

2020/2021



LEKWA LOCAL MUNICIPALITY

ANNUAL REPORT

YEAR ENDED

30 JUNE 2021

Volume I

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# Contents

## REVISED ANNUAL REPORT TEMPLATE

The purpose of this Annual Report is to provide for improved, consolidated content and quality of Municipal Annual Reports, which gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government towards improving local government performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. This document provides an overview of municipal affairs by combining the annual performance report data required in terms of section 46 of the Municipal Systems Act, with annual report requirements as also referred to in the Municipal Finance Management Act (MFMA), 56 of 2003.

This Annual Report makes its contribution by attempting to forge linkages and reporting on information from the Integrated Development Plan (IDP), Service Delivery and Budget Implementation Plan (SDBIP), Budget Reform Regulations, In-year Reports, Annual Financial Statements and Performance Management information of a municipality. It relates to the Medium-Term Strategic Framework particularly through the IDP strategic objectives; the cross cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual information as set out in Chapters 3, 4 & 5. It also provides information on good management practices in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5. It also addresses the Auditor General's Report, dealing with financial and performance management arrangements in

# Chapter 1

Chapter 6. This opens up greater possibilities for financial and non-financial comparisons between municipalities and improved value for money.

This document must provide information on probity, including anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants from external parties and disclosure of loans and grants by municipalities. The appendices provide more detail including disaggregated information on municipal wards, and capital projects per ward among others.

The financial years contained in this template are explained and referred to as follows:

- Year -1: The previous financial year: **2019/2020**
- Year 0: The financial year of reporting: **2020/2021**
- Year 1: The following year, mostly requires future targets: **2021/2022**

# Chapter 1

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

### COMPONENT A: MAYOR'S FOREWORD

EXECUTIVE MAYOR'S FOREWORD  
TO BE COMPLETED ONCE AUDIT OUTCOME TABLED

Signed by: \_\_\_\_\_

### COMPONENT B: EXECUTIVE SUMMARY

#### 1.1. MUNICIPAL MANAGER'S OVERVIEW

# Chapter 1

## MUNICIPAL MANAGER'S OVERVIEW

TO BE COMPLETED ONCE AUDIT OUTCOME TABLED

I thank you.

T 1.1.1

## 1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### INTRODUCTION TO BACKGROUND DATA

The Lekwa Local Municipality is a Category B municipality situated within the Gert Sibande District in the Mpumalanga Province. It is one of seven municipalities in the district. It was established on the 5th of December 2000 after the amalgamation of three former Transitional Local Councils, namely Standerton, Sakhile and Morgenzon. It is located in the south-west of the district, with immediate entrances to KwaZulu-Natal, Gauteng and Free State Provinces. Newcastle, Heidelberg and Vrede are respective immediate entrances. Standerton serves as an urban node, whilst Morgenzon, which is 45km northeast of Standerton, serves as a satellite node. Lekwa, with an area of 4 557km<sup>2</sup> lies on the large open plains of the Highveld region, which is characterised by tall grass, and it is transversed by

# Chapter 1

the Vaal River, which flows in a western direction. The municipality, named after the Vaal River is commonly known as Lekwa (the Sesotho name for the Vaal River).

The data contained in this section, extracted from the 2011 Census figures of StatsSA, including its 2016 Community Survey results and the latest Socio-Economic Review and Outlook (SERO) reports. In addition, data obtained from the Mpumalanga Department of Finance's economic development division as well as data collected by the Municipality has also been used to provide the statistical data. Wherever possible, comparative data has been provided in respect of contributions made by the Municipality towards satisfying the basic requirements for water, sanitation, electricity, solid waste removal, housing, local economic development, roads, stormwater and town planning.

T 1.2.1

Population Details									
	Population '000								
Age	1996			2001			*2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	4,291	4,484	8,775	5,267	5,396	10,663	6,003	5,985	11,988
Age: 5 - 9	4,919	4,783	9,702	5,361	5,451	10,812	5,275	5,270	10,545
Age: 10 - 14	5,061	5,091	10,152	5,961	5,700	11,661	5,329	5,169	10,498
Age: 15 - 19	4,743	4,738	9,481	5,775	5,921	11,696	5,549	5,524	11,073

# Chapter 1

Age: 20 - 24	4,389	4,499	8,888	4,489	4,652	9,141	6,227	5,374	11,601
Age: 25 - 29	4,006	4,001	8,007	4,495	4,562	9,057	5,531	5,296	10,827
Age:30 - 34	3,652	3,666	7,318	3,856	3,960	7,816	4,436	4,184	8,620
Age: 35 - 39	3,271	3,074	6,345	3,453	3,714	7,167	3,879	3,902	7,781
Age: 40 - 44	2,466	2,498	4,964	3,213	3,187	6,400	3,343	3,432	6,775
Age: 45 - 49	2,015	1,901	3,916	2,464	2,505	4,969	2,961	3,439	6,400
Age: 50 - 54	1,545	1,543	3,088	2,018	1,977	3,995	2,669	2,915	5,584
Age: 55 - 59	1,184	1,289	2,473	1,417	1,548	2,965	2,315	2,233	4,548
Age: 60 - 64	798	1,057	1,855	1,118	1,384	2,502	1,497	1,743	3,240
Age: 65 - 69	688	868	1,556	627	959	1,586	988	1,246	2,234
Age: 70 - 74	422	510	932	526	764	1,290	627	977	1,604
Age: 75 - 79	327	406	733	278	412	690	335	605	940
Age: 80 - 84	134	232	366	189	325	514	229	373	602
Age: 85+	91	172	263	119	220	339	156	252	408
<b>TOTAL</b>	<b>44,002</b>	<b>44,812</b>	<b>88,814</b>	<b>50,626</b>	<b>52,637</b>	<b>103,263</b>	<b>57,349</b>	<b>57,919</b>	<b>115,268</b>

*\*Source: Statistics SA (2011)*

*T 1.2.2*

The following is the latest population figures based on the StatsSA 2016 Community Survey:

# Chapter 1

	2016	2011
<b>Population</b>	123 419	115 662
<b>Households</b>	37 334	31 071
<b>Age Structure</b>		
Population under 15	26.5%	28.6%
Population 15 to 64	67.9%	66.4%
Population over 65	5.6%	5.0%

2016 Population Details	
Age	Total
Age: 0 – 9	22,656
Age: 10 – 19	20,213
Age: 20 – 29	25,627
Age: 30 – 39	19,330
Age: 40 – 49	13,655
Age: 50 – 59	11,083
Age: 60 – 69	6,973
Age: 70 – 79	2,848

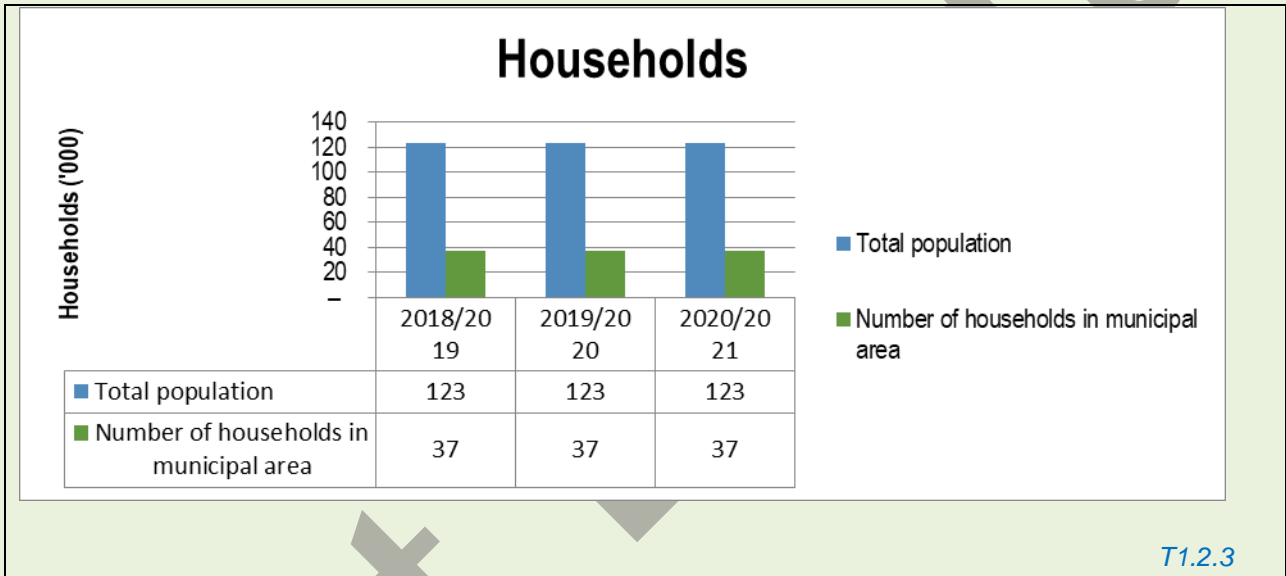
# Chapter 1

Age: 80+	1,032
TOTAL	123,417
<b>*Source: Statistics SA</b> <b>T 1.2.2</b>	

Based on the 2016 Community Survey figures, 61 644 of the population is female and 61 774 male, making it almost 50% each in gender representation.



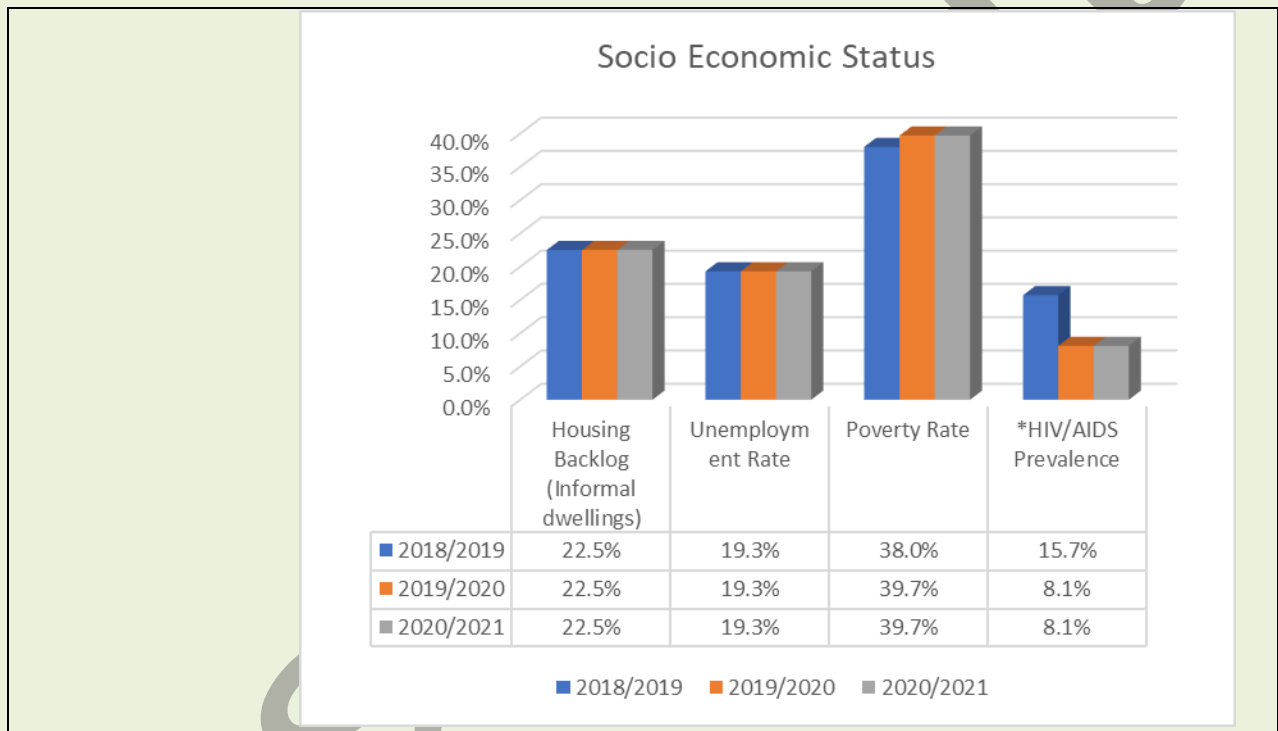
# Chapter 1



# Chapter 1

1st Draft

# Chapter 1



# Chapter 1

Natural Resources	
Major Natural Resource	Relevance to Community
Grootdraai Dam	10th largest dam in South Africa. Can contribute significantly to tourism development which can create job opportunities
Municipal and state-owned land	Land availability for economic development
	T 1.2.7

## COMMENT ON BACKGROUND DATA:

Noting the above socio-economic factors, Lekwa must find ways to improve the impact it has on the local community. According to StatsSA and the 2016 Community Survey, Lekwa's population increased by 1,5% from 115 662 in 2011 to 123 419 people in 2016. It is estimated to grow to about 150 000 by 2030.

Households increased from 31 071 in 2011 to 32 843 households, which was a 1 772 increase in households by July 2016. Youth population grew by 2.2% per annum between 2011 and 2016, with youth forming almost 40% of the total population.

Key challenges facing Lekwa are the following:

- (a) a high proportion of population aged 0-34 years (youth)
- (b) an increase in the number of informal dwellings

# Chapter 1

- (c) high inequality and low economic growth with dependence on a few industries
- (d) an increase in female headed households

In order to address these challenges, the following will be critical towards planning:

Resources must be channelled to youth development, with key focus on skills development and job creation. Through a clear strategy that will include all designated groups within Lekwa, targeting youth, women and people with disabilities, it will also be equally important to attract new businesses through an investment strategy and active LED Forum. Strategic private sector partnerships must also be created by identifying key industries and sectors that can drive the economy sustainably into the future, noting the critical role of tourism, manufacturing, trade, agriculture and mining that it can play within Lekwa. The creation of vibrant township economies and developing the rural economy will also be critical.

T 1.2.8

# Chapter 1

## 1.3. SERVICE DELIVERY OVERVIEW

### SERVICE DELIVERY INTRODUCTION

In terms of water, sanitation, electricity and roads infrastructure, the Municipality has been unable to cope with the demand for basic services. The situation has been compounded by inadequate infrastructure maintenance and the situation has gradually deteriorated, subjecting communities to inconsistent water and electricity supply. The failing infrastructure may potentially expose communities to health and safety hazards. The current situation regarding water, sanitation, electricity and roads infrastructure is due to the following challenges:

Inadequate maintenance of existing infrastructure

- Insufficient budget to adequately fund ongoing operations and maintenance
- Inadequate maintenance of existing infrastructure
- Slow refurbishment of aged infrastructure
- Lack of a comprehensive infrastructure master and maintenance plans
- Skills shortages in critical areas

It is of utmost importance to note that profitable local economies are driven by an efficient and functional infrastructure system of water, sanitation, electricity and roads management infrastructural services. In short, good infrastructure improves the quality of life and has economic spin-offs.

*T 1.3.1*

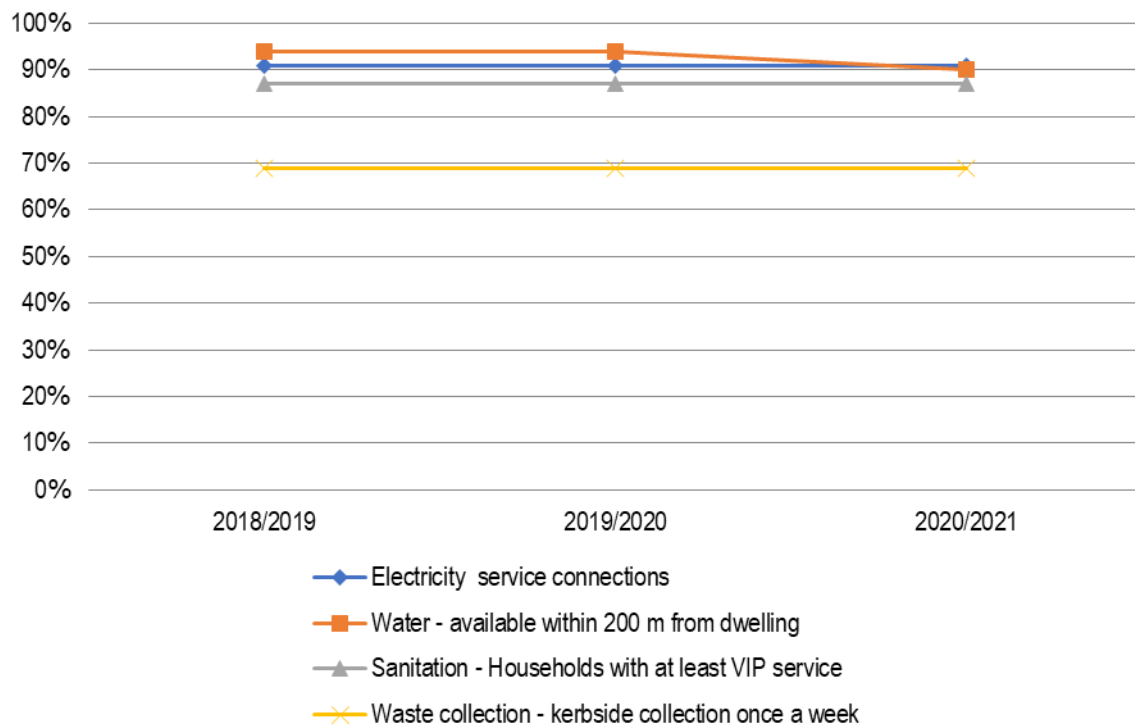
# Chapter 1

Proportion of Households with minimum level of Basic services			
	2018/2019	2019/2020	2020/2021
Electricity service connections	91%	91%	91%
Water - available within 200 m from dwelling	94%	94%	90%
Sanitation - Households with at least VIP service	87%	87%	87%
Waste collection - kerbside collection once a week	69%	69%	69%

# Chapter 1



## Proportion of households with access to basic services





# Chapter 1

T 1.3.2

## COMMENT ON ACCESS TO BASIC SERVICES:

It is of utmost importance to note that profitable local economic activities require efficient, functioning systems of water, sanitation, electricity and roads management infrastructural services are available, including regular refuse removal services. In short, good infrastructure improves the quality of life of the residents of a municipality.

The major challenges relating to water provision includes the inconsistent water supply to some areas due to the water treatment plant infrastructure not working optimally and with the design capacity no longer meeting demand, as well as ageing infrastructure thus leading to pipe bursts and water supply interruptions. The backlogs and non-functional water infrastructure in the rural wards results in water supply challenges.

In respect of sanitation services, the immediate challenge is that the Standerton waste water treatment plant capacity no longer meet effluent demand, with sewer spillages attended to within resource and capacity constraints. The backlogs and the ablution facilities that need to be emptied in the rural wards results in sanitation challenges. It must also be noted that Lekwa's Blue and Green drop performance status has since 2014 drastically deteriorated and has been deemed as critical, which is a clear indication of the current state of water and sanitation provision. The current sewer spillages into the Vaal River has been receiving attention, but will be redoubled to find a permanent and lasting resolution to this problem as the extent of its environmental impact is significant.

# Chapter 1

Electricity supply as provided has experienced challenges relating to electricity supply including the exceeding of the notified maximum demand of 55MVA. Electricity tariffs are still not fully cost reflective, which poses a challenge for the Municipality to service the Eskom account as well as to generate additional income for other service delivery matters. Illegal electricity connections and theft of electricity also negatively affects revenue generation from electricity sales. The current crisis remains that the Municipality has been unable to service its Eskom debt as per the repayment plan. Refuse removal services are provided to households but current challenges includes that the Morgenzon Landfill site has reached its design capacity lifespan and the Standerton landfill site is not managed in terms of the its permit requirements.

T 1.3.3

# Chapter 1

## 1.4. FINANCIAL HEALTH OVERVIEW

### FINANCIAL OVERVIEW

The Municipality had a total operating revenue for the reporting period ending 30 June 2021 amounted to R 896 million which shows an increase of R 125 million when compared to the operating revenue for the period ended 30 June 2020 where the operating revenue amounted to R 771 million. The increase was mainly on the increase in the service charges R 40 million.

The Municipality had a total operating expenditure for the reporting period ending 30 June 2021 amounted to R 1.2 billion. There was a decline in the expenditure amounting R 60 million when compared to the expenditure ended 30 June 2020.

The Municipality had a total operating revenue for the 2020/2021 financial reporting period amounting to R896 million while the operating expenditure amounted to R1.2 billion that resulted in an operating deficit of R 330 million. There was a revenue increase of R 125 million when compared to the 2019/20 financial year of R 771 million while expenditure decreased with R 61 million. This was due to the decrease remuneration of council, finance costs, contracted services and general expenses.

Grants receipts contributed R 191 million (21.32%) of the total revenue while revenue generated from property rates as well as service charges contributed R 672 million (75%) to the total revenue mix.

# Chapter 1

This further affirms that the Municipality does not depend entirely on grants to finance its operations. Total operating revenue excluding capital transfers amounted to R 855 million for the 2020/21 financial year which indicates a revenue growth of R 88 million when compared to the 2019/20 financial year of R 767 million.

The main sources of revenue excluding Grants and Subsidies for the 2020/21 were as follows:

Electricity R 329 million (36.72%)  
Property Rates R 156 million (17.41%)  
Water R 85 million (9.49%)  
Sanitation R 40 million (4.46%)  
Refuse R 26 million (2.90%)

The following expenditures remains the highest cost drivers and have a significant impact on the revenue of the Municipality:

Bulk Purchases R 456 million (37.19%)  
Employee related costs R 251 million (20.47%)  
Debt Impairment R 210 million (17.13%)  
Depreciation R 94 million (7.67%)  
Finance Costs R 100 million (8.16%)

T 1.4.1

# Chapter 1

Financial Overview: Year 2020 - 21			
			R' 000
Details	Original budget	Adjustment Budget	Actual
<b>Income:</b>			
Grants	194,361	162,577	191,090
Taxes, Levies and tariffs	715,159	645,203	481,061
Other	213,937	301,447	224,276
Sub Total	1,123,457	1,109,227	896,427
<b>Less: Expenditure</b>	<b>1,106,304</b>	<b>1,175,172</b>	<b>1,226,410</b>
Net Total*	17,153	(65,945)	(329,984)
<i>* Note: surplus/(defecit)</i>			<i>T 1.4.2</i>

Operating Ratios	
Detail	%
Employee Cost	20%
Repairs & Maintenance	1%
Finance Charges & Impairment	28%
<i>T 1.4.3</i>	

# Chapter 1

## COMMENT ON OPERATING RATIOS

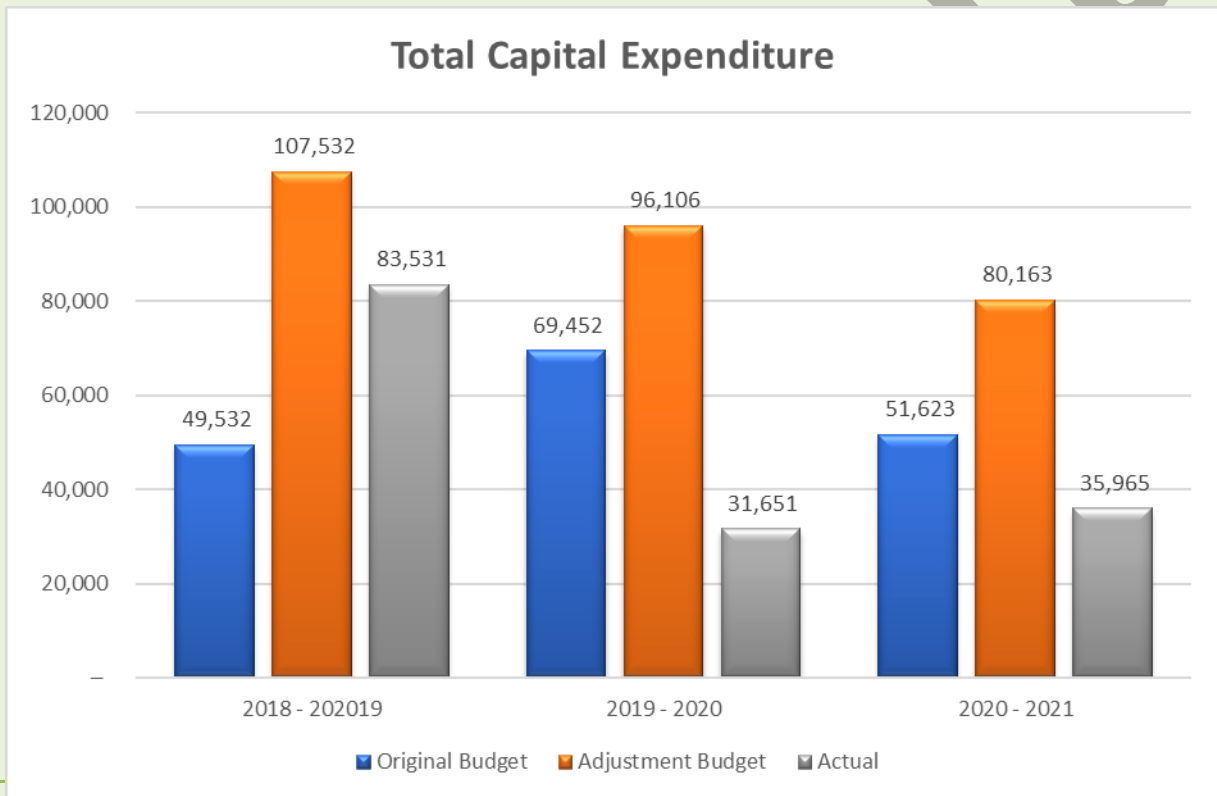
The employee related cost contributed 20% to the total operating costs. The employee related cost as a percentage of the operating expenditure is still within the norm of 25-30%. The Municipality was not able to fill all vacant positions due to inadequate cash flow. Due to the deteriorating cash flow of the Municipality, only 1% was spent on repairs and maintenance for the reporting period. The ratio is significantly low when compared to the average norm of 8%. The increase in the ratio for finance charges as well as impairment cost was due to the increase in the provision for debt impairment due to inadequate cash and revenue collection as well as the increase in the interest incurred from the Eskom debt.

T 1.4.3

# Chapter 1

Total Capital Expenditure: Year -2 to Year 0			
	R'000		
Detail	2018 - 2020	2019 - 2020	2020 - 2021
Original Budget	49,532	69,452	51,623
Adjustment Budget	107,532	96,106	80,163
Actual	83,531	31,651	35,965
			<i>T 1.4.4</i>

# Chapter 1





# Chapter 1

## COMMENT ON CAPITAL EXPENDITURE:

For the past three (3) financial years, the Municipality has not managed to achieve 100% expenditure on the conditional capital grants allocated expenditure. The capital expenditure has decline with R 47 million over the past three years. It will be imperative to ensure that the appointment of consultants and contractors are streamlined to ensure that projects are completed as per the project schedules.

*T 1.4.5.1*

## 1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

The human resource management of the municipality comprises of activities relating to the rendering of a comprehensive human resource management function to Council by ensuring an efficient personnel administration system, recruitment and selection, sound labour relations, human resources development, implementation of affirmative action measures, occupational health and safety of employees and compliance with all relevant labour legislation.

*T 1.5.1*

# Chapter 1

## 1.6. AUDITOR GENERAL REPORT

### AUDITOR GENERAL REPORT: 2020/2021 FINANCIAL YEAR

In the opinion of the Auditor General, an opinion could not be expressed on the financial statements of the Municipality because of the significance of the matters described as the basis for disclaimer. The Auditor's report indicates that sufficient appropriate audit evidence could not be obtained to provide a basis for an audit opinion on the financial statements.

The basis for disclaimer of opinion were the following:

#### Cash and cash equivalents

I was unable to obtain sufficient appropriate audit evidence for bank balances, due to the inadequate state of the accounting records. The municipality did not have adequate systems of internal control for reconciling all bank transactions and could not provide reconciliations between the bank accounts and the accounting records. I could not confirm bank balances by alternative means. The cash and cash equivalents included in risk management in note 38 to the financial statements also included this amount.

Consequently, I was unable to determine whether any adjustment was necessary to the bank

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overdraft/cash and cash equivalents of R139,45 million (2019-20: R43,11 million) and risk management, as disclosed in notes 8 and 38 to the financial statements, respectively. Since the cash and cash equivalents balance and bank overdraft are included in the determination of net cash flows from operating activities reported in the statement of cash flows, I was unable to determine whether any adjustments were necessary in the cash flows from operating activities stated at R37,58 million in the financial statements.

## Property, plant and equipment

Contrary to the requirements of the Standards of Generally Recognised Accounting Practice (GRAP) 17, Property, plant and equipment, the municipality included land that it did not have control over in its fixed asset register. Consequently, property, plant and equipment was overstated by R25,79 million (2019-20:R25,79 million). Furthermore, some properties identified from the valuation roll could not be traced to the asset register as internal controls had not been established to maintain an adequate asset register. I was not able to determine the full extent of the misstatement to property, plant and equipment, as it was impracticable to do so.

I was unable to obtain sufficient appropriate audit evidence for the unreconciled difference of R46,58 million between the asset register and the financial statements due to the lack of adequate accounting records. I was unable to confirm the reconciling difference by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to property, plant and equipment, stated at R1,14 billion (2019-20: R1,18 billion)

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and the depreciation expense of R94,93 million (2019-20: R87,25 million), as disclosed in notes 10 and 27 to the financial statements, respectively.

## Investment property

Contrary to the requirements of GRAP 16, investment property, the municipality did not recognise all its investment properties in the assets register. Some properties identified from the valuation roll could not be traced to the investment property asset register. Consequently, I was unable to determine the full extent of the misstatement to investment property, stated at R1,37 million in note 9 to the financial statements, as it was impracticable to do so.

## Inventory: land for sale – RDP

The municipality did not recognise all its inventory in the financial statements in accordance with GRAP 12, Inventories. Some land for sale – RDP could not be traced to the valuation roll, while some of the land for sale – RDP were recognised at amounts above their net realisable values. Consequently, inventory and expenditure are overstated and understated by R33,67 million, respectively.

Furthermore, I could not trace land selected from the valuation roll to the assets register of land for sale – RDP. Consequently, I was unable to determine the full extent of the misstatement to inventories, stated at R67,18 million in note 3 to the financial statements, as it

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was impracticable to do so.

## Value-added tax (VAT)

I was unable to obtain sufficient appropriate audit evidence for the unreconciled difference between VAT receivables and the VAT 201 returns, as internal controls had not been established to maintain financial records. I was unable to confirm the VAT receivables by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the VAT receivables, stated at R74 million (2019-20: R62 million) in note 4 to the financial statements.

## Receivables from exchange transactions

I was unable to obtain sufficient appropriate audit evidence for the unreconcilable difference between the debtors listing and consumer debtors due to the poor status of the accounting records and the non-submission of information in support of these differences. I could not confirm consumer debtors by alternative means. The receivables from exchange transactions included in risk management in note 38 and allowance for impairment stated in note 6 to the financial statements were also impacted by the difference

Consequently, I was unable to determine whether any adjustment was necessary to the receivables from exchange transactions and risk management, stated at R155 million (2019-20: R168 million) in notes 5, 6 and 38 to the financial statements. Additionally, there was a

# Chapter 1

consequential impact on the debt impairment, stated at R210 million (2019-20: R189 million) in note 30 to the financial statements.

## Receivables from non-exchange transactions

The municipality did not record all the revenue in accordance with GRAP 23, Revenue from non-exchange transactions. The municipality did not record all the traffic fines issued in the accounting records. As a result, receivables and revenue from non-exchange transactions were understated. The receivables from non-exchange transactions included in risk management in note 38 to the financial statements also included this amount and was also understated. Consequently, I was unable to determine the full extent of the misstatement to receivables from non-exchange transactions, stated at R37,68 million; revenue from non-exchange transactions, stated at R1,11 million; and risk management – receivables from non-exchange transactions, stated at R 37,68 million, as disclosed in notes 7, 19 and 38 to the financial statements, respectively, as it was impracticable to do so.

In terms of GRAP 104, Financial instruments, an entity is required to assess individually significant financial assets for impairment where there are indicators of impairment, and to collectively assess significant financial assets with groups of assets with similar credit-risk characteristics. Contrary to this requirement, the municipality did not wholly assess individual debtors' payment history in calculating the allowance for impairment for property rates.

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Consequently, I was unable to determine the full extent of the misstatement to receivables from non-exchange transactions, stated at R37,68 million, and allowance for debt impairment, stated at R1,23 billion, as disclosed in notes 7 and 6 to the financial statements, respectively, as it was impracticable to do so.

## Provisions

I was unable to obtain sufficient appropriate audit evidence for the adjustments made to the opening balance of the provisions amounting of R157 million (2019-20: R251 million), as I was not provided with supporting evidence. I could not confirm the provisions balance by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the provisions, stated at R518 million (2019-20: R 504 million) in note 15 to the financial statements.

### Payables from exchange transactions

I was unable to obtain sufficient appropriate audit evidence for prior year payments received in advance and salary accruals included in payables from exchange transactions due to a lack of proper record keeping and reconciliations of control accounts by the municipality. I was unable to confirm these payables from exchange transactions by alternative means

I was unable to obtain sufficient appropriate audit evidence for the debtors with credit balance for R13 431 100, as disclosed in the financial statements, as I was not provided with supporting evidence. I could not confirm this by alternative means. Consequently, I was unable to determine

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whether any further adjustments were necessary to payables from exchange transactions, stated at R1,93 billion (2019-20: R1,83 billion) in note 12 to the financial statements.

## Service charges

Included in service charges is sale of electricity, sale of water, sewerage and sanitation charges, and refuse removal. The municipality processed the correction of prior year period errors as part of current year, contrary to GRAP 3, Accounting policies, estimates and errors.

The prior year correction of billing errors for refuse removal, sewerage and sanitation was processed against the current year revenue instead of the corresponding figures, resulting in an overstatement of R43,19 million on current year service charges and receivables from exchange transactions. Additionally, there was an impact on surplus for the period and on the accumulated surplus.

Furthermore, not all service charges were billed for the full 12 months against some of the properties, resulting in service charges and receivables from exchange transactions being understated. I could not determine the full extent of the understatement of service charges and receivables from exchange transactions as it was impracticable to do so.

I was unable to obtain sufficient appropriate audit evidence for estimate billing on sale of electricity and water as I was not provided with the methods and assumptions used to determine this. I could not confirm the estimate billing by alternative means. The water and electricity losses stated in note 31 to the financial statements were also affected by this. Consequently, I was unable to determine whether



# Chapter 1

any adjustment was necessary to service charges, stated at R481,06 million (2019-20: R441,27 million) in note 18; receivables from exchange transactions, stated at R155,10 million in notes 5 and 6; and electricity and water losses, stated at R124,40 million and R 77,97 million, respectively, in note 31 to the financial statements. This also had an impact on the surplus for the period and on the accumulated surplus.

## Property rates

The municipality did not record all the revenue in accordance with GRAP 23, Revenue from non-exchange transactions. The municipality did not charge property rates on some properties for the full 12 months, resulting in property rates revenue and receivables from non-exchange transactions being understated. I could not determine the full extent of the understatement of revenue from property rates and receivables from non-exchange transactions by alternative means. Consequently, I was unable to determine the full extent of the understatement to property rates, stated at R156,42 million in note 22 to the financial statements, as it was impracticable to do so.

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## Bulk purchases

The municipality did not recognise some expenditures in accordance to GRAP 1, Presentation of financial statements. Some of the invoices of bulk purchases relating to goods received in the prior year were recorded as transactions that occurred in the current year, resulting in both expenditure and payables from exchange transaction being overstated by R47 million. This also had an impact on the surplus for the period and on the accumulated surplus.

## Contracted services

The municipality did not recognise some expenditures in accordance with GRAP 1, Presentation of financial statements. Some of the invoices of contracted services relating to services that were received in the current year were recorded as the ensuing financial year's transactions, resulting in expenditure and payables from exchange transactions being understated by R38 million. This also had an impact on the surplus for the period and on the accumulated surplus.

## Operational costs

The municipality did not recognise some expenditures in accordance with GRAP 1, Presentation of financial statements. Some of the invoices for services rendered for operational cost during the year were not recorded in the general ledger, resulting in both the expenditure and payable from exchanges transaction being understated. I could not determine the full extent of the understatement of

# Chapter 1

operational costs, stated at R41,95 million in note 34, and payables from exchange transactions, stated R1,93 billion in note 12 to the financial statements, as it was impracticable to do so.

## Commitments

I was unable to obtain sufficient appropriate audit evidence for commitments as the municipality did not have adequate systems to maintain records for commitments. I was unable to confirm these amounts disclosed by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to commitments, stated at R6,24 million (2019-20: R8,36 million) in note 43 to the financial statements

## Fruitless and wasteful expenditure

The municipality did not recognise fruitless and wasteful expenditure, as required by section 125(2)(d) of the Municipal Financial Management Act 56 of 2003 (MFMA). The penalties and interest for late submission of returns to the South African Revenue Service (Sars) were not all recorded in the fruitless and wasteful expenditure register, as internal controls had not been established to recognise and record all fruitless and wasteful expenditure incurred. I could not confirm whether all fruitless and wasteful expenditure had been recognised by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to fruitless and wasteful expenditure of R461,92 million, as disclosed in note 42 to the financial statements.

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## Irregular expenditure

The municipality did not have adequate system to detect, record and appropriately disclose all irregular expenditure incurred, as required by section 125(2)(d) of the Municipal Financial Management Act 56 of 2003 (MFMA). I was unable to determine the full extent of the understatement of irregular expenditure stated at R 502,17 million (2019-20: R 461,42 million) in note 44 to the financial statements, as it was impracticable to do so

## Net cash flows from operating and investing activities

The municipality did not correctly prepare and disclose the net cash flows from operating and investing activities, as required by GRAP 2, Cash flow statements. This was due to multiple errors in determining cash flows from operating and investing activities. I was unable to determine the full extent of the errors in the net cash flows from operating and investing activities as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments were necessary to cash flows from operating and investing activities, stated at R37,58 million and R46,47 million, respectively, in the financial statements.

## Prior period error

I was unable to obtain sufficient appropriate audit evidence for the adjustments disclosed to VAT receivable; property, plant and equipment; provision of water; trade payables; and bulk purchases,

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which were stated in note 48 to the financial statements. I was unable to confirm these adjustments by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the prior year adjustments as well as the prior period error note in the financial statements.

T 1.6.1

## 1.7. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	Quarterly
2	Finalise the 4th quarter Report for 2020/2021 financial year	July 2021
3	Municipal entities submit draft annual reports to MM	N/A
4	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	August 2021
5	Submit draft 2020/2021 Annual Report to Internal Audit	August 2021

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6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August 2021
7	Mayor tables the unaudited Annual Performance Report	31 August 2021
8	Municipality submits draft Annual Performance Report including consolidated annual financial statements to Auditor General	31 August 2021
9	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	November 2021
10	Auditor General audits Annual Performance Report including consolidated Annual Financial Statements	September – December 2021
11	Municipalities receive and start to address the Auditor General's comments	January – February 2022
12	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	February 2022
13	Audited Annual Report is made public and representation is invited	March 2022
14	Oversight Committee (MPAC) assesses Annual Report	March 2022
15	Council adopts Oversight report	March 2022

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16	Oversight report is made public	April 2022
17	Oversight report is submitted to relevant provincial councils	April 2022
18	Commencement of draft Budget/IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input into next planning phase	March/April 2022
		T 1.7.1

## COMMENT ON THE ANNUAL REPORT PROCESS:

Adherence to the above timelines remains critical towards ensuring sufficient time is allocated for achieving key milestones within the cyclical nature of municipal performance planning, reporting, analysis and review processes. This continuous loop is important to ensure that it allows for a process of reflection, by looking at the year under review as it then creates the space to inform planning for the next financial year's cycle of planning and budgeting processes. The alignment between the IDP, Budget and the Performance Management System for reporting and monitoring against predetermined objectives as dealt with in terms of the approved process plan is critical. An annual report project implementation plan is developed with clear deadlines and responsible persons assigned to ensure the timely completion of the 1<sup>st</sup> draft of the annual report to be submitted with the unaudited AFS by the end August annually. For the year under review, the slight delay on the receipt of the audited **As can be seen for the period under review, it tremendously impacted key activities due to the Covid**

# Chapter 1

pandemic and the subsequent gazette notice regarding the delayed undertaking of the 2019/2020 audit, which led to the much later consideration and adoption processes of the annual report.

T 1.7.1.1



# Chapter 2

## CHAPTER 2 – GOVERNANCE

### INTRODUCTION TO GOVERNANCE

This Chapter is composed of the following four components:

- Component A: Political and Administrative Governance
- Component B: Intergovernmental Relations
- Component C: Public Accountability and Participation
- Component D: Corporate Governance

T 2.0.1

## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Constitution section 151 (3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community. This component reflects on both the political and administrative structures of the Municipality.

T 2.1.0

## 2.1 POLITICAL GOVERNANCE

### INTRODUCTION TO POLITICAL GOVERNANCE

For the year under review, the Municipality had a number of key committees in place. The highest decision-making structure, being the municipal council held meetings throughout the year toward the facilitation of the administrative process of implementing programmes and projects as set out for the year in its IDP and SDBIP.

For the year under review, the executive leadership of the Municipality were comprised as follows:

(a) Members of the Mayoral Committee

- Councillor LBR Dhlamini (Executive Mayor)
- Councillor TP Motloung (MMC: Corporate Services and Planning and Economic Development)
- Councillor MS Khumalo (MMC: Technical Services)
- Councillor ML Molaba (MMC: Community Services and Safety)

# Chapter 2

(b) The municipal council was under the leadership of Councillor HM Khota and Councillor BP Mollo as Chief Whip of council.

The Municipal Council also established both section 79 and 80 Committee to assist with the exercise of both legislative and executive mandated functions and responsibilities.

It must however also be noted that the Municipality was faced with several legislative and administrative non-compliance matters which attracted a number of interventions from the Provincial Department of Cooperative Government and Traditional Affairs on investigations into reported irregularities and maladministration in terms of section 106 of the MSA, and the national Department of Finance which eventually led to the municipality being placed under administration in terms of section 139 (1) of the Local Government: Municipal Finance Management Act 56 of 2003 and a financial recovery plan being developed towards turning the situation within the municipality around.

The challenges facing the Local Municipality persisted and the failure to render sustainable service delivery eventually attracted the dissolution of the Council on 12 May 2021 and the appointment of an Administrator effective from 28 May 2021.

In addition, the Municipality also has a functional Audit Committee (AC) that provides guidance throughout the year on recommendations on the financial processes and performance of the Municipality. The Audit Committee, also serves as the Performance Audit Committee (PAC) which acts as an independent oversight structure of Council.

# Chapter 2

T2.1.1

## COUNCILLORS

The Lekwa Municipal Council consists of 30 Councillors, made up of 15 ward councillors and 15 proportional representative (PR) councillors. For the 2020/2021 financial year, the municipal council was comprised of 14 male and 16 female councillors.

The following is a breakdown per political party:

- African National Congress (ANC) 20 Councillors of which 12 ward councillors and 8 PR councillors, of which 9 males and 11 females;
- Democratic Alliance (DA) 5 Councillors of which 3 ward councillors and 2 PR councillors, of which 3 males and 2 females;
- Civic Voice (CV) 3 PR councillors of which 2 males and 1 female;
- Economic Freedom Fighters (EFF) 2 PR councillors, 2 females

Appendix A consists of the complete list of Councillors, which distinguishes between ward councillors and those appointed on a proportional representation basis, including the status as either full time or part time as councillors.

Appendix B sets out the various established committees and their functions, which were established for the year under review.

T2.1.1

## POLITICAL DECISION-TAKING

# Chapter 2

Decisions making took place at Mayoral Committee and Council sittings. For the period under review, it must be noted that the Municipal Council still faced a myriad of challenges caused mainly by political instability which led to the Council not being able to fully exercise its legislative and oversight responsibilities as required. A number of Council sittings were postponed due to a quorum not being constituted, which resulted in certain key compliance matters not being attended to within the stipulated timeframes as well as council not taking key decisions on certain developmental matters.

In order to further strengthen the reporting on and tracking of the implementation of Council resolutions, council resolution implementation and tracking is a standing item on the agenda of ordinary council sittings.

T 2.1.3

## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Section 60 (b) of the MFMA stipulates that the Municipal Manager of a municipality is the accounting officer of the municipality, and for the purposes of this Act and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality. This chapter deals with the highest levels of administrative leadership.

