

# ANNUAL REPORT

## CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY

2020-2021



# Chapter 1

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## CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYOR’S FOREWORD

#### MAYOR’S FOREWORD

On behalf of the Chief Albert Luthuli Council, I hereby present this Annual Report for the financial Year 2020/2021. This report will outline our performance on the targets we set ourselves to do over this period. The report will give our stakeholders and communities an insight into the performance and achievements of the Municipality. The mandate of Chief Albert Luthuli Municipality is not unique to the broader mandate given to Local Government by the South African Constitution, chapter 7; section 152. The only uniqueness we have are the different legitimate expectations of our citizenry. Our specific mandate is drawn from the road shows we embark upon in drafting our Integrated Development Plan, which is our guiding document in our performance. Our resolve is based on servicing our communities wherever they live. The current Annual Report outlines our successes and shortcomings in relation to our political mandate as provided in the key focus areas of Local Government, these can be summarized as follows;

- Building a Municipality that is efficient effective and responsive
- Strengthen Accountability and promote clean Municipal operations
- Accelerating Service Delivery and supporting the vulnerable.
- Promoting Economic and Social development
- Fostering Development Partnerships.
- Social Cohesion and community looking at the above priority areas.

It is important to note that these can never be successful on their own; it becomes important that as a collective, Councilors and Officials work together in identifying the challenges raised in the annual report and rectify them as soon as possible. It is recognized that continued efforts must be placed on maintaining and improving existing performance in all areas. Every effort must be made to maintain a culture of service delivery and to maintain and enhance sound fiscal and administrative functioning at all costs. We and those that come after us will endeavor to ensure that the municipality continues to perform, while providing the community with the required and expected levels of service delivery, local economic development, infrastructure development, fiscal control and sustainability and good governance. Every effort will be made to meet and sustain community needs at all identified levels – as dictated and defined by the constraints of available infrastructure and resources.

As Chief Albert Luthuli Municipality, we managed to receive unqualified audit opinion for the past four years. It shows that we are a stable municipality. I am pleased that as the institution we managed to overcome challenges and deliver services to the communities. 2020/21, it is our final year as this current administration from 2016. We have played our

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part as Council together with our administration.

The impact of COVID-19 has put a huge strain on the economy. Most of our people lost their jobs and the number of unemployment rate has increased drastically. Collectively we must work together to turn around the situation that is facing our country.

As Chief Albert Luthuli Municipality as we cannot meet the challenges that we face on our own. I remain thankful to Council, the Mayoral Committee, Municipal Manager and Directors, who continue to direct our staff, resources and operations towards making a positive difference in the lives and future of the Chief Albert Luthuli community.

\_\_\_\_\_  
Cllr DP Nkosi  
Executive Mayor

\_\_\_\_\_  
Date

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## COMPONENT B: EXECUTIVE SUMMARY

### 1.1. MUNICIPAL MANAGER'S OVERVIEW

#### **MUNICIPAL MANAGER'S OVERVIEW**

Chief Albert Luthuli Municipality derives its mandate and existence from the Constitution of the Republic of South Africa (1996). Section 152 stipulates the objects of local government, which is further elucidated by the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000), Chapter 3, section 11(3) adopting strategies and programs, including setting targets for delivery.

For the Municipality to fulfil its mandate in terms of the Constitution and other legislation, it becomes imperative that it adopts a principal strategic development framework for the 2020/21 financial year, which was done after the adoption of the Integrated Development Plan (IDP) as draft and before its final approval with the budget in May 2020 and submission to the MEC for Local Government. The IDP draws its mandate from the communities as represented by Ward Committees, as well as inputs received from other stakeholders identified in the IDP during the public participation program driven by the offices of the Speaker and the Executive Mayor.

In pursuance of these goals, the Municipality explores various means and strategies to meet its obligations to ensure that service delivery is rendered to its people. It then is important that the Municipality develops a service delivery and budget implementation plan (SDBIP). For that to be effective the process of contracting becomes important to ensure that service delivery is realised; this was done before the beginning of July 2020.

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This overview seeks to give a layout of the types of services rendered in different Wards of the Municipality, diverse as they are, and with their unique challenges.

The first task at the beginning of the year is to ensure that the Budget and the IDP are properly aligned, followed by the development of the budget implementation plan, known as the Service Delivery and Budget Implementation Plan (SDBIP), which was approved by the Executive Mayor before the beginning of the new financial year.

That process led to the contracting period in terms of the Municipal Planning and Performance Regulations (2006), as amended. This seeks to realise Council priority development goals in line with its Integrated Development Plan (IDP) adopted by Council in May 2017. For this reporting year, Council prioritised the supply of water, which is made possible by entering into a service level agreement with different service providers, and the different municipal departments have to ensure that the agreed SDBIP targets or milestones are realised. The targets in the main focus on Basic Service Delivery, paying attention to the upgrading of water treatment plants and bulk infrastructure to ensure proper water supply. That then assists in ensuring that the Municipality performs services service delivery, which is done as follows:

## 1.1.1 CHALLENGES FACED DUE THE COVID 19 PANDEMIC

The Municipality hereby present the Annual Report of the 2020/21 in line with section 132(2) of the municipal finance management act after the completion of the municipal audit by AGSA which was concluded on 25 January 2022, the municipality maintained its unqualified audit opinion during the year under review. It must be noted that ordinarily the audit should have been finalized by the 14<sup>th</sup> December 2021 however due to the challenges caused by pandemic which resulted into key personnel from both the Auditee and Auditor testing positive for Covid 19 the Audit was then completed of the Audit the 25 March 2022. It is due to this that the municipality is submitting the annual report now in February.

This Annual Report has been implemented under a time of extraordinary change and insecurity as occasioned by the COVID-19 pandemic. As is evident the world over, the ramifications of COVID-19 have been widespread and far-reaching. COVID-19 has been a great impediment in the growth and developmental ambitions of the municipality and to an extent, delivering on its mission - that of *'providing a transparent and accountable government by rendering affordable and sustainable services, encouraging economic and social development through community participation'*. To deliver on its mandate, the municipality has had to reprioritize some of its capital projects and miscellaneous projects listed on the IDP. Case in point, the reprioritization of the 2020/21 of the Municipal Infrastructure Grant (MIG) for the purposes of dealing with water and sanitation issues to reciprocate the government's containment efforts in dealing with COVID-19. Also, this meant an unfortunate delay in the finalization and delivery of other IDP Projects/commitments in good time.

## 1.1.2 ACCESS TO WATER.

The Municipality supplies basic water to almost 99% households despite difficult conditions due to the majority of households being located in rural towns and villages. And many of which are surrounded by sparsely populated areas that are outside the bulk water infrastructure, and a different approach was taken by providing water to those areas through water tankers and boreholes, for 2020/21 financial year the municipality has procured at least 6 new water trucks as part of insourcing some of the work that were provided by service providers.

The commissioning of Lusushwane Regional Bulk Water Scheme project had a major



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impact on provision of water in areas that were previously supplied by water trucks and boreholes.

The challenge remains of the cost of water treatment operations; the ever increasing Eskom bills for the Water Treatment Plants at Carolina, Elukwatini and Empluluzi; and the raw water source at the Methula and Mooiplaas Water Scheme drying up in winter. Another challenge is the financing of the operation and maintenance of water infrastructure. The Municipality's inability to collect sufficient revenue and enforce the Credit Control Policy, particularly in the Eskom supply areas, results in financial constraints, which adversely affect its ability to adequately maintain the water infrastructure.

The following capital projects were funded by MIG/WSIG and RBIG have been approved for the 2020/21 financial year:

- Upgrading of Eerstehoek Bulk Water Supply Scheme phase 1.
- Upgrading of Eerstehoek Bulk Water Supply Scheme phase 2.
- Process Audit & Non-Revenue Water Reduction Programme at Emanzana and part of Elukwatini.

### 1.1.3 ACHIEVEMENTS IN THE 2020/21 FINANCIAL YEAR:

- Provided at least 99% households with basic water services.
- Procurement of 6 new water tankers
- 50 boreholes installed and refurbished.
- Provision of at least 60 storage tanks across the municipality
- Collected and successfully analysed 400 water samples assisted by GSDM

The following capital projects were funded by MIG/WSIG and RBIG have been approved for the **2020/21** financial year and we have successfully completed four projects as follows:

- Process Audit & Non-Revenue Water Reduction Programme
- Electrification of households in Sterkspruit • Upgrade of Silobela Substation: Phase 4 (3MVA – 10MVA) • Installation of 14 High Masts Lights
- Construction of Silobela Sport Field - Phase 2 • Construction of Fernie A Collector Access Roads •
- Construction of Glenmore Collector Access Roads

The following projects were at the construction and design phase respectively:

- Upgrading of Elukwatini WWTW IN Ward 13, 18 and Part of Ward 23(Construction phase)
- Upgrading of Waste Water Treatment Works to 3ML/day in Empluluzi Ward 04,07&09 (Contract 1,2&5 (Construction phase)
- Upgrading of Silobela Substation((Construction phase)
- Upgrading of Eerstehoek Bulk Water Supply Scheme phase 1 (Construction phase)
- Upgrading of Eerstehoek Bulk Water Supply Scheme phase 2. (Construction phase)
- Construction of Nhlazatshe Collector Access Road (Construction phase)

### 1.1.4 ACCESS TO SANITATION

The proportion of households with access to basic sanitation is 97%.

Province has directed that municipalities must explore alternative sanitation technology to the VIP System. The Municipality has piloted the installation of Smartsan toilets in 5 Wards as an alternative sanitation option. However, an amount estimated at R2,5 billion is required

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to roll out water-borne sanitation, especially in the rural and deep rural areas. New access to sanitation was provided to 500 households across the municipality. The following capital projects were funded by MIG/DWS were approved for the 2020/21 financial year:

- Construction of VIP Toilets 2012-2015
- Upgrading of Elukwatini WWTW IN Ward 13, 18 and Part of Ward 23 .
- Upgrading of Waste Water Treatment Works to 3ML/day in Empuluzi Ward 04,07&09 (Contract 1,2&5)

## 1.1.5 ACCESS TO ELECTRICITY

The Municipality provides access to electricity to 98% households, and households without electricity are now less than 1,800 according to the SA Statistics 2016 community survey; however, the maintenance of that infrastructure is a challenge due to the high cost of Eskom electricity that municipalities currently struggle to keep up with. New access to electricity (eradication of backlogs) was provided to 140 households at Ext 4 and 30 at Carolina farms. A total of 5 high mast lights was installed and commissioned in Wards 05, 10,15,22 and 24. The upgrading of Silobela Substation and the additional of Shortfalls in several Wards is in progress; this is a 3-year project jointly funded by INEP/DOE/CALM.

- Upgrading of Silobela Substation
- Installation of Highmasts and Streetlights

## 1.1.6 ACCESS TO WASTE COLLECTION

The number of households in the Municipality, both formal and informal, amounted to 47,705. The number of households that received waste collection services in the Municipality amounted to 13 911 (30%). The rate of 30% is due to the significant number of municipal households being in the rural areas. The Municipality has also achieved its targets on the six number of areas receiving refuse and also the five number of waste collection sites maintained. The Municipal targets were achieved in spite of limited resources. Special removal services are available for accommodation facilities and food outlets, and are utilized by some. The cleaning of streets in the CBDs of the majority of towns within the municipal area is done on a daily basis. The 5 municipal waste disposal sites have all been licensed. Illegal dumping in the Municipality is managed.

## 1.1.8 ACCESS TO ROADS

The Municipality has a road network of approximately 649km, of which 81% are gravel roads, mostly located in the rural areas. A total of 235km of gravel roads were maintained, and an area of approximately 531m<sup>2</sup> of tarred roads were repaired during the year under review.

Surface was resealed/patched with the assistance of the District Municipality and the Department of Public Works, Roads and Transport.

As part of enhancing the safety on our roads, the municipality has constructed 6 speed humps in areas that were identified as hotspot for accidents.

The following capital projects were funded by the MIG were approved for the 2020/21 financial year:

- Construction of Fernie A Collector Access Roads
- Construction of Glenmore Collector Access Roads

And a total of 1,6 km unpaved road was constructed as part of addressing the backlog of poor road condition in various wards (03 and 11)

## 1.1.9 OPERATION AND MAINTENANCE

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The Municipality attempts to maintain the entire water infrastructure for sustainable basic service delivery. Water pumps and motors are also maintained and repaired.

The electricity infrastructure is maintained in line with NERSA regulations and requirements. The Municipality procured a much needed cherry picker truck, which assists in the improvement of maintenance work.

The Municipality generally experiences a challenge of ageing infrastructure, particularly at the water schemes. Insufficient assessments were done to determine the cost of maintenance of the water schemes transferred to the Municipality by the Department of Water Affairs (DWA). There are a myriad of problems, which are epitomised by bursting asbestos pipes and the replacement thereof, of which at least 1700m was repaired and replaced.

The Municipality maintained more than 235km of gravel roads were maintained, and an area of approximately 531m<sup>2</sup> of tarred roads were repaired during the year under review, with the assistance of Gert Sibande District Municipality and the Provincial Department of Public Works, Roads and Transport. However due to inadequate of yellow fleet it becomes more difficult to attend all damaged gravel roads especially on the deep rural area of the municipality.

## **1.1.10 PROJECT MANAGEMENT: COMMUNITY ASSETS**

The following MIG-funded Community Assets are in progress and 15, 21 & 22 Wards are benefiting from the completion of Construction of Silobela Sport Field The Project Management Unit of the Municipality has monitored 16 projects during the year under review despite Covid-19 challenges. These projects consisted of five water programs, three sanitation programs, two electrification programs, two roads programs and one public facility program.

## **1.1.11 LOCAL ECONOMIC DEVELOPMENT**

The LED Forum was launched in May 2017, and local economic sectors such as Mining, Cooperatives, SMMEs, Agriculture, Transport, Department for Small Business Development, and Tourism were engaged throughout the year. Several SMMEs and Co-operatives were appointed and supported during the year.

It should be noted that some of our LED Structures did not take place due to the pandemic, however the municipality has developed the strategy to engage the relevant stakeholders to resuscitate the LED forum such as all Business chambers, Mining houses, Tourism, Forestry companies, Agriculture and Government Departments.

## **1.1.12 NUMBER OF JOBS CREATED**

The number of jobs created through infrastructure development totals 3595 (3009 came from CWP Carolina, Tjakastad and Nhlazatshe) ; CALM EPWP 282 and through poverty alleviation projects totals 280 ( Food Basket) and Siyathuthuka participants 24

## **1.1.13 SPATIAL DEVELOPMENT AND HOUSING**

The Spatial Development section is responsible for managing the land use within the municipality. The section further engages with the various stakeholders who are involved in land developments, as its purpose is to identify suitable land for the various land uses and ensure that integrated human settlements materialises. The Municipality is responsible only for the monitoring and implementation of the Municipality's Spatial Development Framework and Land Use System. The Municipality is also responsible for the monitoring of the housing-projects and development of housing plans, which are funded by the Provincial Department of Human Settlement. Several housing projects comprising 206 housing units

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are monitored. The Department of Human Settlements has recently appointed the Service Provider to develop a 5year plan housing chapter.

## **1.1.16 CEMETERIES, LIBRARIES, SPORT FACILITIES**

These services are offered, managed and maintained by the Municipality in almost all areas. The provision of graves in Carolina, Emanzana (Badplaas), Elukwatini and Mayflower. Several cemeteries were provided with concrete palisade fencing, a MIG-funded project. It is envisaged to gradually provide all cemeteries with concrete palisade fences in the coming financial years in order to prevent vandals from interfering with graves. The Municipality attempts to promote a culture of reading in the community by campaigns at schools and in communities. Membership and book circulation at all libraries are satisfactory. Libraries are located in Carolina, Silobela (Ezenzeleni), Elukwatini, Emanzana, Ekulindeni and Empuluzi (Khululwazi) and Z M Mkhwanazi (Glen-more) The renovations were done at Silobela and Khululwazi) during the year under review The objective of the Municipality is to promote sport, Arts, and culture development in the community. Four sport events were coordinated or attended, and 2 sport clubs achieved trophies and medals at the CALM Mayoral Games Tournament. The Chief Albert Luthuli Sport Confederation was launched at Emanzana. And sport to programme targeting women was held at Ebuhleni and netball structures were established in all municipal units. The provision of sport facilities remains a challenge, mainly due to the fact that there are only a few sport grounds in the Municipality that were in a good condition.

## **1.1.17 COMMUNITY DEVELOPMENT AND TRANSVERSAL ISSUES**

The Municipality is also responsible for community development and transversal issues. Support is given to several women, youth, people living with disabilities organisation, and the campaign against women and child abuse; religious groups such as pastors and traditional healers, who are key stakeholders in moral regeneration activities; HIV/AIDS program, and the Local AIDS Council (LAC), it is sitting on quarterly basis to which the Municipality is a key stakeholder; programs such as HCT, Zazi and Voluntary Medical Male Circumcision, teenage pregnancy and drug abuse awareness campaigns were core to the LAC's activities.

## **1.1.18 PUBLIC SAFETY (LAW ENFORCEMENT, SAFETY AND TRAFFIC MANAGEMENT)**

The Municipality deals with traffic law enforcement and various patrol and court duties, collection of traffic fines, administering the execution of warrants and traffic summonses, and scholar patrols. Security guards are deployed at strategic municipal properties and are monitored. The Municipality has a Safety Plan in place and a functional Community Safety Forum. Challenges include the Municipality having to bear challenges regarding provincial roads within the municipal area, whilst the roads belong to Province; limited resource to cover visibility in the entire municipality; sustainability of pedestrian movement, especially in Elukwatini areas; high demand for speed humps due to new road construction; amendments to traffic legislation from time to time creating budget increases. Challenges include the minimal of a security officer, and no proper access control. Achievements include the establishment of a satellite office in the Elukwatini area, a functional Local Transport Forum assists with transport challenges. The introduction of subsidy vehicles to increase visibility.

## **1.1.19 FIRE AND EMERGENCY SERVICES, DISASTER MANAGEMENT**

The Municipality has a fully equipped fire station at Carolina, and at Elukwatini. Several awareness campaigns are conducted. Challenges include a shortage of fire-fighting equipment resulting in late response to fire calls, and can handle only two incidents at a

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time; shortage of staff to work in shifts; shortage of funds to procure sufficient equipment; and the ownership of the disaster management function is shared with the district municipality. Achievements include the conclusion of an agreement with a neighbouring municipality to assist during serious fires; an approved Disaster Framework and a Disaster Plan are in place; a functional Advisory Forum; a functional Disaster Forum.

## **1.1.20 FINANCIAL VIABILITY AND SUSTAINABILITY**

The income and expenditure in the 2020/21 financial year has increased in comparison to the 2019/20 financial year. This resulted in an operating surplus of R302 683 649 representing an increase of R243 894 994 from 2019/20 financial year. Total revenue increased by 44.67% from R721 050 131 in 2019/20 to R1 043 198 613. The total expenditure increased by 11.82% from R662 201 897 in 2019/20 to R740 514 964, as reflected in the Statement of Financial Performance in the Annual Financial Statements.

## **1.1.21 GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

In pursuance of good and clean governance, all statutory reports in terms of the MSA (2000) Section 41 and 46, and the MFMA (2003) Section 52, 66, and 72, 121 and 129 are submitted to the relevant stakeholders as required. All unauthorised and irregular expenditure was disclosed and declared to Council, and was referred to the Municipal Public Account Committee (MPAC) to determine the steps to be taken in line with the MFMA (2003). Added to this a panel of investigators was appointed to assist MPAC with the investigations. A number of policies were reviewed. An IT Framework Policy for the improvement of the Municipality's IT Governance Framework is currently in place and its approved. Various Ward Committee meetings as well as Mayoral Imbizo, and two IDP Representative Forum meetings were held, which gave rise to the approved 2020/21 Integrated Development Plan (IDP). The Municipality takes steps to conserve power and water in its offices and other facilities; and citizens are requested to adopt this in their own housekeeping.

.....  
**MR. M.S. DLAMINI**  
**MUNICIPAL MANAGER**

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## **1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW**

### **INTRODUCTION TO BACKGROUND DATA**

The Municipality is named after the great leader of the people and the African National Congress movement, Chief Albert Luthuli. The Municipality is a Category B municipality situated within the Gert Sibande District Municipality, on the eastern escarpment of Mpumalanga, and shares its eastern border with the country of Swaziland, with its seat in Carolina. It consists of diversified communities that face various social, economic, environmental and governance challenges.



# Chapter 1

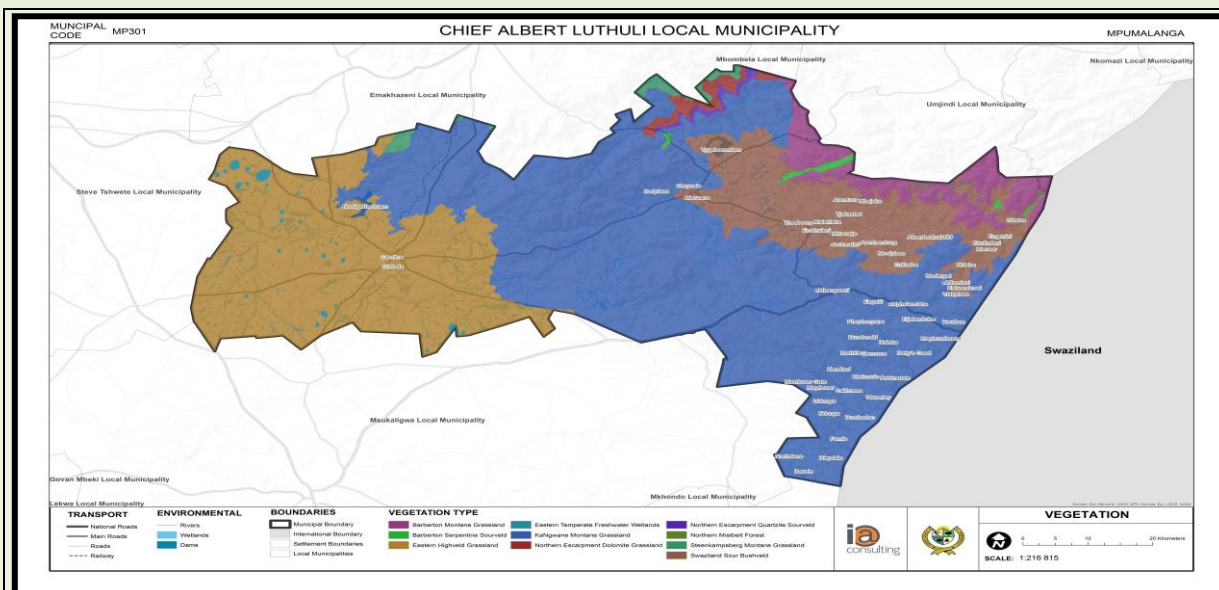
The N17 cuts through the south-eastern part of the area, as well as other regional mobility routes, namely the R36, R33 and R38. The majority of rural settlements are spread across the eastern part of the municipal area and access is provided by the R541, N17 and various secondary routes.

Other key features of the Municipality include forestry areas in the central and southern parts of the Municipality, the Nooitgedacht and Vygeboom Dams, a river system, as well as the edge of a greater wetland region. Economic activities that are dominant spatially in the Municipality include agriculture, forestry and mining. The economic Retail and Services activities are concentrated in Carolina and also in smaller centres such as Elukwatini and Emanzana.

Map 1 – Municipal district location



# Chapter 1



## DEMOGRAPHICS

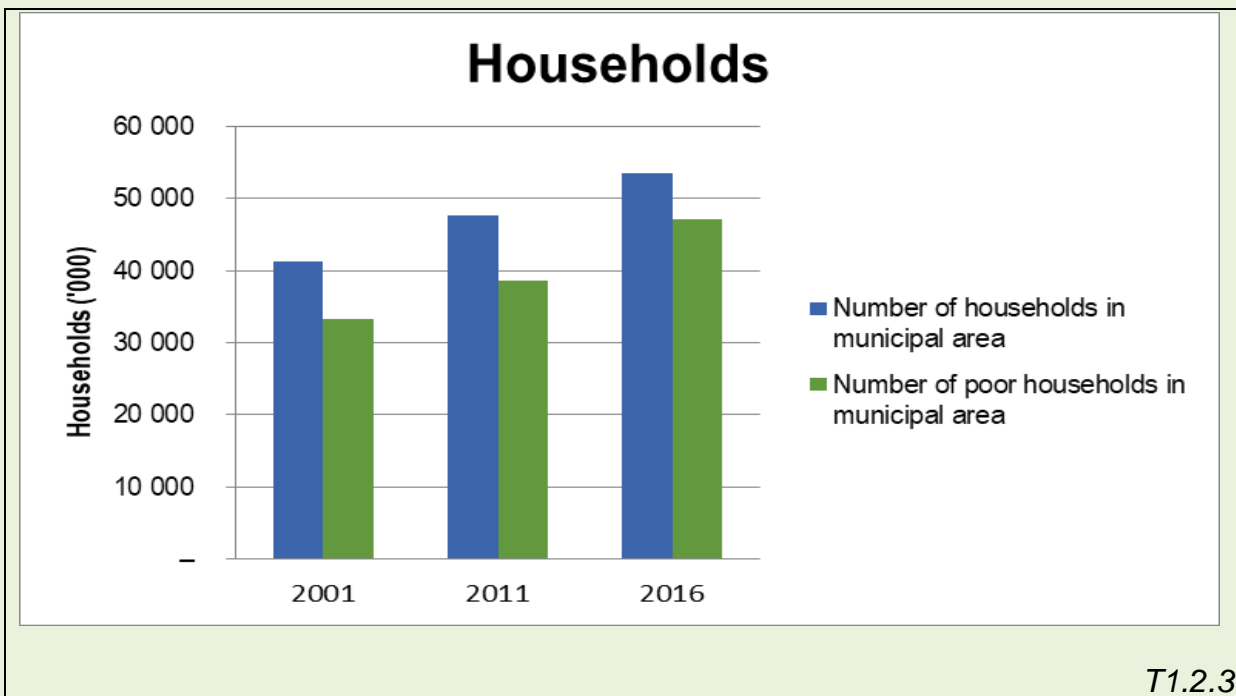
Chief Albert Luthuli Municipality spans an area of 5,559km<sup>2</sup>, with urban, tribal/traditional, and farm areas. The population density is 29 people per km<sup>2</sup>. The population growth from 2011 is 0.9%, numbering 187,629 people with a projection of 192,000 people in 2030.

The majority of the population is from the African group (99.0%); followed by the White group (1.0%). The Indian/Asian group and the Coloured group are included in the African group. The functional age groups are made up by the working age group (15 to 64 years), 60,3%; the young group (0 to 14 years) 34.1%; and the elderly group (65+) 5.7%. Females represent 53.0% of the population and males 47.0%. Youth up to 34 years represent 41.4% of the population. The sex ratio for the population is 89 males per 100 females.

T 1.2.1



# Chapter 1

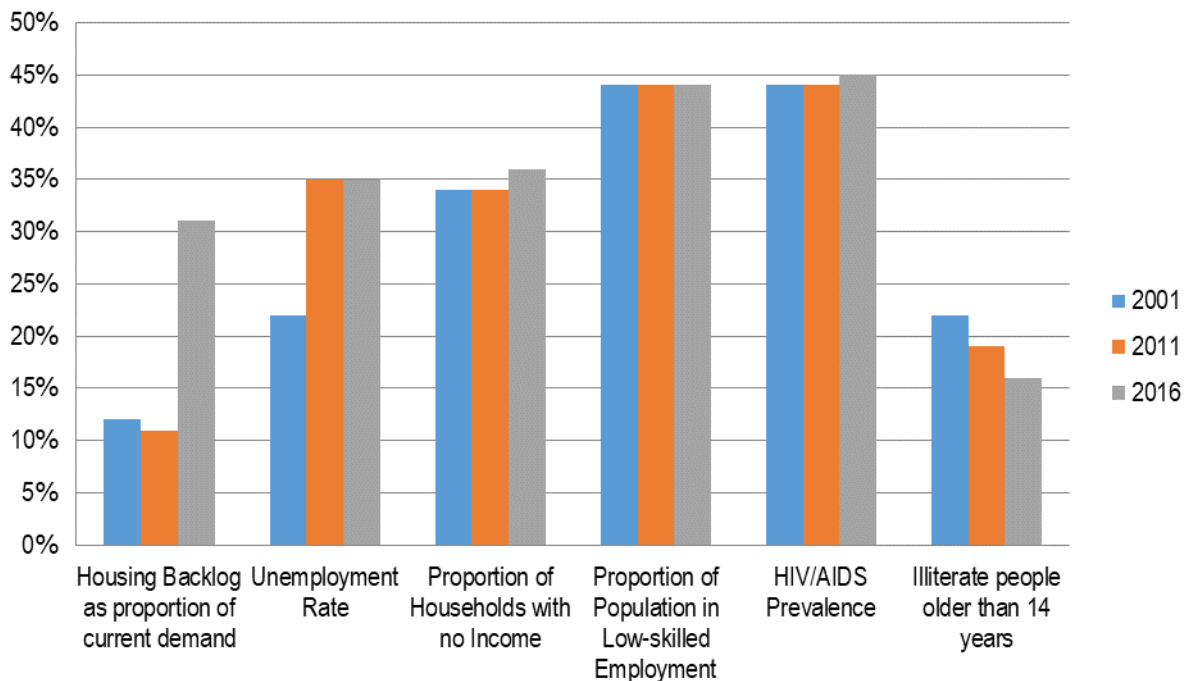


Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
2001	12%	22%	34%	44%	44%	22%
2011	11%	35%	34%	44%	44%	19%
2016	31%	35%	36%	44%	45%	16%

*T 1.2.4*

# Chapter 1

## Socio Economic Status



T 1.2.5

### Overview of Neighbourhoods within Chief Albert Luthuli Municipality

Settlement Type	Households	Population
Towns, Townships, Rural Settlements and Informal settlements		
Aarnhemburg	127	504
Albert Luthuli NU	3660	14267
Avontuur	157	781
Badplaas	163	582
Betty's Goed	342	1489
Caithness	24	136
Carolina	5059	16846
Davale	172	885
Dibaba	48	107
Diepdale	1598	6768
Dumbarton	60	281

# Chapter 1

Overview of Neighbourhoods within Chief Albert Luthuli Municipality		
Settlement Type	Households	Population
Dundonald	1229	4764
Ekulindeni	1341	4521
eMbangweni	727	2879
Embhuleni	128	595
eMlondozi	0	0
eMphelandaba	143	532
Engonini	118	427
Enkhaba	123	525
Esgwili	538	2504
Etjelebube	507	2165
Fernie	3783	15693
Glenmore	1830	7180
Hereford	265	1400
Holeka	609	2520
Houtbos	283	1215
Izidonga	131	694
Kalwerskraal	19	91
Lukwatini	3921	13149
Mafumulo	240	1077
Malahleka	65	333
Manaar	222	965
Manzana	1970	6922
Maphundlwane	353	1318
Maryvale	49	112
Maxflower Gate	552	2401
Mayflower	3638	13547
Mbejeka	116	514
Modergat	44	241
Mooiplaas	987	4149
Ndonga	48	268
Nhlaba	204	779
Nhlazatje	6983	28224
Nooitgedachdam	32	50
Northdene	81	388
Phophonyane	80	444



# Chapter 1

Overview of Neighbourhoods within Chief Albert Luthuli Municipality		
Settlement Type	Households	Population
Redhill	1180	4861
Robinsdale	243	1165
Theeboom	78	418
Tjakastad	3071	12711
Vlakplaas	149	598
Vygeboomdam	51	115
Waverley	164	910
<b>Sub-Total</b>	<b>47 705</b>	<b>186 010</b>
		<i>T 1.2.6</i>

Natural Resources	
Major Natural Resource	Relevance to Community
Mining	0.1% contribution to growth with labour intensity of 1.03
Forestry and Agriculture	0.5% contribution to growth with labour intensity of 1.61
Tourism	Tourism spent of 4.8% as percentage of GDP
	<i>T 1.2.7</i>

## COMMENT ON BACKGROUND DATA:

The Municipality has mining, forestry and agriculture and tourism as contributors to the local economy.

*T 1.2.8*

## 1.3. SERVICE DELIVERY OVERVIEW

### SERVICE DELIVERY INTRODUCTION

The municipality provided free electrical services to 4 321 registered indigent households during the year under review.

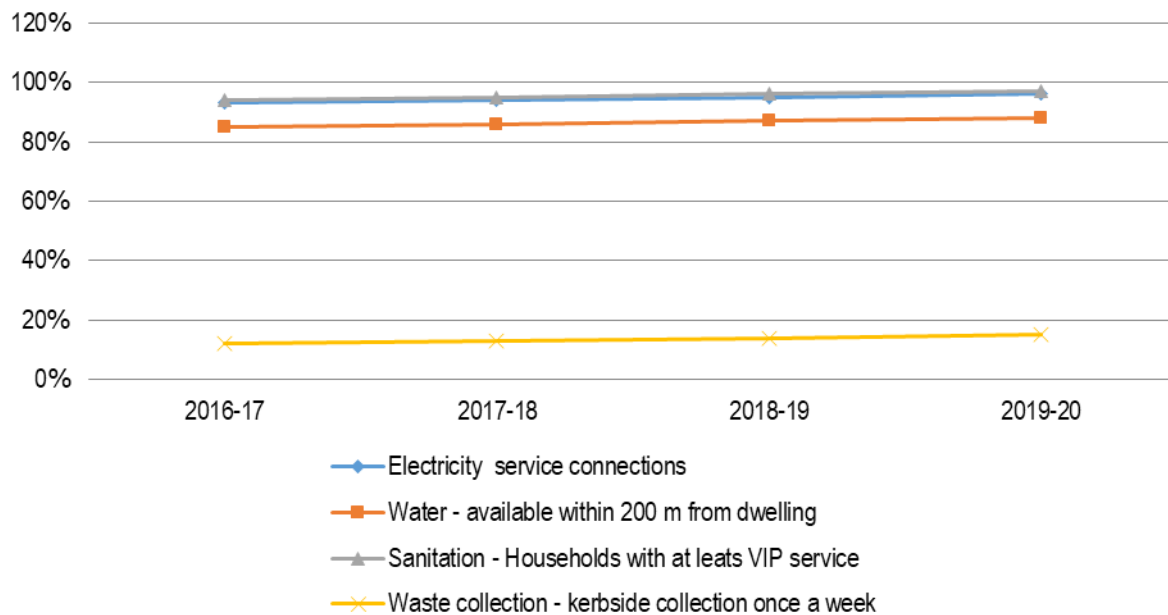
Free basic services are provided to qualifying indigent households. In the 2020/21 financial year an average of 90% of qualifying households received free basic water and sanitation services, 16% of qualifying households in the Municipality's supply area (Carolina and part of Emanzana) received free basic electricity, and less than 1% of qualifying households received the discounted refuse removal service. Due to

# Chapter 1

the rural nature of the municipal area, it is not possible to provide the refuse removal service to all households.

