment. Management of landfill sites in both Bothaville and Kgotsong does not comply with the provisions of NEMA. This issue of non – compliance is a long-standing matter and the Department of Environmental Affairs has not fully committed itself on what interventions should be made.
- ☑ There is a growing need to conduct awareness campaigns as save water campaigns, environmental awareness, management of sanitation network especially regarding sewer spillage and its resultant consequences of water pollution, waste disposal and transversal diseases such as HIV/Aids and TB for the community. There is a growing need also in the community to hold joint traffic management awareness campaigns to warn road users of potential danger of disregarding traffic rules.
- ☑ A proper cemetery management and maintenance system is a necessity. With emergence of the scourge of the Covid-19 pandemic, there is a growing need to avail more land for the expansion of burial sites in Nala. More land has been availed and this portion should be included in the SDF that is going to be reviewed soon.
- ☑ Capacitating and equipping local sports council to carry out the government mandate to foster social cohesion through sports in Nala Local Municipality. The municipality has the obligation to support participation in sports by upgrading of sports facilities. Nala has upgraded six soccer grounds with poles during the financial year under review.

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- ☑ Capacitating the LED unit so that it renders its service to local community. Promotion of Local Economic Development through support for SMMEs and availing land for emerging local farmers from the historically disadvantaged communities. Local economic development is a national key performance area for municipalities. In support of emerging SMMEs, the municipality has completed construction of 10 hawker stalls during the financial year under reporting. Programmes have been held to support our economic development and participation in agriculture. More land has been made available for youth to join the sector.

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COMMENT ON OPERATING RATIOS:

Expenditure on repairs and maintenance remains low and should be improved on. Employee cost remains in the accepted norm.

As can be deduced from the above table of ratios, the municipality is consistently growing its financial sustainability based on prudent accounting principles as prescribed by the MFMA.

1.4. FINANCIAL HEALTH OVERVIEW

This overview sets out highlights of the municipality's financial performance in the past year. Full details appear in the annual financial statements.

The municipality has performed relatively well over the past year despite the prevailing market and economic conditions, in line with its business plan. Despite the existence of indigent communities within the municipality's area of jurisdiction and the impact it has on the revenue collection rate which in turn put pressure on the cash flows, the municipality's cash flows remained relatively consistent as compared to the previous financial year.

Financial Overview: 2021/2022 R' 000			
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants			
Taxes, Levies and tariffs			
Other			
Sub Total			

Table 4: Financial Overview

The current operating ratio's is shown in the table below.

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

Table 5: Operating Ratio's

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The municipality however needs to improve its costing system to adequately account for actual costs spent on Repairs & Maintenance. At this stage the costs of Repairs & Maintenance is understated as employee and operational costs are not factored in the above calculation.

The capital expenditure for the last three years is reflected in the table below.

Total Capital Expenditure: 2019/20 to 2021/22			
R'000			
Detail	2019/20	2020/21	2021/22
Original Budget			
Adjustment Budget			
Actual			

Table 6: Capital Expenditure

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

- At the beginning of the 2021/2022 financial year the Migration Committee presented its Migration Report to LLF for recommendation to implement.
- However, management component rejected the contents of the report because they viewed movement of certain category of employees into a TASK grade system as promotion and that the Migration Committee did not consider financial implications of such promotions.
- A new report was done by management, and this had significant changes from the previous report.
- Disputes and appeals were lodged by those affected by the new report.
- As a result, migration into a TASK grade system could not be finalized as there were outstanding matters of disputes lodged by employees regarding the Migration Report at the end of financial year under review.
- The following issues were raised by management as to why the initial Migration report could not be implemented.
 - ☑ The municipality undertook development of guidelines to inform migration process, and this process culminated in the development of Migration Policy.
 - ☑ Migration Policy gave effect to the establishment of Migration Committee constituting of equal representation from both organized labour and management.

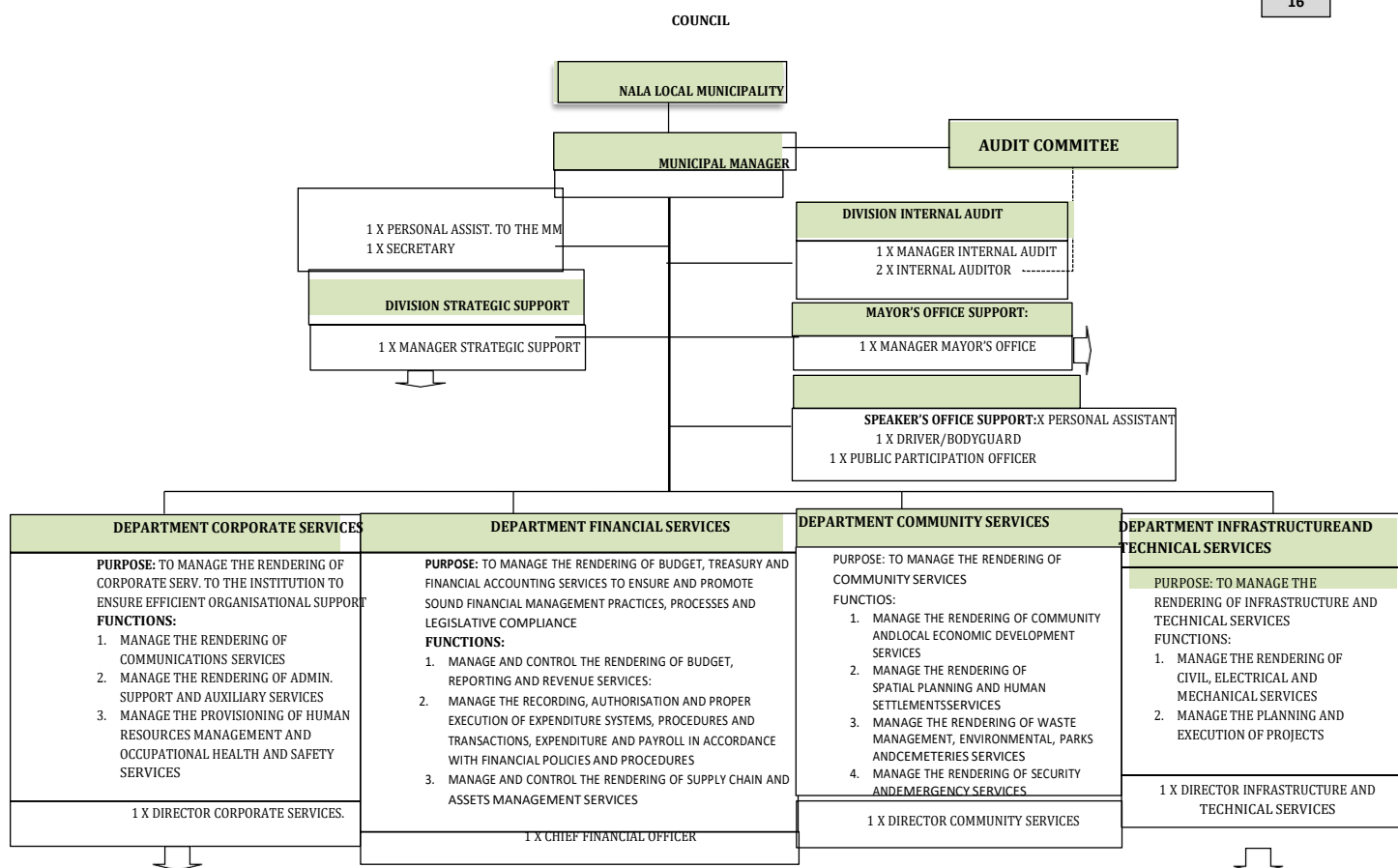
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- ☑ The mandate of this committee was to migrate staff to the new organizational structure in line with the principles set out in the Migration Policy. This committee was expected to embark on this process and make a report to broader management for ratification.
- ☑ This Migration Report would then be referred to the LLF for recommendation to management and for implementation. The overall aim of this project was to review and re-align the organizational structure of the Municipality thereby enhancing the effective, efficient, and systematic performance of its legislative mandate and strategic objectives. This project's primary goal was to develop an optimal organisational structure with related implementation support to enhance the Municipality's corporate objectives as well as to enhance a positive organisational culture. However, at the end of the 2021/22 financial year migration process has not yet been finalized due to disagreement between parties over multiple interpretations of certain clauses and principles of the Migration Policy.

The macro level organizational structure

NALA LOCAL MUNICIPALITY: PROPOSED ORGANISATIONAL STRUCTURE OFFICE OF THE MUNICIPAL MANAGER

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Figure 4: Macro Design

The macro structure that was adopted is shown in the picture above.

1.6. AUDITOR GENERAL REPORT

The Nala LM received qualified audit opinion for the last audit year. The basis for a qualified opinion are the following material conditions; property, plant and equipment; service charges; interest received – exchange receivables; receivables from exchange transactions; contracted services; general expenses; and employee benefit obligations.

An unqualified opinion without matters (Commonly referred to as a "Clean Audit").

☒ An unqualified opinion with emphasis of matter or other matters. (These matters do not affect the auditor's opinion on whether the financial statements are fairly presented).

☒ Modified opinions of which there are three types namely:

☒ A qualified opinion which is expressed when the auditor concludes that an unqualified opinion cannot be expressed but that the effect of any disagreement with management regarding departures from the financial reporting framework, or a limitation of scope, is not as material and pervasive as to require an adverse opinion or a disclaimer of opinion.

☒ An adverse is opinion expressed when the effect of a disagreement with management regarding departures from the financial reporting framework is so material and pervasive to the financial statements that the auditor concludes that a qualification of the report is not adequate to disclose the misleading or incomplete nature of the financial statements.

➡ A Disclaimer of opinion which is expressed when the possible effect of a limitation of scope is so material and pervasive that the auditor has not been able to obtain sufficient appropriate audit evidence to form an opinion and accordingly is unable to express an opinion on the financial statements.

The audit outcomes history for Nala is shown below:

Opinion	2019/20	2020/21	2021/22
Unqualified opinion without matters (Clean Audit)			
Unqualified opinion with emphasis of matter or other matter			
Qualified opinion	⊗	⊗	
Adverse Opinion			

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Disclaimer			
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Table 7: Audit Outcome History

The AG Report is contained in Chapter 6.

1.7. STATUTORY ANNUAL REPORT PROCESS

The draft annual report 2021/22 will be tabled before council on the 31st august 2022 together with financial statements. This to allow the Auditor – General to commence with auditing for the financial year 2021/22 after tabling of the annual report and financial statements. This annual report will cover a consolidated performance assessment for the financial year under reporting. The final Annual report will be tabled for adoption at the end January 2023 after which the process of oversight will be done to compile oversight report on the annual report.

The legislated calendar and process for the creation, submission, review, and approval of the 2021/22 Annual Report is set out in the table below.

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	
4	Submit draft 2021/22 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	
10	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	September - October
11	Municipality receive and start to address the Auditor General's comments	November
12	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
13	Audited Annual Report is made public, and representation is invited	
14	Oversight Committee assesses Annual Report	

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No	Activity	Timeframe
15	Council adopts Oversight report	December
16	Oversight report is made public	
17	Oversight report is submitted to relevant provincial councils	
18	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	January

Table 8: Statutory Annual Report Process

COMMENT ON THE ANNUAL REPORT PROCESS:

Substantial progress has been made to align the format and contents of the Annual Report with the guidelines issued by the National Treasury. The process to compile the report has been characterized by challenges occasioned by uneasy access to information on time and lack of evidence to attest financial performance based on monthly financial reports (section 71).

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CHAPTER 2 – GOVERNANCE

Good governance is reflected by participatory, consensus-oriented, accountable, transparent, responsive, effective, and efficient, equitable, inclusive government that complies with the rule of law and ethical considerations. It assures that corruption is minimized, proper and legally acceptable procedures and systems are put in place for effective integrated planning and budgeting and that the views of the public and in particular of the most vulnerable in society are being heard in decision-making.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Section 151(3) of the Constitution states that the Council of a municipality has the right to govern, on its own initiative, the local government affairs of the local community. Council, as political governance, performs both legislative and executive functions and focuses on decision-making to formulate policy and to play an oversight and participatory role.

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

The Nala Local Municipality strives to uphold its legislative authority and co-operative governance as required by the Constitution and other relevant legislation. The municipality maintains good working relations with provincial and national government, the Lejweleputswa District Municipality and neighboring municipalities and intergovernmental agencies.

Nala Local Municipality consists of 24 councilors of which 12 are ward councilors and 12 are proportional representative councilors. The Speaker, honorable Councilor N. Mashiya, presides at Council meetings. The list below indicates all councilors with their names, gender representation.