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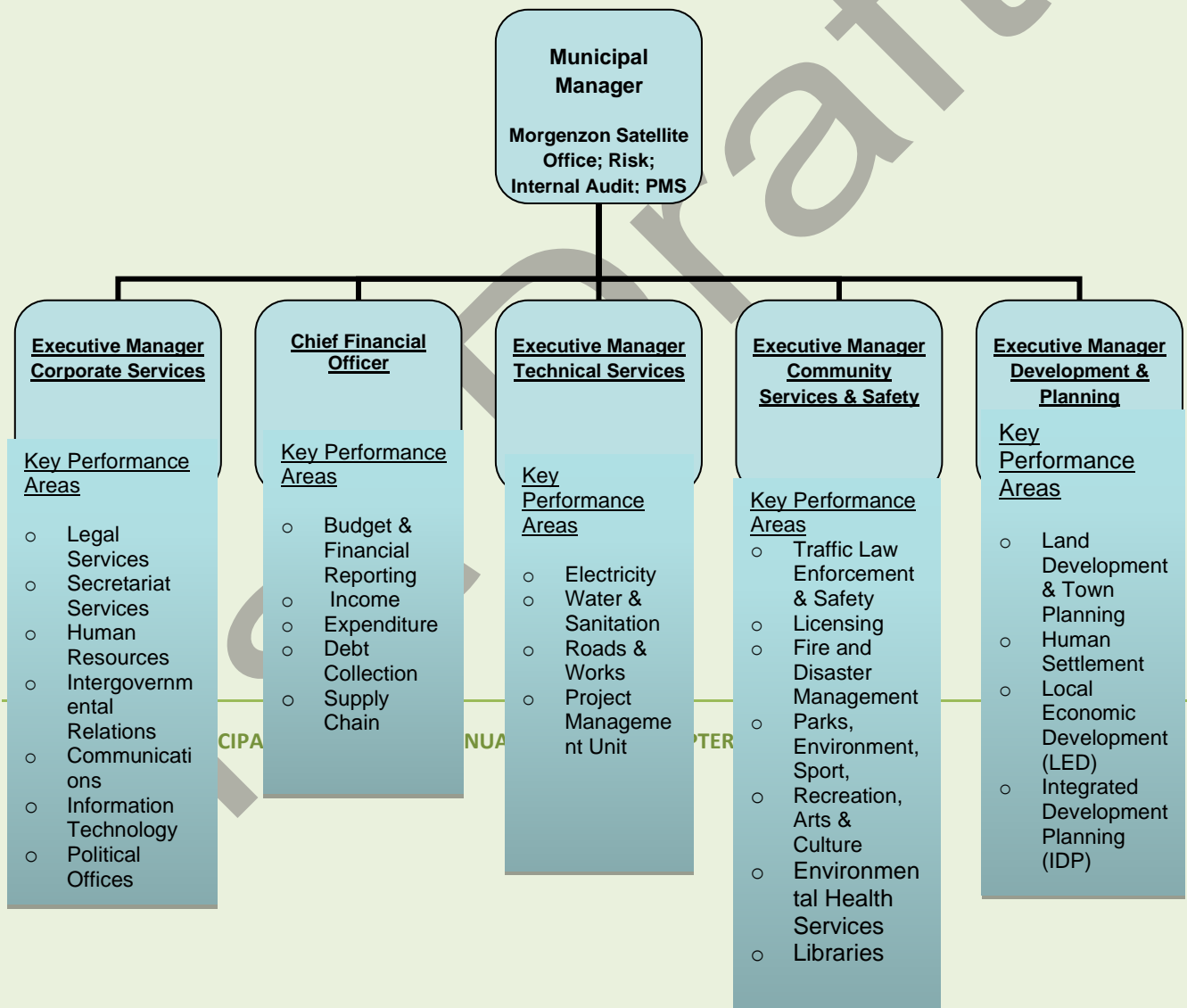
The position of Executive Manager Community Services and Safety became vacant in December 2020 with the expiry of the contract, with an incumbent being appointed in an acting capacity for the period under review.

The positions of Executive Manager Corporate Services and Executive Manager Technical Services were also not filled and incumbents were appointed in acting capacity during this period under review. The Chief Financial Officer was appointed during in February 2021, after the position had also been occupied by incumbents in an acting capacity. It must also be noted that the position of municipal manager became vacant towards the end of 2020/2021 financial year with her resignation.

It must be noted that the attraction and retention of suitably qualified and skilled employees especially at senior management level remains a challenge.

T 2.2.1

# Chapter 2



# Chapter 2

## **TIER 1**

### **MUNICIPAL MANAGER**

*Employment Contract Term*

*Performance Agreement Term*

### **ACTING MUNICIPAL MANAGER**

*Employment Contract Term*

*Performance Agreement Term*

## **TIER 2**

### **EXECUTIVE MANAGER: DEVELOPMENT AND PLANNING**

*Employment Contract Term*

*Performance Agreement Term*

### **EXECUTIVE MANAGER: CORPORATE SERVICES**

### **EXECUTIVE MANAGER: COMMUNITY SERVICES AND SAFETY**

### **EXECUTIVE MANAGER: TECHNICAL SERVICES**

### **CHIEF FINANCIAL OFFICER**

## **TOP ADMINISTRATIVE STRUCTURE**

### **GUGULETHU MHLONGO-NTSHANGASE**

11 August 2017 – 10 August 2022

1 July 2020 – 30 June 2021 (Resigned 2021-06-15)

18 June 2021 – 18 December 2021

18 June 2021 – 30 June 2021

### **MAHLATSE PRINCE PHOSA**

1 October 2019 – 30 September 2024

1 July 2020 – 30 June 2021

### **VACANT (APPOINTMENT IN ACTING CAPACITY)**

S Mkwanazi

### **VACANT (APPOINTMENT IN ACTING CAPACITY)**

T Mtshiselwa

### **VACANT (APPOINTMENT IN ACTING CAPACITY)**

Z Mngadi

# Chapter 2

*Employment Contract Term*  
*Performance Agreement Term*

3 February 2021 – 2 February 2024  
2 February 2021 – 30 June 2021

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

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

Section 3 of the MSA requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance as envisaged in section 41 of the Constitution. This requires municipalities to establish and foster cooperative relations across all spheres of government, noting its interrelated yet independent nature.

*T 2.3.0*

### 2.3 INTERGOVERNMENTAL RELATIONS

#### NATIONAL INTERGOVERNMENTAL STRUCTURES

The President's Coordinating Council (PCC) is the main coordinating body at national level. It consists of the President, the Deputy President, key Ministers, Premiers and the South African Local Government Association (SALGA).



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The PCC meets regularly to oversee the implementation of national policies and legislation, and to ensure that national, provincial and local development strategies are aligned to each other.

At national level, each department has an Inter-governmental Forum where Ministers meet with MECs and SALGA. These forums are called MinMECs and are also attended by heads of departments, as technical advisors. The purpose of MinMECs is to consult, coordinate implementation and align programmes at national and provincial level.

T 2.3.1

## PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Premier of the Province co-ordinate relationships between national, provincial and local government in the province through a Premier's Inter-governmental Forum (PIF) which consists of the Premier, the local government MEC, other MECs, Metro and District Mayors and other Mayors where necessary.

The PIF meets regularly and consults on broad development in the province, as well as on the implementation of national and provincial policy and legislation, such as

- (i) The Mpumalanga Provincial Aids Council (MPAC);
- (ii) The Mpumalanga Socio- Economic Consultation Council that seek to produce SERO (Socio Economic Review Outlook Report of the province);
- (iii) The Mpumalanga Arts and Culture Council (MACC);
- (iv) Provincial Geographical Name Change Committee (PGNC)

T 2.3.2

# Chapter 2

## RELATIONSHIPS WITH MUNICIPAL ENTITIES

For the year under review, the Municipality did not have any municipal entities under its control.

**\*\*T 2.3.3**

## DISTRICT INTERGOVERNMENTAL STRUCTURES

The mechanism used at district level is through a number of district forums that includes the following:

- The Executive Mayor's Forum;
- The Municipal Manager's Forum;
- The District Aids Council;
- The District Communication Forum;
- The District Disability Forum;
- The District Sports Council; and
- The District Arts and Culture Forum

It must be noted the due to human capacity constraints within the Transversal unit that is responsible for coordinating the said district activities at a local level. During the 2020/2021 financial year, measures could not be sufficiently put in place to address shortcomings relating to the full participation of the Municipality in District Fora. It must be noted that the Covid 19 pandemic and the lockdown

# Chapter 2

restriction levels negatively impacted on the full roll out of certain of these programmes.  
*T2.3.4*

# Chapter 2

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 17 (2) of the MSA requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16 (1) also states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance, whilst section 18 (a) - (d) requires a municipality to supply its community with information concerning municipal governance, management and development. In line with the above, the Municipality has developed a system of participatory governance, management and development through the establishment of the following:

- a) **Ward Committees** – establishment of ward committees with the purpose to enhancing participatory democracy in local government;
- b) **Community meetings** to discuss ward issues and report on matters raised;
- c) **War Rooms** established as ward-based ward offices for effective community participation and as a direct link to ward communities and their everyday challenges;

As a legislative and democratic requirement at local level, ward committees are central to the effective community participation process. It should enhance the involvement in the affairs of the municipality in a collective and structured manner. Furthermore, to objectively achieve its public mandate and fulfil it in an inclusive manner, ward committees must work towards ensuring that community involvement in different development aspects within their locality to better the lives of its community in a non-partisan way is achieved. Community Development Workers (CDWs) are also deployed in the wards which can also assist in bringing other government services closer to the community.

T 2.4.0

## 2.4 PUBLIC MEETINGS

### COMMUNICATION, PARTICIPATION AND FORUMS

Community participation is a fundamental principle that underpins the actions of democratic governance. According to the objects of local government as contained in Chapter 7, Section 152(e) of the Constitution, it is based on the understanding that communities must participate in all decision-making processes within local government on matters that affects them. It is for this reason that communities are encouraged to assist in building a sound and active partnership with the Municipality in order to fulfil the requirements of Section 152. This is done through the following:

- a) War-Room structures;
- b) Ward Committees and CDWs;
- c) Mayoral Izimbizo (IDP and Budget consultation) and
- d) Holding community meetings.

Communities are mobilised through the use of a loud hailing system, door-to-door distribution of notices, flyers and pamphlets to encourage their involvement during consultation and information

# Chapter 2

sharing sessions.

T 2.4.1

## WARD COMMITTEES

The Municipal Structures Act of 1998 and the Municipal Systems Act of 2000 provides the legislative framework for the establishment of Ward Committees to enhance participatory governance. Ward Committees were established in all 15 wards with the objectives to:

- (a) Create formal communication channels and co-operative partnership between the Municipality and the communities within a Ward.
- (b) Facilitate public participation in the process of development, review and implementation of the Integrated Development Plan of the Municipality.
- (c) Acting as advisory bodies on Council policies and matters affecting communities in wards.
- (d) Facilitate Council Programmes and make recommendations on matters affecting wards to the Ward Councillor;
- (e) Express the needs and concerns of the residents within Wards.
- (f) Identify development priorities within Wards through the involvement of ward residents and promoting accountability of the Municipality to the residents of every ward;

Ward Operational Plans were developed and approved by Council with all activities and programme of the wards implemented accordingly. A stipend is paid on a monthly basis to Ward Committee members, subject to the submission of monthly reports to the office of the Speaker, with issues identified in the wards, for further discussion at the Ward Councillors Forum. Quarterly reports are also submitted to Council on these activities as undertaken. It must also be noted that although ward committees were established and ward operational plans approved, not all ward committees were fully functional. Below is a summary report of functionality and activities undertaken per ward.

T 2.4.2

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Public Meetings								
NAME OF WARD COUNCILOR	WARD NO	ENGAGEMENTS		INTERVENTION REPORTS		STATUS OF THE WARD COMMITTEE	IMPLEMENTATION OF THE PP STRATEGY	ISSUES RAISED BY WARD COMMITTEES/ COMMUNITIES/ ACTIVITIES
		Planned Output	Actual Output	Planned Output	Actual Output			
SM Mngomezulu	1	3	2	3	2	Functional	Yes	Loud hailing be used to encourage residents to comply with lockdown regulations
								Engage Department of Social Development to assist with distribution of food parcels
								Visiting schools to monitor and encourage adherence to Lockdown regulations
								The Municipality with assistance from GSDM to distribute blankets to the elderly
								Unexpected electricity supply interruptions cause damage to electrical appliances
								No water supply for two weeks
								Illegal dumping sites
								Unemployment and crime continue to be a major challenge
LP Selepe	2	3	2	3	2	Functional	Yes	Loud hailing be used to encourage residents to comply with lockdown regulations

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Public Meetings								
NAME OF WARD COUNCILOR	WARD NO	ENGAGEMENTS		INTERVENTION REPORTS		STATUS OF THE WARD COMMITTEE	IMPLEMENTATION OF THE PP STRATEGY	ISSUES RAISED BY WARD COMMITTEES/ COMMUNITIES/ ACTIVITIES
		Planned Output	Actual Output	Planned Output	Actual Output			
								Engage Department of Social Development to assist with distribution of food parcels
								Visiting schools to monitor and encourage adherence to Lockdown regulations
								The Municipality with assistance from GSDM to distribute blankets to the elderly
								Unexpected electricity supply interruptions cause damage to electrical appliances
								No water supply for two weeks
								Illegal dumping sites
								Unemployment and crime continue to be a major challenge
ML Molaba	3	3	2	3	2	Functional	Yes	Loud hailing be used to encourage residents to comply with lockdown regulations
								Engage Department of Social Development to assist with distribution of food parcels

# Chapter 2

Public Meetings								
NAME OF WARD COUNCILOR	WARD NO	ENGAGEMENTS		INTERVENTION REPORTS		STATUS OF THE WARD COMMITTEE	IMPLEMENTATION OF THE PP STRATEGY	ISSUES RAISED BY WARD COMMITTEES/ COMMUNITIES/ ACTIVITIES
		Planned Output	Actual Output	Planned Output	Actual Output			
								Visiting schools to monitor and encourage adherence to Lockdown regulations The Municipality with assistance from GSDM to distribute blankets to the elderly Unexpected electricity supply interruptions cause damage to electrical appliances No water supply for two weeks Illegal dumping sites Unemployment and crime continue to be a major challenge
LL Van Rensburg	4	3	2	3	2	Functional	Yes	Loud hailing be used to encourage residents to comply with lockdown regulations Engage Department of Social Development to assist with distribution of food parcels Visiting schools to monitor and encourage adherence to Lockdown regulations



# Chapter 2

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NAME OF WARD COUNCILOR	WARD NO	ENGAGEMENTS		INTERVENTION REPORTS		STATUS OF THE WARD COMMITTEE	IMPLEMENTATION OF THE PP STRATEGY	ISSUES RAISED BY WARD COMMITTEES/ COMMUNITIES/ ACTIVITIES
		Planned Output	Actual Output	Planned Output	Actual Output			
								The Municipality with assistance from GSDM to distribute blankets to the elderly Unexpected electricity supply interruptions cause damage to electrical appliances No water supply for two weeks Illegal dumping sites Unemployment and crime continue to be a major challenge
FE Mhlapo	5	3	2	3	2	Functional	Yes	Loud hailing be used to encourage residents to comply with lockdown regulations Engage Department of Social Development to assist with distribution of food parcels Visiting schools to monitor and encourage adherence to Lockdown regulations The Municipality with assistance from GSDM to distribute blankets to the

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		Planned Output	Actual Output	Planned Output	Actual Output			
								elderly Unexpected electricity supply interruptions cause damage to electrical appliances No water supply for two weeks Illegal dumping sites Unemployment and crime continue to be a major challenge
ENK Shabangu	6	3	2	3	2	Functional	Yes	Loud hailing be used to encourage residents to comply with lockdown regulations Engage Department of Social Development to assist with distribution of food parcels Visiting schools to monitor and encourage adherence to Lockdown regulations The Municipality with assistance from GSDM to distribute blankets to the elderly Unexpected electricity supply

# Chapter 2

Public Meetings								
NAME OF WARD COUNCILOR	WARD NO	ENGAGEMENTS		INTERVENTION REPORTS		STATUS OF THE WARD COMMITTEE	IMPLEMENTATION OF THE PP STRATEGY	ISSUES RAISED BY WARD COMMITTEES/ COMMUNITIES/ ACTIVITIES
		Planned Output	Actual Output	Planned Output	Actual Output			
								interruptions cause damage to electrical appliances No water supply for two weeks Illegal dumping sites Unemployment and crime continue to be a major challenge
MB Mosikedi	7	3	2	3	2	Functional	Yes	Loud hailing be used to encourage residents to comply with lockdown regulations Engage Department of Social Development to assist with distribution of food parcels Visiting schools to monitor and encourage adherence to Lockdown regulations The Municipality with assistance from GSDM to distribute blankets to the elderly Unexpected electricity supply interruptions cause damage to electrical appliances

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Public Meetings								
NAME OF WARD COUNCILOR	WARD NO	ENGAGEMENTS		INTERVENTION REPORTS		STATUS OF THE WARD COMMITTEE	IMPLEMENTATION OF THE PP STRATEGY	ISSUES RAISED BY WARD COMMITTEES/ COMMUNITIES/ ACTIVITIES
		Planned Output	Actual Output	Planned Output	Actual Output			
								No water supply for two weeks
								Illegal dumping sites
								Unemployment and crime continue to be a major challenge
TJ Nkambule	8	3	2	3	2	Functional	Yes	Loud hailing be used to encourage residents to comply with lockdown regulations
								Engage Department of Social Development to assist with distribution of food parcels
								Visiting schools to monitor and encourage adherence to Lockdown regulations
								The Municipality with assistance from GSDM to distribute blankets to the elderly
								Unexpected electricity supply interruptions cause damage to electrical appliances
								No water supply for two weeks
								Illegal dumping sites

# Chapter 2

Public Meetings								
NAME OF WARD COUNCILOR	WARD NO	ENGAGEMENTS		INTERVENTION REPORTS		STATUS OF THE WARD COMMITTEE	IMPLEMENTATION OF THE PP STRATEGY	ISSUES RAISED BY WARD COMMITTEES/ COMMUNITIES/ ACTIVITIES
		Planned Output	Actual Output	Planned Output	Actual Output			
B Nolebe	9	3	2	3	2	Functional	Yes	Unemployment and crime continue to be a major challenge Loud hailing be used to encourage residents to comply with lockdown regulations Engage Department of Social Development to assist with distribution of food parcels Visiting schools to monitor and encourage adherence to Lockdown regulations The Municipality with assistance from GSDM to distribute blankets to the elderly Unexpected electricity supply interruptions cause damage to electrical appliances No water supply for two weeks Illegal dumping sites Unemployment and crime continue to be a major challenge

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Public Meetings								
NAME OF WARD COUNCILOR	WARD NO	ENGAGEMENTS		INTERVENTION REPORTS		STATUS OF THE WARD COMMITTEE	IMPLEMENTATION OF THE PP STRATEGY	ISSUES RAISED BY WARD COMMITTEES/ COMMUNITIES/ ACTIVITIES
		Planned Output	Actual Output	Planned Output	Actual Output			
JR De Ville	10	3	2	3	2	Functional	Yes	Loud hailing be used to encourage residents to comply with lockdown regulations Engage Department of Social Development to assist with distribution of food parcels Visiting schools to monitor and encourage adherence to Lockdown regulations The Municipality with assistance from GSDM to distribute blankets to the elderly Unexpected electricity supply interruptions cause damage to electrical appliances No water supply for two weeks Illegal dumping sites Unemployment and crime continue to be a major challenge
MM Sibanyoni	11	3	2	3	2	Functional	Yes	Loud hailing be used to encourage residents to comply with lockdown regulations

# Chapter 2

Public Meetings								
NAME OF WARD COUNCILOR	WARD NO	ENGAGEMENTS		INTERVENTION REPORTS		STATUS OF THE WARD COMMITTEE	IMPLEMENTATION OF THE PP STRATEGY	ISSUES RAISED BY WARD COMMITTEES/ COMMUNITIES/ ACTIVITIES
		Planned Output	Actual Output	Planned Output	Actual Output			
								Engage Department of Social Development to assist with distribution of food parcels
								Visiting schools to monitor and encourage adherence to Lockdown regulations
								The Municipality with assistance from GSDM to distribute blankets to the elderly
								Unexpected electricity supply interruptions cause damage to electrical appliances
								No water supply for two weeks
								Illegal dumping sites
								Unemployment and crime continue to be a major challenge
PJ Dhlamini	12	3	2	3	2	Functional	Yes	Loud hailing be used to encourage residents to comply with lockdown regulations
								Engage Department of Social Development to assist with distribution of food parcels

# Chapter 2

Public Meetings								
NAME OF WARD COUNCILOR	WARD NO	ENGAGEMENTS		INTERVENTION REPORTS		STATUS OF THE WARD COMMITTEE	IMPLEMENTATION OF THE PP STRATEGY	ISSUES RAISED BY WARD COMMITTEES/ COMMUNITIES/ ACTIVITIES
		Planned Output	Actual Output	Planned Output	Actual Output			
								Visiting schools to monitor and encourage adherence to Lockdown regulations The Municipality with assistance from GSDM to distribute blankets to the elderly Unexpected electricity supply interruptions cause damage to electrical appliances No water supply for two weeks Illegal dumping sites Unemployment and crime continue to be a major challenge
XMshabalala	13	3	2	3	2	Functional	Yes	Loud hailing be used to encourage residents to comply with lockdown regulations Engage Department of Social Development to assist with distribution of food parcels Visiting schools to monitor and encourage adherence to Lockdown regulations



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Public Meetings								
NAME OF WARD COUNCILOR	WARD NO	ENGAGEMENTS		INTERVENTION REPORTS		STATUS OF THE WARD COMMITTEE	IMPLEMENTATION OF THE PP STRATEGY	ISSUES RAISED BY WARD COMMITTEES/ COMMUNITIES/ ACTIVITIES
		Planned Output	Actual Output	Planned Output	Actual Output			
								The Municipality with assistance from GSDM to distribute blankets to the elderly Unexpected electricity supply interruptions cause damage to electrical appliances No water supply for two weeks Illegal dumping sites Unemployment and crime continue to be a major challenge
JQ Khumalo	14	3	2	3	2	Functional	Yes	Loud hailing be used to encourage residents to comply with lockdown regulations Engage Department of Social Development to assist with distribution of food parcels Visiting schools to monitor and encourage adherence to Lockdown regulations The Municipality with assistance from GSDM to distribute blankets to the

# Chapter 2

Public Meetings								
NAME OF WARD COUNCILOR	WARD NO	ENGAGEMENTS		INTERVENTION REPORTS		STATUS OF THE WARD COMMITTEE	IMPLEMENTATION OF THE PP STRATEGY	ISSUES RAISED BY WARD COMMITTEES/ COMMUNITIES/ ACTIVITIES
		Planned Output	Actual Output	Planned Output	Actual Output			
								elderly Unexpected electricity supply interruptions cause damage to electrical appliances No water supply for two weeks Illegal dumping sites Unemployment and crime continue to be a major challenge Loud hailing be used to encourage residents to comply with lockdown regulations
VM Skhosana	15	3	2	3	2	Functional	Yes	Engage Department of Social Development to assist with distribution of food parcels Visiting schools to monitor and encourage adherence to Lockdown regulations The Municipality with assistance from GSDM to distribute blankets to the elderly Unexpected electricity supply

# Chapter 2

Public Meetings								
NAME OF WARD COUNCILOR	WARD NO	ENGAGEMENTS		INTERVENTION REPORTS		STATUS OF THE WARD COMMITTEE	IMPLEMENTATION OF THE PP STRATEGY	ISSUES RAISED BY WARD COMMITTEES/ COMMUNITIES/ ACTIVITIES
		Planned Output	Actual Output	Planned Output	Actual Output			
								interruptions cause damage to electrical appliances No water supply for two weeks Illegal dumping sites Unemployment and crime continue to be a major challenge Loud hailing be used to encourage residents to comply with lockdown regulations

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

Public meetings were generally convened to inform communities on service delivery matters and to provide a platform for the community to raise issues and give inputs for the development of the Municipality. This consultation and engagement process assists the Municipality to plan and budget according to identified and prioritized needs. In community meetings, the Municipality also uses the platform to continuously encourage the community to pay for services and to actively participate in the affairs of the municipality.

# Chapter 2

The community benefits by submitting their development needs to be catered for within a specific financial year in the IDP and budget. It also provides an opportunity to directly interact with municipal administration on issues affecting service delivery.

Ward Committee Meetings took place during the year under review. However, for the period under review, the lockdown due to the Covid-19 pandemic substantially affected broader consultation meetings being held. Meetings were convened according to times that suited particular communities. In respect of the numbers of people attending meetings, it differs from ward to ward due to venues that are not central, sometimes lack of transport and the public opting not to attend due to one or other reason.

T 2.4.3.1

## 2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	No
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 56 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes

# Chapter 2

Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Partially
* Section 26 Municipal Systems Act 2000	T 2.5.1

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

Corporate governance broadly refers to the mechanisms, processes and relations by which institutions and corporations are controlled, managed and directed. Governance structures and principles identify the distribution of rights and responsibilities among different participants in an organization and includes the rules and procedures for making decisions in corporate affairs.

All the governance structures individually and collectively must cultivate characteristics such as integrity, competence, responsibility, accountability, fairness, transparency and exhibit them in their conduct to advance ethical leadership and corporate citizenship.

T 2.6.0

### 2.6 RISK MANAGEMENT

#### RISK MANAGEMENT

In terms of the Municipal Finance Management Act (MFMA), Act No. 56 of 2003, section 62(1)(c) states that the Accounting Officer must ensure that the municipality has and maintains an effective, efficient and transparent system of risk management. In compliance with this requirement, the

# Chapter 2

Municipal Manager has appointed a Risk Management, Anti-Fraud and Anti-corruption Committee (RMAFACC) to advise the Municipality on risks that can affect the achievement of the strategic (IDP) and operational (SDBIP) objectives for the Municipality.

The Committee constitutes of section 56 senior managers that are directly accountable to the Municipal Manager. The RMAFACC is chaired by an external independent Chairperson. Provincial Treasury and the Gert Sibande District Municipality's risk management representatives are also invited to the meetings. Meetings are convened at least four times per financial year and the generated reports are submitted to the Municipal Manager, Audit Committee and Municipal Council with quarterly progress on risk, compliance and fraud management. Over and above the RMAFACC, Departmental representatives (Risk Champions) are appointed to assume the responsibility of assisting with the implementation of risk management, compliance and fraud management activities in their respective departments. The Risk Champions hold their meetings chaired by the Chief Risk Officer and report quarterly to Management and RMAFACC.

The following strategic risk documents were in place and approved by Council during the year under review:

- Risk Management Policy
- Risk Management Strategy
- Risk Management Implementation Plan
- Anti-Corruption and Fraud Prevention Policy
- Fraud Prevention Plan
- Whistleblowing Policy
- Private Work and Declaration of Interest Policy

# Chapter 2

Based on the constitutional mandate of the Municipality and the applicable regulatory requirements, the following type of risks are identified, analysed, evaluated, reviewed, monitored & reported to relevant oversight committees on a monthly and quarterly basis.

- Strategic risk management
- Information and Communications Technology (ICT)
- Fraud and Corruption prevention process
- Operational risk management
- Compliance Management process
- Business Continuity Management process
- On best practice in remedial and intervention actions
- Covid-19 Pandemic Prevention and Combating

The Risk management process is comprehensive as it should be and meetings are held as per the approved schedule. The effectiveness of the RMAFACC is evaluated annually against predetermined objectives for risk management, noting that attempts are being made towards a more matured level as far as risk management best practices are concerned.

For the year under review, the Municipality undertook an assessment of its risks and had an approved Strategic risk register in place. In addition, the ICT and Fraud risk registers were carried over from the prior year to be implemented and monitored on a regular basis. During the 2020/2021 financial year significant efforts were made towards the implementation of the mitigating actions.

In reality the process of managing risks is inseparable from that of managing for success and within this context it is therefore not surprising that risk management is considered to be a central part of any organisation's performance improvement initiatives. The 2020/2021 risk assessment revealed the following risks levels:

# Chapter 2

<b>Risk Magnitude</b>	<b>No of Risk per Magnitude</b>	<b>Percentage</b>
Maximum Risk	5	62%
High Risk	3	38%
Medium Risk	0	0%
Low Risk	0	0%
Minimum Risk	0	0%
<b>Total number of risks</b>	<b>8</b>	<b>100%</b>



# Chapter 2



The above graph depicts the magnitude of risks identified from the strategic risk assessment conducted. From the risks identified as contained in the Municipality's IDP, risks classified as maximum were 62%, and areas of high risk at 38%. No risks were identified at medium, low and minimum risk magnitude. Management prioritized all the risks, especially those falling within the unacceptable risk appetite of Lekwa Local Municipality. Maximum and high risks is unacceptable and cannot be tolerated. Quarterly Risk Management meetings were held to report on and deal with the implementation of risk mitigation strategies.

# Chapter 2

It must be noted that the absence of appointed senior managers affected the effective management of risks. However, with the appointment of the Chief Risk Officer and an independent external Chairperson together with the senior management team, some in their acting capacity managed to attend to risk matters. The Internal Audit Unit used its professional judgment when evaluating and auditing the systems of internal controls for identified risks to ensure that such controls are effectively implemented, which also informed their three year rolling risk-based internal audit plan.

T 2.6.1

## 2.7 ANTI-CORRUPTION AND FRAUD

### FRAUD AND ANTI-CORRUPTION STRATEGY

The primary responsibility for preventing and detecting fraud rests with management and those charged with governance. The MFMA and its regulations clearly stipulate that matters such as incurring unauthorised, irregular as well as fruitless and wasteful expenditure; the possible abuse of the SCM system (including fraud and improper conduct); and allegations of financial misconduct should be investigated and that disciplinary steps should be taken based on the results of the investigations.

As part of the anti-fraud and anti-corruption awareness campaigns, workshops were conducted on an ongoing basis as part of raising awareness among employees and Councillors on matters relating to fraud and corruption. The availability of the Fraud Hotline is also communicated in order for the public to also have an opportunity to report any fraud or corruption.

T 2.7.1

# Chapter 2

## 2.8 SUPPLY CHAIN MANAGEMENT

### OVERVIEW SUPPLY CHAIN MANAGEMENT

In terms of MFMA section 110 – 119 and the SCM Regulations of 2005 and other relevant MFMA circulars, it sets out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption. Section 217 of the Constitution and 112 of MFMA requires that a procurement system which is transparent ensures cost effectiveness equity, that must be competitive and fair.

The challenges in the supply chain management include broadly the following:

- 1) Fruitless and Wasteful Expenditure
- 2) Unauthorised Expenditure
- 3) Irregular Expenditure
- 4) None compliance with Supply Chain Management Regulations (Local Content, Declaration of Interest, BBBEE etc)
- 5) Inadequate contract Management & contract monitoring
- 6) Supply Chain Management not centralised
- 7) Inadequate implementation and monitoring of the Annual Procurement Plan

The Municipality in terms of service delivery or capital items procures goods and services on an ongoing basis. The centralisation of the supply chain management function will further strengthen the managing of service providers as well as the procurement of goods and services.

T 2.8.1

# Chapter 2

## 2.9 BY-LAWS

By-laws Introduced during 2020/2021				
Developed	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
None				
<i>*Note: See MSA section 13.</i>				T 2.9.1

### COMMENT ON BY-LAWS:

In line with section 11 (3) of the Municipal Systems Act 2000, municipal councils are given the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation. The Municipality has developed various by-laws with a view to regulate and administer all affairs in the Municipality. No additional by-laws were approved by Council during the 2020/2021 financial year.

T 2.9.1.1

# Chapter 2

## 2.10 WEBSITES

<b>Municipal Website: Content and Currency of Material</b>	
<b>Documents published on the Municipality's / Entity's Website</b>	<b>Yes / No</b>
Annual and adjustments budgets and all budget-related documents	No
All 2019/2020 budget-related policies	Yes
The 2019/2020 Annual Report	Yes
The 2020/2021 Annual Report	Still to be published
All service delivery agreements 2020/2021	No
All long-term borrowing contracts valid during 2020/2021	N/A
All supply chain management contracts above a prescribed value for 2020/2021	No
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during	No
Contracts agreed in 2019/2020 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No
Public-private partnership agreements referred to in section 120 done during 2020/2021	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during 2020/2021	No
<i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>	

# Chapter 2

## COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The municipal website was not updated as regularly and as consistently as legislatively required due to challenges with the service provider. During the 2020/2021 financial year, a different service provider was procured to assist in the maintenance of management of the municipal website as well as to make it more user-friendly. Information is updated as and when received or when important announcements and notices must be placed on the website. The website underwent some upgrades to make it more user friendly. The official website can be accessed on [www.lekwalm.gov.za](http://www.lekwalm.gov.za).

T 2.10.1.1

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

### PUBLIC SATISFACTION LEVELS

Public satisfaction surveys have not been conducted as a means to monitor the level of service provision by the Municipality to its communities. It must however be noted that over the past year, through complaints and negative publicity received via the local newspaper and the Lekwa Facebook page, it is evident that some communities are not satisfied with the level of services. In order to ensure that the various support service departments deliver an effective and efficient service to the community, Ward Committees through their ward operational plans, tries to remain in touch with issues on the ground. The 2020/2021 financial year service delivery was affected by a protracted illegal strike by employees and sporadic community unrests, which is indicative of the level of customer satisfaction and the perception of the Municipality.

# Chapter 2

Due to the Covid pandemic and the subsequent political instability within the municipality, interactions with communities through the Mayoral Izimbizo programme was not implemented but through the use of CDWs, interactions were ongoing with communities even under very challenging and restricted conditions. The established ward based war rooms further assisted in keeping up to date with issues raised by communities.

T 2.11.1

## COMMENT OF SATISFACTION SURVEYS

Noting that no community satisfaction surveys were undertaken during the year under review, it is also not intended that municipalities should necessarily commission new surveys. Going forward, where such surveys were not done, the analysis of complaints received and other service feedback mechanisms, such as the war rooms are being used to determine satisfaction levels. T 2.11.2.1

## COMMENT ON PUBLIC SATISFACTION LEVELS:

Municipal Service Standards and Charter is in place and ongoing attempts will be made to regularly monitor community satisfaction levels.

T 2.11.2.2

# Chapter 3

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

### INTRODUCTION

The population of Lekwa has increased by 1.5 % from 115 268 in 2011 to 123 419 in 2016, according to StatsSA as further outlined in the Socio-Economic Review Outlook (SERO) report. It also indicates a decrease in informal settlement dwellings from 23.9% (7 414 in 2011) to 19.1% (7 129 in 2016). Noting the following levels of basic service provision for households, it is a clear indication that with the growing population, services must be upgraded and maintained commensurate with the said growth rate.

#### Proportion of Households with minimum level of Basic services

Service Delivery Area	2017/2018	2018/2019	2019/2020	2020/2021
Electricity service connections	91%	91%	91%	91%
Water - available within 200 m from dwelling	90%	90%	90%	90%
Sanitation - Households with at least VIP service	87%	87%	87%	87%
Waste collection - kerbside collection once a week	69%	69%	69%	69%

The challenges faced by the Municipality in respect of continuous, uninterrupted supply of water, electricity and refuse collection has been compounded by the current population growth and the further deterioration of infrastructure, without the commensurate regular repairs and maintenance being undertaken. With a clear mandate to focus on the priority areas of water, sanitation and electricity provision, the focus remained on trying to improve the provision of these services.

The following capital projects were completed in the year under review in order to address some of the basic service delivery challenges:

- Upgrading of Standerton Water Bulk System phase 2
- Refurbishment of Boreholes in Lekwa Municipality in farm areas
- Refurbishment and/or upgrade of the Standerton Waste Water Treatment Works
- Refurbishment and upgrade of sewer pump stations (Johan Street, Muller, Taljaard, TLC)
- Desludging or rural VIP toilets
- Electrification of 128 RDP houses at Standerton extension 8



# Chapter 3

This Chapter provides information per department and functional service delivery areas ranging from roads and transport, local economic development, town planning, human settlements, solid waste management, environmental health, safety and security and emergency services. A brief reference to service delivery performance in respect of the largest capital projects undertaken is included in **Appendix F.1**.

Critical to effective and sustainable service delivery is the need for a capacitated and skilled work force. With critical skills gaps having been identified, the workplace skills plan and relevant training programmes will be critical to deal with staff and skills shortages.

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

The 2020/2021 financial year still focused on attending to service delivery challenges relating to infrastructure refurbishment and upgrade, by undertaking capital projects relating to water, sanitation, and electricity. It must however be noted that it included the conclusion of projects that were commenced in the 2019/2020 financial year.

The continued pressure on existing infrastructure as most of the bulk infrastructure is functioning at beyond its maximum capacity due to the expansion of especially residential developments without the

# Chapter 3

commensurate upgrade and regular maintenance of existing infrastructure over the past few years, has placed additional strain on the infrastructure capacity.

The policy objectives as outlined in Chapter 3 is based on the service delivery targets set for the 2020/2021 financial year, in line with the approved SDBIP. The information as outlined, provide additional operational information as well as information that is in line with information contained in the Annual Performance Report (APR) as prepared in terms of section 46 of the MSA which was submitted to the Auditor-General for auditing. Full details on the audited APR, is contained and reflected on in detail in Component K dealing with organisational performance.

The Municipality does not have any entities under its management and a full list of functions of the Municipality are included in **Appendix C**.

T 3.1.0

# Chapter 3

## 3.1. WATER PROVISION

### INTRODUCTION TO WATER PROVISION

The Municipality has identified and implemented the projects of the refurbishment of the Standerton and Morgenzon Water Treatment Plants in order to improve water supply to the community.

The following is the current status in respect of the water treatment plants within Lekwa:

AREA	STANDERTON AND SAKHILE	MORGENZON AND SIVUKILE
<b>WATER DEMAND</b>	42ML/day	3.9 ML/day
<b>PREVIOUS DESIGN CAPACITY</b>	37 ML/day	2.2ML/day
<b>CURRENT DESIGN CAPACITY</b>	37ML/day	2.2 ML/day
<b>EXCESS/DEFICIT</b>	Deficit of 5 ML/day	Deficit of 1.7ML/day

The following challenges has been identified in respect of water supply:

- \* Inconsistent water supply to high lying areas of Sakhile, Standerton Extensions 6, 7 and 8;
- \* The existing configuration of the Standerton water supply system is affecting the efficient and equitable supply of water to the low pressure supply areas.
- \* In addition, due to the bulk pumping mains from the Standerton Water Treatment Works to the 3 reservoir sites are connected to the water reticulation network which supplies the old Standerton town, the reservoirs are not filling up during peak periods. As a result the new areas which are connected to the reservoirs and are only supplied from the reservoirs do not always get water during peak periods and when the reservoirs are low.

# Chapter 3

\* During the 2020/2021 financial year, the following water services related projects were implemented:

- Upgrading of Standerton Water Bulk Supply System Phase 2
- Refurbishment and upgrade of Morgenzon and Sivukile Bulk water supply
- Refurbishment/Installation of boreholes in rural/farm areas in Lekwa

The backlog on a constant supply of piped water in the rural wards 9, 12, and 13 remains and continues to be serviced through water tankers. The Municipality is a Water Services Authority and it did not have contracts with any water services providers during the 2020/2021 financial year. The Municipality depends on grants for the refurbishment and upgrade of water services and funds are insufficient to adequately address all such backlogs.

T3.1.1

Total Use of Water		
	Rand Value	Unaccounted water losses
2018/2019	62,642,352	73%
2019/2020	60,316,516	73%
2020/2021	77,970,922	88%

T 3.1.2

# Chapter 3

## COMMENT ON WATER USE:

The extent of water losses is significant, noting the aging water infrastructure and insufficient maintenance of such infrastructure which has a direct impact on the increase in both technical and non-technical water losses.

T 3.1.2.2

Water Service Delivery Levels				
Description	2017/2018	2018/2019	2019/2020	Households 2020/2021
	Actual No.	Actual No.	Actual No.	Actual No.
<b><u>Water: (above min level)</u></b>				
Piped water inside dwelling	27 616	28 616	28 616	28 616
Piped water inside yard (but not in dwelling)	1 687	1 788	1 788	2 000
Using public tap (within 200m from dwelling) Other water supply (within 200m)	2 399	2 399	2 399	2 399
<i>Minimum Service Level and Above sub-total</i>	31 702	32 803	32 803	32 803
<i>Minimum Service Level and Above Percentage</i>	83%	86%	86%	87%
<b><u>Water: (below min level)</u></b>				
Using public tap (more than 200m from dwelling)				

# Chapter 3

Other water supply (more than 200m from dwelling No water supply)	1 200	1 200	1 200	1 200
<i>Below Minimum Service Level sub-total</i>	1 200	1 200	1 200	1 200
<i>Below Minimum Service Level Percentage</i>	6%	6%	6%	6%
<b>Total number of households*</b>	<b>37 334</b>	<b>37 334</b>	<b>37 334</b>	<b>37 334</b>
* - To include informal settlements				T 3.1.3

Access to Water			
	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free#
2018/2019	33735	33735	3849
2019/2020	33947	33947	2133
2020/2021	33947	33947	1462
			T 3.1.5

Employees: Water Services		
Job Level	2019/2020	2020/2021

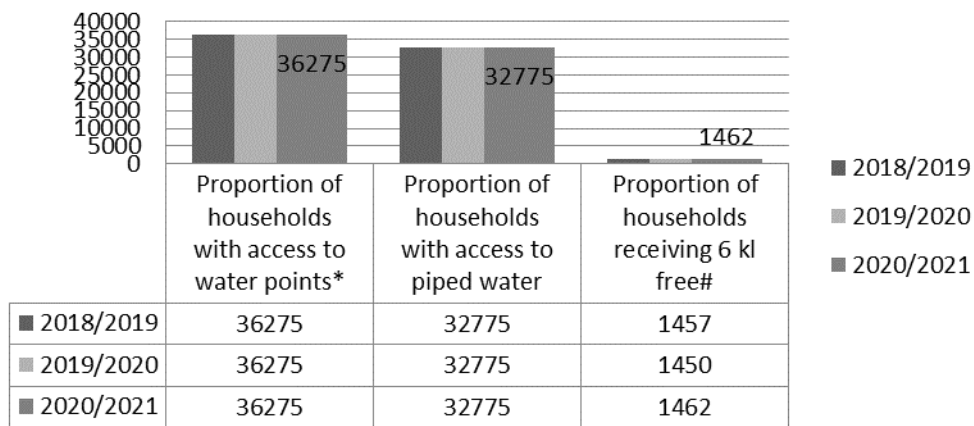
# Chapter 3

	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	0	0	0	0	0%
4 - 6	28	3	10	0	0%
7 - 9	11	8	11	2	25%
10 - 12	23	15	4	8	53%
13 - 15	1	15	1	6	40%
16 - 18	1	21	1	10	48%
19 - 20	0	30	0	12	40%
Total	64	92	27	38	41%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.  
T3.1.7

# Chapter 3

## Access to Water



\* Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute

# 6,000 liters of potable water supplied per formal connection per month

T 3.1.5



# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
9	Refurbishment and/or upgrade of identified components of Standerton Water Treatment Plant	Ageing WTP Infrastructure	Completion and commissioning of sand filters and installation of raw water turbine pumping units by 2020-06-30	Completion and commissioning of Sand filters and installation of raw water turbine pumping units completed and commissioned (Achieved)	% progress on refurbishment and/or upgrade of critical components of Water Treatment Plant (As per project scope & plan)	% progress on refurbishment and/or upgrade of critical components of Standerton Water Treatment Plant (As per project scope & plan)	Refurbishment and or upgrade of critical identified components	% progress on refurbishment and/or upgrade of critical components of Standerton Water Treatment Plant (As per project scope & plan)	61% (The project is 61% complete) (Not Achieved)	Delays by Manufacturers due to COVID-19	Early Procurement	

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
10	Refurbishment and/or upgrade of identified components of Morgenzon Water Treatment Plant	Ageing WTP Infrastructure	Refurbishment of raw water intake works, dam lining refurbishment, WTW refurbishment, repair existing reservoir	Not Achieved	% progress on refurbishment and/or upgrade of critical components of Water Treatment Plant (As per project scope & plan)	% progress on refurbishment and/or upgrade of critical components of Standerton Water Treatment Plant (As per project scope & plan)	Refurbishment and or upgrade of critical identified components	% progress on refurbishment and/or upgrade of critical components of Morgenzon Water Treatment Plant (As per project scope & plan)	Project practically complete (99.75%) with snag list issued. (Achieved) <b>102</b>	Delays by Manufacturers due to COVID-19	Attending to snag list and final completion.	

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
11	Installation of telemetry system to monitor reservoir water levels	Water levels monitored manually	Installation of telemetry system to monitor reservoir water levels	Not Achieved	% progress on installation of telemetry system to monitor reservoir water levels		Installation of telemetry system to monitor reservoir water levels in Standerton		0% (Project not implemented ) (Not Achieved)	Service Provider not procured	Procurement of service providers	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT : CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)									103			

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
12	Fencing of reservoirs	Vandalism of infrastructure at reservoirs			% progress on fencing of identified reservoirs		Fencing of Square and Round reservoirs at Standerskop	Fencing of Square and new Round reservoir at Standerskop	Fencing of Square reservoir achieved and fencing of Round reservoirs not achieved. (Not Achieved)	Service Provider not procured for fencing of round reservoir.	Procurement of service provider for fencing of round reservoir.	R1 641 000
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)												



# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
13	Install bulk meters on main feeder lines and monitor system to manage water flow to four main reservoirs	No bulk meters on main feeder lines	New KPI		% progress on number of bulk water meters Installed		Installation of bulk meters	1 meter to be installed	0% (Project not implemented ) (Not Achieved)	Service Provider not procured	Procurement of service providers	
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# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
14	Sustainable Water Metering: Install and replace old water in the Municipality	Degrading old meters	3000	25 water meters replaced (Not Achieved)	Number of old water meters replaced		Replacement of 500 old/damaged water meters		0.8% (4 of 500 meters installed and / or attended) (Not Achieved)	Shortage of resources	Procurement of resources	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)												

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
15	Rural Water Provision: Refurbish boreholes in rural/farm areas	Broken down boreholes	10 boreholes installed	10 boreholes installed (Achieved)	% progress on number of boreholes refurbished	Refurbishment of 10 boreholes in rural/farm areas	Refurbishment of boreholes in rural/farm areas		100% (10 of targeted 10 Boreholes refurbished) (Achieved)	N/A	N/A	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)									107			

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
16	Expenditure Management: Establish outstanding payment amount to DWS; Review and/ or development of strategies to ensure adequate revenues for settlement of Water Account; and negotiate outstanding account with DWS.	Indebtedness to DWS	New KPI		Payment towards DWS account		Payment of current account to DWS		R11,689,505 paid of R544 921 516 year end outstanding debt (Not Achieved) <b>108</b>	Target not achieved due to cash flow constraints	Defer target to 2021/22 FY and continue making payments as financial position improves	



# Chapter 3

Job Level	2019/2020	2020/2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	28	3	10	0	0%
7 - 9	11	8	11	2	25%
10 - 12	23	15	4	8	53%
13 - 15	1	15	1	6	40%
16 - 18	1	21	1	10	48%
19 - 20	0	30	0	12	40%
Total	64	92	27	38	41%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*  
T3.1.7

Capital Expenditure 2020/2021 Water Services						R
Capital Projects	2019/2020					
	Budget '000'	Adjustment Budget '000'	Actual Expenditure '000'	Variance from original budget	Total Project Value	
Total All	12 926	12 926	12 926	0%		
Upgrading of Standerton Water Bulk Supply System Phase 2	7 149	7 149	7 149	0%	7 149	
Refurbishment/Installation of boreholes in rural/farm areas in Lekwa	883	883	883	0%	883	
Refurbishment and upgrade of Morgenzen and Sivukile Bulk water supply	4 894	4 894	4 894	0%	4 894	

# Chapter 3

*Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).*

T 3.1.9

## COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

The backlog still remains on the supply of piped water in the informal rural wards 9, 12, and 13 and sufficient budget was not available to address all backlogs, however there is an ongoing programme for the refurbishment of boreholes, other rural areas are also provided with water on an ongoing basis using water tankers.