T 1.3.1

## Proportion of households with access to basic services



T 1.3.2

### COMMENT ON ACCESS TO BASIC SERVICES:

The Municipality supplies basic water within the RDP standard to almost 88%(51 340) of 53 480 households under difficult conditions due to the majority of households being located in rural towns and villages, many of which are surrounded by sparsely populated areas that are outside the bulk water infrastructure, and a different approach was taken by providing water to those areas through contracted water tankers. 19 960 installation of water meters were completed during the year under review.

The Municipality provides access to electricity to 96% households, and households without electricity are now less than 2 140 according to the SA Statistics 2016 community survey; however, the maintenance of that infrastructure is a challenge due to the high cost of Eskom electricity that municipalities currently struggle to keep up

# Chapter 1

with. 714 installation of electricity smart meters were completed during the year under review

The proportion of households with access to basic sanitation is 97%, which is more than 51 875 households. However, some 1 801 households (4%) does not have access to toilet facilities. 400 and 366 waterborne sanitations and smartsan toilets respectively, were installed during the year under review.

The Municipality has a road network of approximately 649km, of which 81% are gravel roads, mostly located in the rural areas. A total of 407km gravel roads was maintained, and an area of approximately 814m<sup>2</sup> road.

T 1.3.3

## 1.4. FINANCIAL HEALTH OVERVIEW

### FINANCIAL OVERVIEW

The income and expenditure in the 2020/2021 financial year has increased from the previous financial year. This resulted in an operating surplus of R303 million representing an increase of R244 million from 2019/2020 financial year. Total revenue increased by 45% from R721 million in 2019/2020 to R1 043 million in 2020/2021. The total expenditure increased by 12% from R662 million in 2019/2020 to R741 million in 2020/2021, as reflected in the Statement of Financial Performance in the Annual Financial Statements.

T 1.4.1

Financial Overview: Year 2020/21			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	755 385	743 172	810 698
Taxes, Levies and tariffs	205 906	205 906	205 014
Other	13 617	8 375	25 524
Sub Total	974 908	957 453	1 041 235
Less: Expenditure	548 693	611 758	740 181
Net Total*	426 216	345 521	301 053
* Note: surplus/(defecit)			T 1.4.2

Operating Ratios	
Detail	%
Employee Cost	19%
Repairs & Maintenance	3%

# Chapter 1

Finance Charges & Impairment	2%
	T 1.4.3

## COMMENT ON OPERATING RATIOS:

### Employee Cost:

Total employee costs is below the National Treasury prescribed norm of 25%-40%.

### Repairs and Maintenance:

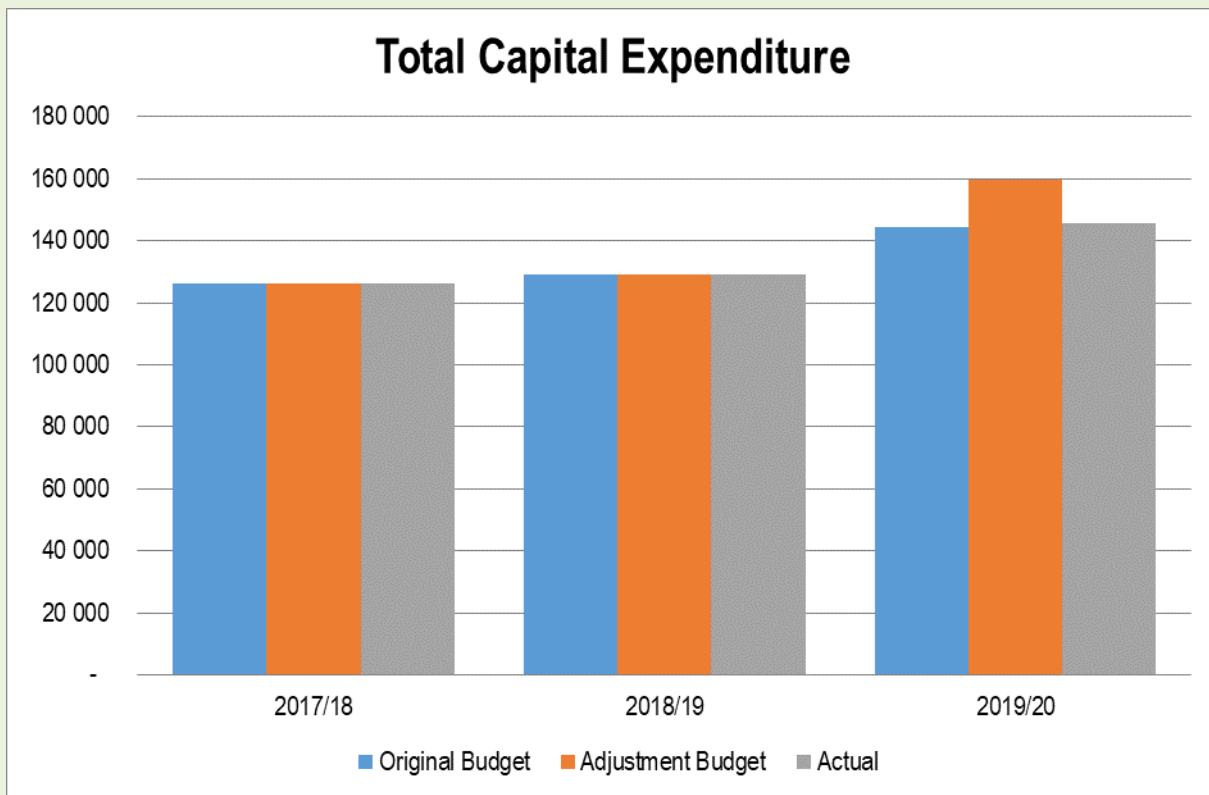
The municipality repairs and maintenance of 3% is well below expected norm of 8% due to the strict measures in place to keep this expenditure at minimal.

### Finance Charges and Impairment

Finance charges and impairment ratio of 2% is within the expected norm of 10% due to the strict measures in place to keep this expenditure at minimal.

Total Capital Expenditure: 2019/20 to 2020/21			
			R'000
Detail	2018/19	2019/20	2020/21
Original Budget	129 109	144 305	342 659
Adjustment Budget	129 109	159 439	330 175
Actual	129 109	145 439	319 558
			T 1.4.4

# Chapter 1



## 1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

The municipality has 556 approved and funded positions, of which 467 (84%) are filled leaving only 51 (16%) positions remaining vacant. The municipality has 20 developed and implemented policies in place to govern its operation through managing its workforce.

T 1.5.1

## 1.6. AUDITOR GENERAL REPORT

### AUDITOR GENERAL REPORT: YEAR 2020/21

**Audit opinion:**  
Unqualified



# Chapter 1

## **Key steps taken to accomplish this important achievement:**

Management developed and action plan to address all audit finding raised by the Auditor General during 2019/20 financial year.

Management assigned a dedicated resource to deal with portfolio of evidence for all planned and reported key performance indicators and targets.

On a weekly basis, top management meetings are held where all strategic decisions are made as part of implementation of the SDBIP. Action plan remains a standing item in these meeting. There is a room for improvement on the annual performance report based on the 2019/20 final outcome from the AGSA as shown in chapter 6 below. Management therefore endeavour to continue with this initiative to improve performance of the municipality.

*T 1.6.1*

# Chapter 1

## 1.7. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 2020/21 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	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	
12	Municipalities receive and start to address the Auditor General's comments	September - October
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	
17	Oversight report is made public	November
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	
		<i>T 1.7.1</i>

# Chapter 1

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## COMMENT ON THE ANNUAL REPORT PROCESS:

In order to meet deadline for the submission of annual report, the statutory annual process started in July 2021 after the submission of quarter four report to council, which made it possible for the development of the Draft Annual Performance Report.

The report served before audit committee before it was submitted to council at the end of August 2021. It was then submitted to the office of the Auditor General for auditing from which the outcome emanated.

*T 1.7.1.1*

# Chapter 2

## CHAPTER 2 – GOVERNANCE

### INTRODUCTION TO GOVERNANCE

Section 40 of the Constitution recognizes that government as national, provincial and local spheres of government that are distinct, interdependent and interrelated. All spheres of government must observe and adhere to the legislative principles and must conduct their activities within the parameters provided. The Constitution section 41 requires that all spheres of government and all organs of state must co-operate with one another.

The municipality was derived from the Constitution, Section 151 states that the objects of local government and municipality must strive, within its financial and administrative capacity to achieve these objects:

To provide democratic and accountable government for local communities;  
To ensure the provision of services to communities in a sustainable manner;  
To promote social and economic development;  
To promote a safe and healthy environment; and to encourage the involvement of communities and community organisations in the matter of local government

*T 2.0.1*

## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Section 151(3) of the Constitution (1996) states that the council of a municipality has the right to govern, on its own initiative, the local government affairs of the local community. Political governance is the process of decision-making to formulate policy, whereas administrative governance is the system of implementing policy.

*T 2.1.0*

# Chapter 2

## 2.1 POLITICAL GOVERNANCE

### INTRODUCTION TO POLITICAL GOVERNANCE

The Municipality adopted executive mayor and executive committee governance arrangements. The Municipality is comprised of a Mayoral Committee, and Section 79 and 80 Committees. The Mayoral Committee and Section 80 Committees deal with the executive part of administration, and the Section 79 Committees are responsible for oversight.

The Audit Committee provides opinions and recommendations on the overall control environment, financial processes and performance to Council, and also provides comments to the Municipal Public Accounts Committee (MPAC) on the Annual Report. The Municipality established a Municipal Public Accounts Committee (MPAC) as an oversight committee, comprising of non-executive councillors, with the specific purpose of providing Council with comments and recommendations on the Annual Report. The Municipal Public Accounts Committee's (MPAC) report is published separately in accordance with MFMA (2003) guidance.

The Municipality established Ward Committees in its 25 Wards with the view to strengthen public participation and entrench democracy. The Ward Committees are fully functional and their role involves, amongst others, to be the ears and eyes of Council at grassroots level. Inputs from the Ward Committees are discussed in Council meetings so that it receives the necessary attention.

*T 2.1.1*

### POLITICAL STRUCTURE

#### EXECUTIVE MAYOR

(Councillor D.P. Nkosi)

The Executive Mayor -

- provides general political guidance over the fiscal and financial affairs of the municipality;
- identifies, reviews and evaluates the needs of the municipality in order of priority;
- recommends to the municipal council strategies, programs and services to address priority needs;
- recommends or determines the best way to deliver those strategies, programs and services to the maximum benefit to the community;
- identifies and develops criteria in terms of which progress in the implementation of the strategies programs and services can be evaluated;
- evaluates progress;

# Chapter 2

- reviews the performance of the municipality in order to improve the economy, efficiency and effectiveness of the municipality, and the efficiency of credit control, and revenue and debt collection services;
- monitors the management of the municipality's administration;
- oversees the provision of services to communities in a sustainable manner;

## **SPEAKER**

(Councillor M.W. Mngomezulu)

The Speaker of the Council -

- presides at meetings of the council;
- performs the duties and exercises the powers delegated to the speaker in terms of section 59 of the MSA (2000);
- ensures that the council meets at least quarterly;
- maintains order during meetings;
- ensures compliance in the council and council committees with the Code of Conduct for Councillors;
- ensures that council meetings are conducted in accordance with the rules and orders of the council

## **CHIEF WHIP**

(Councillor L.L. Sidu)

The Council Whip may -

- provide political management of council meetings and committee meetings;
- inform councillors of meetings called by the Speaker and the Executive Mayor and ensure that such meetings quorate;
- advise the Speaker and Executive Mayor on the council agenda;
- inform councillors on important matters on the relevant agenda;
- advise the Speaker on the amount of time to be allocated to speakers and the order of such speakers addressing the council;
- ensure that councillors' motions are prepared and timeously tabled in terms of the procedural rules of Council;
- assist the Speaker in the counting of votes;
- advise the Speaker and the Executive Mayor of urgent motions; advise the Speaker and Executive Mayor on how to deal with important items not disposed of at a council meeting

## **MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE**

**Councillor S.Z. Nkosi**

(Planning & Economic Development)

As a member of the Mayoral Committee -

- assists and advises the Executive Mayor;



# Chapter 2

- chairs designated departmental portfolio committee meetings;
- performs any Executive Mayor's powers delegated by the Executive Mayor
- oversees the following programmes:
  - overall administration of the Planning and Economic Development Department;
  - the overall strategic spatial planning of the Municipality;
  - local economic development;
  - integrated development planning;
  - strategic planning and management;
  - human settlement; and town planning

## **Councillor N.V. Makhubelo**

(Public Safety & Community Services)

As a member of the Mayoral Committee -

- assists and advises the Executive Mayor;
- chairs designated departmental portfolio committee meetings;
- performs any Executive Mayor's powers delegated by the Executive Mayor and oversees the following programmes:
  - the overall administration of the Community and Safety Services Department;
  - management of waste removal;
  - support to Youth/Women/People Living with Disability;
  - provision of sport and recreational facilities;
  - provision and management of -
    - Libraries;
    - Cemeteries;
    - Parks and Gardens; and Environmental Health

## **Councillor N. Mnisi**

(Corporate Services & Administration)

As a member of the Mayoral Committee -

- assists and advises the Executive Mayor;
- chairs designated departmental portfolio committee meetings;
- performs any Executive Mayor's powers delegated by the Executive Mayor and oversees the following programs:
  - ensures efficiency and functioning of the total administration of the municipality;
  - overall administration of the Corporate Services Department;
  - provides support at support council meetings;
  - controls the activities of administration and records management,
  - legal services;
  - human capital, resources; employment equity and skills development;
  - co-ordinates occupational health and safety;
  - co-ordinates committees;

# Chapter 2

## **Councillor M.P. Magagula**

(Infrastructure & Technical Services)

As a member of the Mayoral Committee -

- Assists and Advises the Executive Mayor;
- Chairs Designated Departmental Portfolio Committee Meetings;
- Performs Any Executive Mayor's Powers Delegated by The Executive Mayor and Oversees the following Programmes:
- Electricity Services;
- Water and Sanitation Services;
- Public Works (Roads and Storm Water);
- Operation and Maintenance (O&M);
- Co-ordinates municipal infrastructure;
- Municipal fleet.

*T 2.1.1*

## COUNCILLORS

The Demarcation Board designated the Municipality as a municipality with 49 councillors of whom 25 are wards councillors.

The MEC for CoGTA, the Honourable Madala Masuku, designated full-time councillors, being the Executive Mayor, three Members of the Mayoral Committee, the Speaker of Council, and the Council Whip. However, a directive was given by CoGTA that the Municipality could only fill three vacancies on the Mayoral Committee. The other would be filled after verifying the Municipality's financial viability.

The Municipality has been able to fill a fourth position on the Mayoral Committee, thus the Municipality now has four Members of the Mayoral Committee as listed in table T2.1.1 above.

SALGA resolved in 2011 that the position of the Chairperson of the Municipal Public Accounts Committee should be designated as full-time. That was escalated to the determination of upper limits, and approved as such. The Municipal Council then designated the Chairperson of the Municipal Public Accounts Committee as a full-time councillor.

Refer to **Appendix A** where a full list of Councilors can be found (including committee allocations and attendance at council meetings).

Also refer to **Appendix B** which sets out committees and committee purposes.

*T 2.1.2*

# Chapter 2

## POLITICAL DECISION-TAKING

Matters for decision-making are divided into two categories. Matters delegated to the Executive Mayor (Mayoral Committee) for finalisation and matters reserved for the Municipal Council for finalisation.

During 2020/21 financial reporting period, the council took 368 resolutions. The municipality has implemented 294 (80%) resolutions made, the implementation of 74 (20%) was still in progress at year end. Please refer to the table below regarding resolutions still in progress at year end:

T 2.1.3

No	RESOLUTION BY COUNCIL	PROGRESS
1	Council takes note of the progress in preparation for the trial of Grand Valley Matter.	Date for trial has been secured for July to September 2021
2	Council ensure public participation through notices informing the affected and interested parties and it be done by AFRIPLAN.	the public participation still unfolding
3	Upon the completion of the public participation, the By-law be gazetted and be implemented with immediate effect.	by-law has been gazetted and being implemented
4	The Corporate Services directorate to provide a monthly progress report on the implementation of the remedial action plan by the Internal Audit unit at it Section 80 portfolio Committee with respect to follow up audits for Human Resource Management and OHS Compliance	Finding will be taken to the Section 80 portfolio committee
5	The Accounting Officer to ensure regular engagement of the Employment Equity Forum as per the Council Resolution to ensure deliberation on the attainment of goals and compliance with prescribed Employment Equity Targets and a report from the forum be tabled at the structures of Council.	Schedule of meetings for the forum has been developed and will be monitored
6	In light of Management's response, the Technical Services department, through its budget appropriation, to consider procuring yellow plan equipment, including a Low Bed Truck in an effort of enhancing service delivery.	01 tipper truck , 06 Water trucks and 01 TLB has been procured in 2020/21 financial year, other fleet will be prioritised during 2021/21 financial year.

# Chapter 2

7	The Oversight Committees noted with concern the inconsistencies in terms of reporting between quarterly performances reports as it relates to the depiction of targets/baselines and the potential spurious correlation that may result, making it challenging for the oversight committees to conduct its work	The baseline are informed by previous performance ,while the targets are informed by available resources including budget allocation, either to target more or less, hence it might not be always practical to align the two always
8	The Planning and Economic Development to accelerate the implementation of the LED Strategy by identifying sustainable economic projects that are aligned with municipal and governmental bodies to create economic growth and reduce poverty within the municipality.	There are anchor identified in the strategy for implementation, however only one project (Agri-hub) implemented by Rural Development and the other projects do not have funding
9	The Planning and Economic Development department to foster Partnerships and Relationships with Local Organizations in ensuring community members and local stakeholders are informed of economic happenings in their local areas and how to benefit and contribute to projects.	The LED Strategy was presented to different stakeholders/ platforms e.g. IDP, REPFORUM, LED Forum, Mining Houses and LED Forum GSDM
10	The municipality to intensify the implementation of SMME development, incubation of cooperatives and preferential procurement policies to ensure vitality of the local economy	The SMME's are being workshops by different sector departments and government agencies (SEDA,NEF, MEGA ETC) to acquire knowledge on how to access funding, tendering and to do bankable business and to register in the central data base
11	Based on the management responses on the electricity-derived losses, the Accounting Officer should commission a study on the feasibility of transferring the electricity function to Eskom in a bid of circumventing the non-technical losses, and the consequential penalties translating into fruitless and wasteful expenditure. The Committee further believes that this strategy will spare the municipality the municipality costs thereby enhancing its financial viability.	The feasibility study has commenced
12	The municipality to consider applying for funding meant for efficient energy from the Department of Energy and it be utilised to connect electricity supply to the water pump stations and selected treatment be converted to Wind or Solar Energy for supply.	The municipality has received the Energy Efficiency Grants and currently directed on the public lighting due to budget insufficient, however the feasibility study is on-going on determination of WWTW/WTW consumption.
13	Council takes note of the Audit Committee report covering the third quarter period ended 31 March 2020 and ensure implementation of recommendations	the audit committee resolution are being Implemented by management and report is tabled quarterly to the Audit committee
14	Council takes note of the progress report on the implementation of the Task Job Evaluation	The HR section is attending to Job Descriptions Committee Meetings as

# Chapter 2

	System.	scheduled by their convener
15	Council take note of the status of the Legal cases against the municipality as well as those that were instituted by the Municipality against service providers as at the 1st of July 2020 until 30th of September 2020 (first quarter).	Awaiting for courts dates for other cases
16	Council approves the process for the recruitment of the following positions. a. Chief Fire Officer post level 3 b. Chief Traffic Officer post level 3 c. Environmental Officer Post level 5	The position of Chief Fire Officer recruitments processes underway
17	An additional budget for this contingent liability should be set aside and a payment agreement will be entered in an event that the court orders the municipality to pay.	Budget will increased in the next financial year to cover such
18	The municipality to source funds to procure the PMS electronic system.	Plans are being devised to improve and fund the system
19	A building plan be submitted to the Municipality and be approved prior to commencement with any construction work	No building plans submitted until after registration with Deeds Office
20	Council approves the Pauper Burial Policy for implementation and the Municipality to develop a Cemetery By-law.	Draft Cemetery by law in place
21	An actual register (NOT THE ACTUAL FORMS) be kept by the authorised official (Registrar) and that at the start of each financial year, this be a standing agenda item at the Rules and Ethics Committee to ensure proper adjudication on this critical matter. A template derived from the ' <i>REGISTER OF MEMBERS' INTERESTS</i> , from the JOINT COMMITTEE ON ETHICS AND MEMBERS' INTERESTS, Parliament of South Africa be utilised for benchmarking purposes	A meeting was held of the LGNC and a register of Council and Top Management was submitted and the LGNC Committee requested that Members of the Municipal Council to declare on both forms on or before 31 May 2021.
22	The Registrar to perform a head count of all the declaration forms and keep a submission register to this effect.	Waiting for all Councillor to Declare on all forms as directed by the LGNC
23	The Registrar, through the Rules and Ethics Committee, to scrutinise the forms at each start of the financial year to detect early any potential conflicts of interest.	The Municipality is in a process of procuring the System to VAT all Councillors and Officials, currently we are benchmarking with GSDM.
24	The Registrar to scan/verify the register against the prescripts of the Company's Act No 71 of 2008.	The Municipality is in a process of procuring the System to VAT all Councillors and Officials, currently we are benchmarking with GSDM.
25	The Terms of Reference of the Disciplinary Board as duly established by Council be amended to clear out the ambiguity, especially as it relates to the scope of work and adjudication procedures	Terms of Reference of the Disciplinary Board were reviewed and waiting for the said board to sit and approve.

# Chapter 2

26	The department must intensify enforcement of the various by-laws applicable to it.	The programme in place to deal with by law enforcement
27	Council assist the department to procure at least one Skip Truck; one Compactor Truck and one Fire Engine during the adjustment budget	Compactor Truck Procured
28	The department must fast track the conclusion of outstanding obligations by the two companies (SASOL and Nkomati) as it relates to procurement of disaster vehicles	The meetings with two stakeholders at advance stage
29	The Technical Services Department to ensure compliance with Project Management and processing of orders by soliciting comments from all responsible officials for purposes of due diligence	The department is developing controls to enhance its operations on project management that includes all responsible officials
30	The PMU and Technical Services Department must ensure that Project Steering Committees for all capital projects are established and that Ward Councilor's signature is appended for confirmation of work done even if the project was on the pretext of operation and maintenance.	The department has noted the resolution and implementation will be fully effective after the recruitment of 2 project officers
31	The Department must ensure that all households in Municipal licensed areas have split smart electricity meters that are IBT responsive to address any electricity loss.	More than 100 smart meters has been installed in 2020/21 financial year and outstanding households will be accommodated in 2021/22 financial as it is an ongoing program.
32	For all maintenance work performed by service providers on booster pumps, treatment plants, boreholes, the Job Card should always be available and certified by responsible officials.	The department has created controls to monitor and supervise the work performed by service providers
33	That the Technical Services together with the Planning and Economic Development to commence with the process of quantifying the costs of servicing the new proclaimed area.	The process will be attended too when town planners resume their duties
34	Council mandate the Municipal Manager to send an application to human settlements requesting for funding of the servicing of the sites before disposal.	Request has been made
35	The department needs to speed up the sale of vacant stands in order to assist the municipality in the generation of income from property rates.	The process will be attended too when town planners resume their duties
36	Council invites interested developers through the Supply Chain Management to ensure that the processes are not delayed when the Human Settlement does not respond timeously.	Terms of reference not received from PED
37	The department to device alternative means of conducting a satisfaction survey (which must be both internal and external) and not rely on the staff indaba which is for a contrary purpose (that of employee wellness).	Survey forms have been developed and such survey will be conducted once per quarter to external stake holders



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38	Council to ensure that all its policies as per the predetermined targets to ensure that they are up to date with the latest developments and are responsive to the current reality.	Labour is involved for inputs
39	Each directorate to revisit the service charter and ensure that the service standards articulated therein are still applicable and relevant.	A memo was issued to all HOD's to revise their Departmental Services Chatters
40	Management to ensure a report as it relates to the implementation of the LED Strategy is served to the structures of Council on a quarterly basis appraising it on the progress with regards to implementation	Currently only one project is being implemented by Rural Development (Agri-hub). The progress reports are being served through monthly reports.
41	The department to explore another financial avenue (such as the thriving mining community in Carolina) and head-hunt LED grants on offer from the myriad of potential donors and government to ensure economic development.	The mining houses in Carolina are being engaged to assist in terms of economic development, however, they only focus on the projects identified in the SLP's. Currently most of the projects identified in the SLP's are infrastructure projects. The potential donors they do make presentation to PED Department and most cases the challenge is funding and land.
42	Management to device a local economic recovery plan that will allay the economic ramifications posed by the COVID-19 in the municipal's economic context to help recoup some of the job losses suffered.	Due to financial constraints, currently the municipality is being assisted by sector departments for Covid-19 Relief Funding. The department have come up the agricultural programme of one facility one garden. Different facilities in the municipal units were identified to be assisted and some of the co-operatives were also identified for assistance.
43	The department to resuscitate the LED & Mining Forums as a matter of urgency to discuss economic recovery plans and other issues of contention.	Due to Covid-19 protocols as most of the meetings required to be convened through virtual, some LED forum stakeholders they do not have requires resources to connect to virtual meetings. The Mining Technical Steering Committed was held 25th of June 2021 and Mining Forum was held on the 30th of June 2021.
44	The department to conceptualise a policy to guide the support and development of local cooperatives in a bid of creating a supportive environment for cooperative development.	Currently the department is implementing SCM policy. In future the department will benchmark with other municipalities to develop our own guidelines to support and develop co-operatives and SMM's
45	The department to device a recovery plan as it pertains to tourism as a matter of urgency to resuscitate the sector within the municipality.	The department is currently being assisted by MTPA, Provincial and National Department of Tourism. Of late the National Department of Tourism has appointed two Tourism Data Collectors to assist the municipality to gather Tourism Attraction in the municipality and other related tourism information. The municipality is in a process to revive the Local Tourism Organisation since some of the members resigned.

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46	The finance Directorate be requested to have an adequate and fully equipped store that will always ensure the readily supply/availability of key infrastructural material to enhance service delivery.	Interim assessments have been concluded. Management in the process of issuing an allocation letter to the panel for building contractors
47	The Community Safety Services department must begin to make use of technology with respect to the library awareness campaigns, especially in view of the current pandemic globally	The viable options are being sort for our intended audience compatibility
48	Council takes note of the amended annual Internal Audit's Risk based plan for 2020/21 as approved by the Audit Committee for implementation.	Internal audit plan is being implemented
49	Council takes note of the three years rolling plan for 2020/21 to 2022/23 amended as a result of Risk based plan as approved by audit committee for implementation.	
50	That Council takes note that all recipients have not paid within the stipulated timeframe and the prescripts of the deed of sale.	letters to be issued to the residents
51	That Mr. NQ Shongwe, Ms. AN Mashego, Ms. FS Magagula, Mr. BW Nkosi and Ms. SM Mngomezulu be provided with erven 5,6,7,8 and 9 respectively, in Caropark Extension 2 Township.	action is still in progress
52	Council appoints a Service Provider through the Supply Chain Management to extend the Mzamo township boundary to accommodate the stands that are to be created and the Technical Services Department to provide services.	extension of boundary has to be established in order enable the residents to register for title deeds.
53	Sufficient budget be made available for installation of services prior the construction of the structures.	The Department wrote a letter to Municipal Manager and also attached the quotations from the Technical Services Department with regard to services required
54	The item is referred back.	The item was referred back and the Municipal Manager in consultation with the Political Leadership and Organized Labour appointed a PED task team to assist the PED Department
55	Council takes note of the commitment made by the South African Forestry Company SOC Limited (SAFCOL) as well as the donation of land made by the Ndlela Tribal Authority.	The municipality wrote a letter (17 May 2021) of acknowledgement to SAFCOL and also support the donation of land from Ndlela Tribal Authority. The municipality made commitment that the structure will under the management of the municipality and that the dedicated security guards/ personnel will be deploy at site to protect the structure from vandalism once the project is complete and handed over.

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56	Council takes note of the allocation of land by the Ndlela Tribal Authority for purposes of completion of the construction of the Youth Centre and use by the NPO (Sukumani Youth Centre) as a one-stop service for the community in the area and adjacent.	Currently the SFCOL is in a process to review the bill of quantities due to further vandalism of the structure
57	Council supports the board of the Sukumani Youth Centre that will, on a day-to-day basis, be providing services to the community and taking ownership of the structure upon Council having entered into a lease agreement with them.	Currently the structure is not yet completed. A contract with the Board of Sukumani Youth Centre will be entered into a lease agreement once the structure is completed and handed over by SAFCOL
58	The Standing Rules and Orders be submitted to Government printers for Gazetting.	Awaiting for COGTA to assist with the funding for Gazetting.
59	Council to determine tariffs for the application of the Wayleave.	There is a committees established by the Accounting Officer to determine tariffs.
60	Council takes note of the report of the Audit Committee for the Second Quarter of the 2020/21 financial year and ensure the Implementation of the recommendations.	follow-ups are being conducted on the implementation of resolutions
61	Council takes note of the report of the Audit Committee for the third Quarter of the 2020/21 financial year and ensure the Implementation of the recommendations.	Follow-ups are being conducted on the implementation of resolutions
62	The department to follow up on the SLP commitment made by ILLIMA mining houses with regards the construction of the palisade fencing at the Sobhuza Cemetery since the Department recommended type of concrete palisade fence and provided measurements.	The project on fencing of Silobela Cemetery not started. It is still on planning phase
63	That the Municipality jointly with DPWRT and DARDLEA consider a feasibility study on easing traffic objection at Elukwatini Crossing CBD.	The matter is still receiving attention
64	5. Council be requested to consider a report that seeks to handover Kerk Street and part of Voortrekker Street from the traffic light intersection until it joins the R33 Wonderfontein/ Emakhazeni provincial road to be managed by the Provincial Department of Public Works Road and Transport (DPWRT) and or SANRAL.	The request will be submitted to PWRT for consideration the Technical DDM forums
65	The Department to devise alternative means of conducting a Customer Satisfaction Survey (which must be both internal and external).	Customer survey forms were distributed to all Unit Offices for public and circulated to all users for employees
66	Council takes note of the report	No action required
67	Council approves the Project and accepts the DBSA's grant funding and Asset Care Project support.	Engagement with DBSA still to be initiated
68	Council supports the implementation of the project and the terms of the Agreement.	Engagement with DBSA still to be initiated

# Chapter 2

69	The Municipal Manager be and is hereby authorized and mandated to sign the Agreement, dispatch all required documents on behalf of the Municipality.	Engagement with DBSA still to be initiated
70	The Municipal Manager to provide the DBSA with the Designated and Authorized Signatories, any of whom shall represent the Municipality on the Project Steering Committee for the purposes stated on the Agreement.	Engagement with DBSA still to be initiated
71	The Municipality to provide the relevant FICA documentation required by the DBSA in terms of regulations 3, 4, 5 and 6 of FICA (the Financial Intelligence Centre Act, 38 of 2001).	The documents would be forwarded to DBSA on our engagement
72	Council mandates the Accounting Officer to refine resolutions of the commissions and developed indicators that SMART in line with performance regulations and to refine existing business plans to include resolutions from the Strategic Planning Session.	The PMS task to align our KPI's to fit the SMART principle
73	Council plays an oversight in the implementation of the strategic session resolutions.	Council committees would provide feedback on implementation of resolution which would be done
74	Council approves and implements the Organizational Structure for the 2021/2022 financial year.	The structure needs to be costed and positions prioritised for implementation by top management

## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

In terms of the MFMA (2003), Section 60(b), the municipal manager of a municipality is the accounting officer of the municipality for the purposes of the Act, and must provide guidance on compliance with the 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 Municipality comprises five administrative departments, namely Corporate Services, Financial Services, Community and Safety Services, Technical Services (including Project Management), and Planning and Economic Development Services. All the Departments are working towards achieving the goals of the Municipality; hence their day-to-day activities are linked to the IDP.

The IDP on its own is a plan without money; it must be funded to be implemented. It is therefore linked to the Annual Budget in a plan that is called the Service Delivery and Budget Implementation Plan (SDBIP).

T 2.2.1

# Chapter 2

## **TOP ADMINISTRATIVE STRUCTURE**

### **TOP ADMINISTRATIVE STRUCTURE**

#### **MUNICIPAL MANAGER**

**(Mr. M.S. Dlamini)**

- exercises the functions and powers assigned to an accounting officer in terms of the MFMA (2003);
- provides guidance and advice on compliance with the MFMA (2003) to the Political Structures, Political office-Bearers and officials of the Municipality;
- ensures the implementation of the IDP;
- provides all administrative responsibilities;
- takes responsibility for all Human Resource matters; Financial Management; Asset Management and procurement.

#### **DIRECTOR: PLANNING & ECONOMIC DEVELOPMENT**

**(Mr. T.A. Lukhele)**

- is responsible for the overall administration of the Planning and Economic Development Department;
- the overall strategic planning of the Municipality;
- local economic development;
- integrated development planning;
- strategic planning and management;
- human settlement; and town planning.

#### **DIRECTOR: THE CHIEF FINANCIAL OFFICER (CFO)**

**(Mr. M.G.T. Mnisi)**

- is responsible for the overall administration of the Finance Department;
- provides Strategic leadership in the Finance Department;
- develops and continuously evaluates short and long-term strategic financial objectives;
- ensures that internal financial targets and budget were fully consistent with the municipality's IDP, SDBIP and relevant agreements with other sectors of government.