No	NAME	GENDER	WARD	POLITICAL PARTY
1	Nozililo Martha Ntema (Mayor)	F	PR CLLR	ANC
2	Ndabeni Elias Ntlebi	M	WARD 7	ANC

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No	NAME	GENDER	WARD	POLITICAL PARTY
3	Puleng Angelina Mahoko	F	WARD 1	ANC
4	Petrus Van Wyk	M	WARD 2	ANC
5	Mthetho William Velembo	M	WARD 3	ANC
6	Patricia Dikeledi Swartbooi	F	WARD 4	ANC
7	Modise Marman Molutsi	M	WARD 5	ANC
8	Makuane Simon Mothebe	M	WARD 6	ANC
9	Mokgethi Shadrack Sekhejane	M	WARD 8	ANC
10	Bengu Hendrik Mkhondwane	M	WARD 9	ANC
11	Zacharia Motshwari Moshane	M	WARD 10	ANC
12	Joseph Sootho Tau	M	WARD 11	ANC
13	Marthinus Christoffel Barnard	M	WARD 12	DA
14	David Christie Ross	M	PR CLLR	DA
15	Eulender Ruth Mokolokolo	M	PR CLLR	EFF
16	Phaki William Mafojane	M	PR CLLR	EFF
17	Annah McQueen Makunye	F	PR CLLR	EFF
18	Ishmael Seeiso Mokotedi	M	PR CLLR	EFF
19	Pulane Letia Mpholo	F	PR CLLR	EFF
20	Rantjhome Johannes Ntaopane	M	PR CLLR	EFF
21	Molatudi William Mothibi	M	PR CLLR	NCF
22	Edward Ponki Sai	M	PR CLLR	NCF
23	Desmond Reed	M	PR CLLR	VF+
24	Diaan Botha	M	PR CLLR	VF+

Table 9: NALA Councillors

The Council of Nala Local Municipality is a Collective Executive System and consists of the Council which is the highest decision-making body, and it meets monthly whereas the Act determines Council to meet at least once a quarter. Amongst the critical issues delegated to Council to consider and approve are:

- ☒ Annual Budget and Budget related policies.
- ☒ Integrated Development Plan (IDP)
- ☒ Policies
- ☒ Disposal of Assets
- ☒ Land

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2.2 ADMINISTRATIVE GOVERNANCE

According to Section 60 (b) of the MFMA, the Municipal Manager as the accounting officer of the municipality must provide guidance on compliance with this Act to political structures, political office bearers and officials of the municipality and any entity under the sole or shared control of the municipality.

The Municipal Manager is the head of the administration and primarily serves as the chief custodian of service delivery and the implementation agent of political priorities. She is assisted by her management team.

A key priority of the Management Team has been to establish a solid leadership core within the organisation which permeates through to middle and supervisory management levels. The Management Team Structure is outlined in the table below:

Name of Official	Department	Core Functions
Mrs. Nokufa Elizabeth Radebe	Acting Municipal Manager	Strategic leadership and management of the Municipality
Mr. Sandile Busakwe	Director: Financial Services	Financial management and compliance.
Mr. Itumeleng Jethro Mokotedi	Director Engineering Services	Infrastructure, operations and maintenance, basic services
Mr. Buti Piet Molupe	Director Corporate Services	Corporate identity, Human Resource, legal services and support services.
Mr. Thulo Majoe	Acting Director: Community Services and LED	Community development services and Local Economic Development

Table 10: Management Structure

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COMPONENT B: INTERGOVERNMENTAL RELATIONS

In terms of the Constitution of South Africa, all spheres of government and all organs of state within each sphere must co-operate with one another, in mutual trust and good faith, fostering friendly relations. They must assist, support, inform and consult one another on matters of common interest, coordinate their actions, adhering to agreed procedures and avoid legal proceedings against one another.

Several intergovernmental relation (IGR) structures promote and facilitate co-operative governance and intergovernmental relations between the respective spheres of government. Intergovernmental relations are regulated by the Intergovernmental Relations Framework Act, 2005. The IGR structures assist in aligning municipal planning and development initiatives, promotes an approach which fosters shared service agreements and collaborates on matters of mutual concern to the district.

Note: MSA S3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Constitution S41.

2.3 INTERGOVERNMENTAL RELATIONS

To adhere to the principles of the Constitution as mentioned above, the Municipality participates in the following intergovernmental structures:

NATIONAL INTERGOVERNMENTAL STRUCTURES

- ☒ Municipal Managers National Forum
- ☒ SALGA National Assembly

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

- | | |
|--|---|
| <input checked="" type="checkbox"/> Premier's Coordinating Forum (PCF) | Quarterly Executive Mayor/Municipal Manager |
| <input checked="" type="checkbox"/> SALGA Working Groups | Quarterly Councilors/Snr Managers |
| <input checked="" type="checkbox"/> Municipal Managers Forum | Quarterly - Municipal Manager |

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- ☒ Provincial IDP Managers' Foru Quarterly - Municipal Manager
- ☒ Provincial LED Forum Quarterly - Municipal Manager
- ☒ Provincial Public Participation Forum Quarterly – Executive Mayor/Mayor

RELATIONSHIPS WITH MUNICIPAL ENTITIES

There are no municipal entities at Nala that the municipality has relationships with.

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COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Constitution (Section 152) sets out the objectives of local government, one of which is the provision of democratic and accountable government to local communities. This is reiterated by Section 15(b) of the Municipal Systems Act (2000) which requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff.

PUBLIC PARTICIPATION

Municipalities are required to encourage local communities and community organisations to participate in the matters of local government. A Municipality is required to develop a culture of community participation and develop a system of participatory municipal governance that compliments formal representative governance. The Municipality is also required to supply its community with information concerning municipal governance, management, and development.

Section 16 of the MSA refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose, it must encourage and create conditions for the local community to participate in the affairs of the community. Such participation is required in terms of:

- ☒ the preparation, implementation, and review of the IDP
- ☒ establishment, implementation, and review of the performance management system
- ☒ monitoring and review of the performance, including the outcomes and impact of such performance

2.4 PUBLIC MEETINGS

The ward committees support the ward councilor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the Municipality constantly strives to ensure that all ward committees' function optimally with community information provision; convening of meetings; ward based planning.

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service delivery; IDP formulation and performance feedback to communities. Twelve (12) Ward Committees were established by the municipality in the inception of this council in 2016. The newly elected members of the Ward Committees were trained to ensure that they are capable to execute their duties as committee members.

The purpose of a ward committee is:

- ☒ to get better participation from the community to inform council decisions.
- ☒ to make sure that there is more effective communication between the Council and the community; and
- ☒ to assist the ward councilor with consultation and report-backs to the community.

Ward committees should be elected by the community they serve. The ward councilor serves on the ward committee as the chairperson. Although ward committees have no formal powers, they advise the ward councilor who makes specific submissions directly to the administration. These committees play a very important role in the development and annual revision of the integrated development plan of the area.

Public meetings were held as follows and other council meetings were held under strict Covid-19 regulations from March 2019/20 to the end of June 2020/21. Some of these meetings could not take place out of a concern that they would be super spreader for the pandemic of Covid-19. However, online meetings were recommended during this period.

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to Community
IDP Review 2020/2021 Public Consultations	N/a					
IDP Reps Forum	N/a					
IDP Reps Forum	N/a					
Mayoral Imbizo						
Stakeholders' consultation on the Annual Report 2019/20	N/a					
Ordinary council						
Ordinary Council						
Special Council						

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Ordinary Council						
Ordinary Council						
Ordinary Council						

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Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to Community
Special Council						
Special Council						
Special Council						

Table 11: Public Meetings

The current ward committee members is shown in Appendix B.

2.5 IDP PARTICIPATION AND ALIGNMENT

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

Table 12: IDP Participation and Alignment Criteria

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COMPONENT D: CORPORATE GOVERNANCE

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

2.6 AUDIT AND RISK MANAGEMENT

AUDIT

The Municipality has an Internal Audit Unit as required by Section 165(1) of the MFMA and two Internal Auditors who report to the Municipal Manager. The post Manager Internal Audit was filled on the 1st October 2021, however, the incumbent resigned from the post within six months of her appointment rendering the post vacant at the end of financial 2021/22. The Audit and Performance and Risk Committee is still functional and hold its quarterly meetings as per the adopted schedule.

RISK MANAGEMENT

The Risk management unit was set up immediately after the Manager Internal Audit post was filled. The Risk Officer is appointed to manage the unit and reports directly to the Municipal Manager. The Risk Register has been developed and adopted by Council during the financial year 2021/22. Risk Management provides a clear and structured approach to identifying risks. Having a clear understanding of all risks allows the municipality to measure and prioritize them and take the appropriate actions to reduce possible losses.

In terms of Section 62 (1)(i) and Section 95(c)(i) of the MFMA, "the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure- that the municipality has and maintains effective, efficient and transparent systems – of financial and risk management and internal control;". No risk assessment was done during the 2021/22 financial year.

2.7 ANTI-CORRUPTION AND FRAUD

The initiative to promote good governance and accountability is premised on the principle that serving the people is fundamentally a privilege. The Local Government Anti-Corruption Strategy developed by DPLG is modelled around the Public Service Anti-Corruption Strategy. the

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Accounting Officer of the municipality remains the principal person responsible for implementation of Anti-Corruption and Fraud Strategy.

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

Fraud prevention can be seen as the cumulative effect of both prevention and detection systems incorporated by management. The detection of fraud can only lead to the prevention thereof if the response thereto acts as a deterrent. Implementing good governance, ethics, accountability as well as strategies and policies to prevent fraud and corruption is based on the principle that service delivery is the priority of the Municipality. Implementation of these principles and awareness are continuous processes aimed at ensuring that the interest and needs of the public are met.

The municipality is committed to fighting fraudulent behaviour at all levels within the institution. The municipality has a Fraud Prevention Plan which is also supported by an Anti-Fraud, Corruption and Financial Misconduct Policy as well as a Code of Ethics. This plan and policy is based on the institution's core ethical values, driving the business of Nala, the development of its systems, policies and procedures, interactions with the public and other stakeholders, and even decision-making by individual managers representing the institution.

This means that the municipality's departments, other business units and external stakeholders must be guided by the Strategy/Plan, as the point of reference for their conduct in relation to municipality. In addition to promoting ethical conduct within the municipality, it also intends to assist in preventing, detecting, investigating, and sanctioning fraud and corruption.

The municipality operates in terms of legislation and Councilors do not form part of the procurement processes. Internal Audit reviews segregation of duties and processes. The Audit and Performance Audit Committee performs an overseeing role, and all members are independent.

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2.8 SUPPLY CHAIN MANAGEMENT

The supply chain management policy of a municipality or municipal entity must be fair, equitable, transparent, competitive, and cost-effective and comply with a prescribed regulatory framework for municipal supply chain management. The municipality has a Supply Chain Management Policy in place and three SCM committees are set up within the unit.

REVIEW OF SCM POLICY

The Nala Local Municipality has adopted the SCM Policy incorporating Preferential Procurement (SCM Policy) which are reviewed annually. The policy is implemented by a functional SCM Unit (SCMU) under the direct supervision of the Chief Financial Officer. With the new organizational just been finalized, the post of Manager Supply Chain and Assets should be filled.

SUPPLY CHAIN MANAGEMENT UNIT

SCM Reg.3 states the following:

- ☒ Each Municipality must establish a Supply Chain Management Unit to implement its supply chain management policy
- ☒ An SCM Unit must, where possible, operate under the direct supervision of the Chief Financial Officer or an official to whom this duty has been delegated in terms of Section 82 of the act
- ☒ The Supply Chain Management unit is under the direct supervision of the CFO. There is institutional structure in place to allow for the establishment of the unit.

The Municipal Manager has also implemented a delegation system for procurement-related actions, which includes the establishment of bid committees and the appointment of members. The delegations also allow for appropriate segregation of duties and councilors are not involved in any of the procurement and tender processes.

REPORTING

All Monthly reports are consolidated to form Quarterly's SCM Reports that are submitted to Provincial and National Offices for compliance purposes

Chapter 2

2.9 WEBSITES

Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustment budget and budget related documents and policies. The Nala LM website has been reestablished after long years of being dysfunctional.

The performance of the Municipality in this regard is shown below.

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	
All current budget-related policies	Yes	
The previous annual report ('2020/21)	No	
The annual report ('2020/21) published/to be published	No	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act ('2021/22) and resulting scorecards	No	
All service delivery agreement ('2020/21)	No	
All long-term borrowing contract ('2020/21)	Yes	
All supply chain management contracts above a prescribed value (give value) for 2020/21	No	
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 '2020/21	No	
Contracts agreed 'n '2021/22 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made 'n '2021/22	No	
All quarterly reports tabled in the council in terms of section 52 (d) during '2020/21	No	

Table 13: Municipal Website; Content & Currency of Material

2.10 SATISFACTION SURVEYS UNDERTAKEN

The municipality did not conduct any community surveys in the 2021/22 financial year.