The Municipality is the Water Services Authority and it did not have contracts with any water services providers during 2020/21. The Municipality depends on grants for the extension and provision of water services, but such funds are not adequate in addressing all backlogs and the complete refurbishment of existing water infrastructure.

T 3.1.10

## 3.2 WASTE WATER (SANITATION) PROVISION

### INTRODUCTION TO SANITATION PROVISION

# Chapter 3

Providing adequate sanitation facilities remains one of the major challenges towards basic service delivery, especially among poor and rural communities. Households that do not have access to adequate sanitation facilities may be using a bucket system or unimproved pit toilets. In addition, poorly designed or operated water-borne sewerage systems, especially in urban areas, if it fails or if it is inadequate, impacts on the health of communities. The negative impact on the environment can also be extremely serious, especially when raw sewage begins to spill into rivers and streams. Concerted efforts must therefore be made to address these challenges as it can adversely affect communities and the environment at large. The provision of a basic level of household sanitation to mainly rural communities and informal settlements, as areas with the greatest need must be attended to and requires an environmentally sound approach to providing sanitation services and addressing the need to protect surface and ground water resources from sanitation pollution through integrated environmental management practices. Inadequate sanitation facilities and infrastructure combined with unhygienic practices represent South Africa's sanitation problem that must be addressed.

In addressing these challenges, the following sanitation projects were undertaken during the 2020/2021 financial year:

- Refurbishment and/or upgrade of the Standerton Waste Water Treatment Works
- Refurbishment and upgrade of sewer pump stations (Johan Street, Muller, Taljaard, TLC. Vaal and Steyn)
- Desludging or rural VIP toilets and provision of chemicals for the VIP toilets

T 3.2.1

Sanitation Service Delivery Levels				
Description	2017/2018	2018/2019	2019/2020	*Households
				2020/2021

# Chapter 3

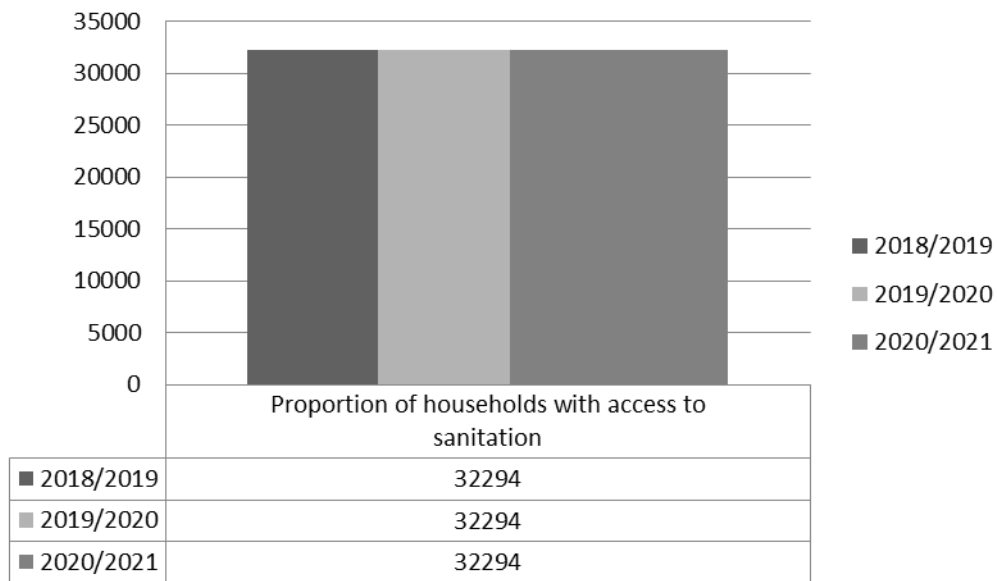
	Outcome No.	Outcome No.	Outcome No.	Actual No.
<b><u>Sanitation/sewerage: (above minimum level)</u></b>				
Flush toilet (connected to sewerage)	32 001	32 001	32 001	32 001
Flush toilet (with septic tank)	293	293	293	293
Chemical toilet	0	0	0	0
Pit toilet (ventilated)	1 853	1 853	1 853	1 853
Other toilet provisions (above min.service level)	1 841	1 841	1 841	1 841
<i>Minimum Service Level and Above</i>				
<i>sub-total</i>	32 294	32 294	32 294	32 294
<i>Percentage</i>	87%	87%	87%	87%
<b><u>Sanitation/sewerage: (below minimum level)</u></b>				
Bucket toilet	-	-	-	-
Other toilet provisions (below min.service level)	-	-	-	-
No toilet provisions	5 040	5 040	5 040	5 040
<i>Below Minimum Service Level sub-total</i>	0	0	0	0
<i>Percentage</i>	13%	13%	13%	13%

# Chapter 3

Total households	37 334	37 334	37 334	37 334
<i>*Total number of households including informal settlements</i>				T 3.2.3

# Chapter 3

## Access to Sanitation



T 3.2.5

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
5	Upgrade sewer treatment plants in line with outcome of master plan, which will also make provision for increased community requirements/growth.	Under capacity Sewage Plant	Refurbishment of the 9ML activated sludge system by 2020-06-30	Refurbishment of the 9ML activated sludge system complete. Fencing of pump stations, blower and chlorine rooms at 65% complete (Achieved)	% of Preliminary design approval for upgrade of sewer treatment works by 2021-06-30		Preliminary design approval for upgrade of Sewer Treatment Works by 30 June 2021	Preliminary design approval for upgrade of Standerton Sewer Treatment Works by 30 June 2021	100% (Preliminary design approved) in Q3 (Achieved)	N/A	N/A	

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
6	Refurbish sewer pump stations	Non functional sewer pump stations			% progress of pump stations refurbished.	Refurbishment of sewer pump stations.	Preliminary design approval for upgrade of Sewer Treatment Works by 30 June 2021	855,968.25	(Preliminary design approval at 93% not 100% completed - Not Achieved)	Delays by Manufacturers due to COVID-19	Early Procurement	



# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
7	Installation of security systems for vulnerable Water & Sanitation Infrastructure	Vandalism of sewer pump stations	Electric fencing, installation of alarms linked to armed response unit for Waste Water Treatment Works, Water Treatment Works, Sewer Pump Stations and electricity substations	Not Achieved	% progress on installation of security systems of prioritized sewer pump stations	Installation of security systems on Johan and Muller sewer pump stations	R9 376 926	2,000,000	0% (Project not implemented ) (Not Achieved)	Service Provider not procured	Procurement of service providers	
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# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
8	Rural Sanitation: Desludging VIP toilets	VIP toilets full			% progress on VIP toilets desludged	300 VIP toilets desludged	100 VIP toilets desludged	300 VIP toilets desludged	100% (300 of 300 revised targeted VIP toilets desludged) (Achieved)	N/A	N/A	
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# Chapter 3

1st Draft



# Chapter 3

Employees: Sanitation Services					
Job Level	2019/2020	2020/2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	18	18	18	47	261%
7 - 9	17	17	17	20	118%
10 - 12	16	16	16	8	50%
13 - 15	1	1	1	6	600%
16 - 18	1	1	1	1	100%
19 - 20	0	0	0	0	0
Total	53	53	53	82	155%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.*

*\*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T 3.2.7

# Chapter 3

Capital Expenditure 2020/2021: Sanitation Services						R
Capital Projects	2019/2020					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	13 901	13 901	13 901	0%		
Refurbishment and/or upgrade of the Standerton Waste Water Treatment Works	5 689	5 689	5 689	0%	5 689	
Refurbishment and upgrade of sewer pump stations (Johan Street, Muller, Taljaard, TLC)	7 439	7 439	7 439	100%	7 439	
Installation/Refurbishment/Desludging or rural VIP toilets and provision of chemicals for the VIP toilets	773	773	773	0%	773	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>						T 3.2.9

## COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

Challenges relating to efficient sanitation service delivery can be addressed by means of the following strategic interventions:

- facilitating the participation of communities to be fully involved in projects that relate to their health and well being;
- promoting health and hygiene awareness and practices;
- development and use of local resources
- upgrading of existing facilities
- adopting an integrated environmental management approach;
- developing a common approach to implementation; and
- undertaking specific programmes to clear the backlog.

The project as implemented during the 2020/2021 financial year has not dealt with the extent of the backlogs, but has been critical towards beginning to address these challenges.

T 3.2.10

# Chapter 3

## 3.3 ELECTRICITY

### INTRODUCTION TO ELECTRICITY

The Notified Maximum Demand (NMD) remains a challenge within the Municipality, which means that once the 55MVA maximum has been exceeded during any period, Eskom imposes penalties. The upgrading of the existing electricity network is a major priority since the network is ageing. The major challenges are distribution losses, illegal connections, meter bridging, breakdowns, service interruptions and limited capacity with the increased electricity demand. The upgrading of the entire electricity network still requires attention, noting especially the potential that it has to attract investors if consistent electricity supply can be provided.

T 3.3.1

Electricity Service Delivery Levels					
Description	Ref	Households			
		2017/2018	2018/2019	2019/2020	2020/2021
		Actual No.	Actual No.	Actual No.	Actual No.

# Chapter 3

<b>Energy: (above minimum level)</b>					
Electricity (at least min.service level)		30,125	33,991	34,004	34,144
Electricity - prepaid (min.service level)		-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		30,125	33,991	34,004	34,504
<i>Minimum Service Level and Above Percentage</i>		91,7%	91,0%	91,1%	92,4%
<b>Energy: (below minimum level)</b>					
Electricity (< min.service level)		2,732	3,343	3,330	3,190
Electricity - prepaid (< min. service level)		-	-	-	-
Other energy sources		-	-	-	-
<i>Below Minimum Service Level sub-total</i>		2,732	3,343	3,330	3,190
<i>Below Minimum Service Level Percentage</i>		8,3%	9,0%	8,9%	8,5%
<b>Total number of households</b>	#REF!	32,857	37,334	37,334	37,334
					T 3.3.3

Total Use of Electricity		
	Rand Value	Unaccounted electricity losses

# Chapter 3

2018/2019	111, 837, 480	38%
2019/2020	122 300 429	38%
2020/2021	124,403,915	No percentage information provided in audited AFS
T 3.3.2		



# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
1	Expenditure Management: Settlement of ESKOM Account: Establish outstanding payment amount to ESKOM; Review and/ or development of strategies to ensure adequate revenues for settlement of ESKOM Account; and negotiate outstanding account ESKOM.	Number of meters currently installed	3000 bridged electricity meters replaced	102 meters installed (Not Achieved)	Number of electricity meters installed		1920	500	137 meters installed (Not Achieved)	Inadequate material and vehicles	Procurement of material and availability of vehicles	

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
2	Electricity meter audits and rectification of illegal connections		Electrification of 125 RDP houses in Standerton Extension 8	125 RDP houses in Standerton Extension 8 electrified (Achieved)	Number of electricity connections made		200 electricity connections made.	128 electricity connections installed at Ext.8 RDP houses development	100% (128 of 128 installed) (Achieved)  <b>126</b>	N/A	N/A	2,800,000

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
3	Construction of switching station at Standerton Extension 8, Electrification of RDPs in Standerton Extension 8 and electrification of rural houses	New KPI	New KPI		% progress on construction of switching station for electricity connections to be made		50% construction of switching station and 200 electricity connections made.	50% construction of switching station	72% (Over achievement on target, planned annual target was 50%) (Achieved)	N/A	N/A	R 5 948 685,78

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
4	Electricity meter audits; and Verification of status of all meters (bulk and residential). Audit confirmation by number of households Rectification of illegal connections	Lack of Sustainable Electricity Metering	New KPI		Number of Meters Audited and Inspected		3600 electricity meters inspected and audited 30 June 2021	500	6%(216 meters out of 3600 targets inspected and audited) (Not Achieved)	Inadequate material and vehicles	Procurement of material and availability of vehicles	

# Chapter 3

1st Draft



# Chapter 3

Employees: Electricity Services					
Job Level	2019/2020	2020/2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	2	0	0%
4 - 6	3	3	2	2	67%
7 - 9	6	8	29	15	188%
10 - 12	7	15	2	0	0%
13 - 15	9	15	0	4	27%
16 - 18	11	21	0	22	105%
19 - 20	18	30	0	0	0%
Total	55	93	35	43	46%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.3.6

Capital Expenditure 2020/2021: Electricity Services					
Capital Projects	2020/2021				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
	R'				
Total All	8,748,685	8,748,685	8,748,685	-	
50% construction of switching station and 200 electricity connections made.	5,948,685	5,948,685	5,948,685	-	5,948,685
128 electricity connections installed at Ext.8 RDP houses development	2,800,000	2,800,000	2,800,000	-	2,800,000

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

T 3.3.8

# Chapter 3

## COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

The capital project implemented was the electrification of RDP houses. Continued attempts will be made towards engaging Eskom regarding the application on increased NMD.

T 3.3.9

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

### INTRODUCTION TO WASTE MANAGEMENT

The Waste Management Division renders refuse collection service to 19 786 points. Although StatsSA indicates that within Lekwa of the 37 334 households, 25 760 households have access to weekly refuse collection services. In view thereof that refuse collection at flats, towns houses and residential complexes is regarded as a single collection point, it seems that fewer households have access to refuse collection services. Refuse collection is done according to a weekly schedule that divides the various areas and wards into collections zones. Refuse is also collected from businesses in and around the central business district.

The Waste Management Division has a limited fleet for rendering refuse collection, generally even if weekly backlogs in refuse collection may arise, teams work according to approved overtime schedules to address any such backlogs.

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The existing fleet is not sufficient to render a service equal to all residents within Lekwa. With the establishment of the Standerton Extension 8 development, additional resources will be sourced in order to effectively render the service in such areas.

Rural areas has no access to waste collection services, which is 5125 households.

The following are critical challenges faced by the solid waste management division:

- Insufficient personnel in respect of solid waste management and street cleaning services;
- Inaccessibility of roads by refuse collection vehicles due to bad road conditions especially during rainy season;
- Refuse vehicles being used excessively due to limited number of vehicles, which shortens the lifespan of the vehicles, yet vehicles are insufficient to render services in all areas;
- The municipality had procured three refuse trucks.
- The extending of waste management services has not been realised due to limited resources;
- Littering and illegal dumping in all sections of Lekwa remains a challenge,
- Some areas in respect of waste collection services requires to be serviced twice a week to reduce illegal dumpsites, but due to a shortage of fleet, this project is not happening on a scheduled basis.

In respect of landfill site challenges, the following must be noted:

- a) the landfill sites are not operated and maintained according to permit requirements, in that no cover of waste on a daily basis with 150mm of soil as prescribed by the permit is undertaken;
- b) no compaction of waste with a landfill compactor unit to enhance the lifespan of the landfill site the municipality had procured a landfill compactor but is waiting for the licence.
- c) The Morgenzon landfill site has reached its full capacity earlier than anticipated due to the fact that no covering and compaction of waste was done;
- d) The Morgenzon landfill site was identified by the Department of Environmental Affairs as one of 25 landfill sites within Mpumalanga for decommissioning and it has been closed



# Chapter 3

e) All waste from Morgenzon is transported to the Standerton landfill site

g) The Morgenzon landfill site must still be rehabilitated

On a daily basis, street-cleaning services are rendered within the Central Business District (CBD), open spaces and main entrances/exits through town.

Due to resource and capacity constraints, street-cleaning services cannot currently be extended to all areas within Lekwa. The Community Works programme have also been utilised in cleaning identified areas.

T 3.4.1

Solid Waste Service Delivery Levels				
Description	2017/2018	2018/2019	2019/2020	Households 2020/2021
	Actual No.	Actual No.	Actual No.	Actual No.
<b><u>Solid Waste Removal: (Minimum level)</u></b>				
Removed at least once a week	22636	23212	25946	25946
<i>Minimum Service Level and Above sub-total</i>	22636	23212	25946	25946
<i>Minimum Service Level and Above percentage</i>	81,5%	84,0%	85,4%	69,5%
<b><u>Solid Waste Removal: (Below minimum level)</u></b>				
Removed less frequently than once a week	0	0	0	0
Using communal refuse dump	0	0	0	0
Using own refuse dump	0	0	0	0
Other rubbish disposal	0	0	0	0
No rubbish disposal	5125	4419	4419	11388

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<i>Below Minimum Service Level sub-total</i>	5125	4419	4419	11388
<i>Below Minimum Service Level percentage</i>	18,5%	16,0%	14,6%	30,5%
<b>Total number of households</b>	<b>27761</b>	<b>27631</b>	<b>30365</b>	<b>37334</b>
				T 3.4.2

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
22	Solid waste removal services	949 776 = 237 444 times quarterly	949 776 = 237 444 times quarterly	949 776 = 237 444 times quarterly (Achieved)	Number of times points with access to refuse removal service rendered at least once a week		949 776 = 237 444 times quarterly		2 (50% overall performance - Not Achieved)	Labour union strike during the 1st quarter and mechanical breakdown of vehicles	Maintenance Plan for refuse removal trucks.	
23		15321 = 3828 times quarterly	15321 = 3828 times quarterly	15321 = 3828 times quarterly (Achieved)	Number of businesses with access to refuse removal at least once a week		15321 = 3828 times quarterly		2 (50% overall performance - Not Achieved)	Labour union strike during the 1st quarter and mechanical breakdown of	Maintenance Plan for refuse removal trucks.	

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
										vehicles		
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
24	Solid waste removal services	4	4	2 (Not Achieved)	Number of waste management campaigns conducted by 2020-06-30		4		2 (50% overall performance - Not Achieved)	Lockdown regulation	Online / Social media Awareness campaigns	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
35	Street cleaning		4	1 (Not Achieved)	Number of quarterly reports prepared on CBD street cleaning		4		3 (75% overall performance Achieved)	Covid-19 Lockdown Regulations	Provision of Covid-19 aligned protective clothing and equipment to employees	
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Employees: Solid Waste Management Services					
Job Level	2019/2020	2020/2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	2	1	33%
7 - 9	6	8	2	0	0%
10 - 12	7	15	7	8	53%
13 - 15	9	15	3	3	20%
16 - 18	11	21	62	11	52%
19 - 20	18	30	0	0	0%
Total	55	93	77	23	25%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.4.5



# Chapter 3

## COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

In view of the financial constraints faced by the Municipality, the Council could not undertake any capital expenditure in respect of waste management services.

The following are critical matters in respect of delivering efficient solid waste management services:

- (a) Insufficient personnel to render waste management and street cleaning services;
- (b) Some areas being inaccessible due to bad road conditions especially during periods of heavy rain;
- (c) Health hazard exposure of employees due to insufficient personal protective clothing;
- (d) Limited number of refuse removal vehicles being excessively used thus reducing its lifespan, noting that some of the vehicles are relatively old;
- (e) Littering and illegal dumping of waste on street corners and public open spaces remains a challenge, while the unit continues to make every effort to remove such waste as well as to educate communities not to litter in public, noting the situation has worsened during period when refuse removal services were not optimally rendered;
- (f) Some areas in respect of waste collection services requires a service of twice a week to reduce illegal dumping, but due to a shortage of fleet resources this exercise is currently not sustainable.

In respect of landfill sites, it is are not being operated and maintained according to permit requirements which inter alia requires the following:

- (a) on a daily basis, dumped solid waste must be covered with 150mm gravel or soil;
- (b) the waste must be compacted with a landfill compactor unit to enhance the lifespan of the sites.

The state of the Morgenzon landfill site is also a cause for concern as the site has reached its full capacity three years earlier than anticipated due to soil covering and compaction has not been done. This site has however been identified by the Department of Environmental Affairs as one of 25 landfill sites within Mpumalanga for decommissioning and closure which remains an outstanding and costly exercise still to be undertaken.

*T 3.4.10*

## 3.5 HOUSING

### INTRODUCTION TO HOUSING

The need for integrated residential housing programmes is evident in the ever-increasing number of informal settlements mushrooming especially along the periphery of Lekwa's residential areas within Sakhile and its extensions.

There is also still a noticeable increase in the number of residents who are in need of serviced residential stands. The need to acquire residential properties is in order to build houses for their families. There are also residents who fall within what is often referred to as the "gap housing market". These are residents who do not qualify to receive low cost government subsidised houses (RDP) and

# Chapter 3

often find it difficult to receive housing finance from financial institutions. The municipality has requested the Department of Human Settlements to service 500 residential stands in Standerton Ext.8 which some of them can be made available to people who may want to build houses for their families.

The Mpumalanga Department of Human Settlements did not allocate new projects for the municipality in 2020/2021. Nevertheless, the municipality has indicated to the department that housing units for the 109 approved beneficiaries are still outstanding. These are beneficiaries who have been waiting for their houses since 2018. Also outstanding are 200 free standing housing units which must be built for 200 beneficiaries who are residing in the flats at Standerton Ext.8.

Progress in respect of the carry over projects was as follows in 2020/2021:

## 150 housing units in Standerton Ext.8

The challenge the municipality continues to face regarding this project are the following:

- Unoccupied housing units as a result of poor workmanship;
- Illegal occupation of the incomplete units by unknown persons;
- Vandalism and theft.

The municipality has requested the Department of Human Settlements to terminate the services of Messrs Vikinduku Engineering Projects in respect of this project.

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## 60 Community Residential Units (CRU) in Standerton Ext.8

The following progress was made in 2019/2020 in respect of this project

- 30 lower units are at practical completion
- 9 top units are at practical completion

In 2020/2021 this project was negatively impacted by the illegal invasion of the incomplete units by illegal dwellers. This act thwarted the attempt by the Department of Human Settlements to restart this project.

A firm of attorneys has since been appointed by the said department to have the illegal dwellers evicted so that the project can proceed.

## 200 housing units project under the Upgrading of Informal Settlements Programme

This project is being implemented in the Townships of Sakhile, Azalea, Standerton Extensions 6 and 7 and Sivukile

189 housing have been completed and beneficiaries have taken occupation of their units.

## Transfer of ownership of RDP houses in Standerton Ext.8

The ownership of 389 RDP houses built in Standerton Ext.8 was successfully conducted. The beneficiaries have been invited to collect their title deeds at the Sakhile Municipal Offices. Moves are currently to have municipal services accounts opened on their behalf.

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## Construction of a Community Hall in Standerton Ext.8

This project is 80% complete. It was supposed to have been completed in February 2021. However, it was negatively impacted by Covid 19 Lockdown Alert Levels.

The Municipality still faces the following challenges in respect of human settlements in Lekwa Local Municipality:

- (a) The illegal renting out and sale of RDP houses by the beneficiaries;
- (b) Unlawful and Illegal invasion of municipal land;
- (c) The eviction by farm owners of farm dwellers and employees without consultation with the Municipality to look at alternative accommodation options;
- (d) The inability by the Municipality to access the pockets of land suitable for human settlements owned by parastatals around the Municipality

T 3.5.1

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2016/2017	37334	31071	83.2%
2017/2018	37334	32318	86.6%

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2018/2019	37334	32318	86.6%
2019/2020	37334	32695	87.1%
2020/2021	37334	32695	87.1%
			T 3.5.2

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
168	Develop and implement by-law on management and control of informal settlements;	Informal Settlement By-Laws	New KPI		Date of adoption of By-Law		Informal Settlements By-Law adopted by June 2021		Target Not Achieved	The By-Law was developed however not adopted by council	The By-Law will be adopted in the first quarter of 2021/2022 Financial Year	
169	Review Human Settlements Sector Plan	Integrated Human settlement chapter in place	4 Quarterly progress reports on the review of the housing sector plan by 2020-05-31	0 (Not Achieved)	Date of adoption of Housing Sector Plan		Housing Sector Plan adopted by January 2021		Housing sector plan not adopted (Not Achieved)	The project is funded by the Department of Human Settlements who got delayed with the Procurement	The Housing Sector Plan will be developed in 2021/2022 Financial Year	

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
170	Review Housing Beneficiary Management Policy	Housing Beneficiary Management Policy reviewed annually	Approved Beneficiary Subsidy Allocation Policy by 2020-03-31	0 (Not Achieved)	Date of adoption of Housing Beneficiary Management Policy		Housing Beneficiary Management Policy adopted by August 2020		Target Not Achieved	The Housing Beneficiary Management Policy was developed however not adopted by council	The policy will be adopted in the first quarter of 2021/2022 Financial Year.	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
171	Review and Update Housing Register	2019/2020 Housing Register	Lekwa Housing Needs Register established and approved by 2020-03-31	Not Achieved	Number of Housing Registers		Consolidated Housing Register adopted by June 2021		Target Not Achieved: Housig Register has been compiled however not adopted by council (Not Achieved)	To be adopted by the Administrator in 2021/2022		

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
172	Compliance Awareness Campaign (land grab, illegal Developments)	N/A	New KPI		Number of Awareness Pamphlets		4 Housing Consumer Sessions		0 (Not Achieved)	Awareness Campaign could not continue due to Covid-19 Restrictions	Awareness will be done using Newspaper Adverts and Public Notices	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
173	Management of Housing Projects Implementing Agents	2019/2020 Progress Reports	4 Quarterly progress reports on housing construction progress	1 (Not Achieved)	Number of Progress Reports		4 Reports Human Settlements Projects		3 Progress Reports on Housing Projects compiled (Achieved)	N/A	N/A	
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Employees: Housing Services					
Job Level	2019/2020	2020/2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	3	3	0	0%
4 - 6	1	7	4	3	43%
7 - 9	3	1	1	0	0%
10 - 12	4	4	3	1	25%
13 - 15	0	0	0	0	#DIV/0!
16 - 18	0	0	0	0	#DIV/0!
19 - 20	0	0	0	0	#DIV/0!
Total	9	15	11	4	27%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.5.4

Capital Expenditure 2019/2020: Housing Services						R' 000
Capital Projects	2019/2020					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	140	140	76	-84%		
500 RDP Houses: Extension 8	55	55	50	-10%	55	
60 CRU	47	47	18	-161%	47	
150 RDP Houses: Extension 8	16	16	8	-100%	16	
200 housing units in Sakhile, Azalea, Standerton Ext 6 & 7 and Sivukile	22	22	0	#DIV/0!	22	

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

T 3.5.6

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## COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

The mandate in respect of the delivery of houses resides with the National and Provincial departments of Human Settlements, while the Municipality only plays a facilitating role by making land available and identifying potential beneficiaries as well as to ensure that necessary infrastructure is installed. The township of Standerton Ext.8 is facing a myriad of challenges. In as much as the 1650 housing units that have been built are appreciated since they have provided a secured accommodation to 1650 families, the issue of the shoddy infrastructure and workmanship has become a blight to these projects. The inadequate water supply as well as sewer spillages are negatively affecting the residents. This is coupled with the unstable electricity supply due to inadequate electrical infrastructure.

Great effort has gone into ensuring that some of these matters are attended to. The Mpumalanga Department of Human Settlements has erected two sewer pumping units in this township. This will go a long way in alleviating the sanitation challenges. The Department of Energy has, through the INEP electrified all the RDP housing units in Standerton Ext.8. A switching station has also been erected.

Abaziyo Consulting Engineers which were appointed by the Department of Human Settlements to look into the issue of infrastructure challenges in Standerton Ext.8 has made a proposal that an elevated water tank (reservoir) be erected to alleviate issues of the inadequate water supply.

The above gives hope that indeed a genuine effort is being made to attend to the matters that are of serious concern to the residents of this township.

## 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

### INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Due to the level of unemployment and resultant inequality and high levels of poverty within the municipal area, there are households that are unable to pay for their municipal services. The Municipality therefore adopted an indigent management policy to ensure that these households have access to at least a basic level of municipal services. For the 2019/2020 financial year, a significantly low number of only 1450 households registered for indigent support. The current outstanding debts balances of the registered indigent households amounted to R32 million as at 30 June 2020.

Qualifying indigent households with an earning threshold capped at R4400 per month was eligible to apply and qualify for an indigent subsidy that is funded for the equitable share as provided and allocated through the annual Division of Revenue Act (DORA).

An indigent household is defined, as a household where the total combined monthly household income does not exceed a predetermined amount per month, equivalent to two old age pensions' income.

This is determined annually for pensioners by the Department of Social Development. The allowance for free usage of electricity services is limited to 50 kilowatt unit hours per month and for water services of 6 kilolitres per month. Such qualifying indigent households must also have at least a 20 ampere circuit breaker with pre-paid electricity metering installed.

T 3.6.1

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Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R4400 per month								
		Total	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
			Access	%	Access	%	Access	%	Access	%
2016/2017	37 334	37 334	3 849	10%	3 849	10%	3 849	10%	3 849	10%
2017/2018	37 334	37 334	2 133	6%	2 133	6%	2 133	6%	2 133	6%
2018/2019	37 334	37 334	1 457	4%	1 457	4%	1 457	4%	1 457	4%
2019/2020	37 334	37 334	1 450	4%	1 450	4%	1 450	4%	1 450	4%
2020/2021	37 334	37 334	1 462	3.9%	1 462	3.9%	1 462	3.9%	1 462	3.9%
										T 3.6.3



# Chapter 3

## COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT

The Municipality provide basic services to indigent household within the municipal area. The total quantum for qualification for indigent support is R4400 per household per month. This is based on 50 KWA free electricity per month, 6 kilolitres free water per month. A rebate on the basic charge for refuse removal, sewerage and assessment rates per household, at the applicable rate per month is granted to qualifying and approved households.

There has been a notable decrease in the number of registered indigents, but efforts will be stepped redoubled to increase the indigent registration process, considering the dire statistics of the unemployment and inequality rates within the Municipality. The indigent grant is a means to assist communities and consumers who cannot afford to pay for their municipal services, subsidised from the equitable share allocation.

T 3.6.6

## COMPONENT B: ROAD TRANSPORT

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

### INTRODUCTION TO ROAD TRANSPORT

Urban road transport infrastructure is facing many problems in South Africa. The Government acknowledges the challenges facing road transport and infrastructure. To this end, the drafting of new policy is underway which will eliminate or at least alleviate many of the problems being experienced. The Land Transport Act of 2000, the Land Transport Bill of 2008 and the 3 “way win” Strategy of 2006 which saw all three spheres of government working together to improve road infrastructure. Currently the South African Department of Transport is drawing up a National Transport Master Plan (NATMAP) intended to guide government policy up to 2050, some of the issues to be addressed by NATMAP includes the development of suitable facilities and road infrastructure to facilitate efficient transport services.

T 3.7

## 3.7 ROADS

### INTRODUCTION TO ROADS

Implementation of the Pavement Management System for maintenance and upgrading of streets, and through the intervention of Gert Sibande District Municipality on the development of RAMS “Road Asset Management System”, indicates that the Municipality has 422.9km of roads of which 237.6km is gravel and 157.7km paved or asphalt. The Municipality strives to eliminate all gravel roads, although

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with the assistance from other sectors department, such as Public Works Roads and Transport (DPWR&T) and SANRAL, main arterial roads is being upgraded. This includes the Secunda (R546), Bethal Rd (R39), and the Standerton to Leandra (R50) road, including the R23 towards Greylingstad and Volkstrust. This will improve accessibility and drivability of these major routes through Standerton. Although the Municipality is faced with many challenges on road maintenance due to budget constraints, ageing road infrastructure, an obsolete road maintenance fleet and constrained human resource capacity as vacant positions are not being filled. The Municipality undertook maintenance and blading of roads, assisted by the Gert Sibande District for pothole patching.

T 3.7.1

Gravel Road Infrastructure				Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2016/2017	252	0	0	0.3
2017/2018	252	0	0	0
2018/2019	252	2	2	130
2019/2020	252	0	0	0
2020/2021	252	0	0	0

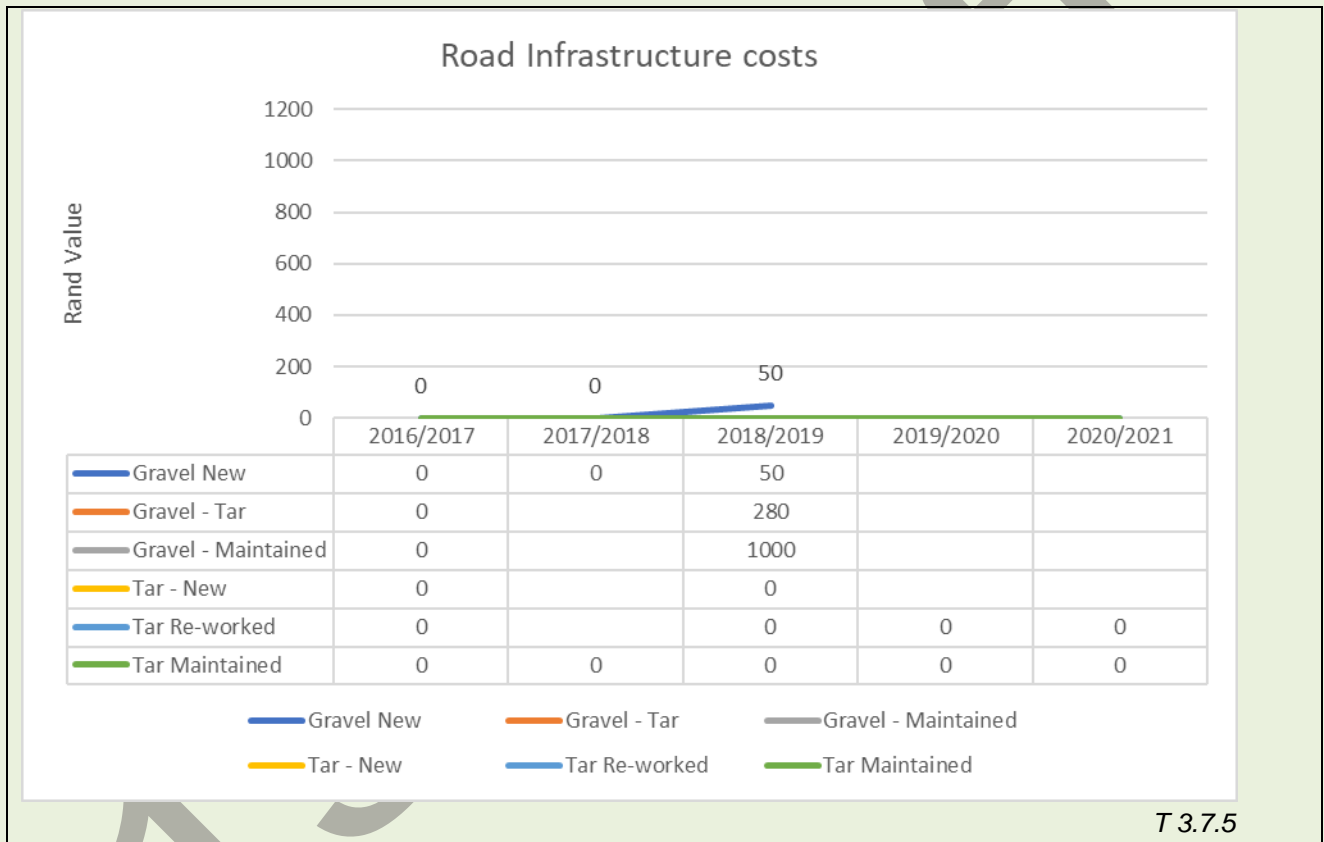
T 3.7.2

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Tarred Road Infrastructure Kilometers					
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2016/2017	175.1	0.0	0.0	0.0	2,0
2017/2018	175.1	0.0	0.0	0.0	
2018/2019	180	0	0	0	0
2019/2020	180	0	0	12592 m2	
2020/2021	180	0	0	0	0

Cost of Construction/Maintenance						
						R' 000
	Gravel			Tar		
	New	Gravel – Tar	Maintained	New	Re-worked	Maintained
2016/2017	0	0	0	0	0	0
2017/2018	0					1,013,000
2018/2019	50	280	1000	0	0	2,000,000
2019/2020					0	4 283 453.95
2020/2021						0
						T 3.7.4

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
10	Road Infrastructure: Based on the outcome of the roads masterplan ensure all roads are proclaimed as such to fall under the jurisdiction of the organ of state that should be responsible for that road and establish a roads management forum where the future construction and maintenance of all roads in the Lekwa municipal area is discussed	Dilapidating municipal roads	New KPI		% progress on development of municipal roads master plan		Source funding, develop business Plan to develop road master Plan		0% (Project not implemented ) (Not Achieved)	Lack of funding for the project	SLA Signed with DBSA for the development of Master Plans including Road Master Plan	

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1st Draft



# Chapter 3

Employees: Road Services					
Job Level	2019/2020	2020/2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	0	4	133%
7 - 9	6	8	1	21	263%
10 - 12	7	15	12	5	33%
13 - 15	9	15	5	6	40%
16 - 18	11	21	22	25	119%
19 - 20	18	30	0	0	0%
Total	55	93	41	61	66%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T3.7.7

## COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

Due to budgetary constraints and the reprioritisation of water and sanitation projects, the Municipality could not sufficiently maintain its roads infrastructure. This is evident in the gradual decline in spending on road infrastructure over the past years. With the assistance of GSDM, road surface maintenance with their pothole patching programme continued.

T 3.7.10

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

### INTRODUCTION TO LICENSING AND TRANSPORT

The Licensing section's main functions previously included the registering and licensing of vehicles and drivers for the purpose of maintaining order and legality on the road and to promote road safety in general. The section has been faced with challenges which include the following:

With the revenue generated from licensing not being paid over by the Municipality on a 20:80 basis to the Department of Safety, Security and Liaison as per the MoU, the service reverted back to the Department at during the 2017/2018 financial year. This was preceded by extensive engagements at both provincial and municipal level. The Department is currently operating from the municipal

# Chapter 3

premises and certain employees opted to be transferred whilst others preferred to remain with the Municipality and were accordingly placed.

With the current arrangement, office space remains insufficient which is also a security risk as the public uses the same ablution facilities as the employees, noting that the public moves behind the cashiers to gain access to the supervisors' office for enquiries, thus exposing them to a greater security risk. Security measures has been improved with the installation of a drop safe, in order to minimize the handling of cash on site. This has minimised the risk of holding cash at hand.

T 3.8.1

With the service being transferred, no services under the component was rendered.

#### COMMENT ON THE PERFORMANCE OF TRANSPORT OVERALL:

For the year under review, no capital projects were undertaken in respect of licensing and road transport. Due to the current financial constraints and the priority focus on sustainable provision of water, sanitation and electricity, funds have been redirected accordingly. With the service having reverted back to the Department of Security, Safety and Liaison, the Municipality will no longer be reporting extensively in respect of this component.

T 3.8.7

## 3.9 WASTE WATER (STORMWATER DRAINAGE)

### INTRODUCTION TO STORMWATER DRAINAGE

The implementation of the Municipality's Stormwater Master Plan by upgrading all natural streams and wetlands and maintenance of 170km of stormwater structures including catch pits has been hindered



# Chapter 3

as a result of budgetary constraints the Municipality is facing, thus it is unable to meet its targets on the implementation of the Stormwater Master Plan.

T 3.9.1

Cost of Construction/Maintenance			
	Stormwater Measures		
	New	Upgraded	Maintained
2016/201	0	0	100,000
2018/2019	0	0	100,000
2019/2020	0	0	0
2020/2021	0	0	0
			T 3.9.3

# Chapter 3

## COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

No capital funding was directed for upgrading of storm water structures in the 2020/2021 financial year and only operational activities were implemented which included the maintenance and cleaning of stormwater channels with the assistance of the Community Works Programme initiative.

T3.9.9

## COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

### INTRODUCTION TO PLANNING AND DEVELOPMENT

The Town Planning, building regulation and enforcement unit deals with all matters relating to improved spatial planning. There were no major service delivery priorities undertaken for the year under review.

The Land & Planning Department deliver the following services to the community:

- Building Control and Regulation – All building plans are submitted to the unit and if compliant with the National Building Regulations, it is approved. Regular inspections are carried out on all construction sites and where there are contraventions, necessary letters are issued. Building plans and inspections on construction sites is an ongoing key activity within the unit.
- Town Planning – The implementation of the SDF and compliance to the Town Planning Scheme is dealt with by this unit. This includes all land use changes and transgressions as well as the enforcement thereof. The unit also guides current and future development in Lekwa via the SDF as well as the National Development Plan and the more recently promulgated SPLUMA. A moratorium has been placed on land use change applications due to a Council moratorium on land use applications
- Geomatics – This section deals with issues of land encroachment and the identification of stand boundaries as per the relevant Surveyor-General diagrams and stands are repegged where required to avoid boundary disputes.
- This Department is also responsible for the Geographic Information System (GIS), but all positions related thereto are vacant.

T 3.10

## 3.10 PLANNING

### INTRODUCTION TO PLANNING INTRODUCTION TO PLANNING AND DEVELOPMENT

# Chapter 3

The Town Planning, building regulation and enforcement unit deals with all matters relating to improved spatial planning. There were no major service delivery priorities undertaken for the year under review.

The Land & Planning Department deliver the following services to the community:

- Building Control and Regulation – All building plans are submitted to the unit and if compliant with the National Building Regulations, it is approved. Regular inspections are carried out on all construction sites and where there are contraventions, necessary letters are issued. Building plans and inspections on construction sites is an ongoing key activity within the unit.
- Town Planning – The implementation of the SDF and compliance to the Town Planning Scheme is dealt with by this unit. This includes all land use changes and transgressions as well as the enforcement thereof. The unit also guides current and future development in Lekwa via the SDF as well as the National Development Plan and the more recently promulgated SPLUMA. A moratorium has been placed on land use change applications due to a Council moratorium on land use applications
- Geomatics – This section deals with issues of land encroachment and the identification of stand boundaries as per the relevant Surveyor-General diagrams and stands are repegged where required to avoid boundary disputes.
- This Department is also responsible for the Geographic Information System (GIS), but all positions related thereto are vacant.