#### **DIRECTOR: PUBLIC SAFETY & COMMUNITY SERVICES**

**(Mr. J.W. Shabangu)**

- the overall administration of the Community and Safety Services Department;
- management of waste removal;
- support to Youth/Women/People Living with Disability;
- provision of sport and recreational facilities;
- provision and management of -

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- Libraries;
- Cemeteries;
- Parks and Gardens; and Environmental Health

## **DIRECTOR: CORPORATE SERVICES**

**(Mr S.S. Sibeko)**

- ensures efficiency and functioning of the total administration of the municipality;
- is responsible for the overall administration of the Corporate Services Department;
- provides support at support council meetings;
- co-ordinates and controls the activities of administration and records management,
- co-ordinates legal services;
- co-ordinates human resources; employment equity and skills development;
- co-ordinates occupational health and safety;
- co-ordinates committees;
- co-ordinates the IDP, SDBIP and performance management.

## **DIRECTOR: TECHNICAL SERVICES**

**(Mr. M.P. Magubane)**

- is responsible for the overall administration of the Technical Services Department;
- co-ordinates electricity services;
- co-ordinates water and sanitation services;
- co-ordinates public works (roads and storm water);
- co-ordinates operation and maintenance (O&M);
- co-ordinates municipal infrastructure;
- co-ordinates municipal fleet.

T2.2.2

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

In terms of the MSA (2000), Section 3, a municipality must exercise its executive and legislative authority within the constitutional system of co-operative governance envisaged in Section 41 of the Constitution (1996).



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The Constitution (1996), Section 41, provides for co-operative governance in the three spheres of government. At National level is the Presidential Coordinating Forum and MinMec; at Provincial level is the Premier Co-coordinating Forum and the MunMec; and at District level are the Mayors Forum and Municipal Managers Forum.

*T 2.3.0*

## 2.3 INTERGOVERNMENTAL RELATIONS

### NATIONAL INTERGOVERNMENTAL STRUCTURES

SALGA, that sits on the National Intergovernmental Structures on behalf of municipalities and engages in policy deliberations, or legislative amendments, proposed bills, or any other matters that concern the local sphere of governance.

*T 2.3.1*

### PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Executive Mayor and Municipal Manager participate in the Premier Coordinating Forum and the MunMec structures.

*T 2.3.2*

### RELATIONSHIPS WITH MUNICIPAL ENTITIES

Chief Albert Luthuli Municipality does not have municipal entities.

*T 2.3.3*

### DISTRICT INTERGOVERNMENTAL STRUCTURES

Gert-Sibande District Municipality has intergovernmental structures such as the Gert-Sibande District Municipality Municipal Manager's Forum, and Executive Mayor Forum.

*T 2.3.4*

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

In terms of the MSA (2000), Section 15(b), a municipality must establish and organise its administration to facilitate a culture of accountability amongst its staff; Section 16(i)

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requires that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance; and Section 18(i)(d) requires that a municipality must supply its community with information concerning municipal governance, management and development.

The Municipality submits quarterly reports and convenes bi-monthly Council meetings, which are attended by members of the community, Ward Committees as well as Community Development Workers from the 25 Wards of the Municipality; and mayoral izimbizo and IDP Forum meetings are attended by various stakeholders and communities.

Public participation in the Municipality is conducted in a structured manner. The directive from National government on the structuring of community participation is the ward committee system. Most liaison with communities is done through ward committee meetings.

Although ward committees provide for representation of communities on a geographical basis, there are also a number of sector interests not covered by ward committees that play a major role within the municipal area, such as education, business, manufacturing, and agriculture. Liaison with and involvement of such sector groups is therefore crucial in order to get a full picture of the current reality in the municipal area. Liaison with sector groups is done mainly through the IDP Representative Forum (IDPRF).

T 2.4.0

## 2.4 PUBLIC MEETINGS

### COMMUNICATION, PARTICIPATION AND FORUMS

In terms of the MSA (2000), Section 18(i)(d), a municipality must supply its community with information concerning municipal governance, management and development.

The Municipality invites the community to meetings and events by means of the printed media, or by posting notices on the Municipal Website, at shops and at public places. The Municipality also uses local radio broadcasts on Radio Ligwalagwala, Kwekwezi FM and Radio Alpha to invite people to meetings.

Otherwise, the most common method used is loud-hailing in areas where a meeting or a municipal related event is planned. The community is used to this method of communication.

#### **Budget Consultative Meetings**

At Budget Consultative Meetings, Ward Committees are tasked to conduct public meetings and submit reports to the office of the Speaker.

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## **IDP Representative Forum (IDPRF) Meetings**

IDP Representative Forum meetings are held at least quarterly, and are attended by sector departments who make presentations. The meetings are well attended by the community, and interaction between the community and the Municipality/sector departments is satisfactory.

*T 2.4.1*

## **WARD COMMITTEES**

Ward Committees report to the office of the Speaker. They are required to meet once a month and submit reports to the office of the Speaker, which escalates issues raised to the Municipal Manager in order to have the various departments attend to it.

*T 2.4.2*

<b>Public Meetings</b>				
<b>Nature and purpose of meeting</b>	<b>Date of events</b>	<b>Number of Participating Municipal Councillors</b>	<b>Issue addressed (Yes/No)</b>	<b>Frequency of feedback given to community</b>
Ward Committee Meetings	Monthly	24	Yes	Monthly
Mayoral Izimbizo	Monthly	2	Yes	Semi-annually
IDP representative forums	September October- December	2	Yes	Semi-annually
IDP Process plan participation meetings	July to August	25	Yes	Once a year

*T 2.4.3*

## **COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:**

Public meetings are very effective and are attended by a number of stakeholders such as sector departments, members of the community, and Community Development Workers and Ward Committees from the 25 wards of the Municipality.

The Municipality provides transport for Councillors and Ward Committee members of the Municipality to attend public meetings.

At public meetings, members of the community have the opportunity to interact with their leaders, and their inputs are taken into cognisance when the IDP/Budget is being finalised.

*T 2.4.3.1*

## **2.5 IDP PARTICIPATION AND ALIGNMENT**

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IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	T 2.5.1

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

Municipalities have a duty in terms of section 152(1)(a) of the Constitution (1996) to provide a democratic and accountable government for local communities. The hallmark of a democratic and accountable government is good governance characterised by political and administrative stability; functional governance and oversight committees; effective systems of internal control, such as internal audit committees, risk management and audit committees, IT governance, anti-corruption measures and functional Intergovernmental relations forums amongst others. This section provides a summary of the analysis of our municipalities in terms of good governance focusing on the characteristics of good governance outlined above.

T 2.6.0

## 2.6 RISK MANAGEMENT

### RISK MANAGEMENT

Risk management is a key part of corporate governance, which is the way an organisation manages its business, determines strategy and objectives, and goes about achieving its objectives. Good risk management assists to identify and deal

# Chapter 2

with key corporate risks facing the organisation in the pursuit of its goals, and is a key part of good management, not simply a compliance exercise.

Risk management is about improving the ability of the Municipality to deliver outcomes for the community by managing its threats, enhancing its opportunities, and creating an environment that adds value to ongoing activities.

Risk management is an important aspect of the day to day activities of the Municipality, which is exposed to risk both in terms of threats to the provision of services, and from the potential of lost opportunities. It is essential that the Municipality demonstrates to its citizens that it fully considers the implications of risk, as it delivers its business for the benefit of its residents.

The Risk Management Executive Report is prepared as a reflection of the work performed during the 2020/21 financial year ended 30 June 2021. Its purpose is mainly to provide information on the benefits and effectiveness of the risk management function. In addition, the Annual Report serves to inform stakeholders on the progress that the Risk Management Section has made in the achievement of its objectives.

In terms of the MFMA (2003), Section 62(i)(c), a municipality must have and maintain an effective, efficient and transparent system of risk management; and the municipal manager is responsible for managing the municipality's financial administration. For this purpose, the municipal manager must take all reasonable steps to ensure, amongst others, that the municipality has and maintains

In order to give effect to the above, the Municipal Manager established the Risk Management Committee in the Municipality. The Committee had 4 meetings in the 2020/21 financial year. A schedule of Risk Management Committee meetings was developed to ensure that the Committee meets its obligations. The Risk Management Unit approved a Risk Management Policy, Strategy and Anti-Fraud and Corruption Policy. It also maintains a Strategic Risk Register, ICT Risk Register, Anti-Fraud and Corruption Risk Register, Operational Risk Register and Compliance Risk Register.

The risk management process is designed to support members and officials in ensuring that the Municipality is able to fully discharge its risk management responsibilities in a consistent manner. The Municipality has a Risk Management Strategy that outlines the objectives, benefits, and approach to the process to ensure that risks, both positive and negative, are successfully managed.

The Municipality conducts regular risk assessments and maintains a Risk Registers. The following are the Top 8 risk areas of the Municipality:

1. Unsustainable financial viability and revenue collection
2. Inadequate provision of basic services
3. Inadequate implementation of governance processes

# Chapter 2

4. Inability to ensure efficient and effective ICT information
5. Global pandemic (Infection with corona virus/COVID-19)
6. Inadequate institutional transformation
7. Inadequate economic growth
8. Unavailability of land for development

T 2.6.1

## 2.7 ANTI-CORRUPTION AND FRAUD

### FRAUD AND ANTI-CORRUPTION STRATEGY

The Municipality is committed to develop and foster a climate within the Municipality where all employees strive for the ultimate eradication of fraud, corruption, theft, and maladministration by application of the full spectrum of both pro-active and re-active measures at their disposal.

The Municipality has a Fraud Prevention Policy, which sets out the stance of the Municipality to fraud as well as enforcing existing regulations aimed at preventing, reacting to, and reducing the impact of fraud, corruption, theft, and maladministration where these dishonest acts subsist.

The Policy applies to all fraud, corruption, theft, maladministration or suspected irregularities of similar nature involving all employees of the municipality, Councillors, consultants, suppliers, contractors and other providers of goods or services to the Municipality and communities and other parties receiving benefits from the Municipality and employees of donors/clients/stakeholders.

The municipality is currently utilising the provincial hotline (0800 701 701) and presidential hotline (17737) for the reporting of all suspected fraud and corruption, the municipality is in process of establishing its own anti-fraud and corruption hotline.

The firm stance of the municipality is that:

- fraud and corruption will not be tolerated – zero tolerance will be enforced;
- all incidents will be investigated and followed up by the application of all remedies available within the full extent of the law;
- all incidents of fraud and corruption will be reported to the South African Police Service(SAPS) for criminal prosecution; and
- losses or damages suffered will be recovered from the responsible employee/councillor if he/she is liable according to the law

T 2.7.1

## 2.8 SUPPLY CHAIN MANAGEMENT



# Chapter 2

## OVERVIEW SUPPLY CHAIN MANAGEMENT

The municipality has a Supply Chain Management (SCM) policy in place. The SCM policy is developed in terms of Section 111 of the Municipal Finance Management Act, Act 56 of 2003 and section 217 of the Constitution of the Republic of South Africa. The principles of this policy is to give effect to a fair, equitable, transparent, competitive and cost-effective system for the procuring of goods and services, disposing of goods and selecting of contractors in the provision of municipal services. Furthermore, the municipality has developed and implemented a fraud prevention plan in order to enforce good governance and good conduct.

All contracts awarded during the current financial reporting period were reported quarterly to Council and published on the municipal website.

T 2.8.1

## 2.9 BY-LAWS

By-laws Introduced during Year 2020/21					
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
Prevention of Land Invasion and Management and control of informal settlements by – law	Yes	No	N/A	Yes	13/11/2020
Business by – law	Yes	No	N/A	Yes	26/02/2021
Outdoor Advertising Control by – law	Yes	No	N/A	Yes	18/06/2021
Public Road and Miscellaneous by – law	Yes	No	N/A	Yes	26/02/2021

*\*Note: See MSA section 13.*

T 2.9.1

### COMMENT ON BY-LAWS:

All by-laws implemented during the 2020-21 financial reporting period were approved by the municipal council as prescribed in terms of MSA 2000 s11 (3) (m).

T 2.9.1.1

## 2.10 WEBSITES

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<b>Municipal Website: Content and Currency of Material</b>	
<b>Documents published on the Municipality's / Entity's Website</b>	<b>Yes / No</b>
Current annual and adjustments budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual report for 2019/20	Yes
The annual report 2020/21 published/to be published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2020/21) and resulting scorecards	Yes
All service delivery agreements 2020/21	Yes
All long-term borrowing contracts 2020/21	Yes
All supply chain management contracts above a prescribed value R200 000 for 2020/21	Yes
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2020/21	Yes
Contracts agreed in 2020/21 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Yes
Public-private partnership agreements referred to in section 120 made in 2020/21	Yes
All quarterly reports tabled in the council in terms of section 52 (d) during 2020/21	Yes
<i>T 2.10.1</i>	

## COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The municipality complied with the website requirements.

*T 2.10.1.1*

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

### PUBLIC SATISFACTION LEVELS

There was no community survey conducted during the financial year.

*T 2.11.1*

# Chapter 3

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

### INTRODUCTION

In terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) (the MSA), a municipality must prepare for each financial year an annual performance report reflecting the performance of the municipality and of each external service provider during that year, and in terms of section 127 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) (the MFMA).

*T 3.0.1*

### COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

### INTRODUCTION TO BASIC SERVICES

This report is compiled in terms of the legislative requirements of Chapter 6 of the said MSA and Chapter 12 for the said MFMA. The MSA prescribes the role of each sphere of government in the municipal performance reporting.

Section 46 of the MSA states that:

a municipality must prepare for each financial year a performance report reflecting, the performance of the municipality and of each external Service provider during that financial year; also a comparison of the performances referred to paragraph (a) with targets set for and performances in the previous financial year; and measures taken to improve performance.

An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the MFMA.

Section 121(1) of the MFMA requires that - Every municipality and every entity must for each financial year prepare an annual report. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.

The main purpose of this report is to account to Council, the MEC for Local Government, Provincial Legislature, the Minister of Cooperative Governance and Traditional Affairs, National Treasury, the Auditor-General and ultimately to all the citizens of South Africa on progress being made by the Municipality towards

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achieving the overall goal of “a better life for all”. Furthermore, the report is a key performance report to the communities and other stakeholders in keeping with the principles of transparency and accountability of government to the citizens. It subscribes to the South African developmental nature of participatory democracy and cooperative governance and responds to the principles of the Constitution, Batho Pele, White Paper on Local Government, MSA and the MFMA.

According to the provisions of the MSA a municipality must monitor and measure the progress of their performance by preparing quarterly and mid-year performance reports, in terms of Chapter 6 of the MSA, on performance management systems as well the MFMA Section 127.

These quarterly reports in terms of Section 54 of the MFMA and Section 72 mid-year reports make up the Municipal annual performance reports (Section 46 report), which is submitted to the Auditor-General, together with the financial statements, for auditing. After adoption of the audited performance report by the municipal council, it must then be submitted to the MEC for Local Government.

This report presents an analysis and comparison of past and current progress on performance which has been conducted. It has been formed by all the quarterly reports and indicated above, they were consolidated into this report termed the Annual Performance Report (APR). The report is structured in terms of the Key Performance Areas (KPA) and grouped in program according to each KPA.

*T 3.1.0*

## 3.1. WATER PROVISION

### INTRODUCTION TO WATER PROVISION

#### **Legislative Requirements**

The Municipality is a Water Service Authority. The Water and Sanitation section was mandated to provide water services as per the WSA (1997). The section was further responsible for the operation, maintenance and upgrading of water and sanitation infrastructure; and also for issues related to water quality monitoring.

The Municipality supplies basic water to almost 95% of households (39,016 households within RDP standard) despite difficult conditions due to the majority of households being located in rural towns and villages. And many of which are surrounded by sparsely populated areas that are outside the bulk water infrastructure, and a different approach was taken by providing water to those areas through water tankers and boreholes.

# Chapter 3

The Lusushwane Regional Bulk Water Scheme project has started and should assist part of the areas currently supplied by boreholes and water tankers.

The challenge remains of the cost of water treatment operations; the ever increasing Eskom bills for the Water Treatment Plants at Carolina, Elukwatini and Empluluzi; and the raw water source at the Methula and Mooiplaas Water Scheme drying up in winter. Another challenge is the financing of the operation and maintenance of water infrastructure. The Municipality's inability to collect sufficient revenue and enforce the Credit Control Policy, particularly in the Eskom supply areas, results in financial constraints, which adversely affect its ability to adequately maintain the water infrastructure

following capital projects were funded by MIG/WSIG and RBIG have been approved for the 2020/21 financial year:

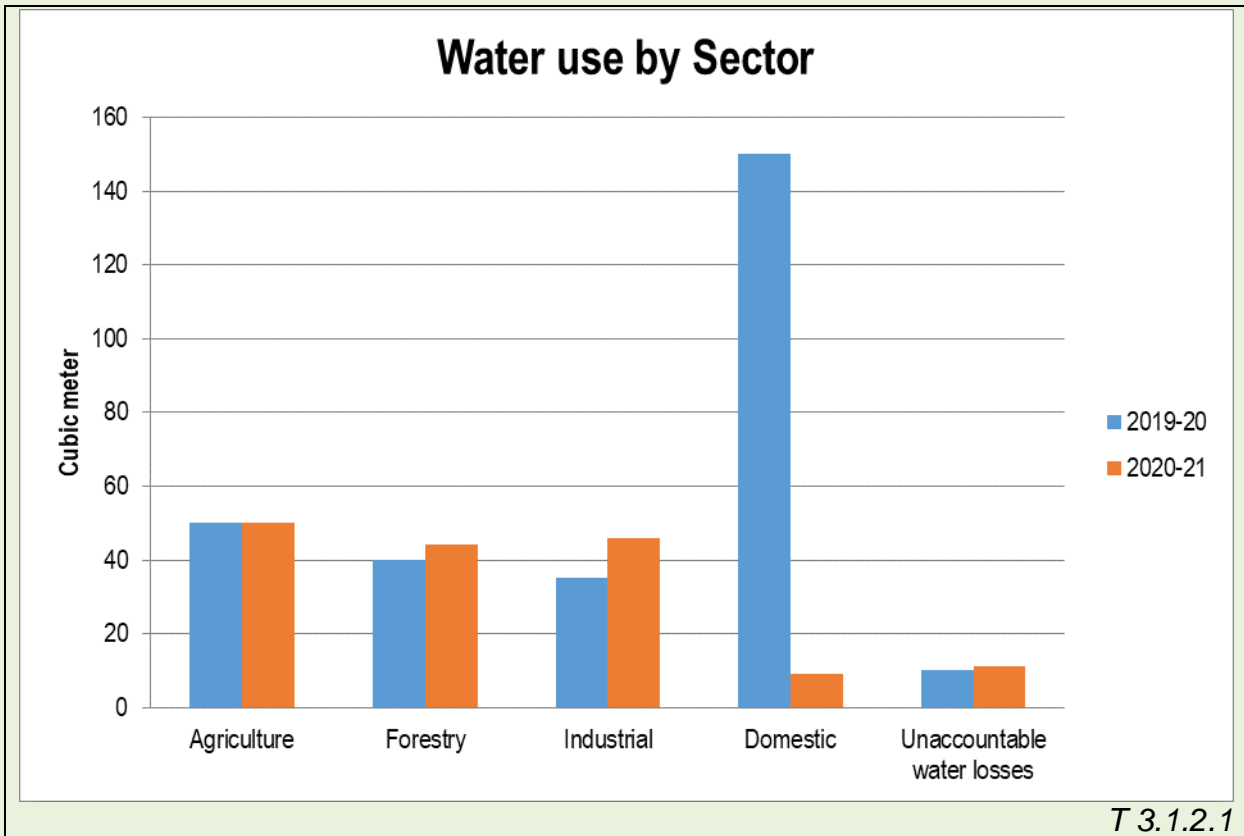
- Upgrading of Carolina Water Treatment Works: Phase 4
- Replacement of AC Pipes at Ekulindeni Water Scheme
- Non-Revenue Water & Revenue Enhancement Programme for the Schemes in CALLM
- Refurbishment of Eerstehoek Water Scheme.

T 3.1.1

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2019/20	0	0	0	44 124	0
2020/21	0	0	0	44 124	0

T 3.1.2

# Chapter 3



#### COMMENT ON WATER USE BY SECTOR:

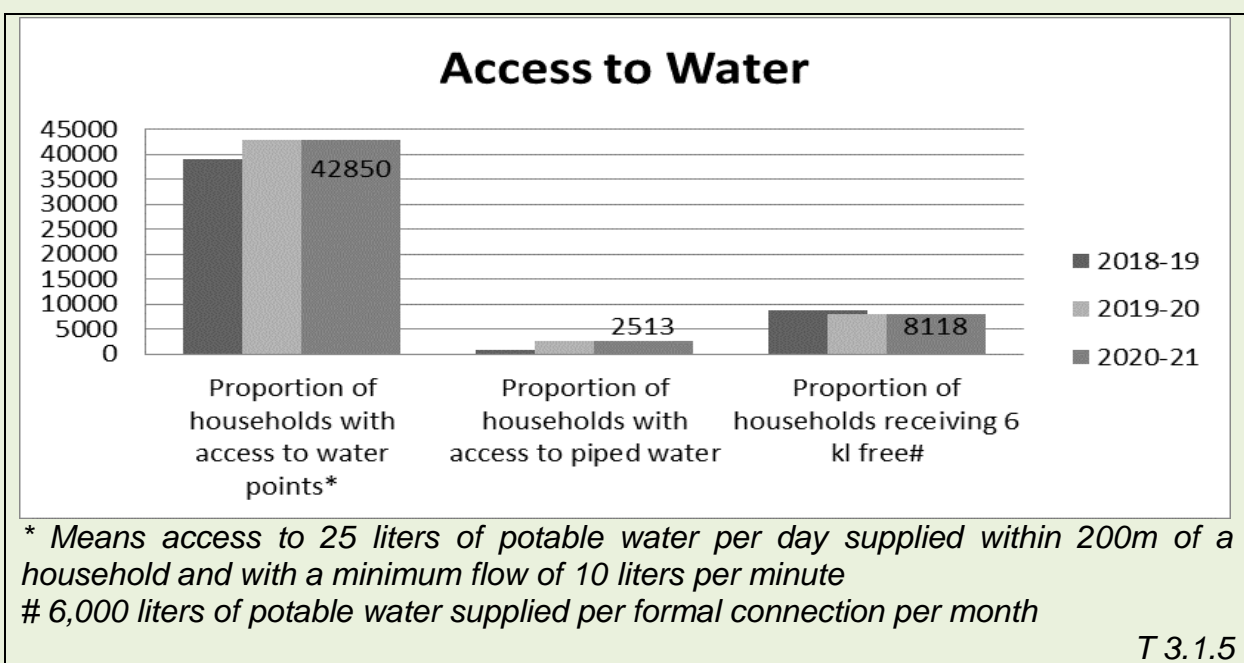
The last common enemy of water resources are alien plants and wattle, which consumed a sizeable volume of water. These threat together with that of water pollution (acid mine drainage, agriculture, oil spillages, and sewage spillages are going to render natural water resources not fit for human consumption. Lastly, the prevailing drought condition has not spared the Municipality. Our major rivers continue to drop at alarming rates and boreholes are drying up, conservative use of water and reduction of water losses cannot be over-emphasised

*T 3.1.2.2*

Water Service Delivery Levels				
Description	Households			
	2017/18	2018/19	2019/20	2020/21
	Actual No.	Actual No.	Actual No.	Actual No.
<b><u>Water:</u> (above min level)</b>				
Piped water inside dwelling	10,306	12 429	12 429	20 240
Piped water inside yard (but not in dwelling)	23,469	28 303	28 303	22 644
Using public tap (within 200m from dwelling )	5,248	6 330	6 330	4 821
Other water supply (within 200m)				

# Chapter 3

<i>Minimum Service Level and Above sub-total</i>	39,023	47 062	47 062	47 705
<i>Minimum Service Level and Above Percentage</i>	82%	88%	88%	89%
<b>Water: (below min level)</b>				
Using public tap (more than 200m from dwelling)				
Other water supply (more than 200m from dwelling)	8 682	6 418	6 418	5 775
No water supply				
<i>Below Minimum Service Level sub-total</i>	8,682	6,418	6 418	5 775
<i>Below Minimum Service Level Percentage</i>	18%	12%	12%	11%
<b>Total number of households*</b>	<b>47 705</b>	<b>53 480</b>	<b>53 480</b>	<b>53 480</b>
* - To include informal settlements				T 3.1.3





# Chapter 3

Employees: Water Services					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	158	146	135	11	8%
<i>T3.1.7</i>					

Financial Performance 2020-21: Water Services					
R'000					
Details	2019-20	2020-21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	11 669	9 384	46 632	46 632	80%
Expenditure	1 073	60 986	91 877	91 877	34%
Total Operational Expenditure	1 073	60 986	91 877	91 877	34%
Net Operational Expenditure	-10 596	51 602	45 245	45 245	-14%
<i>T 3.1.8</i>					

Capital Expenditure 2020-21: Water Services					
R' 000					
Capital Projects	2020-21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	256 943	251 410	136 842	-88%	
Upgrading of Carolina Water Treatment Works: Phase 4	2 000	-	-	0%	-
Replacement of AC Pipes at Ekulindeni Water Scheme	9 000	5 467	5 467	-65%	5 467

# Chapter 3

Non-Revenue Water & Revenue Enhancement Programme for the Schemes in CALLM	26 375	26 375	26 375	0%	26 375
Refurbishment of Eerstehoek Water Scheme.	219 568	219 568	105 000	-109%	105 000
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.1.9

## COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

Technical service department budgeted for R257m on water capital projects and adjusted to R251m during adjustment period. The total budget was spent was R136m during the year under review due to re-prioritisation of funds

T 3.1.10

## 3.2 WASTE WATER (SANITATION) PROVISION

### INTRODUCTION TO SANITATION PROVISION

The proportion of households with access to basic sanitation is 91%, which is more than 43,000 households. However, approximately over 10 000 households (5%) are still below the minimum service level.

Province has directed that municipalities must explore alternative sanitation technology to the VIP System. The Municipality has piloted the installation of Smartsan toilets in 5 Wards as an alternative sanitation option. However, an amount estimated at R2,5 billion is required to roll out water-borne sanitation, especially in the rural and deep rural areas.

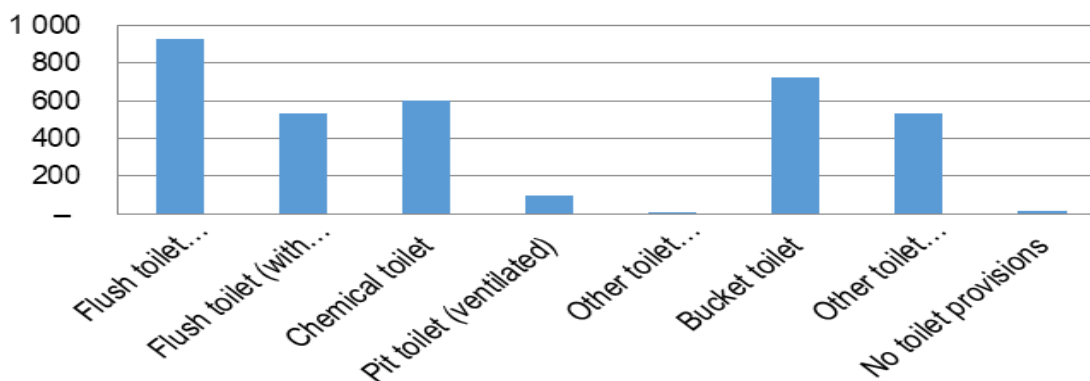
The following capital projects were funded by MIG/DWS were approved for the 2020/21 financial year:

- Upgrading of Empuluzi Waste Water Treatment Works (WWTW)
- Upgrading of Elukwatini Waste Water Treatment Works (WWTW)
- Installation of Smartsan or Environsan Toilets

T 3.2.1

# Chapter 3

## Sanitation/Sewerage (above minimum level): 2020-21



T 3.2.2

### Sanitation Service Delivery Levels

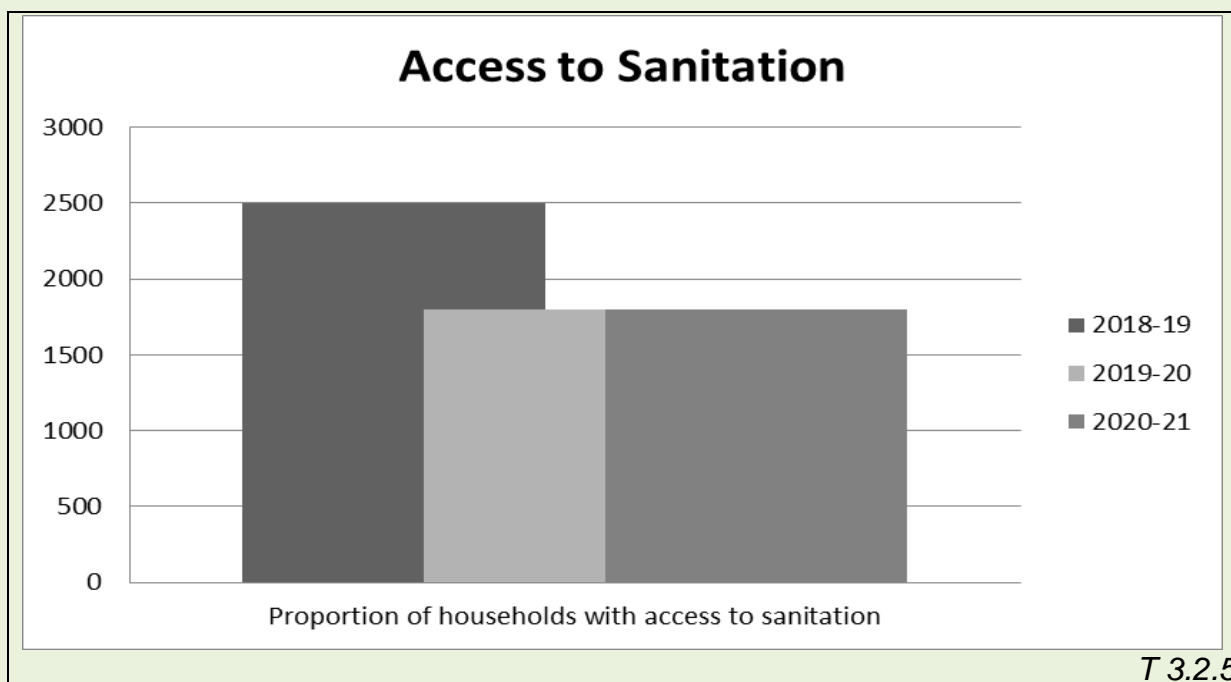
#### \*Households

Description	2019/20	2020/21
	Outcome	Actual
	No.	No.
<b><u>Sanitation/sewerage: (above minimum level)</u></b>		
Flush toilet (connected to sewerage)	10 245	10 744
Flush toilet (with septic tank)	813	2032
Chemical toilet	1 500	2000
Pit toilet (ventilated)	26 519	20062
Other toilet provisions (above min.service level)	12 572	17100
<i>Minimum Service Level and Above sub-total</i>	51 649	51 938
<i>Minimum Service Level and Above Percentage</i>	96,6%	97.1%
<b><u>Sanitation/sewerage: (below minimum level)</u></b>		
Bucket toilet	0	0
Other toilet provisions (below min.service level)	30	
No toilet provisions	1 801	1542
<i>Below Minimum Service Level sub-total</i>	1 831	1542
<i>Below Minimum Service Level Percentage</i>	3,4%	3.3%
<b>Total households</b>	<b>53 480</b>	<b>53 480</b>
<b>*Total number of households including informal settlements</b>		T 3.2.3

#### Households - Sanitation Service Delivery Levels below the minimum

# Chapter 3

Households				
Description	2019/20	2020/21		
	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
<b>Formal Settlements</b>				
Total households	53 480	53 480	53 480	53 480
Households below minimum service level	1 831	1542	1542	1542
Proportion of households below minimum service level	3%	3%	3%	3%
<b>Informal Settlements</b>			53 480	53 480
Total households	53 480	53 480	53 480	53 480
Households ts below minimum service level	5 206	5 206	5 206	5 206
Proportion of households ts below minimum service level	10%	10%	10%	10%
				T 3.2.4



Employees: Sanitation Services					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%

# Chapter 3

Total	158	146	135	11	8%
					T 3.2.7

# Chapter 3

Financial Performance 2020-21: Sanitation Services						R'000
Details	2019-20	2020-21				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	16 385	20 473	19 874	5 446	-276%	
Expenditure	10 080	5 553	10 804	1 875	-196%	
<b>Total Operational Expenditure</b>	10 080	5 553	10 804	1 875	-196%	
<b>Net Operational Expenditure</b>	-6 305	-14 920	-9 070	-3 571	-318%	
					T 3.2.8	

Capital Expenditure 2020-21: Sanitation Services						R' 000
Capital Projects	2020-21					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	38 000	29 873	29 873	-27%		
Upgrading of Empuluzi Waste Water Treatment Works (WWTW)	13 000	9 120	9 120	-43%	2121	
Upgrading of Elukwatini Waste Water Treatment Works (WWTW)	13 000	15 724	15 724	17%	1315	
Installation of Smartsan or Environsan Toilets	12 000	5 029	5 029	-139%	5309	
					T 3.2.9	

## COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

The municipality initially budgeted R38m for sanitation capital projects and subsequently adjusted to 30m as per the adjusted budget. The actual spent was 29m for the year under review. This was due to the re-prioritisation of funds.

T 3.2.10

## 3.3 ELECTRICITY

### INTRODUCTION TO ELECTRICITY

#### Background

Legislation include the Electricity Amendment Acts (1989); (1994); (1995); the Electricity Regulation Act (2006); Municipal Electricity License and NERSA

# Chapter 3

regulations. The Municipality was licensed to distribute electricity in Carolina, Silobela and part of Emanzana (Badplaas). Other areas within the jurisdiction of the Municipality were licensed to Eskom. The provision of Electricity services to the licensed areas is the responsibility of the Technical Services Department Services. The department ensures the provision of electricity to consumers in terms of the Municipal Electricity License and various NERSA regulations. The department also ensures the expansion and maintenance of the electricity distribution network so as to maintain firm and regulated quality of supply through the network. Furthermore, the department maintained streetlights and high mast lights.

## **Responsibilities**

To supply electricity to households and businesses and maintain electricity infrastructure in order to ensure uninterrupted continuous supply at all times.

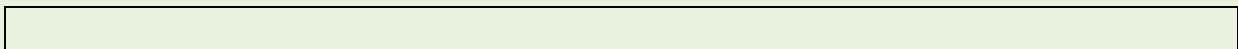
## **Achievements**

The Municipality provides access to electricity to 98% households, and households without electricity are now less than 1,800 according to the SA Statistics 2016 community survey; however, the maintenance of that infrastructure is a challenge due to the high cost of Eskom electricity that municipalities currently struggle to keep up with.