2.11 BY-LAWS INTRODUCED

Section 11(3) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) empowers Municipal Councils to exercise executive and legislative authority to pass and implement by-laws and policies.

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Section 11 of the MSA gives a Council the executive and legislative authority to pass and implement by-laws and policies. No new by-laws were introduced in the 2021/22 financial year and those that were promulgated in the past outer financial years have not been implemented yet.

By-laws Introduced duri'g '2021/22					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
none	none	None	none	none	None

Table 14: By-Laws

Chapter 3

OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

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

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

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

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

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

In addition , Regulation 7(l) Of Local Government : Municipal planning and Performance management regulations, 2001 states that a municipality management system entails a framework which deals on how a municipality 's cycle and processes of performance planning , monitoring, measurement, review, reporting and improvement will be conducted including

determining roles of different role players.

The municipality adopted its own IDP process plan which was approved by Council in August 2020.

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3. PROCESS FOLLOWED PERFORMANCE SYSTEM FOR 2021/22

3.1 LEGISLATIVE REQUIREMENTS

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

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

3.2 ORGANISATION PERFORMANCE

This Report reflects actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for 2021/2022.

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

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

The municipality adopted its own IDP process plan which was approved by Council in August 2020.

Chapter 3

3.4 THE IDP AND BUDGET

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

The Municipality endeavoured during the development of the Top Layer as well as with the development of its SDBIP that the "SMART" principle was adhered to in the setting of indicators and objectives. Emphasis was placed on ensuring that targets were specific, and time bound, thus making it measurable. The IDP was developed for 2017-2022.

Performance Management Checklist

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

3.5 The Service Delivery and Budget Implementation Plan

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

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

Chapter 3

The MFMA Circular No.13 prescribes that:

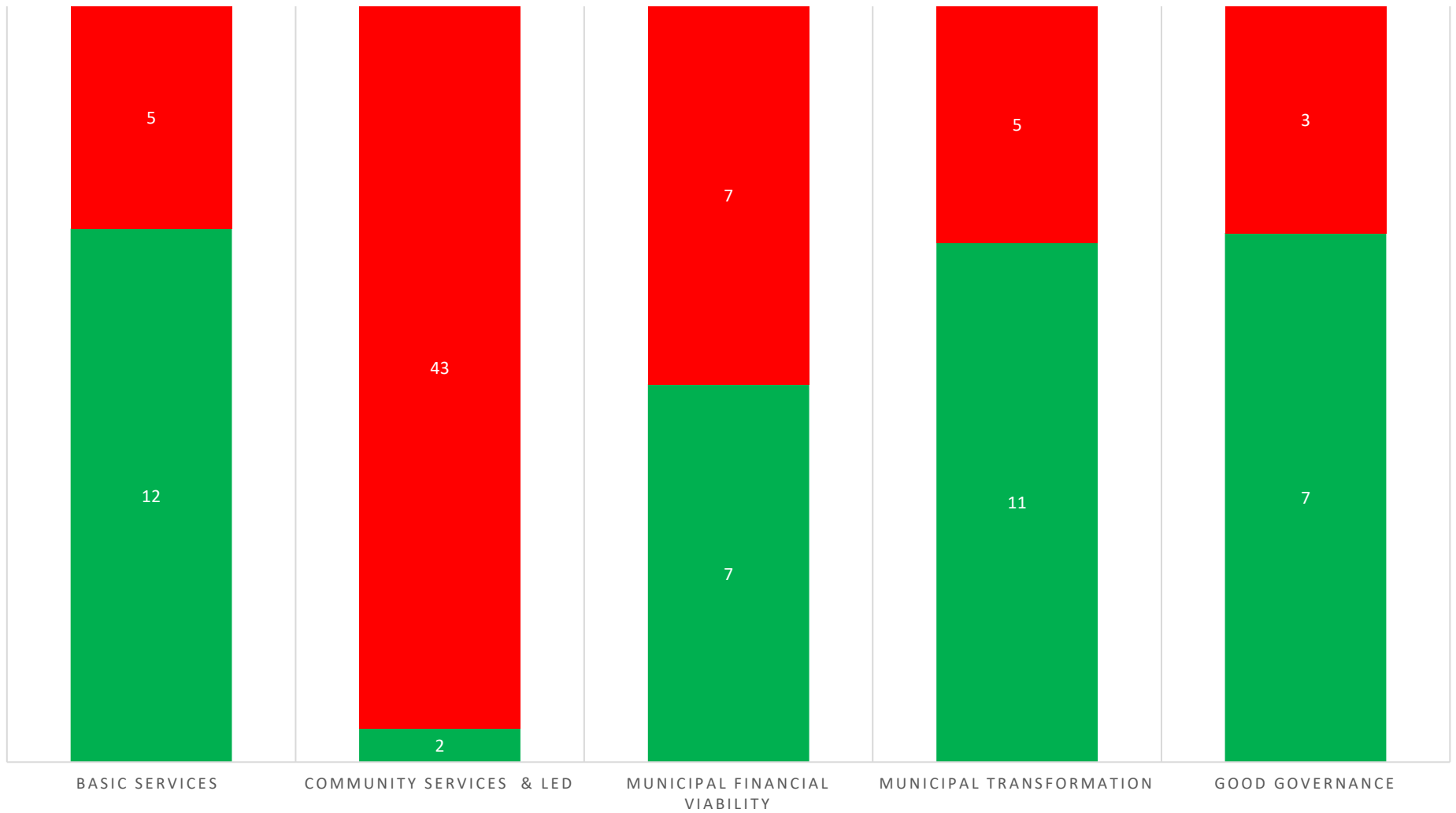
- The IDP and budget must be aligned
- The budget must address the strategic priorities
- The SDBIP should indicate what the municipality is going to do during next 12 months
- and The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes.

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

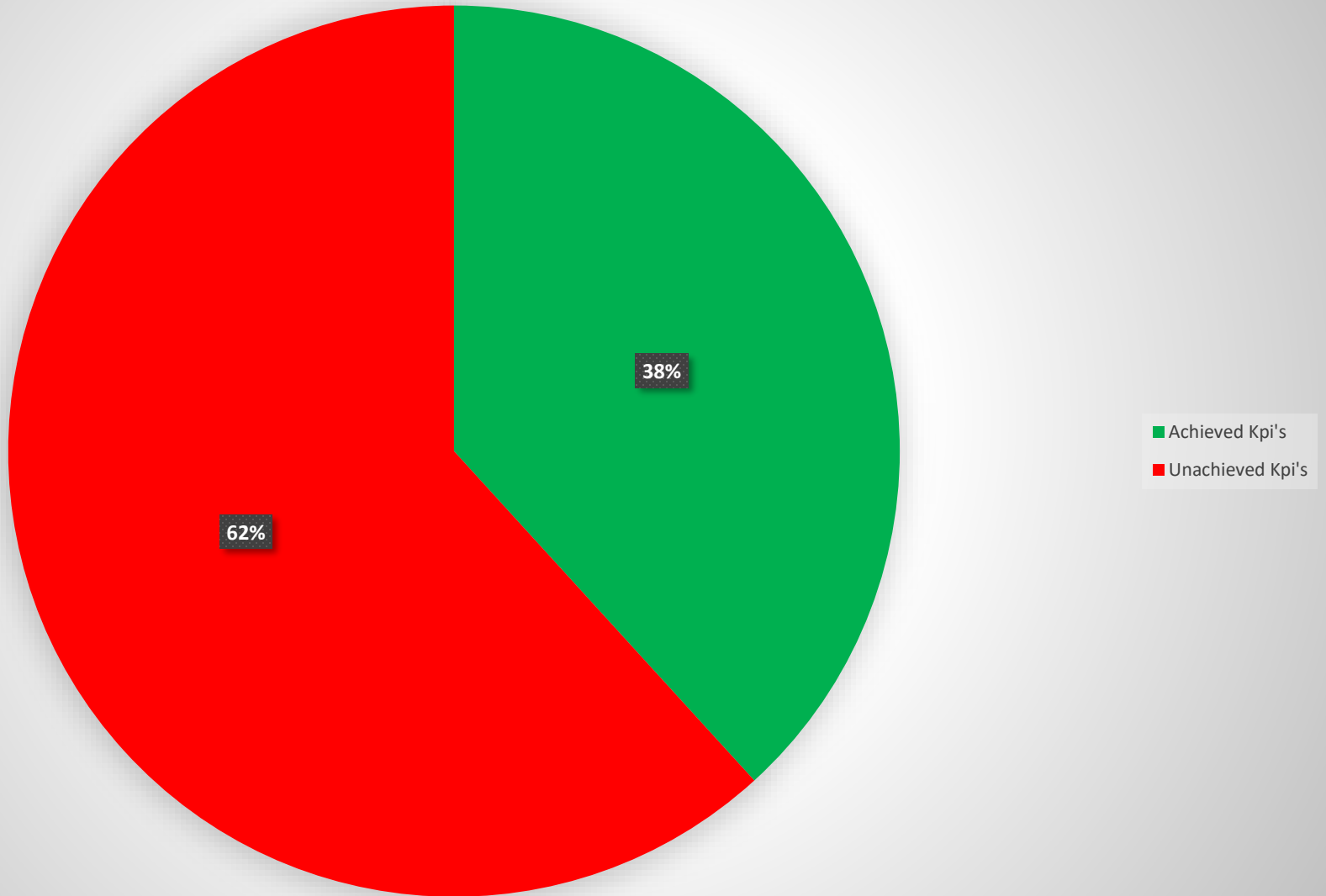
Color	Category	Explanations
	Kpi not met	Target less than 100
	Kpi well met	Target between 100 and more

MUNICIPAL KPA'S PERFORMANCE

■ Achieved Kpi's 39 ■ Unachieved Kpi's 63



Overall Municipal Performance



Chapter 3

KPA1: BASIC SERVICE DELIVERY								
REF	IDP Objectives 2021/22	KPI	Unit of Measure	2020/21 Baseline	Budget	Annual Target	Actual achievement	Reasons for non-achievement and Remedial Action
TL 1.1	To ensure access to portable water to all urban households	Project Design	Design	0		Project design	Achieved	
TL 1.2	To ensure access to portable water to all urban households	Project Design	Design	0		Project design	Achieved	
TL1.3	To ensure access to portable water to all urban households	Compliance with the blue drop water quality accreditation system	Number of assessments report done	2		2	2 Achieved	
TL1.4	To provide access to Waterborne Sewer reticulation network in all urban households	Design	Design	0		Design	Achieved	
TL1.5	To provide access to Waterborne Sewer reticulation network in all urban households	Design	Design	0		Design	Achieved	
TL1.6		Compliance with green drop standards	Number of assessments report done	4		4	2 Not Achieved	The municipality claims that the assessment are done twice a year hence they could only do two assessments during the financial year under reporting.
TL1.7		Bothaville outfall sewer: Brand Street	Kilometres			Construction of 1.6km outfall sewer	Achieved	
TL1.8	To ensure that all Municipal roads are upgraded/maintained to facilitate economic and social activity required for sustainable development of Municipality	Construction of 2,5 km bulk stormwater lining with concrete and stone pitching in Monyakeng and Wesselsbron (wards 1,2,3,4)	Kilometres	0		Construction of 2,5 km bulk stormwater	Achieved	

KPA1: BASIC SERVICE DELIVERY

REF	IDP Objectives 2021/22	KPI	Unit of Measure	2020/21 Baseline	Budget	Annual Target	Actual achievement	Reasons for non-achievement and Remedial Action
TL1.9	To ensure that all Municipal roads are upgraded/maintained to facilitate economic and social activity required for sustainable development of Municipality	Construction of 2,5 km bulk stormwater lining with concrete and stone pitching in Kgotsong and Bothaville(wards 7,8,11 and 12)	Kilometres	0		Construction of 2,5 km bulk stormwater	Not Achieved	<p>Reasons for non-achievement: Sewer spillage and heavy rainfall has delayed completion of this project on time.</p> <p>Remedial action: To increase manpower capacity to work on weekends.</p>
TL1.10		Construction of paved roads 1,6km lining with concrete channels in Monyakeng	Kilometres	0		Construction of paved roads 1,6km lining with concrete channels in Monyakeng	Not Achieved	<p>Reasons for non-achievement: Delays caused by heavy rainfall and sewer spillage flowing into the road layer works.</p> <p>Remedial action: We extended the project until end of August 2022 to coverup the lost time.</p>
TL1.11		Construction of paved roads 1,6km lining with concrete channels in Kgotsong: Monnamoncho Street, Sebotsa Street and Boneni Street.	Kilometres	0		Construction of paved roads 1,6km lining with concrete channels in Kgotsong	Not Achieved	<p>Reasons for non-achievement: The project is not registered yet.</p> <p>Remedial action: The project has been deferred for implementation in the 2023/24 financial year.</p>
TL1.16	Monyakeng: Development of 4 training soccer grounds	To improve the sports facilities within the municipality	Monyakeng: Development of 4 training soccer grounds	0		4	4 Achieved	
TL1.17		Kgotsong: Construction of a new Multi-Purpose in Bothania 9 (Matlharantlheng)	N	0		1	Not Achieved	<p>Reasons for non-achievement: Lack of funding.</p> <p>Remedial action: Apply for 5% funding from MIG Projects.</p>