T 3.10.1

Applications for Land Use Development			
Detail	Formalisation of Townships	Rezoning	Built Environment

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	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021
Planning application received	0	0	3	8	84	
Determination made in year of receipt	0	0	2	2	84	
Determination made in following year	0	0	1	6	0	
Applications withdrawn	0	0	0	0	0	
Applications outstanding at year end	0	0	1	8	0	

T 3.10.2

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
149	Review and implement Spatial Development Plans	2017 SDF	New KPI		SDF adopted by 30 June 2021		SDF (CIF) Review		CIF was adopted in June 2021 by the Administrator together with the IDP (Not Achieved)			
150	Develop Precinct Plans	Spatial Development Plan	4 Progress reports on the development of River park adopted town planning wall to wall scheme	0 (Not Achieved)	Number of Precinct Plans Developed		Precinct Plan on River Park Development by 30 June 2021		3 Progress reports on precinct plans. Plan not approved (Not Achieved)	Delays in the procurement Processes	The project has been carried over to 2021/2022 Financial Year	

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
151	Review, update, and implement Land Use Scheme.	20..Standeron Town Planning Scheme	New KPI		Land Use Scheme adopted by August 2020		Updated Land Use Scheme		The Land Use Scheme was adopted by Council and Gazetted (Achieved)	N/A	N/A	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)												

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
152	Land Use Scheme Enforcement	4 Reports (2019/2020)	4 Progress reports on adopted town planning wall to wall scheme	2 (Not Achieved)	Quarterly Reports on SPLUMA Certificates		SPLUMA Certificates		4 SPLUMA Certificates reports compiled (Achieved)	N/A	N/A	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
153		4 Reports (2019/2020)	New KPI		Number of Reports on Compliance Notices		Reports on Compliance Notices (Illegal Development)		4 compliance notice reports compiled (Achieved)	N/A	N/A	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
154	Institutional rearrangement (SPLUMA Compliance)	2016 Delegation of Powers	New KPI		SPLUMA Delegation of Powers Reviewed by August 2020		SPLUMA Delegation of Powers		Not Achieved	The SPLUMA Delegation Framework was reviewed however not adopted by Council (Dissolution)	The SPLUMA Delegation Framework has been carried over to 2021/2022 to be adopted by the Administrator in.	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)									173			

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
155	Development Planning Processes (Rezoning, Consent, Subdivision, Township Establishment)	2016 Process Plan	New KPI		Process Map Developed by August 2020		Process Map		Process Map developed (Achieved)	N/A	N/A	
<p>LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)</p>									174			

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
156	Process and Approval of Development Applications	4 Reports on Development Applications	New KPI		Number of Reports		4 Quarterly Reports on Development Applications		3 Development Applications Reports compiled (Achieved)	N/A	N/A	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)												

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
157	Municipal Township Establishment	No Township establishment proposed	4 reports on subdivision of properties zoned municipal to be used as church sites	2 Reports (Conducted site inspection within Lekwa LM and could not find any vacant stands available for religious purposes) (Not Achieved)	Number of Reports		4 Quarterly Reports on Municipality Township Establishments		4 Township Establishment Reports compiled (Achieved)	N/A	N/A	
LEKWA LOCAL MUNICIPALITY 2020/21 ANNUAL REPORT :   CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART II)									176			

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
158	Land Availability Agreements	5 Land Availability Agreements in place	New KPI		Number of Reports on Land Availability Agreement		Progress Reports on Land Availability Agreements		4 Land Availability Agreement Reports compiled (Achieved)	N/A	30	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)									177			

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
159	Installation of GIS Equipment (Desktop, Cartridge and Shape files)	GIS Software	New KPI		Number of GIS Equipment installed		GIS Desktop and Infrastructure Shape files by December 2020		GIS equipment installed (Achieved)  <b>178</b>	N/A	N/A	

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
160	Review and Update of Land Audit	2017 Land Audit Report	New KPI		Updated Land Audit Report tabled to council by June 2021		Land Audit Reports		Target Not Achieved	Service Provider appointed late due to the delays in the bid processes	N/A	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)									179			

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
161	Review of Land Disposal Policy	Land Disposal Policy in place	New KPI		Date of adoption of Land Disposal Policy		Land Disposal Policy adopted by June 2021		Target Not Achieved	The Draft Policy has been developed however due to governance issues the policy was not adopted	The policy will be adopted in the second quarter of 2021/2022 Financial Year.	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
162	Building Control Regulation: Building Plans value chain Management	N/A	New KPI		Date of Building Plans Process Mapping Development		Building Plans Process Map by August 2020		Building plan Process Map Developed (Achieved)	N/A	N/A	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)									181			

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
162	Building Control Regulation: Building Plans value chain Management	N/A	New KPI		Date of Building Plans Process Mapping Development		Building Plans Process Map by August 2020		Building plan Process Map Developed (Achieved)	N/A	N/A	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)									182			

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
163		4 Reports for 2019/2020	Number of reports on building plan applications processed against the applications submitted	4 Progress reports (Approved 84 building plans) (Achieved)	Number of Business Plans Approval Report		Building Plans Approval		4 Reports on Building Plans Approved (Achieved)	N/A	N/A	
LEKWA LOCAL MUNICIPALITY 2021 ANNUAL REPORT :   CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)									183			

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
164		2019/2020 Quarterly Reports on			Number of Reports		Reports on Enforcement Notices		4 Enforcement Reports compiled (Achieved)	N/A	N/A	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)									184			

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Employees: Planning Services					
Job Level	2019/2020	2020/2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
TG16	1	2	1	1	
TG14	1	5	1	4	
TG12	1	4	1	3	
TG11	1	5	1	4	
TG10	1	1	1	1	
TG09	1	1	1	1	
Total	6	18	6	14	

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.10.4

Capital Expenditure 2020/2021: Planning Services						R'
Capital Projects	2020/2021					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	3,433,696	3,433,696	1,201,792	-186%		
Standerton regional cemetery	858,424	858,424	300,448	-186%	858,424	
Morgenzon regional cemetery	858,424	858,424	300,448	-186%	858,424	
Thuthukani regional cemetery	858,424	858,424	300,448	-186%	858,424	
Lekwa Land Audit	858,424	858,424	300,448	-186%	858,424	

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*Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.*

T 3.10.6

## COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

With the ever-increasing demand for land required for both residential, commercial and mixed used residential development, there has been a dramatic increase over the last few years. The densification of urban areas has put some strain on available bulk infrastructure supply and this must be balanced against the investment and local economic growth opportunities that can be created through such developments. With the Spatial Development Framework in place and with the finalisation of the Land Use Management System, the future spatial planning and integrated development planning will see much more integrated well-structured development nodes.

Since the Lekwa SDF was adopted and the recently promulgated Spatial Planning and Land Use Management Act(SPLUMA), the following actions listed in the Implementation Framework has been achieved:

- 1) Approval of SDF
- 2) The SDF was incorporated into the Lekwa IDP
- 3) A Land Use Management System has been compiled by National Government and was adopted in November 2020

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- 4) Council has introduced a Performance Management System as required by the Municipal Systems Act of 2000
- 5) Standerton Extension 8 was established and will be the first mixed income housing development in Lekwa.
- 6) The following by-laws are in draft format and has been distributed for comments: Open Space Plan, Urban Edge Policy and Encroachment Policy
- 7) In line with SPLUMA, a Spatial Planning and Land Use Management by-law was developed and adopted by Council
- 8) At district level, a Joint Municipal Planning Tribunal (JMPT) has been established to deal with the land use and development applications classified under Category B in terms of SPLUMA
- 9) The Municipality conducted a Land Audit to guide Council regarding the alienation of properties under the area of jurisdiction within Lekwa.

The following are challenges faced by the unit:

1. The enforcement of the Town Planning Scheme, National Building Regulations and dealing with such related transgressions are not effective. This is mainly due to the minimal fines that are currently in place that may be imposed. It is suggested that the penalties for transgressions be of such a magnitude that it will discourage anyone from not complying with all legislation. The said penalties were approved by Council
2. Council informed the public, in the past via the local papers, regarding all legislation related to building control and land uses. This exercise of educating the community should be done on a regular basis.
3. Officials of the Land & Planning Department should also be in possession of a “Law Enforcement Officer” accreditation status to assist them with their daily duties to deal with transgressions.



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4. The fact that this Department is not prioritised when capital funds are allocated via the budget makes it impossible to address issues mentioned in the implementation framework of the Lekwa SDF.
5. Currently the Municipality does not have a GIS in operation. It is currently being addressed via the SLA between Council and the Gert Sibande District Municipality. The position of GIS Operator has been vacant for a number of years and was filled in April 2020.
6. With the implementation of SPLUMA and the wall to wall land use scheme for Lekwa, the need for land use inspectors will become critical. A Senior Building Inspector was appointed in April 2020
7. There is a huge demand for stands zoned for "Religious" purposes.

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

### INTRODUCTION TO ECONOMIC DEVELOPMENT

The Constitution of the Republic of South Act 18 of 1996 mandates local government to promote Social Development of its area, this Developmental mandate is also outlined further in the White paper on Local Government of 1998 which introduces a notion of developmental local government and it also identifies Local Economic Development (LED) as one of the critical outcomes and key performance area (KPA) for the sphere of Government.

To achieve the above-mentioned developmental mandate, Lekwa Local Municipality had established the Department of Planning and Economic Development (PED), the main purpose of the Department

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is to provide and ensure that the Municipality achieve its strategic Developmental goals as directed by the Constitution of the Republic and other related Developmental legislative frameworks.

The Department of Planning and Economic Development (PED) is comprised of various division which include the Local Economic Development division (LED) the LED division is tasked to ensure that a conducive environment for economic growth, and investment to support job creation is created with strategic partners including the private sector, who are instrumental towards achieving the Municipal vision of excelling in economic growth.

T 3.11.1

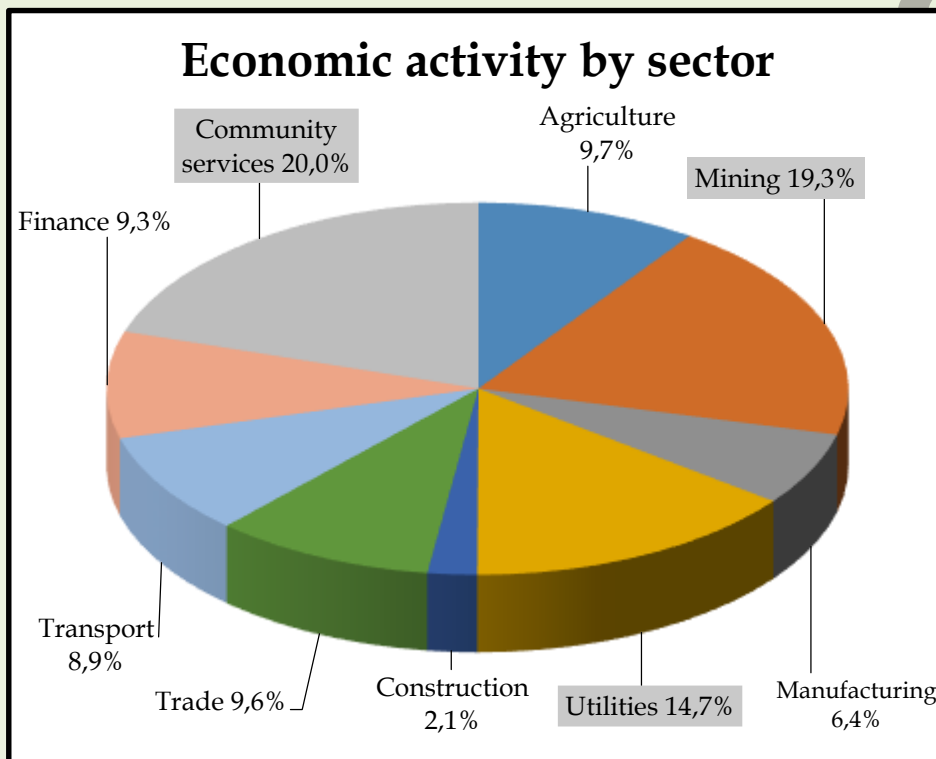
Census 2011		Community survey by Stats SA 2016	
Poverty Headcount	Intensity of Poverty	Poverty Headcount	Intensity of Poverty
4,5%	41,5%	5,0%	42,8%
UNEMPLOYMENT RATE AS PER STATS SA CENSUS 2011			
• Unemployment rate 25,9%			
• Youth unemployment rate 35,2%			
UNEMPLOYMENT RATE HOUSEHOLD SURVEY 2016			

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- Unemployment rate 27.5%
- Youth unemployment rate 57.8%

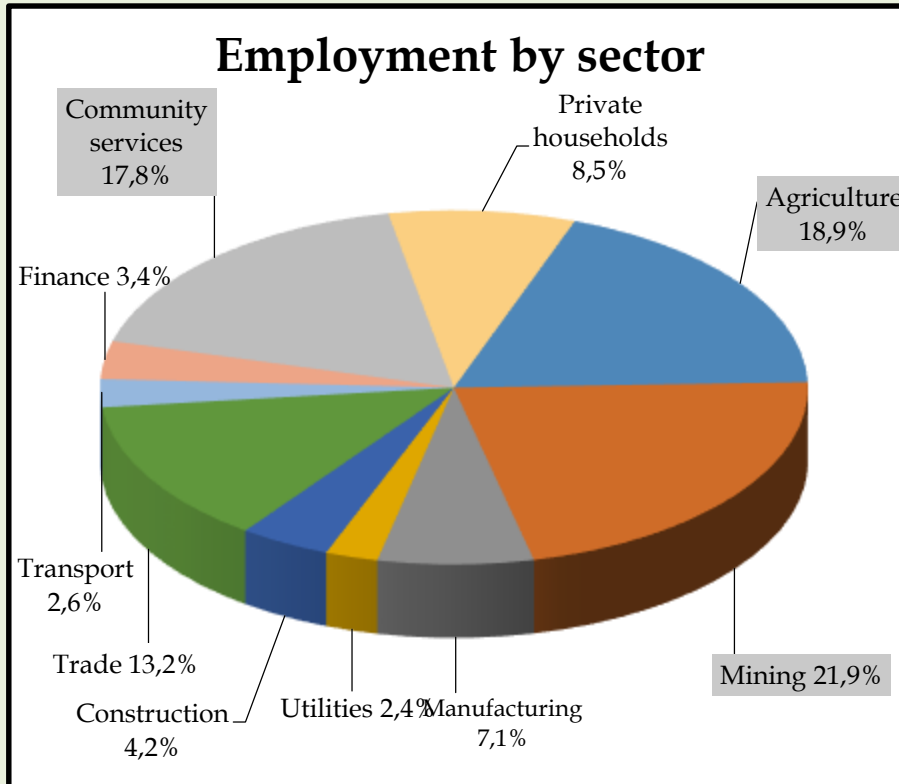
Economic Activity by Sector		
Sector	2019/2020	2020/2021
Agriculture	6.4 %	14.9%
Mining	2.9%	1.6%
Manufacturing	7.3%	6.6%
Utilities	1.5%	1.5%
Construction	7.7%	-7.2%
Trade	25.0%	-14.1%
Transport	4.6%	4.6%
Finance	16.3%	-7.0%
Community services	21.3%	14.9%

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Based on StatsSA figures, Lekwa contributed 10.4% to the Gert Sibande economy and utilities contributed 43.6% and agriculture 23.2% to the relevant district industries.

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Lekwa's unemployment rate, increased from 22.6% in 2015 to 27.5% in 2019, with Lekwa's unemployment rate being the 7<sup>th</sup> lowest among all the Municipal areas of Mpumalanga. It is a concern that the unemployment rate for females stood at 32.5% and that of males at 23.1%. The youth unemployment rate (15-24 years age group) was at 57.8% in 2019, challenge with especially very high youth unemployment rate of females at 70.8%. The concerns about high unemployed and especial females relatively low level of education and inadequate skills impact negatively on their employability. Potential impact of lockdown on labour force for Lekwa Municipality was estimated at 32.6% in 2020 which translate to possible 3833 job losses in 2020.

Highest unemployment rate in Wards 11, 14 and the three Municipal Rural wards needs serious interventions such as expanded public works Program (EPWP) and other Agricultural investments.

## COMMENT ON LOCAL JOB OPPORTUNITIES

Unemployment remains a serious concern for South Africa as a whole as well as for Lekwa Municipality. In responding to the challenge of unemployment, the Municipality has developed a draft economic recovery plan informed by the Lekwa SERO Report to ensure that jobs opportunities are created through the following initiatives:

- (a) Faster rolling out of Municipal infrastructure to support economic Development and investment
  - (b) Providing support on Agricultural and tourism industries to address the economic challenges
- Support SMMEs and Cooperatives to contribute on economic Development

T 3.11.4

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
60	Local Economic Development: Review and Implementation of LED Strategy	2018.LED Strategy in place	LED strategy reviewed and approved by 2020-06-30	Not Achieved	Reviewed and adopted LED Strategy		Review and Adopt LED Strategy		LED Strategy not reviewed (Not Achieved)	The LED Strategy was not reviewed as there were delays in the procurement processes and there is also no internal capacity to review it in house.	The project has been rolled over to 2021/2022 Financial Year	

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
61	Establish LED Forum; Ensure inclusion of all relevant stakeholders;	2018 TORs in place	New KPI		Adoption of LED Forum Terms of Reference		Adoption of LED Forum Terms of Reference		The LED Forum Terms of Reference were adopted by Council (Achieved)			



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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
62	Revive LED Forum	Defunct LED Forum	4 LED Forum meetings held by 2020-06-30	0 (Not Achieved)	Revived and fully functional LED Forum		4 LED Forums		1 (Not Achieved)	Only 1 LED Forum was held due to the re-establishment processes that had to take place and governance issues within the institution	4 LED Forums are scheduled to be held in 2021/2022	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
63	Integration and alignment of IDP and LED on CSI and SLP Projects	Sasol, Seriti Mine SLPs	New KPI		Number of Progress Reports on SLP implementation		SLP Reports		4 Reports on the implementation of SLP projects (Achieved)			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
64	Business (formal and informal) Regularization	N/A	New KPI		Business Development and License Policy adopted by 30 June 2021		Business Development and License Policy adopted		3 Progress reports on Business Development and License Policy. Policy not adopted (Not Achieved)	The draft policy was developed however the disruptions in governance structures have negatively affected the adoption of policies within the institution	The policy will be adopted in the second quarter of 2021/2022 Financial Year.	

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
65	Develop and Implement Tourism Development Strategy	2018 LED Strategy in place	New KPI		Date of adoption of the Tourism profile Report		Tourism Profile Report by 30 June 2021		3 progress reports on tourism profiling. Consolidated Tourism profile report not completed and adopted (Not Achieved)	The Tourism Profile Report has been developed however not adopted by Council due to governance issues (dissolution)	The Tourism Profile Report will be adopted in 2021/2022 Financial Year	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
66	Develop and Implement Agricultural Development Strategy	2018 LED Strategy in place	New KPI		Date of adoption of the Agricultural profile Report		Profiling of Agricultural Land/Farms by 30 June 2021		2 progress reports on agricultural land/farms profiling. Consolidated profile report on agricultural land/farms not completed and adopted (Not Achieved)	The Agriculture Profile Report has been developed however not adopted by Council due to governance issues (dissolution)	The Agriculture Profile Report will be adopted in 2021/2022 Financial Year	

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Employees: Local Economic Development Services					
Job Level	2019/2020		2020/2021		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	0	1	100%
4 - 6	3	3	0	1	33%
7 - 9	6	8	0	0	0%
10 - 12	7	15	0	0	0%
13 - 15	9	15	0	0	0%
16 - 18	11	21	0	0	0%
19 - 20	18	30	0	0	0%
Total	55	93	1	1	1%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

*T 3.11.8*

## COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

The outbreak of the Covid 19 pandemic and the country being placed on various levels of lockdown, negatively impacted the economic development and growth of South Africa, with the country's GDP declining with 5% by the end of 2020.

As a result, Lekwa experienced very low economic growth and the unemployment rate increased. According to the Lekwa SERO Report, the estimated average annual GDP growth for Lekwa between 2019 and 2024 was a slow growth of between 0.3% and 0. % per annum and based on the said narrative, it means that Lekwa's economy was not performing as it should be and that contributed to job losses during 2020/2021.

The Expanded Public Works Programme (EPWP), the Community Works Programme (CWP) and the Siyathuthuka Project were government's safety net that made it possible for persons employed through these programmes to support and sustain themselves and their families.

*T 3.11.11*

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## COMPONENT D: COMMUNITY & SOCIAL SERVICES

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

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

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

- Providing information to the community by making sure the necessary resource are available to the public.eg computer centre, reference area, books, periodicals and an information desk.
- Making sure that our library departments are visible and easy to allocate books by using book markers, book dividers, our books are catalogued correctly.
- We have library calendar, whereby we promote the following: library week,
- Libraries also market the use of libraries in black communities.
- Provision of free internet, computer use and free Wi-Fi
- Making sure that are our libraries are neat & quiet to increase the amount of time the public spends inside our libraries.

#### SERVICE DELIVERY OBJECTIVES

- To Provide relevant information to the public
- To make sure our library users are aware of current affairs



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- To provide a safe and user friendly environment
- To market library use in disadvantaged individuals
- To ensure our services are free and affordable
- To assist library users with computer use
- To assist with making photocopies

## CHALLENGES

- Lack of new books and updated resources
- Leakage of roof during the heavy rain fall
- Not user friendly – there is only one entrance with stairs, disable people cannot have access to the library
- No telephone landline at Thuthukani library
- Lack of transport to attend library forums, promotion of libraries & library meetings
- Shortage of library staff
- Limited budget to subscribe to library databases e.g. Overdrive for e-books, SA Media for newspapers and magazines.
- Lack of air conditioner inside the library which makes it difficult for the public to study due to unbearable temperatures, both hot and cold

## ACHIEVEMENTS

- New telephone and air cons at Stanwest Public Library.

The Department of Sports and Recreation has set aside funding for the construction of a new library which was completed during the 2019/2020 financial year.

T3.12.1

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
31	Library and Information Services		4	2 (Not Achieved)	Number of library promotions conducted		4		3 (75% overall performance Achieved)	Libraries closed due to Covid-19 regulations.	Awareness campaigns be done on social media platforms.	
32			4	2 (Not Achieved)	Quarterly reports on new library membership		4		3 (75% overall performance Achieved)	Libraries closed due to Covid-19 regulations.	Upgrade of provision of library services to online.	

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Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job Level	2019/2020	2020/2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	1	0	0%
7 - 9	6	8	2	1	13%
10 - 12	7	15	4	1	7%
13 - 15	9	15	22	0	0%
16 - 18	11	21	0	0	0%
19 - 20	18	30	0	0	0%
Total	55	93	31	3	3%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* T 3.12.4

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

The unit ensured the provision of the following services to the communities it serves:

- To Provide relevant information to the public
- To make sure our library users are aware of current affairs
- To provide a safe and user friendly environment
- To market library use in disadvantaged individuals
- To ensure our services are free and affordable
- To assist library users with computer use
- To assist with making photocopies

T 3.12.7

### 3.13 CEMETORIES AND CREMATORIIUMS

#### INTRODUCTION TO CEMETORIES & CREMATORIIUMS

During the year under review, no capital projects were undertaken to create additional burial space. The maintenance and upkeep of cemeteries and crematoriums is done according to weekly plans on a needs basis and the number of burials have shown a steady increase, which has affected available burial grounds.

T 3.13.1

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
34	Upgrading of the sport facilities and fencing of cemeteries.	Degrading sport facilities and unfenced cemeteries			Fencing of cemeteries		Fencing of Rooikopp en and Morgenzon Cemeteries		0% (Not Achieved)	Late procurement for fencing of Rooikopp en cemetery	Procure service Providers early	
174	Create additional burial space		4 Progress reports on development of regional cemetery	Terms of Reference compiled for cemeteries development (Not Achieved)	Establishment of 3 x regional cemeteries		3 x Operational regional cemeteries		Target Not Achieved	Delays in the procurement processes	Cemeteries reports will be adopted in the second quarter of 2021/2022 Financial Year	

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Employees: Cemeteries and Crematoriums					
Job Level	2019/2020	2020/2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	0	0	0%
7 - 9	6	8	0	0	0%
10 - 12	7	15	0	0	0%
13 - 15	9	15	6	9	60%
16 - 18	11	21	0	0	0%
19 - 20	18	30	0	0	0%
Total	55	93	7	9	10%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* T 3.13.4

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

The burial space currently available within the Municipality is depleting at a rate much faster than anticipated and projected. The current crisis of limited burial space will require the identification of additional burial space which will be finalized in the 2021/2022 financial year.

T 3.13.7

## 3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

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

Within the Corporate Services Department, the Intergovernmental Relations unit has been responsible for implementing social programmes focusing on children, the aged and persons with disabilities. These social programmes were aimed at these specific target groups, through a number of projects throughout the year. Another focus area was also to embark on the gender based violence programme through awareness. The section has developed the quarterly targets were set, aimed at reaching the various focus groups.

## COMPONENT E: ENVIRONMENTAL PROTECTION

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

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## INTRODUCTION TO ENVIRONMENTAL PROTECTION

Environmental health is the science and practice of preventing human injury and illness, promoting well-being by identifying and evaluating environmental sources and hazardous agents, limiting exposures to hazardous physical, chemical, and biological agents in air, water, soil, food, and other environmental media or settings that may adversely affect human health.

Environmental Health Services within the Province is being rendered at District level. The Provincial Environmental Health Practitioners provide support mostly were a challenge still remains in the devolution of the function to Municipalities due to human resource constraints. The District is responsible for environmental pollution control through municipal health and environmental services and provide support to sector departments in terms of biodiversity and landscape.

T 3.14

### 3.15 POLLUTION CONTROL

#### INTRODUCTION TO POLLUTION CONTROL

The Gert Sibande District Municipality is responsible for monitoring water quality on a monthly basis, within the Municipality. Compliance to SANAS 241 standards for drinking water is tested. Surveillance of surface water and sampling of boreholes for possible pollution by heavy metals or other chemical or biological contaminants is conducted. The District, as a licensing authority manages air pollution through regulatory services and compliance monitoring services, including environmental pollution

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control, incident management and pollution prevention through awareness campaigns. The impact of the service has seen increased awareness and community participation in pollution prevention.

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

### INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

Within the South African context, ecological infrastructure refers to naturally functioning ecosystems that deliver valuable services to people, such as healthy mountain catchments, rivers, wetlands, coastal dunes, and nodes and corridors of natural habitat, which together form a network of interconnected structural elements in the landscape. Investing in ecological infrastructure has its foundation in simultaneously identifying critical services flowing from naturally functioning ecosystems, and identifying those organisations that would benefit from or have a key responsibility for investing in these naturally functioning systems. The ecosystem services that are primarily being focused on for attracting investment in South African are largely related to water and disaster risk reduction, with climate change adaptation elements in both of these. The primary stakeholders that would be interested in these services are government related, although this should not discount the potential for private sector stakeholder involvement.

The entire economy relies to some extent on services flowing from ecological infrastructure – clean water flowing from healthy catchments being one obvious example. Unless this infrastructure is secured, the economy will suffer. Investing in ecological infrastructure should be seen as a means of risk reduction.

Water is South Africa's most critical natural resource, and is a vital element for sustainable economic growth - supporting agriculture, energy generation, industry and forestry, as well as domestic use. The



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effects of climate change are expected to place additional pressures on the country's already stretched water resources. South Africa is a developing country facing a number of challenges relating to poverty, unemployment and inequality. Investing in ecological infrastructure has the potential to contribute to national development goals, including job creation, poverty alleviation and rural development.

Mainstreaming biodiversity into land-use planning and decision-making, resource management and biodiversity stewardship is critical. The mandate for managing ecological infrastructure is shared between all three spheres of government in South Africa. For example, land use decisions made at the municipal level affect the existence and state of ecological infrastructure, such as the maintenance of healthy wetlands that provide a disaster risk reduction role for human settlements, while the enforcement of buffers along river stretches on agricultural land by provincial agricultural departments has a direct impact on river health and water quality.

The private sector also has a critical role to play in investing in ecological infrastructure both as an investor, and as a landowner. There are a number of motivations for private sector investment in ecological infrastructure, and one of the main motivators is to manage risk. Within the Municipality, not enough has been done to date to mainstream this critical element towards sustainable environmental health.

T 3.16.1

## COMPONENT F: HEALTH

### INTRODUCTION TO HEALTH

# Chapter 3

This component includes clinics, ambulance services and health inspections, which are all functions that are not directly provided by the Municipality. These services are rendered by the Department of Health and the District respectively.

T 3.17

## 3.17 CLINICS

### INTRODUCTION TO CLINICS

Clinic services and primary health care is no longer under the control of the Municipality. This service is provided by the Department of Health. The following table provides some critical statistics in respect of clinic services within the Municipality and as a proportion of clinic services within the District.

T 3.17.1

PUBLIC HEALTH FACILITIES	2020/2021
Number of clinics	7
Number of community health centres (CHC)	1
Number of hospitals	1

HIV prevalence rate of pregnant women 32.5% - decreasing between 2010 and 2011.

HIV prevalence rate excluding pregnant women 19.9% - decreasing trend.

TB cases – decreasing between 2010 and 2012.

Clinics in Lekwa, seven of Gert Sibande's 62 clinics.

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Community health centres in Lekwa is 1 of Gert Sibande's 18 Community Health Care centers. Hospitals, one of Gert Sibande's 9 hospitals.

## 3.18 AMBULANCE SERVICES

### INTRODUCTION TO AMBULANCE SERVICES

Emergency Medical Services (EMS) or ambulance services consists of teams of healthcare professionals who are responsible for providing pre-hospital emergency care and transportation of the sick and injured. Medical care is usually provided within three components, namely operations, specialised standby services and hospital inter-facility transfers. Within Lekwa, this service is provided by the Department of Health and thus the Municipality does not have any competence in rendering this service.

*T 3.18.1*

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

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

Municipal Health Services has been extended by the District through compliance inspections for the following services, namely food control, environmental pollution control, water quality monitoring, health surveillance including premises. Monthly inspections to premises, including targeted food and

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water sampling is conducted. Through training and awareness campaigns, communities and stakeholders are capacitated. There is a continuous campaigning to do licensing of all food premises with regular and continuous compliance monitoring and enforcement.

The District, being mandated to provide municipal health services, has extended compliance inspection in the areas of food control, environmental pollution control, water quality monitoring and health surveillance of business premises. A significant number of inspections are done on a monthly basis, targeting food and water sampling. Awareness and training campaigns are done to capacitate communities and stakeholders. There is a continuous campaigning to do licensing of all food premises with continuous compliance monitoring and enforcement. It being a District function, it has managed to increase its monitoring and licensing regime and programme, including the number of awareness programmes to capacitate communities and stakeholders and be actively involved in municipalities within the District.

*T 3.19.1*

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## COMPONENT G: SECURITY AND SAFETY

### INTRODUCTION TO SECURITY & SAFETY

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

T 3.20

### 3.20 TRAFFIC LAW ENFORCEMENT

#### INTRODUCTION TO TRAFFIC LAW ENFORCEMENT

The main function of the Traffic Law Enforcement section is to enforce traffic laws and promote road safety in the Municipal jurisdiction. Some of the critical challenges faced by this section includes the following:

- Shortage of equipment to conduct special road blocks for the collection of outstanding fines
- Shortage of personnel specially on funeral escorts during weekends;
- Storage of our court documents

Considering the challenges faced by the section, it has also achieved the following for the year under review:

- Acquired new, roadworthy vehicles used to promote and enforce road safety and;
- Progress in firearms training and procurement

T 3.20.1

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
25	Traffic law enforcement	4	4	3 (Not Achieved)	Quarterly reports on traffic fines issued		4		4 (Achieved)			
26		4	4	3 (Not Achieved)	Number of reports prepared on repairs and painting of road signs and markings		4		2 (Not Achieved)	Lockdown regulations, road surfaces that are not in a good condition and shortage of material and machinery	Material to be added as stores items. Maintenance Plan for vehicle. Maintenance of roads	

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
27		4	4	3 (Not Achieved)	Quarterly reports prepared on section 56 and road accident forms completed		4		4 (Achieved)	System failer	Payment of service providers on time so that they can respond when there's a system failure	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
28		6	6	6 (Achieved)	Number of roadblocks conducted		6		3 (75% overall performance Achieved)	Over reliance to other key stakeholders like SAPS and Provincial Traffic	Roadblocks to be conducted also on Municipal Streets	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
29		4	4	4 (Achieved)	Number of Community safety meetings attended		4		1 (Not Achieved)	Physical Meetings not allowed - Covid-19 Regulations	Meetings be on Virtual Platforms	
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Employees: Police Officers					
Job Level	2019/2020	2020/2021			
Police	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Police Officer & Deputy					
Other Police/Traffic Officers					
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	12	150%
10 - 12	7	15	7	6	40%
13 - 15	9	15	9	0	0%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	0	0%
Total	55	93	55	28	30%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T 3.20.4

## 3.21 FIRE

### INTRODUCTION TO FIRE SERVICES

Within the Municipality, fire and disaster management falls within the same unit. Disaster management is a service that is run on an agency basis by the Municipality on behalf of the Gert Sibande District Municipality. There are critical challenges within the unit especially in respect of adequate staff, safety gear, equipment and the requisite fleet to effectively and efficiently perform its functions including personnel shortage. The Fire, rescue and Disaster Management is operating on the four shift system, 24/7, on the minimum of 5 Senior Fire Fighters, 23 Fire Fighters and 7 x Control Room Attendants which is still far less than the required standard of manning the Fire Station. In addition, there is also vehicle shortages as most of the Fire Fighting Vehicles have been scrapped due to being beyond its reasonable life expectancy. These vehicles require replacing and those that are still operational spend most of their time at the workshop for repairs due to aging.

# Chapter 3

Service delivery is also hampered and the lives of the Fire Fighters are at risk because they have to work in the situation where they can inhale smoke or chemicals due to lack of proper equipment. For the year under review, the component has responded to all reported emergency calls.  
T 3.21.1

Municipal Fire Service Data			
	Details	2019/2020	2020 / 2021
		Actual No.	
1	Total house/building fires attended in the year	69	62
2	Total veld/grass fires attended in the year	114	75
3	Total motor vehicle accidents attended in the year	146	73
4	Total fire safety inspections conducted on business premises in the year	199	106
5	Total fire hydrant inspections conducted in the year	210	28
6	Fire fighters in post at year end	38	37
			T 3.21.2

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
30	Emergency services	4	4	2 (Not Achieved)	Number of reports on emergencies, accidents, house fires and veld fires attended to		4		4 (100% as all fire and disaster management activities were attended to) Achieved			

# Chapter 3

Employees: Police Officers					
Job Level	2019/2020	2020/2021			
Police	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Police Officer & Deputy					
Other Police Officers / Fire Fighters					
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	12	150%
10 - 12	7	15	7	6	40%
13 - 15	9	15	9	0	0%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	0	0%
Total	55	93	55	28	30%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*  
T 3.20.4

## COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

The Fire, Rescue and Disaster Management unit operates on a four shift system, 24 hours a day and seven days a week. Each shift operates with a minimum of two Fire Fighters and a Control Room Attendant which is far less than the required standard for effectively manning a fire station per shift.

The problem is also compounded by the fact that most of the fire fighting vehicles have been scrapped due to it being beyond its useful lifespan, while other vehicles have not been repaired either from involvement in accidents or due to maintenance and repairs. Maintenance and repairs to these vehicles have become a very costly exercise due to the age of these vehicles.

Service delivery is hampered and the lives of fire fighters are at times at risk due to protective clothing not being replaced on a regular basis as it becomes damaged.

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The above has a negative impact in the ability to ensure that in all instances the average turnaround time to respond to incidents in both urban and rural is not always within the specified acceptable standard to reach an emergency incident. The unit however always strives to respond to their call of duty with utmost dedication and commitment.

T 3.21.2.1

## 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

The Disaster Management function is mandated by the Disaster Management Act (57 of 2002) and other supporting legislation has been devolved as a District function. Measures aimed at preventing or reducing risks associated with hazards prevailing within the district is being implemented. It is a continuous and integrated multi-sectoral, multi-disciplinary process of planning and implementation of projects and programmes aimed at improving capacity to deal with disasters and emergencies.

The District supports local municipalities and other stakeholders with firefighting training in order to improve their capacity to prevent, reduce and or respond to the fire incidents and emergencies. The Municipality relies on the District for assistance in rendering disaster management services.

T 3.22.1

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

# Chapter 3

The GSDM has a functional Disaster Management Advisory Forum, which holds quarterly meetings. The Forum consist of stakeholders from diverse sectors to advise and assist the district in the planning and implementation of programmes that are aimed at prevention and reduction the risk of disasters, mitigating the severity of disasters, preparedness, responding to incidents and post disaster recovery and rehabilitation. The Municipality participates in District and Provincial Disaster Management Advisory Forums and other Disaster and Emergency Services Technical Committees and Structures within the district and the province.

T 3.22.7

## COMPONENT H: SPORT AND RECREATION

### INTRODUCTION TO SPORT AND RECREATION

This component includes community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites. The main objective of this section within the Community Services and Safety are the following:

The Division strives to maintain and keep environment, parks and gardens clean, tidy and organised.

- The Division cleans and maintains sport facilities in suitable conditions.
- The Division cleans and maintain recreational facilities to the acceptable standards.
- The Division cleans cemeteries and prepare burial sites
- The Division assists community members by tracing graves numbers if such requests arise.

### SERVICE DELIVERY OBJECTIVES

# Chapter 3

- To clean and maintain environment, parks and gardens
- To clean and preparation of sports and recreational facilities
- To clean cemeteries and prepare burial sites by digging graves
- Coordinate and interact with funeral directors

## CHALLENGES

- Old and redundant machinery and equipment
- Lack of additional and up to date machinery and equipment
- Additional land for burial purposes
- Insufficient personnel staff members to cater for three sections in the division

## ACHIEVEMENTS

- Ability to clean and maintain facilities as per weekly programme
- Ability to respond to community requests on the preparation of burial sites
- The high response in assisting the community with tracing of needed graves.

T 3.23

## 3.23 SPORT AND RECREATION

### SERVICE STATISTICS FOR SPORT AND RECREATION



# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
33	Upgrading of the sport facilities and fencing of cemeteries.	Degrading sport facilities and unfenced cemeteries			100% completion of Morgenzon and Mahala Park Sports facilities		Completion of Morgenzon and Mahala Park Sports Facilities,		0% (Not implemented ) (Not Achieved)	Community disturbances	Establish PSCs for all projects	
35	Street cleaning		4	1 (Not Achieved)	Number of quarterly reports prepared on CBD street cleaning		4		3 (75% overall performance Achieved)	Covid-19 Lockdown Regulations	Provision of Covid-19 aligned protective clothing and equipment to employees	

# Chapter 3

Employees: Sport and Recreation					
Job Level	2019/2020	2020/2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	0	0	0%
4 - 6	3	3	1	1	33%
7 - 9	6	8	0	1	13%
10 - 12	7	15	0	0	0%
13 - 15	9	15	1	1	7%
16 - 18	11	21	16	14	67%
19 - 20	18	30	0	0	0%
Total	55	93	18	17	18%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.23.3

## 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, Etc

Key stakeholders responsible for oversight and governance and to communicate matters relating to assurance includes Council, the Executive Mayor and the Municipal Manager. The Leadership and those charged with governance continuously contribute to the credibility of financial and performance information and compliance with legislation by ensuring that adequate internal controls are implemented and effectively monitored.

T 3.24

# Chapter 3

## 3.24 EXECUTIVE AND COUNCIL

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

### INTRODUCTION TO EXECUTIVE AND COUNCIL

The following highlights key findings in respect of leadership, financial and performance management and governance that can only be addressed and corrected as a collective:

- a) Effective leadership based on a culture of honesty, ethical business practices and good governance, and protecting and enhancing the best interests of the entity
- b) Exercise oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls
- c) Implement effective human resource management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored and that policies and internal controls are in place
- d) Establish information technology governance framework that supports and enables the Municipality to deliver value and improves performance
- e) Implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible to support financial and performance information
- f) Review and monitor compliance with applicable legislation and design and implement formal controls over information technology systems to ensure the reliability of the systems and the availability, accuracy and protection of information;
- g) implement appropriate risk management activities to ensure that regular risk assessments, are conducted and that the risk strategy is implemented and monitored through an adequately resourced and functional internal audit unit;

# Chapter 3

h) ensure that the audit committee promotes accountability and service delivery through evaluating and monitoring responses to risks and overseeing the effectiveness of the internal control environment, including financial and performance reporting and compliance with legislation.

T 3.24.1

## SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

In exercising its executive and legislative mandate the institution has, through leadership collective, financial and performance management and governance, ensured effective oversight and accountability by considering and reviewing all legislative reporting requirements in various committees of Council for the provision of services.

T 3.69.2

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
98	System of Delegations: Review and approval of delegations	Delegation Register is place, not reviewed	New KPI		Approved system of delegations	Review and approve systems of delegations	Delegations register approved by 2020-08-31	Review and approve systems of delegations by 30 June 2021	Delegations register not reviewed and approved (Not Achieved)			
99	Records Management: Development and approval of the archives and records management policy.	One annually reviewed archives and records management policy	New KPI		Records management policy approved	Records management policy reviewed and approved	One annually reviewed archives and records management policy	Annual review of archives and records management policy by 2021 June 30	Not Achieved			

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
100	Contract Management	9			Number of contract register updates performed		12		2 (Not Achieved)			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
101	Operationalise customer care centre	Call center not centralised and not functioning effectively	Call centre launched by 2019-12-31	Not Achieved	Established and fully operationalized municipal customer care call and service center		Date of procurement of an integrated automated customer care system by 2021-03-31		Not Achieved	Cash flow constraint	Defer target to 2021/2022 FY	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
102	Review Municipal Service Standards	Service standards not adhered to			Revised	Revise service standards for adoption by Council by 2021-06-30	Revise service standards for adoption by Council by 2020-12-31		Service standards reviewed. Not adopted by council (Not Achieved)		Defer target to 2021/2022 FY	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
103	Conduct Batho-Pele Workshop	New KPI	New KPI		Workshop conducted annually for frontline staff on Batho Pele principles		1		0 (Not Achieved)	Cash flow constraint	Defer target to 2021/2022 FY	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
108	Develop a meeting schedule	One meeting schedule			Number of reports on schedule of council activities implemented by 2021-06-31	Number of reports on schedule of council activities implemented by 2021-06-30	Quarterly reports on schedule of council activities implemented by 2021-06-31	Number of reports on schedule of council activities implemented by 2021-06-30	2 (Not Achieved)	Under reporting due to council activities not sitting as per approved schedule	Develop corporate calendar of meetings to be adhered to	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
109	Reports to council on implementation of resolutions	Continuous reporting to council			Reports tabled to council	Reports tabled to council on Council Resolution implementation	Continuous reporting to council on implementation of resolutions		1 report on council resolution implementation (Not Achieved)	Delays in feedback and progress reporting on resolution implementation	Develop implementation tracking reports and assign to compliance office for monitoring	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
110	Review terms of reference for Public Accounts Committee	The term of reference for the Public Account has been reviewed awaiting to be tabled to Council for approval			Approved terms of reference for MPAC		MPAC Terms of Reference approved by 2020-08-31	MPAC Terms of Reference approved by 2021-06-30	Not Achieved	Council dissolved	Prepare Terms of Reference for approval once council reinstated	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
118	Assessment of Audit Committee effectiveness	Audit Charter in line with Circular 65 to serve at Council for adoption;			Approved Audit Committee Charter		Audit Committee charter approved by 2020-07-31		Audit committee Charter was signed by the Executive Mayor 2020-10-09 (Achieved)			

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
119	Audit Committee meetings convened	Number of Audit committee meetings held	4	6 (Achieved)	Number of Audit committee meetings held		4		6 meetings (Achieved)			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
120	Internal Control Environment: Implement a risk-based Internal audit plan	One year and three year rolling internal audit plan in place			Risk-based internal audit plan implemented	Risk-based internal audit plan developed and approved by 2020-07-31	Risk-based internal audit plan	Risk-based internal audit plan developed	The Internal Audit Plan was approved in the Audit Committee meeting (Achieved)			

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
121	Timeous submissions of audit reports	Internal Audit reports are presented to the audit committee on a quarterly basis	4	6 (Achieved)	Internal audit reports submitted to the Audit committee		12 Internal Audit reports	8 Internal Audit reports	4 internal audit reports prepared (Achieved)			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
122	Timeous implementation of the audit action plan	Reporting on audit action plan implementation	4	3 reports on addressing Auditor-General findings as per the action plan (Not Achieved)	Number of audit findings cleared as per the 2019/2020 audit action plan		4 Reports on addressing audit findings (Action Plan)		4 Reports (Achieved)			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
123	Review of Performance Management System Policy	PMS Policy not reviewed	Reviewed Performance Management framework adopted by 2020-01-31	Performance Management framework not reviewed and adopted (Not Achieved)	Reviewed PMS Policy		PMS Policy reviewed by 2020-07-31	PMS Policy reviewed by 2021-06-30	PMS Policy Framework revised but not approved by Council (Not Achieved)		Defer target to 2021/2022 FY	

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
124	Automation of PMS	Manual excel-based PMS	New KPI		Automated PMS procured and implemented	Undertake benchmarking exercise by 2021-06-30 to develop specifications for PMS automation	PMS automated	Benchmarking undertaken by 2021-06-31 for PMS automation	Not Achieved	Cash flow constraint	Defer target to 2021/2022 FY	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
125	Performance reporting	Performance reports prepared	4	2 (Not Achieved)	Prepared Performance reports		performance reports prepared quarterly	4 performance reports submitted to council	4 Reports (Achieved)	Reports not noted by Council due to non-sitting of Council meetings		
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
126	Timeous submission of annual report	Annual Report tabling delayed	Annual report tabled by 2020-01-31	2020-06-29 (Achieved)	Tabled Annual Report		Annual Report tabled by 2021-01-31	Annual Report tabled by 2021-04-30	2019/20 Annual report tabled on 2021-07-30 (Not Achieved)	Audit completed on 2021-04-30. Annual report tabling hampered by non-sitting of council meetings	Appointed Administrator consider report	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
127	Timeous adoption of oversight report on annual report	Oversight report adoption delayed	1	1 Oversight report complied and served before council on 2020-06-29 (Achieved)	Adopted Oversight Report		Oversight Report tabled by 2021-03-31	Oversight Report tabled by 2021-05-31	Annual Report tabled on 2021-07-30. Oversight report not adopted in 2020/21 FY (Not Achieved)	Municipal council dissolved and put under administration	Appointed Administrator to consider report	

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
128	Review, approval and implementation of the Communication Policy and Strategy	Communication Policy and Strategy to be reviewed	2019-10-31	Communication plan not reviewed (Not Achieved)	Approved Communication Policy and Strategy		Communication Policy and Strategy approved by 2020-10-31	Communication Policy and Strategy approved by 2021-03-31	Not Achieved	Council meetings not sitting to approve the strategy	Defer target to 2021/2022 FY	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
129	Development and approval of public participation strategy and action plan	Public Participation Strategy to be reviewed	2020-04-30	Public Participation strategy not developed and approved (Not Achieved)	Approved Public Participation Strategy		Public Participation Policy approved by 2020-10-31	Public Participation Policy approved by 2021-03-31	Not Achieved	Strategy not reviewed	Defer target to 2021/2022 FY	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
130	Programmes for people living with disadvantages and other related special programmes		4	0 (Not Achieved)	Number of youth council meetings held by 2021-06-30		4		1 (Not Achieved)	Cash flow constraint	Defer target to 2021/2022 FY	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
131					Number of Gert Sibande Youth Forum Meetings attended		4		1 (Not Achieved)	Council not functioned optimally	Develop corporate calendar of meetings to be adhered to	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
132			4	0 (Not Achieved)	Number of women's forum meetings held by 2021-06-30		4		3 (Achieved)	Cash flow constraint	Defer target to 2021/22 FY	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
133			4	1 (Not Achieved)	Number of People Living with Disabilities forum meetings held by 2021-06-30		4		3 (Achieved)	Cash flow constraint	Defer target to 2021/22 FY	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
134					Number of quarterly children forum meeting held by 2021-06-30	Remove KPI	4		0 (Not Achieved)	Structure dysfunctional and impacted by lockdown restrictions to relaunch	Develop corporate calendar of meetings to be adhered to	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
135					Date of adopting the Youth development strategy	Approved Youth Development strategy by 2021-06-30	Approved Youth Development strategy	Approved Youth Development strategy by 2021-06-30	Not Achieved	Structure dysfunctional and impacted by lockdown restrictions to relaunch	Develop corporate calendar of meetings to be adhered to	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
136					Promote Gender Based Violence Campaigns		4 Gender awareness campaigns		3 (Achieved)	Cash flow constraint	Defer target to 2021/22 FY	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
137			2019-10-31	Not Achieved	Date of adopting the HIV/AIDS implementation plan		Annual adoption of the HIV/AIDS Implementation Plan	Adoption of the HIV/AIDS Implementation Plan by 30 June 2021	HIV/Aids Implementation plan developed. Not approved (Not Achieved)	Plan not reviewed	Defer target to 2021/22 FY	



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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
138			4 Reports submitted to Council on implementation of HIV/Aids Plan	0 (Not Achieved)	Number of quarterly reports submitted to council on HIV/AIDS plan implementation		4 Reports submitted to Council on implementation of HIV/Aids Plan		1 (Not Achieved)	Plan not reviewed	Defer target to 2021/22 FY	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
139			New KPI		Number of meetings with Civil Society		4 Civil Society meetings		2 (Not Achieved)	Cash flow constraint	Defer target to 2021/22 FY	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
140			New KPI		Promote sporting activities		1 Mayoral Cup		0 (Not Achieved)	Cash flow constraint	Defer target to 2021/22 FY	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
141			New KPI		Employee wellness games		2 Employee wellness games		2 (Achieved)	Cash flow constraint	Defer target to 2021/22 FY	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
142			4 Reports submitted to Council on implementation of HIV/Aids Plan	0 (Not Achieved)	Number of HIV/AIDS awareness campaigns		4 HIV/AIDS awareness campaigns		2 (Not Achieved)	Cash flow constraint	Defer target to 2021/22 FY	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
143			4 Local HIV/Aids Council meetings held	0 (Not Achieved)	Number of Local HIV/AIDS council meetings held		4 Local HIV/Aids Council meetings held		0 (Not Achieved)		Develop corporate calendar of meetings to be adhered to	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
144	Ensure compliance with COVID 19 regulations	New KPI	New KPI		Number of reports on compliance to Covid 19 regulations		4		3 (Achieved)			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
145	Timeous Review of Credible IDP	2020/2021 IDP/Budget/PMS Process Plan	Reviewed IDP adopted by 2020-05-31	2020-06-29 (Achieved)	Date of adoption of the IDP/Budget/PMS Process Plan		2021/2022 IDP/Budget/PMS Process Plan		The IDP/Budget/PMS Process Plan was adopted by Council in October 2020 (Achieved)	N/A	N/A	



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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
146	Formulation of the Strategic planning concept document and the operational plan annually		New KPI		Date of adoption of the strategic Planning Concept Document		Strategic Planning Concept Document by August 2020		The Concept Document was adopted and the Strategic Planning Session was held on the 03rd and 4th March 2021. (Achieved)	N/A	N/A	
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147	IDP Stakeholder Engagement	1 IDP Rep Forum	4	2 (Not Achieved)	Number of IDP Rep Forums		3 IDP Rep Forums		2 (Not Achieved)	Due to governance issues	4 IDP Rep Forums scheduled in 2021/2020	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
148	Formulation of Community Participation programme	Public Participation on Strategy	2020-04-30	Public Participation strategy not developed and approved (Not Achieved)	Date of adoption Programme		Community Participation Programme by 30 June 2021		The Public Consultation Programme was developed and implemented in June 2021 (Not Achieved)			

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Employees: The Executive and Council					
Job Level	2019/2020	2020/2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	13	2	200%
4 - 6	3	3	8	7	233%
7 - 9	6	8	12	10	125%
10 - 12	7	15	8	8	53%
13 - 15	9	15	0	0	0%
16 - 18	11	21	18	7	33%
19 - 20	18	30	0	0	0%
Total	55	93	59	34	37%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.24.4

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

As highlighted above and noting the findings of the Auditor General, specifically relating to providing assurance and the political administrative will to effectively deal with consequence management, clear plans will be put in place through the audit action plan to address such. In addition, relevant Treasury guidelines and circulars will be utilized to strengthen the implementation, monitoring and reporting of such matters.