The following milestones were achieved by the municipality during the year under review:

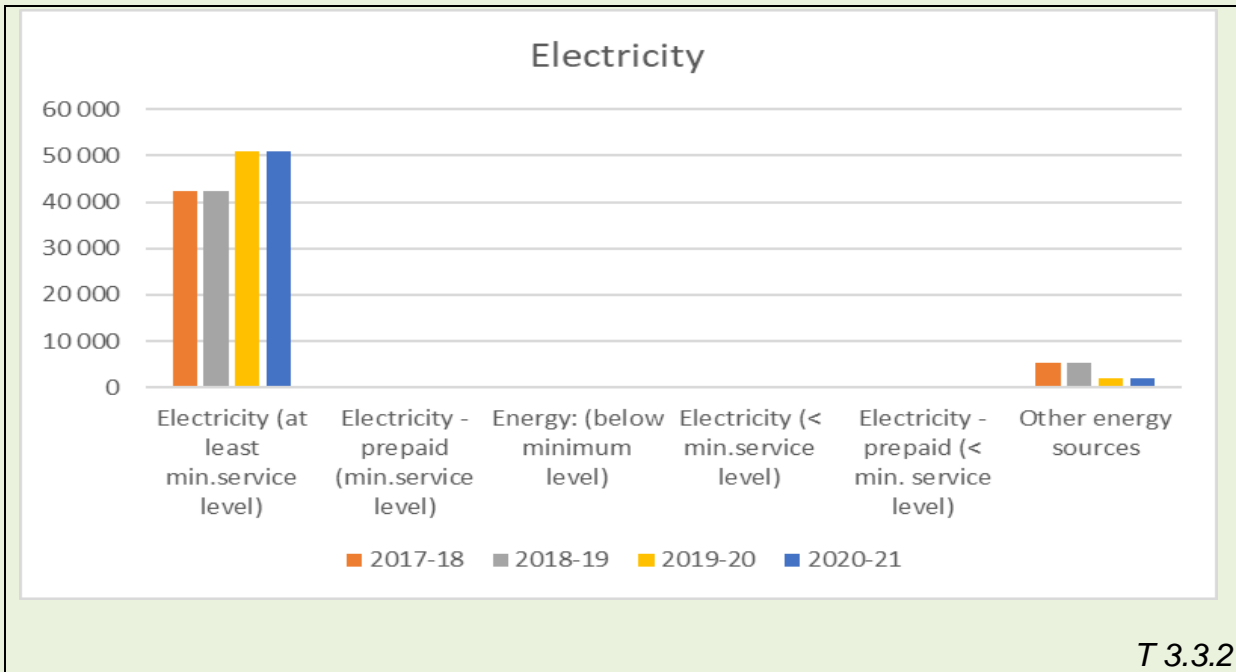
- Public lights were attended
- Transformers were inspected and maintained
- Network was attended as and when there is breakdown experienced
- Panels repaired and maintenance
- New households were connected on the grid

*T 3.3.1*





# Chapter 3



Electricity Service Delivery Levels	Households	
	2019/20	2020/21
<b>Description</b>	<b>Actual No.</b>	<b>Actual No.</b>
<b><u>Energy: (above minimum level)</u></b>		
Electricity (at least min.service level)	50 998	50 998
Electricity - prepaid (min.service level)	309	712
<i>Minimum Service Level and Above sub-total</i>	51 307	51 710
<i>Minimum Service Level and Above Percentage</i>	95,9%	98%
<b><u>Energy: (below minimum level)</u></b>		
Electricity (< min.service level)	271	271
Electricity - prepaid (< min. service level)	0	0
Other energy sources	1 902	1 872
<i>Below Minimum Service Level sub-total</i>	2 173	1 800
<i>Below Minimum Service Level Percentage</i>	4,1%	3,0%
<b>Total number of households</b>	53 480	53 480

T 3.3.3

Households - Electricity Service Delivery Levels below the minimum	Households			
	2019/20	2020/21		
<b>Description</b>	<b>Actual</b>	<b>Original Budget</b>	<b>Adjusted</b>	<b>Actual</b>

# Chapter 3

	No.	No.	Budget No.	No.
<b>Formal Settlements</b>				
Total households	53 480	53 480	53 480	53 480
Households below minimum service level	2 173	1 800	1 800	1 800
Proportion of households below minimum service level	4%	3%	3%	3%
<b>Informal Settlements</b>				
Total households	53 480	53 480	53 480	53 480
Households below minimum service level	1 902	1 800	1 800	1 800
Proportion of households below minimum service level	4%	3%	3%	3%

T 3.3.4

Employees: Electricity Services					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	9	11	9	2	18%

T 3.3.6

Financial Performance 2020-21: Electricity Services					
					R'000
Details	2019-20	2020-21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	36 123	22 954	36 355	19 856	-16%
Expenditure:	141 293	122 120	130 617	130 617	7%
<b>Total Operational Expenditure</b>	141 293	122 120	130 617	130 617	7%
<b>Net Operational Expenditure</b>	105 170	99 166	94 262	110 761	10%

T 3.3.7

# Chapter 3

Capital Expenditure 2020-21 Electricity Services					
R' 000					
Capital Projects	2020-21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	19 856	19 856	17 720	-12%	
Construction of High mast lights	7 156	7 156	7 156	0%	7 156
Upgrading of Silobela Substation	10 000	10 000	10 000	0%	10 000
Energy Efficiency Demand Side Management	2 700	2 700	2 700	0%	2 700
					<i>T 3.3.8</i>

## COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

There were two capital projects planned for the year for electricity with a total budget of R20m. 100% of the budget was spent during the year under review.

*T 3.3.9*

## 3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

### INTRODUCTION TO WASTE MANAGEMENT

This Section includes refuse collection, waste disposal, street cleaning, and illegal dumping control.

Environmental and Waste Management are constitutional obligations in terms of section 24 of the National Environmental Management Act (2000), and oblige a municipality to provide and manage their waste disposal according to certain standards.

Waste services is a structure that deals with refuse removal, street cleaning, waste disposal sites, clearing of the illegal dumps and maintenance of disposal sites.

The municipality is presently collecting refuse to 13911 households out of 53 480 dwellers including the formal and informal in the following areas: Badplaas, Carolina, Elukwatini, Ekulindeni and Empuluzi.

# Chapter 3

The municipality has a relatively high unemployment rate. This will have an effect on waste generation as well as waste disposal as a service delivery. A higher unemployment rate relates to less rates and taxes received by the municipality therefore the municipality will have less resources available for an effective waste collection service. It often increases the amount of informal recyclers at the Waste disposal site.

The Municipality has a few waste management vehicles but is in a severe shortage of equipment for both collection and Waste disposal operation. There is no equipment for the operation of any of the Waste disposal sites hence the municipality has outsourced Carolina Landfill site operation and maintenance.

### **Major achievements include:**

- Provision of the kerb-side waste removal to 13 611 households weekly
- The operation and maintenance of Carolina landfill site
- Installation of 'No Dumping' signs
- Provision of additional skip bins
- Proper maintenance of equipment's and tools
- Distribution of 202 household bins
- Control of illegal dumps
- Procurement of Compactor Truck and Street Sweeper machine

### **Major challenges include:**

- Lack of household refuse bins at informal settlements
- Unrehabilitated dongas that lead to dumping spots
- Breakdown of Waste Equipment
- Construction of Transfer station

### **Progress made with waste disposal, street cleaning, and recycling:**

- Street Cleaning: 4.2km streets and main roads are swept daily.
- Recycling: currently no recycling process, only monitoring of informal recyclers

### **Top 3 Service Delivery Priorities and the impact on them during the year:**

- Waste Management
  - Ensured that refuse removal and street cleaning services are properly operated and managed
  - Minimised illegal dumping and littering
  - Ensured that the refuse removal service in peri-urban and rural areas was rendered

### **Measures taken to improve performance and the major efficiencies achieved during the year:**

- The finalisation of the reviewed IWMP
- Erected "No Dumping" signs
- Carolina Landfill Site

# Chapter 3

Environmental Awareness Campaigns  
 Identification and response to communities living in poverty and are deficient in this basic service  
 Skip bins were placed at strategic places for communal use in areas like informal settlements

T 3.4.1

Solid Waste Service Delivery Levels	Households	
	2019/20	2020/21
Description	Actual No.	Actual No.
<b><u>Solid Waste Removal: (Minimum level)</u></b>		
Removed at least once a week	8 041	12909
<i>Minimum Service Level and Above sub-total</i>	8 041	12909
<i>Minimum Service Level and Above percentage</i>	15,0%	27
<b><u>Solid Waste Removal: (Below minimum level)</u></b>		
Removed less frequently than once a week	516	
Using communal refuse dump	3 522	
Using own refuse dump	33 922	
Other rubbish disposal	119	
No rubbish disposal	7 360	
<i>Below Minimum Service Level sub-total</i>	45 439	45439
<i>Below Minimum Service Level percentage</i>	85,0%	73
<b>Total number of households</b>	<b>53 480</b>	<b>53 480</b>

T 3.4.2

Households - Solid Waste Service Delivery Levels below the minimum	Households			
	2019/20	2020/21		
Description	Actual	Original Budget	Adjusted Budget	Actual

# Chapter 3

	No.	No.	No.	No.
<b>Formal Settlements</b>				
Total households	53 480	10787	10787	8504
Households below minimum service level	38 079	38495	38495	47705
Proportion of households below minimum service level	71%			
<b>Informal Settlements</b>				
Total households	53 480	65417	65417	65417
Households below minimum service level	7 361			
Proportion of households below minimum service level	14%			

*T 3.4.3*

Employees: Solid Waste Management Services					
Job Level	2019/20	2020/21			
	Employee s	Posts	Employee s	Vacancies (fulltime equivalents )	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	37	48	34	14	29%

*T3.4.5*

Financial Performance 2019-20: Solid Waste Management Services						R'000
Details	2019-20	2020-21				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	10787	8504	8204	8204	-4%	
Expenditure	7675	8074	9893	10849	26%	
<b>Total Operational Expenditure</b>	7675	8074	9893	10849	26%	
<b>Net Operational Expenditure</b>	-3112	-430	1689	2645	116%	

*T 3.4.7*

## COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

The operational budgeted expenditure for waste management services was 96% spent during the year under review.

# Chapter 3

T 3.4.10

## 3.5 HOUSING

### INTRODUCTION TO HOUSING

Chief Albert Luthuli Municipality did not build any houses during the year under review as this is the responsibility of the Department of Human Settlement.

T 3.5.1

## 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

### INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The Municipality supplies free basic electricity services to 4 322 registered indigent households.

T 3.6.1

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R1,100 per month								
		Total	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Access	%	Access	%	Access	%	Access	%	
2019/20	53	53								
	480	480	1 759	3%	40 591	76%	4 322	8%	536	1%
2020/21	53	53	1 759	3%	40 591	76%	4 322	8%	536	1%
	480	480								

T 3.6.3

Financial Performance 2020/21: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2019/20	2020/21			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	49 126	48 691	55 750	53 468	9%
Waste Water (Sanitation)	2 143	5 553	5 296	1 875	-196%
Electricity	56 393	81 480	84 828	37 255	-119%
Waste Management (Solid Waste)	3 997	9 857	9 268	4 703	-110%
Total	111 659	145 581	155 142	97 301	-50%



# Chapter 3

T 3.6.4

## COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

Free basic services are provided to qualifying indigent households. In the 2020/21 financial year an average of 90% of qualifying households received free basic water and sanitation services, 16% of qualifying households in the Municipality's supply area (Carolina and part of Emanzana) received free basic electricity, and less than 1% of qualifying households received the discounted refuse removal service. Due to the rural nature of the municipal area, it is not possible to provide the refuse removal service to all households.

T 3.6.6

## COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (stormwater drainage).

### INTRODUCTION TO ROAD TRANSPORT

The Public Works section is mainly responsible for maintenance and upgrading of existing roads infrastructure (gravel and surfaced), bridges, and storm water drainage system in the entire Municipality. The maintenance involves activities such as blading, patching of potholes, construction of concrete water channels, laying of kerbs, and re-gravelling in trying to elongate the life-span of the road infrastructure and also create conducive and safely infrastructure for users. Currently the Municipality has a total road network of about 649km of which 81% are considered as gravel roads, and most of the gravel roads are at the worsen situation and located on the rural areas of the municipality as some are bladed to pipeline and eroded due to heavy rainfall.

T 3.7

## 3.7 ROADS

### INTRODUCTION TO ROADS

#### **Mandate and Responsibility**

To ensure the entire road network of council is on the acceptable standard to all road users.

# Chapter 3

## Achievements

The municipality achieved the following milestones relating to roads:

- Created at least 282 job opportunities through the EPWP.
- Spent 100% of the EPWP grant.
- Repaired an area of 1055m<sup>2</sup> surfaces including re-surfacing of Carolina Town roads.
- Attend at least 528km of gravel roads through blading

## Challenges

The ageing of infrastructure and unavailability of crucial construction vehicles, such as graders and TLBs persist to be the main challenges the section is experiencing as it becomes very difficult to attend all planned maintenance programs and responds to special request from the community. Furthermore, the immensely demand of construction of pedestrian bridges in deep rural areas municipality also remains a challenge for the municipality and the Section experienced abnormal heavy traffic on municipal owned roads, which shortens the lifespan of infrastructure and development of many potholes, especially in Carolina

## Backlog

Considering the developed roads and storm water master plan of the municipality it has been identified that there is enormous backlog on roads upgrades/construction (gravel to paved roads) especially on the road network that lead to public amenities and connect villages, similarly to the demand on construction of pedestrian bridges are also considered as backlog that need to be attended urgently.

T 3.7.1

Gravel Road Infrastructure					Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained	
2019/20	526	0	0	528	
2020/21	528	0	0	528	
					T 3.7.2

Tarred Road Infrastructure					Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-	Existing tar roads re-	Tar roads maintained

# Chapter 3

			tarred	sheeted	
2019/20	125	0	0	0	1.2 kms
2020/21	128	0	0	0	1,055 kms
T 3.7.3					

Cost of Construction/Maintenance							R' 000
	Gravel			Tar			
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained	
2018/19	0	0	469	30 000	0	1 117	
2019/20	0	0	1117	9 367	0	1 117	
2020/21	0	0	1117	25 000	0	1 117	
T 3.7.4							

Employees: Road Services					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	28	29	26	3	10%
T3.7.7					

Financial Performance 2020-21: Road Services						R'000
Details	2019-20	2020-21				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	1 943	0	0	0	0%	
Expenditure	12 351	12 073	12 073	12 073	0%	
Total Operational Expenditure	12 351	12 073	12 073	12 073	0%	
Net Operational Expenditure	10 408	12 073	12 073	12 073	0%	
T 3.7.8						

Capital Expenditure 2020-21: Road Services		R' 000
Capital Projects	2020-21	

# Chapter 3

	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	25 000	26 176	26 176	26%	
Construction of Glenmore Ring Road	10 000	12 022	12 022	0%	10 000
Construction of Fernie Ring Road	10 000	9 781	9 781	0%	10 000
Construction of Paving Road in Nhlazatshe	5 000	4 373	4 373	0%	5 000
					<i>T 3.7.9</i>

## COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The municipality budgeted R25m for roads and storm water during the year under review. The full budget budgeted amount was spent during the year under review.

*T 3.7.10*

## 3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

### INTRODUCTION TO TRANSPORT

The municipality does not have rapid transport system due to its size and geographical location.

*T 3.8.1*

## 3.9 WASTE WATER (STORMWATER DRAINAGE)

### INTRODUCTION TO STORMWATER DRAINAGE

The municipality did not construct any storm water systems during the year under review.

*T 3.9.1*

## COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

The municipality did not complete any stormwater during the year under review.

# Chapter 3

T 3.9.6

## COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

### INTRODUCTION TO PLANNING AND DEVELOPMENT

The municipality has the following key performance areas within its Planning and Economic Development Department: Social Development, Economic Development, Job Opportunities, Employment Equity, Disaster Management, Healthy and Safer Environment, Crime Management and Safer Roads.

T 3.10

### 3.10 PLANNING

#### INTRODUCTION TO PLANNING

The Municipality is responsible for the planning of municipal infrastructure and for utilising capital allocations to deliver the infrastructure. The PMU will ensure that the planning of the infrastructure is done efficiently and effectively and that the capital funds are utilised to build the necessary internal capacity in Project Management as well as to deliver infrastructure.

The overall roles and responsibilities of the Unit may be detailed as follows: Infrastructure development planning, Project identification, Financial planning and management of capital funds, Project feasibility studies, Project planning, Project implementation, including community participation and awareness, construction, capacity building and mentoring support, Project management, Building of capacity in the Unit, Monitoring and evaluation of the capital programme and projects and Compilation and submission of reports in the formats prescribed for the capital programme.

T 3.10.1

Applications for Land Use Development						
Detail	Category 1 Land Use Application Formalisation of Townships & Establishment of Township		Category 2 Land Use Application( Rezoning, Consolidation; subdivision; Special Consent )		Built Environment- Building Plans	
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21
					0	21

# Chapter 3

Planning application received	3	2	6	28	53	15
Determination made in year of receipt	All still in progress	All still in progress	6	23	53	15
Determination made in following year	All still in progress	All still in progress	6	5	None	None
Applications withdrawn	None	None	None	None	None	None
Applications outstanding at year end	3	2	2	3	0	0
<i>T 3.10.2</i>						

Employees: Planning Services					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	3	5	4	1	20%
<i>T 3.10.4</i>					

Financial Performance 2020-21: Planning Services					
					R'000
Details	2019-20	2020-21			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	85 559	283	11 321	11 321	98%
Expenditure	18 039	357 881	380 035	380 035	6%
Total Operational Expenditure	18 039	357 881	380 035	380 035	6%
Net Operational Expenditure	-67 520	357 598	368 714	368 714	3%

# Chapter 3

T 3.10.5

## COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The municipality did not get any township established during the year under review due to time delay in the rezoning process. However, two areas were formalised during the year under review.

T 3.10.7

## 3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

### INTRODUCTION TO ECONOMIC DEVELOPMENT

The Municipality offers tourists a wide range of tourism activities that are available within the Municipal area and its immediate areas. Tourism and agricultural opportunities are still underdeveloped and have a huge potential to contribute to the economic development of the Municipality. The establishment of the Malolotja Trans-frontier and Songimvelo Game Reserve would add to tourist attractions. The Makhonjwa Mountain has been registered and declared as the tenth World Heritage Site. The Mpumalanga Tourism and Parks Agency and the Department of Environmental Affairs constructed some accommodation facilities in the Nooitgedacht Nature Reserve. The accommodation facilities at Songimvelo Game Reserve were renovated in 2014 to boost the tourism sector. A new fence has been erected and the renovation of staff accommodation funded by the national Department of Environmental Affairs. Another project proposed at the Vygeboom Dam as the Integrated Infrastructure Development Plan together with the Embhuleni Traditional Council. Through all of the afore-mentioned projects local people benefitted from job opportunities.

T 3.11.1

Economic Activity by Sector		
	R '000	
Sector	2011	2016
Agric, forestry and fishing	1,5	104
Mining and quarrying	2	64
Manufacturing	63	106
Wholesale and retail trade	52	254
Finance, property, etc.	52	132
Govt, community and social services	25	264
Infrastructure services	41	107
Total	236,5	1031



# Chapter 3

T 3.11.2

Economic Employment by Sector			
Sector	2017/19 No.	2019/20 No.	Jobs 2020/21 No.
Agric, forestry and fishing	20 000	25 000	30 000
Mining and quarrying	400 000	435 000	372 000
Manufacturing	320 000	300 000	270 000
Wholesale and retail trade	190 000	200 000	210 000
Finance, property, etc.	275 000	255 000	235 000
Govt, community and social services	300 000	310 000	320 000
Infrastructure services	400 000	430 000	450 000
Total	1 905 000	1 955 000	1 887 000

T 3.11.3

## COMMENT ON LOCAL JOB OPPORTUNITIES:

The municipality created 282 jobs through Expanded Public Works Programme (EPWP), 75 jobs through Co-operatives supported. This therefore represents a total of 357 job opportunities created during the year under review.

T 3.11.4

Jobs Created during 2020/21 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
Total (all initiatives)				
2018/19	0	0	0	Employee list from SMMEs and Co-Ops
2019/20	75	0	75	Employee list from SMMEs and Co-Ops
2020/21	75	0	75	Employee list from Cooperatives
SMMEs supported (2018/19)	23	0	0	Employee list from SMMEs and Co-Ops
Co-operatives supported (2019/20)	15	0	0	Employee list from SMMEs and Co-Ops

T 3.11.5

# Chapter 3

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
2018/19	50	200
2019/20	66	3 058
2020/21	66	282
* - Extended Public Works Programme		T 3.11.6

Employees: Local Economic Development Services					
Job Level	2919/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	3	4	4	0	0%
					T 3.11.8

Financial Performance 2020-21: Local Economic Development Services					
					R'000
Details	2019-20	2020-21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	85 559	283	11 321	11 321	98%
Expenditure	18 039	357 881	380 035	380 035	6%
Total Operational Expenditure	18 039	357 881	380 035	380 035	6%
Net Operational Expenditure	-67 520	357 598	368 714	368 714	3%
					T 3.11.9

Capital Expenditure 2020-21: Economic Development Services	
R' 000	
Capital Projects	2020-21

# Chapter 3

	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	2 860	2 860	2 860	0%	
Construction of Silobela Sport Field - Phase 2	2 860	2 860	2 860	0%	2 860
					<i>T 3.11.10</i>

## COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

Economic development budgeted R3m as per the adjusted budget for the construction of Silobela sport field. The total capital expenditure amount was spent as per the adjusted budget.

*T 3.11.11*

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

### INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

This department's core objective included the provision of waste management and cleaning services; horticulture and maintenance of parks; cemetery services; library services; development of sport, arts, culture, and recreational facilities; empowerment of youth, women, and people with disability; HIV/AIDS; environmental health, and the general community development activities.

*T 3.12*

### 3.12 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

#### INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

# Chapter 3

The Department was responsible for the provision of library services to the community.

T3.12.1

## SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

This service was achieved through 7 operational libraries stationed at Emanzana (Badplaas), Carolina, Ekulindeni, Elukwatini, Empuluzi, Z M Mkhwanazi and Silobela. Those libraries were open from Monday to Friday from 08:00 to 16:00, and had books for most tastes and ages. The libraries were all connected to the internet.

Whilst the majority of schools were rural, the Department was also responsible for the promotion of the few libraries that were available near those schools. The section had to promote a culture of reading around those communities where libraries were situated, so that there was a good use of the few existing libraries. A number of campaigns were therefore conducted.

The Municipality was fortunate this financial year that Khululwazi (Empuluzi) and Silobela (Carolina) libraries were revamp and renovated as their state by the Department of Culture, Sports and Recreation.

The Municipality hoped that the Department of Sports, Arts and Culture would also assist with the support of staffing that Library, and also the extension of the working hours during particularly weekends, so that those who could not access the Library during working hours might be able to do so during weekends.

T 3.12.1

Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	6	6	6	0	0%

T 3.12.4

Financial Performance 2020-21: Libraries; Archives; Museums; Galleries; Community Facilities; Other		
R'000		
Details	2019-20	2020-21

# Chapter 3

	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	106	109	109	109	0%
Expenditure:	255	594	594	594	0%
<b>Total Operational Expenditure</b>	255	594	594	594	0%
<b>Net Operational Expenditure</b>	149	485	485	485	0%
					T 3.12.5

**COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:**

There were no libraries or other community facilities constructed above other than those already mention in section 3.11 above.

T 3.12.7

### 3.13 CEMETORIES AND CREMATORIIUMS

#### INTRODUCTION TO CEMETORIES & CREMATORIIUMS

##### Background

The Department was responsible for the provision of graves for burials to the communities in 6 municipal cemeteries. The Department also did maintenance of these cemeteries.

Fencing, toilets, and availability of water were some of the challenges that were faced in relation to cemeteries. Where those had been installed, it was vandalised and stolen in no time. There was also a challenge with the maintenance of the cemeteries in tribal authorities.

However, graves were availed in all Municipal cemeteries to needy community members to bury their loved ones.

# Chapter 3

## Challenges

The Municipality had more than 21 settlements, but it could provide graves to only the above-mentioned; the other big settlements in all the 25 Wards of the Municipality were not catered for, and that would have serious consequences in the future in terms of environmental impact.

The following conditions were stipulated by the regulations and may not be followed in the more 80% of those areas that were within the jurisdiction of the Municipality, which may pose a challenge in the future.

### Burial sites and burials

- (1) No land or site shall be identified and used for the purpose of a burial site, unless environmental authorisation has been granted in terms of the National Environmental Management Act, 1998 (Act 107 of 1998) (NEMA), and Environmental Impact Assessment Regulations, R.543 of 18 June 2010, as amended (EIA Regulations). In the case of private burial sites, a local government has conducted a land survey and necessary approval granted, such approval must be in writing and should contain such conditions for use as the availability of waste management and ablution facilities, which shall include access to potable water, and sanitation facilities.
- (2) All burial sites must comply with the following environmental requirements-
  - (a) be located outside the 100-year floodplain;
  - (b) be located at least 350m from ground water sources used for drinking purposes and at least 500m from the nearest habitable building;
  - (c) for a preferred burial site with a soil of sand-clay mix of low porosity and a small and fine-grain texture, the water table should be at least 2.5m deep in order to allow for traditional grave depth of six feet (1.8m);
  - (d) for areas with higher water tables, the local government may determine a reasonable depth with additional walling recommendations to protect underground water; and
  - (e) the covering soil shall not be less than 1m, should two bodies be buried in the same grave, 300mm of soil shall be maintained between the coffins.

T 3.13.1

Employees: Cemeteries and Crematoriums					
Job Level	2019-20	2020-21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)

# Chapter 3

	No.	No.	No.	No.	%
Total	6	6	6	0	0%
					T 3.13.4

Financial Performance 2020-21: Cemeteries and Crematoriums					
					R'000
Details	2019-20	2020-21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	31	33	33	33	0%
Expenditure:	807	416	537	537	-27%
Total Operational Expenditure	807	416	537	537	-27%
Net Operational Expenditure	776	383	504	504	-27%
					T 3.13.5

## COMMENT ON THE PERFORMANCE OF CEMETRIES & CREMATORIUMS OVERALL:

There were no new cemeteries established during the year under review due to budget constraints. All 6 cemeteries were maintained throughout the year with extension of Ekulindeni Cemetery

T 3.13.7

### 3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

#### INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The municipality did not have child care or aged care programmed during the year under review.



# Chapter 3

T 3.14.1

## COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and costal protection.

### INTRODUCTION TO ENVIRONMENTAL PROTECTION

The municipality does not have programmes relating to pollution control, biodiversity and landscape and costal protection due to its size and geographical location. However the municipality did have a programme relating to testing of water quality in order to comply with relevant laws and regulations.

T 3.14

### 3.15 POLLUTION CONTROL

#### INTRODUCTION TO POLLUTION CONTROL

The municipality does not have programmes relating to pollution control due to its size and geographical location. However the municipality did have a programme relating to testing of water quality in order to comply with relevant laws and regulations.

T 3.15.1

### 3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

#### INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

The municipality does not have bio-diversity, landscape and other costal protections due to its size and geographical location.

T 3.16.1

## COMPONENT F: HEALTH

This component includes: clinics; ambulance services; and health inspections.

### INTRODUCTION TO HEALTH

# Chapter 3

The municipality does not provide clinics and ambulance services as these services are provided by the Department of Health. However, the municipality did provide for the health services discussed below.

*T 3.17*

## 3.17 CLINICS

### INTRODUCTION TO CLINICS

The municipality conducted HIV and AIDS campaigns as well as Occupational Health and Safety forums during the year under review, and the issue of Corvid necessitated a new approach at work safety and health, whereby a number of programmes and strategies needed to be employed to deal with the pandemic, the municipality experience one fatality in the year under review, a number of employees were tested and sanitised from time to time.

The cohort of employees that were sixty and those with comorbidities were asked to work from home, since about 76% of work time was spent under lockdown level 3, until somewhere in July 2020.

*T 3.17.1*

### COMMENT ON THE PERFORMANCE OF CLINICS OVERALL:

HIV and AIDS awareness campaigns were held in order to educate people about HIV and AIDS pandemic.

*T 3.17.7*

## 3.18 AMBULANCE SERVICES

### INTRODUCTION TO AMBULANCE SERVICES

Ambulance services were provided by the department of health.

*3.18.*

## 3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

### INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND INSPECTIONS, ETC

The municipality did not have Health Inspection, Food and Abattoir Licencing services due to its size and geographic location.

*T 3.19.1*

# Chapter 3

## COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

### INTRODUCTION TO SECURITY & SAFETY

The municipality have community and safety as well as environmental protection departments all residing under Community Services cluster.

T 3.20

### 3.20 POLICE

#### INTRODUCTION TO POLICE

The main function of this Section was to ensure safety for all road users through traffic control; and dealt with various patrol- and court duties, and traffic law enforcement. The Traffic Law Administration Sub-Section rendered administrative support to traffic control by collecting traffic fines, and administering the execution of warrants and traffic summons.

T 3.20.1

Traffic Data					
	Details	2019/20	2020/21		2021/22
		Actual No.	Estimate No.	Actual No.	Estimate No.
1.	Number of road traffic accidents during the year	-	-	186	186
2.	Number of by-law infringements attended	10	10	8	8
3.	Number of police officers in the field on an average day	12	12	nill	nill
4.	Number of traffic officers on duty on an average day	6	6	11	11

T 3.20.2

Employees: Police Officers					
Job Level	2019/20	2020/21			
Police	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total)

# Chapter 3

Administrators	No.	No.	No.	No.	posts) %
Total	74	82	73	9	11%
<i>T 3.20.4</i>					

Financial Performance 2020-21: Police						R'000
Details	2019-20	2020-21				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	31	33	33	33	0%	
Expenditure:	807	416	537	537	-27%	
<b>Total Operational Expenditure</b>	807	416	537	537	-27%	
<b>Net Operational Expenditure</b>	776	383	504	504	-27%	
<b>Total Operational Revenue</b>	31	33	33	33	0%	
<i>T 3.20.5</i>						

## COMMENT ON THE PERFORMANCE OF POLICE OVERALL:

There were no capital projects budgeted for traffic services during the year under review.

*T 3.20.7*

## 3.21 FIRE

### INTRODUCTION TO FIRE SERVICES

# Chapter 3

The Municipality has one fully-fledged fire station in Carolina, and a satellite fire station in Elukwatini; as well as an operational fire engine and three rescue vehicles. This shortage of fire-fighting equipment creates the challenge of late response to fire calls, and in the current situation the section can only handle two incidents at a time due to insufficient equipment. The municipality has since entered into agreement with a neighbouring municipality to assist during serious fires.

The main function of this section includes, but is not limited to:

- Attending to emergency calls
- Extinguishing fires
- Extricating trapped victims from vehicles
- Rendering rescue operations
- Conducting fire prevention inspections, risk assessment, and building plan assessment
- Cleaning spillages at accidents scene
- Stabilising incident scenes

T 3.21.1

Municipal Fire Service Data					
	Details	2018-19	2019-20		2020-21
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires attended in the year	340	-	367	-
2	Total of other incidents attended in the year	-	-	-	-
3	Average turnout time - urban areas	15 minutes	15 minutes	15 minutes	15 minutes
4	Average turnout time - rural areas	45 minutes	45 minutes	45 minutes	45 minutes
5	Fire fighters in post at year end	11	12	12	12
6	Total fire appliances at year end	5	5	5	8
7	Average number of appliance off the road during the year	8	8	8	10

T 3.21.2

## COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

The municipality did not have any capital projects relating to fire during the year under review.

# Chapter 3

T 3.21.7

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

### INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

In terms of the Disaster Act, 2000 (Act No 52 of 2000), the disaster function is aimed to save lives and educate the community in terms of risks and hazards. The function is still divided between the district municipality and local municipality. The district municipality built a new disaster centre, however, the ownership is still with the district municipality, which makes access by the Municipality difficult. The efficient function of the centre is also at hold because it sits between the two location areas.

The main function of this section is to assist in terms of:

- Disaster planning
- Risk assessment
- Awareness programs
- Consultation with stakeholders
- Application of the Disaster Framework

#### Mitigation Process

Disaster Management is aimed at effective and economical utilisation of all material and personnel for the greatest benefit and protection of citizens and their property during major incidents. Currently the municipality finances the mitigation process from its own budget, however, District and Province also assist when there is a need. The municipality is using the Short Message System (SMS) as early warning system, but this creates challenges.

T 3.22.1

Employees: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
Job Level	2019/20	2020/21			
	Employee s	Posts	Employee s	Vacancies (fulltime equivalent s) No.	Vacancies (as a % of total posts) %
	No.	No.	No.	No.	%
Total	36	36	33	3	8%

T 3.22.4

# Chapter 3

## COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL OF PUBLIC NUISANCES, ETC OVERALL:

There were no capital projects planned for disaster management during the year under review.

T 3.22.7

## COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

### INTRODUCTION TO SPORT AND RECREATION

The Department was also responsible for sport, recreation, art, and culture in the Municipality.

The strategic objectives included the promotion of sport and culture development in communities, coordination of sport and cultural events, mobilisation of and canvassing support for sport and culture from the private sector, and the provision and maintenance of sport facilities.

Various sport activities were coordinated by the Municipality. Those included Art and Culture Festivals, a regional boxing tournament, Workers' Day and Youth Day Games. Local sport development structures were coordinated and supported.

The provision of sport facilities remained a challenge, mainly due to the fact that there were few sport grounds in the Municipality that were in a good condition.

T 3.23

## 3.23 SPORT AND RECREATION

Employees: Sport and Recreation					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	1	2	2	0	0%
T 3.23.3					

### Financial Performance 2020/21: Sport and Recreation



# Chapter 3

R'000					
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	0	0	0	0	0%
Expenditure:	0	0	0	0	4%
<b>Total Operational Expenditure</b>	0	0	0	0	4%
<b>Net Operational Expenditure</b>	0	0	0	0	4%
<i>T 3.23.4</i>					

## COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

The department did not have capital projects for sports and recreation during the year under review.

*T 3.23.6*

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

### INTRODUCTION TO CORPORATE POLICY OFFICES

The Municipality have financial services, human resource service and ICT departments

*T 3.24*

### 3.24 EXECUTIVE AND COUNCIL

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

### INTRODUCTION TO EXECUTIVE AND COUNCIL

There were no projects undertaken for the council during the year under review.