Chapter 3

No	No of KPI	Achieved Kpi's	Not Achieved Kpi's	Percentage
1	17	12	5	71 %

KPA 2: COMMUNITY SERVICES AND LED								
REF	IDP Objectives 2021/22	KPI	Unit of Measure	2020/21 Baseline	Budget	Annual Target	Actual achievement	Reasons for non-achievement and Remedial Action
TL2.1	Proper Spatial Planning and effective land use management.	Spatial Development Framework (SDF). Developed by a Service Provider. COGTA	Approved SDF by 30 June 2022	Draft SDF not yet released by service provider because of outstanding amount owed to them.		Approved SDF	Not Achieved	<p>Reasons for non-achievement: COGTAFS could not resolve their outstanding debt to the service provider hence the SDF was not released.</p> <p>Remedial action: DALRRD to support the municipality to develop a new SDF by the 31st March 2023.</p>
TL2.2	To ensure effective urban planning that will promote spatial planning and social cohesion	In-house Township Establishment in Kgotsong.	Number of sites sold by 30 June 2022	380 sites sold		24	Not Achieved	<p>Reasons for non-achievement: Potential buyers are reluctant to buy un-serviced sites.</p> <p>Remedial action: DHS to accelerate construction of basic infrastructure on un-serviced sites.</p>
TL2.3	To ensure effective urban planning that will promote spatial	Rezoning and Subdivision of parks and open spaces for development	Number of sites developed in Kgotsong open	0		157 sites to be developed in Kgotsong open	Not Achieved	<p>Reasons for non-achievement: Lack of capacity in the municipality.</p> <p>Remedial action: The municipality to seek support from the district and Department of Human Settlement (DHS).</p>

KPA 2: COMMUNITY SERVICES AND LED

REF	IDP Objectives 2021/22	KPI	Unit of Measure	2020/21 Baseline	Budget	Annual Target	Actual achievement	Reasons for non-achievement and Remedial Action
	planning and social cohesion	of sites by end of June 2022.	spaces and parks by 30 June			spaces and parks.		
TL2.4	To ensure effective urban planning that will promote proper spatial planning & social cohesion.	Land use applications submitted within 60 days of receipt by 30 June 2022	A report on the applications received and submitted within 60 days divided by total correct applications received	0		Land use applications approved within 60 of receipt by 30 June 2022.	Not Achieved	<p>Reasons for non-achievement; Lack of capacity to process applications in time.</p> <p>Remedial action The municipality must capacitate the unit to enable it to do its work.</p>
TL2.5	Development of erven/sites.	Serviced sites sold in Meyerhof by 30 June 2022	Number of serviced sites sold in Meyerhof by 30 June 2022	New		19 Serviced Sites in Meyerhof	Not Achieved	<p>Reasons for non-achievement: Slow pace to prepare contractual obligations for sale of land.</p> <p>Remedial action: Terms of sale of land to be developed by legal services unit of the municipality.</p>
TL2.6	To ensure effective urban planning that will promote proper spatial planning & social cohesion.	Sale of un-serviced sites in Botharnia 9 (behind Shell filling station) by end of June 2022	Number of sites to be sold by 30 June 2022	380		24	Not Achieved	<p>Reasons for non-achievement: Potential buyers are reluctant to buy un-serviced sites.</p> <p>Remedial action: DHS to accelerate construction of basic infrastructure on un-serviced sites.</p>

KPA 2: COMMUNITY SERVICES AND LED

REF	IDP Objectives 2021/22	KPI	Unit of Measure	2020/21 Baseline	Budget	Annual Target	Actual achievement	Reasons for non-achievement and Remedial Action
TL2.7	Facilitate economic growth, development and creation of decent employment opportunities.	Jobs created through the municipality's EPWP by 30 June 2022	Number of jobs created through the municipality's EPWP by 30 June 2022	198		400 No of jobs to be created through the municipality's CWP 30 June 2022.	Not Achieved	<p>Reasons for non-achievement: The municipality does not do budget allocation for this project and cannot therefore determine number of jobs to be created</p> <p>Remedial action: To rely on the CWP for determination of allocation of number of jobs to be created per financial year</p>
TL2.8		Submit to Council for adoption an Expanded Public Works Programme (EPWP) Policy by 30 June 2022	1 policy submitted to Council on EPWP by 30 June 2022	New		Expanded Public Works Programme (EPWP) Policy submitted to Council by 30 Sep 2021	Not Achieved	<p>Reasons for non-achievement: The municipality does not do budget allocation for this project and cannot therefore determine number of jobs to be created.</p> <p>Remedial action: To rely on the EPWP for determination of allocation of number of jobs to be created per financial year.</p>
TL2.9	Facilitate economic growth, development and creation of decent employment opportunities	Construction of 5 hawkers' stalls at Bothaville taxi rank by date	Number of hawker's stalls constructed at Bothaville by 30 June 2022	New		Construction of hawkers' stalls at Bothaville taxi rank by end of August 2021	Achieved	
TL2.10		Construction of 5 hawker's stalls at Wesselsbron taxi rank by date	Number of hawker's stalls constructed at Bothaville	New		Construction of hawker's stalls at Wesselsbron taxi rank by	Achieved	

KPA 2: COMMUNITY SERVICES AND LED

REF	IDP Objectives 2021/22	KPI	Unit of Measure	2020/21 Baseline	Budget	Annual Target	Actual achievement	Reasons for non-achievement and Remedial Action
			by 30 June 2022			end of Sept 2021		
TL2.11		Submit to Council for adoption, a Business Registration and Licensing By-Law by 30 June 2022	1 Approved By-Law by 30 June 2022	New		Submit to Council for adoption, a Business Registration and Licensing By-Law by Oct. 2021	Not Achieved	<p>Reasons for non-achievement: Lack of capacity to develop a by-law.</p> <p>Remedial action: To seek support for development of this by-law from COGTAFS.</p>
TL2.12	To review LED Strategy	Review of LED strategy by 30 June 2022	1 Led Strategy reviewed by 30 June 2022	New		LED Strategy reviewed by end Nov 2021	Not Achieved	<p>Reasons for non-achievement: The LED Strategy is not developed because of lack of inhouse capacity.</p> <p>Remedial action; To seek support from COGTAFS's LED unit.</p>
TL2.13	Facilitate economic growth, development and creation of decent employment opportunities	Submit to Council for adoption a Local Growth and Development Strategy by date	Date	New		Submit to Council for adoption a Local Growth and Development Strategy by Nov.2021	Not Achieved	<p>Reasons for non-achievement: Lack of capacity to develop Local Growth and Development Strategy.</p> <p>Remedial action: To seek support from COGTAFS.</p>
TL2.14		Submit an Informal Economy Policy to Council for adoption by date	Date	New		Submit an Informal Economy Policy to Council for adoption by end Jan 2022	Not Achieved	<p>Reasons for non-achievement: Lack of capacity to develop the Policy.</p> <p>Remedial action: To seek support for development of this Policy from COGTAFS.</p>

KPA 2: COMMUNITY SERVICES AND LED

REF	IDP Objectives 2021/22	KPI	Unit of Measure	2020/21 Baseline	Budget	Annual Target	Actual achievement	Reasons for non-achievement and Remedial Action
TL2.15		Update Municipal Spatial data and GIS software by date				Update Municipal Spatial data and GIS software by end January 2022	Not Achieved	Reasons for non-achievement: Lack of capacity to update spatial information systems. Remedial action: To seek support for development of spatial information systems.
TL2.16	To ensure improved access to appropriate basic services and infrastructure	Develop Township Register for Housing Development by date	Date	New		Develop Township Register for Housing Development by Sep 2021	Not Achieved	Reasons for non-achievement The process has been stopped since the pandemic of covid-19. Remedial action FSCOGTA to assist the municipality to develop Register of Housing needs.
TL2.17	To protect the municipal properties and employees against potential threats.	Number of security management reports compiled and submitted to EXCO and council.	Number	New		12 security incidents reported and investigated.	Not Achieved	Reasons for non-achievement Lack of formal reporting of incidents Remedial action: To institutionalise reporting systems of security incidents.
TL2.19	Aspire to healthy, safe and crime free communities	Conduct 60 By-law enforcement programs by date	Number	New		Conduct 60 By-law enforcement programs by 30 June 2022	Not Achieved	Reasons for non-achievement Lack of capacity. Remedial action To employ more personnel in the unit.
TL2.20	Aspire to healthy, safe and crime free communities	Report on Number of Road Offence Tickets Issued by date	Number	New		200 Road Offence Tickets issued by 30 June 2022	Not Achieved	Reasons for non-achievement: No reports were available at the time of compilation of this report. Remedial action

KPA 2: COMMUNITY SERVICES AND LED

REF	IDP Objectives 2021/22	KPI	Unit of Measure	2020/21 Baseline	Budget	Annual Target	Actual achievement	Reasons for non-achievement and Remedial Action
								Prepare monthly reports for issued road offence tickets.
TL2.21	Improve visibility of Traffic Officers on the Road	Number of Law enforcement operations conducted	Number	New		40 Law enforcement operations conducted by 30 June 2022	Not Achieved	<p>Reasons for non-achievement: No reports were available at the time of compilation of this report.</p> <p>Remedial action Prepare monthly reports for law enforcement operations conducted</p>
TL2.22		Construction of Animal Pound at Bothaville and Wesselsbron by June 2022	Animal pounds	New		Completion of Animal pounds by 30 June 2023	Not Achieved	<p>Reasons for non-performance: Lack of resource capacity to manage this facility.</p> <p>Remedial action Seek support from sector departments.</p>
TL2.23	Implement Pound Management Operations	Number of Reports on pounding of stray animals	number			12-pound management operations implemented	Not Achieved	<p>Reasons for non-performance: Lack of resource capacity to manage this facility.</p> <p>Remedial action Seek support from sector departments.</p>
TL2.24	To provide Sustainable human settlements within Nala Municipality.	Identification of beneficiaries and submission of the list to COGTA.		Waiting list		List of beneficiaries for RDP houses compiled by 30 June 2022.	Not Achieved	<p>Reasons for non-performance Beneficiaries on the municipal waiting list are not directly for housing with Department of Human Settlement.</p> <p>Remedial action Potential beneficiaries should for RDP houses directly with</p>

KPA 2: COMMUNITY SERVICES AND LED

REF	IDP Objectives 2021/22	KPI	Unit of Measure	2020/21 Baseline	Budget	Annual Target	Actual achievement	Reasons for non-achievement and Remedial Action
								the Department of Human Settlement.
TL2.25	To ensure improved access to appropriate basic services and infrastructure	Number of Urban and township areas with access to refuse removal services	Number	New		ALL households at Bothaville, Wesselsbron, Kgotsong and Monyakeng with access to refuse removal by end Sept 2021	Not Achieved	Reasons for non-performance Shortage of refuse collection fleet. Remedial action Purchase 4 refuse removal tractors.
TL2.26		Number of waste awareness programmes conducted	number			8 waste management awareness conducted by end June 2021	Not Achieved	Reasons for non-performance Lack of capacity. Remedial action To seek support from sector departments.
TL2.27		Implement the approved Disaster Management Plan	Number of Disaster Management Advisory Forums meetings convened			4 Advisory Forums meetings convened	Not Achieved	Reasons for non-performance Advisory Forum meetings do not sit except when there are disaster incidents Remedial action Advisory Forum to sit monthly.
TL2.28		Conduct 4 Integrated awareness campaigns (Road awareness campaigns, Fire and Rescue	Number	0		Conduct 4 Integrated awareness campaigns (Road awareness campaigns, Fire and Rescue	Not Achieved	Reasons for non-performance These campaigns were not conducted because the municipality must do that in partnership with Department of Environmental Affairs. Remedial action These campaigns should be prioritised at once quarterly.