In exercising its executive and legislative mandate the institution has, through leadership collective, financial and performance management and governance, ensured effective oversight and accountability by considering and reviewing all legislative reporting requirements in various committees of Council for the provision of services in addressing the socio-economic inequalities and challenges.

Various projects as outlined in the IDP to address water, sanitation, electricity, roads, human settlements and human capital development have been undertaken to ensure sustainable supply of services.

T 3.24.7

## 3.25 FINANCIAL SERVICES

### INTRODUCTION FINANCIAL SERVICES

The established Budget and Treasury office's main focus is to provide accounting services for all directorates in the Municipality. Key functions include revenue management, credit control, debt collection, supply chain and asset management. Revenue management deals with debtors' management, which includes billing and the collection of consumer debt. The average collection rate was 67% for the year under review. The asset management section deals with movable and immovable assets in terms of various GRAP standards. Creditors and payroll management deals with the payment of creditors through procurement processes and direct payment. In addition, it deals with the remuneration of salaries and councillors allowances. At the reporting date, there were no issues in terms of salaries and allowances. Matters raised by the Auditor General were in terms of major creditors such as Eskom, Department of Transport, and the Department of Water and Sanitation. The supply chain management section deals with the storage of goods and stock for use by various departments. This among others include fuel and oil, material for water, electrical, refuse, sewerage and stationary. This section also deals with procurement processes that deals with competitive bidding as well as quotations. The component of accounting management services deals with budget management and reporting to various structures as required in terms of inter alia MFMA sections 71,72, 52, 121, 122, 123,124,125 126, 131 and 132.

The challenges that needs to cleared out are procurement matters dealing with irregular, unauthorised, fruitless and wasteful expenditure. The other matter that in most instances complicate budget

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management is that the budget is not realistic and not cash backed. An audit recovery action plan was developed to address matters raised by the Auditor General.

T 3.25.1

Debt Recovery				
R' 000				
Details of the types of account raised and recovered	2017/2018		2018/2019	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Actual for accounts billed in year	Proportion of accounts value billed that were collected %
Property Rates	64,046	65%	69,946	15%
Electricity - B	266,803	87%	261,000	37%
Electricity - C	8,998	77%		
Water - B	44,061	44%	77,000	11%
Water - C				
Sanitation	21,509	43%	33,000	5%
Refuse	13,815	43%	21,000	3%
Other				

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*B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them. T3.25.2*

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37	Cash Management: Development of Cash Flow Management Tool and Implementation of Cash Flow Committee Recommendation	Trade Creditors older than 360 days R 2 billion			% Reduction of Outstanding Creditors Balance for Creditors Older than 360 days		Reduction of Outstanding Creditors Balance for Creditors Older than 360 days to R1.6 billion		Not Achieved	Inadequate cash flow to finance and cover outstanding creditors (Eskom, Water Affairs & SARS)	Ensure implementation of Revenue Enhancement Strategy & Financial Recovery Plan	
38	Credible cash backed Budget: Develop a long-term financial plan to achieve a funded budget.	Financial Recovery Plan Developed			Credible MTREF Budget approved through long term financial plan		Annually reviewed a long-term financial plan		2021-2022 Budget approved on 2021-06-30 (Achieved)			

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
39	Establish / Resuscitate a Budget Committee that will ensure compliance with Municipal Budget and Reporting Regulations (MBRR).	No Budget Steering Committee Established			Established Budget Steering Committee meetings on Municipal Budget and Reporting Regulations (MBRR) held 3 times		Committee on Municipal Budget and Reporting Regulations (MBRR)		2 Budget Steering Committee meetings held (Not Achieved)  <b>278</b>			

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40	Expenditure Management: Negotiate payment plans (Eskom, DWA, creditors, etc.)	Trade Creditors older than 360 days R 2 billion			% Reduction of Outstanding Creditors Balance for Creditors Older than 360 days		% Reduction of Outstanding Creditors Balance for Creditors Older than 360 days to R1.6 billion		Not Achieved			
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41	Training on all mSCOA segments (votes) and enforcement of budget policy.	Inadequate Training on the mSCOA reforms			Approved Annual mSCOA Training Plan workshops conducted		Annual workshops on Mscoa conducted		Workshop conducted on 2021-06-10 (Achieved)			
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42	Outstanding Creditors: Reconciliation between the system and suppliers' statements.	Reconciliations of creditors			Number of creditors reconciliations conducted		Monthly creditors reconciliations conducted		12 creditors reconciliations conducted (Achieved)			
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43	Retention should be cashed backed. (ring-fence all retention per project).	Retention not cash backed			Number of cash backed retention registers maintained		12 registers on cash backed retentions maintained		12 (Achieved)			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
44	Introduce a VAT review process.	VAT returns submitted			Number of VAT Reconciliations conducted		Monthly review of VAT process		12 (Achieved)			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
45	Improve credibility of budget in-year reporting.	12 section 71 reports			Improved credibility of budget in-year reporting		12 section 71 reports		12 (Achieved)			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
		1 Midyear report					1 section 72 report		1 section 72 report tabled to Council on 2021-02-02 (Achieved)			
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		4 section 52 reports					4 section 52 reports		4 (Achieved)			
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46	Development and Implementation of Cost Containment Regulations; and	Approved Cost Containment Policy			Number of reports on implementation of cost containment regulations	Remove KPI	4 reports on implementation of Cost containment policy regulations		Not Achieved. Target removed for Q3 & Q4			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
47	Compile a 2021/22 MTREF budget in line reviewed targets for realistically anticipated revenue and expenditure trends.	Approved 2020 - 2021 MTREF	2020-05-31	2020-06-29 (Achieved)	Council Approved Credible Funded Budget for 2021/2022 and Credible MTREF Budget		Council Approved Credible Funded Budget for 2021/2022 and Credible MTREF Budget		2021/2022 Budget approved on 2021-06-30 (Achieved)  <b>288</b>			

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
48	Review and update all budget related policies.	Approved Budget Related Policies	2020-05-31	2020-06-29 (Achieved)	Updated budget related policies by 2021-06-30		All budget related policies reviewed annually		Budget related policies approved on 2021-06-30 (Achieved)			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
49	Grant Management: Ring-fence conditional grants; and Comply with conditional grant funding requirements	Maintaining Grants Registers	100%	27% (Not Achieved)	Number of reports on ring-fenced conditional grants in compliance with conditional grant funding requirements		4 Grant Reconciliation Reports		Not Achieved			290

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
50	Restructure and capacitate the SCM unit and committees.	SCM not in line with the SCM Pillars	New KPI		Fully capacitated and trained SCM Unit staff and Bid Committees		Annual review of SCM (Procurement) Policy with SCM staff and Bid Committees trained		Workshop conducted on 2021-06-10 (Achieved)			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
51	Contract Management: Procurement Plans	New KPI	New KPI		100% approved procurement plans		100% approved procurement plans	100% approved procurement plans by 2020-07-31	Draft procurement plan developed by 2020-06-30. (Not Achieved)			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
52	Asset Management: Prepare a GRAP and mSCOA compliant Fixed Asset Register (FAR)	Quarterly assets reconciliations	12	Not Achieved	Updated Asset register		Annual asset register	mSCOA and GRAP compliant Asset Register	3 (Not Achieved)			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
53	Procure a GRAP and mSCOA compliant Asset Management System (AMS).	FAR on excel	New KPI		Asset Management Policy be GRAP and mSCOA compliant		Asset Management Policy be GRAP and mSCOA compliant		Asset Management policy approved on 2021-06-30 as part of budget related policies (Achieved)			

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
54	Revenue Management: Reconciliation of valuation roll, financial management system	Updating of the Supplementary Valuation Roll	12	12 (Achieved)	Updated valuation roll (market related values).	Number of valuation roll reconciliations	Accurate property rates billing system		2 (Not Achieved)			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
55	Undertake a tariff review and costing for all essential services.	Tariffs not cost reflective	2020-03-31	2020-06-29 (Achieved)	Cost reflective tariffs		Annually review Tariff policy		Tariff policy approved on 2021-06-30 (Achieved)			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
56	Low and zero sales audit on prepaid meters.	Report on zero sales on prepaid meters not compiled to track bridged/illegal prepaid meters	New KPI		4 Reports on the zero sales on prepaid meters		4 Reports on the zero sales on prepaid meters		3 (Achieved)			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
57	Review the Credit Control and Debt Collection policies;	Reviewed Policies	2020-05-31	2020-06-29 (Achieved)	Council Approved Credit Control and Debt Collection Policy		1 annually review Credit Control and Debt Collection policy		Credit Control and Debt Collection Policy approved on 2021-06-30 (Achieved)			

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
58	Analyze and write off all inactive municipal debt accounts and irrecoverable debt;	High Inactive consumer accounts with irrecoverable debt	New KPI		Number of reports on outstanding debt from inactive and irrecoverable consumer debt		4 Reports on outstanding debt from inactive and irrecoverable consumer debt		1 (Not Achieved)			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
59	Revive Payment Culture: Office of the Speaker on campaigns to revive the payment culture campaigns in wards	Culture of non-payment in Lekwa on the rise	New KPI		Number of campaigns held to revive payment culture		2 campaigns held to revive payment culture	1 campaign held to revive payment culture	0 (Not Achieved)			
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# Chapter 3

Employees: Financial Services					
Job Level	2019/2020	2020/2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	4	4	3	75%
4 - 6	3	10	10	5	50%
7 - 9	6	12	12	9	75%
10 - 12	7	22	22	29	132%
13 - 15	9	0	0	0	#DIV/0!
16 - 18	11	6	6	4	67%
19 - 20	18	0	0	0	#DIV/0!
Total	55	54	54	50	93%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T 3.25.4

# Chapter 3

## COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL

For the 2018/2019 financial year reporting period, the Municipality had a total operating revenue amounting to R 706 million while the operating expenditure amounted to R 932 million that resulted in an operating deficit of R 226 million. There was a revenue increase of R 119 million (20.27%) when compared to the 2017/18 financial year of R 587 million while expenditure increased with R 16 million. Grants receipts contributed R 179 million (25.35%) of the total revenue while revenue generated from property rates as well as service charges contributed R 463 million (65.58%) to the total revenue mix, this further affirming that the Municipality does depend on grants to finance its operations. Total operating revenue excluding capital transfers amounted to R 572 million for the 2018/19 financial year which indicates revenue growth of R 117 million when compared to the 2017/18 financial year of R 455 million.

T 3.25.7

## 3.26 HUMAN RESOURCE SERVICES

### INTRODUCTION TO HUMAN RESOURCE SERVICES

The impact of human resource services on the Municipality can especially be seen in the efforts made to ensure that both Councillors and officials are skilled through the various learning and skills development programmes. This ensures that the Municipality produces a well-capacitated leadership and management cadreship for improved service delivery.

T 3.26.1

### SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Support services to the following departments have been rendered to ensure a capable administration in prudent utilisation of minimal resources:

- Office of the Municipal Manager
- Budget and Treasury
- Corporate Services
- Community Services and Safety
- Technical Services
- Planning and Economic Development
- Services:
  - Recruitment and Selection

# Chapter 3

Training and Development  
Employee Administration  
Leave Administration  
Health and Safety

T 3.26.2

1st Draft



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67	Restructure the organogram in order to achieve proper alignment to the purpose and strategic objectives of the municipality as well as the budget.	Organogram not aligned with the IDP and Budget	2019-10-31	Not Achieved	Council Approved Organogram aligned to the capacity, service requirements, community needs and IDP	Review and update the municipal organogram	Aligned Organogram with the IDP and Budget	Approved Organogram by 30 June 2021	Organogram tabled to Council on 2021-03-31. No final approval with IDP and Budget by 2021-06-30 (Not Achieved)			
68	Develop and implement a migration and placement policy to assist with the placement of employees within the approved organizational structure and do away with irregular	Migration and placement policy to assist with the placement of employees within the approved organization	New KPI		Council approved Placement policy	Reviewed Municipal Placement Policy	Annually reviewed migration and placement policy to assist with the placement of employees within the	Annually review the Placement policy and submit to Council for approval by 2021-06-30	Placement Policy not developed and approved (Not Achieved)		Target deferred to 2021/2022 FY	

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
	appointments	nal structure not adhered to					approved organizational structure					
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
69	Implement T.A.S.K job evaluation system.	T.A.S.K job evaluation system.	New KPI		Implemented Job evaluations		T.A.S.K job evaluation system.	2 Reports on jobs evaluated	Close out report prepared on job evaluation (Achieved)			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
73	Sensitizing personnel on all policies (incl. overtime policy).	Approved overtime policy	2019-10-31	Not Achieved	Number of Workshops conducted for Sensitizing personnel on all policies	Number of Workshops conducted for Sensitizing personnel on policies	Approved overtime policy	Conduct 4 Workshops annually	9 workshops conducted (Achieved)			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
74	Develop and implement WSP	Implement WSP	2020-04-30	2020-04-30 (Achieved)	Council approved WSP	Approved WSP implemented	Implement WSP	Number of training interventions implemented in line with approved WSP	WSP approved and submitted to LGSeta by 2021-04-30 (Achieved) <b>309</b>			

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
75	Conduct an employee head count and identify any ghost employees or employee's surplus to the organization, on the payroll, and consult organized labor	No ghost employees	New KPI		Number of employees validated		No ghost employees	520 employees verified by 2021-06-30	Employee verification not conducted (Not Achieved)			
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# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
76	Enforcement of the Overtime, Stand-by, Travelling, Acting and Subsistence as well as Leave Policies in line with Basic Conditions of Employment Act and Collective Agreements	Enforcement of the Overtime, Stand-by, Travelling, Acting and Subsistence as well as Leave Policies	New KPI		Enforced Overtime, Stand-by, Travelling, Acting	Quarterly reports on enforcing of Overtime, Stand-by, Acting Policies	Enforcement of the Overtime, Stand-by, Travelling, Acting and Subsistence as well as Leave Policies		0 (Not Achieved)  <b>311</b>			

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
77	Create conducive working environment		New KPI		Number of Departmental meetings held		12		13 meetings (Achieved)			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
78	Signing performance agreements		100% performance agreements signed within 30 days of beginning of new financial year	100% (Achieved)	Percentage of performance agreements signed		100% performance agreements signed		100% of performance agreements of employed s54A and S56 manager (4/4) (Achieved)			



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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
79	Implementation of the IPMS in a phased-in approach on levels (1-3)	PMS Policy to be reviewed annually	24	0 (Not Achieved)	% of Quarterly performance reviews conducted for the Municipal Manager and senior managers directly accountable to the municipal manager		100% of quarterly performance reviews conducted		2019/20 Annual assessment for MM conducted. Process not finalised (Not Achieved)	Schedule of reviews not adhered to	Encourage HoDs to have joint reviews with managers	

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
80		PMS Policy to be reviewed annually	2020-06-30	Not Achieved	Implemented IPMS in a phased-in approach on levels (17-16)		Implemented IPMS in a phased-in approach on levels (17-16)		Commenced benchmarking with assistance from Steve Tshwete. Process not completed (Not Achieved)	Target not achieved		

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
81	Submission of labour matters	2 reports	New KPI		Submission of reports to Council	Submission of reports to section 80 Committees	4 reports	Quarterly reports on Section 80 committee meetings convened	1 report (Not Achieved)	Council and committees of council not fully functional.	Municipal council dissolved. Placed under administration	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
82	Conduct workshops on Collective Agreements	New KPI			Number of workshop conducted	Remove KPI	4 reports		0 (Not Achieved) KPI Removed for Q3 & Q4			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
83	Convene Local Labour Forum meetings		12	0 (Not Achieved)	Number of Local Labour Forum meetings held		4	12 Local Labour Forum meetings held	4 LLF held (Not Achieved)	Poor relationship between employer and labour	Develop and adhere to schedule of meetings	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
84	Institute Consequence Management for poor performance and non-compliance to the performance policies in line with signed performance agreements	Institute Consequence Management for poor performance	4	0 (Not Achieved)	Consequence Management implemented	Reports on labour matters	Institute Consequence Management for poor performance	4 Reports on Disciplinary matters and Labour related matters	1 report  <b>319</b>	Departments not proactively dealing with disciplinary matters	Arrange refresher training on disciplinary processes for management	

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
85	Establish Disciplinary Board and develop and approve terms of reference for the Board	One Disciplinary Board			Disciplinary board established and functional	Financial Disciplinary board established and functional	One Disciplinary Board	Quarterly reports on Financial Disciplinary Board functionality	Disciplinary Board established.			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
86	Introduce Leave management procedures for all categories of leave;	Leave management procedures for all categories of leave	New KPI		Leave Management System developed	Leave management system implemented	Leave management procedures for all categories of leave	Quarterly reports on leave management	2 reports (Not Achieved)			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
87	Analyze and reconcile all leave records to obtain the leave days available for all staff leave trends and develop action that need to be taken	One Analysis report leave trends and action need to be taken	New KPI		Number of reports on managing access leave	Remove KPI	4 Reports on managing access leave		0 Reports (Not Achieved) KPI Removed for Q3 & Q4			
									<b>322</b>			

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
88	Provide training to managers on leave management system/ procedures	One workshop held annually on leave for all managers	New KPI		Number of managers capacitated and trained on leave management system procedures	Remove KPI	4 Reports on leave management system procedures implemented		0 Reports (Not Achieved) KPI Removed for Q3 & Q4			
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT : CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)									323			

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
89	Ensure Close Monitoring of attendance register	New KPI	New KPI		Attendance register monitored on a quarterly basis		4 reports on monitoring work attendance by employees		3 Quarters reports on attendance submitted (Achieved)			
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# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
90	Assess the status on compliance with Municipal Regulations on Minimum Competency Levels Regulations	0% tolerance on non-adherence to Municipal Regulations on Minimum Competency Levels Regulations	New KPI		% Adherence to Municipal Regulations on Minimum Competency Levels Regulations		100% Adherence to Municipal Regulations on Minimum Competency Levels Regulations		2 Competency levels report (Not Achieved)  <b>325</b>			

LERWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT : | CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
91	Improve employee health and safety		4	1 (Not Achieved)	Number of OHS committee meetings held		4		3 meetings convened (Achieved)			
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# Chapter 3

Employees: Human Resource Services					
Job Level	2019/2020	2020/2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	0	1	100%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	54	93	54	39	42%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T3.26.4

# Chapter 3

## COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL

The priority within human resource services remains to ensure that the organizational structure of the Municipality is aligned to the IDP in order to achieve the Municipality's strategic objectives. Sound employee relations are critical to ensuring that the organization meets its objectives.

*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

Information and Communications Technology (ICT) is an extended term for information technology (IT) which stresses the role of unified communications and the integration of telecommunications (telephone lines and wireless signals), computers as well as necessary enterprise software, middleware, storage, and audio-visual systems, which enable users to access, store, transmit, and manipulate information.

ICT Framework and Policies were approved by Council and a new wireless router was installed to improve the network capacity and IT Network constantly monitored for effective and efficient organisational performance.

*T 3.27.1*

### SERVICE STATISTICS FOR ICT SERVICES

The following ICT services are aimed at enhancing IT connectivity were provided to ensure continuous and effective organisational performance.

Emails

Security – in terms of updating the anti-virus

The installation of software and hardware

Upgrades to current systems – VIP System, Munsoft and MunAdmin

*T 3.27.2*

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
92	Review and approval of the ICT strategy and policies; and institutionalize ICT governance structure.	One annually reviewed ICT strategy and policies;	2020-03-31	ICT Framework and Business Continuity Policies developed (Not Achieved)	Reviewed ICT strategy and policy	Review ICT Policies and Strategy	One annually reviewed ICT strategy and policies;	Review and approve all ICT Policies and strategies by 30 June 2021	ICT Policies prepared for section 80 committee on 2021-02-15. Not approved by council (Not Achieved)	Section 80 not functional	Defer target to 2021/2022 FY	
93		One annually reviewed ICT strategy and policies	New KPI		Upgraded Web based access to National Treasury;	Remove KPI	One annually reviewed ICT strategy and policies		Target not achieved. KPI removed in Q3 & Q4			

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
94	Web based access to National Treasury		New KPI		Budget module;	Remove KPI	Synchronized and operational Web based access to National Treasury		Target not achieved. KPI removed in Q3 & Q4			
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# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
95	Budget and Treasury Office software Modules		New KPI		Asset module;mSCOA compliant ICT system		Integration of : Budget module; Asset module and mSCOA compliant ICT system		Target not achieved			
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# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
96	Reviewed ICT architecture and Infrastructure	Status Quo	2020-03-31	Not Achieved	Upgraded / New network, servers and hardware.	Upgrade municipal ICT infrastructure	Functional and efficient ICT environment: 1. Stable and uninterrupted network. 2. Efficient desk support, and 3. Gradual upgrade critical Desktops, Laptops and other tools of trade requirements		ICT infrastructure not upgraded (Not Achieved)	Cash flow constraint	Deferred to 2021/22 FY	
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Employees: ICT Services					
Job Level	2019/2020	2020/2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	0	1	100%
4 - 6	3	3	2	0	0%
7 - 9	6	8	0	0	0%
10 - 12	7	15	0	0	0%
13 - 15	9	15	0	0	0%
16 - 18	11	21	0	0	0%
19 - 20	18	30	0	0	0%
Total	55	93	2	1	1%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T3.27.4

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Financial Performance Year 2020/2021: ICT Services					R'000
Details	2019/2020	2020/2021			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
<b>Total Operational Revenue</b>	0	0	0	0	#DIV/0!
Expenditure:					
Employees					
Repairs and Maintenance	0	0	0	0	#DIV/0!
Other	0	0	0	0	#DIV/0!
<b>Total Operational Expenditure</b>	0	0	0	0	#DIV/0!
<b>Net Operational Expenditure</b>	0	0	0	0	#DIV/0!
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.27.5

## COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

There have never been any identified large capital projects necessitating variation from the budget from the IDP for the year under review.

All incapacity challenges in relation to ICT services and infrastructure due to budget constraints is earmarked for intervention by the District Municipality.

## 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

Within the Municipality, the components of property, legal, risk management and procurement services falls under Corporate Services, office of the Municipal Manager and Budget and Treasury respectively. Noting that the Municipality is required to establish and maintain effective, efficient and transparent systems of financial and risk management, internal controls and internal audit operating procedures in accordance with any prescribed norms and standards, the Auditor General's findings relating to these requires attention. It is evident from the findings that these areas are interrelated and internal controls must be strengthened in order to ensure improved compliance to regulatory frameworks.

Dealing with litigation matters is ongoing as there has been a number of cases brought against the Municipality that has escalated the contingent liability provision.

T3.28.1

# Chapter 3

## SERVICE STATISTICS FOR PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

In respect of service statistics for legal, risk management and procurement services, the Municipality strives to provide these services in accordance with applicable legislative and regulatory frameworks.

T 3.28.2

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
105	Litigation Management: Develop a litigation management strategy to reduce contingent liability	High number of costly litigations	New KPI		Council approved litigation management strategy by 2020-08-31	Council approved litigation management strategy by 2021-06-30	Litigation management strategy developed and approved for implementation and reported quarterly		Not Achieved		Defer target to 2021/2022 FY	
106	Conduct a diagnostic assessment on root causes of litigation and claims against the Municipality	New KPI	new KPI		Report tabled to council on root causes of litigation to reduce litigation	Remove KPI	All litigation cases be associated with the root cause		Not Achieved. KPI removed for Q3 & Q4			

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
107	Fast track outstanding cases and clean-up contingent liability register				Number of reports on litigation matters attended to		4 reports on litigation matters attended to		3 litigation reports (Achieved)			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
112	Review Enterprise Risk Management Policies and strategies	Council approved Risk Management Policies and strategies	2020-06-30	2020-05-20 (Achieved)	Date of adopting the risk management policies and strategies		Enterprise Risk Management Policies and strategies approved by 2020-07-31		Risk management policies and strategies approved On 2021-07-31 (Achieved)	None	N/A	0



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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
113	Develop and update strategic risk register	Updated Strategic Risk Register	1 Annual Risk assessment conducted by 2020-06-30	1 Risk assessment conducted on 2020-05-28 (Achieved)	Number of annual strategic risk assessments conducted by 2021-06-30		1 Annual strategic risk assessment conducted by 2021-06-30		Risk assessment conducted on 2021-05-20 (Achieved)	None	N/A	13113
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
114	Convene Risk Management Committee meetings	Risk management committee functionality according to its Charter	4 Risk Management Committee meetings held	3 (Not Achieved)	Number of Risk Management Committee meetings held		4 Risk Management Committee meetings held		4 Ordinary risk committee meetings held (Achieved)	None	N/A	47487
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
115	Prepare and submit quarterly risk management reports to Audit Committee and Council	Risk management committee functionality according to its Charter	4 Risk Committee reports submitted	3 (Not Achieved)	Number of Risk Management Committee reports submitted		4 Risk Committee reports submitted		4 Quarterly reports were submitted and tabled to the Audit Committee (Achieved) <b>343</b>	None	N/A	69288

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
116	Renewal of risk management software	Approved SLA for risk management software	New KPI		Date of renewing the SLA for risk management software		Approved SLA for risk management software by 2020-12-31	Approved SLA for risk management software by 2021-06-30	Not Achieved due to non-availability of cash.	Cash flow constraint	Indicator will be prioritised in the next financial year.	0
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
117	Implementation of anti-fraud and whistle blowing policies	Anti-fraud and whistle blowing policies in place			Number of workshops conducted on anti-fraud and whistle blowing policies		4 workshops conducted on anti-fraud and whistle blowing policies		Not Achieved due to non-availability of cash.	Cash flow constraint	Indicator will be prioritised in the next financial year.	21585
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Capital Expenditure 2019/2020: Property; Legal; Risk Management and Procurement Services					
					R' 000
Capital Projects	2020/2021				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
No capital expenditure relating to property, risk management and procurement services were undertaken					
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					<i>T 3.28.6</i>

## COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

Property services is divided into property administration through the development of leases, deeds of sale, etc under the auspices of the Manager Legal Services within the Corporate Services department. The component dealing with the alienation of property falls within the ambit of the Municipality's Planning and Economic Development's Department under the human settlements unit. Capital projects undertaken relies largely on eternal grant funding as the Municipality does not have sufficient cash reserves to undertake property development. Partnerships have been created for both residential and commercial property development.

*T 3.28.7*

# Chapter 3

## COMPONENT J: MISCELLANEOUS

### INTRODUCTION TO MISCELLANEOUS

This component includes the provision of airports, abattoirs, municipal courts and forestry as municipal enterprises. The Municipality does not provide any of these services within its area of jurisdiction.

## COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component deals with the Annual Performance Report (APR) for the year under review and forms the basis for the audit of predetermined objectives. It seeks to give an overview of performance against predetermined objectives and to report on progress made towards meeting service delivery projections and targets set for the period 1 July 2020 to 30 June 2021.

This section reflects on non-financial performance information, which gives a reflection on the levels of performance against predetermined objectives and key performance indicators. This report is based on the approved 2020/2021 Service Delivery and Budget Implementation Plan (SDBIP) which inter alia contains targets that were set for the said reporting period under review. The annual procedure for the audit of predetermined objectives is to reflect on reported actual performance against set objectives and targets of the Municipality to provide assurance to Council, members of the public and other relevant stakeholders that actual performance reported is useful, valid and reliable. Reporting on performance information is essential as it allows governance structures, oversight committees and the



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public to focus its attention on whether public institutions such as municipalities are delivering services as required and planned, by comparing their performance against their budgets and strategic plans.

The objective of the auditing of predetermined objectives is to enable the Auditor-General to conclude whether the reported performance against predetermined objectives is useful and reliable, in all material respects, based on predetermined audit criteria. The annual regularity audit was executed to confirm compliance with applicable laws and regulations as well as the usefulness and reliability of the reported performance information as published in the annual report of the Municipality.

Through the auditing of predetermined objectives, the independent audit of predetermined objectives is also to ensure the economical procurement and efficient and effective utilisation of resources. These key concepts can be explained as follows:

1. Economy: for the procurement of resources of the right quality in the right quantities at the right time and place at the lowest possible cost;
  2. Efficiency: To achieve the optimal relationship between the output of goods, services or results and the resources used to produce them;
  3. Effectiveness: To achieve policy objectives, operational goals and other intended effects.
- This is all in an attempt to strengthen democracy by enabling oversight, accountability and good governance in the public sector through the audit of predetermined objectives and to then report on the findings.

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## INTRODUCTION

The 2020/2021 Annual Performance Report (APR) is herewith presented in terms of section 46 (1) and (2) of the Municipal Systems Act (MSA), Act 32 of 2000, read together the MFMA Circular 63 on annual reporting and Sections 121 (3) (c) and 127(2) of the Local Government: Municipal Finance Management Act (MFMA) 56 of 2003. Every municipality and municipal entity must prepare and adopt an annual report for each financial year in accordance with the MFMA. Section 46 of the MSA provides that an annual performance report must be submitted to the municipal council, which will eventually form part of and be included in the final annual report to be prepared in terms of the MFMA.

It is against this backdrop that the 2020/2021 Annual Performance Report of Lekwa Local Municipality has been prepared and is submitted in terms of the MSA. This report covers the performance information for the period 1 July 2020 to 30 June 2021 and focuses on the operationalization and implementation of the approved Service Delivery Budget and Implementation Plan (SDBIP) objectives as encapsulated in the Municipality's 2020/2021 Integrated Development Plan (IDP). The report seeks to reflect on actual performance of the Municipality as measured against the performance indicators and targets, in line with the six (6) Key Performance Areas (KPA's) for local government, which are:

- ✓ Service Delivery and Infrastructure Development
- ✓ Municipal and Institutional Development and Transformation
- ✓ Financial Viability and Management
- ✓ Good Governance and Public Participation
- ✓ Local Economic Development
- ✓ Spatial Rationale

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Each KPA has a strategic goal and objectives which were developed to help focus the Municipality on its developmental role in a more coherent manner. It must however be noted that the IDP was developed for the 2017- 2022 term and was reviewed, for the 2020/2021 financial year.

## 1. LEGISLATIVE REQUIREMENTS

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

“(1) A municipality must prepare for each financial year a performance report reflecting—

- (a) the performance of the Municipality and each external service provider during that financial year;
- (b) a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and
- (c) measures taken to improve performance. “

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 states that “A Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players.

Performance management is not only relevant to the organisation as a whole, but also to the individuals employed within the organisation as well as municipal entities and external service providers. The Performance Management System (PMS) Framework as adopted by the Municipality

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inter alia, reflects the linkage between the IDP, Budget, the organisational SDBIP and individual performance.

## 2. FRAMEWORK FOR PREDETERMINED OBJECTIVES

The Annual Performance Report is herewith presented in accordance with the Municipality's Performance Management Framework, applicable legislation, regulations, circulars, including guidelines from National Treasury on the Framework for Managing Programme Performance Information (FMPPPI) as well as the Framework for Strategic Plans and Annual Performance Plans.

## 3. ANNUAL REPORTING ON PREDETERMINED OBJECTIVES

This Annual Performance Report provides an overview of performance information, based on progress made against predetermined objectives towards meeting set targets in line the approved SDBIP. Every effort has been made to ensure that the Annual Performance Report (APR) reflects non-financial performance information as accurately as possible to give a true reflection on achievements against predetermined objectives and key performance indicators in line with the SDBIP targets for the year under review. Reporting on performance information is essential as it allows Council governance and oversight structures as well as the public to focus its attention on whether public institutions such as municipalities are delivering services as required and planned, by comparing their performance against their budgets and strategic plans.

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The audit of predetermined objectives is regarded as an annual procedure for reporting on actual performance against set predetermined objectives of the Municipality to provide assurance to Council, members of the public and other relevant stakeholders that the “actual performance reported” is useful, reliable and accurate. The objective of an audit of predetermined objectives is to enable the Auditor-General to conclude whether the reported performance against predetermined objectives is useful and reliable, in all material respects, based on predetermined audit criteria. This audit is executed as an integral part of the annual regularity audit, to confirm compliance with applicable laws and regulations as well as the usefulness and reliability of the reported performance information to be published in the annual report of the Municipality. Through the independent auditing of predetermined objectives, quality assurance is aimed at giving effect to the economical procurement and efficient and effective utilisation of resources. To this end the following key concepts are critical in this regard:

- (a) Economy: for the procurement of resources of the right quality in the right quantities at the right time and place at the lowest possible cost;
- (b) Efficiency: To achieve the optimal relationship between the output of goods, services or results and the resources used to produce them;
- (c) Effectiveness: To achieve policy objectives, operational goals and other intended effects.

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Through the audit of predetermined objectives, it is an attempt to strengthen democracy by enabling oversight, accountability and good governance in the public sector and then to accordingly report the findings.

## 4. PERFORMANCE MANAGEMENT PROCESSES AND OVERVIEW

The PMS function is located in the office of the Municipal Manager and the PMS remains under resourced. The key focus of the unit is to coordinate organisational performance management related processes as well as to facilitate the regulated individual performance assessments of senior managers. Currently, a manual, Microsoft Excel spreadsheet performance reporting system is being used by the Municipality. The 2020/2021 SDBIP as approved by the Executive Mayor was used as the basis for performance implementation, reporting and monitoring.

### 4.1 Appointment of senior management

For the 2020/2021 financial year, the Municipal Manager and the following senior managers directly accountable to her were in place:

JOB TITLE	NAME	EMPLOYMENT CONTRACT TERM	2020/2021 PERFORMANCE CONTRACT PERIOD
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<b>Municipal Manager</b>	Mrs. G P N Mhlongo-Ntshangase	11 August 2017 – 31 July 2022	1 July 2020 – 18 June 2021 (Resigned)
<b>Executive Manager: Community Services &amp; Safety</b>	Ms M E Radebe	2 January 2015 – 31 December 2020	1 July 2020 – 15 December 2020 (Contract ended)  Subsequently a divisional manager acted in the position in the interim
<b>Executive Manager: Development &amp; Planning</b>	Mr. M P Phosa	1 September 2019 – 31 August 2024	1 July 2020 – 30 June 2021
<b>Executive Manager: Technical Services</b>	Vacant	From 1 April 2020	None in place. Secondment from Cogta and/or divisional managers acted in the position in the interim

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<b>Executive Manager: Corporate Services</b>	Vacant	From 1 January 2019	None in place. Secondment from Cogta and/or divisional managers acted in the position in the interim
<b>Chief Financial Officer</b>	Mr. K N Duba	From 2 February 2021	2 February – 30 June 2021

Performance agreements were also prepared and signed as required by the Municipal Performance Regulations of 2006. Quarterly performance reports in line with the institutional SDBIP, with supporting evidence were prepared by senior managers directly accountable to the Municipal Manager. These quarterly performance reports were also objectively and independently audited by the Internal Audit unit to verify and confirm performance information as reflected in the reports.

## 5.2 Auditing of Performance Information

As per the provisions of the Municipal Planning and Performance Management Regulation 14(2) (c), the Municipality utilised its established Audit Committee as its Performance Audit Committee. The following are the members and invited representatives who serve on the Audit Committee as well as the meetings held for the year under review:



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NAME	PORTFOLIO	2020-07-28	2020-08-27	2020-09-22	2020-10-22	2021-01-26	2021-04-28
<b>Mr. T Gafane</b>	Audit Committee Chairperson	P	P	P	P	P	P
<b>Mr. S Dube</b>	Audit Committee Member	P	P	P	P	P	P
<b>Mr. F Mkhabela</b>	Audit Committee Member	P	P	A	P	P	P
<b>Mr. G Mello</b>	Audit Committee Member	P	P	P	P	P	P

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NAME	PORTFOLIO	2020-07-28	2020-08-27	2020-09-22	2020-10-22	2021-01-26	2021-04-28
<b>Mr. M Nondwangu</b>	Risk Management Anti-Fraud & Corruption Committee Chairperson	A	P	A	A	P	P
<b>Mrs. GP Mhlongo-Ntshangase</b>	Municipal Manager	P	P	A	A	P	P
<b>Mr. D.L Shabangu</b>	Acting Chief Financial Officer	P	P	P	P	Secondment from Cogta ended	Secondment from Cogta ended

# Chapter 3

NAME	PORTFOLIO	2020-07-28	2020-08-27	2020-09-22	2020-10-22	2021-01-26	2021-04-28
<b>Ms. M Radebe</b>	Executive Manager Community Services & Safety	P	P	P	A	Contract ended	Contract ended
<b>Mr. R Jackson</b>	Acting Executive Manager Community Services & Safety	N/A	N/A	N/A	N/A	P	N/A
<b>Ms. T Mtshiselwa</b>	Acting Executive Manager Community Services & Safety	N/A	N/A	N/A	N/A	N/A	P

# Chapter 3

NAME	PORTFOLIO	2020-07-28	2020-08-27	2020-09-22	2020-10-22	2021-01-26	2021-04-28
<b>Mr. C Maseko</b>	Acting Executive Manager Corporate Services	P	Secondment from Cogta ended	Secondment from Cogta ended	Secondment from Cogta ended	Secondment from Cogta ended	Secondment from Cogta ended
<b>Mr. S Mkwanazi</b>	Acting Executive Manager Corporate Services	N/A	N/A	N/A	N/A	P	P
<b>Mr. M Phosa</b>	Executive Manager Planning and Economic Development	P	P	A	A	P	P
<b>Mr. K Duba (Form Manager)</b>	Chief Financial Officer	N/A	N/A	N/A	N/A	N/A	P

# Chapter 3

NAME	PORTFOLIO	2020-07-28	2020-08-27	2020-09-22	2020-10-22	2021-01-26	2021-04-28
Budget & Reporting)							
Mr. T Hlatwayo	Deputy Chief Financial Officer	P	P	P	P	P	P
Mr. K Sithole	Acting Executive Manager Technical Services	P	X	X	X	Secondment from Cogta ended	Secondment from Cogta ended
Mr. V Nenzhelele	Manager Legal Services	P	A	A	P	P	P
Mrs. Z Mngadi	Manager Roads	P	N/A	N/A	N/A	P	P

# Chapter 3

NAME	PORTFOLIO	2020-07-28	2020-08-27	2020-09-22	2020-10-22	2021-01-26	2021-04-28
<b>Ms. N Gxubane</b>	Acting Manager Internal Audit	P	P	P	P	A	P
<b>Mrs. B. Tilly-Mkwanazi</b>	Manager PMS	P	P	P	P	P	P
<b>Ms. G.T Magudulela</b>	Chief Risk Officer	P	P	P	A	A	A
<b>Ms. L Gamede</b>	Acting Chief Risk Officer	N/A	N/A	N/A	N/A	P	P
<b>Ms. T Mosoma</b>	Internal Audit Officer	P	P	P	P	P	P
<b>Ms. N Cilo</b>	Internal Audit	P	P	P	P	P	P

# Chapter 3

NAME	PORTFOLIO	2020-07-28	2020-08-27	2020-09-22	2020-10-22	2021-01-26	2021-04-28
	Intern						
<b>Mr. M Seale</b>	Provincial Treasury	P	P	P	P	P	P
<b>Mr. P Mpele</b>	National Treasury	P	P	P	P	P	P
<b>Mr. K Nemavhidi</b>	Auditor General	P	A	A	A	P	A
<b>Mrs. V Nkhata</b>	Gert Sibande - Strategic Support	P	P	P	P	N/A	N/A
<b>Mr. A Chewpersad</b>	Umnotho Business Consulting	N/A	P	N/A	P	N/A	N/A

# Chapter 3

NAME	PORTFOLIO	2020-07-28	2020-08-27	2020-09-22	2020-10-22	2021-01-26	2021-04-28
Mr. V Maranzva	Umnotho Business Consulting	N/A	P	N/A	P	N/A	N/A
Mr. A Luckan	Umnotho Business Consulting	N/A	P	N/A	P	N/A	N/A

P = PRESENT    A = APOLOGY SUBMITTED    N/A = WAS NOT REQUIRED TO ATTEND

## 5.3 2019/2020 Annual Report

As part of strengthening governance, accountability and oversight, Council usually tasks the Municipal Public Accounts Committee (MPAC) to exercise its oversight role in respect of the 2019/2020 Annual



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Report. With the delayed audit and the eventual dissolution of Council, only the tabling of the 2019/2020 Annual Report had been dealt with by the Administrator on 2021-07-30:

- “(1) That the report of the Acting Municipal Manager (Manager: Performance Management) BE NOTED regarding the 1<sup>st</sup> draft of the 2019/2020 Annual Report to be tabled in terms of section 127 (2) of the Municipal Finance Management Act, Act 56 of 2003 including the following:
- (a) The Audit Report for the 2019/2020 financial year to be submitted in terms of the Auditor General Act, Act 12 of 1995 and section 127 of the Municipal Finance Management Act, 56 of 2003;
  - (b) the 1<sup>st</sup> Draft 2019/2020 Annual Report (**Annexure “A”**) as circulated under separate cover to the report, to be tabled to Council in terms of Section 127 of the Municipal Finance Management Act, Act 56 of 2003;
- (2) That the Draft 2019/2020 Annual Report BE MADE PUBLIC in terms of Section 127 (5) of the Municipal Finance Management Act, Act 56 of 2003 whereafter the annual report BE DEALT WITH in terms of section 129 of the MFMA;”

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## 5. 2020/2021 ANNUAL PERFORMANCE: PLANNED VS ACTUAL

The 2020/2021 annual performance report has been prepared based on the institutional Performance Scorecard (SDBIP) of the Municipality. This report was submitted in line with section 126 (1) (a) of the MFMA, within two months after the end of the financial year to which the financial statements relate, to the Audit Committee, Mayoral Committee and Council in preparation for submission to the Auditor-General for auditing together with the Draft 2020/2021 Annual Financial Statements.