*T 3.24.1*

### Employees: The Executive and Council

# Chapter 3

Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	65	67	65	2	3%
					<i>T 3.24.4</i>

Financial Performance 2020-21: The Executive and Council					
					R'000
Details	2019-20	2020-21			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
<b>Total Operational Revenue</b>	13	13	13	13	0%
Expenditure:	46 401	45 535	29 706	29 706	-53%
<b>Total Operational Expenditure</b>	46 401	45 535	29 706	29 706	-53%
<b>Net Operational Expenditure</b>	46 388	45 522	29 693	29 693	-53%
					<i>T 3.24.5</i>

## COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

There were no capital projects for council during the year under review.

*T 3.24.7*

### 3.25 FINANCIAL SERVICES

#### INTRODUCTION FINANCIAL SERVICES

The Municipality strove to stabilise its finances. The Municipality recorded significant progress towards the goal of financial sustainability by its ability to generate a healthy net surplus, improve cash and cash equivalents as well as its responsiveness to demand for service delivery. The Municipality was committed to sound financial management practices.

The year under review was challenging in terms of revenue collection due to accruals from the previous financial year. The Municipality as at 30 June 2021 had unspent conditional grant that was not cash backed - the amount for the application for rollover that was not cash backed was not approved by National Treasury.

Our customers continued to face economic pressure and as a result, collection levels for consumer debts are still depressed. The Municipality was only able to enforce the

# Chapter 3

Debt Collection and Credit Control Policy in Carolina, Silobela, and Emanzana (Badplaas) Town where all the services were provided. Eskom was engaged to assist the Municipality to enforce the Credit Control and Debt Collection Policy in Empuluzi, Ekulindeni, and Elukwatini. Electricity to all mines around Carolina was supplied by Eskom. Government and businesses were the focus area in terms of payment for municipal services. The average collection rate as at 30 June 2020 was at 65%. Strategies were implemented that targeted businesses within the jurisdiction of The Municipality. A Revenue Indaba was held in May 2018, which came with clear programs in terms of enhancing municipal revenue.

Irregular expenditure was reported promptly to Council, and also referred to the Municipal Public Accounts Committee (MPAC) for further investigation and ultimately to National Treasury.

Structure of the Department

## Core Functions

Accounting, Budgeting, Revenue Collection and Debt Management, Financial Management, Treasury  
Supply Chain Management

T 3.25.1

Employees: Financial Services					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	50	54	51	3	6%

T 3.25.4

Financial Performance 2020-21: Financial Services					
R'000					
Details	2019-20	2020-21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	411 619	805 215	762 604	762 604	-6%
Expenditure:	135 304	166 320	158 391	158 391	-5%
Total Operational	135 304	166 320	158 391	158 391	-5%

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<b>Expenditure</b>					
<b>Net Operational Expenditure</b>	-276 315	-638 895	-604 213	-604 213	-6%
					<i>T 3.25.5</i>

## COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

Financial Services department did not have capital projects during the year under review.

*T 3.25.7*

## 3.26 HUMAN RESOURCE SERVICES

### INTRODUCTION TO HUMAN RESOURCE SERVICES

This section dealt with the general administration of all human resource issues and matters, including administration of human resource, leave management and the transaction of all the labour related legislation, policies and By-laws. It also oversaw the implementation of all the basic conditions of employment and the monitoring of compliance thereof.

This section was also charged with the responsibility of ensuring employee wellness as well as the implementation of employee discipline. Corrective steps were instituted against unacceptable behaviour; and various disciplinary procedures were instituted against a few of the employees who were delinquent.

The number of people from the employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan. The three highest positions were 100% occupied by the previously disadvantaged group. The total number of employees was 556, and 467 posts were filled during the year under review.

### Skills Development

This focus area is in response to one of the prescribed key performance indicators in terms of the Municipal Performance Management Regulations of 2001. All

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municipality are obliged to report on progress in building skills capacity to deliver according to the developmental mandate.

The Municipality had sent officials and councillors to training, 28 learnerships were offered for the Department Technical Services: Water and Sanitation section; and 20 bursaries were awarded during the year; 10 Senior Managers had completed the MFMP and had received the final results; 11 Finance staff members were enrolled with a view to attain the MFMP Training in progress. 40 Councillors were trained for computer literacy and 10 executive leaderships. Five officials were trained for national Certificate Library and Information Services  
NQF Level 5

A number of municipal staff received training during the year under review as compared to 2019/20 and budget was spent in implementing the Municipality's Skills Development Plan.

*T 3.26.1*

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Employees: Human Resource Services					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	74	82	73	9	11%
					T 3.26.4

Financial Performance 2020-21: Human Resource Services					
					R'000
Details	2019-20	2020-21			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
<b>Total Operational Revenue</b>	0	0	0	0	0%
Employees	178 495	171 135	177 203	200 706	48%
<b>Total Operational Expenditure</b>	178 495	171 135	177 203	200 706	48%
<b>Net Operational Expenditure</b>	178 495	171 135	177 203	200 706	48%
					T 3.26.5

## COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

The department did not have capital projects during the year under review.

T 3.26.7

## 3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

### INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This Section is responsible for the Information and Communication Technology as well as for IT Governance of the Municipality in order to ensure that the IT wellbeing of the Municipality is secured, and that the integrity of the information was also protected. It ensures effective communication within the organisation and between the organisation and other stakeholders.

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T 3.27.1

Employees: ICT Services					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	8	9	8	1	11%

T3.27.4

## COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

ICT did not have capital project during the year under review.

T3.27.7

## 3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

### INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

In terms of section 62(i)(c) of the MFMA (2003), a municipality must have and maintain an effective, efficient and transparent system of risk management; and the municipal manager is responsible for managing the municipality's financial administration. For this purpose, the municipal manager must take all responsible steps to ensure, amongst others, that the municipality has and maintains effective, efficient, and transparent systems of financial and risk management, and control of internal audit operating in accordance with any prescribed norms and standards.

In order to give effect to the above, the Municipal Manager had established the Risk Management Committee of the Municipality.

Risk management was an important aspect of all our lives. We were exposed to risk both in terms of threats to service provision and from the potential of lost opportunities. It was essential that we could demonstrate to our citizens that we were fully considering the implications of risk, as we delivered our business for the benefit of the residents of our community.



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The risk management process is designed to support members and officials in ensuring that the Municipality was able to fully discharge its risk management responsibilities in a consistent manner. The Municipality had a Risk Management Strategy that outlined the objectives, benefits and approach to the process to ensure that risks, both positive and negative, were successfully managed.

Risk management in The Municipality was about improving our ability to deliver outcomes for the community by managing our threats, enhancing our opportunities, and creating an environment that added value to ongoing activities.

Risk management was a key part of corporate governance. Corporate governance was the way an organisation managed its business, determined strategy, and objectives, and went about achieving those objectives. Good risk management would help identify and deal with key corporate risks facing the organisation in the pursuit of its goals and was a key part of good management, not simply a compliance exercise.

*T3.28.1*

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Employees: Legal and Risk Management Services					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	5	7	5	2	29%
					<i>T 3.28.4</i>

## COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

The respective departments discussed above did not have capital project during the year under review.

*T 3.28.7*

## COMPONENT J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, Municipal Courts and Forestry as municipal enterprises.

### INTRODUCTION TO MISCELLANEOUS

The municipality does not have airports, abattoirs and municipal entities.

*T 3.29.0*

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## COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

### BACKGROUND

Section 46 of the Municipal Systems Act, stipulates that the municipality must prepare for each financial year, a performance report, reflecting the performance of the municipality during that financial year and a comparison of performance against the targets set as well as measures taken to improve performance. The annual performance report reflects the overall performance for 2020-2021 financial year as well as comparative financial year (2019-2020). The performance is based on the revised approved Intergrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for the year under review.

### OVERVIEW OF SERVICE DELIVERY ACHIEVEMENTS

The Municipality supplies basic water within the RDP standard to almost 95% of households (39,016 households) despite difficult conditions due to the majority of households being located in rural towns and villages.

The Municipality provides access to electricity to 98% households, and households without electricity are now less than 1,800 according to the SA Statistics 2016 community survey; however, the maintenance of that infrastructure is a challenge due to the high cost of Eskom electricity that municipalities currently struggle to keep up with.

The proportion of households with access to basic sanitation is 91%, which is more than 43,000 households. However, approximately over 10 000 households (5%) are still below the minimum service level.

The Municipality has a road network of approximately 649km, of which 81% are gravel roads, mostly located in the rural areas. A total of 235km of gravel roads were maintained, and an area of approximately 531m<sup>2</sup> of tarred roads were repaired during the year under review.

The number of households in the Municipality, both formal and informal, amounted to 47,705. The number of households that received waste collection services in the Municipality amounted to 12,853 (27%). The rate of 27% is

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due to the significant number of municipal households being in the rural areas. The Municipality has also achieved its targets on the six number of areas receiving refuse and also the five number of waste collection sites maintained. The Municipal targets were achieved in spite of limited resources.

The Project Management Unit of the Municipality has monitored 18 projects during the year under review despite Covid-19 challenges. These projects consisted of six water programs, three sanitation programs, three electrification programs, three roads programs and three public facility programs.

SUMMARY OF PERFORMANCE TARGETS ACHIEVED PER STRATEGIC OBJECTIVE							
No	Strategic Objective	2019-2020			2020-2021		
		Number of indicators Planned	Number of Indicators Achieved	% of indicators Achieved	Number of indicators Planned	Number of Indicators Achieved	% of indicators Achieved
1.	To ensure good leadership and governance	34	23	68%	34	26	74%
2.	To ensure efficient and effective Information Communication Technology (ICT)	4	4	100%	4	4	100%
3.	To ensure transformed institution with competent and capable human capital	10	6	60%	12	8	67%
4.	To ensure financial healthier and sustainable environment	23	18	78%	22	21	86%
5.	To ensure provision of basic services	24	16	67%	29	22	86%
6.	To ensure sustainable Local Economic Development	23	10	43%	17	8	47%
<b>Overall Performance</b>		<b>118</b>	<b>77</b>	<b>65%</b>	<b>118</b>	<b>89</b>	<b>75%</b>

No	Key Performance	2019-2020	2020-2021	Target	Reason for	Portfolio of	Measures
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	Indicator	Target	Actual performance	Target	Actual performance	Achieved/ Not Achieved	non-achievement	Evidence	Taken to Improve Performance
STRATEGIC OBJECTIVE 1: TO ENSURE GOOD LEADERSHIP AND GOVERNANCE									
KPA: POLICIES AND PROCEDURES									
1.	Number of developed and reviewed policies	5	39	5	51	Achieved	Not applicable	Council Resolution	Not applicable
2.	Number of departmental service charters reviewed	1	1	1	2	Achieved	Not applicable	Council Resolution	Not applicable
KPA: GOVERNANCE STRUCTURES									
3.	Number of departmental strategies and department plans approved	1	0	1	2	Achieved	Not applicable	Council Resolution	Not applicable
KPA: GOOD GOVERNANCE AND LEADERSHIP									
4.	Number of management reports submitted to relevant governance structures	60	197	60	381	Achieved	Not applicable	Minutes of meetings	Not applicable
5.	Council structures meetings attended (section 80, Mayoral and council)	443	375	34	50	Achieved	Not applicable	Minutes of meetings	Not applicable

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No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
6.	% of forum meetings attended as per invitation	100%	100%	100%	100%	Achieved	Not applicable	Attendance registers and proof of invitations	Not applicable
<b>KPA: LEGAL AND COMPLIANCE</b>									
7.	Percentage of Service Level Agreements (SLAs) finalised within 30 days of awarding the contract	100%	100%	100%	100%	Achieved	Not applicable	Register of SLA and copies of SLAs	Not applicable
8.	Number of by-laws reviewed and drafted	4	4	2	5	Achieved	Not applicable	Copy of policies reviewed and drafted.	Not applicable
<b>KPA: PUBLIC PARTICIPATION</b>									
9.	Number of IDP, Budget, process plan and framework plan approved by 31 August	1	1	1	1	Achieved	Not applicable	Council Resolution, Minutes	Not applicable

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No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
10.	Number of IDP process plan and consultations conducted	25	25	25	0	Not Achieved	Not applicable The target was not achieved to restriction of social gathering where these consultative processes would normally be conducted.	Attendance Registers, Minutes	The department is exploring other means of consultation using the different type of media platforms
11.	Number of next year's IDP first draft approved by 31 March	1	1	1	1	Achieved	Not applicable	Council Resolution	Not applicable
12.	Number of first draft IDP consultations conducted by 30 April	1	1	1	1	Achieved	Not applicable	Registers, Minutes	Not applicable



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No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
13.	Number of next year's IDP final draft approved by 31 May	1	1	1	1	Achieved	Not applicable	Council resolution	Not applicable
14.	Number of Final IDP consultations conducted by 30 June	1	1	1	0	Not Achieved	The target was not achieved to restriction of social gathering where these consultative processes would normally be conducted.	Invitation to comment	The department is exploring other means of consultation using the different type of media platforms
<b>KPA: MARKETING AND COMMUNICATION</b>									
15.	Number of internal monthly newsletters produced	12	3	4	3	Not Achieved	Internal events were put on hold due to COVID-19.	Copies of Newsletters on Facebook Page	Enforce accountability in the communications section and ensure to

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No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
									capture all municipal events and produce an Internal Monthly News Letter.
16.	Number of external quarterly newsletters produced	4	1	4	0	Not Achieved	Indicator was not achieved due to budget constrains	Copy of Newsletter	Budgeted for in 2021-2022 financial year will be prioritised to cater production of external quarterly newsletters .
17.	Number of internal newsletters produces	12	3	4	3	Not Achieved	Internal events were put on hold due to COVID-19.	Copies of Newsletters on Facebook Page	Enforce accountability in the communications section and

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No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
									ensure to capture all municipal events and produce an Internal Monthly News Letter.
18.	Number of satisfaction surveys is being done	4	0	4	0	Not achieved	Indicator was not achieved due to community reluctance in completing the survey forms	Copies of the Completed forms	More awareness will be conducted in the net financial year to educate community members about the important of filling the survey forms.
19.	Number of display of national	4	5	20	20	Achieved	Not applicable	Pictures of symbols	Not applicable

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No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
	symbols in all buildings.							displayed	
<b>KPA: PERFORMANCE REPORTING</b>									
20.	Number of next year's SDBIP approved before 30 June	1	1	1	1	Achieved	Not applicable	Council resolution	Not applicable
21.	Number of PMS Frameworks approved by 30 September.	1	1	1	1	Achieved	Not applicable	Council Resolution	Not applicable
22.	% of senior management's performance agreements approved by 31 July	100%	100%	100%	100%	Achieved	Not applicable	Performance agreements	Not applicable
23.	% of senior management's performance agreements submitted to relevant stakeholders by 14 August	100%	0%	100%	100%	Achieved	Not applicable	Proof of submission	Applicable

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No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
24.	% of annual performance assessments of senior management by 30 July.	100%	0%	100%	0%	Not Achieved	The indicator was not achieved due to tight schedule of members of the panel who could not be available.	Signed performance assessment	The date of assessment will be adjusted to December after the audit process has been concluded.
25.	Number of mid-year institutional performance evaluations conducted by 25 Jan	1	1	1	1	Achieved	Not applicable	Council Resolution	Not applicable
26.	% of middle management employees with signed performance plans	100%	100%	100%	30%	Not Achieved	Directorate were unable to assist middle management due to lack of training	Signed performance plans	The service provider to conduct training as well to assist the institution with

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No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
							middle managers to conclude their performance plans and understand PMS processes.		performance plans has been appointed and training will be conducted before 31 December 2021
<b>KPA: RISK MANAGEMENT</b>									
27.	Number of risk assessment workshops conducted.	2	2	2	2	Achieved	Not applicable	Attendance registers	Not applicable
28.	Number of quarterly risk registers approved.	4	4	4	4	Achieved	Not applicable	Committee resolution/ minutes of meetings	Not applicable
<b>KPA: INTERNAL AUDIT</b>									
29.	Number of Internal Audit plans approved before reporting period	1	1	1	1	Achieved	Not applicable	Committee resolution. Minutes of meetings	Not applicable

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No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
30.	% of implemented IA plan.	80%	80%	80%	80%	Achieved	Not applicable	Internal audit progress reports	Not applicable
31.	% of internal audit findings resolved within 90 days after internal audit report has been issued.	100%	68%	100%	80%	Not Achieved	The target was not achieved due to budget constraints	Audit action plan	Management will allocate the budget for the implementation of internal audit finding as well as risk management processes within the municipalities
32.	% of external audit findings resolved within legislated 60 days (31 January)	100%	96%	100%	100%	Achieved	Not applicable	Audit action plan	Not applicable



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No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
33.	Number of annual report approved within legislated timeframe.	1	1	1	1	Achieved	Not applicable	Council resolutions	Not applicable
34.	Number of unqualified audit opinion received	1	1	1	1	Achieved	Not applicable	2019-2020 Audit report	Not applicable
STRATEGIC OBJECTIVE 2: TO ENSURE EFFICIENT AND EFFECTIVE INFORMATION COMMUNICATION TECHNOLOGY (ICT)									
KPA: DATA INTEGRITY AND SECURITY									
35.	Number of Firewall and anti-virus installations completed.	1	1	1	1	Achieved	Not applicable	Monthly report from the service provider	Not applicable
36.	Number of monthly offsite backup storage conducted.	12	12	12	12	Achieved	Not applicable	Monthly activity report	Not applicable
37.	Number of compliance to Section 75 (MFMA) requirements in terms of the Website updating monthly	12	12	12	12	Achieved	Not applicable	Screenshots of uploaded documents	Not applicable

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No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
38.	Percentage of ICT related devices maintained	100%	100%	100%	100%	Achieved	Not applicable	Monthly reports	Not applicable
STRATEGIC OBJECTIVE 3: TO ENSURE TRANSFORMED INSTITUTION WITH COMPETENT AND CAPABLE HUMAN CAPITAL									
KPA: LEARNING AND DEVELOPMENT									
39.	Number of Workplace Skills Plan (WSP) and Annual Training Plan (ATP) to LG SETA before 30 April 2020	1	1	1	1	Achieved	Not applicable	Proof of submission	Not applicable
40.	Number of employees trained as per the WSP.	20	79	20	24	Achieved	Not applicable	WSP report and list of employees trained	Not applicable
41.	Number of councillors trained as per the WSP	10	49	10	16	Achieved	Not applicable	WSP report and list of councillors trained	Not applicable
42.	Number of library awareness programme implemented	30	8	30	2	Not Achieved	Lockdown alert levels restricted interactions with	Register of programmes implemented	Develop alternative interactions with schools

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No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
							schools and ECD		
43.	Number of environmental campaigns conducted	4	6	4	8	Achieved	Not applicable	Attendance registers	Not applicable
<b>KPA: MANAGEMENT OF VACANCIES</b>									
44.	Number of critical, vacant and funded positions filled	30	16	15	52	Achieved	Not applicable	Offer letters	Not applicable
45.	Number of women, youth, racial groups and people with disability appointed	1	7	8	27	Achieved	Not applicable	Offer letters	Not applicable
46.	Number of female appointments in Senior Management positions.	1	0	0	0	Not Achieved	Indicator was not achieved due to the fact there we no vacancies available in	Offer letters	Positions will be advertised and filled as an when available.

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No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
							the Senior Management Level in the 2020/21 financial year.		
47.	Number of female appointments in Middle Management positions	1	0	1	0	Not Achieved	In the vacant post of a Chief Regional and Town Planner, the district (Gert Sibande) seconded an official to act on the position therefore it couldn't be filled in the 2020-2021 financial year. The	Offer letters	The position was subsequently filled after year end during 2021-2022 financial year.

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No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
							position was however subsequently filled during 2021-2022 financial year due to delay in vetting processes caused by COVID-19		
48.	% of staff turnover rate	5%	0,21%	5%	5%	Achieved	Not applicable	Calculation schedule	Not applicable
49.	Number of intern positions filled.	5	0	5	0	Not Achieved	The target was not achieved due to the fact the interns appointed in 2019-2020 financial	Appointment letters/ Adverts	The next intake will be made during 2021-2022 financial year. The positions have already

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No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
							year were appointed on a 24 month contract and as a result there were not intake for the 2020-2021 financial year		been advertised.
KPA: LEAVE MANAGEMENT									
50.	Number of monthly leave registers approved	12	13	9	9	Achieved	Not applicable	Departmental leave books	Not applicable
STRATEGIC OBJECTIVE 4: TO ENSURE FINANCIAL HEALTHIER AND SUSTAINABLE ENVIRONMENT									
KPA: SUPPLY CHAIN MANAGEMENT (SCM)									
51.	Number of procurement plans approved by 30 May	1	1	1	1	Achieved	Not applicable	Council Resolution	Not applicable

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No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
52.	Number of quarterly contract registers submitted to MMs office	4	4	4	1	Achieved	Not applicable	Contract registers	Not applicable
53.	% of bids awarded within 90 days reported to Council	85%	100%	85%	100%	Achieved	Not applicable	Contract register	Not applicable
<b>KPA: REVENUE MANAGEMENT</b>									
54.	Number of additional grants sourced	2	0	2	3	Achieved	Not applicable	Register of grants sourced	Not applicable
55.	Number of supplementary valuation rolls approved.	1	1	1	1	Achieved	Not applicable	Council resolution	Not applicable
56.	% reduction in billing accuracy complains.	80%	80%	80%	80%	Achieved	Not applicable	Complains register	Not applicable
57.	% own revenue collected	65%	65%	65%	65%	Achieved	Not applicable	Revenue report	Not applicable
58.	Revenue collected from investment properties	55 568	13 892	1 296 695	1 963 371	Achieved	Not applicable	Billing reports	Not applicable

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No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
<b>KPA: EXPENDITURE MANAGEMENT</b>									
59.	Percentage of operational expenditure spent	90%	90%	100%	100%	Achieved	Not applicable	Expenditure report	Not applicable
60.	Percentage of capital expenditure spent	90%	90.13%	90%	90%	Achieved	Not applicable	Expenditure report	Not applicable
61.	Maintenance of employee costs percentage over revenue	40%	27%	40%	21%	Achieved	Not applicable	Annual financial statements	Not applicable
62.	Number of final operating & capital expenditure budget approved before 31 May	1	1	1	1	Achieved	Not applicable	Council resolution	Not applicable
63.	Percentage of budget spent on training	100%	97%	100%	100%	Achieved	Not applicable	Expenditure report	Not applicable
<b>KPA: FINANCIAL MANAGEMENT</b>									
64.	Number of reconciliations prepared	96	96	96	96	Achieved	Not applicable	Reconciliation files	Not applicable
65.	Improved current ratio to be within	1:1	1.06:1	1:1	6.5:1	Achieved	Not applicable	Ratio computation	Not applicable



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No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
	accepted industry norm.							schedule	
<b>KPA: UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (UIF)</b>									
66.	Percentage reduction of unauthorised expenditure	5%	100%	5%	95%	Achieved	Not applicable	Annual Financial Statements	Not applicable
67.	Percentage reduction of irregular expenditure incurred during the financial year	5%	62.5%	5%	49,5%	Achieved	Not applicable	Annual Financial Statements	Not applicable
68.	Percentage reduction of fruitless and wasteful expenditure	5%	5.67%	5%	95%	Achieved	Not applicable	Annual Financial Statements	Not applicable
<b>KPA: ASSET MANAGEMENT</b>									
69.	Number of quarterly physical asset verification conducted of movable assets	4	4	4	4	Achieved	Not applicable	Asset Management Report	Not applicable

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No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
70.	Number of re-assessment of useful lives, residual values and impairment test conducted	1	1	1	1	Achieved	Not applicable	Asset register	Not applicable
<b>KPA: DEBT MANAGEMENT</b>									
71.	Reduction in average collection period	90 days	980 days	90 days	980 days	Not Achieved	There was escalating debt as a results of poor economic conditions experienced as a result of the pandemic. More consumers were unable to settle their municipal services on time.	Debtors age analysis	Institutionally, credit control and debt collection has been decentralised from revenue management department in order to put more focus on credit management as well as debt

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No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
							Furthermore, the contaminated debtors book has resulted in more billing issues.		collection.  A service provider has been appointed for cleansing of the contaminated debtors book
KPA: CREDITORS MANAGEMENT									
72.	Reduction in average payment period	30 days	457 days	30 days	30 days	Achieved	Not applicable	Creditors age analysis	Not applicable
STRATEGIC OBJECTIVE 5: TO ENSURE PROVISION OF BASIC SERVICES:									
KPA: ACCESS TO ELECTRICITY									
73.	Number of transformers maintained	106	121	80	82	Achieved	Not applicable	Inspection sheets	Not applicable
74.	Number of public lights maintained	490	555	490	467	Not Achieved	The indicator was not achieved due the	Inspection forms signed by councillors or Unit	The department has acquired a vehicle for

# Chapter 3

No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
							shortage of fleet for the maintenance of public lights	Managers	the public lights maintenance team
75.	Number of KMs of electrical network maintained	30	55.8	70	95,005	Achieved	Not applicable	Inspections sheets	Not applicable
76.	Number of panels and substations maintained	13	12	13	33	Achieved	Not applicable	Daily work forms or reports	Not applicable
77.	Number of Ring Main Units (RMU)	24	43	24	69	Achieved	Not applicable	Daily work forms	Not applicable
78.	Number of smart meters installed	150	0	150	168	Achieved	Not applicable	Register of smart meters	Not applicable
<b>KPA: ACCESS TO WATER AND SANITATION</b>									
79.	Number of boreholes repaired	42	45	42	50	Achieved	Not applicable	Job cards	Not applicable
80.	Number of pumps & Motors maintained	87	29	40	42	Achieved	Not applicable	Job cards, Inspection sheets and pictures	Not applicable
81.	Number of meters of water network maintained	12 000	0	12 000	6626,4	Not Achieved	The indicator was not	Job Cards	A panel of service providers

# Chapter 3

No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
							achieved due to the shortage of equipment and material.		has been appointed to supply equipment and material as and when is it required for the maintenance of water network
82.	Percentage of new households water connection received and responded to	100%	100%	100%	100%	Achieved	Not applicable	Applications register and Copies of application	Not applicable
<b>KPA: ACCESS TO ROADS AND TRANSPORTATION SYSTEM</b>									
83.	Number of KMs of gravel roads maintained	400	528.2	400	234,7	Not Achieved	The indicator was not achieved due to re-occurring of breakdown	Signed job cards	The new TLB, tipper truck and water tank have been acquired to replace the

# Chapter 3

No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
							s on the yellow fleet		aging yellow plant. Furthermore, the process of procuring for the new grader is currently underway
84.	Number of square meters of road repaired	500	1 055	500	531	Achieved	Not applicable	Signed Job cards	Not applicable
85.	Number of foot bridges constructed	2	0	2	2	Achieved	Not applicable	Signed progress reports	Not applicable
86.	Number of vehicles bridges maintained	1	0	1	1	Achieved	Not applicable	Job cards	Not applicable
87.	Number of speed humps constructed.	10	0	10	19	Achieved	Not applicable	Signed progress report	Not applicable
KPA: WASTE MANAGEMENT									
88.	Number of areas receiving refuse	6	6	6	6	Achieved	Not applicable	Trip Authorities	Not applicable

# Chapter 3

No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
	removal services							and Weekly program	
89.	Number of refuse bins supplied to billable households.	500	213	500	293	Not Achieved	The delivery meant interactions with recipients which was restricted by lockdown regulations	List of beneficiaries	The department has started with the distribution of bins in the 2021-2022 financial year as covid-19 restriction have been lifted.
90.	Number of disposal sites maintained	5	5	5	5	Achieved	Not applicable	Weekly plans and trip authorities	Not applicable
91.	Number of cemeteries maintained	6	6	6	6	Achieved	Not applicable	Trip Authority, Weekly program and Notice of internment	Not applicable

# Chapter 3

No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
KPA: TRAFFIC MANAGEMENT									
92.	Number of traffic law enforcement programmes implemented	4	8	12	9	Not Achieved	The department was unable to achieve the target as a result of majority of its traffic officers getting infected from covid.	Register of programmes	All traffic officers will be vaccinated and rollout plan for the traffic law enforcement programmes will be re-evaluated. The department will also explore the use of other technological innovations that may be available



# Chapter 3

No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
93.	% increase in traffic fines issued	20%	34.6%	20%	-0,7%	Not Achieved	The indicator was not achieved due to a limited physical contact with motorist as a result of the pandemic	Register of fines issued	The department will consider other technological innovations in registering traffic summons
<b>KPA: DISASTER MANAGEMENT</b>									
94.	% of disaster incidents attended	100%	100%	100%	100%	Achieved	Not applicable	Callout notices	Not applicable
95.	Number of disaster awareness programme conducted	4	4	4	9	Achieved	Not applicable	Attendance registers	Not applicable
96.	Revenue collected through issued traffic infringements summons	51 000	142 850	75 000	121 000	Achieved	Not applicable	Revenue report	Not applicable

# Chapter 3

No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
KPA: PROJECT MANAGEMENT									
97.	Number of water programs monitored	4	5	6	6	Achieved	Not applicable	Site visit & monthly reports	Not applicable
98.	Number of sanitation programs monitored	3	3	6	3	Not Achieved	Target was not achieved due to an incorrect target captured	Site visit & monthly reports	An internal control will be strengthened to ensure that all programmes reported in the annual performance report are not duplicated
99.	Number of electrification programs monitored	2	2	3	4	Achieved	Not applicable	Site visit & monthly reports	Not applicable
100.	Number of roads programs	4	4	3	4	Achieved	Not applicable	Site visit & monthly	Not applicable

# Chapter 3

No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
	monitored							reports	
101.	Number of public facilities programs monitored	1	2	3	3	Achieved	Not applicable	Site visit & monthly reports	Not applicable
STRATEGIC OBJECTIVE 6: TO ENSURE SUSTAINABLE LOCAL ECONOMIC DEVELOPMENT									
KPA: SOCIAL DEVELOPMENT									
102.	Number of employee wellness programmes conducted.	12	3	12	13	Achieved	Not applicable	Attendance register	Not applicable
103.	Number of personnel/ Skills development	9	4	9	3	Not Achieved	The target was not achieved due to the shortage of construction regulation trainings offered by external service providers during the financial	Proof of attendance	The department will explore the availability of other training mechanisms that may be available during the state of disaster

# Chapter 3

No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
							year		currently facing the country.
104.	Number of sports and cultural events organised for the community	4	1	4	2	Not Achieved	The target was not achieved due to the lockdown regulations that prohibited sporting activities	Register of sports and cultural events	The precautionary measures to be adhered on different lockdown levels that allow this activities will be evaluated
105.	Number of Moral Regeneration Movement structures supported	8	7	8	1	Not Achieved	The target was not achieved due to the lockdown regulation levels that prohibited mass gatherings	Register of programs conducted	The precautionary measures to be adhered on different lockdown levels that allow these

# Chapter 3

No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
							for social activities		activities will be evaluated
<b>KPA: ECONOMIC DEVELOPMENT</b>									
106.	Number of LED strategy projects implemented	1	0	1	1	Achieved	Not applicable	LED strategy	Not applicable
107.	Number of Co-ops offered support	24	2	40	12	Not Achieved	The indicator was not achieved due to the non-availability of support material	Register of Co-ops and SMMEs offered support	The required material will be quantified against the beneficiaries identified
108.	Number of tourism awareness campaigns conducted	12	3	12	4	Not Achieved	The indicator was not achieved due to the lack of proper identification of recipient	Attendance registers, Reports.	All targeted audiences will be categorised as part of planning for the next financial year

# Chapter 3

No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
							audience		
<b>KPA: LAND USE MANAGEMENT</b>									
109.	Number of cemetery established (Carolina)	New	New	1	0	Not Achieved	The indicator was not achieved due to the delays in the identification of the land	Proclamation	The relevant authorities will be engaged on time to fast track the process of establishing cemeteries needed
110.	Number of cemetery established (eManzana)	New	New	1	0	Not Achieved	The indicator was not achieved due to the delays in the identification of the	Proclamation	The relevant authorities will be engaged on time to fast track the process of

# Chapter 3

No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
							land		establishing cemeteries needed
111.	Number of Land-audit conducted and finalised	1	0	1	0	Not Achieved	The indicator was not achieved due to the fact that the process took longer than anticipated	Attendance registers, Reports.	The draft report has been prepared and will be submitted to council for approval in the next financial year.
112.	Percentage of RDP houses Monitored	100%	100%	100%	100%	Achieved	Not applicable	Attendance Registers	Not applicable
<b>KPA: JOB OPPORTUNITIES</b>									
113.	Number of programmes implemented for job opportunities	4	4	4	4	Achieved	Not applicable	Attendance registers, Reports	Not applicable

# Chapter 3

No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
114.	Number of employment Equity Report (EER) submitted before 15 January	1	1	1	1	Achieved	Not applicable	Proof of submission	Not applicable
<b>KPA: HEALTHY AND SAFER ENVIRONMENT</b>									
115.	Number of monthly Occupational Health and Safety (OHS) reports submitted to the Office of the Municipal Manager	12	5	12	12	Achieved	Not applicable	Signed OHS reports	Not applicable
116.	Number of health and safety inspections and awareness's conducted	31	9	12	15	Achieved	Not applicable	Copy of the reports and registers to serve as POE	Not applicable
117.	Number of HIV and AIDS campaigns conducted	4	4	4	1	Not Achieved	The target was not achieved due to lockdown restrictions	Attendance registers	Campaigns rollout programme will be evaluated once the



# Chapter 3

No	Key Performance Indicator	2019-2020		2020-2021		Target Achieved/ Not Achieved	Reason for non-achievement	Portfolio of Evidence	Measures Taken to Improve Performance
		Target	Actual performance	Target	Actual performance				
							imposed to limit the spread of the virus		vaccination rollout has reached the herd immunity
118.	Percentage of findings as per the directives responded to	100%	0%	100%	100%	Achieved	Not applicable	Register of findings responded to	Not applicable

# Chapter 4

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

### INTRODUCTION

In terms of section 67 of the Local Government: Municipal Systems Act (2000) (Act No 32 of 2000) a municipality must develop and adopt appropriate systems and procedures to ensure fair, efficient, effective, and transparent personnel administration in accordance with the Employment Equity Act, 1998.