KPA 2: COMMUNITY SERVICES AND LED

REF	IDP Objectives 2021/22	KPI	Unit of Measure	2020/21 Baseline	Budget	Annual Target	Actual achievement	Reasons for non-achievement and Remedial Action
		disaster management awareness, Climate Change awareness, waste management awareness campaigns) by date				disaster management awareness, Climate Change awareness, waste management awareness campaigns) by 30 June 2022		
TL2.29	To ensure improved access to appropriate basic services and infrastructure	Purchase of 4 waste removal tractors by 30 June 2022	Acquisition of 4 waste removal tractors	New		Purchase of waste removal tractors by 31 August 2021	Not Achieved	Reasons for non-performance. Lack of budget. Remedial action To make budget allocation for the next financial year.
TL2.30	To ensure improved access to appropriate basic services and infrastructure	Repairs and Maintenance of Community Halls (ALL FOUR community Halls)	Number	0		4	Not Achieved	Reasons for non-performance No budget allocation for that project. Remedial action To create funding through Private Public Partnership.
TL2.32	To provide support to tourism activities within the Municipality.	To market tourists places in the municipality	Tourism Marketing Plan by 30 June 2022	New		30 June 2022	Not Achieved	Reasons for non-performance Lack of capacity. Remedial action Seek support from DESTEA

KPA 2: COMMUNITY SERVICES AND LED

REF	IDP Objectives 2021/22	KPI	Unit of Measure	2020/21 Baseline	Budget	Annual Target	Actual achievement	Reasons for non-achievement and Remedial Action
TL2.33	Achieve holistic human development and capacitation for the realization of skilled and employable citizens.	Number of Cooperatives provided with training and access to resources (to ensure Functionality of Community Bakeries) by	Number	New		Conduct training and access to resources for 2 Cooperatives (to ensure Functionality of Community Bakeries) by 30 June 2022	Not Achieved	Reasons for non-performance Lack of capacity Remedial action Seek support from sector departments.
TL2.34		Number of Emerging Enterprises (SMME's provided with training workshop by date	Number	New		Emerging Enterprise training workshop held by end Feb 2022	Not Achieved	Reasons for non-performance Lack of capacity. Remedial action Seek support from sector departments.
TL2.35	Ensure an integrated and aligned development planning	Number of legal and illegal inspections conducted in compliance with National Building Regulation and Standards	Number	New		Conduct 32 Inspection on Legal and illegal Building works by 30 June 2022	Not Achieved	Reasons for non-performance Lack of human resource capacity. Remedial action Seek capacity from sector departments.
TL2.36	Ensure an integrated and aligned development planning	Turnaround time (in days) on the approval of building plans submitted to the municipality	Turnaround time	New		Approve Complete Development Applications within 90 days in terms of SPLUMA from the date of	Not Achieved	Reasons for non-performance. Lack of capacity Remedial action Seek support from sector departments

KPA 2: COMMUNITY SERVICES AND LED

REF	IDP Objectives 2021/22	KPI	Unit of Measure	2020/21 Baseline	Budget	Annual Target	Actual achievement	Reasons for non-achievement and Remedial Action
						submission by property owners		
TL2.37	To ensure improved access to appropriate basic services and infrastructure	Cemeteries maintained by 30 June 2022.	Date	ongoing		30 June 2022	Not Achieved	Reasons for non-performance Lack of equipment to maintain cleanliness of cemeteries. Remedial action To purchase of needed equipment.
TL2.38	To ensure improved access to appropriate basic services and infrastructure	Construction of New Cemeteries at Bothaville and Kgotsong	Hectares	New		Hectares of land available for cemetery.	Not Achieved	Reasons for non-performance No reports on new land acquired for cemeteries extension. Remedial action Council to resolve on allocation of land for new cemeteries.
TL2.39		Maintenance of Parks and Sport fields by date		New		Weekly Reports on cutting of grass on Parks, open spaces and Sport fields	Not Achieved	Reasons for non-performance Lack of equipment to maintain cleanliness of parks and sports fields. Remedial action To purchase of needed equipment.
TL2.40	Ensure that our people have access to community facilities	Number of Sporting codes participating during Mayoral Cup by date	number	5 sporting codes		5 Sporting codes participating during Mayoral Cup by 30 June 2022	Not Achieved	Reasons for non-performance No report on sporting activities for Mayoral Cup were developed. Remedial action Report Mayoral Cup sporting activities.

KPA 2: COMMUNITY SERVICES AND LED

REF	IDP Objectives 2021/22	KPI	Unit of Measure	2020/21 Baseline	Budget	Annual Target	Actual achievement	Reasons for non-achievement and Remedial Action
	and services							
TL2.41	To ensure that the community of Nala LM has sports facilities	Monyakeng: Development of 4 soccer training grounds and goal posts	No	0		4	Not Achieved	<p>Reasons for non-performance No reports were made available on development of 4 sports grounds in Monyakeng at the compilation of this report.</p> <p>Remedial action Reports on the progress of this project should be compiled and made available to confirm the status of the project.</p>
TL2.42	To rehabilitate Bothaville and Wesselsbron Landfill sites	Rehabilitation of Bothaville and Wesselsbron Landfill sites by end of June 2022.	Adherence of NEMA (National Environment Management Act)	Non-Compliance		Upgrading of 2 Landfill sites in compliance with NEMA.	Not Achieved	<p>Reasons for non-performance Lack of resource capacity (finance and expertise).</p> <p>Remedial action To seek support from the department of DESTEA.</p>
TL2.43		Fencing of Landfill sites at both Bothaville and Wesselsbron 30 June 2022.	Report on landfill sites fencing.	0		Landfill sites fenced by end October 2021	Not Achieved	<p>Reasons for non-performance Lack of resource capacity (finance and expertise).</p> <p>Remedial action To seek support from the department of DESTEA</p>
TL2.44	To ensure improved access to appropriate basic services and infrastructure	Number of illegal dumping sites cleared	Number	0		All Illegal dumping sites cleared by 31 January 2022	Not Achieved	<p>Reasons for non-performance Lack of capacity and Plan.</p> <p>Remedial action Accelerate review of IWMP.</p>

KPA 2: COMMUNITY SERVICES AND LED

REF	IDP Objectives 2021/22	KPI	Unit of Measure	2020/21 Baseline	Budget	Annual Target	Actual achievement	Reasons for non-achievement and Remedial Action
TL2.45	Environmental Protection	Environmental Protection.		Draft Environmental Management Plan.		Approved Environmental Management Plan by Dec. 2021	Not Achieved	Reasons for non-performance Lack of capacity to develop the plan. Remedial action To seek support from sector departments.

No	No of KPI	Achieved Kpi's	Not Achieved Kpi's	Percentage
1	45	2	43	4 %

KPA:3 MUNICIPAL FINANCIAL VIABILITY AND FINANCIAL MANAGEMNT

REF	IDP Objectives 2021/22	KPI	Unit of Measure	2020/21 Baseline	Budget	Annual Target	Actual achievement	Reasons for non-achievement and Remedial Action
TL3.1	Sound financial management and financial viability	Revenue enhanced by 15% at the end of June 2022.	Percentage	0	R1000 000	Increase by 15%	Achieved 46.7%	
TL3.2	Provision of free basic services to registered indigent	Review of Indigent Policy by end of June 2022.	Indigent Policy	Current Indigent Policy		Approved Indigent Policy by end of May	Achieved	

KPA:3 MUNICIPAL FINANCIAL VIABILITY AND FINANCIAL MANAGEMNT

REF	IDP Objectives 2021/22	KPI	Unit of Measure	2020/21 Baseline	Budget	Annual Target	Actual achievement	Reasons for non-achievement and Remedial Action
	households					2022		
TL3.3	Provision of free basic services to registered indigent households.	Provision of free basic services to all registered indigents at least once a month.	Number	9459		11269	Achieved 11269	
TL3.4	Adhere to set accounting and auditing standards.	Submission of annual financial statements for auditing purposes by 31 st of August 2022.	Date of submission	1	R2000000	To submit by 31 st of August 2021	Not Achieved	Reasons for non-performance Financial systems failure to generate AFS in time. Remedial action To correct financial systems challenges and upgrade to a more efficient one.
TL3.5	To monitor, evaluate & improve the financial viability of Nala local municipality as measured in the key indicators in Municipal Planning & Performance Regulations, 2001.	% of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan (MFMA Circular 71)	Actual Capital Expenditure/ Budget Capital Expenditure x 100				Not Achieved	Reasons for non-performance No POE on this KPI. Remedial action Proper reports should be compiled timeously to give information on performance of KPIs.
TL3.6	To monitor, evaluate & improve the financial viability of Nala local municipality as measured in the key indicators in Municipal Planning & Performance Regulations, 2001.	Compliant annual budget (MTREF) and IDP compiled and approved by end of May 2022.	Actual date budget approved (31 st May 2022)	07 June 2021		31 st May 2022	Not Achieved	Reasons for non-performance Financial systems failure to generate Budget schedules in time. Remedial action To correct financial systems challenges and upgrade to a more efficient one.
TL3.7	To monitor, evaluate & improve the financial viability of Nala local	Mid-year budget assessment and budget adjustments report	Date Mid-year assessment submitted.	30 June 202		Submitted on or before 25 January 2022	Achieved	

KPA:3 MUNICIPAL FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT

REF	IDP Objectives 2021/22	KPI	Unit of Measure	2020/21 Baseline	Budget	Annual Target	Actual achievement	Reasons for non-achievement and Remedial Action
	municipality as measured in the key indicators in Municipal Planning & Performance Regulations, 2001.	submitted on or before 25 January 2021 (s72 of MFMA)						
TL3.8	To monitor, evaluate & improve the financial viability of Nala local municipality as measured in the key indicators in Municipal Planning & Performance Regulations, 2001.	% actual expenditure on repairs and maintenance as a percentage of the approved/adjusted budget	Total Repairs and Maintenance Expenditure /Total amount budgeted for repairs and maintenance x 100				Achieved	
TL3.9	To monitor, evaluate & improve the financial viability of Nala local municipality as measured in the key indicators in Municipal Planning & Performance Regulations, 2001.	No. of SCM reports submitted to council	Sum of reports submitted	4		4	Achieved	
TL3.10	To monitor, evaluate & improve the financial viability of Nala local municipality as measured in the key indicators in Municipal Planning & Performance Regulations, 2001.	% of consumer debtors revenue collected (actual total collections as a percentage of total levies/billings)	Collected Revenue / Billed Revenue x 100	62%		≥95%	Not Achieved 46.7%	Reasons for non-performance Due to high unemployment rate (37%) in Nala LM ratepayers are struggling to meet their monthly payment obligations for municipal services rendered. Remedial action Enhance revenue collection strategies and more focus on creating more jobs through LED initiatives.
TL3.11	To monitor, evaluate & improve the financial viability of Nala local	Net Operating Surplus Margin (MFMA Circular 71)	(Total Operating Revenue – Total	32%		≥0%	Not Achieved	Reasons for non-performance Section 71 reports were not available at the time of compilation of this report.

KPA:3 MUNICIPAL FINANCIAL VIABILITY AND FINANCIAL MANAGEMNT

REF	IDP Objectives 2021/22	KPI	Unit of Measure	2020/21 Baseline	Budget	Annual Target	Actual achievement	Reasons for non-achievement and Remedial Action
	municipality as measured in the key indicators in Municipal Planning & Performance Regulations, 2001.		Operating Expenditure)/ Total Operating Revenue x 100%					Remedial action Section 71 reports must be compiled in time.
TL3.12	Sound financial management and financial viability.	Educate all stakeholders of all SCM processes and procedures and enforcement of all these by staff.					Not Achieved	Reasons for non-performance No reports on this KPI. Remedial action This KPI should be focused on educating more SCM employees about SCM processes and procedures.
TL3.13	To address audit queries.	Development of Audit Action Plan.	Audit Action Plan	1		1	Achieved	

No	No of KPI	Achieved Kpi's	Not Achieved Kpi's	Percentage
1	13	7	6	54 %

KPA 4: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

REF	IDP Objectives 2021/22	KPI	Unit of Measure	2020/21 Baseline	Budget	Annual Target	Actual achievement	Reasons for non-achievement and Remedial Action
TL4.1	Management of administrative process of all council and its Sec 79 and 80 committees	Timely delivery of ordinary council meeting agendas within 7 days	Days	12	R 1 500 000	12	Not Achieved	Reasons for non-performance Agendas for Section 79 meetings are often sent less than 7 days to committees' members due to slow preparation of agenda items. Section 80 committee meetings have not been sitting for almost a year. Remedial action Council support must prepare agenda items in time.
TL4.2		Timely delivery of agenda for meeting of Sec 79	Days	12		12	Not Achieved	Reasons for non-performance Agendas for ordinary council sittings are often sent less than 7 days to councilors due to slow preparation of agenda items.