5.1 This 2020/2021 annual performance report, has been finalized and audited and herewith incorporated into the 2020/2021 Annual Report, as provided in terms of section 121 (3) (c) of the MFMA which stipulates that the annual report inter alia must also include the audited Annual Performance Report of the Municipality as prepared in terms of section 46 of the MSA. The annual report will also include the audited Annual Financial Statements as well as the Auditor-General's Report on both the Annual Financial Statements and Performance Information for the financial year audited.

5.2 The organisational report on performance as reflected in line with the Municipal SDBIP and the approved IDP per KPA are as follows, with the annual overall performance as per the attached report:

- ✓ KPA: Service Delivery and Infrastructure Development (Annexure 1)

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- ✓ KPA: Financial Viability and Management (Annexure 2)
- ✓ KPA: Local Economic Development (Annexure 3)
- ✓ KPA: Municipal Institutional Development and Transformation (Annexure 4)
- ✓ KPA: Good Governance and Community Participation (Annexure 5)
- ✓ KPA: Spatial Rational (Annexure 6)

5.3 The organisational performance report relates to achievements for the financial year under review as well as reflecting corrective measures to be taken to improve areas of under achievement. This section of the Annual Performance Report will reflect on the Municipality's actual performance against the planned targets as contained in the Municipality's SDBIP as per the six (6) KPA's based on the approved SDBIP, for actual performance against planned annual targets.

5.4 The following table below is a breakdown of the Key Performance Indicators (KPIs) per Key Performance Area (KPA):

KEY PERFORMANCE AREA	2019/2020				2020/2021				KPIs Removed
	Achieved	% Achieved	Not Achieved	% Not Achieved	Achieved	% Achieved	Not Achieved	% Not Achieved	
Service Delivery and Infrastructure	14	25	41	75	16	44	20	56	

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Development									
Financial Viability and Management	18	31	40	69	15	62	9	40	1
Local Economic Development	2	29	5	71	2	29	5	71	
Municipal Institutional Development and Transformation	5	18	23	82	7	28	18	75	6
Good Governance and Community Participation	12	28	31	72	16	36	29	68	2
Spatial Rational	1	8	11	92	14	47	16	50	
<b>TOTALS</b>	<b>52</b>	<b>26%</b>	<b>151</b>	<b>74%</b>	<b>70</b>	<b>42%</b>	<b>97</b>	<b>58%</b>	<b>9</b>
Total KPIs	<b>203</b>				<b>167</b>				

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5.5 It must be noted that for the year under review, the 2020/2021 SDBIP was adjusted and approved by Council on 2021-02-26. With the adjusted SDBIP, 9 annual targets were removed as presented in the table above.

5.6 In respect of key challenges in meeting performance targets, the following are some of the critical matters that impacted performance:

- (a) Budgetary and cash flow constraints including the unavailability of stock and materials hampered the undertaking of repairs and maintenance
- (b) Council and committee meetings did not always sit as per the council adopted schedule which also hampered timely compliance reporting
- (c) Delays in the filling of critical and senior management positions
- (d) Delays in appointment of service providers for capital projects, including poor workmanship which negatively affected performance on capital project implementation

5.7 The graphs below depict the level of performance per KPA for the 2019/20 and 2020/21 financial years:

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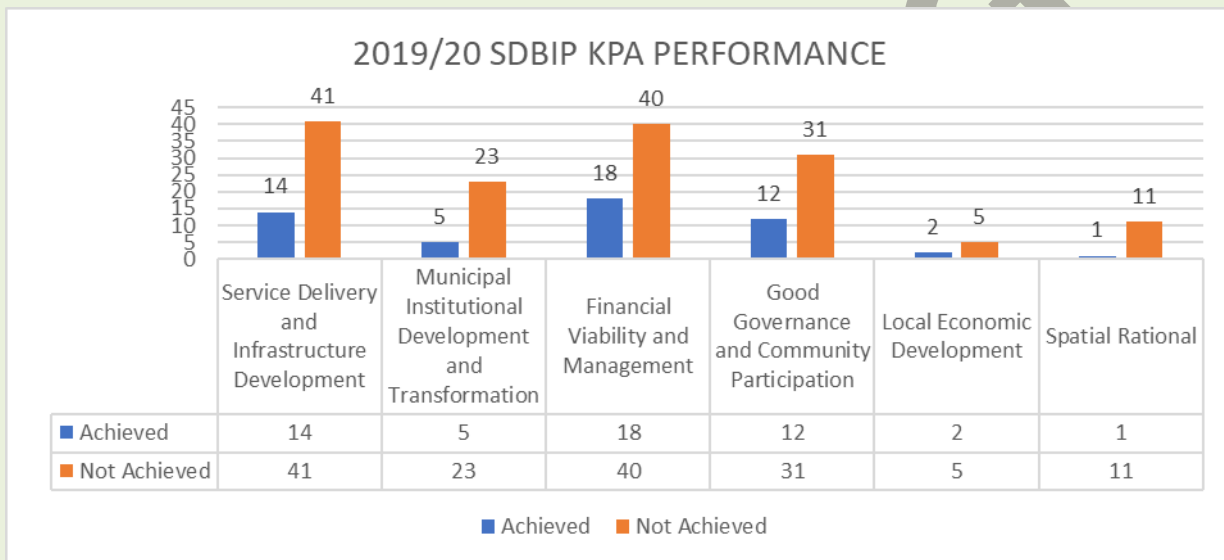


Figure 1: 2019/2020 Performance per KPA

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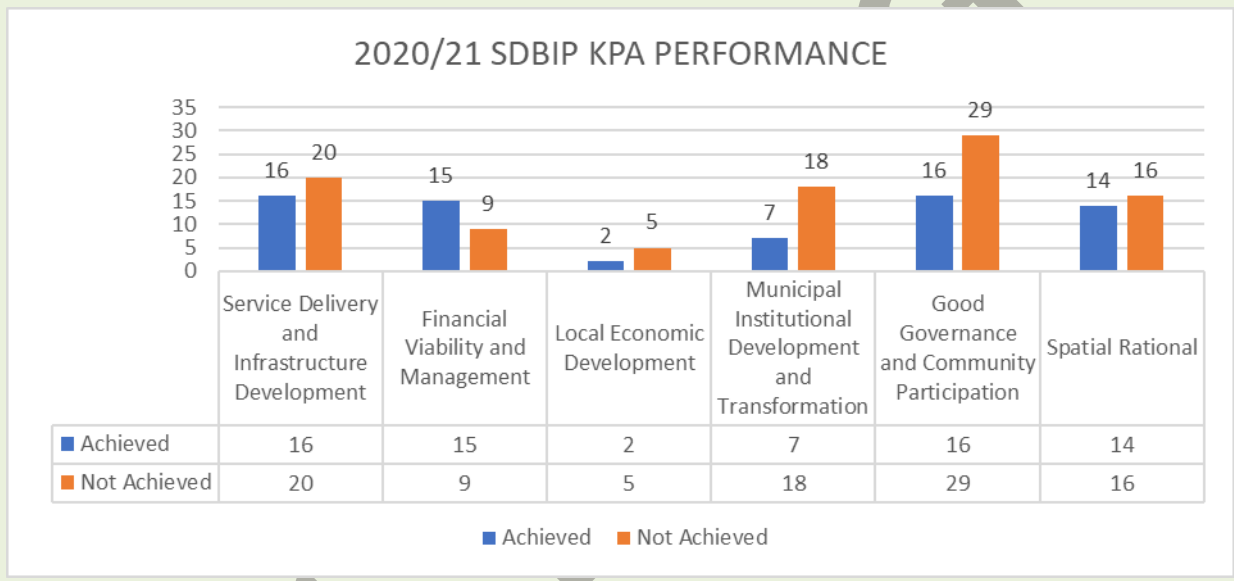


Figure 2: 2020/2021 Performance per KPA

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## 6. EXTERNAL SERVICE PROVIDER PERFORMANCE

The monitoring of the service provider performance is ensured through the signing of a Service Level Agreement with every appointed service provider. It remains the responsibility of each user department to ensure that the necessary Service level agreement is in place and monitored against service delivery targets. The end user department is providing monthly reports to the SCM unit as well. Service providers who fail to perform are reported to SCM and the necessary action is taken including the termination of the contract or cancellation of an order. In view thereof that previous year's APR did not include information on external service provider performance, the following provides a general reflection in respect thereof:

- (a) All deliverables were of the required specifications;
- (b) None of the contracted service providers were black listed
- (c) Certain suppliers were used for operational supplies and did thus not have measurable targets against the previous year
- (d) The Supply Chain Unit in conjunction with the Local Economic Development Committee undertake yearly information and training sessions with existing and prospective suppliers to inform and educate them in supply chain practises and requirements in line changes in legislation and regulations.

## 7. CONCLUSION

It must be noted that credible performance information must be recognised as playing a very significant governance and accountability role within any organisation. The greater the focus therefore



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is on the quality and timely auditing of information reported on, greater assurance can be given that the performance information provided can be trusted as reliable and correct. The main objective is to increase accountability and to ensure the credibility of information being strengthened as performance reporting is increasingly becoming an integral part of an effective accountability framework.

Performance information and reporting focuses the attention of the public and oversight bodies on whether public institutions such as municipalities are delivering value for money, by comparing their performance against their budgets and service delivery plans. It is also intended to alert managers to areas where corrective action is required. The most important reason for measuring performance is that what gets measured gets done. If an institution knows that its performance is being monitored, it is more likely to perform the required tasks and perform them well. This can greatly enhance the level of public confidence that communities and other stakeholders can once again have in the Municipality.

The AGSA had the responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for a selected development priority presented in the annual performance report. Procedures were performed to identify material findings but not to gather evidence to express assurance. The usefulness and reliability of the reported performance information was evaluated in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priority presented in the municipality's annual performance report for the year ended 30 June 2021:

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Development priorities	Opinion	Movement
Basic Service Delivery	Disclaimer	Regressed

Procedures were performed to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. Further procedures were performed 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.

The organisational performance report relates to achievements for the financial year under review as well as reflecting corrective measures to be taken to improve areas of under achievement, as contained below:

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## KPA: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

### Strategic Goals:

Ensure access to a customer focused sustainable basic infrastructure and services.  
Facilitating access to social services and community facilities.

### Strategic Objectives:

Improved provision of basic infrastructure and services.  
Improved provision of social services and community facilities.

### Financial Recovery Strategy:

Service Delivery and Infrastructure Management

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
1	Expenditure Management: Settlement of Eskom Account: Establish outstanding payment amount to Eskom; Review and/ or development of strategies to ensure adequate revenues for settlement of Eskom Account; and Negotiate outstanding account Eskom.	Number of meters currently installed	3000 bridged electricity meters replaced	102 meters installed (Not Achieved)	Number of electricity meters installed		1920	500	137 meters installed (Not Achieved)	Inadequate material and vehicles	Procurement of material and availability of vehicles	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
2	Electricity meter audits and rectification of illegal connections		Electrification of 125 RDP houses in Standerton Extension 8	125 RDP houses in Standerton Extension 8 electrified (Achieved)	Number of electricity connections made		200 electricity connections made.	128 electricity connections installed at Ext.8 RDP houses development	100% (128 of 128 installed) (Achieved)	N/A	N/A	2,800,000
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION <span style="float: right;">377</span>												

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
3	Construction of switching station at Standerton Extension 8, Electrification of RDPs in Standerton Extension 8 and electrification of rural houses	New KPI	New KPI		% progress on construction of switching station for electricity connections to be made		50% construction of switching station and 200 electricity connections made.	50% construction of switching station	72% (Over achievement on target, planned annual target was 50%) (Achieved)	N/A	N/A	R 5 948 685,78

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
4	Electricity meter audits; and Verification of status of all meters (bulk and residential). Audit confirmation by number of households Rectification of illegal connections	Lack of Sustainable Electricity Metering	New KPI		Number of Meters Audited and Inspected		3600 electricity meters inspected and audited 30 June 2021	500	6%(216 meters out of 3600 targets inspected and audited) (Not Achieved) <b>379</b>	Inadequate material and vehicles	Procurement of material and availability of vehicles	

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
5	Upgrade sewer treatment plants in line with outcome of master plan, which will also make provision for increased community requirements/growth.	Under capacity Sewage Plant	Refurbishment of the 9ML activated sludge system by 2020-06-30	Refurbishment of the 9ML activated sludge system complete. Fencing of pump stations, blower and chlorine rooms at 65% complete (Achieved)	% of Preliminary design approval for upgrade of sewer treatment works by 2021-06-30		Preliminary design approval for upgrade of Sewer Treatment Works by 30 June 2021	Preliminary design approval for upgrade of Standerton Sewer Treatment Works by 30 June 2021	100% (Preliminary design approved) in Q3 (Achieved)  <b>380</b>	N/A	N/A	



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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
6	Refurbish sewer pump stations	Non functional sewer pump stations			% progress of pump stations refurbished.	Refurbishment of sewer pump stations.	Preliminary design approval for upgrade of Sewer Treatment Works by 30 June 2021	855,968.25	(Preliminary design approval at 93% not 100% completed - Not Achieved)	Delays by Manufacturers due to COVID-19	Early Procurement	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION <b>381</b>												



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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
7	Installation of security systems for vulnerable Water & Sanitation Infrastructure	Vandalism of sewer pump stations	Electric fencing, installation of alarms linked to armed response unit for Waste Water Treatment Works, Water Treatment Works, Sewer Pump Stations and electricity substations	Not Achieved	% progress on installation of security systems of prioritized sewer pump stations	Installation of security systems on Johan and Muller sewer pump stations	R9 376 926	2,000,000	0% (Project not implemented ) (Not Achieved)	Service Provider not procured	Procurement of service providers	
LEKWA LOCAL MUNICIPALITY - 2020/2021 ANNUAL REPORT :   CONCLUSION									382			

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
8	Rural Sanitation: Desludging VIP toilets	VIP toilets full			% progress on VIP toilets desludged	300 VIP toilets desludged	100 VIP toilets desludged	300 VIP toilets desludged	100% (300 of 300 revised targeted VIP toilets desludged) (Achieved)	N/A	N/A	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									383			



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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
9	Refurbishment and/or upgrade of identified components of Standerton Water Treatment Plant	Ageing WTP Infrastructure	Completion and commissioning of sand filters and installation of raw water turbine pumping units by 2020-06-30	Completion and commissioning of Sand filters and installation of raw water turbine pumping units completed and commissioned (Achieved)	% progress on refurbishment and/or upgrade of critical components of Water Treatment Plant (As per project scope & plan)	% progress on refurbishment and/or upgrade of critical components of Standerton Water Treatment Plant (As per project scope & plan)	Refurbishment and or upgrade of critical identified components	% progress on refurbishment and/or upgrade of critical components of Standerton Water Treatment Plant (As per project scope & plan)	61%(The project is 61% complete) (Not Achieved)  <b>384</b>	Delays by Manufacturers due to COVID-19	Early Procurement	

LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT : CONCLUSION



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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
10	Refurbishment and/or upgrade of identified components of Morgenzon Water Treatment Plant	Ageing WTP Infrastructure	Refurbishment of raw water intake works, dam lining refurbishment, WTW refurbishment, repair existing reservoir	Not Achieved	% progress on refurbishment and/or upgrade of critical components of Water Treatment Plant (As per project scope & plan)	% progress on refurbishment and/or upgrade of critical components of Standerton Water Treatment Plant (As per project scope & plan)	Refurbishment and or upgrade of critical identified components	% progress on refurbishment and/or upgrade of critical components of Morgenzon Water Treatment Plant (As per project scope & plan)	Project practically complete (99.75%) with snag list issued. (Achieved)  <b>385</b>	Delays by Manufacturers due to COVID-19	Attending to snag list and final completion.	

LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT : CONCLUSION



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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
11	Installation of telemetry system to monitor reservoir water levels	Water levels monitored manually	Installation of telemetry system to monitor reservoir water levels	Not Achieved	% progress on installation of telemetry system to monitor reservoir water levels		Installation of telemetry system to monitor reservoir water levels in Standerton		0% (Project not implemented) (Not Achieved)	Service Provider not procured	Procurement of service providers	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									386			

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
12	Fencing of reservoirs	Vandalism of infrastructure at reservoirs			% progress on fencing of identified reservoirs		Fencing of Square and Round reservoirs at Standerskop	Fencing of Square and new Round reservoir at Standerskop	Fencing of Square reservoir achieved and fencing of Round reservoirs not achieved. (Not Achieved)	Service Provider not procured for fencing of round reservoir.	Procurement of service provider for fencing of round reservoir.	R1 641 000
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION												

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
13	Install bulk meters on main feeder lines and monitor system to manage water flow to four main reservoirs	No bulk meters on main feeder lines	New KPI		% progress on number of bulk water meters Installed		Installation of bulk meters	1 meter to be installed	0% (Project not implemented) (Not Achieved)	Service Provider not procured	Procurement of service providers	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									388			





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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
14	Sustainable Water Metering: Install and replace old water in the Municipality	Degrading old meters	3000	25 water meters replaced (Not Achieved)	Number of old water meters replaced		Replacement of 500 old/damaged water meters		0.8% (4 of 500 meters installed and / or attended) (Not Achieved)	Shortage of resources	Procurement of resources	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									389			



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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
15	Rural Water Provision: Refurbish boreholes in rural/farm areas	Broken down boreholes	10 boreholes installed	10 boreholes installed (Achieved)	% progress on number of boreholes refurbished	Refurbishment of 10 boreholes in rural/farm areas	Refurbishment of boreholes in rural/farm areas		100% (10 of targeted 10 Boreholes refurbished) (Achieved)	N/A	N/A	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
16	Expenditure Management: Establish outstanding payment amount to DWS; Review and/ or development of strategies to ensure adequate revenues for settlement of Water Account; and Negotiate outstanding account with DWS.	Indebtedness to DWS	New KPI		Payment towards DWS account		Payment of current account to DWS		R11,689,505 paid of R544 921 516 year end outstanding debt (Not Achieved)	Target not achieved due to cash flow constraints	Defer target to 2021/22 FY and continue making payments as financial position improves	
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# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
17	Restrict development in areas where no bulk services are available; Promote provision of bulk services by Developer; Institute bulk services contributions; and Revive bulk services contribution policy.	Lack of Bulk Services Contribution policy	New KPI		Council Approved bulk services contribution policy		Review Bulk Contribution Policy by June 2021		(Not Achieved)	Cash flow and resources constraints	Defer target to 2021/22 FY	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
13	Vehicle Maintenance: Institute vehicle maintenance plans; Create sustainable workshop maintenance program/procedures; Establish and upgrade of existing facility (Workshop); and Align organogram for effective service delivery.	No vehicle maintenance plans in place	New KPI		4 Reports on maintenance of vehicles (Project and scope Plan)		Quarterly reports on maintenance of municipal vehicles		3 Reports (Achieved)	No budget available	Budget to be available	
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# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
19	Road Infrastructure: Based on the outcome of the roads masterplan ensure all roads are proclaimed as such to fall under the jurisdiction of the organ of state that should be responsible for that road and establish a roads management forum where the future construction and maintenance of all roads in the Lekwa municipal area is discussed	Dilapidating municipal roads	New KPI		% progress on development of municipal roads master plan		Source funding, develop business Plan to develop road master Plan		0% (Project not implemented) (Not Achieved)	Lack of funding for the project	SLA Signed with DBSA for the development of Master Plans including Road Master Plan	
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# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
20	Road Maintenance: Open storm water and subsurface drainage, clean cracks and seal these and repair potholes	Decaying municipal roads	17000	0 (Not Achieved)	Square Meters of Potholes Patched		Routine Maintenance through patching of potholes	200m <sup>2</sup> of potholes patched	67.2% (Project not implemented ) (Not Achieved)	No Funding	Funds should be available for maintenance	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									395			

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
21		0	New KPI		Meters of Storm Water Drainage maintained		400m Storm water drainage maintained		0m (Not Achieved)	Target not achieved due to cash flow and resource constraints	Defer target to 2021/22 FY	
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# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
22	Solid waste removal services	949 776 = 237 444 times quarterly	949 776 = 237 444 times quarterly	949 776 = 237 444 times quarterly (Achieved)	Number of times points with access to refuse removal service rendered at least once a week		949 776 = 237 444 times quarterly		2 (50% overall performance - Not Achieved)	Labour union strike during the 1st quarter and mechanical breakdown of vehicles.	Maintenance Plan for refuse removal trucks.	
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# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
28		15321 = 3828 times quarterly	15321 = 3828 times quarterly	15321 = 3828 times quarterly (Achieved)	Number of businesses with access to refuse removal at least once a week		15321 = 3828 times quarterly		2 (50% overall performance - Not Achieved)	Labour union strike during the 1st quarter and mechanical breakdown of vehicles.	Maintenance Plan for refuse removal trucks.	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									398			

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
24		4	4	2 (Not Achieved)	Number of waste management campaigns conducted by 2020-06-30		4		2 (50% overall performance - Not Achieved)	Lockdown regulations	Online / Social media Awareness campaign	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
25	Traffic law enforcement	4	4	3 (Not Achieved)	Quarterly reports on traffic fines issued		4		4 (Achieved)			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
26		4	4	3 (Not Achieved)	Number of reports prepared on repairs and painting of road signs and markings		4		2 (Not Achieved)	Lockdown regulations, road surfaces that are not in a good condition and shortage of material and machinery	Material to be added as stores items. Maintenance Plan for vehicle. Maintenance of roads	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									401			

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
27		4	4	3 (Not Achieved)	Quarterly reports prepared on section 56 and road accident forms completed		4		4 (Achieved)	System failure	Payment of service providers on time so that they can respond when there's a system failure	
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# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
28		6	6	6 (Achieved)	Number of roadblocks conducted		6		3 (75% overall performance Achieved)	Over reliance on other key stakeholders like SAPS and Provincial Traffic	Roadblocks to be conducted also on Municipal Streets	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									403			



# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
29		4	4	4 (Achieved)	Number of Community safety meetings attended		4		1 (Not Achieved)	Physical Meetings not allowed - Covid-19 Regulations	Meetings be on Virtual Platforms	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									404			





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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
30	Emergency services	4	4	2 (Not Achieved)	Number of reports on emergencies , accidents, house fires and veld fires attended to		4		4 (100% as all fire and disaster management activities were attended to) Achieved			
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									405			

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
31	Library and Information Services		4	2 (Not Achieved)	Number of library promotions conducted		4		3 (75% overall performance Achieved)	Libraries closed due to Covi-19 regulations.	Awareness campaigns be done on social media platforms.	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									406			

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
32			4	2 (Not Achieved)	Quarterly reports on new library membership		4		3 (75% overall performance Achieved)	Libraries closed due to Covi-19 regulations.	Upgrade of provision of library services to online.	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									407			



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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
33	Upgrading of the sport facilities and fencing of cemeteries.	Degrading sport facilities and unfenced cemeteries .			100% completion of Morgenzon and Mahala Park Sports facilities		Completion of Morgenzon and Mahala Park Sports Facilities,		0% (Not implemented ) (Not Achieved)	Community disturbances	Establish PSCs for all projects	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									408			

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
34	Upgrading of the sport facilities and fencing of cemeteries.	Degrading sport facilities and unfenced cemeteries			Fencing of cemeteries		Fencing of Rooikopp en and Morgenzon Cemeteries		0% (Not Achieved)	Late procurement for fencing of Rooikopp en cemetery	Procure service Providers early	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
35	Street cleaning		4	1 (Not Achieved)	Number of quarterly reports prepared on CBD street cleaning		4		3 (75% overall performance Achieved)	Covid-19 Lockdown Regulations	Provision of Covid-19 aligned protective clothing and equipment to employee	
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
36	Cemetery services		4	4 (Achieved)	Number of reports prepared on maintenance of cemeteries and grave preparation		4		4 (Achieved)			
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									411			

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KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
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# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
37	Cash Management: Development of Cash Flow Management Tool and Implementation of Cash Flow Committee Recommendation	Trade Creditors older than 360 days R 2 billion			% Reduction of Outstanding Creditors Balance for Creditors Older than 360 days		Reduction of Outstanding Creditors Balance for Creditors Older than 360 days to R1.6 billion		Not Achieved	Inadequate cash flow to finance and cover outstanding creditors (Eskom, Water Affairs & SARS)	Ensure implementation of Revenue Enhancement Strategy & Financial Recovery Plan	
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KP I No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
38	Credible cash backed Budget: Develop a long-term financial plan to achieve a funded budget.	Financial Recovery Plan Developed			Credible MTREF Budget approved through long term financial plan		Annually reviewed a long-term financial plan		2021-2022 Budget approved on 2021-06-30 (Achieved)			

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
39	Establish / Resuscitate a Budget Committee that will ensure compliance with Municipal Budget and Reporting Regulations (MBRR).	No Budget Steering Committee Established			Established Budget Steering Committee meetings on Municipal Budget and Reporting Regulations (MBRR)		Committee on Municipal Budget and Reporting Regulations (MBRR)		2 Budget Steering Committee meetings held (Not Achieved)			
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
40	Expenditure Management: Negotiate payment plans (Eskom, DWA, creditors, etc.)	Trade Creditors older than 360 days R 2 billion			% Reduction of Outstanding Creditors Balance for Creditors Older than 360 days		% Reduction of Outstanding Creditors Balance for Creditors Older than 360 days to R1.6 billion		Not Achieved			

# Chapter 3

KP I No	Interventions/Strategies	Status Quo (Baseline)	2019/20 20 Annual Targets	2019/20 20 Actual Achieved	Key Performanc e Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustme nt to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performanc e	Blockage / Challeng es or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditu re
41	Training on all mSCOA segments (votes) and enforcement of budget policy.	Inadequate Training on the mSCOA reforms			Approved Annual mSCOA Training Plan workshops conducted		Annual workshops on Mscoa conducted		Workshop conducted on 2021-06-10 (Achieved)			

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KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
42	Outstanding Creditors: Reconciliation between the system and suppliers' statements.	Reconciliations of creditors			Number of creditors reconciliations conducted		Monthly creditors reconciliations conducted		12 creditors reconciliations conducted (Achieved)			

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
43	Retention should be cashed backed. (ring-fence all retention per project).	Retention not cash backed			Number of cash backed retention registers maintained		12 registers on cash backed retentions maintained		12 (Achieved)			

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
44	Introduce a VAT review process.	VAT returns submitted			Number of VAT Reconciliations conducted		Monthly review of VAT process		12 (Achieved)			



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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
45	Improve credibility of budget in-year reporting.	12 section 71 reports			Improved credibility of budget in-year reporting		12 section 71 reports		12 (Achieved)			

# Chapter 3

KP I No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
		1 Midyear report					1 section 72 report		1 section 72 report tabled to Council on 2021-02-02 (Achieved)			



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KP I No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
		4 section 52 reports					4 section 52 reports		4 (Achieved)			

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
46	Development and Implementation of Cost Containment Regulations; and	Approved Cost Containment Policy			Number of reports on implementation of cost containment regulations	Remove KPI	4 reports on implementation of Cost containment policy regulations		Not Achieved. Target removed for Q3 & Q4			

# Chapter 3

KP I No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
47	Compile a 2021/22 MTREF budget in line reviewed targets for realistically anticipated revenue and expenditure trends.	Approved 2020 - 2021 MTREF	2020-05-31	2020-06-29 (Achieved)	Council Approved Credible Funded Budget for 2021/2022 and Credible MTREF Budget		Council Approved Credible Funded Budget for 2021/2022 and Credible MTREF Budget		2021/2022 Budget approved on 2021-06-30 (Achieved)			

# Chapter 3

KP I No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
48	Review and update all budget related policies.	Approved Budget Related Policies	2020-05-31	2020-06-29 (Achieved)	Updated budget related policies by 2021-06-30		All budget related policies reviewed annually		Budget related policies approved on 2021-06-30 (Achieved)			

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KP I No	Interventions/Strategies	Status Quo (Baseline)	2019/20 20 Annual Targets	2019/20 20 Actual Achieved	Key Performanc e Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustme nt to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performanc e	Blockage / Challeng es or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditu re
49	Grant Management: Ring-fence conditional grants; and Comply with conditional grant funding requirements	Maintaining Grants Registers	100%	27% (Not Achieved)	Number of reports on ring-fenced conditional grants in compliance with conditional grant funding requirements		4 Grant Reconciliation Reports		Not Achieved			
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# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
50	Restructure and capacitate the SCM unit and committees.	SCM not in line with the SCM Pillars	New KPI		Fully capacitated and trained SCM Unit staff and Bid Committees		Annual review of SCM (Procurement) Policy with SCM staff and Bid Committees trained		Workshop conducted on 2021-06-10 (Achieved)			



# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
51	Contract Management: Procurement Plans	New KPI	New KPI		100% approved procurement plans		100% approved procurement plans	100% approved procurement plans by 2020-07-31	Draft procurement plan developed by 2020-06-30. (Not Achieved)			

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
52	Asset Management: Prepare a GRAP and mSCOA compliant Fixed Asset Register (FAR)	Quarterly assets reconciliations	12	Not Achieved	Updated Asset register		Annual asset register	mSCOA and GRAP compliant Asset Register	3 (Not Achieved)			

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
53	Procure a GRAP and mSCOA compliant Asset Management System (AMS).	FAR on excel	New KPI		Asset Management Policy be GRAP and mSCOA compliant		Asset Management Policy be GRAP and mSCOA compliant		Asset Management policy approved on 2021-06-30 as part of budget related policies			
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									131			
										(Achieved)		

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
54	Revenue Management: Reconciliation of valuation roll, financial management system	Updating of the Supplementary Valuation Roll	12	12 (Achieved)	Updated valuation roll (market related values).	Number of valuation roll reconciliations	Accurate property rates billing system		2 (Not Achieved)			

# Chapter 3

KP I No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
55	Undertake a tariff review and costing for all essential services.	Tariffs not cost reflective	2020-03-31	2020-06-29 (Achieved)	Cost reflective tariffs		Annually review Tariff policy		Tariff policy approved on 2021-06-30 (Achieved)			

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
56	Low and zero sales audit on prepaid meters.	Report on zero sales on prepaid meters not compiled to track bridged/illegal prepaid meters	New KPI		4 Reports on the zero sales on prepaid meters		4 Reports on the zero sales on prepaid meters		3 (Achieved)			

# Chapter 3

KP I No	Interventions/Strategies	Status Quo (Baseline)	2019/20 20 Annual Targets	2019/20 20 Actual Achieved	Key Performanc e Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustme nt to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performanc e	Blockage / Challeng es or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditu re
57	Review the Credit Control and Debt Collection policies;	Reviewed Policies	2020-05-31	2020-06-29 (Achieved)	Council Approved Credit Control and Debt Collection Policy		1 annually review Credit Control and Debt Collection policy		Credit Control and Debt Collection Policy approved on 2021-06-30 (Achieved)			

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
58	Analyze and write off all inactive municipal debt accounts and irrecoverable debt;	High Inactive consumer accounts with irrecoverable debt	New KPI		Number of reports on outstanding debt from inactive and irrecoverable consumer debt		4 Reports on outstanding debt from inactive and irrecoverable consumer debt		1 (Not Achieved)			



# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
59	Revive Payment Culture: Office of the Speaker on campaigns to revive the payment culture campaigns in wards	Culture of non-payment in Lekwa on the rise	New KPI		Number of campaigns held to revive payment culture		2 campaigns held to revive payment culture	1 campaign held to revive payment culture	0 (Not Achieved)			

# Chapter 3

## **KPA: FINANCIAL VIABILITY AND MANAGEMENT**

### **Strategic Goals:**

Provision of transparent, accountable, effective and efficient leadership

### **Strategic Objectives:**

Ensure a financially viable and sustainable municipality

### **Financial Recovery Strategy:**

Revenue Management and Enhancement

Improve Financial Planning and Budgeting

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
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# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
37	Cash Management: Development of Cash Flow Management Tool and Implementation of Cash Flow Committee Recommendation	Trade Creditors older than 360 days R 2 billion			% Reduction of Outstanding Creditors Balance for Creditors Older than 360 days		Reduction of Outstanding Creditors Balance for Creditors Older than 360 days to R1.6 billion		Not Achieved	Inadequate cash flow to finance and cover outstanding creditors (Eskom, Water Affairs & SARS)	Ensure implementation of Revenue Enhancement Strategy & Financial Recovery Plan	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									440			

# Chapter 3

KP I No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
38	Credible cash backed Budget: Develop a long-term financial plan to achieve a funded budget.	Financial Recovery Plan Developed			Credible MTREF Budget approved through long term financial plan		Annually reviewed a long-term financial plan		2021-2022 Budget approved on 2021-06-30 (Achieved)			

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
39	Establish / Resuscitate a Budget Committee that will ensure compliance with Municipal Budget and Reporting Regulations (MBRR).	No Budget Steering Committee Established			Established Budget Steering Committee meetings on Municipal Budget and Reporting Regulations (MBRR)		Committee on Municipal Budget and Reporting Regulations (MBRR)		2 Budget Steering Committee meetings held (Not Achieved)			
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									442			

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
40	Expenditure Management: Negotiate payment plans (Eskom, DWA, creditors, etc.)	Trade Creditors older than 360 days R 2 billion			% Reduction of Outstanding Creditors Balance for Creditors Older than 360 days		% Reduction of Outstanding Creditors Balance for Creditors Older than 360 days to R1.6 billion		Not Achieved			

# Chapter 3

KP I No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
41	Training on all mSCOA segments (votes) and enforcement of budget policy.	Inadequate Training on the mSCOA reforms			Approved Annual mSCOA Training Plan workshops conducted		Annual workshops on Mscoa conducted		Workshop conducted on 2021-06-10 (Achieved)			



# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
42	Outstanding Creditors: Reconciliation between the system and suppliers' statements.	Reconciliations of creditors			Number of creditors reconciliations conducted		Monthly creditors reconciliations conducted		12 creditors reconciliations conducted (Achieved)			

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
43	Retention should be cashed backed. (ring-fence all retention per project).	Retention not cash backed			Number of cash backed retention registers maintained		12 registers on cash backed retentions maintained		12 (Achieved)			

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
44	Introduce a VAT review process.	VAT returns submitted			Number of VAT Reconciliations conducted		Monthly review of VAT process		12 (Achieved)			

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
45	Improve credibility of budget in-year reporting.	12 section 71 reports			Improved credibility of budget in-year reporting		12 section 71 reports		12 (Achieved)			

# Chapter 3

KP I No	Interventions/Strategies	Status Quo (Baseline)	2019/20 20 Annual Targets	2019/20 20 Actual Achieved	Key Performanc e Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustme nt to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performanc e	Blockage / Challeng es or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditu re
		1 Midyear report					1 section 72 report		1 section 72 report tabled to Council on 2021-02-02 (Achieved)			

# Chapter 3

KP I No .	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
		4 section 52 reports					4 section 52 reports		4 (Achieved)			

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
46	Development and Implementation of Cost Containment Regulations; and	Approved Cost Containment Policy			Number of reports on implementation of cost containment regulations	Remove KPI	4 reports on implementation of Cost containment policy regulations		Not Achieved. Target removed for Q3 & Q4			

# Chapter 3

KP I No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
47	Compile a 2021/22 MTREF budget in line reviewed targets for realistically anticipated revenue and expenditure trends.	Approved 2020 - 2021 MTREF	2020-05-31	2020-06-29 (Achieved)	Council Approved Credible Funded Budget for 2021/2022 and Credible MTREF Budget		Council Approved Credible Funded Budget for 2021/2022 and Credible MTREF Budget		2021/2022 Budget approved on 2021-06-30 (Achieved)			



# Chapter 3

KP I No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
48	Review and update all budget related policies.	Approved Budget Related Policies	2020-05-31	2020-06-29 (Achieved)	Updated budget related policies by 2021-06-30		All budget related policies reviewed annually		Budget related policies approved on 2021-06-30 (Achieved)			

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
49	Grant Management: Ring-fence conditional grants; and Comply with conditional grant funding requirements	Maintaining Grants Registers	100%	27% (Not Achieved)	Number of reports on ring-fenced conditional grants in compliance with conditional grant funding requirements		4 Grant Reconciliation Reports		Not Achieved			
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									454			

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
50	Restructure and capacitate the SCM unit and committees.	SCM not in line with the SCM Pillars	New KPI		Fully capacitated and trained SCM Unit staff and Bid Committees		Annual review of SCM (Procurement) Policy with SCM staff and Bid Committees trained		Workshop conducted on 2021-06-10 (Achieved)			

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
51	Contract Management: Procurement Plans	New KPI	New KPI		100% approved procurement plans		100% approved procurement plans	100% approved procurement plans by 2020-07-31	Draft procurement plan developed by 2020-06-30. (Not Achieved)			

# Chapter 3

KP I No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
52	Asset Management: Prepare a GRAP and mSCOA compliant Fixed Asset Register (FAR)	Quarterly assets reconciliations	12	Not Achieved	Updated Asset register		Annual asset register	mSCOA and GRAP compliant Asset Register	3 (Not Achieved)			

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
53	Procure a GRAP and mSCOA compliant Asset Management System (AMS).	FAR on excel	New KPI		Asset Management Policy be GRAP and mSCOA compliant		Asset Management Policy be GRAP and mSCOA compliant		Asset Management policy approved on 2021-06-30 as part of budget related policies			
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									158 (Achieved)			

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
54	Revenue Management: Reconciliation of valuation roll, financial management system	Updating of the Supplementary Valuation Roll	12	12 (Achieved)	Updated valuation roll (market related values).	Number of valuation roll reconciliations	Accurate property rates billing system		2 (Not Achieved)			

# Chapter 3

KP I No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
55	Undertake a tariff review and costing for all essential services.	Tariffs not cost reflective	2020-03-31	2020-06-29 (Achieved)	Cost reflective tariffs		Annually review Tariff policy		Tariff policy approved on 2021-06-30 (Achieved)			



# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
56	Low and zero sales audit on prepaid meters.	Report on zero sales on prepaid meters not compiled to track bridged/illegal prepaid meters	New KPI		4 Reports on the zero sales on prepaid meters		4 Reports on the zero sales on prepaid meters		3 (Achieved)			

# Chapter 3

KP I No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
57	Review the Credit Control and Debt Collection policies;	Reviewed Policies	2020-05-31	2020-06-29 (Achieved)	Council Approved Credit Control and Debt Collection Policy		1 annually review Credit Control and Debt Collection policy		Credit Control and Debt Collection Policy approved on 2021-06-30 (Achieved)			

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
58	Analyze and write off all inactive municipal debt accounts and irrecoverable debt;	High Inactive consumer accounts with irrecoverable debt	New KPI		Number of reports on outstanding debt from inactive and irrecoverable consumer debt		4 Reports on outstanding debt from inactive and irrecoverable consumer debt		1 (Not Achieved)			

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
59	Revive Payment Culture: Office of the Speaker on campaigns to revive the payment culture campaigns in wards	Culture of non-payment in Lekwa on the rise	New KPI		Number of campaigns held to revive payment culture		2 campaigns held to revive payment culture	1 campaign held to revive payment culture	0 (Not Achieved)			

# Chapter 3

## **KPA: LOCAL ECONOMIC DEVELOPMENT**

### **Strategic Goals:**

Promoting and facilitating human development for effective economic participation.

### **Strategic Objectives:**

Achieve a holistic human development and capacitation for the realization of skilled and employable workforce.

Create employment opportunities

### **Financial Recovery Strategy:**

Local Economic Development

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
60	Local Economic Development: Review and Implementation of LED Strategy	2018.LED Strategy in place	LED strategy reviewed and approved by 2020-06-30	Not Achieved	Reviewed and adopted LED Strategy		Review and Adopt LED Strategy		LED Strategy not reviewed (Not Achieved)	The LED Strategy was not reviewed as there were delays in the procurement processes and there is	The project has been rolled over to 2021/2022 Financial Year	

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
										also no internal capacity to review it in house.		



# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
61	Establish LED Forum; Ensure inclusion of all relevant stakeholders;	2018 TORs in place	New KPI		Adoption of LED Forum Terms of Reference		Adoption of LED Forum Terms of Reference		The LED Forum Terms of Reference were adopted by Council (Achieved)			



# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
62	Revive LED Forum	Defunct LED Forum	4 LED Forum meetings held by 2020-06-30	0 (Not Achieved)	Revived and fully functional LED Forum		4 LED Forums		1 (Not Achieved)	Only 1 LED Forum was held due to the re-establishment processes that had to take place	4 LED Forums are scheduled to be held in 2021/2022	

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
										and governance issues within the institution		



# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
63	Integration and alignment of IDP and LED on CSI and SLP Projects	Sasol, Seriti Mine SLPs	New KPI		Number of Progress Reports on SLP implementation		SLP Reports		4 Reports on the implementation of SLP projects (Achieved)			

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
64	Business (formal and informal) Regularization	N/A	New KPI		Business Development and License Policy adopted by 30 June 2021		Business Development and License Policy adopted		3 Progress reports on Business Development and License Policy. Policy not adopted (Not Achieved)	The draft policy was developed however the disruptions in governance structures have	The policy will be adopted in the second quarter of 2021/2022 Financial	

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
										negatively affected the adoption of policies within the institution	Year.	



# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
65	Develop and Implement Tourism Development Strategy	2018 LED Strategy in place	New KPI		Date of adoption of the Tourism profile Report		Tourism Profile Report by 30 June 2021		3 progress reports on tourism profiling. Consolidated Tourism profile report not completed and	The Tourism Profile Report has been developed however not adopted by Council due to	The Tourism Profile Report will be adopted in 2021/2022 Financial	

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
									adopted (Not Achieved)	governance issues (dissolution)	Year	



# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
66	Develop and Implement Agricultural Development Strategy	2018 LED Strategy in place	New KPI		Date of adoption of the Agricultural profile Report		Profiling of Agricultural Land/Farms by 30 June 2021		2 progress reports on agricultural land/farms profiling. Consolidated profile report on agricultural	The Agriculture Profile Report has been developed however not adopted by Council due	The Agriculture Profile Report will be adopted in 2021/2022 Financial	



# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
									land/farms not completed and adopted (Not Achieved)	to governance issues (dissolution)	Year	



# Chapter 3

## KPA: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

### Strategic Goal:

Provision of transparent, accountable, effective and efficient leadership

### Strategic Objectives:

Ensure a sustainable working environment

### Financial Recovery Strategy:

Organisational Restructuring and Human Resources

KP I No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge s or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
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# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
67	Restructure the organogram in order to achieve proper alignment to the purpose and strategic objectives of the municipality as well as the budget.	Organogram not aligned with the IDP and Budget	2019-10-31	Not Achieved	Council Approved Organogram aligned to the capacity, service requirements, community needs and IDP	Review and update the municipal organogram	Aligned Organogram with the IDP and Budget	Approved Organogram by 30 June 2021	Organogram tabled to Council on 2021-03-31. No final approval with IDP and Budget by 2021-06-30 (Not Achieved)			

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KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
68	Develop and implement a migration and placement policy to assist with the placement of employees within the approved organizational structure and do away with irregular appointments	Migration and placement policy to assist with the placement of employees within the approved organizational structure not adhered to	New KPI		Council approved Placement policy	Reviewed Municipal Placement Policy	Annually reviewed migration and placement policy to assist with the placement of employees within the approved organizational structure	Annually review the Placement policy and submit to Council for approval by 2021-06-30	Placement Policy not developed and approved (Not Achieved)		Target deferred to 2021/2022 FY	

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustments to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustments to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
69	Implement T.A.S.K job evaluation system.	T.A.S.K job evaluation system.	New KPI		Implemented Job evaluations		T.A.S.K job evaluation system.	2 Reports on jobs evaluated	Close out report prepared on job evaluation (Achieved)			

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
73	Sensitizing personnel on all policies (incl. overtime policy).	Approved overtime policy	2019-10-31	Not Achieved	Number of Workshops conducted for Sensitizing personnel on all policies	Number of Workshops conducted for Sensitizing personnel on policies	Approved overtime policy	Conduct 4 Workshops annually	9 workshops conducted (Achieved)			

# Chapter 3

KP I No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
74	Develop and implement WSP	Implement WSP	2020-04-30	2020-04-30 (Achieved)	Council approved WSP	Approved WSP implemented	Implement WSP	Number of training interventions implemented in line with approved WSP	WSP approved and submitted to LGSeta by 2021-04-30 (Achieved)			

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KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
75	Conduct an employee head count and identify any ghost employees or employee's surplus to the organization, on the payroll; and consult organized labor	No ghost employees	New KPI		Number of employees validated		No ghost employees	520 employees verified by 2021-06-30	Employee verification not conducted (Not Achieved)			
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KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
76	Enforcement of the Overtime, Stand-by, Travelling, Acting and Subsistence as well as Leave Policies in line with Basic Conditions of Employment Act and Collective Agreements	Enforcement of the Overtime, Stand-by, Travelling, Acting and Subsistence as well as Leave Policies	New KPI		Enforced Overtime, Stand-by, Travelling, Acting	Quarterly reports on enforcing of Overtime, Stand-by, Acting Policies	Enforcement of the Overtime, Stand-by, Travelling, Acting and Subsistence as well as Leave Policies		0 (Not Achieved)			
									<b>485</b>			

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
77	Create conducive working environment		New KPI		Number of Departmental meetings held		12		13 meetings (Achieved)			

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
78	Signing performance agreements		100% performance agreements signed within 30 days of beginning of new financial year	100% (Achieved)	Percentage of performance agreements signed		100% performance agreements signed		100% of performance agreements of employed S54A and S56 manager (4/4) <b>487</b> (Achieved)			

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
79	Implementation of the IPMS in a phased-in approach on levels (1-3)	PMS Policy to be reviewed annually	24	0 (Not Achieved)	% of Quarterly performance reviews conducted for the Municipal Manager and senior managers directly accountable to the municipal manager		100% of quarterly performance reviews conducted		2019/20 Annual assessment for MM conducted. Process not finalised (Not Achieved)	Schedule of reviews not adhered to	Encourage HoDs to have joint reviews with managers	

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KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
80		PMS Policy to be reviewed annually	2020-06-30	Not Achieved	Implemented IPMS in a phased-in approach on levels (17-16)		Implemented IPMS in a phased-in approach on levels (17-16)		Commenced benchmarking with assistance from Steve Tshwete. Process not completed (Not Achieved)	Target not achieved		
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KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
81	Submission of labour matters	2 reports	New KPI		Submission of reports to Council	Submission of reports to section 80 Committees	4 reports	Quarterly reports on Section 80 committee meetings convened	1 report (Not Achieved)	Council and committees of council not fully functional.	Municipal council dissolved. Placed under administration	

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
82	Conduct workshops on Collective Agreements	New KPI			Number of workshop conducted	Remove KPI	4 reports		0 (Not Achieved) KPI Removed for Q3 & Q4			

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
83	Convene Local Labour Forum meetings		12	0 (Not Achieved)	Number of Local Labour Forum meetings held		4	12 Local Labour Forum meetings held	4 LLF held (Not Achieved)	Poor relationship between employer and labour	Develop and adhere to schedule of meetings	



# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
84	Institute Consequence Management for poor performance and non-compliance to the performance policies in line with signed performance agreements	Institute Consequence Management for poor performance	4	0 (Not Achieved)	Consequence Management implemented	Reports on labour matters	Institute Consequence Management for poor performance	4 Reports on Disciplinary matters and Labour related matters	1 report	Departments not proactively dealing with disciplinary matters	Arrange refresher training on disciplinary processess for management	
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KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
85	Establish Disciplinary Board and develop and approve terms of reference for the Board	One Disciplinary Board			Disciplinary board established and functional	Financial Disciplinary board established and functional	One Disciplinary Board	Quarterly reports on Financial Disciplinary Board functionality	Disciplinary Board established			

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
86	Introduce Leave management procedures for all categories of leave;	Leave management procedures for all categories of leave	New KPI		Leave Management System developed	Leave management system implemented	Leave management procedures for all categories of leave	Quarterly reports on leave management	2 reports (Not Achieved)			

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
87	Analyze and reconcile all leave records to obtain the leave days available for all staff leave trends and develop action that need to be taken	One Analysis report leave trends and action need to be taken	New KPI		Number of reports on managing access leave	Remove KPI	4 Reports on managing access leave		0 Reports (Not Achieved) KPI Removed for Q3 & Q4			

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
88	Provide training to managers on leave management system/ procedures	One workshop held annually on leave for all managers	New KPI		Number of managers capacitated and trained on leave management system procedures	Remove KPI	4 Reports on leave management system procedures implemented		0 Reports (Not Achieved) KPI Removed for Q3 & Q4			

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
89	Ensure Close Monitoring of attendance register	New KPI	New KPI		Attendance register monitored on a quarterly basis		4 reports on monitoring work attendance by employees		3 Quarters reports on attendance submitted (Achieved)			

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
90	Assess the status on compliance with Municipal Regulations on Minimum Competency Levels Regulations.	0% tolerance on non-adherence to Municipal Regulations on Minimum Competency Levels Regulations	New KPI		% Adherence to Municipal Regulations on Minimum Competency Levels Regulations		100% Adherence to Municipal Regulations on Minimum Competency Levels Regulations		2 Competency levels report (Not Achieved)			
									499			

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KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
91	Improve employee health and safety		4	1 (Not Achieved)	Number of OHS committee meetings held		4		3 meetings convened (Achieved)			



# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
92	Review and approval of the ICT strategy and policies; and institutionalize ICT governance structure.	One annually reviewed ICT strategy and policies;	2020-03-31	ICT Framework and Business Continuity Policies developed (Not Achieved)	Reviewed ICT strategy and policy	Review ICT Policies and Strategy	One annually reviewed ICT strategy and policies;	Review and approve all ICT Policies and strategies by 30 June 2021	ICT Policies prepared for section 80 committee on 2021-02-15. Not approved by council (Not Achieved)	Section 80 not functional	Defer target to 2021/2022 FY	

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KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
93		One annually reviewed ICT strategy and policies	New KPI		Upgraded Web based access to National Treasury;	Remove KPI	One annually reviewed ICT strategy and policies		Target not achieved. KPI removed in Q3 & Q4			

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
94	Web based access to National Treasury		New KPI		Budget module;	Remove KPI	Synchronized and operational Web based access to National Treasury		Target not achieved. KPI removed in Q3 & Q4			

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KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
95	Budget and Treasury Office software Modules		New KPI		Asset module;mSCOA compliant ICT system		Integration of : Budget module; Asset module and mSCOA compliant ICT system		Target not achieved			

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
96	Reviewed ICT architecture and Infrastructure	Status Quo	2020-03-31	Not Achieved	Upgraded / New network, servers and hardware.	Upgrade municipal ICT infrastructure	Functional and efficient ICT environment: 1. Stable and uninterrupted network. 2. Efficient desk support, and 3. Gradual upgrade critical Desktops, Laptops and other tools of trade requirements		ICT infrastructure not upgraded (Not Achieved)	Cash flow constraints	Deferred to 2021/22 FY	
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KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
97	Synchronised effective, efficient and effective telecoms environment	Disjointed and dysfunctional telecoms environment	New KPI		Well defined telecoms environment based on business continuity principles	Remove KPI	Access to all identified functionary to the telecom environment		Target not achieved. KPI removed in Q3 & Q4			

# Chapter 3

## KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

### Strategic Goals:

Provision of transparent, accountable, effective and efficient leadership.

### Strategic Objectives:

Ensure participative, transparent and accountable governance.

### Financial Recovery Strategy:

Strengthening Administration, Governance and Internal Controls

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
98	System of Delegations: Review and approval of delegations	Delegation Register is place, not reviewed	New KPI		Approved system of delegations	Review and approve systems of delegations	Delegations register approved by 2020-08-31	Review and approve systems of delegations by 30 June 2021	Delegations register not reviewed and approved (Not Achieved)	
99	Records Management: Development and approval of the archives and records management policy.	One annually reviewed archives and records management	New KPI		Records management policy approved	Records management policy reviewed and approved	One annually reviewed archives and records management	Annual review of archives and records management policy by 2021	Not Achieved	



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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
		policy					policy	June 30		
100	Contract Management	9			Number of contract register updates performed		12		2 (Not Achieved)	

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KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
101	Operationalise customer care centre	Call center not centralised and not functioning effectively	Call centre launched by 2019-12-31	Not Achieved	Established and fully operationalized municipal customer care call and service center		Date of procurement of an integrated automated customer care system by 2021-03-31		Not Achieved	Cash flow constraints

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
102	Review Municipal Service Standards	Service standards not adhered to			Revised	Revise service standards for adoption by Council by 2021-06-30	Revise service standards for adoption by Council by 2020-12-31		Service standards reviewed. Not adopted by council (Not Achieved)	

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
103	Conduct Batho-Pele Workshop	New KPI	New KPI		Workshop conducted annually for frontline staff on Batho Pele principles		1		0 (Not Achieved)	Cash flow constraints

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
104	Standard Operating Procedures (SOPs): Development, communication and implementation of standard operational procedures to all units.	Standard Operating Procedures (SOP) not implemented	New KPI		Implemented Standard Operating Procedures (SOP)		One annually reviewed Standard Operating Procedures (SOP)		0 (Not Achieved)	Delay in undertaking SoP development/review

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
105	Litigation Management: Develop a litigation management strategy to reduce contingent liability	High number of costly litigations	New KPI		Council approved litigation management strategy by 2020-08-31	Council approved litigation management strategy by 2021-06-30	Litigation management strategy developed and approved for implementation and reported quarterly		Not Achieved	

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
106	Conduct a diagnostic assessment on root causes of litigation and claims against the Municipality	New KPI	new KPI		Report tabled to council on root causes of litigation to reduce litigation	Remove KPI	All litigation cases be associated with the root cause		Not Achieved. KPI removed for Q3 & Q4	

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
107	Fast track outstanding cases and clean-up contingent liability register				Number of reports on litigation matters attended to		4 reports on litigation matters attended to		3 litigation reports (Achieved)	
108	Develop a meeting schedule	One meeting schedule			Number of reports on schedule of council activities	Number of reports on schedule of council activities	Quarterly reports on schedule of council activities	Number of reports on schedule of council activities	2 (Not Achieved)	Under reporting due to council activities not sitting as per approved schedule



# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
					implemented by 2021-06-31	implemented by 2021-06-30	implemented by 2021-06-31	implemented by 2021-06-30		
109	Reports to council on implementation of resolutions	Continuous reporting to council			Reports tabled to council	Reports tabled to council on Council Resolution implementation	Continuous reporting to council on implementation of resolutions		1 report on council resolution implementation (Not Achieved)	Delays in feedback and progress reporting on resolution implementation

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
110	Review terms of reference for Public Accounts Committee	The term of reference for the Public Account has been reviewed			Approved terms of reference for MPAC		MPAC Terms of Reference approved by 2020-08-31	MPAC Terms of Reference approved by 2021-06-30	Not Achieved	Council dissolved

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
		awaiting to be tabled to Council for approval								
111	Review and rationalize all by-laws.	17 by-laws promulgated			Reviewed and promulgated by-laws	Approval of reviewed by-laws for Promulgation			Not Achieved	Cash flow constraints

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
112	Review Enterprise Risk Management Policies and strategies	Council approved Risk Management Policies and strategies	2020-06-30	2020-05-20 (Achieved)	Date of adopting the risk management policies and strategies		Enterprise Risk Management Policies and strategies approved by 2020-07-31		Risk management policies and strategies approved On 2021-07-31 (Achieved)	None

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
113	Develop and update strategic risk register	Updated Strategic Risk Register	1 Annual Risk assessment conducted by 2020-06-30	1 Risk assessment conducted on 2020-05-28 (Achieved)	Number of annual strategic risk assessments conducted by 2021-06-30		1 Annual strategic risk assessment conducted by 2021-06-30		Risk assessment conducted on 2021-05-20 (Achieved)	None

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
114	Convene Risk Management Committee meetings	Risk management committee functionality according to its Charter	4 Risk Management Committee meetings held	3 (Not Achieved)	Number of Risk Management Committee meetings held		4 Risk Management Committee meetings held		4 Ordinary risk committee meetings held (Achieved)	None

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
115	Prepare and submit quarterly risk management reports to Audit Committee and Council	Risk management committee functionality according to its Charter	4 Risk Committee reports submitted	3 (Not Achieved)	Number of Risk Management Committee reports submitted		4 Risk Committee reports submitted		4 Quarterly reports were submitted and tabled to the Audit Committee (Achieved)	None

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
116	Renewal of risk management software	Approved SLA for risk management software	New KPI		Date of renewing the SLA for risk management software		Approved SLA for risk management software by 2020-12-31	Approved SLA for risk management software by 2021-06-30	Not Achieved due to non-availability of cash.	Cash flow constraints
117	Implementation of anti-fraud and whistle blowing policies	Anti-fraud and whistle blowing policies in place			Number of workshops conducted on anti-fraud and whistle blowing		4 workshops conducted on anti-fraud and whistle blowing policies		Not Achieved due to non-availability of cash.	Cash flow constraints



# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
					policies					
118	Assessment of Audit Committee effectiveness	Audit Charter in line with Circular 65 to serve at Council for			Approved Audit Committee Charter		Audit Committee charter approved by 2020-07-31		Audit committee Charter was signed by the Executive	

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
		adoption;							Mayor 2020-10-09 (Achieved)	
119	Audit Committee meetings convened	Number of Audit committee meetings held	4	6 (Achieved)	Number of Audit committee meetings held		4		6 meetings (Achieved)	

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
120	Internal Control Environment: Implement a risk-based Internal audit plan	One year and three year rolling internal audit plan in place			Risk-based internal audit plan implemented	Risk-based internal audit plan developed and approved by 2020-07-31	Risk-based internal audit plan	Risk-based internal audit plan developed	The Internal Audit Plan was approved in the Audit Committee meeting (Achieved)	

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
121	Timeous submissions of audit reports	Internal Audit reports are presented to the audit committee on a quarterly basis	4	6 (Achieved)	Internal audit reports submitted to the Audit committee		12 Internal Audit reports	8 Internal Audit reports	4 internal audit reports prepared (Achieved)	

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
122	Timeous implementation of the audit action plan	Reporting on audit action plan implementation	4	3 reports on addressing Auditor-General findings as per the action plan (Not Achieved)	Number of audit findings cleared as per the 2019/2020 audit action plan		4 Reports on addressing audit findings (Action Plan)		4 Reports (Achieved)	

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
123	Review of Performance Management System Policy	PMS Policy not reviewed	Reviewed Performance Management framework adopted by 2020-01-31	Performance Management framework not reviewed and adopted (Not Achieved)	Reviewed PMS Policy		PMS Policy reviewed by 2020-07-31	PMS Policy reviewed by 2021-06-30	PMS Policy Framework revised but not approved by Council (Not Achieved)	

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
124	Automation of PMS	Manual excel-based PMS	New KPI		Automated PMS procured and implemented	Undertake benchmarking exercise by 2021-06-30 to develop specifications for PMS automation	PMS automated	Benchmarking undertaken by 2021-06-31 for PMS automation	Not Achieved	Cash flow constraints

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
125	Performance reporting	Performance reports prepared	4	2 (Not Achieved)	Prepared Performance reports		performance reports prepared quarterly	4 performance reports submitted to council	4 Reports (Achieved)	Reports not noted by Council due to non-sitting of Council meetings
126	Timeous submission of annual report	Annual Report tabling delayed	Annual report tabled by 2020-01-31	2020-06-29 (Achieved)	Tabled Annual Report		Annual Report tabled by 2021-01-31	Annual Report tabled by 2021-04-30	2019/20 Annual report tabled on 2021-07-30 (Not Achieved)	Audit completed on 2021-04-30. Annual report tabling hampered by non-sitting of council



# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
										meetings
127	Timeous adoption of oversight report on annual report	Oversight report adoption delayed	1	1 Oversight report complied and served before council on 2020-06-29	Adopted Oversight Report		Oversight Report tabled by 2021-03-31	Oversight Report tabled by 2021-05-31	Annual Report tabled on 2021-07-30. Oversight report not	Municipal council dissolved and put under administration

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
				(Achieved)					adopted in 2020/21 FY (Not Achieved)	
128	Review, approval and implementation of the Communication Policy and Strategy	Communication Policy and Strategy to be reviewed	2019-10-31	Communication plan not reviewed (Not Achieved)	Approved Communication Policy and Strategy		Communication Policy and Strategy approved by 2020-10-31	Communication Policy and Strategy approved by 2021-03-31	Not Achieved	Council meetings not sitting to approve the strategy

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
129	Development and approval of public participation strategy and action plan	Public Participation Strategy to be reviewed	2020-04-30	Public Participation strategy not developed and approved (Not Achieved)	Approved Public Participation Strategy		Public Participation Policy approved by 2020-10-31	Public Participation Policy approved by 2021-03-31	Not Achieved	Strategy not reviewed

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
130	Programmes for people living with disadvantages and other related special programmes		4	0 (Not Achieved)	Number of youth council meetings held by 2021-06-30		4		1 (Not Achieved)	Cash flow constraints
131					Number of Gert Sibande Youth Forum Meetings attended		4		1 (Not Achieved)	Council not functioned optimally

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
132			4	0 (Not Achieved)	Number of women's forum meetings held by 2021-06-30		4		3 (Achieved)	Cash flow constraints
133			4	1 (Not Achieved)	Number of People Living with Disabilities forum meetings held by 2021-		4		3 (Achieved)	Cash flow constraints

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
					06-30					
134					Number of quarterly children forum meeting held by 2021-06-30	Remove KPI	4		0 (Not Achieved)	Structure dysfunctional and impacted by lockdown restrictions to

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
										relaunch
135					Date of adopting the Youth development strategy	Approved Youth Development strategy by 2021-06-30	Approved Youth Development strategy	Approved Youth Development strategy by 2021-06-30	Not Achieved	Structure dysfunctional and impacted by lockdown restrictions to

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
										relaunch
136					Promote Gender Based Violence Campaigns		4 Gender awareness campaigns		3 (Achieved)	Cash flow constraints





# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
137			2019-10-31	Not Achieved	Date of adopting the HIV/AIDS implementation plan		Annual adoption of the HIV/AIDS Implementation Plan	Adoption of the HIV/AIDS Implementation Plan by 30 June 2021	HIV/Aids Implementation plan developed. Not approved (Not Achieved)	Plan not reviewed

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
138			4 Reports submitted to Council on implementation of HIV/Aids Plan	0 (Not Achieved)	Number of quarterly reports submitted to council on HIV/AIDS plan implementation		4 Reports submitted to Council on implementation of HIV/Aids Plan		1 (Not Achieved)	Plan not reviewed

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
139			New KPI		Number of meetings with Civil Society		4 Civil Society meetings		2 (Not Achieved)	Cash flow constraints
140			New KPI		Promote sporting activities		1 Mayoral Cup		0 (Not Achieved)	Cash flow constraints

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
141			New KPI		Employee wellness games		2 Employee wellness games		2 (Achieved)	Cash flow constraints
142			4 Reports submitted to Council on implementation of HIV/Aids	0 (Not Achieved)	Number of HIV/AIDS awareness campaigns		4 HIV/AIDS awareness campaigns		2 (Not Achieved)	Cash flow constraints

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
			Plan							
143			4 Local HIV/Aids Council meetings held	0 (Not Achieved)	Number of Local HIV/AIDS council meetings held		4 Local HIV/Aids Council meetings held		0 (Not Achieved)	

# Chapter 3

KPI No.	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets
144	Ensure compliance with COVID 19 regulations	New KPI	New KPI		Number of reports on compliance to Covid 19 regulations		4		3 (Achieved)	

# Chapter 3

## **KPA: SPATIAL RATIONALE**

### **Strategic Goals:**

Promoting and facilitating human development for effective economic participation

### **Strategic Objectives:**

Realize complete environmental protection.

Facilitate a creation of a disaster ready community.

Ensure integrated and aligned development planning.

### **Financial Recovery Strategy:**

Service Delivery and Infrastructure Management

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
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# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
145	Timeous Review of Credible IDP	2020/2021 IDP/Budget/PMS Process Plan	Reviewed IDP adopted by 2020-05-31	2020-06-29 (Achieved)	Date of adoption of the IDP/Budget/PMS Process Plan		2021/2022 IDP/Budget/PMS Process Plan		The IDP/Budget/PMS Process Plan was adopted by Council in October 2020 (Achieved)	N/A	N/A	

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
146	Formulation of the Strategic planning concept document and the operational plan annually		New KPI		Date of adoption of the strategic Planning Concept Document		Strategic Planning Concept Document by August 2020		The Concept Document was adopted and the Strategic Planning Session was held on the 03rd and 4th March 2020 (Achieved)	N/A	N/A	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION												



# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
147	IDP Stakeholder Engagement	1 IDP Rep Forum	4	2 (Not Achieved)	Number of IDP Rep Forums		3 IDP Rep Forums		2 (Not Achieved)	Due to governance issues	4 IDP Rep Forums scheduled in 2021/2020	

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
148	Formulation of Community Participation programme	Public Participation Strategy	2020-04-30	Public Participation strategy not developed and approved (Not Achieved)	Date of adoption Programme		Community Participation Programme by 30 June 2021		The Public Consultation Programme was developed and implemented in June 2021 (Not Achieved)			
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION												
552												

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
149	Review and implement Spatial Development Plans	2017 SDF	New KPI		SDF adopted by 30 June 2021		SDF (CIF) Review		CIF was adopted in June 2021 by the Administrator together with the IDP (Not Achieved)			

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
150	Develop Precinct Plans	Spatial Development Plan	4 Progress reports on the development of River park	0 (Not Achieved)	Number of Precinct Plans Developed		Precinct Plan on River Park Development by 30 June 2021		3 Progress reports on precinct plans. Plan not approved (Not Achieved )	Delays in the procurement Processes	The project has been carried over to 2021/2022 Financial Year	
			LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION	adopted town planning wall to wall scheme					554			

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
151	Review, update, and implement Land Use Scheme.	20..Standert on Town Planning Scheme	New KPI		Land Use Scheme adopted by August 2020		Updated Land Use Scheme		The Land Use Scheme was adopted by Council and Gazetted (Achieved)	N/A	N/A	

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
152	Land Use Scheme Enforcement	4 Reports (2019/2020)	4 Progress reports on adopted town planning wall to wall scheme	2 (Not Achieved)	Quarterly Reports on SPLUMA Certificates		SPLUMA Certificates		4 SPLUMA Certificates reports compiled (Achieved)	N/A	N/A	
LEKWA LOCAL MUNICIPALITY : 2020/21 ANNUAL REPORT :   CONCLUSION									556			





# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
153		4 Reports (2019/2020)	New KPI		Number of Reports on Compliance Notices		Reports on Compliance Notices (Illegal Development)		4 compliance notice reports compiled (Achieved)	N/A	N/A	

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
154	Institutional rearrangement (SPLUMA Compliance)	2016 Delegation of Powers	New KPI		SPLUMA Delegation of Powers Reviewed by August 2020		SPLUMA Delegation of Powers		Not Achieved	The SPLUMA Delegation Framework was reviewed however not adopted by Council (Dissolution)	The SPLUMA Delegation Framework has been carried over to 2021/2022 to be adopted by the Administrator in.	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									558			



# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
155	Development Planning Processes (Rezoning, Consent, Subdivision, Township Establishment)	2016 Process Plan	New KPI		Process Map Developed by August 2020		Process Map		Process Map developed (Achieved)	N/A	N/A	

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
156	Process and Approval of Development Applications	4 Reports on Development Applications	New KPI		Number of Reports		4 Quarterly Reports on Development Applications		3 Development Applications Reports compiled (Achieved)	N/A	N/A	

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
157	Municipal Township Establishment	No Township establishment proposed	4 reports on subdivision of properties zoned municipal to be used as church sites	2 Reports (Conducted site inspection within Lekwa LM and could not find any vacant stands available for religious purposes) (Not Achieved)	Number of Reports		4 Quarterly Reports on Municipality Township Establishments		4 Township Establishment Reports compiled(Achieved)	N/A	N/A	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									561			

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
158	Land Availability Agreements	5 Land Availability Agreements in place	New KPI		Number of Reports on Land Availability Agreement		Progress Reports on Land Availability Agreements		4 Land Availability Agreement Reports compiled (Achieved)	N/A	30	

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
159	Installation of GIS Equipment (Desktop, Cartridge and Shape files)	GIS Software	New KPI		Number of GIS Equipment installed		GIS Desktop and Infrastructure Shape files by December 2020		GIS equipment installed (Achieved)	N/A	N/A	

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
160	Review and Update of Land Audit	2017 Land Audit Report	New KPI		Updated Land Audit Report tabled to council by June 2021		Land Audit Reports		Target Not Achieved	Service Provider appointed late due to the delays in the bid processes	N/A	



# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
161	Review of Land Disposal Policy	Land Disposal Policy in place	New KPI		Date of adoption of Land Disposal Policy		Land Disposal Policy adopted by June 2021		Target Not Achieved	The Draft Policy has been developed however due to governance issues the policy was not adopted	The policy will be adopted in the second quarter of 2021/2022 Financial Year.	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									565			

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KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
162	Building Control Regulation: Building Plans value chain Management	N/A	New KPI		Date of Building Plans Process Mapping Development		Building Plans Process Map by August 2020		Building plan Process Map Developed (Achieved)	N/A	N/A	

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
163		4 Reports for 2019/2020	Number of reports on building plan applications	4 Progress reports (Approved 84 building plans) (Achieved)	Number of Business Plans Approval Report		Building Plans Approval		4 Reports on Building Plans Approved (Achieved)	N/A	N/A	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									567			

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KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
164		2019/2020 Quarterly Reports on			Number of Reports		Reports on Enforcement Notices		4 Enforcement Reports compiled (Achieved)	N/A	N/A	

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenges or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
165	Review and implementation of Outdoor Advertisement Policy	Draft Outdoor Advertisement Policy	New KPI		Date of adoption of Outdoor advertisement Policy		Outdoor Advertisement Policy by August 2020		Target Not Achieved	Delays in the development the terms of reference	The policy will be adopted in the second quarter of 2021/2022 Financial Year.	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									569			



# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
166		Expired Contract	New KPI		Date of appointment of Service Provider		Appointment of Service Provider to Management Outdoor Advertising December 2020		Target Not Achieved	Delays in the procurement Processes to appoint the service provider	The service provider will be appointed in the first quarter of 2021/2022 Financial Year	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									570			

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
167		N/A	New KPI		Number of Reports on Outdoor Advertisement		Quarterly Reports on Outdoor Advertisement		1 report on outdoor advertising (Not Achieved)	N/A	N/A	



# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
168	Develop and implement by-law on management and control of informal settlements;	Informal Settlement By-Laws	New KPI		Date of adoption of By-Law		Informal Settlements By-Law adopted by June 2021		Target Not Achieved	The By-Law was developed however not adopted by council	The By-Law will be adopted in the first quarter of 2021/2022 Financial Year	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									572			



# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
169	Review Human Settlements Sector Plan	Integrated Human settlement chapter in place	4 Quarterly progress reports on the review of the housing sector plan by 2020-05-31	0 (Not Achieved)	Date of adoption of Housing Sector Plan		Housing Sector Plan adopted by January 2021		Housing sector plan not adopted (Not Achieved)	The project is funded by the Department of Human Settlements who got delayed with the Procurement processes	The Housing Sector Plan will be developed in 2021/2022 Financial Year	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									<b>573</b>			



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KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
170	Review Housing Beneficiary Management Policy	Housing Beneficiary Management Policy reviewed annually	Approved Beneficiary Subsidy Allocation Policy by 2020-03-31	0 (Not Achieved)	Date of adoption of Housing Beneficiary Management Policy		Housing Beneficiary Management Policy adopted by August 2020		Target Not Achieved	The Housing Beneficiary Management Policy was developed however not adopted by council	The policy will be adopted in the first quarter of 2021/2022 Financial Year.	
<b>LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION</b>									<b>574</b>			

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
171	Review and Update Housing Register	2019/2020 Housing Register	Lekwa Housing Needs Register established and approved by 2020-03-31	Not Achieved	Number of Housing Registers		Consolidated Housing Register adopted by June 2021		Target Not Achieved: Housing Register has been compiled however not adopted by council (Not Achieved)	To be adopted by the Administrator in 2021/2022		75

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
172	Compliance Awareness Campaign (land grab, illegal Developments)	N/A	New KPI		Number of Awareness Pamphlets		4 Housing Consumer Sessions		0 (Not Achieved)	Awareness Campaign could not continue due to Covid-19 Restrictions	Awareness will be done using Newspaper Adverts and Public Notices	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									576			



# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
173	Management of Housing Projects Implementing Agents	2019/2020 Progress Reports	4 Quarterly progress reports on housing construction progress	1 (Not Achieved)	Number of Progress Reports		4 Reports Human Settlements Projects		3 Progress Reports on Housing Projects compiled (Achieved)	N/A	N/A	

# Chapter 3

KPI No	Interventions/Strategies	Status Quo (Baseline)	2019/2020 Annual Targets	2019/2020 Actual Achieved	Key Performance Indicator	Proposed Adjustment to 2020/21 SDBIP KPIs	2020/2021 Annual Target	Proposed Adjustment to 2020/21 SDBIP Annual Targets from midyear	Status Overall 2020/2021 Actual Performance	Blockage / Challenge or deviation from meeting targets	Corrective measures	Annual Actual Budget Expenditure
174	Create additional burial space		4	Progress reports on development of regional cemetery	Terms of Reference compiled for cemeteries development (Not Achieved)	Establishment of 3 x regional cemeteries	3 x Operational regional cemeteries		Target Not Achieved	Delays in the procurement processes	Cemeteries reports will be adopted in the second quarter of 2021/2022 Financial Year	
LEKWA LOCAL MUNICIPALITY : 2020/2021 ANNUAL REPORT :   CONCLUSION									578			

# Chapter 3

1st Draft



# Chapter 3

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1st Draft



# Chapter 4

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

### INTRODUCTION

The human resource management of the Municipality comprises of activities relating to the rendering of a comprehensive human resource management function to Council by ensuring an efficient personnel administration system, recruitment and selection, sound labour relations, human resources development, implementation of affirmative action measures, occupational health and safety of employees and compliance with all relevant labour legislation.

The employees of the Municipality is informed and supportive of the Municipality's vision, mission and strategic direction.

The composition of people with disabilities and gender within the Municipality remains a challenge as reflected by the workplace profile of the institution. Recruitment of black females and people with disabilities remains our priority; however, it has been a challenge to recruit from the disabled designated group

An Employment Equity Plan has been developed and approved, which continues to have a bias towards the above stated challenges, i.e. gender and people with disabilities. Monitoring, implementing and reporting on the Employment Equity Plan continues to be a priority for the institution.

T 4.0.1

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Description	Employees				
	2019/2020	2020/2021			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Water	0	0	0	0	#DIV/0!
Waste Water (Sanitation) & Water	39	176	85	91	51.70
Electricity	37	56	30	26	46.43
Waste Management	81	116	75	41	35.34
Housing	11	12	7	5	41.67
Waste Water (Stormwater Drainage)	0	0	0	0	#DIV/0!
Roads	41	76	39	37	48.68
Transport (Mechanical & Fleet)	7	23	7	16	69.57

# Chapter 4

Planning	8	9	6	3	33.33
Local Economic Development	1	4	1	3	75.00
Planning (Strategic & Regulatory)	0	4	1	3	75.00
Local Economic Development	0	0	0	0	#DIV/0!
Community & Social Services	109	179	109	70	39.11
Environmental Protection	0	0	0	0	#DIV/0!
Health	0	0	0	0	#DIV/0!
Security and Safety	0	0	0	0	#DIV/0!
Sport and Recreation	0	0	0	0	#DIV/0!
Corporate Policy Offices and Other	41	120	43	77	64.17
<b>Totals</b>	<b>375</b>	<b>775</b>	<b>403</b>	<b>372</b>	<b>48.00</b>

Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organogram.

T 4.1.1

# Chapter 4

Vacancy Rate: Year 2020/2021			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	1	0,00
CFO	1	1	100,00
Other S57 Managers (excluding Finance Posts)	4	2	50,00
Other S57 Managers (Finance posts)(Deputy CFO)	1	1	0,00
Police officers	0	0	#DIV/0!
Fire fighters	25	7	28,00
Senior management: Levels 17-15 (excluding Finance Posts)	34	25	73,53
Senior management: Levels 17-15 (Finance posts)	9	7	77,78
Highly skilled supervision: levels 14-12 (excluding Finance posts)	50	25	50,00
Highly skilled supervision: levels 14-12 (Finance posts)	22	13	59,09
<b>Total</b>	<b>147</b>	<b>82</b>	<b>55,78</b>
<p><i>Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p>			T 4.1.2

# Chapter 4

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2018/2019	32	31	97%
2019/2020	33	15	45%
2020/2021	10	24	240%

*\* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year*

T 4.1.3

# Chapter 4

## COMMENT ON VACANCIES AND TURNOVER:

For the year under review, of the six senior management positions, only that of the Executive Manager Planning and Economic Development and of the Chief Financial Officer was filled on a full-time contract basis, while the position of municipal manager and the other section 56 managers were filled in acting capacity, as at the end of the reporting period. The other positions has remained vacant, and although recruitment processes were commenced with to fill the said positions, it was not concluded. To a large extent skilled personnel are appointed at supervisory level. A relatively higher turnover rate was experienced mainly due to resignations, deaths and employees reaching retirement age.

T 4.1.4

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The human resource management of the municipality comprises of activities relating to the rendering of a comprehensive human resource management function to Council by ensuring an efficient personnel administration system, recruitment and selection, sound labour relations and human resources development. The implementation of affirmative action measures, occupational health and safety of employees and compliance with all relevant labour legislation is also adhered to.

The staff of the municipality is informed and supportive of municipality's vision, mission and strategic direction. The gender composition and people with disabilities continues to be a challenge as reflected by the workplace profile of the institution. Recruitment of black females and people with disabilities remain priority however, the appointment in these categories of people still is a challenge.

# Chapter 4

T 4.2.0

# Chapter 4

## 4.2 POLICIES

### Human Resources Policies and Plans

	Name of Policy	Reviewed	Date adopted by council or comment on failure to adopt
1	Recruitment Plan	To be reviewed	2021-08-31
2	Placement Policy	To be reviewed	2021-08-31
3	Code of Conduct for employees		Municipal Systems Act, Schedule 2
4	Covid-19 Workplace Plan	To be reviewed	2021-09-30
5	Disciplinary Code and Procedures		SALGBC Main Collective Agreement provision
6	Covid-19 Policy	To be reviewed	2021-09-30
7	Employee Assistance Programme Policy	Approved	28-Aug-18
8	Employment Equity Policy	To be reviewed	28-Aug-18
9	Exit Management		Checklist developed
10	Grievance Procedures		SALGBC Main Collective Agreement provision
11	HIV/Aids Policy	To be reviewed	28-Aug-18
12	Human Resource and Development Strategy		
13	Information Technology Policies	To be reviewed	11-May-18
	· Lekwa Local Municipality ICT Policy Framework	To be reviewed	11-May-18
	· Lekwa Local Municipality ICT Strategy	To be reviewed	11-May-18
	· Lekwa Local Municipality ICT Continuity Policy	To be reviewed	11-May-18
	· Lekwa Local Municipality Disaster Recovery & Business Continuity Plan for ICT Services	To be reviewed	11-May-18
	· Electronic Communications Policy	To be reviewed	11-May-18
	· Backup and Recovery Policy	To be reviewed	11-May-18

# Chapter 4

	Name of Policy	Reviewed	Date adopted by council or comment on failure to adopt
	· Change Management Policy	Approved	11-May-18
	· Firewall Policy	Approved	11-May-18
	· Laptop Security Management Policy	Approved	11-May-18
	· ICT Security Policy	Approved	11-May-18
	· Information Security Policy	Approved	11-May-18
	· Patch Management Policy	Approved	11-May-18
	· Physical and Environmental Security Policy	Approved	11-May-18
	· User Access Management Policy	Approved	11-May-18
	· Virus and Malware Management Policy	Approved	11-May-18
14	Job Evaluation		
15	Annual Leave Policy	Approved	28-Aug-18
16	Occupational Health and Safety Policy	To be reviewed	2021-08-31
17	Official Housing		
18	Subsistence and Travelling Allowance Policy	To be reviewed	31-May-22
19	Official transport to attend Funerals	To be reviewed	31 May -22
20	Overtime Policy for Employment	To be reviewed	31-May-22
21	Organisational Rights		SALGBC Main Collective Agreement provision
22	Payroll Deductions		
23	Performance Management and Development	To be reviewed	26-Oct-16
24	Recruitment and Selection Policy	To be reviewed	2021-08-31
25	Remuneration Scales and Allowances		Not yet developed
26	Resettlement		Not yet developed
27	Sexual Harassment Policy	To be reviewed	31-May-22



# Chapter 4

	Name of Policy	Reviewed	Date adopted by council or comment on failure to adopt
28	Training and Development Policy	To be reviewed	28-Aug-18
29	Smoking Policy	To be reviewed	28-Aug-18
30	Scarce Skills Policy	To be reviewed	28-Aug-18
31	Work Organisation		Not yet developed
32	Personal Protective Equipment Policy	Approved	28-Aug-18
	Other:		
33	Duty Accident Prevention Policy	Approved	28-Aug-18
34	Injuries on Duty Policy	Approved	28-Aug-18
35	Reasonable Accommodation for people with disability Policy	Approved	28-Aug-18
36	Succession Planning Policy	Approved	28-Aug-18
37	Employee Transfer Policy	Approved	28-Aug-18
38	Induction Policy	Approved	28-Aug-18
39	Whistleblowing Policy	To be reviewed	28-Aug-18
40	Telephone Policy	To be reviewed	28-Aug-18
41	Name Tag Policy	To be reviewed	28-Aug-18
42	Incapacity Due to Poor Work Performance	To be reviewed	28-Aug-18
43	Intoxication and Substance Abuse Policy	To be reviewed	28-Aug-18
44	Incapacity due to Ill Health/Injury Policy	To be reviewed	28-Aug-18
45	Bursary Policy for Employees of Council	To be reviewed	28-Aug-18
46	Bursary Policy for External Candidates	To be reviewed	28-Aug-18
47	Attendance and Punctuality Policy	To be reviewed	28-Aug-18
48	Bereavement Policy	To be reviewed	28-Aug-18

# Chapter 4

	Name of Policy	Reviewed	Date adopted by council or comment on failure to adopt
	<i>Use name of local policies if different from above and at any other HR policies not listed.</i>		T 4.2.1

## COMMENT ON WORKFORCE POLICY DEVELOPMENT:

Specific human resource policies as specified above were developed while others were last reviewed and adopted during the 2018/2019 financial year. Noting the need to regularly review policies, such policies will going forward be reviewed annually or at least every two years.

T 4.2.1.1

## COMMENT ON WORKFORCE POLICY DEVELOPMENT:

Specific human resource policies as specified above were developed while others were last reviewed and adopted during the 2018/2019 financial year. Noting the need to regularly review policies, such policies will going forward be reviewed annually or at least every two years.

T 4.2.1.1

# Chapter 4

## 4.3 INJURIES, SICKNESS AND SUSPENSIONS

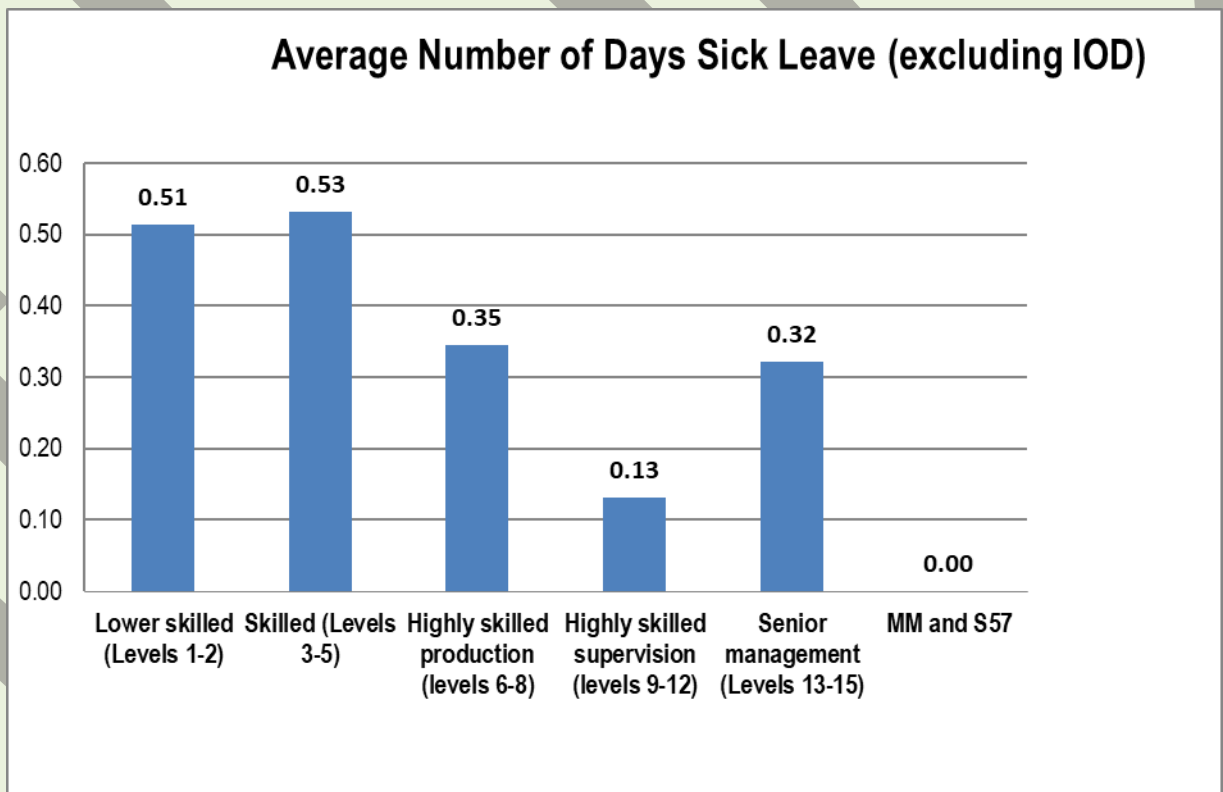
Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	243	0%	122	233	0.51	157638
Skilled (Levels 3-5)	251	0%	53	100	0.53	128201
Highly skilled production (levels 6-8)	163	0%	24	70	0.35	45219
Highly skilled supervision (levels 9-12)	62	0%	19	38	0.13	100642
Senior management (Levels 13-15)	152	0%	15	28	0.32	52294
MM and S57	0	0%	1	3	0.00	0
<b>Total</b>	<b>871</b>	<b>0%</b>	<b>234</b>	<b>472</b>	<b>1.85</b>	<b>483994</b>

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

T 4.3.2

# Chapter 4

# Chapter 4



T 4.3.3

# Chapter 4

## COMMENT ON INJURY AND SICK LEAVE:

The municipality is monitoring and reports on injuries on duty to the Compensation Commission as required by legislation. All types of leave is monitored using VIP Payroll system. The Health and Safety Committee is in place where occupational health and safety issues are discussed.

T 4.3.4

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Manager Income	Gross negligence	19 November 2019	The matter was due to sit on the 16 <sup>th</sup> and 17 <sup>th</sup> of November 2021 but postponed due to the unavailability of the Presiding officer	Not yet finalised
Accountant Income	Negligence	19 November 2019	The matter was due to sit on 10 December 2021 but postponed due to the unavailability of the Employee Representative. The	Not yet finalised

# Chapter 4

			employer has finalized leading its evidence, and the employee representative needs to finalise examining one witness.	
General Assistant	Gross dishonesty	13 September 2019	The matter sat on 07 December 2021 and was due to continue on the following day, the 8 <sup>th</sup> of December 2021 but the employee fell ill.	Not yet finalised
Licensing Clerk	Gross dishonesty	13 September 2019	The matter finalized on the 3 <sup>RD</sup> February 2021 awaiting the outcome.	Not yet finalised
				T 4.3.5

<b>Disciplinary Action Taken on Cases of Financial Misconduct</b>			
<b>Position</b>	<b>Nature of Alleged Misconduct and Rand value of any loss to the municipality</b>	<b>Disciplinary action taken</b>	<b>Date Finalised</b>
No disciplinary action due to financial misconduct were undertaken during the year under review.			
Manager Income	Gross negligence – R 4 625 117,09	Suspension	Not yet finalised
Accountant Income	Gross negligence – R 4 625 117,09	Suspension	Not yet finalised

# Chapter 4

T 4.3.6

## COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

For the year under review, two cases of financial misconduct were found and/or investigated. Suspensions and subsequent due disciplinary processes have taken longer than usual to finalise due to the Covid-19 pandemic that significantly delayed the finalisation of some of the matters. The subsequent postponement of matter due to reasons stated further impacted the finalisation of the matters. These matters will be expedited to be concluded.

T 4.3.7



# Chapter 4

## 4.4 PERFORMANCE REWARDS

The performance management system has not yet been cascaded to levels below section 56 employees, no performance rewards were paid during the year under review.

### COMMENT ON PERFORMANCE REWARDS:

For the year under review, performance rewards were not paid to any municipal employees, including the Municipal Manager and section 56 managers. It must be noted that performance reviews were not conducted. Efforts are continually being made to strengthen the performance review processes. Adherence to scheduled review sessions in line with the signed performance agreements will be strengthened. The cascading of individual performance management has not yet been introduced, but it is anticipated that a gradual phased approach over the next financial years, will be implemented to roll out this process, starting with the development of a phased roll-out plan, a draft policy and extensive engagement with organised labour and employees at large.