*T 4.0.1*

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	2019/20	2020/21			
	Employee es	Approv ed Posts	Employee es	Vacanci es	Vacanci es
	No.	No.	No.	No.	%
Water and Waste Water (Sanitation)	158	217	180	47	22%
Electricity	9	11	9	2	18%
Waste Management	37	48	34	14	29%
Project Management	7	8	6	2	25%
Housing	2	3	3	0	0%
Waste Water and Roads (Stormwater Drainage)	28	29	26	3	10%
Finance	50	58	55	3	5%
Fleet and Transport Management	5	6	5	1	17%
Planning	3	5	4	1	20%
Local Economic Development	3	4	4	0	0%
Planning (Strategic & Regulatory)	7	7	5	2	29%
Community & Social Services	6	6	6	0	0%
Enviromental Protection	36	36	33	3	8%
Security and Safety	41	34	34	0	0%

# Chapter 4

Sport and Recreation	1	2	2	0	0%
Corporate Policy Offices and Other	74	82	61	9	11%
<b>Totals</b>	<b>467</b>	<b>556</b>	<b>469</b>	<b>87</b>	<b>16%</b>
					T4.1.1

Vacancy Rate: 2020/21			
Description	2020/21		
	Total Approved Posts	Vacancies	Vacancies
	No.	No.	%
Water and Waste Water (Sanitation)	146	11	8%
Electricity	11	2	18%
Waste Management	48	14	29%
Project Management	8	2	25%
Housing	3	0	0%
Waste Water and Roads (Stormwater Drainage)	29	3	10%
Finance	54	3	6%
Fleet and Transport Management	6	1	17%
Planning	5	1	20%
Local Economic Development	4	0	0%
Planning (Strategic & Regulatory)	7	2	29%
Community & Social Services	6	0	0%
Environmental Protection	36	3	8%
Security and Safety	34	0	0%
Sport and Recreation	2	0	0%
Corporate Policy Offices and Other	82	9	11%
<b>Totals</b>	<b>556</b>	<b>86</b>	<b>19%</b>
			T4.1.2

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2017/18	42	12	29%
2018/19	11	19	173%
2019/20	12	22	183%
2020/21	54	19	35%

# Chapter 4

T 4.1.3

## COMMENT ON VACANCIES AND TURNOVER:

Total vacancy rate as at 30 June 2021 was 16%. Turnover rate for the year under review was 35%. This represents 33% increase when compared to the previous year.

T 4.1.4

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

In terms of section 67 of the Local Government: Municipal Systems Act (2000) (Act No 32 of 2000) a municipality must develop and adopt appropriate systems and procedures to ensure fair, efficient, effective, and transparent personnel administration in accordance with the Employment Equity Act, 1998.

T 4.2.0

## 4.2 POLICIES

HR Policies and Plans				
No	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1.	Sexual Harassment Policy	100%	100%	29-Apr-21
2.	Smoking Policy	100%	100%	29-Apr-21
3.	Relocation Policy	100%	100%	29-Apr-21
4.	Succession planning policy	100%	100%	29-Apr-21
5.	Incapacity due to ill – health policy	100%	100%	29-Apr-21
6.	Training and Development policy	100%	100%	29-Apr-21
7.	Employee wellness programme	100%	100%	29-Apr-21
8.	Employment equity	100%	100%	29-Apr-21
9.	Attendance and punctuality policy	100%	100%	29-Apr-21
10.	Employment Practice policy	100%	100%	29-Apr-21
11.	HIV and AIDS policy	100%	100%	29-Apr-21
12.	Incapacity due to poor work performance policy	100%	100%	29-Apr-21
13.	Employees under the influence of intoxicating liquor policy	100%	100%	29-Apr-21

# Chapter 4

14.	Occupational health and safety policy	100%	100%	29-Apr-21
15.	Legal Aid policy	100%	100%	29-Apr-21
16.	Name badge policy	100%	100%	29-Apr-21
17.	Dress code policy	100%	100%	29-Apr-21
18.	Exchange programme policy	100%	100%	29-Apr-21
19.	Zero-harm policy	100%	100%	29-Apr-21
20.	Human resource Strategy	100%	100%	29-Apr-21
				T.4.2.1

## COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The municipality have 20 developed and implemented policies in place to govern its operation through managing its workforce. All human resource policies were reviewed and approved by council during the year under review.

T 4.2.1.1

## 4.3 INJURIES, SICKNESS AND SUSPENSIONS

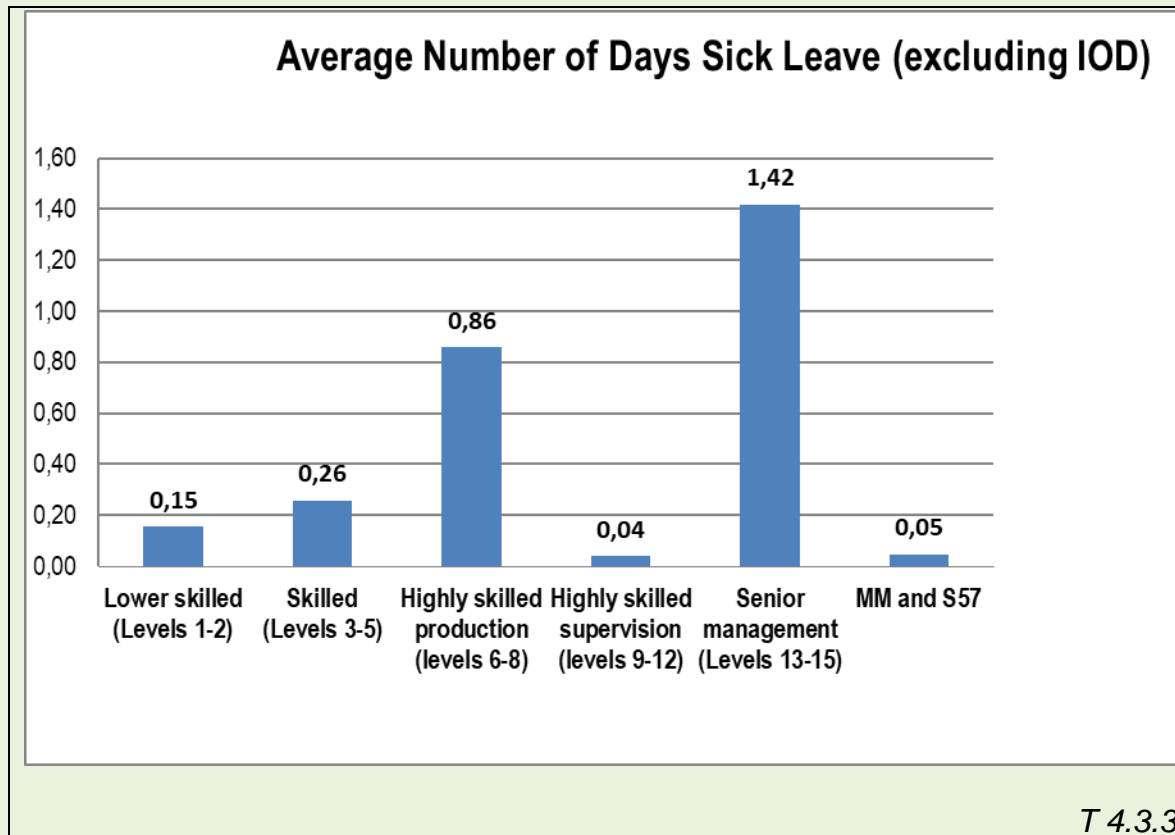
Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	2	2	100%	2	2,4
Temporary total disablement	0	0	0%	0	0
Permanent disablement	0	0	0%	0	0
Fatal	0	0	0%	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>100%</b>	<b>0</b>	<b>2,4</b>
					T 4.3.1

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days	Estimated cost R' 000
Lower skilled (Levels 17-16)	102	4%	84	291	0,2	3
Skilled (Levels 13-10)	40	7%	40	104	0,26	10
Highly skilled production	15	4%	15	45	0.7	29

# Chapter 4

(levels 6-8)						
Highly skilled supervision (levels 5-4)	15	0%	15	20	0,4	7
Senior management (Levels 2-1)	2	0%	2	7	0	15
MM and S57 (2-1)	2	0%	2	7	0	15
<b>Total</b>	<b>176</b>	<b>53%</b>	<b>158</b>	<b>467</b>	<b>21,56</b>	<b>79</b>

T4.3.2



## COMMENT ON INJURY AND SICK LEAVE:

There were only 2 injuries on duty reported during the current under review requiring basic medical attention. There were not fatal incidents, permanent or temporary disablements. Sick leave remained under control and it is managed manually by line managers at departmental level.

T 4.3.4

## COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

# Chapter 4

There were no suspensions and no disciplinary actions during the year under review for s56 managers.

T 4.3.7

## 4.4 PERFORMANCE REWARDS

### COMMENT ON PERFORMANCE REWARDS:

The senior managers were assessed accordingly by the accounting officer and the Executive Mayor assessed the Accounting Officer in line with the Performance Regulations of 2006, the results are to be presented to the Audit Committee for rectifications before they are sent to council for confirmation and decision once they are confirmed by council they will be made public on the final report that will be sent to Legislature and the MEC for Local Government.

T 4.4.1.1

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2020/21 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 1-2)	Female	None	None	None	0%
	Male	None	None	None	0%
Skilled (Levels 3-5)	Female	None	None	None	0%
	Male	None	None	None	0%
Highly skilled production (levels 6-8)	Female	None	None	None	0%
	Male	None	None	None	0%
Highly skilled supervision (levels 9-12)	Female	None	None	None	0%
	Male	None	None	None	0%
Senior management (Levels 13-15)	Female	None	None	None	0%
	Male	None	None	None	0%
MM and S57	Female	None	None	None	0%
	Male	None	None	None	0%
Total					
Has the statutory municipal calculator been used as part of the evaluation process ?					N/A

T 4.4.1

# Chapter 4

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

In terms of section 68(1) of the MSA (2000), a municipality must develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

*T 4.5.0*



# Chapter 4

## 4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Development Expenditure										
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2020/21							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget
MM and S57	Female	0	0	0	0	0	0	0	0	0
	Male	6	0	0	0	01	0	01	0	02
Legislators, senior officials and managers	Female	30	0	0	0	06	0	01	0	07
	Male	47	0	0	0	08	0	01	0	09
Professionals	Female	17	0	04	0	0	0	0	0	04
	Male	23	0	01	0	01	0	0	0	02
Technicians and associate professionals	Female	28	0	0	0	0	0	0	0	0
	Male	70	0	04	0	0	0	0	0	04
Clerks	Female	38	0	05	0	0	0	08	0	13
	Male	16	0	0	0	0	0	20	0	20
Service and sales workers	Female	15	0	0	0	0	0	0	0	0
	Male	22	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	Female	02	0	0	0	0	0	02	0	02
	Male	22	0	01	0	01	0	01	0	03

# Chapter 4

Elementary occupations	Female	76	0	09	0	0	0	02	0	10
	Male	75	0	10	0	11	0	0	0	10
Sub total	Female	206	0	18	0	06	0	13	0	36
	Male	281	0	16	0	22	0	23	0	50
Total		487	0	34	0	28	0	36	0	76
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									100%*	366
										T4.5.3

# Chapter 4

Skills Development Expenditure									
									R'000
Management level	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
		Learnerships		Skills programmes & other short courses		Other forms of training		Total	
	No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
All levels	467	0	0	0	0	2 176	955	955	2 176
Sub total	467	0	0	0	0	2 176	955	955	2 176
<b>Total</b>	<b>467</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 176</b>	<b>955</b>	<b>955</b>	<b>2 176</b>
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.								%*	*R
									T4.5.3

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

The municipality spent 100% of the budgeted training costs during the year under review.

T 4.5.4

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### INTRODUCTION TO WORKFORCE EXPENDITURE

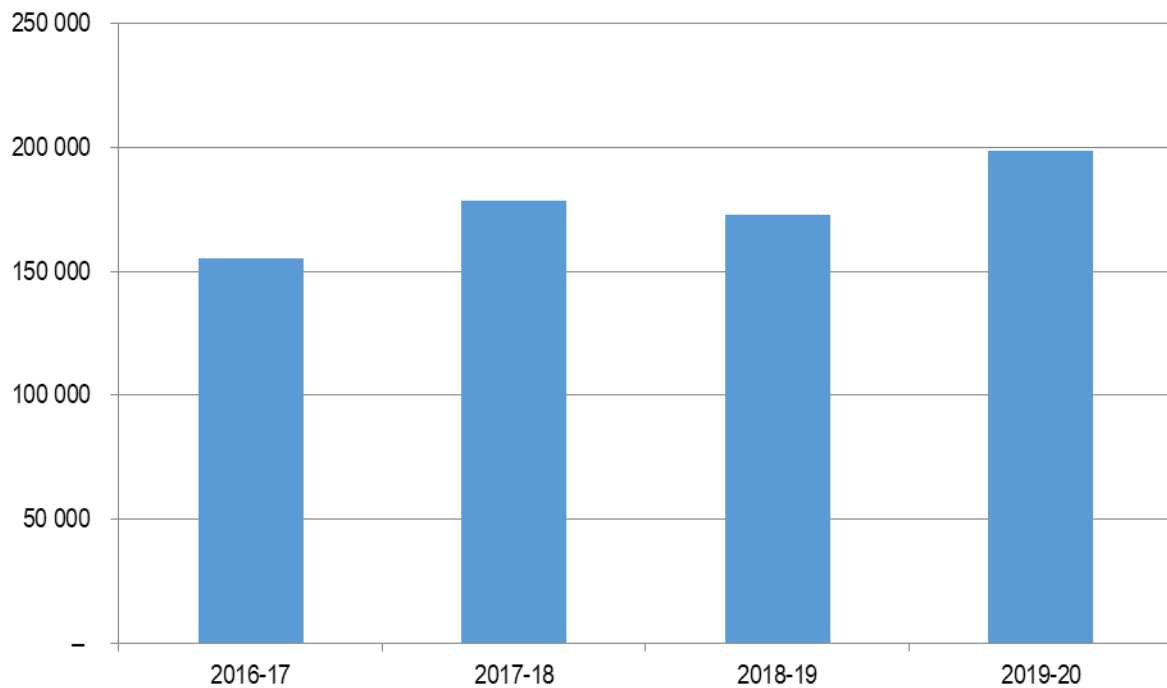
The Municipal workforce expenditure was well managed by management as intended and it is within control.

T 4.6.0

## 4.6 EMPLOYEE EXPENDITURE

# Chapter 4

## Workforce Expenditure Trends (R' 000)



Source: MBRR SA22

T

4.6.1

### COMMENT ON WORKFORCE EXPENDITURE:

The municipality is currently 89% capacitated in terms of human capital. Vacancies remain the main challenge within the municipality due to lack of requisite skills within the municipal demarcation.

T 4.6.1.1

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

# Chapter 4

MM and S 57	Female	0
	Male	0
Total		0
		<i>T 4.6.2</i>

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

There were no employees whose salary levels were exceeded as a result of job evaluation. There were also no employees appointed outside of the approved structure during the year under review.

*T 4.6.5*

## DISCLOSURES OF FINANCIAL INTERESTS

**Appendix J.** Make other comments as appropriate. Please see the appendix J

*T 4.6.6*

# Chapter 5

## CHAPTER 5 – FINANCIAL PERFORMANCE

### INTRODUCTION

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

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

T 5.0.1

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

### INTRODUCTION TO FINANCIAL STATEMENTS

The statement of financial performance for 2020/21 financial year is presented below.

*Note. Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**.*

T 5.1.0

## 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2021	2020 Restated
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Service charges	19	64 715 868	56 421 126
Rental Income	20	1 964 574	1 944 058
Interest received from exchange transactions - consumers	21	11 817 221	13 359 202
Licences and permits	23	146 211	155 118
Other Income	24	3 022 360	1 963 477
Interest received - investment	25	7 239 623	5 668 210
Gain on disposal of assets and liabilities	26	0	224 711
Fair value adjustments	40	1 963 539	1 460 424
<b>Total revenue from exchange transactions</b>		<b>90 869 393</b>	<b>81 196 326</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Property rates	27	96 011 645	67 907 426
Interest received from non-exchange transactions - consumers	21	41 897 418	47 364 444

# Chapter 5

Figures in Rand	Note(s)	2021	2020 Restated
<b>Transfer revenue</b>			
Government grants & subsidies	28	810 697 635	519 097 257
Donations	29	1 480 000	3 358 860
Fines	22	2 242 519	2 125 818
<b>Total revenue from non-exchange transactions</b>		<b>952 329 217</b>	<b>639 853 805</b>
<b>Total revenue</b>	<b>18</b>	<b>1 043 198 613</b>	<b>721 050 131</b>
<b>Expenditure</b>			
Employee related costs	30	-200 708 155	-178 495 170
Remuneration of councillors	31	-20 023 990	-19 945 299
Depreciation and amortisation	32	-45 055 711	-45 528 120
Impairment loss	33	-12 303 789	-11 196 476
Finance costs	34	-7 777 975	-3 347 404
Debt Impairment	36	-178 892 057	-166 870 737
Bulk purchases	37	-86 605 870	-84 876 557
Contracted services	38	-107 963 188	-97 128 294
Loss on disposal of assets and liabilities	40	-333 244	-
General Expenses	39	-82 852 985	-54 873 115
<b>Total expenditure</b>		<b>-740 514 964</b>	<b>-662 261 476</b>
<b>Surplus for the year</b>		<b>302 683 649</b>	<b>58 788 655</b>

## COMMENT ON FINANCIAL PERFORMANCE:

The income and expenditure in the 2020/2021 financial year has increased from the previous financial year. This resulted in an operating surplus of R303 million representing an increase of R244 million from 2019/2020 financial year. Total revenue increased by 45% from R721 million in 2019/2020 to R1 043 million in 2020/2021. The total expenditure increased by 12% from R662 million in 2019/2020 to R741 million in 2020/2021, as reflected in the Statement of Financial Performance in the Annual Financial Statements.

T5.1.3

## 5.2 GRANTS

Grant Performance		
	R' 000	
Description	2019/20	2020/21

# Chapter 5

	Actual	Actual
<b><u>Operating Transfers and Grants</u></b>		
<b>Total Operating Transfers and Grants</b>	<b>316 025</b>	<b>398 244</b>
Gov grants & subsidies: unconditional	311 205	394 135
Gov grants & subsidies: conditional	207 892	416 562
<b>Total Operating Transfers and Grants</b>	<b>519 097</b>	<b>810 697</b>



# Chapter 5

## COMMENT ON OPERATING TRANSFERS AND GRANTS

The municipality spent 100% of the grants received during the year under review.

T 5.2.2

### Grants Received From Sources Other Than Division of Revenue Act (DoRA)

Details of Donor	Actual Grant 2019/20	Actual Grant 2020/21	2020/21 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant  received, include description of any contributions in kind
LG Seta	334 256	195 160	0	30-Jun-21	N/A	The grant is intended for sending municipal staff to training.

T 5.2.3

## COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

The Municipality received LG Seta grant during the current year for training of municipality staff.

T 5.2.4

## 5.3 ASSET MANAGEMENT

### INTRODUCTION TO ASSET MANAGEMENT

The Asset Management Section consists of the Accountant: Assets and Clerks: Assets, and forms part of the Supply Chain Management Unit within the Finance Department. The Municipality has and maintains a management, accounting and information system that accounts for the assets of the Municipality. The Municipality's assets are valued in accordance with standards of the Generally Recognized

# Chapter 5

Accounting Practice (GRAP). The Municipality has and maintains a system of internal control of assets, including an asset register.

T 5.3.1

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2020/21				
<b>Asset 1</b>				
Name	MP301_TEC_ELE_Upgrading of Silobela Substation			
Description	Upgrading of Silobela Substation			
Asset Type	Infrastructure			
Key Staff Involved	Mr Mdutshulwa			
Staff Responsibilities	Project Manager			
Asset Value	2017/18	2018/19	2019/20	2020/21
	0	0	0	10 000 000
Capital Implications	Grant used			
Future Purpose of Asset	Distribution of electricity			
Describe Key Issues	Infrastructure			
Policies in Place to Manage Asset	Asset Management Policy			
<b>Asset 2</b>				
Name	MP301_TEC_ELE_Construction of High mast lights			
Description	Construction of High mast lights			
Asset Type	Infrastructure			
Key Staff Involved	Mr Mdutshulwa			
Staff Responsibilities	Project Manager			
Asset Value	2017/18	2018/19	2019/20	2020/21
	0	0	0	7 156 000
Capital Implications	Grant used			
Future Purpose of Asset	Distribution of electricity			
Describe Key Issues	Infrastructure			
Policies in Place to Manage Asset	Asset Management Policy			
<b>Asset 3</b>				
Name	MP301_TEC_COM_Construction of Silobela Sport Fields			
Description	Construction of Silobela Sport Fields			
Asset Type	Infrastructure			
Key Staff Involved	Mr Mdutshulwa			
Staff Responsibilities	Project Manager			
Asset Value	2017/18	2018/19	2019/20	2020/21
	0	0	0	2 860 000
Capital Implications	Grant used			
Future Purpose of Asset	Community development			
Describe Key Issues	Infrastructure			
Policies in Place to Manage Asset	Asset Management Policy			

T 5.3.2

# Chapter 5

## COMMENT ON ASSET MANAGEMENT:

All major assets acquired related to capital expenditure infrastructure assets.

*T 5.3.3*

## Repair and Maintenance Expenditure: 2020/21

	R' 000			
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	29 000	29 000	29 000	0%

*T 5.3.4*

## COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

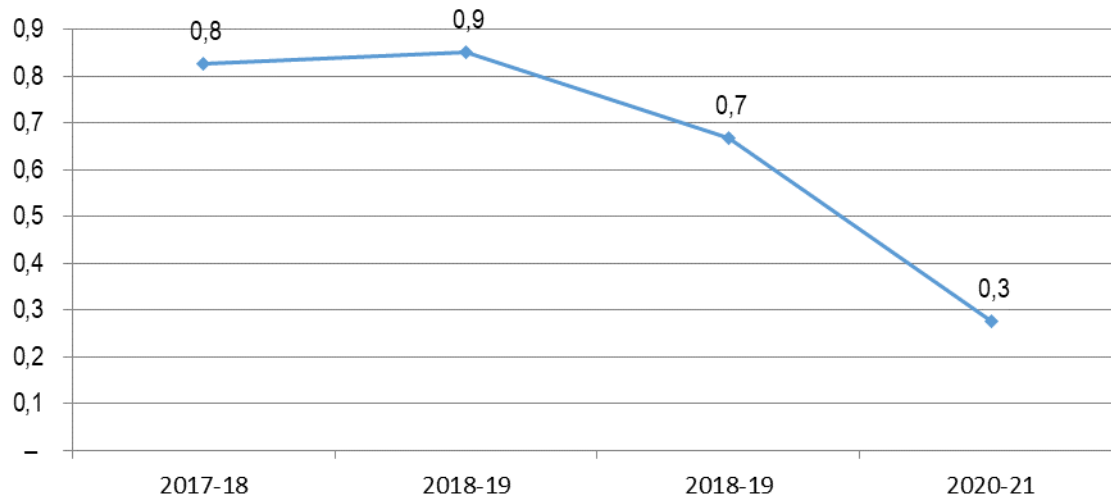
Repairs and Maintenance is budgeted under contracted services due to MSCOA reclassifications.

*T 5.3.4.1*

## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

# Chapter 5

## Liquidity Ratio

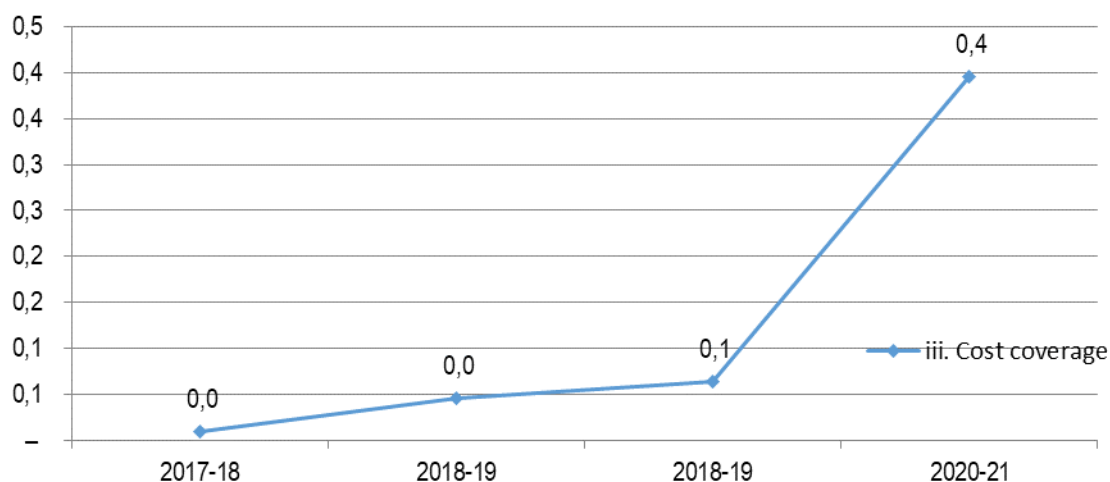


Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year ) by the municipality's current liabilities. A higher ratio is better.

Data used from MBRR SA8

T 5.4.1

## Cost Coverage



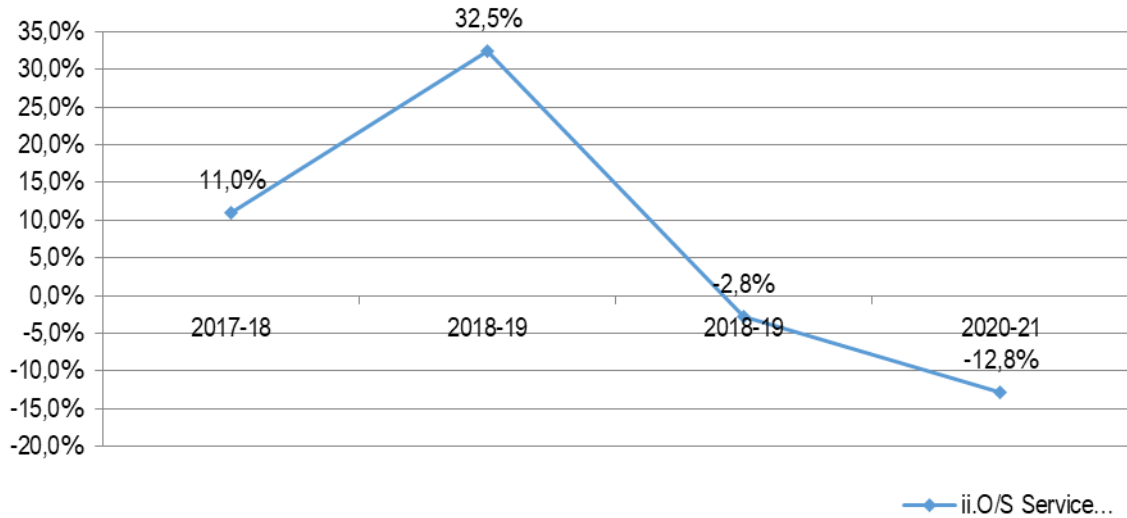
Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRR SA8

T 5.4.2

# Chapter 5

## Total Outstanding Service Debtors

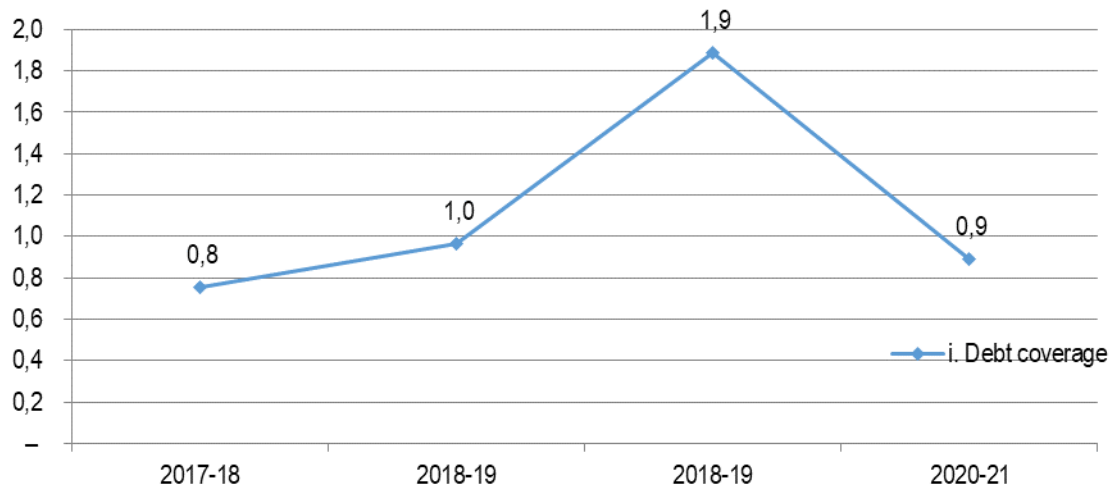


Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

T 5.4.3

# Chapter 5

## Debt Coverage

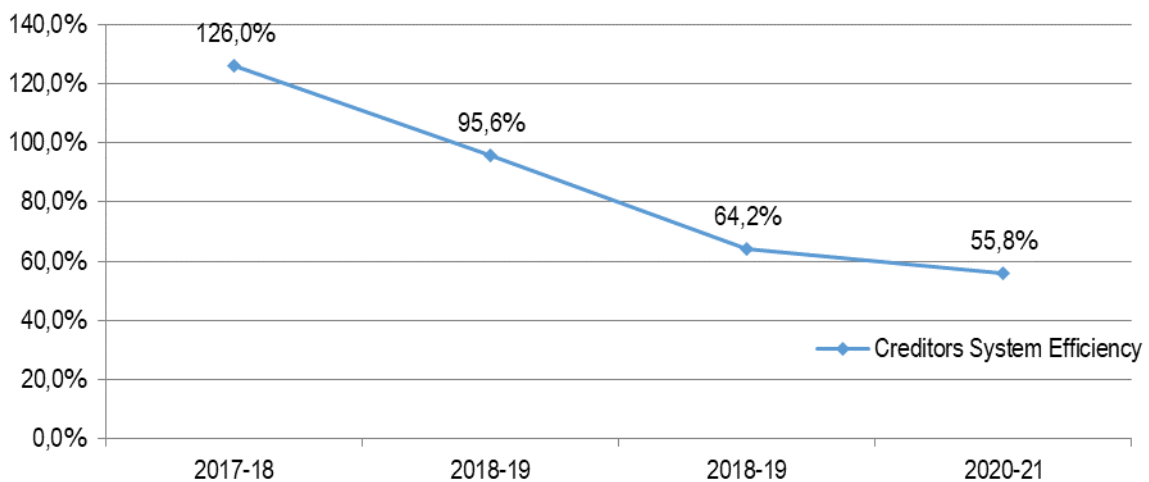


Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

Data used from MBRR SA8

T 5.4.4

## Creditors System Efficiency



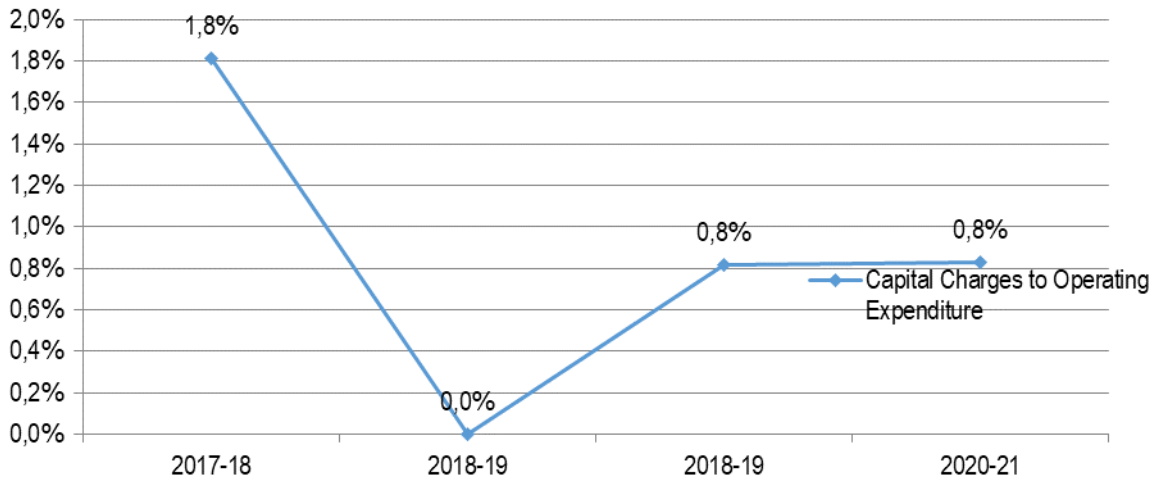
Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T 5.4.5

# Chapter 5

## Capital Charges to Operating Expenditure

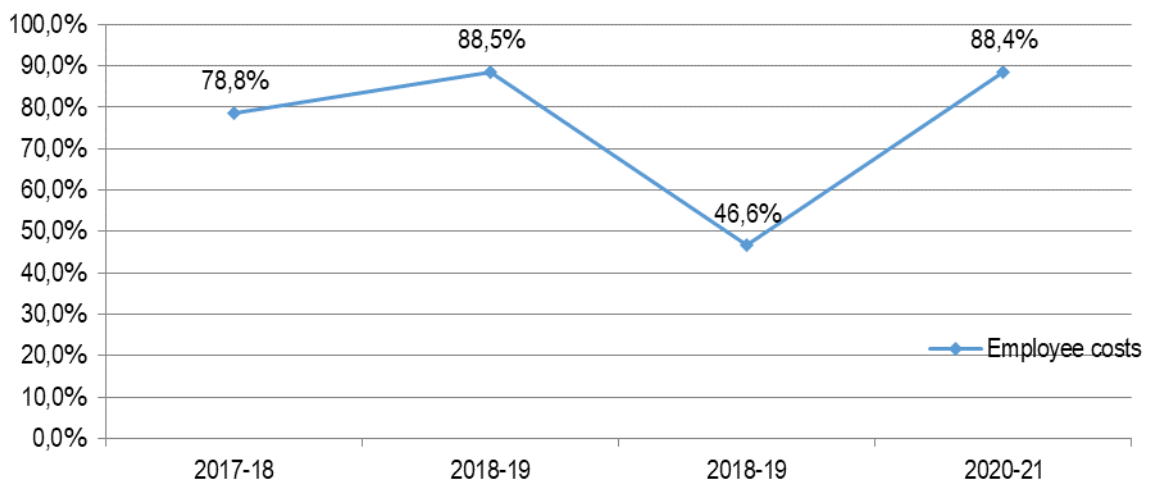


Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

T 5.4.6

## Employee Costs

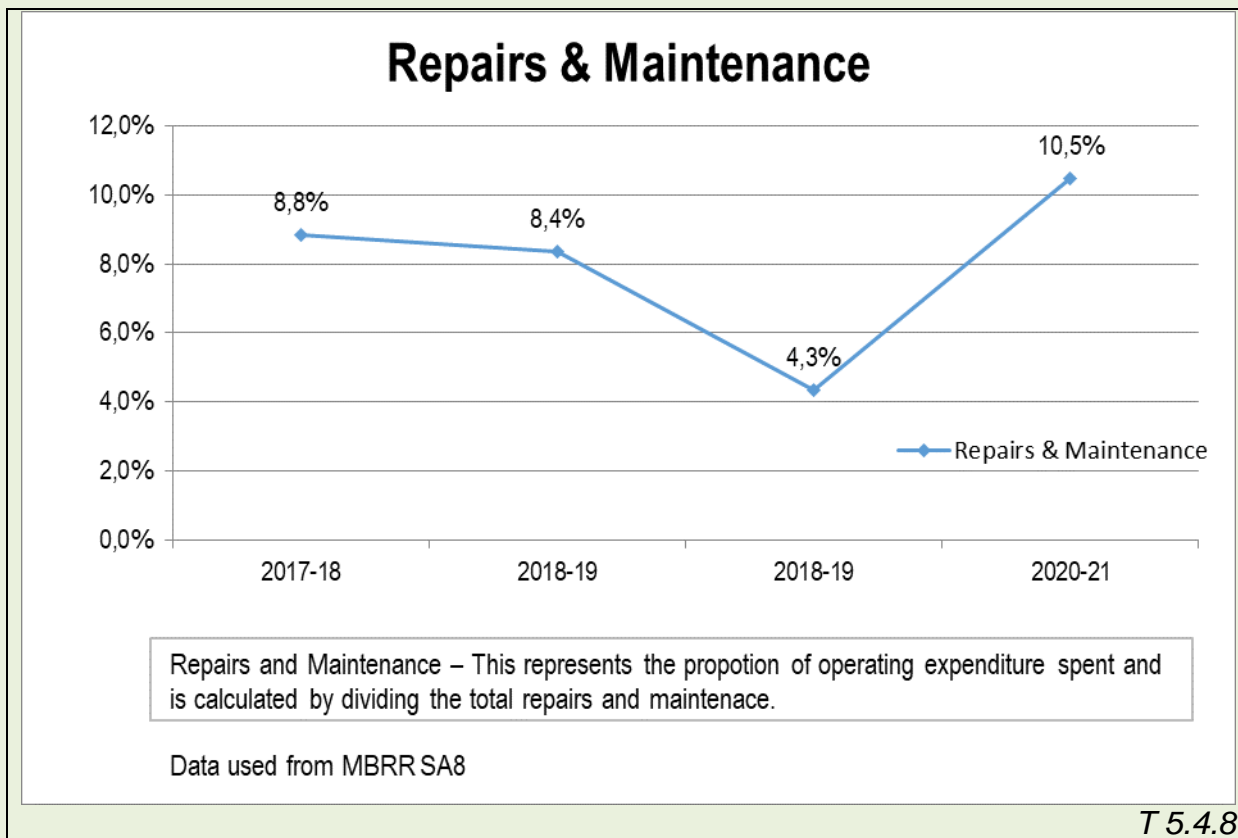


Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

# Chapter 5

T 5.4.7



#### COMMENT ON FINANCIAL RATIOS:

he financial ratios were below industry expected norm due to financial difficulty the municipality finds itself under. Management endeavor to manage limited funds available with caution in an attempt to improve the difficult financial of the municipality thereby improving its health status.