KPA 4: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

REF	IDP Objectives 2021/22	KPI	Unit of Measure	2020/21 Baseline	Budget	Annual Target	Actual achievement	Reasons for non-achievement and Remedial Action
		and 80 committees.						<p>Section 80 (MPAC) must sit as required by law to provide effective oversight to the municipality.</p> <p>Remedial action Council support must prepare agenda items in time.</p>
TL4.3	To facilitate transformation & development in Nala local municipality	% of a municipality's budget actually spent on implementing its workplace skills plan	R value spent on training divided by total operational budget of the municipality	0%		1%	Achieved	
TL4.4		Development of Human Resource Strategy					Not Achieved	<p>Reasons for non-performance Lack of capacity to develop the HR Strategy.</p> <p>Remedial action The municipality must seek support from SALGA and COGTA</p>
TL4.5	To facilitate transformation & development in Nala local municipality	% of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	No of employees from designated groups in three highest levels of management divided by total number of employees in three highest levels of management	0%		50%	Not Achieved	<p>Reasons for non-performance Lack of EE Plan.</p> <p>Remedial action The municipality must develop EE Plan and consider implementation thereof once senior management posts have been advertised.</p>
rTL4.6	To facilitate transformation & development in Nala local municipality	No. of quarterly reports to Council on the tracking of council resolutions (at the end of each quarter - Sept, Dec, Mar & Apr)	No. of reports submitted.	2		4	Not Achieved	<p>Reasons for non-performance Only two reports (resolution register) were submitted for this financial year.</p> <p>Remedial action Municipality must prepare resolution register of all council sittings.</p>

KPA 4: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

REF	IDP Objectives 2021/22	KPI	Unit of Measure	2020/21 Baseline	Budget	Annual Target	Actual achievement	Reasons for non-achievement and Remedial Action
TL4.7	To ensure good governance & public participation in Nala Local municipality	WSP, annual training report (ATR) & PIVOTAL report compiled & submitted to LGSETA on 30 April each year.	Date annual training report and WSP submitted to the LGSETA	28-May-21		30 April 2022	Achieved	
TL4.8	To facilitate transformation & development in Nala local municipality	Review of EE Plan and numerical goals and targets by 30 March 2022	Revised EE Plan and Council Resolution	30-Jan-21		30-Jan-22	Not Achieved	<p>Reasons for non-performance Lack of capacity to review E Plan</p> <p>Remedial action To seek support from sector departments</p>
TL4.9	To facilitate transformation & development in Nala local municipality	No. of EE Reports submitted to DoL by 15 January each year [EEA2 and EEA4]	Sum of reports submitted	30-Jan-21		EEA2 & EEA4 submitted on or before 15 Jan 2022	Not Achieved	<p>Reasons for non-performance Confirmation of receipt of these reports was not available at the time of compilation of this report.</p> <p>Remedial action Timely confirmation of receipt should be sent to the municipality by the Department of Labour.</p>
TL4.10	To facilitate transformation & development in Nala local municipality	No. of LLF meetings held per annum	Sum of LLF meetings held per year	1		4	Achieved	
TL4.11	Organisational development.	Finalisation of Migration Report	Approved Migration Report	Draft Migration Report.		Approved Migration Report by end of June 2022.	Achieved	
TL4.12		Filling of funded, critical posts by end of June 2022.	Number of vacant funded posts to be filled.	1 director posts filled.		Six (6) critical posts filled by end of June 2022.	Not Achieved	<p>Reasons for non-performance The post of Municipal Manager was filled with the Appointment Letter issued by close of financial year, the post of Director Community Services is still vacant. The IT Practitioner post have been. Other three critical posts are still vacant.</p> <p>Remedial action The following posts should be filled as a matter of urgency; Internal Audit Manager, Manager Strategic Support and Director</p>

KPA 4: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

REF	IDP Objectives 2021/22	KPI	Unit of Measure	2020/21 Baseline	Budget	Annual Target	Actual achievement	Reasons for non-achievement and Remedial Action
								Community Services.
TL4.13		Professionalise municipal security services by end of June 2021.	PSIRA Requirements.	0		All Security officers with PSIRA to do refresher courses	Not Achieved	Reasons for non-performance No training and refresher courses were done during the financial year under reporting. Remedial action The municipality must ensure that its security officers are registered with PSIRA.
TL4.14	To facilitate transformation & development in Nala local municipality	Annual council schedule compiled and approved by end of January each year	Annual Schedule provided on or before due date	19-Jun-20		Submitted on or before 31 Jan 2022.	Achieved	
TL4.15	To ensure good governance & public participation in Nala Local municipality	Number notices for scheduled meetings distributed to Councilors and officials at least 48 hours before the meeting	No. of notices distributed 48 hours.	12		12	Not Achieved	Reasons for non-performance Receipt register does not specify exact time of delivery. Remedial action To allocate time slot on the receipt register.

No	No of KPI	Achieved Kpi's	Not Achieved Kpi's	Percentage
1	15	5	10	33.3 %

KPA 5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION(MM)

REF	IDP Objectives 2021/22	KPI	Unit of Measure	2020/21 Baseline	Budget	Annual Target	Actual achievement	Reasons for non-achievement and Remedial Action
TL5.1	To ensure good governance & public participation in Nala Local Municipality	No. of audit committees held per annum	Sum of audit committees held	0		4	Achieved	
TL5.2		Appointment of Audit Committee by end of June 2022.	Establishment of Audit Committee	0		Audit Committee established by end of June 2022	Achieved	
TL5.3	To ensure good governance & public participation in Nala Local municipality	Annual Report tabled in council on or before 31 Jan 2022	Date annual report tabled	30-Jan-21		Report submitted on or before 31-Jan-2022	Achieved	
TL5.4	To ensure good governance & public participation in Nala Local municipality	Annual review of IDP completed before the end of May	Date annual review completed	7 th June-2021		31-May-2022	Not Achieved	Reasons for non-performance Financial system has delayed completion of Budget in time. Remedial action To correct financial systems challenges.
TL5.5	Organisational Performance Management System.	Review/development of Performance Management Policy and Framework aligned to IDP by end June 2022.	Approved reviewed PMS Policy and Framework.	0		31 May 2022.	Achieved	
TL5.6	Performance agreements for MM and managers directly accountable compiled and signed on time	Annual Performance agreements signed within fourteen (14) days of the beginning of new financial year.	All agreements should be signed by 14 July 2021.	0		14 July 2021	Achieved	

KPA 5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION(MM)

REF	IDP Objectives 2021/22	KPI	Unit of Measure	2020/21 Baseline	Budget	Annual Target	Actual achievement	Reasons for non-achievement and Remedial Action
	(NKPI: 2)							
TL5.7	To facilitate transformation & development in Nala local municipality	Annual council schedule compiled and approved by end of January each year	Annual Schedule provided on or before due date	19-Jun-21		Submitted on or before 31 Jan 2022.	Achieved	
TL5.8	To ensure good governance & public participation in Nala Local municipality	Number notices for scheduled meetings distributed to Councillors and officials at least 48 hours before the meeting	No. of notices distributed 48 hours.	12		12	Not Achieved	Reasons for performance The current manual distribution register does not make provision for time of delivery, and it can therefore not be determined the exact time of delivery of notices. Remedial action Online distribution of notices should be used regularly.
TL5.9	To promote democracy and public participation in the affairs of the municipality.	Number of public participation meetings.	Number of public participation meetings.	0		4	Achieved	
TL5.10	To promote democracy and public participation in the affairs of the municipality.	Number of IDP and Budget Meetings held by 31 st May 2022 .				14 Ward Meetings and IDP Reps Forum	Achieved	

No	No of KPI	Achieved Kpi's	Not Achieved Kpi's	Percentage
1	10	8	2	80%

Chapter 4

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

During the IDP review for 2021/22 one of the weaknesses identified related to the municipal personnel. The following weaknesses were identified:

- ☑ The current organogram was not responsive to the municipality's capacity to meet its strategic objectives and skills demands.
- ☑ Lack of specific job descriptions for various posts did not allow for effective supervision.
- ☑ Most posts do not appear on the organogram and have serious budget implications.
- ☑ The organogram was top-heavy and did not make sufficient provision for posts at an operational level.
- ☑ Many of the employees do not have the requisite skills and competencies and employment trends will continue if drastic steps are not taken to enforce compliance (people meet requirements of the post during recruitment).
- ☑ Lack of performance management and quality standards for staff, results in low morale of staff and wide-ranging inefficiency, and low productivity.

Due to the weaknesses identified the municipality is planning to review the current organizational structure to address these weaknesses.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

The primary objective of Human Resource Management is to render an innovative Human Resource service that addresses both skills development and an administrative function. Key to the functionality of the Human Resource Management is the ability to maintain a workforce that is skilled and productive. to achieve this important goal, Nala LM has within its employment 477 employees performing their duties in various sections of the municipality.

The employee totals for the year under review is reflected in the table below.

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Employees			
Description	2020/21	2021/22	
	Employees No.	Approved Posts No.	Employees No.
Water Treatment Plant	96		96
Wastewater (Sanitation)	30		30
Electricity	34		34
Waste Management	58		58
Housing	10		10
Human Resources	8		8
Wastewater (Stormwater Drainage)			
Roads	40		40
Fire Services	5		5
Planning			
Cemeteries and crematorium	37		37
Planning (Strategic & Regulatory)	5		5
Local Economic Development	5		5
Community & Social Services	1		1
Environmental Protection			
The Executive and council	33		33
Security and Safety	33		33
Sport and Recreation	82		82
Corporate Policy Offices and Other			
Totals	477		477

Table 80: Employees

Vacancy Rate: 2021/22			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	100%
CFO	1	0	00%
Other S57 Managers (excluding Finance Posts)	3	5 years	1/3 = 33%
Other S57 Managers (Finance posts)	N/A	N/A	N/A
Police officers	N/A	N/A	N/A

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Fire fighters	10	1 year	$2/10 = 20\%$
Senior management: Levels 1-3 (excluding Finance Posts)	11	1 year	$5/11 = 45\%$

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Vacancy Rate: 2021/22			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Senior management: Levels 1-3 (Finance posts)	3	1 Year	2/3 Vacant = 67%
Highly skilled supervision: levels 9-12 (excluding Finance posts)	40	1 Year	16/40 Vacant = 40%
Highly skilled supervision: levels 9-12 (Finance posts)	3 x Accountants 2 x Practitioners	1 Year	3/5 Vacant = 60%
Total	5		21/48 Vacant = 43.75%

Table 81: Vacancy Rate

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organisational knowledge. Below is a table that reflects the turnover rate within the Municipality.

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2021/22	3	1	

Table 82: Turn-over Rate

4.2 POLICIES

Nala LM has a number Policies and plans to provide guidance for a fair and equitable staff treatment and a consistent approach to the managing of staff.

HR Policies and Plans

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	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Affirmative Action	July 2011	100%	Nala LM
2	Attraction and Retention	July' 2011	100%	Nala LM
3	Code of Conduct for employees		N/A	As Per MSA 32, 2000
4	Delegations, Authorisation & Responsibility	1-Jul-18	100%	Nala LM

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HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by Council/ Statutory Body
5	Disciplinary Code and Procedures		N/A	SALGBC Collective agreement
6	Essential Services		N/A	SALGBC Collective agreement
7	Employee Assistance / Wellness	1-Jul-18	100%	NALA LM
8	Employment Equity	1-Jul-11	100%	NALA LM
9	Exit Management	1-Jul-11	100%	NALA LM
10	Grievance Procedures		N/A	SALGBC Collective Agreement
11	HIV/Aids	1-Jul-11	100%	NALA LM
12	Human Resource and Development	1-Jul-19	100%	Per NALA HR Strategy
13	Information Technology	1-Jul-13	100%	NALA LM
14	Job Evaluation		N/A	SALGBC Wage curve agreement
15	Leave	1-Jul-11	N/A	SALGBC Collective agreement
16	Occupational Health and Safety	1-Jul-18	50%	NALA LM
17	Official Housing	1-Jul-11	N/A	SALGBC Collective Agreement
18	Official Journeys	1-Jul-11	N/A	SALGBC Collective Agreement
19	Official transport to attend Funerals	1-Jul-17	50%	NALA LM
20	Official Working Hours and Overtime		N/A	SALGBC Collective Agreement
21	Organisational Rights		N/A	SALGBC Collective Agreement
22	Payroll Deductions	1-Jul-13	50%	NALA LM
23	Performance Management and Development	Jul-13	20%	NALA LM
24	Recruitment, Selection and Appointments	1-Jul-11	100%	NALA LM
25	Remuneration Scales and Allowances		N/A	SALGBC Collective agreement
26	Resettlement	1-Jul-11	50%	NALA LM
27	Sexual Harassment	1-Jul-11	100%	NALA LM
28	Skills Development	1-Jul-11	100%	NALA LM
29	Smoking	1-Jul-11	100%	NALA LM
30	Special Skills	1-Jul-19	100%	Per Nala HR Strategy
31	Work Organisation		100%	Per Nala HR Strategy
32	Uniforms and Protective Clothing	1-Jul-18	50%	NALA LM
33	Other:			

Table 83: Policies

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4.3 INJURIES ON DUTY AND SICK LEAVE TAKEN

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

The table below provides the total number of injuries within the municipality.