T 5.4.9

#### COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

##### INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

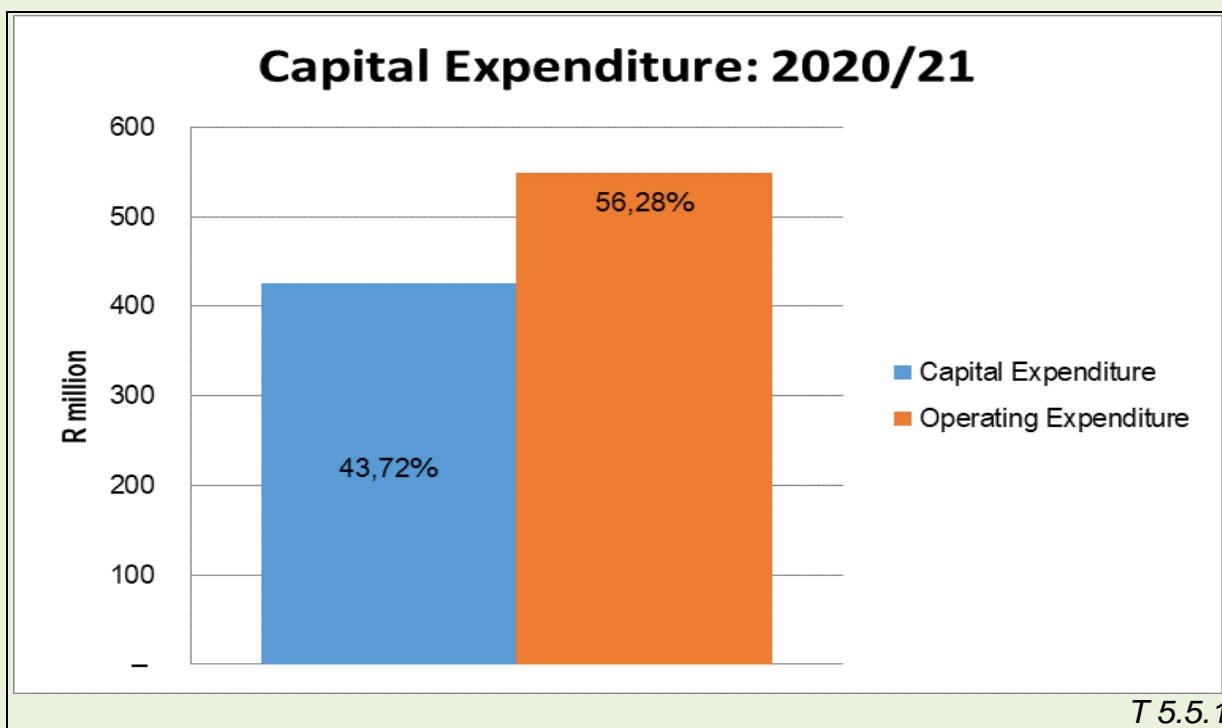
Capital expenditure was funded through grants. The Municipality received various grants from different sources to fund capital expenditure during the year under review.

T 5.5.0



# Chapter 5

## 5.5 CAPITAL EXPENDITURE



## 5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: 2019/20 to 2020/21			
			R' 000
Details	2019/20	2020/21	
	Actual	Actual	
<b>Source of finance</b>			
	Grants and subsidies	519 097	810 697
	Other	1 964	3 022
<b>Total</b>		<b>521 061</b>	<b>813 719</b>
<i>Percentage of finance</i>			
	External loans	0,00%	0,00%
	Public contributions and donations	0,00%	0,00%
	Grants and subsidies	99,62%	99,63%
	Other	0,38%	0,37%
<b>Capital expenditure</b>			
	WSIG	50 000	26 375

# Chapter 5

Capital Expenditure - Funding Sources: 2019/20 to 2020/21			
	RBIG	51 000	287 960
	INEP	15 000	10 000
	MIG	87 072	85 419
	EEDSMG	0	2 700
<b>Total</b>		<b>203 072</b>	<b>412 454</b>
<i>Percentage of expenditure</i>			
	WSIG	24,62%	6,40%
	RBIG	25,11%	69,82%
	INEP	7,39%	2,43%
	MIG	42,88%	20,71%
	Other	0%	0,66%

## COMMENT ON SOURCES OF FUNDING:

The municipality budgeted R413m in capital projects and spent 54% of the capital budget during the year under review.

T 5.6.1.1

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
Name of Project	2020-21			Variance: 2020-21	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
	R' 000				
Refurbishment of Eerstehoek Water Scheme.	219 568	219 568	208 951	5%	0%
Non-Revenue Water & Revenue Enhancement Programme for the Schemes in CALLM	26 375	26 375	26 375	0%	0%
Upgrading of Elukwatini Waste Water Treatment Works (WWTW)	13 000	15 724	15 724	-21%	-21%
Installation of Smartsan or Environsan Toilets	12 000	5 029	5 029	58%	58%
Construction of Glenmore Ring Road	10 000	12 022	12 022	-20%	-20%
					T 5.7.1

## COMMENT ON CAPITAL PROJECTS:

# Chapter 5

The Municipality budgeted R281m on the top 5 capital projects. All projects were closely monitored and were on track at year end. There were no major challenges noted that could significantly affect progress.

T 5.7.1.1

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

### INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The historical backlogs in the provision of basic infrastructure for service delivery require that municipalities establish a delicate balance between delivering and improving current services, maintaining existing infrastructure, and extending infrastructure to eradicate the backlog in service delivery. CoGTA must ensure that municipalities in the Province are fully functional to enable the delivery of infrastructure and municipal services. This Chapter attempts to give an indication of the performance of the Municipality during the municipal financial year ended 30 June 2020.

#### Electricity

The backlog is mostly in the Eskom supply area. Connection costs remained high in the deep rural areas due to sparsely populated rural settlements; in some instances, Eskom delayed the energisation of connected households. Old and under-maintained infrastructure in municipal areas of supply remained a challenge. Recurring power outages during high demand season, especially in Silobela remained a challenge.

#### Water

The main challenge for remained the provision of water in deep rural areas and areas outside the bulk water infrastructure. The Municipality continued to supply water to these settlements through boreholes and water tankers.

#### Sanitation

The Municipality had been providing VIP toilets to eradicate sanitation backlog. However, Province had since directed the Municipality to cease the sanitation technology especially in rural areas where there was no infrastructure. The Municipality has piloted Smartsan toilets as an alternative to VIP toilets.

T 5.8.1

Service Backlogs as at 30 June 2021				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	51 649	97%	1 831	3%

# Chapter 5

Sanitation	47 062	88%	6 418	12%
Electricity	51 307	88%	2 173	4%
Waste management	8 041	15%	45 439	85%
Housing	48 132	90%	5 348	10%

*% HHs are the service above/below minimum standard as a proportion of total HHs.  
'Housing' refers to \* formal and \*\* informal settlements.*

T 5.8.2

## Municipal Infrastructure Grant (MIG)\* Expenditure 2020/21 on Service backlogs

R' 000

Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
WSIG	26 375	26 375	22 956	12,96%	12,96%	Conditional grant
RBIG	219 568	219 568	105 000	52,17%	52,17%	Conditional grant
INEP	10 000	10 000	6 306	63,06%	63,06%	Conditional grant
MIG	85 419	85 419	52 227	61,14%	61,14%	Conditional grant
EEDSMG	2 670	2 670	0	0%	0%	Conditional grant
<b>Total</b>	<b>344 032</b>	<b>344 032</b>	<b>186 489</b>	<b>54,21%</b>	<b>54,21%</b>	Conditional grant

T 5.8.3

### COMMENT ON BACKLOGS:

There were no backlog on the MIG grant during 2020/21 financial year.

T 5.8.4

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

In terms of the MFMA (2003), a municipality must establish an appropriate an effective cash management and investment policy. Within this policy, a municipality must:

Conduct its cash management and investments; and  
Invest money not immediately required.

Surplus cash refers to money that is not immediately required for expenditure; that surplus could include income from rates and services, rents, fines, grants, subsidies, levies, and interest earned on investments. The Finance Department reported quarterly to the Executive Mayor and the Finance Portfolio Committee in terms of

# Chapter 5

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MFMA (2003) S11, in order to assess the performance of the investment portfolio, and to ensure that the investments complied with policy objectives, guidelines, applicable laws, and regulations.

Cash flow management is critical to the sustainability of the Municipality as it enables the Municipality to assess whether sufficient cash is available to meet short-term and long-term obligations. Cash flow is managed and monitored on a daily and monthly basis.

*T 5.9*

# Chapter 5

## 5.9 CASH FLOW

Cash Flow Outcomes		
	R'000	
Description	2019/20	2020/21
	Audited Outcome	Audited Outcome
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Receipts</b>		
Service charges	79 020	92 685
Government - Capital and operating	598 097	742 306
Interest	5 617	7 240
Other receipts	5 763	5 133
<b>Payments</b>		
Employee costs	(196 057)	(216 836)
Suppliers	(206 123)	(300 198)
Finance charges	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>286 924</b>	<b>330 330</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Receipts</b>		
Purchases of PPE	(199 685)	(366 917)
Proceeds on disposal of PPE	1 304	1 292
Movement in operating lease	(347 321)	(111)
Movement in investments	(51 574)	(216)
<b>Payments</b>		
Capital assets	-	-
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(198 779)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Receipts</b>		
Movement in provision	-	-
Finance lease payments	(5 505)	(6 079)
<b>Payments</b>		
Repayment of borrowing	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(5 505)</b>	<b>(6 079)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>81 862</b>	<b>(41 701)</b>
Cash/cash equivalents at the year begin:	15 912	97 774
Cash/cash equivalents at the year end:	97 774	56 073
Source: MBRR A7		T 5.9.1

COMMENT ON CASH FLOW OUTCOMES:

# Chapter 5

The municipal cash flow position has regressed from R98m to R56m. This represents a regression of R42m (43%).

*T 5.9.1.1*

## 5.10 BORROWING AND INVESTMENTS

### INTRODUCTION TO BORROWING AND INVESTMENTS

In terms of the MFMA (2003), a municipality may only borrow funds for the purpose of acquiring assets, or improving facilities or infrastructure to provide basic service delivery.

The Municipality did not make any borrowings in the 2020/21 financial year. However, the municipality had investments to the following unit trusts during the year under review: Investec, RMB Momentum, Coronation Strategic Income Fund, Stanlib and Sanlam Unit trust.

*T 5.10.1*

## 5.11 PUBLIC PRIVATE PARTNERSHIPS

### PUBLIC PRIVATE PARTNERSHIPS

A public-private partnership (PPP) is a contract between a government institution and a private party, where the private party performed an institutional function and/or used state property in terms of output specifications. Substantial project risk (financial, technical, and operational) is transferred to the private party, and the private party benefits through unitary payments from government budgets and/or user fees.

The Municipality did not have public-private partnerships during the year under review.

*T 5.11.1*

## COMPONENT D: OTHER FINANCIAL MATTERS

## 5.12 SUPPLY CHAIN MANAGEMENT

### SUPPLY CHAIN MANAGEMENT

# Chapter 5

The Municipality's Supply Chain Management is fair, equitable, transparent, competitive and cost-effective as required by the Constitution (1996), S217. There is a Supply Chain Management policy in place. All awards were reported quarterly to Council and published on the municipal website. There were no Supply Chain official that have reached the prescribed levels required for their positions as set out in the MFMA Competency Regulation Guidelines.

*T 5.12.1*

## 5.13 GRAP COMPLIANCE

### GRAP COMPLIANCE

The Municipality's Annual Financial Statements for the 2020/21 financial year was compiled in terms of the General Recognised Accounting Practice (GRAP).

In terms of MFMA (2003) section 83(1), the accounting officer, senior managers, chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the MFMA (2003).

The Municipality has signed a Memorandum of Understanding with Sebata Municipal Solutions for the implementation of MSCOA. A Steering Committee was appointed by the Accounting officer. The MSCOA was effective from the 1 July 2017.

*T 5.13.1*



# Chapter 6

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### INTRODUCTION

The Constitution (1996) Section 188(1)(b) stated that the functions of the Auditor-General included the auditing and reporting on the accounts, financial statements and financial management of all municipalities. The Local Government: Municipal Systems Act (2000) Section 45 stated that the results of performance measurement must be audited annually by the Auditor-General.

Section 121(3) of the MFMA required that the audit report be included in the annual report to be tabled. Every municipality must for each financial year prepare annual financial statements which fairly present the state of affairs of the municipality, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year; and disclose the information required in terms of Sections 123, 124 and 125 of the MFMA."

The Annual Financial Statements, the timescale for the audit of those statements, and the production of reports on those matters by the Auditor-General were set out in this Volume.

This report was the final section of the Annual Report. It included the Auditor-General's Report with the audited financial statements, as well as the pre-determined objectives that were based on the Integrated Development Plan (IDP) of the Municipality and auctioned in the Basic Services Delivery and Budget Implementation Plan (SDBIP), signed by the Honourable Executive Mayor.

*T 6.0.1*

## COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 2019/20

### 6.1 AUDITOR GENERAL REPORTS YEAR 2019/20

Auditor-General Report on Financial Performance 2019/20*	
<b>Status of audit report:</b>	<b>Unqualified</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
<b>Annual financial statements and annual reports</b>  The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements	The Municipality developed an action plan that is updated on a monthly basis and get reviewed by the Internal Audit function.

# Chapter 6

Auditor-General Report on Financial Performance 2019/20*	
<b>Status of audit report:</b>	<b>Unqualified</b>
were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.	
<b>Expenditure management</b>	
<p>Money owed by the municipality was not always paid within 30 days, as required by section 65(2) of the MFMA.</p> <p>Reasonable steps were not taken to prevent irregular expenditure amounting to R20 542 755, as disclosed in note 50 to the financial statements, as required by section 62(1)(d) of the MFMA.</p> <p>Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R1 194 943, as disclosed in note 49 to the financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest incurred on late payment of creditors.</p> <p>Reasonable steps were not taken to prevent unauthorised expenditure amounting to R124 148 071, as disclosed in note 48 to the financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending on the adjustment budget.</p>	<p>The process to update the current Supply Chain Management policy is underway and it is planned during the budget process in the 3rd quarter.</p> <p>Irregular, unauthorised, fruitless &amp; wasteful expenditures if identified are disclosed and reported as such to MPAC for proper and thorough investigation and any recommendations by MPAC are implemented.</p>
<b>Consequence management</b>	
<p>Unauthorised expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(a) of the MFMA</p> <p>Irregular expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.</p>	<p>Investigation is being carried to ensure compliance with MFMA.</p>

# Chapter 6

Auditor-General Report on Financial Performance 2019/20*	
<b>Status of audit report:</b>	<b>Unqualified</b>
Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.	
<b>Procurement and contract management</b>	Management will update bid documents going forward to ensure that it is in compliance with procurement regulation.
<p>Some quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by Supply Chain Management (SCM) regulation 13(c). Similar non-compliance was also reported in the prior year.</p> <p>Commodities designated for local content and production were procured from suppliers who did not submit a declaration on local production and content, as required by the 2017 preferential procurement regulation 8(5). Similar non-compliance was also reported in the prior year.</p> <p>Sufficient appropriate audit evidence could not be obtained that commodities designated for local content and production were procured from suppliers who met the prescribed minimum threshold for local production and content, as required by the 2017 preferential procurement regulation 8(5).</p> <p>The performance of contractors or providers was not monitored monthly, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year.</p>	
<p><i>Note:* The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse).</i></p>	
T 6.2.1	

Auditor-General Report on Service Delivery Performance: 2019/20	
<b>Status of audit report:</b>	Qualified opinion
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
<b>Number of meters of water network maintained</b>	
The reported achievement was zero against a target of 12 000 meters in the annual performance report. However, the supporting	The reported target will be

# Chapter 6

Auditor-General Report on Service Delivery Performance: 2019/20																	
evidence provided did not agree with the reported achievement and materially differed from the reported achievement.	reported in the following year in line supporting evidence																
<p><b>Various indicators</b></p> <p>The measures taken to improve performance against targets detailed below were not reported in the annual performance report.</p> <table border="1"> <thead> <tr> <th>Planned indicators</th> <th>Planned targets</th> <th>Reported actual achievement</th> </tr> </thead> <tbody> <tr> <td>Number of meters of water network maintained</td> <td>12 000</td> <td>0</td> </tr> <tr> <td>Number of panels and substations maintained</td> <td>12</td> <td>12</td> </tr> <tr> <td>Number of smart meters installed</td> <td>150</td> <td>0</td> </tr> </tbody> </table>			Planned indicators	Planned targets	Reported actual achievement	Number of meters of water network maintained	12 000	0	Number of panels and substations maintained	12	12	Number of smart meters installed	150	0			
Planned indicators	Planned targets	Reported actual achievement															
Number of meters of water network maintained	12 000	0															
Number of panels and substations maintained	12	12															
Number of smart meters installed	150	0															
<p><b>Various indicators</b></p> <p>I was unable to obtain sufficient appropriate audit evidence to support the measures taken to improve performance against the targets as reported in the annual performance report for the indicators listed below. This was due to limitations placed on the scope of my work. I was unable to confirm the reported measures taken by alternative means. Consequently, I was unable to determine whether any adjustments were required to reported measures taken to improve performance.</p> <table border="1"> <thead> <tr> <th>Planned indicators</th> <th>Planned targets</th> <th>Reported actual achievement</th> </tr> </thead> <tbody> <tr> <td>Number of boreholes repaired</td> <td>42</td> <td>39</td> </tr> <tr> <td>Number of pumps &amp; motors maintained</td> <td>87</td> <td>29</td> </tr> <tr> <td>Number of transformers maintained</td> <td>106</td> <td>72</td> </tr> <tr> <td>Number of public lights maintained</td> <td>490</td> <td>376</td> </tr> </tbody> </table>			Planned indicators	Planned targets	Reported actual achievement	Number of boreholes repaired	42	39	Number of pumps & motors maintained	87	29	Number of transformers maintained	106	72	Number of public lights maintained	490	376
Planned indicators	Planned targets	Reported actual achievement															
Number of boreholes repaired	42	39															
Number of pumps & motors maintained	87	29															
Number of transformers maintained	106	72															
Number of public lights maintained	490	376															
		All reported achievement will be reported in line with supporting evidence at hand to ensure that reported information is reliable.															
		T 6.2.2															

## COMPONENT B: AUDITOR-GENERAL OPINION YEAR 2020/21

### 6.2 AUDITOR GENERAL REPORT 2020/21

# Chapter 6

Auditor-General Report on Financial Performance: 2020/21	
Audit Report Status*:	Unqualified
Non-Compliance Issues	Remedial Action Taken
<p><b>Annual financial statements and annual reports</b></p> <p>The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets/ current assets/ revenue/ expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.</p>	<p>The Municipality developed an action plan that is updated on a monthly basis and get reviewed by the Internal Audit function.</p>
<p><b>Expenditure management</b></p> <p>Reasonable steps were not taken to prevent irregular expenditure amounting to R16 189 484 disclosed in note 51 to the financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with local content requirements as required by the 2017 Preferential Procurement Regulations.</p> <p>Reasonable steps were not taken to prevent unauthorised expenditure amounting to R9 859 613, as disclosed in note 49 to the financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending the adjustment budget.</p>	<p>The process to update the current Supply Chain Management policy is underway and it is planned during the budget process in the 3rd quarter.</p> <p>Irregular and unauthorized expenditures if identified are disclosed and reported as such to MPAC for proper and thorough investigation and any recommendations by MPAC are implemented.</p>
<p><b>Consequence management</b></p> <p>Irregular expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.</p>	<p>Investigation is being carried to ensure compliance with MFMA.</p>
<p><i>Note:*The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)</i></p>	

# Chapter 6

T 6.1.1

Auditor-General Report on Service Delivery Performance: 2020/21	
Status of audit report**:	Qualified
Non-Compliance Issues	Remedial Action Taken
<p><b>Number of ring main units maintained</b></p> <p>The reported indicator for number of ring main units maintained did not agree with the planned indicator for number of ring main units, as per the approved service delivery budget implementation plan. This change was made without the necessary approval.</p>	<p>The SDBIP will be reviewed by internal audit to ensure that all indicators and target are consistent with the IDP.</p>
<p><i>* This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Service Delivery Performance Year 2018-2019</i></p> <p><i>** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.</i></p>	

T 6.2.2

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AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: 2020/21



# Chapter 6



AUDITOR - GENERAL  
SOUTH AFRICA

The Accounting Officer  
Chief Albert Luthuli Local Municipality  
PO Box 24  
Carolina  
1185

25 January 2022

Reference: 02144REG2020/21

Dear Sir

**Report of the Auditor-General on the financial statements, annual performance report, compliance with legislation and other legal and regulatory requirements of Chief Albert Luthuli Local Municipality for the year ended 30 June 2021**

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act No. 25 of 2004 (PAA) read in conjunction with section 188 of the Constitution of the Republic of South Africa section 126(3) of the Municipal Finance Management Act 56 of 2003 (MFMA).
2. In terms of section 121(3) of the MFMA, you are required to include the audit report in the municipality's annual report to be tabled.
3. Prior to printing or copying the annual report which will include the audit report you are required to do the following:
  - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the audit report and for confirmation that the financial statements, annual performance report and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
  - The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.
4. Please notify the undersigned Business Executive / Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.
5. The confidentiality of information obtained in an engagement must be observed at all times. In terms of section 50 of the PAA and the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (*including International Independence Standards*), the AGSA, or an audit firm appointed in terms of section 25 of the PAA, may not disclose or make available any information obtained during an audit, other than the final auditor's report, to any third party unless this is to a legislature or internal committee of a legislature or a court in a criminal matter and the disclosure has been approved by the auditee and the Auditor-General.

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# Chapter 6

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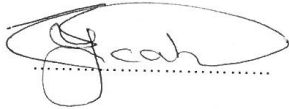
# Chapter 6

6. Until the steps described in paragraphs 2 and 4 of this document are completed and the annual report is tabled as required by section 127(2) of the MFMA, the audit report is not a final and public document and you are therefore requested to treat it as confidential.
7. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely

Vusi Gcaba

A handwritten signature in black ink, appearing to read 'Vusi Gcaba', is written over a horizontal dotted line. The signature is enclosed within a hand-drawn oval shape.

Senior Manager: Mpumalanga

Enquiries: Hlulani Nkwinika-Malope  
Telephone: (013) 756 0800  
E-mail: hlulanin@agsa.co.za

# Chapter 6

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# Chapter 6

## Report of the auditor-general to Mpumalanga Provincial Legislature and the council on the Chief Albert Luthuli Local Municipality

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Chief Albert Luthuli Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Chief Albert Luthuli Local Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practise (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act of 4 of 2020 (Dora).

#### Basis for opinion

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

#### Emphasis of matters

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

#### Material impairments – receivables

7. As disclosed in note 3 to the financial statements, material impairment of receivables from exchange transactions of R186 794 327 (2019-20: R140 946 942), was incurred as a result of impairment provision for doubtful debts.

# Chapter 6

8. As disclosed in note 4 to the financial statements, material impairment of receivables from non-exchange transactions of R641 862 817 (2019-20: R510 818 145), was incurred as a result of impairment provision for doubtful debts.

## Material losses – water

9. As disclosed in note 37 to the financial statements, material water losses of R16 705 840 (2019-2020: R4 326 341) was incurred, which represents 46,95% (2019-2020: 47,56%) of total water distributed.

## Material losses – electricity

10. As disclosed in note 37 to the financial statements, material electricity losses of R28 912 922 (2019-2020: R16 571 745) was incurred, which represents 28,69% (2019-2020: 19,85%) of total water distributed.

## Restatement of corresponding figures

11. As disclosed in note 58 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2021.

## Other matter

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

## Unaudited disclosure notes

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

## Responsibilities of the accounting officer for the financial statements

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



# Chapter 6

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

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

## Report on the audit of the annual performance report

### Introduction and scope

18. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
19. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
20. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objective presented in the municipality's annual performance report for the year ended 30 June 2021:

Objective	Pages in the annual performance report
Strategic objective 5 – to ensure provision of basic services	x – x

21. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

# Chapter 6

22. The material findings on the usefulness and reliability of the performance information of the selected objectives are as follows:

## **Strategic objective 5 – to ensure provision of basic services**

### **Number of ring main units maintained**

23. The reported indicator for number of ring main units maintained did not agree with the planned indicator for number of ring main units, as per the approved service delivery budget implementation plan. This change was made without the necessary approval.

### **Other matters**

24. I draw attention to the matters below.

### **Achievement of planned targets**

25. Refer to the annual performance report on pages xx to xx for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets. This information should be considered in the context of the material findings on the usefulness of the reported performance information in paragraph 23 of this report.

### **Adjustment of material misstatements**

26. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of strategic objective 5 – to ensure provision of basic services. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

## **Report on the audit of compliance with legislation**

### **Introduction and scope**

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

### **Annual financial statements and annual reports**

29. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.
30. Material misstatements of non-current assets / current assets/ revenue/ expenditure and disclosure items identified by the auditors in the submitted financial statement were

# Chapter 6

subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

## Expenditure management

31. Reasonable steps were not taken to prevent irregular expenditure of R16 189 484 disclosed in note 51 to the financial statements, as required by section 62(1) (d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with local content requirements as required by the 2017 Preferential Procurement Regulations.
32. Reasonable steps were not taken to prevent unauthorised expenditure of R9 859 613 disclosed in note 49 to the financial statements, in contravention of section 62(1) (d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending the approved budget.

## Consequence management

33. Some irregular expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.

## Other information

34. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.
35. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
36. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
37. If based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.
38. I have nothing to report in this regard.

## Internal control deficiencies

39. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the



# Chapter 6

significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

40. There was insufficient oversight and monitoring of the implementation of internal controls, which resulted in material misstatements of the financial statements and the annual performance report, as well as non-compliance with laws and regulations.
41. Management did not review and monitor compliance with laws and regulations consistently to prevent contraventions laws and regulations.
42. There was insufficient monitoring and oversight over the implementation of the audit action plan.

*Auditor-General*

Mbombela

25 January 2022



AUDITOR - GENERAL  
SOUTH AFRICA

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# Chapter 6

## **Annexure – Auditor-general’s responsibility for the audit**

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

### **Financial statements**

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

### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters

# Chapter 6

that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

# Chapter 6

T 6.2.3

## COMMENTS ON AUDITOR-GENERAL'S OPINION 2020-21:

The Municipality received an unqualified audit opinion for the 2020-21 financial year.

The Audit Strategy and the Engagement Letter were discussed with Management. The Municipality received the Audit Report on 25 January 2022, with only a few non-compliance matters that did not affect the audit opinion ranging from annual financial statements and annual reports, expenditure management as well as consequence management.

T 6.2.4

## COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

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

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

T 6.2.5

# GLOSSARY

## GLOSSARY

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	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.
<b>Activities</b>	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”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	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.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	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.
<b>Basic municipal service</b>	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.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	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.
<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	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.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> </ul>

# GLOSSARY

	<ul style="list-style-type: none"> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	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".
<b>Outputs</b>	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.
<b>Performance Indicator</b>	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)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	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.
<b>Performance Targets:</b>	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.
<b>Service Delivery Budget Implementation Plan</b>	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.
<b>Vote:</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p>

# GLOSSARY

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



# APPENDICES

## APPENDICES

### APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/or Party Represented	Percentage Council Meetings Attendance	Percentage for non-attendance
	FT/PT			%	%
Nkosi D P	FT	Mayoral Committee & Finance S80	PR	100%	0%
Mngomezulu M W	FT	S79 Policies and By-Laws Committee & Speaker	PR	100%	0%
Masuku-Sidu L L	FT	S79 Policies and By-Laws Committee & Whip	PR	90%	10%
Magagula M P	FT	Mayoral Committee and Technical & PMU S 80	PR	90%	10%
Makhubelo N V	FT	Mayoral Committee and Community Safety Services S80	PR	90%	10%
Mnisi-Nkosi N	FT	Mayoral Committee & Corporate Services S80	PR	100%	0%
Nkosi S Z	FT	Mayoral Committee & Planning and Economic Development S80	PR	100%	0%
Gininda S V	FT	s79 MPAC	PR	100%	0%
Nkosi J T	PT	S80 Technical Services and PMU	Ward 1	70%	30%
Jele J J	PT	S80 Finance	Ward 2	90%	10%
Ngwenya R D	PT	S79 Planning and Economic Development	Ward 3	90%	10%
Khumalo M J	PT	S80 Planning and Economic	Ward 4	60%	40%



# APPENDICES

Ngubeni A	PT	S80 Corporate Services	Ward 5	70%	30%
Dube SN	PT	S79 Community and Safety Services	Ward 6	90%	10%
Mnisi S T	PT	S80 Corporate Services	Ward 7	100%	0%
Mkhwanazi H L Z	PT	S79 Finance and Administration	Ward 8	90%	10%
Mthembu M S	PT	s79 MPAC	Ward 9	100%	0%
Nhlabatsi N C	PT	S79 Community and Safety Services	Ward 10	90%	10%
Nkosi T S	PT	S79 Infrastructure	Ward 11	100%	0%
Nkosi A D	PT	S80 Community and Safety Services	Ward 12	80%	20%
Ntjana M L	PT	S80 Planning and Economic Development	Ward 13	90%	10%
Ngoma Z S	PT	s79 MPAC	Ward 14	100%	0%
Shabangu L D	PT	S79 Community and Safety Services	Ward 15	90%	10%
Nkosi J S	PT	S79 LGNC	Ward 16	100%	0%
Motaung R M	PT	S79 LED	Ward 17	100%	0%
Nkosi G J	PT	S80 Community and Safety Services	Ward 18	100%	0%
Zulu G G	PT	S80 Finance	Ward 19	100%	0%
Mbhele J S	PT	S79 LGNC	Ward 20	60%	40%
Nkosi V L	PT	S79 Finance and Administration	Ward 21	70%	30%
Mthombeni F S	PT	S79 Infrastructure	Ward 22	90%	10%
Lubede E J	PT	S79 LED	Ward 23	100%	0%
Nkosi T B	PT	S80 Corporate Services	Ward 24	90%	10%
Cindi N R	PT	S80 Planning and Economic Development	Ward 25	100%	0%
Dludlu Z M	PT	S80 Technical Services and PMU	PR	80%	20%
Hlabatsi P Z	PT	S80 Technical Services and PMU	PR	100%	0%

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Matshaba K A	PT	S80 Finance	PR	100%	0%
Nkosi S P	PT	S80 Technical Services and PMU	PR	90%	10%
Shongwe J D	PT	S80 Community and Safety Services	PR	90%	10%
Thomo N G	PT	S79 Finance and Administration	PR	100%	0%
Sikhakhane N B	PT	S79 Infrastructure	PR	100%	0%
Zulu W	PT	S79 Community and Safety Services	PR	70%	30%
Nkosi B G	PT	S79 LGNC	PR	80%	20%
Ndebele J C H	PT	S79 Infrastructure	PR	80%	20%
Van der Walt L	PT	S79 LGNC	PR	90%	10%
Malaza M A	PT	S79 Finance and Administration	PR	90%	10%
Zwane F C	PT	s79 MPAC	PR	80%	20%
Nkosi D S	PT	s79 MPAC	PR	60%	40%
Mbuli T G	PT	S79 Community and Safety Services	PR	100%	0%
Kgwedi T H	PT	S79 LED	PR	70%	30%

*Note: \* Councillors appointed on a proportional basis do not have wards allocated to them*

*T A*

Concerning T A

Majority of the councilors were able attend all meetings as per the council schedule.