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

Table 84: Injuries on Duty

The number of sick leave days taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

Number of days and Cost of Sick Leave (excluding injuries on duty)	
Salary band	
Lower skilled (Levels 10-12)	
Skilled (Levels 3-5)	
Highly skilled production (levels 6-8)	
Highly skilled supervision (levels 9-12)	
Senior management (Levels 1-2)	
MM and S57	
Total	

Table 85: Sick leave taken

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4.3 SUSPENSIONS

In terms of regulation 8 of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 R.805 a bonus may only be paid after the municipal council has adopted the annual report of the year under review.

Managers (Directors) appointed in terms of Section 56 of the MSA are on fixed-term performance contracts. The Individual Performance Management System has not yet been cascaded down to the second reporting line of managers. Currently no performance bonus system or policy exists to pay bonus to non-section 57 employees.

The Municipality did not give any performance rewards for the year under review

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards '2021/22 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 1-2)	Female	0	0	0	
	Male	0	0	0	
Skilled (Levels 3-5)	Female	0	0	0	
	Male	0	0	0	
Highly skilled production (levels 6-8)	Female	0	0	0	
	Male	0	0	0	
profes	Female	0	0	0	
	Male	0	0	0	
Senior management (Levels 13-15)	Female	0	0	0	
	Male	0	0	0	
MM and S57	Female	0	0	0	
	Male	0	0	0	
Total					

Table 88: Performance Rewards

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The municipality is addressing challenges of skills shortage within its workforce through various training agencies and training platforms provided by the government. These training agencies assist the central government to help professionalize municipalities by ensuring that incumbents are capacitated with suitable requisite skills to enable them to perform their various tasks and duties.

4.5 SKILLS DEVELOPMENT AND TRAINING

The table below indicates the number of employees that received training in the year under review:

Skills Matrix														
Management level	Gender	Employee in post as at 30 June '2021/22	Number of skilled employees required and actual as at 30 June '2021/22											
			Learnerships			Skills programmes & other short Courses			Other forms of training			Total		
			No.	Actual: End of '2021/22	Actual: End of '2021/22	2021/22 Target	Actual: End of '2021/22	Actual: End of '2021/22	2021/22 Target	Actual: End of '2021/22	Actual: End of '2021/22	2021/22 Target	Actual: End of '2021/22	Actual: End of '2021/22
MM and s57	Female	1												
	Male	5												
Councillors, senior officials and managers	Female	8												
	Male	16												
Technicians and associate professionals*	Female													
	Male													
Professionals	Female													
	Male													
Sub total	Female	9												
	Male	21												
		30												

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

Chapter 4

COMPONENT B: CAPACITATING THE MUNICIPAL WORKFORCE

In terms of Section 83 (1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), the Accounting Officer, Senior Managers, the Chief Financial Officer, non- financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key for the successful implementation of the

Municipal Finance Management Act. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role-players in the local government sphere, developed an outcome - based NQF Level 6 qualification in Municipal Finance Management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013 (exempted until 30 September 2015 as per Government Notice 179 of 14 March 2014 and again as per Government Gazette 40593 of 3 February 2017), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations". The table below provides details of the financial competency development progress as required by the regulation:

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidate d: Total of A and B	Consolidate d: Competenc y assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidate d: Total number of officials whose performanc e agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidate d: Total number of officials that meet prescribed competenc y levels (Regulation 14(4)(e))
Financial Officials	01	-	01	01	01	01
Accounting officer	-	-	-	-	-	-
Chief financial officer	-	-	-	-	-	-
Senior managers	01	-	01	01	01	01
Any other financial officials	07	-	07	-	-	-
Supply Chain Management Officials	04	-	04	01	-	01
Heads of supply chain management units	-	-	-	-	-	-

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Supply chain management senior managers	-	-	-	-	-	-
TOTAL	13		13	03	02	03

Table 90: Financial Competency Progress Report

COMPONENT C: MANAGING THE WORKFORCE EXPENDITURE

4.6 EMPLOYEE EXPENDITURE

Section 66 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) states that the Accounting Officer of a Municipality must report to the Council on all expenditure incurred by the Municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

The success or failure of a municipality depends on the quality of its political leadership, sound governance of its finances, the strength of its institutions and the calibre of staff working for the municipality. Municipalities are required to carry out quality services in an effective, efficient and financially sound manner by supporting the principles of ensuring cost-effective and affordable service delivery. Accountability and transparency are, therefore, important when managing workforce expenditure. If the Municipality wants to be effective, it is important to ensure that the Municipality plan properly. To ensure that the Municipality adhere to legislation, only approved and budgeted posts on the structure are advertised.

Number of Employees Whose Salaries Were Increased Due to Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels 9-12)	Female	0
	Male	0
Senior management (Levels 13-16)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
Total		

Table 91: Number of Employees Whose Salaries Were Increased Due to Their Positions Being Upgraded

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Employees Whose Salary Levels Exceed the Grade Determined By Job Evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
	None			

Table 92: Employees Whose Salary Levels Exceed the Grade Determined by Job Evaluation

Employees appointed to posts not approved

Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exists
	None			

Table 93: Employees appointed to posts not approved

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

Except for acting positions, there were no upgrade of positions.

Nala Local Municipality | **CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE**
(PERFORMANCE REPORT PART II)

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

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

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

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The following sections provide an overview of the financial results of the Municipality for the year under review per economic classification compared to the prior year audited results, the original and final adjustments budget.

Description R thousands	2020/21				
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Final Budget
	1	2	3	4	5
Financial Performance					
Property rates					
Service charges					
Investment revenue					
Transfers recognised - operational					
Other own revenue					
Total Revenue (excluding capital transfers and contributions)					
Employee costs					
Remuneration of councillors					
Debt impairment					
Depreciation & asset impairment					
Finance charges					

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Description R thousands	2020/21				
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Final Budget
	1	2	3	4	5
Materials and bulk purchases					
Transfers and grants					
Other expenditure					
Total Expenditure					
Surplus/(Deficit)					
Transfers recognised - capital					
Contributions recognised - capital & contributed Assets					
Surplus/(Deficit) after capital transfers & contributions					
Share of surplus/ (deficit) of associate					
Surplus/(Deficit) for the year					

Table 94: Budget Summary

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The financial performance of the municipality's operational services can be seen in the table below.

Financial Performance of Operational Services						
Description n	R '000					
	2020/21	2020/22			2021/22 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	83 083 214					
Wastewater (Sanitation)	15 399 000					
Electricity	117 010 533					
Waste Management	25 445 195					
Housing	2 493 914					
Component A: sub-total						
Wastewater (Stormwater						

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Drainage)						
Roads	33 850 822					
Transport						
Component B: sub-total						

Financial Performance of Operational Services						
						R '000
Description	2020/21	2021/22		2021/22 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Planning						
Local Economic Development						
Component B: sub-total						
Planning (Strategic & Regulatory)						
Local Economic Development						
Component C: sub-total						
Community & Social Services						
Environmental Protection						
Health						
Security and Safety						
Sport and Recreation						
Corporate Policy Offices and Other						
Component D: sub-total						

Table 95: Financial Performance of Operational Services

5.1 GRANTS

The grants received by the Municipality is shown in the table below:

Grant Performance						
						R '000
Description	2020/21		2021/22		2021/22 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:						

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Equitable share					
Municipal Systems Improvement					
Department of Water Affairs					
Levy replacement					
FMG & EPWP Grants & MIG					
Provincial Government:	-				
Health subsidy					
Housing					
Ambulance subsidy					

Grant Performance						
						R' 000
Description	2020/21		2020/22		2021/22 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Sports and Recreation						
FMG & EPWP Grants & MIG						
District Municipality: [insert description]						
Other grant providers:						
Other Capital Grants						
Total Operating Transfers and Grants						

Table 96: Grant Performance

Chapter 5

5.2 ASSET MANAGEMENT

Treatment of the Three Largest Assets Acquired 2021/22			
Asset 1			
Name			
Description			
Asset Type			
Key Staff Involved			
Staff Responsibilities			
Asset Value	2021/22		
Capital Implications			
Future Purpose of Asset			
Describe Key Issues			
Policies in Place to Manage Asset			
Asset 2			
Name			
Description			
Asset Type			
Key Staff Involved			
Staff Responsibilities			
Asset Value	2021/22		

Chapter 5

Treatment of the Three Largest Assets Acquired 2021/22			
Capital Implications			
Future Purpose of Asset			
Describe Key Issues			
Policies in Place to Manage Asset			
Asset 3			
Name			
Description			
Asset Type			
Key Staff Involved			
Staff Responsibilities			
Asset Value			
Capital Implications			
Future Purpose of Asset			
Describe Key Issues			
Policies in Place to Manage Asset			

Table 97: Three Largest Assets

Repair and Maintenance Expenditure: '2021/22				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure				

Table 98: Repairs and Maintenance Expenditure

Chapter 5

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

R million	Original Budget	Adjustme nt Budge t	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Capital Expenditure					
Operating Expenditure					
Total expenditure					
Water and sanitation					
Electricity					
Housing					
Roads, Pavements, Bridges and storm water					
Other					
External Loans					
Internal contributions					
Grants and subsidies					
Other					
External Loans					
Grants and subsidies					
Investments Redeemed					
Statutory Receipts (including VAT)					
Other Receipts					
Salaries, wages and allowances					
Cash and creditor payments					
Capital payments					
Investments made					
External loans repaid					
Statutory Payments (including VAT)					
Other payments					
	-	-	-		

Chapter 5

	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Property rates					
Service charges					

Chapter 5

R million	Original Budget	Adjustme nt Budge †	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Other own revenue					
	–	–	–		
Employee related costs					
Provision for working capital					
Repairs and maintenance					
Bulk purchases					
Other expenditure					
	–	–	–		
Service charges: Electricity					
Grants & subsidies: Electricity					
Other revenue: Electricity					
	–	–	–		
Employee related costs: Electricity					
Provision for working capital: Electricity					
Repairs and maintenance: Electricity					
Bulk purchases: Electricity					
Other expenditure: Electricity					
	–	–	–		
Service charges: Water					
Grants & subsidies: Water					
Other revenue: Water					
	–	–	–		
Employee related costs: Water					
Provision for working capital: Water					
Repairs and maintenance: Water					
Bulk purchases: Water					
Other expenditure: Water					
	–	–	–		

Table 99: Capital Expenditure

Chapter 5

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The proper management of cash resources is paramount in ensuring viability and sustainable growth and development. The collective objectives of the cash and investment management is to ensure availability at all times of adequate liquid resources for operational purposes and investment in assets and maintaining optimal balance between available cash and cash investments. The municipality did not maintain significant investments due to pressing operational requirements and an effort to maintain creditors' payment within 30 days and addressing the long-term liabilities.

5.4 CASH FLOW

Cash Flow Outcomes				
Description	2020/21		Current: 2021/22	
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property Rates				
Government Grant and Subsidies				
Sale of goods and services				
Service Charges				
Interest Received				4 8197
Dividends Received				5
Other Receipts				
Payments				
Suppliers and employees				
Finance charges				
NET CASH FROM/(USED) OPERATING ACTIVITIES				

Chapter 5

Cash Flow Outcomes				
R'000				
Description	2020/21		Current: 2021/22	
	Audited Outcome	Original Budget	Adjusted Budget	Actual
Decrease (increase) other non-current receivables Decrease (increase) in non-current investments Payments Capital assets				
NET CASH FROM/(USED) INVESTING ACTIVITIES				
CASH FLOWS FROM FINANCING ACTIVITIES Receipts Short term loans Borrowing long term/refinancing Increase (decrease) in consumer deposits Payments Repayment of borrowing				
NET CASH FROM/(USED) FINANCING ACTIVITIES	–			
NET INCREASE/ (DECREASE) IN CASH HELD Cash/cash equivalents at the year begin: Cash/cash equivalents at the year-end:				

Table 100: Cash flow

5.5 BORROWING AND INVESTMENTS

No borrowings were reported for 2021/22.