*T A.1*

# APPENDICES

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

<b>Committees (other than Mayoral / Executive Committee) and Purposes of Committees</b>	
<b>Municipal Committees</b>	<b>Purpose of Committee</b>
<p>S79 Committees [Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998)]</p> <ul style="list-style-type: none"> <li>• Finance and Administration Committee</li> <li>• Infrastructure Committee</li> <li>• Community and Safety Services Committee</li> <li>• Geographic Naming, Rules, Ethics and Petitions Committee</li> <li>• Municipal Public Accounts Committee (MPAC)</li> <li>• Economic Development Committee</li> <li>• Policies and By-Laws Committee</li> <li>• Local Labour Forum (LLF)</li> </ul>	<p>To perform oversight over municipal departmental activities and performance</p>
<p>S79 Municipal Public Accounts Committee (MPAC) [Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998)]</p>	<p>i) To consider and evaluate the content of the annual report and to make recommendations to Council when adopting an oversight report on the annual report;</p> <p>ii) In order to assist with the conclusion of matters that may not be finalized, information relating to past recommendations made on the annual report must also be reviewed; this relates to current in-year reports, including the quarterly, mid-year and annual reports;</p> <p>iii) To examine the financial statements and audit reports of the Municipality, and in doing so, the Committee must consider improvements from previous statements and reports and must evaluate the extent to which the recommendations of the Audit Committee and Auditor-General have been implemented;</p> <p>iv) To promote good governance,</p>

# APPENDICES

## Committees (other than Mayoral / Executive Committee) and Purposes of Committees

	<p>transparency and accountability on the use of municipal resources;</p> <p>v) To recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the Municipality of the Audit Committee; and</p> <p>vi) To perform any other functions assigned to it through a resolution of Council within its area of responsibility.</p>
<p>S79 Policies and By-Laws Committee [Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998)]</p>	<p>To consider all Council policies and by-laws, and make inputs and recommendations to Council</p>
<p>S79 Audit Committee [S166 Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003)]</p>	<p>i) To advise the Municipal Council, political office-bearers, accounting officer and management staff on matters relating to internal financial control and internal audit; risk management, accounting policies; the adequacy, reliability and accuracy of financial reporting and information; performance management; effective governance; compliance with the Act, the annual Division of Revenue Act (DoRA) and any other applicable legislation; performance evaluation; and other issues referred to it by the Municipality;</p> <p>ii) To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and effectiveness, and its overall level of compliance with the Act, the DoRA, and other applicable legislation;</p> <p>iii) To respond to council on any issues raised by the Auditor-General in the audit report;</p>

# APPENDICES

<b>Committees (other than Mayoral / Executive Committee) and Purposes of Committees</b>	
	<p>iv) To carry out such investigations into the financial affairs of the municipality as the council may request; and</p> <p>v) To perform such other functions as may be prescribed.</p>
<p>S80 Committees [(Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998)]</p> <ul style="list-style-type: none"> <li>• Technical Services and PMU Committee</li> <li>• Community and Safety Services Committee</li> <li>• Corporate Services Committee</li> <li>• Finance Committee</li> <li>• Planning and Economic Development Committee</li> </ul>	<p>To assist the Executive Mayor in performing her oversight duties over administration on a day-to-day basis</p>
<p>Ward Committees</p>	<p>To link the community with council and council with the community</p>
<i>TB</i>	

# APPENDICES

## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Manager
Office of the Executive Mayor	Manager: Office of the Executive Mayor (Mr J W Shabangu)
Office of the Municipal Manager	Manager: Internal Audit Unit (Ms S Mahlangu)
	Manager: Risk Management Unit (Ms S K Mavimbela)
	Manager: Performance Management Unit (Mr P A Nkosi)
	Manager: Project Management Unit (Mr B C Mduyulwa)
Corporate Services	Manager: Legal Services (Mr C F Dlamini)
	Manager: Human Resources (Mr M S Nkosi)
	Manager: Records and Administration (Mr T M Nhlapo)
Financial Services (Budget and Treasury)	Manager: Budget and Treasury Office (Ms W N Reaname)
	Manager: Revenue (Mr D M Gininda)
	Manager: Expenditure (Mr O G Hlophe)
	Manager: Supply Chain Management Unit (Mr N S Mlangeni)
	Manager: Asset Management Unit (Ms C N Madinane)
Public Safety	Chief Licensing Officer (Ms R S Nkosi)
Community Services	Manager: Environmental Health and Waste Management Unit (Ms N P Thabethe)
Technical Services	Manager: Water and Sanitation Services (Mr M E Gumede)
	Manager: Electricity Service (Ms M A Vilakazi)
	Manager: Roads and Stormwater Services (Mr M P Magubane)
Planning and Economic Development	Manager: Local Economic Development (Ms W M Mkhwanazi)
	Manager: Human Settlement (Mr J A Mndawe)
<i>TC</i>	

# APPENDICES

## APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)*
<b>Constitution Schedule 4, Part B functions:</b>		
Air pollution	Yes	No
Building regulations	Yes	No
Child care facilities	No	No
Electricity and gas reticulation	Yes	No
Firefighting services	Yes	No
Local tourism	Yes	No
Municipal airports	No	No
Municipal planning	Yes	No
Municipal health services	Yes	No
Municipal public transport	No	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	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	No
Stormwater management systems in built-up areas	Yes	No
Trading regulations	Yes	No
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	No
Beaches and amusement facilities	No	No
Billboards and the display of advertisements in public places	Yes	No
Cemeteries, funeral parlours and crematoria	Yes	No
Cleansing	Yes	No
Control of public nuisances	Yes	No
Control of undertakings that sell liquor to the public	Yes	No
Facilities for the accommodation, care and burial of animals	No	No
Fencing and fences	Yes	No
Licensing of dogs	No	No
Licensing and control of undertakings that sell food to	Yes	No

# APPENDICES

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)*
<b>Constitution Schedule 4, Part B functions:</b>		
the public		
Local amenities	Yes	No
Local sport facilities	Yes	No
Markets	Yes	No
Municipal abattoirs	Yes	No
Municipal parks and recreation	Yes	No
Municipal roads	Yes	No
Noise pollution	Yes	No
Pounds	No	No
Public places	Yes	No
Refuse removal, refuse dumps and solid waste disposal	Yes	No
Street trading	Yes	No
Street lighting	Yes	No
Traffic and parking	Yes	No
<b>* The municipality does not have a municipal entity</b>		<i>T D</i>

## APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	T J Nkosi	Yes	12	12	12
2	J J Jele	Yes	12	12	12
3	R D Ngwenya	Yes	12	12	12
4	M J Khumalo	Yes	12	12	12
5	A Ngubeni	Yes	12	12	12
6	S Dube	Yes	12	12	12
7	S T Mnisi	Yes	12	12	12



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8	H L Z Mkhwanazi	Yes	12	12	12
9	M S Mthembu	Yes	12	12	12
10	N C Nhlabatsi	Yes	12	12	12
11	T S Nkosi	Yes	12	12	12
12	A D Nkosi	Yes			12
13	M L Ntjana	Yes	12	12	12
14	Z S Ngoma	Yes	12	12	12
15	L D Shabangu	Yes	12	12	12
16	J S Nkosi	Yes	12	12	12
17	R M Motaung	Yes	12	12	12
18	G J Nkosi	Yes	12	12	12
19	G G Zulu	Yes	12	12	12
20	J S Mbhele	Yes	12	12	12
21	V L Nkosi	Yes	12	12	12
22	F S Mthombeni	Yes	12	12	12
23	E J Lubede J	Yes	12	12	12
24	T B Nkosi	Yes	12	12	12
25	N R Cindi	Yes	12	12	12
					<i>TE</i>

# APPENDICES

## APPENDIX F – WARD INFORMATION

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in 2020-21 (Full List at Appendix O)				
				R' 000
No	Project Name and detail	Start Date	End Date	Total Value
1.	Upgrade of Eerstehoek Bulk Water Supply: Phase 1	July 2020	June 2022	93 871
2.	Upgrade of Eerstehoek Bulk Water Supply: Phase 2	July 2020	April 2022	66 103
3.	Upgrading of Elukwatini Waste Water Treatment Works (WWTW)	July 2019	June 2022	43 737
4.	Installation of Smartsan or Environsan Toilets	July 2019	June 2022	41 795
5.	Upgrading of Empuluzi Waste Water Treatment Works (WWTW)	July 2019	June 2022	41 513
6.	Construction of Paving Road in Nhlazatshe	March 2021	March 2024	35 961
7.	Non-Revenue Water & Revenue Enhancement Programme for the Schemes in CALLM	July 2020	June 2021	26 375
				T F.1

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	47 062	51 649	51 307	8 041	X
Households without minimum service delivery	6 418	1 801	1 902	45 439	
Total Households*	53 480	53 480	53 480	53 480	
Houses completed in year	X				
Shortfall in Housing units					
*Including informal settlements					T F.2

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
1.	Construction of High mast lights	Completed
2.	Upgrading of Silobela Substation	Completed
3.	Energy Efficiency Demand Side Management	Completed
4.	Construction of Silobela Sport Fields	Completed
		T F.3

# APPENDICES

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED – MAXIMUM 12 MEETINGS)

T  
F.3

## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2019/20

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2020/21	Recommendations adopted (enter Yes) If not adopted (provide explanation)
Audit Committee Resolutions not resolved in 2019/20 Financial year	Audit committee recommended that there should be a meeting with MPAC with regard to irregular expenditure for 3rd quarter and fruitless and wasteful expenditure	Yes
	The Audit Committee recommended that there The Internal Audit Manager should on a quarterly basis update on the matter of the Audit system	Yes
	The audit committee recommended that the Director should provide a detailed report on how the ICT challenges were addressed as highlighted on the report	Yes
	The audit committee recommended that management should finalise the appointment of the Policy researcher to assist MPAC	Yes
Audit Committee resolution 02 September 2020	The Audit Committee recommended that the report on COVID 19 should be a standing item on the AC Agenda	Yes
	The Audit Committee recommended that Covid 19 information should be readily available.	Yes
	The Audit Committee recommended that Management should ensure alignment between the audit file, the TB and the Financial Statements; and that disclosures are in line with the GRAP standards and MFMA	Yes
	The Audit Committee recommended that Internal Audit Should review the POEs submitted before submission to the Audit General	Yes
	The Audit Committee recommended that Management should ensure that the POEs are submitted and that the	Yes

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	report is in compliance with the relevant regulations	
	The Audit Committee seconded the Strategic Risk Register to be served in the next Mayoral Committee and Council meeting	Yes
Audit Committee resolution 07 October 2020	The Audit Committee recommended that Management should ensure that all the balances and movements on the AFS have relevant supporting documents.	Yes
	The Audit Committee recommended that Management should ensure that there is an alignment of the amount and figures in terms of the AFS and the APR	Yes
Audit Committee resolution 08 December 2020	The audit committee recommended that Management should ensure submission of information within two days as detailed in the engagement letter.	Yes
	The audit committee recommended that Management should perform a quality review of the information requested by Auditor General to ensure that they are free from error and omissions.	Yes
	The audit committee recommended that Management should ensure that all key employees are available for the audit, no leave should be approved during the audit process	Yes
	The audit committee recommended that Management should arrange a Special Audit committee meeting to discuss the Audit strategy once it has been discussed with management by AGSA.	Yes
	The audit committee noted the report	Yes
	The audit committee recommended that UIFW reduction plan should be submitted to National Treasury on or before 15 December 2020.	Yes
	The reports were approved for implementation by management.	Yes
	The audit committee noted the report	Yes
	The Audit Committee recommended that Management should form a Committee for Performance Assessments.	Yes
	The Audit Committee recommended that Management should convene a meeting in January 2021 to discuss the Mid-year report	Yes
	The audit committee noted the report	Yes
	The report was noted	Yes

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	The Committee recommended that management should resolve all the outstanding matters on or before 30 March 2021 where possible.	Finalisation as reported previously is not entirely dependent on the municipality or as defendants. Most of the applications must be processed by plaintiffs. 2. The Court roll congestion's inevitably caused delays in the finalization of cases. 3. COVID-19 adversely affected the already strained court roll wherein matters had to be postponed further or rescheduled.
	The audit committee recommend that Management should always continue take necessary precautions and enforce compliance	The Department is busy drafting COVID-19 policy and standard operating procedure.
	The Audit Committee recommended that Management should improve the expenditure for in terms of grant spending and as well as project progress.	Yes
	The Audit Committee recommended that Management should monitor water losses and check all meters for leaks.	The municipality is having a dedicated team for meter inspections and part of their task is to report all the identified faulty meters for repairs
Audit Committee resolution 11 February 2021	Audit Committee recommended that management should keep a weekly update on the progress of the audit	Yes
	The audit committee recommended that audit strategy should be discussed urgently	Yes
	The audit committee recommended that in terms of the revenue enhancement strategies should be realistic and	Yes

# APPENDICES

	goal driven.	
	The Audit Committee recommended Management should draft a six months' recovery/catch up plan	Yes
	Adjustment Budget for 2020/21 report was noted	Yes
	Unauthorised, Irregular, fruitless and wasteful expenditure report was noted by the committee	Yes
	Revenue Collection report was noted by the Committee	Yes
	Progress on implementation of MSCOA by the Committee	Yes
	Audit Committee recommended that Management should on a quarterly basis present a report on the list of creditors every quarter for comparison purposes	Yes
	Supply Chain Management Report was noted by the Audit Committee	Yes
	The Audit Committee recommended that management should provide valid reasons for deviations and it must be evaluated by MM	Yes
	The Audit Committee recommended that develop a tracking register for all unachieved indicators to ensure that they are implemented as well	Yes
	The audit committee recommended that management should rather consider doing the 9 months interim financial statements	Yes
	The audit committee recommended that management should also move the Follow-up on audit by Internal Audit and Auditor General to a later stage.	Yes
	The Audit Committee approved the proposed amendments on IA Plan for council to note	Yes
	The Audit Committee recommended that Management should identify the alignment between the Financial performance and the non-financial performance	A monitoring and Evaluation personnel will be appointed to deal
	The audit committee recommended that performance assessment should be done by the end of March 2021.	Yes
	The audit committee noted the report	Yes
	The audit committee noted the report	Yes
	The Audit Committee recommended that management should on a regular basis conduct employee wellness on the issues of COVID 19	Yes
	The Audit Committee recommended that management should identify the challenges that the Municipality is facing with regards to water supply and present a report in the next Audit Committee report.	Yes
Audit Committee Resolution s 04	The Audit Committee recommended that the AGSA and the Internal Audit work together	The auditor general requested Internal Audit to assist with

# APPENDICES

March 2021		business processes for the 2020/21
	The Audit Committee recommended that the Risk Management should perform an assessment in relation to the debit order risk.	Yes
Audit Committee resolutions 23 April 2021	The audit committee recommended that the debtors age analysis should be broken down to analyse the information and submit a report to next meeting	Yes
	The audit committee noted the report	Yes
	The audit committee noted the report	Yes
	The audit committee noted the report	Yes
	The audit committee noted the report	Yes
	The audit committee recommended that analysis on the matric be updated, the audit committee recommended that internal audit should align their plan to the management report and audit report 2019/20	Yes
	The Audit committee noted the report and recommended that management should ensure implementation of the internal audit recommendations.	Internal Audit Action Plan has been prepared and is under implementation
	The Audit committee noted the report and requested the assessment report to be submitted to on the next meeting	Yes
	The audit committee noted the report	Yes
	The audit committee noted the report	Yes
	The audit committee noted the report	Yes
	The audit recommended the managements should encourage employees to register for the vaccination roll-out.	Yes
	The audit committee recommended that management should have an action plan for all key challenges identified and the report must be submitted to the audit committee.	Yes
Audit Committee Resolutions 24 May 2021	That the procurement plan be developed and progress on the implementation be submitted on quarterly basis	Yes
	Management should strength the revenue strategy to ensure that budget remains funded	Yes
	That the draft budget be submitted to council for approval.	Yes
	That management should attach the audit committee resolution on the Annual report	Yes
	That management should develop an Audit Action Plan for 2019/20	Yes
	That management should ensure submission of the annual report to Cogta and provincial treasury	Yes
	That management should develop an SDBIP in line with IDP Objectives	Yes

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	Management should submit performance report on the implementation of the SDBIP on quarterly basis	Yes
Audit Committee Resolutions 30 June 2021	That internal audit charter for 2021/22 and Methodology be approved and submitted to council for noting	Yes
	That Audit Committee Charter be submitted to council for approval with amendment as proposed	Yes
	The audit committee recommended that the risk assessment report be submitted for approval by the risk management unit within ten working days	Yes
	That Internal audit plan be approved for implementation together with training need for the department	Yes
	That the three year rolling plan be approved for 2021/22-24/25	Yes

## APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into during 2020/21)					
					R' 000
No	Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Contract Value
1.	IVE Engineering CC	Replacement of AC Pipes at Ekulindeni Water Scheme	Oct-20	Dec-21	11 627
2.	Magnavolt; BBS & Rayron Pumps	Non-Revenue Water & Revenue Enhancement Programme for the Schemes in CALLM	Jul-20	Jun-21	26 375
3.	MK Dube Consulting	Upgrade of Eerstehoek Bulk Water Supply: Phase 1	Jul-20	Jun-22	93 871
4.	MJ Mthombeni Construction	Upgrade of Eerstehoek Bulk Water Supply: Phase 2	Jul-20	Apr-22	66 103
5.	MJ Mthombeni Construction	Upgrading of Empuluzi Waste Water Treatment Works (WWTW)	Jul-19	Jun-22	41 513
6.	Thulatsepo General Trading	Upgrading of Elukwatini Waste Water Treatment Works (WWTW)	Jul-19	Jun-22	43 737



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7.	Xorosho Engineers	Installation of Smartsan or Environsan Toilets	Jul-19	Jun-22	41 795
8.	Good Purpose Construction & Projects	Construction of Glenmore Ring Road	Jul-20	Jun-23	19c277
9.	Magicita Projects	Construction of Fernie Ring Road	Jul-20	Jun-23	19 344
10.	Sindane Mining Ventures	Construction of Paving Road in Nhlazatshe	Mar-21	Mar-24	35 961
11.	GGT 400	Construction of High mast lights	Jul-20	Jun-21	7 156
12.	Izinyosi Trading	Upgrading of Silobela Substation	Jul-20	Jun-21	10 000
13.	MCube	Energy Efficiency Demand Side Management	Jul-20	Jun-21	2 700
14.	News Group Empire	Construction of Silobela Sport Fields	Jul-20	Jun-21	2 860
					<i>TH.1</i>

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## APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Municipal Entity/Service Provider Performance Schedule									
Name of Entity & Purpose   (i)	(a) Service Indicators	2018-19		2019-20		2020-21	2021-2022		
	(b) Service Targets (ii)	Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Chief Albert Luthuli does not have municipal entities	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

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## APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2020 to 30 June 2021		
Position	Name	Description of Financial interests* (Nil / Or details)
<b>(Executive) Mayor</b>	Clr D P Nkosi	Nil
<b>Member of MayCo / Exco</b>	Clr M P Magagula	Nil
	Clr N Mnisi-Nkosi	Nil
	Clr N V Makhubela	Nil
	Clr S Z Nkosi	Nil
<b>Speaker of Council</b>	Clr W M Mngomezulu	Nil
<b>Chief Whip of Council</b>	Clr L L Masuku-Sidu	Nil
<b>Ward Councillors</b>	Clr N R Cindi	Nil
	Clr J J Jele	Nil
	Clr M J Khumalo	Nil
	Clr E J Lubede	Nil
	Clr J S Mbhele	Nil
	Clr H L Z Mkhwanazi	Shares in SAB Dinaledi Senzele
	Clr S T Mnisi	Nil
	Clr R M Motaung	Nil
	Clr M S Mthembu	Nil
	Clr F S Mthombeni	Nil
	Clr N C Nhlabatsi	Shares at Sasol Khanyisa Owner of Blue moon tarven
	Clr Z S Ngoma	Nil
	Clr A Ngubeni	Nil
	Clr R D Ngwenya	Nil
	Clr A D Nkosi	Nil
	Clr G J Nkosi	Nil
	Clr J S Nkosi	Nil
	Clr T B Nkosi	Nil
	Clr T J Nkosi	Nil
	Clr T S Nkosi	Nil
	Clr V L Nkosi	Nil
	Clr M L Ntjana	Nil
	Clr L D Shabangu	Nil
Clr J D Simelane	Nil	
Clr G G Zulu	Nil	

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<b>Proportional Representative Councillors</b>	Clr Z M Dludlu	Nil
	Clr P Z Hlabatsi	Nil
	Clr D P Khoza	Nil
	Clr M A Malaza	Nil
	Clr K A Matshaba	Shares in Guma Guest house and services
	Clr T G Mbuli	Nil
	Clr J C H Ndebele	Nil
	Clr B G Nkosi	Nil
	Clr S P Nkosi	Nil
	Clr J D Shongwe	Nil
	Clr N B Sikhakhane	Nil
	Clr M J Thabede	Nil
	Clr N G Thomo	Nil
	Clr L van der Walt	Nil
	Clr W Zulu	Nil
	Clr F C Zwane	Nil
<b>Municipal Manager</b>	Mr M S Dlamini	<ul style="list-style-type: none"> <li>• Director for Drive well motor spares CC</li> <li>• Have shares in African Bank &amp; Vodacom</li> <li>• Director for Drive well motors &amp; machinery</li> <li>• Member of the Bright future Dlamini Family Trust</li> </ul>
<b>Chief Financial Officer</b>	Mr. MGT Mnisi	Nil
<b>Other S57 Officials</b>	Mr S F Mndebele	Siyakha ukukhanya
	Mr J W Shabangu	Nil
	Mr T A Lukhele	Inkululeko Ye sive
	Mr B C Mdutyulwa	Nil

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## APPENDIX K: REVENUE COLLECTION PERFORMANCE BY SOURCE

# APPENDICES

## APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source							R '000
Description	2019-20	2020-21		2020-21 Variance			
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Property rates	67 907	99 664	99 664	96 012	-4%	-4%	
Service charges	56 421	106 063	106 063	64 716	-64%	-64%	
Rental of facilities and equipment	1 944	14	127	1 965	99%	94%	
Interest earned - external investments	13 359	10 638	7 587	11 817	10%	36%	
Fines, penalties and forfeits	2 126	179	179	2 243	92%	92%	
Licences and permits	155	-	-	146	100%	100%	
Transfers and subsidies	519 097	755 385	743 172	810 698	7%	8%	
Other revenue	56 681	794	482	3 022	74%	84%	
Property rates - penalties imposed				41 897			
Donations	3 359			1 480			
Interest received - investments	-	2 171	179	7 240	70%	98%	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>721 050</b>	<b>974 909</b>	<b>957 454</b>	<b>1 041 235</b>	<b>6,37%</b>	<b>8,05%</b>	

T K.2

## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG							R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)	
				Budget	Adjustments Budget		
<b>Energy: Intergated National Electrification Programme</b>							
<i>Electricity</i>	10 000	10 000	10 000	0%	0%	Electrical infrastructure	
<b>Regional Bulk Infrastructure Grant</b>							
<i>Water infrastructure</i>	219 568	219 568	208 950	-5%	43%	Internal infrastructure of	

# APPENDICES

						water services
<b>FMG: National Treasury</b>						
<i>Financial management</i>	2 000	1 700	1 700	-18%	0%	Finance interns and mSCOA
<b>Energy Efficient Demand Side Management Grant</b>						
<i>Electricity</i>	2 698	2 698	2 698	0%	0%	Energy efficient lighting technology
<b>WSIG: Department of Water and Sanitation</b>						
<i>Water</i>	26 375	26 375	26 375	0%	0%	Water infrastructure
<b>LG Seta</b>						
<i>Staff training</i>	195	195	195	0%	0%	Training of staff
<b>EPWP</b>						
<i>Income relief</i>	1 914	1 914	1 914	0%	0%	Income relief through temporary work
<b>Total</b>	<b>38 375</b>	<b>38 075</b>	<b>38 075</b>	<b>-1%</b>	<b>0%</b>	
<i>TL</i>						

## COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

The Municipality received R38m grants during 2020/21 other than MIG.

*TL.1*

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## APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

### APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							
							R '000
Description	2019-20	2020-21			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2021-22	2022-23	2023-24
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure - Total</b>	-	339 799	327 495	331 208	314 470	266 745	237 029
<b>Infrastructure: Road transport - Total</b>	-	25 000	26 356	40 686	25 000	10 000	10 000
<i>Roads, Pavements &amp; Bridges</i>		25 000	26 356	40 686	25 000	10 000	10 000
<i>Storm water</i>		0	0	0	0	0	0
<b>Infrastructure: Electricity - Total</b>	-	19 856	19 856	19 856	19 968	25 000	21 029
<i>Generation</i>		2 700	2 700	2 700	3 500	3 000	0
<i>Transmission &amp; Reticulation</i>		10 000	10 000	10 000	8 468	12 000	12 000
<i>Street Lighting</i>		7 156	7 156	7 156	8 000	10 000	9 029
<b>Infrastructure: Water - Total</b>	-	256 943	251 410	240 793	223 000	177 745	153 000
<i>Dams &amp; Reservoirs</i>		0	0	0	0	0	0
<i>Water purification</i>		256 943	251 410	240 793	223 000	177 745	153 000
<i>Reticulation</i>		0	0	0	0	0	0
<b>Infrastructure: Sanitation - Total</b>	-	38 000	29 873	29 873	35 502	42 000	53 000
<i>Reticulation</i>		38 000	29 873	29 873	35 502	42 000	53 000
<i>Sewerage purification</i>		0	0	0	0	0	0
<b>Infrastructure: Other - Total</b>	-	-	-	-	11 000	12 000	-
<i>Waste Management</i>					5 000	7 000	
<i>Transportation</i>		0	0	0	0	0	0
<i>Gas</i>		0	0	0	0	0	0
<i>Other</i>		-	-	-	6 000	5 000	0
<b>Community - Total</b>	-	2 860	2 860	2 860	5 000	15 722	12 000
<i>Parks &amp; gardens</i>		0	0	0	0	0	0
<i>Sportsfields &amp; stadia</i>		2 860	2 860	2 860	5 000	5 722	7

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							000
Swimming pools		-	-	-	-	-	0
Community halls	0	-	-	-	-	-	0
Libraries		-	-	-	-	-	0
Recreational facilities		-	-	-	-	-	0
Fire, safety & emergency		-	-	-	-	-	0
Security and policing		0	0	0	0	0	0
Buses		0	0	0	0	0	0
Clinics		0	0	0	0	0	0
Museums & Art Galleries		0	0	0	0	0	0
Cemeteries		0	0	0	0	0	0
Social rental housing		0	0	0	0	0	0
Other		0	0	0	0	10 000	5 000
<i>Table continued next page</i>							<i>T M.1</i>

## APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme*							
							R '000
Description	2019/20	2020/21			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2021/22	2022/23	2023/24
<b>Capital expenditure by Asset Class</b>							
<b>Investment properties</b>	-	-		-	-	-	-
<b>Other assets</b>	-	-		-	-	-	-
<b>Agricultural assets</b>	-	-		-	-	-	-
<b>Biological assets</b>	-	-		-	-	-	-
<b>Intangibles</b>							



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Capital Expenditure - Upgrade/Renewal Programme*							
							R '000
Description	2019/20	2020/21			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2021/22	2022/23	2023/24
Total Capital Expenditure on renewal of existing assets	-	-		-	-	-	-
<u>Specialised vehicles</u>	-	-		-	-	-	-

\* Note: Information for this table may be sourced from MBRR (2009: Table SA34b) T M.2

# APPENDICES

## APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2020/21

Capital Programme by Project: 2020/21					
Capital Project	Original Budget	Adjusted Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
					R' 000
<b>Water</b>					
Replacement of AC Pipelines on the Eerstehoek Water Scheme	5 000	4 000	4 000	0%	-25%
Replacement of AC Pipes at Ekulindeni Water Scheme	7 000	6 000	6 000	0%	-17%
Refurbishment of Lusushwane Water Scheme	11 300	11 300	11 300	0%	0%
Upgrading of Eerstehoek Water Scheme.	23 700	23 700	23 700	0%	0%
<b>Sanitation/Sewerage</b>					
Upgrading of Empuluzi Waste Water Treatment Works (WWTW)	0	2 121	2 121	0%	100%
Upgrading of Carolina Waste Water Treatment Works (WWTW)	0	1 315	1 315	0%	100%
Upgrading of Elukwatini Waste Water Treatment Works (WWTW)	5 000	5 309	5 309	0%	6%
Installation of Smartsan or Environsan Toilets	10 000	8 000	8 000	0%	-25%
<b>Electricity</b>				0%	0%
Upgrading of Silobela Substation	7 000	7 000	7 000	0%	0%
Construction of Piet Debruin Park: Switching Station	4 185	4 185	4 185	0%	0%
<b>Economic development</b>					
Construction of Elukwatini Management Centre	5 000	4 000	4 000	0%	-25%
Construction of Carolina Taxi rank	0	500	500	0%	100%
<b>Community Services</b>					
Construction of Steynsdorp Community Hall	938	938	938	0%	0%
Construction of Fernie Community Hall	0	1 248	1 248	0%	100%
Construction of Tjakastad Community Hall	0	1 045	1 045	0%	100%
Construction of Silobela Community Hall	0	836	836	0%	100%
<b>Roads and Stormwater</b>					
Construction of Diepdale Ring Road	8 000	7 000	7 000	0%	-14%
Construction of Ekulindeni Ring Road	0	1 997	1 997	0%	100%
Construction of Mayflower Ring Road	8 000	6 000	6 000	0%	-33%
Construction of Mahoxo Ring Road	10 000	7 530	7 530	0%	-33%
Construction of Paving Road - Tjakastad	7 000	7 980	7 980	0%	12%

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Construction of Paving Road in Carolina Town	5 000	6 679	836	-699%	-498%
Construction of Paving Road in Carolina Town	5 000	3500	836	-319%	-498%
					T N

## APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2019/20

Capital Programme by Project by Ward: 2019/20			R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)	
		Upgrading of Carolina Water Treatment Works: Phase 4	15, 21 & 22
Replacement of AC Pipes at Ekulindeni Water Scheme	12	No	
Non-Revenue Water & Revenue Enhancement Programme for the Schemes in CALLM	10, 13, 14, 15, 16, 17, 18, 20, 21, 22, 23, 24 & 25	No	
Refurbishment of Eerstehoek Water Scheme.	All	No	
Upgrading of Empuluzi Waste Water Treatment Works (WWTW)	4,5,7,9 & 11	No	
Upgrading of Elukwatini Waste Water Treatment Works (WWTW)	10,13,14, 16,18,20,24 & 25	No	
Installation of Smartsan or Environsan Toilets	To be Determine after Community Consultation	No	
Construction of Glenmore Ring Road	11	No	
Construction of Fernie Ring Road	3	No	
Construction of Paving Road in Nhlazatshe	24	No	
Construction of High mast lights	5, 10, 15, 22 & 24	Yes	
Upgrading of Silobela Substation	15,21&22	Yes	
Energy Efficiency Demand Side Management		Yes	
Construction of Silobela Sport Fields	15&22	Yes	
			TO

## APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

### Service Backlogs: Schools and Clinics

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Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
<b>Schools (NAMES, LOCATIONS)</b>				
Information not available at the municipality as the services at schools and clinics are offered by the department of Education and Health				
<b>Clinics (NAMES, LOCATIONS)</b>				
Information not available at the municipality as the services at schools and clinics are offered by the department of Education and Health				
<i>The Municipality does not offer basic services to schools and clinics as these services are provided by the Department of Basic Education and Department of Health respectively.</i>				
				<i>T P</i>

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

<b>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)</b>		
Services and Locations	Scale of backlogs	Impact of backlogs
<b>Clinics:</b>	Service is officered by the Department of Health	Information not available at the municipality
<b>Housing:</b>	Service is officered by the Department of Human Settlement	12 246 (Community Survey 2016)
<b>Licencing and Testing Centre:</b>	None	None
<b>Reseviors</b>	None	None
<b>Schools (Primary and High):</b>	None	None
<b>Sports Fields:</b>	None	None
		<i>T Q</i>

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## APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

<b>Declaration of Loans and Grants made by the municipality: 2019/20</b>				
<b>All Organisation or Person in receipt of Loans */Grants* provided by the municipality</b>	<b>Nature of project</b>	<b>Conditions attached to funding</b>	<b>Value 2019/20 R' 000</b>	<b>Total Amount committed over previous and future years</b>
Municipality did not make loans or grants during the year under review.				
<i>* Loans/Grants - whether in cash or in kind</i>				<i>TR</i>

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## APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services:		
Water	The Municipality supplies basic water within the RDP standard to almost 95% of households (39,016 households)	88%
Sanitation	The proportion of households with access to basic sanitation is 91%, which is more than 43,000 households	97%
Electricity	The Municipality provides access to electricity to 98% households, and households without electricity are now less than 1,800 according to the SA Statistics 2016 community survey	96%
Refuse	The municipality is unable to service majority of the areas within the municipal demarcation due to capacity constraints coupled with the fact that most of these areas are rural	15%
Output: Implementation of the Community Work Programme	The municipality created 282 jobs during the year under review through EPWP.	282
Output: Deepen democracy through a refined Ward Committee model	The municipality has had over 300 community engagement throughout all its 25 wards via monthly ward committee meetings handled by Municipal Councillors.	300
Output: Administrative and financial capability	The municipality has improved its cash flow in the bank from 50 million to 97 million during the year under review	97 000 000
<i>T S</i>		

# VOLUME II

## VOLUME II: ANNUAL FINANCIAL STATEMENTS