Actual Borrowings: '2020/21 to 2021/22		
R'000		
Instrument	2020/21	2021/22
Municipality		
Long-Term Loans (annuity/reducing balance)		
Long-Term Loans (non-annuity)		
Local registered stock		
Instalment Credit		
Financial Leases		
PPP liabilities		

Chapter 5

Actual Borrowings: '2020/21 to '2021/22		
		R' 000
Instrument †	2020/21	2021/22
Finance Granted By Cap Equipment Supplier		
Marketable Bonds		
Non-Marketable Bonds		
Bankers Acceptances		
Financial derivatives		
Other Securities		
Municipality Total		

Table 101 Borrowings

The investments made on behalf of the Municipality is shown below.

Municipal and Entity Investments R' 000		
Investment* type	2020/21 Actual	2021/22 Actual
Municipality		
Securities - National Government		
Listed Corporate Bonds		
Deposits – Bank		
Deposits - Public Investment Commissioners		
Deposits - Corporation for Public Deposits		
Bankers' Acceptance Certificates		
Negotiable Certificates of Deposit – Banks		
Guaranteed Endowment Policies (sinking)		
Repurchase Agreements – Banks		
Municipal Bonds		
Other		
Municipality sub-total		

Table 102: Municipal and Entity Investments

5.6 PUBLIC PRIVATE PARTNERSHIPS

The municipality have not entered any public private partnerships.

Chapter 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2021/2022

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

6.1 AUDITOR GENERAL REPORTS 2021/22

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

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

Signed (Chief Financial Officer) Dated

Glossary

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give "full and regular" reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe "what we do".
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.

Glossary

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	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.

Glossary

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> <ul style="list-style-type: none"> a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned

Appendices

APPENDICES

APPENDIX A – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal Functions	
Municipal Functions Constitution Schedule 4, Part B functions:	Function Applicable to Municipality (Yes / No) *
Air pollution	No
Building regulations	Yes
Childcare facilities	No
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Storm water management systems in built-up areas	Yes
Trading regulations	No
Water and sanitation services limited to potable water supply systems and domestic wastewater 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

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Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	No
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes

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Municipal Functions	
Municipal Functions Constitution Schedule 4, Part B functions:	Function Applicable to Municipality (Yes / No) *
Local sport facilities	Yes
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

The ability to fulfil the powers and functions applicable to the municipality is shown in the table below as reflected in the 2021/22 IDP.



Powers/Function	Capability in terms of capacity	Capability in terms of resources
Local Tourism	No	Service not provided No budget provision to perform functionNo equipment
Municipal Airport	No	Service not provided No budget provision to perform functionNo equipment
Municipal Public Transport	No	Service not provided No budget provision to perform function No equipment

Appendices

Trading Regulations	No	Service not provided No budget provision to perform function No equipment
Amusement Facilities	No	Service not provided No budget provision to perform function No equipment
Control of Public Nuisance	No	Service Provided No budget provision to perform function No equipment in place

Appendices

Powers/Function	Capability in terms of capacity	Capability in terms of resources
		<ul style="list-style-type: none"> ✗ MDB noticed Nala LM's limited capacity
Control of Undertakings that Sell Liquor to the Public	No	<ul style="list-style-type: none"> ✗ Service not provided ✗ No budget provision to perform function ✗ No equipment
Fencing and Fences	No	<ul style="list-style-type: none"> ✗ Service Provided ✗ No budget provision to perform function ✗ Equipment in place ✗ MDB noticed Nala LM's limited capacity
Licensing of Dogs	No	<ul style="list-style-type: none"> ✗ Service not provided ✗ No budget provision to perform function ✗ No equipment
Licensing and Control of Undertakings that Sell Food to the Public	No	<ul style="list-style-type: none"> ✗ Service Provided ✗ No budget provision to perform function ✗ Equipment in place ✗ MDB noticed Nala LM's limited capacity
Local Amenities	No	<ul style="list-style-type: none"> ✗ Service Provided ✗ No budget provision to perform function ✗ Equipment in place ✗ MDB noticed Nala LM's limited capacity
Markets	No	<ul style="list-style-type: none"> ✗ Service not provided ✗ No budget provision to perform function ✗ No equipment
Municipal Abattoirs	No	<ul style="list-style-type: none"> ✗ Service not provided ✗ No budget provision to perform function ✗ No equipment
Municipal Parks and Recreation	Yes	<ul style="list-style-type: none"> ✗ Service Provided ✗ There is budget provision to perform function. ✗ Equipment in place. ✗ MDB noticed Nala LM's limited capacity.
Municipal Roads	Yes, including Lejweleputswa DM Function	<ul style="list-style-type: none"> ✗ Service Provided. ✗ There is budget provision to perform function. ✗ Equipment in place. ✗ MDB recommended adjustment of function to Lejweleputswa DM to be reversed
Pounds	No	<ul style="list-style-type: none"> ✗ Service not provided ✗ No budget provision to perform function ✗ No equipment

Appendices

APPENDIX B – WARD INFORMATION

The current ward committee members are reflected in the table below.

Ward	Member	Gender
Ward 1	Paul Mabuza	M
	Seipati Mokodutlo	F
	Daniel Matube	M
	Joseph Mohau	M
	Nombuselo Faku	F
	Selloane Rakaki	F
	Kebogile Mpongose	F
	Sabata Thedisi	M
	Maria Sebohudi	F
Ward 2	Nodali Januarie	F
	Lovergirl Mathiso	F
	Rosinah Tsolo	F
	Mosidi Namanyane	F
	Masello Sello	F
	Said Mathoko	F
	Kebogile Sebokolodi	F
	Motseki Motseki	M
	George Mokopanela	M
Ward 3	Kedibone Tsiane	F
	Maria Tsoai	F
	Jeanette Nhlapo	F
	Sekhlo Vas	M
	Miemie Lysbeth Sefatsa	F
	Disebo Tlale	F
	Khabonina Lucy Molefi	F

Appendices

Ward	Member	Gender
	Suzan Matlabe	F
	Leah Matlabe	F
	Seabelo Dithebe	M
Ward 4	Moselantja Mongake	F
	Patrick Nkatlu	M
	Katiso Ramohapi	M
	Mamokho May	M
	Mantoa Mokutu	F
	Thalita Rooi	F
	Nontsokolo Tselampe	F
	Daisy Mahloane	F
	Popie Mahloane	F
Ward 5	Kasala Mofokeng	M
	Dikeledi Selepe	F
	Morena Lekhoaba	M
	Monasa Malebatso	M
	Maria De Jager	F
	Moshe Serame	M
	Lebakeng Seduku	M
	Casswell Matiwane	M
	Matingane Mokolutlo	F
Ward 6	Matshediso Tsibolane	F
	Nomasoja Nkhela	F
	Palesa Mapane	F
	Madikeledi Motaung	F
	Mzwakhe Tshabalala	M
	Lekula Taole	M
	Ceciliah Jama	F
	Mamokete Maseola	F
	Setsoho Ditabeng	M

Appendices

Ward	Member	Gender
	Emily Modise	F
Ward 7	Shiwe Baba	F
	Moipone Mahlaku	F
	Masosi Mocholotsi	F
	Ntozelizwe Mqenebe	M
	Vuyisile Mcwele	M
	Agent Mokhosi	M
	Lydia Mathiso	F
	Ellen Sebohodi	F
	Mohale Mosoeu	M
	Ramoipone Nyaku	M
Ward 8	Louis Kraal	M
	Paballo Thejane	M
	Vuyiswa Mokete	F
	Malungisa Dassie	M
	Moeletsi Moletsane	M
	Mohau Leshoro	M
	Anna Solomon	F
	Dikeledi Mtolo	F
	Nkane Hlatywayo	M
Ward 9	Molefi Mohlamme	M
	Agnes Tjekane	F
	Smanga Sethime	M
	Flathela Hlatywayo	M
	Teboho Motloung	M
	Pule Motsapole	M
	Mmutlwane Medupi	F
	Manku Ramathibe	F
	Motlalepule Lekitlane	F
	Masetshego Oageng	F

Appendices

Ward	Member	Gender
Ward 10	Molefi Maile	M
	Maria Molale	F
	Nthabeleng Thakamakgowa	F
	Dikeledi Paulinah Mofokeng	F
Ward 11	Rebecca Mokoena	F
	Kelebogile Matowane	F
	Sarah Mophuthing	F
	Mvulazana Montsho	F
	Mafihlase Nkomo	F
	Tshehla Kokoma	M
	Sarah Mafabantu	F
	Mmone Tshabalala	F
Ward 12	Jania Masopha	F
	Mamohapi Letlhoo	F
	Mafa Mafa	M
	Seun Forbes	M
	Violet Hlole	F
	Leepo Tladi	M
	Hannalie Hayes	F
	Dirk Coetzee	M
	Anthony Harvey	M
	Abie Du Plessier	M

Appendices

APPENDIX C – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2020/21

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Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2021/22	Recommendations adopted (enter Yes) If not adopted (provide explanation)
None		

APPENDIX D – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

The municipality do not have long term contracts or entered into Public Private Partnerships

APPENDIX E – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

The municipality does not have a municipal entity.

Appendices

APPENDIX F – DISCLOSURES OF FINANCIAL INTERESTS

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Disclosures of Financial Interests		
Period 1 July to 30 June of '2021/22 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor	Yes	
Member of MayCo / Exco	Yes	
Councillor	Yes	
Municipal Manager	Yes	
Chief Financial Officer	Yes	
Deputy MM and (Executive) Directors	Yes	
Other S57 Officials	Yes	

Appendices

APPENDIX G: 5 YEAR CAPITAL EXPENDITURE REPORT

Project Name	Status	Allocation	Total Expenditure
Monyakeng: Construction of 2,5km Stormwater lining with concrete stone pitching	Completed	12 597 771,31	12 597 771,31
Kgotsoong: 2.5km Stormwater lining with concrete stone pitching	Completed	10 285 708,04	10 285 708,04
Bothaville: Upgrading of 1,6km Outfall sewer in Brand Street (WSIG)	Completed	11 000 000.00	11 000 000.00
Bothaville: Construction of 5 hawkker stalls	Completed	600 000,00	600 000,00
Wesselsbron: Construction of 5 hawkwer stalls	Completed	600 000,00	600 000,00
Monyakeng: Construction of 1,6km Stormwater lining with concrete stone pitching.	Completed	17 284 500	17 284 500
Monyakeng: development of 4 sports parks and goal posts (MIS:270377)	Completed	1 176 926,00	1 176 926,00
EEDSM 2020/21	Completed	4 500 000,00	4 500 000,00

Appendices

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments to Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments to Budget	
Neighbourhood Development Partnership Grant						
No grants received						
Public Transport Infrastructure and Systems Grant						
No grants received						
Other Specify:						
No grants received						
Total						

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

The municipality did not receive any conditional grants.

Appendices

APPENDIX H – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools (NAMES, LOCATIONS)				
None that the municipality is aware of.				
Clinics (NAMES, LOCATIONS)				
None that the municipality is aware of.				

Appendices

APPENDIX I – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	Scale of backlogs	Impact of backlogs
Clinics:	None that the municipality is aware of.	
Housing:		
Licensing and Testing Centre:		
Reservoirs		
Schools (Primary and High):		
Sports Fields:		

Appendices

APPENDIX J – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality: 2021/22				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2020/21 R' 000	Total Amount committed over previous and future years
No grants or loans were made.				
* Loans/Grants - whether in cash or in kind				

Appendices

APPENDIX K – REVENUE COLLECTION PERFORMANCE

Revenue Collection Performance by Vote						
Vote Description	R' 000					
	2020/21	Current: '2021/22			2021/22 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Executive & Council						
Financial Administration						
Corporate Services						
Community & Social Services						
Technical Services						
Planning & Development						
Total Revenue by Vote						

Revenue Collection Performance by Source						
Description	R' 000					
	2020/21		2021/22		2021/22 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates						
Property rates - penalties & collection charges						
Service Charges - electricity revenue						
Service Charges - water revenue						
Service Charges - sanitation revenue						
Service Charges - refuse revenue						
Service Charges - other						
Rentals of facilities and equipment						
Interest earned - external investments						
Interest earned - outstanding debtors						
Dividends received						
Fines						
Licences and permits						
Agency services						
Transfers recognised - operational						
Other revenue						
Gains on disposal of PPE						
Environmental Protection						
Total Revenue (excluding capital transfers and contributions)						

Volume II

VOLUME II: ANNUAL FINANCIAL STATEMENT

Chapter 4

NALA LOCAL MUNICIPALITY



ANNUAL FINANCIAL STATEMENTS