T 4.4.1.1

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

In line with the MSA 2000 S68 (1) a range of new human resource policies were customized in line with the South African Local Government Association's generic policies that enables the institution to

# Chapter 4

perform its functions and exercise its powers in an economical, effective, efficient and accountable way. A critical function within the Human Resources division is the implementation of training interventions for human capital development. The following is a breakdown of training interventions undertaken during the 2020/2021 financial year:

*T 4.5.0*

# Chapter 4

## 4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 1 July 2020	Number of skilled employees required and actual as at 30 June 2020											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual: As at 30 June 2020	Actual: As at 30 June 2021	2020/2021 Target	Actual: As at 30 June 2020	Actual: As at 30 June 2021	2020/2021 Target	Actual: As at 30 June 2020	Actual: As at 30 June 2021	2020/2021 Target	Actual: As at 30 June 2020	Actual: As at 30 June 2021
MM and s57	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	2	0	0	0	0	0	0	0	0	0	0	0	0
Councillors, senior officials and managers	Female	16	1	2	0	1	0	0	1	2	2	3	4	2
	Male	14	0	0	0	1	0	1	0	1	4	1	1	5
Technicians and associate professionals*	Female	13	0	0	0	0	0	0	0	0	0	0	0	0
	Male	17	0	0	0	11	0	0	0	0	0	11	0	0
Professionals	Female	9	0	3	0	4	0	1	1	2	4	5	5	5
	Male	17	0	0	0	7	0	0	1	1	3	8	1	3
Sub total	Female	40	0	5	0	5	0	2	1	4	6	6	9	8
	Male	50	0	0	0	19	0	1	1	2	7	20	2	8
<b>Total</b>		<b>99</b>	<b>1</b>	<b>5</b>	<b>0</b>	<b>24</b>	<b>0</b>	<b>5</b>	<b>8</b>	<b>6</b>	<b>13</b>	<b>33</b>	<b>11</b>	<b>16</b>

\*Registered with professional Associate B +5\*ody e.g CA (SA)

T 4.5.1

# Chapter 4

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>						
<i>Accounting officer</i>	1	0	1	0	1	1
<i>Chief financial officer</i>	1	0	1	0	0	1
<i>Senior managers</i>	1	0	1	0	1	1
<i>Any other financial officials</i>	13	0	13	0	0	13
<b>Supply Chain Management Officials</b>						
<i>Heads of supply chain management units</i>	1	0	1	0	1	1
<i>Supply chain management senior managers</i>	0	0	0	0	0	0
<b>TOTAL</b>	<b>17</b>	<b>0</b>	<b>17</b>	<b>0</b>	<b>3</b>	<b>17</b>

\* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)

T 4.5.2

Skills Development Expenditure R'000				
Management level	Gender	Employees as at the beginning of the financial year (1 July 2020)	Original Budget and Actual Expenditure on skills development 2020/2021	

# Chapter 4

		No.	Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	0	0	0	0	0	0	0	0	
	Male	2	0	0	0	0	0	0	0	
Legislators, senior officials and managers	Female	10	0	40000	0	0	37500	40500	37500	80500
	Male	20	0	0	7500	0	30000	15000	37500	15000
Professionals	Female	8	0	60000	7500	0	54500	39500	62000	99500
	Male	16	0	0	0	0	47000	15000	47000	15000
Technicians and associate professionals	Female	14	0	0	7500	0	0	0	7500	

# Chapter 4

	Male	18	0	0	0	0	0	0		
Clerks	Female	31	40000	20000	15000	21000	22500	30000	77500	71000
	Male	17	0	20000	75000	10500	21000	35000	96000	65500
Service and sales workers	Female	19	0	0	17500	0	0	0	17500	
	Male	28	0	0	3500	0	0	0	3500	
Plant and machine operators and assemblers	Female	0	0	0	0	0	0	0		
	Male	38	0	0	17500	0	0	0	17500	
Elementary occupations	Female	62	45000	20000	0	0	0	7000	45000	27000
	Male	186	35000	18000	0	0	0	0	35000	18000
Sub total	Female	145	85000	140000	47500	21000	114500	11700	247000	172700
	Male	325	35000	38000	36000	10500	98000	65000	169000	113500
<b>Total</b>		<b>470</b>	<b>120000</b>	<b>178000</b>	<b>83500</b>	<b>31500</b>	<b>212500</b>	<b>76700</b>	<b>416000</b>	<b>286200</b>
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									%*	*R
										T4.5.3

# Chapter 4

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

A needs-based approach in consultation with labour is followed and skills audits are conducted to identify training needs of all employees after which the Workplace Skills Plan (WSP) is developed with emphasis on learnerships and apprenticeships. The WSP, which also includes the Annual Training Report on implemented training for the previous financial year is submitted to the LGSETA in line with the Skills Development Act. Training is then monitored and reported on a quarterly basis.

Inadequate budget in the area of workforce development continues to be a challenge. The budget has remained stagnant to fund such programmes. However, a bursary programme was introduced to assist identified needy youth with study opportunities.

T 4.5.4

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### INTRODUCTION TO WORKFORCE EXPENDITURE

It is critical to manage workforce expenditure. Pressures to fill vacancies within budgetary constraints placed a strain on the certain components of the workforce, especially in essential services areas of fire and rescue services, water and sanitation, electricity and refuse collection. The vacancy rate within these components saw a substantial increase in expenditure on overtime to ensure that services are still rendered within the limited human resources employed and available. Concerted efforts must still be made to reduce overtime and to employ additional staff to address human resource shortages.

# Chapter 4

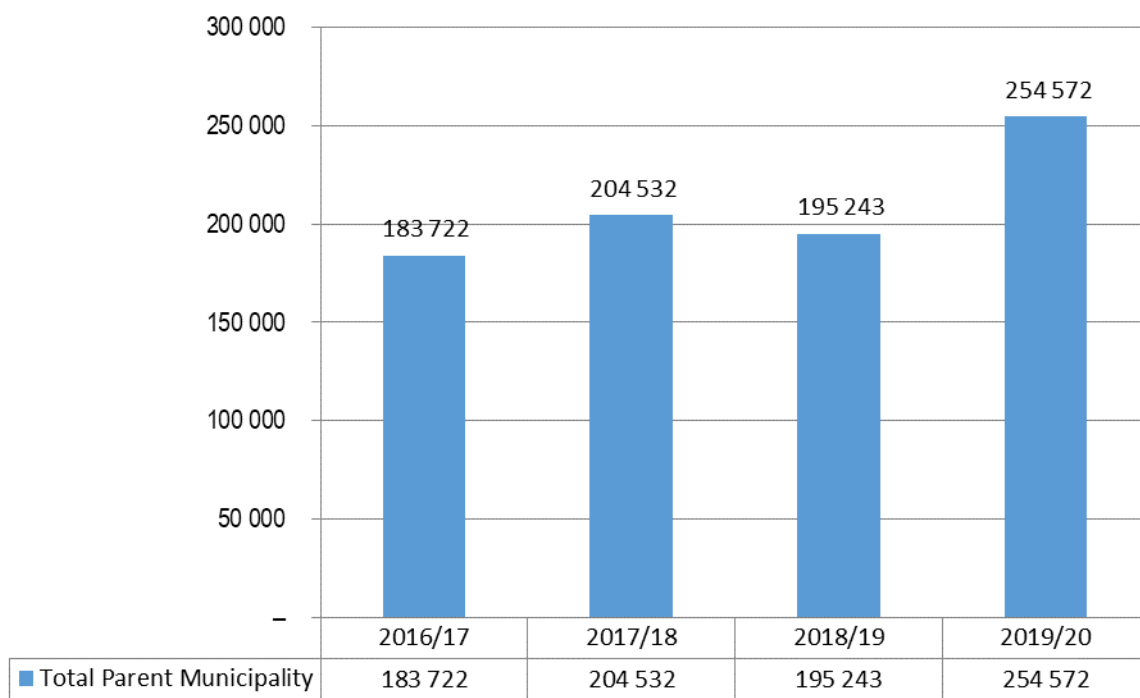
T 4.6.0

## 4.6 EMPLOYEE EXPENDITURE



# Chapter 4

## Workforce Expenditure Trends (R' 000)



# Chapter 4

Source: MBRR SA22

T 4.6.1

## COMMENT ON WORKFORCE EXPENDITURE:

Employee cost to total operating expenditure measures the total employment cost to total operating expenditure and the norm is between 25% - 40%. Lekwa Local Municipality is within the acceptable norm, it is on the increase and if not monitored, it will approach the upper end of the norm.

T 4.6.1.1

## DISCLOSURES OF FINANCIAL INTERESTS

Annually, Councillors as political office bearers, senior officials and Supply Chain Management officials are required to complete declarations indicating financial interest, thus a disclosure form is completed.

It is also a requirement that section 56 senior management must declare their financial interest and other interest when signing their annual performance agreements with the Municipal Manager. The Municipal Manager also signs a declaration for financial interest and submits it to the Executive Mayor with the signed performance agreement. Appendix J tabulated the disclosures made.

T 4.6.6

# Chapter 5

## CHAPTER 5 – FINANCIAL PERFORMANCE

### INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments and reports on financial matters. 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 is assessed by summarizing how the municipality incurs its revenues and expenses through both operating and non-operating activities. It also shows the net profit or loss incurred over a specific accounting period. These include service charges and the various expenses incurred during the processing as well as the rendering the services.

Revenue management, and particularly revenue assurance, should be high up on the list of priorities. Debt owed to municipality was R 1.4 billion with R 1.2 billion impaired as a result of non-payment of services. In addition, the municipality had payables from exchange transactions amounting to R 1.9 billion. Effective revenue assurance could rescue the municipality and underpin improved financial management, especially at a time where more challenges are forecast for the South African economy, already caught in the grip of stagnant economic growth. As the economy continues to decline, the municipality will face even bigger challenges in generating revenue. The continued restructuring and closure of businesses, which lead to job losses, would have far reaching effects for the municipality. Revenue generated from rates, taxes, and service charges will also dwindle and the ratio of indigents compared to paying customers is likely to increase.

The equitable share from national government is expected to be under pressure going forward. So, while communities deserve and continue to demand quality and timely services, some members of communities cannot afford to pay for the services rendered.

# Chapter 5

It is, therefore, imperative that the municipality develop a comprehensive revenue assurance system. Financial sustainability can be achieved through appropriate funding, financial viability, revenue generation capability, and revenue management processes.

Auditor General fees is the service for the external audit provided by the Auditor General of South Africa. The total cost was R 7.3 million.

The operating deficit is attributed mainly to bulk purchases, employee related costs, debt impairments as well as depreciation incurred during the financial period under review. The Municipality has put in place systems to address the deficit and to ensure that the Municipality is financially sustainable. This includes revenue enhancement, cost curtailment, ensuring that trading services are operating efficiently in order to reduce the trading losses as well as a financial recovery plan that was finalized in the 2019/2020 financial year.

The table below reflects the performance of trading services. The real picture is that comparing the actual revenue to expenditure, all services are running at a deficit. These services are yet to yield profit. The attributes to the deficits are the following factors:

- 1) Tariffs are not cost reflective
  - 2) Billing that is inaccurate and not reliable
  - 3) Cost drivers such as telephone usage, overtime, fuel and oil, standby allowances
- Remedies to these challenges will be to strictly apply and adhere to austerity and cost curtailment measures.

*T 5.1.0*

# Chapter 5

Financial Services: 2020/2021				
Details	Original Budget	Adjustment Budget	Actual	Variance to Budget R'000
Electricity	458,526	403,557	328,976	74,581
Water	99,517	98,660	84,739	13,922
Sewerage	78,415	74,700	40,882	33,818
Refuse Removal	78,702	68,286	26,465	41,821

# Chapter 5

## 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Description	2020 - 21 Financial Year								2019 - 20 Financial
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousands	1	2	3	6	7	9	10	11	15
<b>Financial Performance</b>									
Property rates	139,336	48,432	187,768	187,768	156,421	31,347	11%	69%	98,385
Service charges	715,159	(69,957)	645,203	645,203	481,061	164,141	-49%	115%	441,269
Investment revenue	60,154	(3,364)	56,790	56,790	49,160	7,631	-22%	107%	55,945
Transfers recognised - operational	194,361	(31,784)	162,577	162,577	152,033	10,545	-28%	121%	119,689
Other own revenue	14,446	42,442	56,888	56,888	18,695	38,193	23%	-127%	21,388
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1,123,457</b>	<b>(14,230)</b>	<b>1,109,227</b>	<b>1,109,227</b>	<b>857,370</b>	<b>251,857</b>			<b>736,675</b>
Employee costs	294,270	21,937	316,207	316,207	239,009	77,199	-23%	91%	238,547
Remuneration of councillors	14,516	(1,528)	12,988	12,988	12,090	898	-20%	113%	20,883
Debt impairment	59,492	(15,680)	43,812	43,812	210,632	(166,820)	-	-	189,237
Depreciation & asset impairment	80,000	5,563	85,563	85,563	94,926	(9,362)	16%	94%	87,252
Finance charges	96,229	(26,677)	69,552	69,552	99,693	(30,141)	3%	127%	121,999
Materials and bulk purchases	453,556	85,252	538,808	538,808	528,114	10,694	14%	84%	507,078
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	108,241	-	108,241	108,241	41,948	66,293	-158%	100%	122,094
<b>Total Expenditure</b>	<b>1,106,304</b>	<b>68,868</b>	<b>1,175,172</b>	<b>1,175,172</b>	<b>1,226,410</b>	<b>(51,238)</b>			<b>1,287,089</b>
<b>Surplus/(Deficit)</b>	<b>17,153</b>	<b>(83,098)</b>	<b>(65,945)</b>	<b>(65,945)</b>	<b>(369,041)</b>	<b>303,095</b>	-	-	<b>(550,414)</b>
Transfers recognised - capital			-	-	39,057				34,396
Contributions recognised - capital & contributed assets			-	-					
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>									
Share of surplus/ (deficit) of associate			-	-					
<b>Surplus/(Deficit) for the year</b>	<b>17,153</b>	<b>(83,098)</b>	<b>(65,945)</b>	<b>(65,945)</b>	<b>(329,984)</b>	<b>303,095</b>	-	-	<b>(516,019)</b>

## COMMENT ON FINANCIAL PERFORMANCE

The Municipality had a total operating revenue for the reporting period ending 30 June 2021 amounted to R 896 million which shows an increase of R 125 million when compared to the operating revenue for the period ended 30 June 2020 where the operating revenue amounted to R 771 million. The increase was mainly on the increase in the service charges R 40 million

The Municipality had a total operating expenditure for the reporting period ending 30 June 2021 amounted to R 1.2 billion. There was a decline in the expenditure amounting R 60 million when compared to the expenditure ended 30 June 2020.

The Municipality had a total operating revenue for the 2020/2021 financial reporting period amounting to R896 million while the operating expenditure amounted to R1.2 billion that resulted in an operating deficit of R 330 million. There was a revenue increase of R 125 million when compared to the 2019/20 financial year of R 771 million while expenditure decreased with R 61 million. This was due to the decrease remuneration of council, finance costs, contracted services and general expenses.

Grants receipts contributed R 191 million (21.32%) of the total revenue while revenue generated from property rates as well as service charges contributed R 672 million (75%) to the total revenue mix. This further affirms that the Municipality does not depend entirely on grants to finance its operations. Total operating revenue excluding capital transfers amounted to R 855 million for the 2020/21 financial year which indicates a revenue growth of R 88 million when compared to the 2019/20 financial year of R 767 million.

The main sources of revenue excluding Grants and Subsidies for the 2020/21 were as follows:

Electricity R 329 million (36.72%)  
 Property Rates R 156 million (17.41%)  
 Water R 85 million (9.49%)  
 Sanitation R 40 million (4.46%)  
 Refuse R 26 million (2.90%)

The following expenditures remains the highest cost drivers and have a significant impact on the revenue of the Municipality:

Bulk Purchases R 456 million (37.19%)  
 Employee related costs R 251 million (20.47%)  
 Debt Impairment R 210 million (17.13%)  
 Depreciation R 94 million (7.67%)  
 Finance Costs R 100 million (8.16%)

T5.1.3

## 5.2 GRANTS

Grant Performance							R' 000
Description	2019-2020	2020-21			2020-21		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustment s Budget (%)	
<b>Operating Transfers and Grants</b>							
<b>National Government:</b>	118,689	191,625	191,625	191,090	0%	0%	
Equitable share	118,689	149,433	149,433	149,433	0%	0%	
Municipal Systems Improvement	-	-	-	-	-	-	
Municipal Infrastructure Grant	27,785	28,320	28,320	28,320	0%	0%	
Finance Management Grant	2,235	2,600	2,600	2,600	0%	0%	
Expanded Public Works Grant	1,000	1,272	1,272	737	-73%	-73%	
Intergrated Electrification Grant	4,050	10,000	10,000	10,000	0%	0%	
Energy Efficiency and Demand Side Management	-	-	-	-			
Water Services Infrastructure Grant	6,713	-	-	-			
<b>Provincial Government:</b>	-	-	-	-			
Human Settlement							
<b>District Municipality:</b>	-	-	-	-			
Rising Main							
<b>Other grant providers:</b>	-	-	-	-			
<i>[insert description]</i>							
<b>Total Operating Transfers and Grants</b>	<b>118,689</b>	<b>191,625</b>	<b>191,625</b>	<b>191,090</b>	<b>0%</b>	<b>0%</b>	



COMMENT ON GRANTS

The Municipality received R 191 million in grants and subsidies for operation in the 2020/2021 financial year. This indicates an increase of R37 million when compared to grants received in the 2019/2020 financial year which amounted to R 154 million. An amount of R 153 million was for operation while R 38 million was for capital expenditure.

The non-conditional equitable share grant was utilized for indigents' free basic services and to cover other operational expenses. The Finance Management Grant as a conditional grant was used for its intended purposes.

*T 5.2.2*

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

No grants were received from sources other than DORA.

*T 5.2.4*

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The Municipality made significant strides in ensuring that assets are verified periodically. All assets that required bar codes were bar coded and those that required GPS co-ordinates had been provided. The assets are annually recorded in the Annual Financial Statement in terms of GRAP standards, Council's assets management policy and accounting policy. Recognition also take effect of depreciation and impairment where it is applicable.

The Asset Management Policy is developed to comply with all relevant legislative requirements and complies with the standards specified by the Accounting Standards Board. Asset management within the municipality is overseen by the CFO.

**Financial Asset Register**

The CFO established and maintained an asset register containing key financial data on each item of property, plant, or equipment that satisfies the criterion for recognition.

**Organizing Asset Management, Staff Involved, and Delegations**

The CFO is responsible to the Municipal Manager and needs to ensure that the financial investment in the municipality's assets is safeguarded and maintained.

The Asset Manager must ensure that appropriate physical management and control systems are established and maintained for all assets in their area of responsibility and that the municipal resources assigned to them are utilized effectively, efficiently, economically, and transparently. The Asset Champion must assist the Asset Manager in performing his/her functions and duties in terms of asset management.

T 5.3.1

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 2020				
Asset 1				
Name	Water			
Description	Refurbishment and upgrade of portions of the Standerton water supply scheme			
Asset Type	Water			
Key Staff Involved	Consultants and Contractors			
Staff Responsibilities	Design, implementation & Monitoring			
	2017/2018	2018/2019	2019/2020	2020/2021
Asset Value	R 7,149,546.68			
Capital Implications	Capitalise on conclusion and depreciate yearly in terms of policies and GRAP standards			
Future Purpose of Asset	To provide clean water to the communities and business			
Describe Key Issues	Replacement of turbine pumping units and clear water pumping units for Kieser clear			

	water pump station.			
Policies in Place to Manage Asset	Asset Policy, accounting Policies and GRAP Standards			
<b>Asset 2</b>				
Name	Sewerage			
Description	Refurbishment and upgrade of sewer pump stations (Johan Street, Muller, Taljaard, TLC) and upgrade of Coligny sewer line.			
Asset Type	Sewerage/ Waste Water			
Key Staff Involved	Consultants and Contractors			
Staff Responsibilities	Design, implementation & Monitoring			
Asset Value	2017/2018	2018/2019	2019/2020	2020/2021
Capital Implications	Capitalise on conclusion and depreciate yearly in terms of policies and GRAP standards			
Future Purpose of Asset	Provide Sewerage processing from communities and business			
Describe Key Issues	Refurbishment of sewer pump stations.			
Policies in Place to Manage Asset	Asset Policy, accounting Policies and GRAP Standards			
<b>Asset 3</b>				
Name	Water			
Description	Refurbishment and Upgrading of Morgenzon and Sivukile Bulk Water Supply System			
Asset Type	Water			
Key Staff Involved	Consultants and Contractors			
Staff Responsibilities	Design, implementation & Monitoring			

	2017/2018	2018/2019	2019/2020	2020/2021
Asset Value				
Capital Implications	Capitalise on conclusion and depreciate yearly in terms of policies and GRAP standards			
Future Purpose of Asset	To provide clean water to the communities and business			
Describe Key Issues	Refurbishment of flocculation channel and sand filters.			
Policies in Place to Manage Asset	Asset Policy, accounting Policies and GRAP Standards			
				T 5.3.2

### COMMENT ON ASSET MANAGEMENT

There are three major types of assets that the municipality has focused on:

Water: the municipality has and is focusing on a drive to ensure that there is adequate water supply as well as ensuring that the quality standards of water supply are always maintained.

Sewer: The sewer pump stations which were not functional have been refurbished to ensure transmission of sewer to the Standerton WWTW.

Waste Water Treatment upgrade: the capacity of the Standerton waste water treatment works is unable to meet the current effluent. This might lead to processes of litigations against the municipality, which will result in high provision on contingencies.

T 5.3.3

Repair and Maintenance Expenditure: Year 2021				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	43,298	46,504	16,237	62%
				T 5.3.4

**COMMENT ON REPAIRS AND MAINTENANCE EXPENDITURE**

The repairs and maintenance amounted to R 16 million in 2020/2021. A larger portion was spent on the electricity network, water and sanitation. The R 16 million expenditure on repairs and maintenance represent 1% of the total operating expenditure compared to the 8% norm.

The aging infrastructure of the municipality in actual fact requires that larger amounts be made available for the maintenance and replacement of especially water pipes & electricity network.

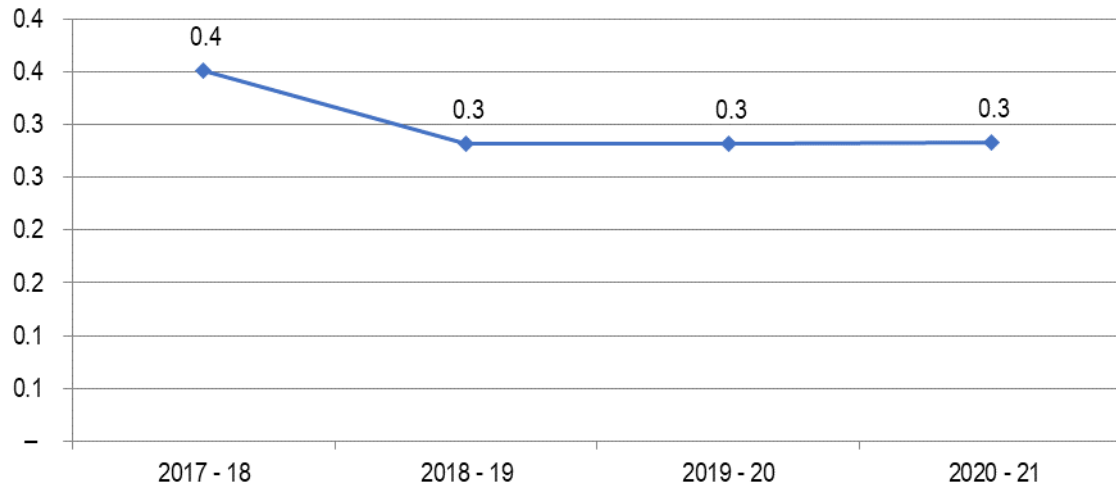
However, the pressure placed on budget provision for the extension of infrastructure to cater for new developments limits the availability of funds for maintenance purposes. The intention is to substantially increase maintenance expenditure in future budgets. The amount spent on repairs and maintenance is

for materials only and decline proportionate to the budget considering the increases in other expenditures.

T 5.3.4.1

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

### Liquidity Ratio

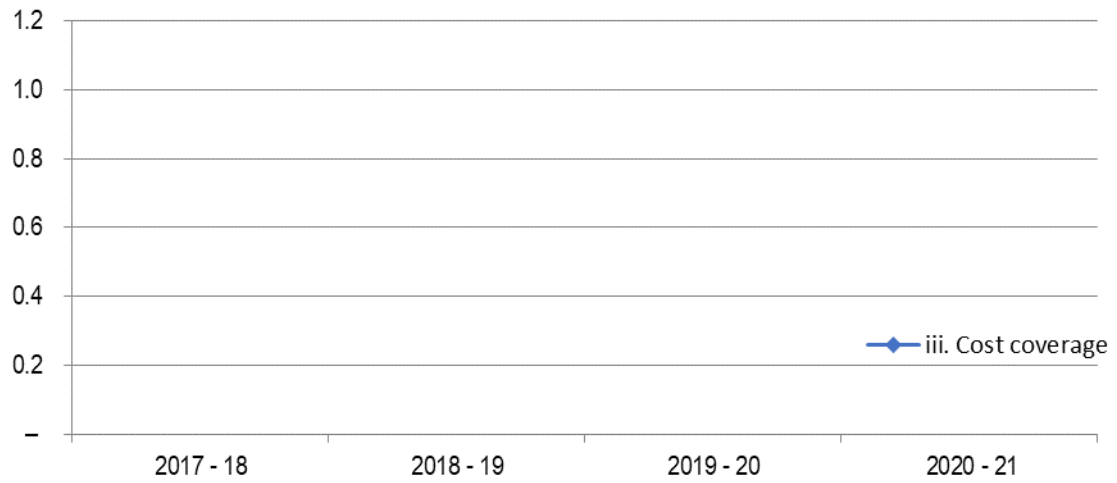


Liquidity Ratio – Measures the municipality’s ability to pay its bills and is calculated by dividing the monetary assets (due within one year ) by the municipality’s current liabilities. A higher ratio is better.

Data used from MBRR SA8



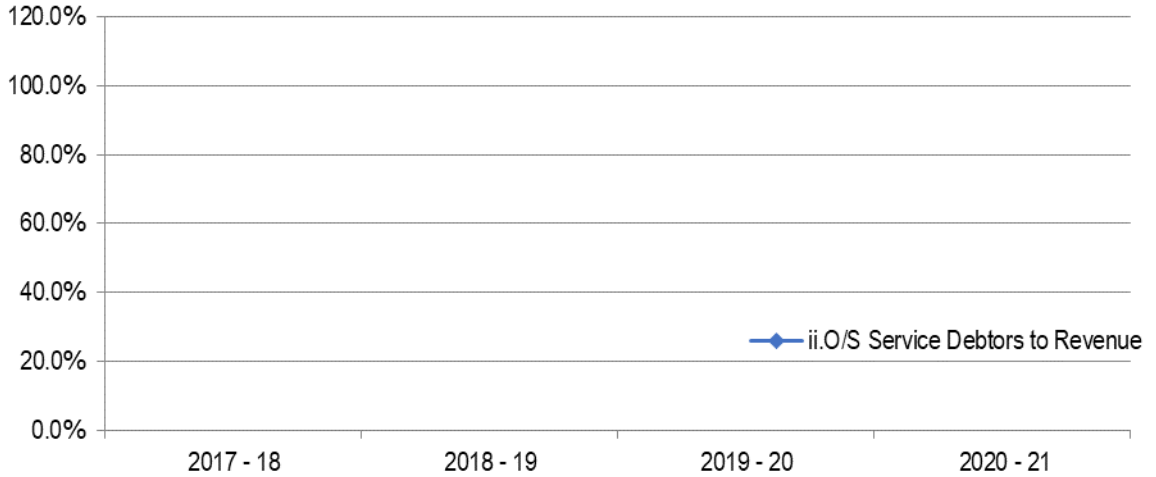
### Cost Coverage



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

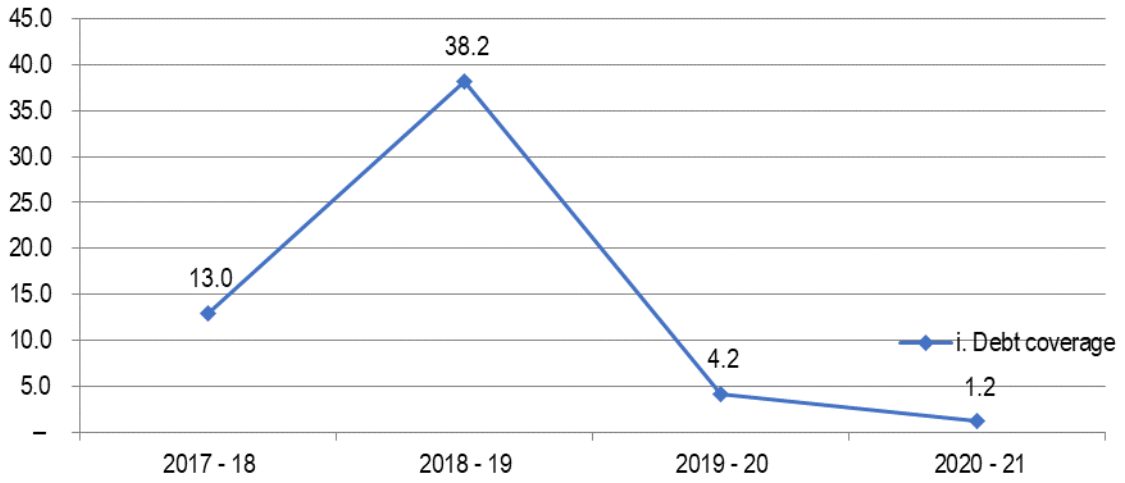
### Total Outstanding Service Debtors



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

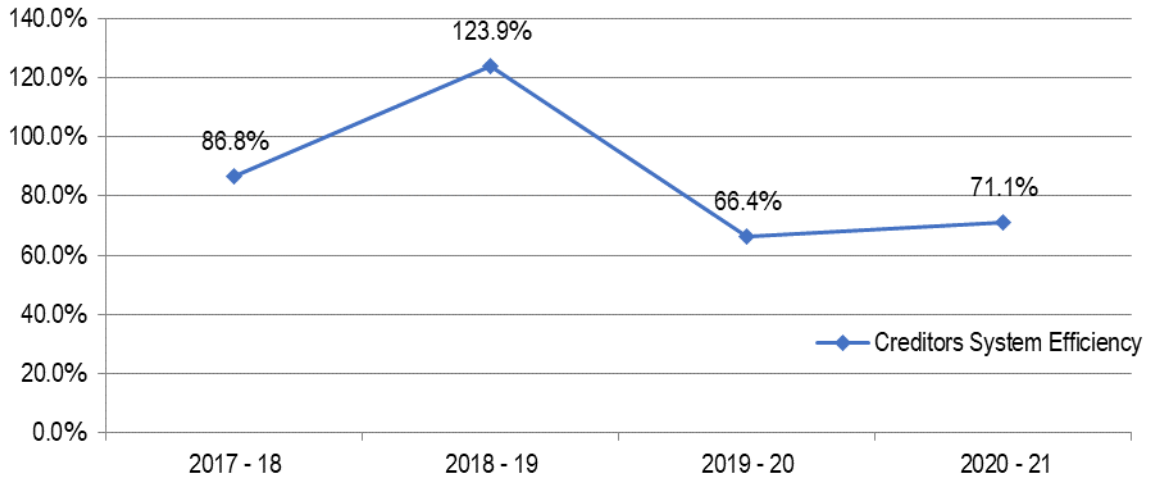
### Debt Coverage



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

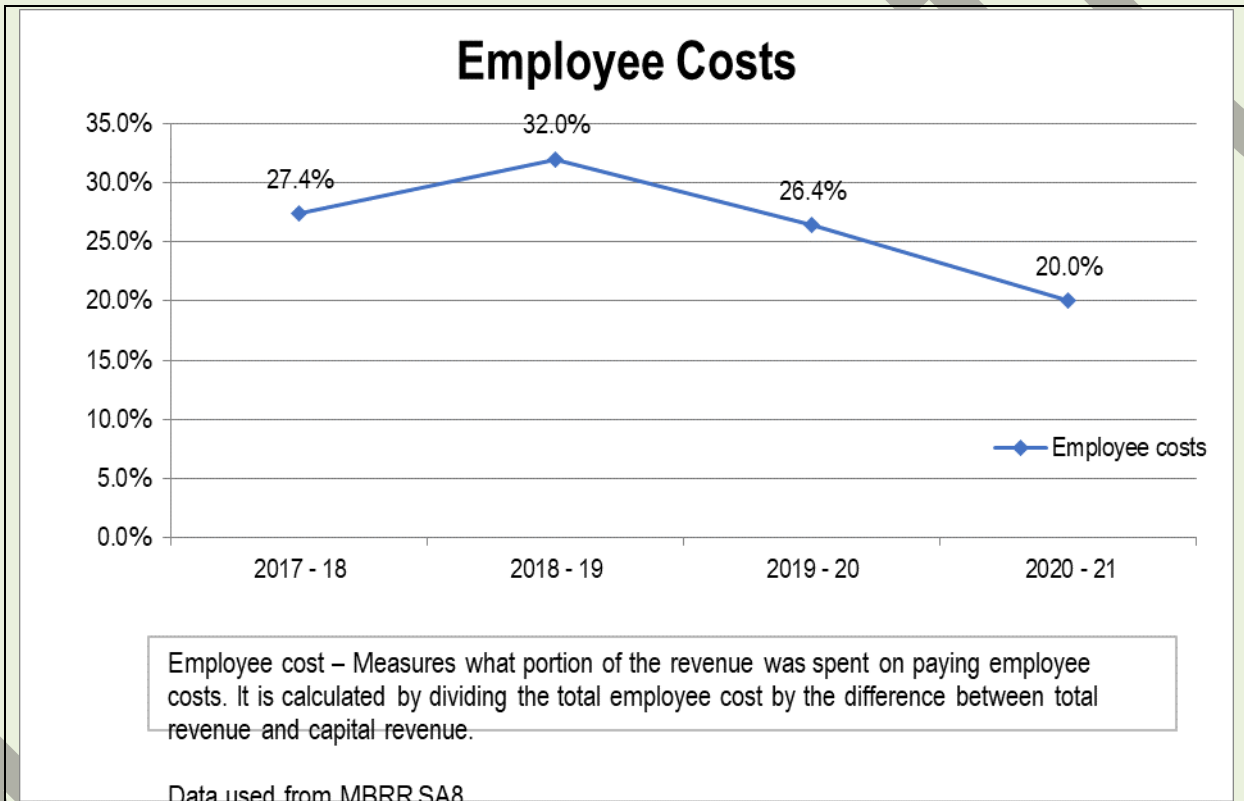
Data used from MBRR SA8

### Creditors System Efficiency

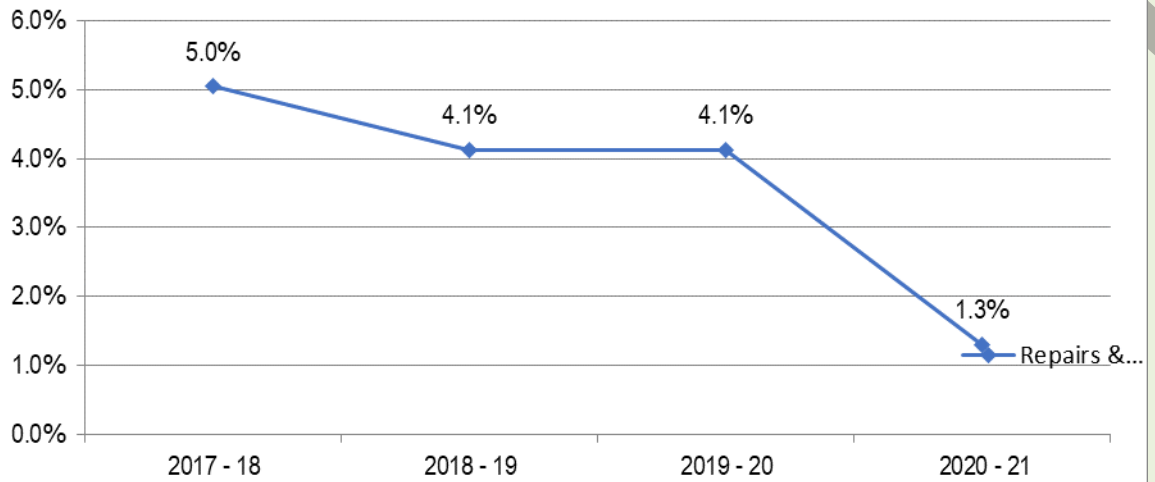


Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8



### Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

Data used from MBRR SA8

T 5.4.8

COMMENT ON FINANCIAL RATIOS

The **liquidity ratio** measures the extent to which the municipality has cash and short term investments available to settle short-term liabilities. The ratio has increased, meaning the municipality is able to settle its short-term liabilities with cash and short-term investments.

The **cost coverage ratio** indicates the time taken to pay for expenditure incurred; this has increased. It thus indicates that the Municipality takes longer to pay its creditors faster.

Total **outstanding service debtors to revenue** has increased. This reveals that less accounts are recoverable in proportion to billed revenue.

**Repairs and maintenance** has decreased. This highlights that less spending has been incurred on repairs and maintenance.

These ratios are derived from table **SA8 of the MBRR.**

T 5.4.9

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to the construction of assets that will have value, lasting over many years. Capital expenditure is funded from grants, borrowings, and operating expenditures and surpluses.

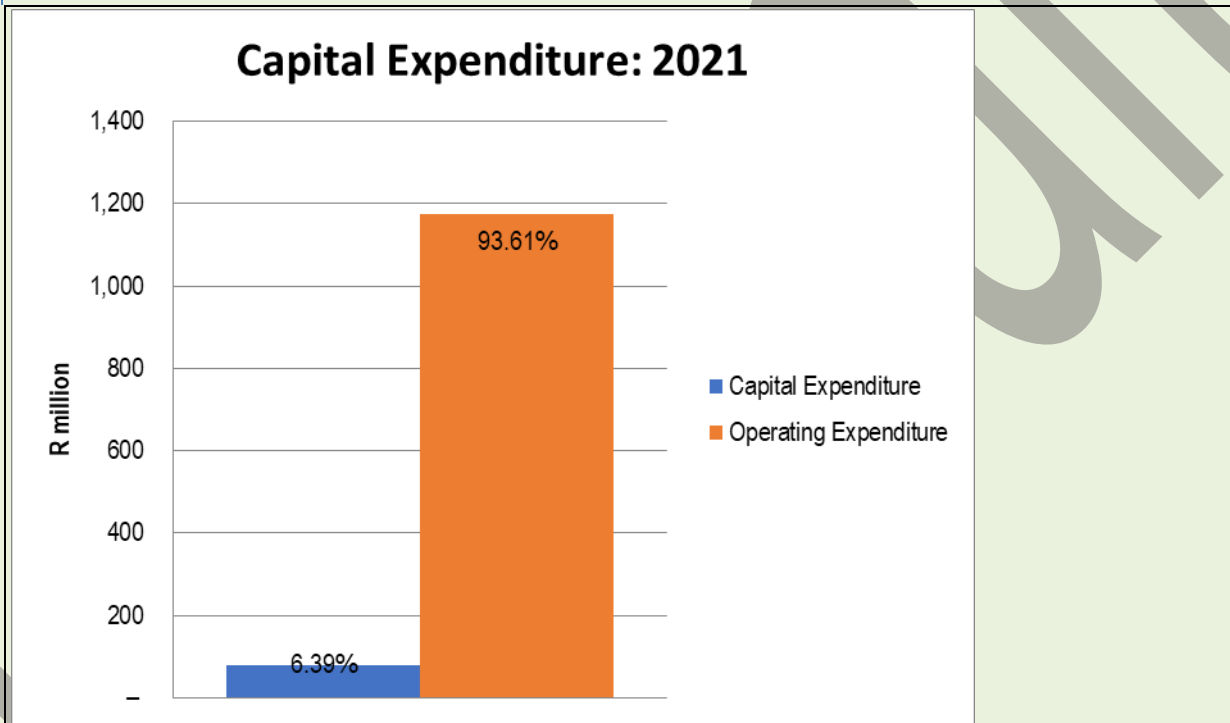
The five largest projects implemented were the refurbishment and upgrade of portions of the Standerton water supply scheme, Refurbishment and Upgrading of Morgenzon and Sivukile Bulk Water Supply System, Design for upgrade of the Standerton WWTW, Refurbishment and upgrade of sewer pump stations (Johan Street, Muller, Taljaard, TLC) and upgrade of Coligny sewer line and Construction of the 10 MVA switching station at Standerton extension 8.

The budget provision to complete projects in the near future are limited as the MIG allocation is insufficient to complete the projects within a one-year financial cycle. Other sources of funding are to be explored in order to ensure that the project is completed within a reasonable period, mindful of the importance of the WWTW operating optimally. These projects were implemented to ensure that Council priorities were attended to.

*T 5.5.0*



5.5 CAPITAL EXPENDITURE



T 5.5.1

R' 000						
Details	2019-2020	2020- 2021				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
<b>Source of finance</b>						
External loans						
Public contributions and donations						
Grants and subsidies	32	40	40	36	0.00%	-9.08%
Other		17	41		138.47%	-100.00%
<b>Total</b>	<b>32</b>	<b>57</b>	<b>80</b>	<b>36</b>	<b>138.47%</b>	<b>-109.08%</b>
<i>Percentage of finance</i>						
External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants and subsidies	100.0%	70.0%	49.4%	100.0%	0.0%	8.3%
Other	0.0%	30.0%	50.6%	0.0%	100.0%	91.7%
<b>Capital expenditure</b>						
Water and sanitation	18	27	37	20	37.03%	-27.35%
Electricity	5	15	20	9	28.97%	-41.31%
Housing		-			#DIV/0!	#DIV/0!
Roads and storm water					#DIV/0!	#DIV/0!
Other	9	14	23	7	64.26%	-48.54%
<b>Total</b>	<b>32</b>	<b>57</b>	<b>80</b>	<b>36</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>
<i>Percentage of expenditure</i>						
Water and sanitation	57.2%	48.1%	46.6%	54.9%	#DIV/0!	#DIV/0!
Electricity	15.4%	27.2%	24.8%	25.1%	#DIV/0!	#DIV/0!
Housing	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
Roads and storm water	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
Other	27.5%	24.7%	28.7%	20.0%	#DIV/0!	#DIV/0!

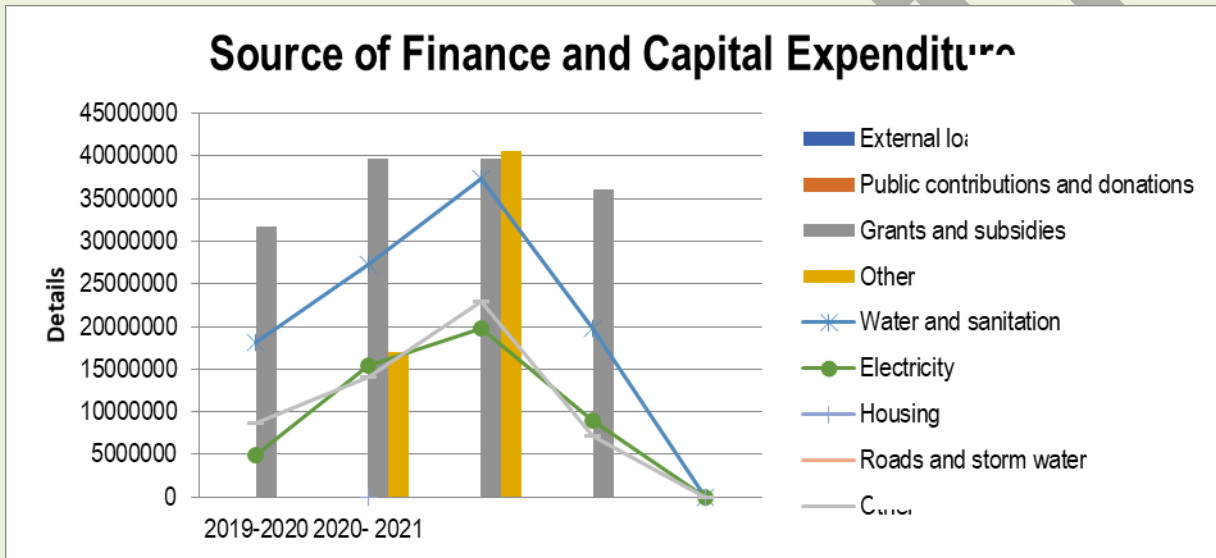
## 5.6 SOURCES OF FINANCE

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: 2020/2021			Variance: 2020/2021	
	Original Budget	Adjusted Budget	Actual Expenditure	Original Variance (%)	Adjusted variance (%)
A – Refurbishment and upgrade of portions of the Standerton water supply scheme	7,437,600	7,437,600	7,149,546	-3.87%	
B - Refurbishment and upgrade of sewer pump stations (Johan Street, Muller, Taljaard, TLC) and upgrade of Coligny sewer line.	9,376,927	9,376,927	7,439,858	-20.66%	
C – Upgrade of the Standerton waste water treatment works	3,423,873	3,423,873	5,688,993	+66%	
D – Refurbishment and Upgrading of	5,000,000	5,000,000	4,894,268	-2%	

Morgenzon and Sivukile Bulk Water Supply System					
E – Construction of the Switching Station (Ext 8)	7,110,742	7,110,742	7,110,742	0%	
<i>* Projects with the highest capital expenditure in Year 0</i>					
<b>A – Refurbishment and upgrade of portions of the Standerton water supply scheme</b>					
Objective of Project	Replace aged and non-functional infrastructure				
Delays	Delivery of turbine pumping units which were imported				
Future Challenges	Funding shortfalls				
Anticipated citizen benefits	Uninterrupted water supply				
<b>B - Refurbishment and upgrade of sewer pump stations (Johan Street, Muller, Taljaard, TLC) and upgrade of Coligny sewer line.</b>					
Objective of Project	Reduction of sewer spillages				
Delays	Additional scope given to Contractor				

Future Challenges	Funding shortfalls
Anticipated citizen benefits	Improved green drop status
<b>C – Upgrade of the Standerton waste water treatment works</b>	
Objective of Project	Compliance of green drop
Delays	N/A
Future Challenges	Funding shortfalls
Anticipated citizen benefits	Improved green drop status
<b>D - Refurbishment and upgrade of portions of the Morgenzon water supply scheme</b>	
Objective of Project	Improved water supply
Delays	Sub-Contracting issues
Future Challenges	Funding shortfalls
Anticipated citizen benefits	Improved water supply
<b>E – Construction of the Switching</b>	

<b>Station (Ext 8)</b>	
Objective of Project	Improve reliability of electricity supply
Delays	Delays in delivery of switch gears.
Future Challenges	N/A
Anticipated citizen benefits	Access to electricity
	T 5.7.1



COMMENT ON SOURCES OF FUNDING:

In respect of capital funding, the Municipality utilized conditional grants for the completion of projects.

*T 5.6.1.1*

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: 2020/2021			Variance: 2020/2021	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A – Refurbishment and upgrade of portions of the Standerton water supply scheme	7,437,600	7,437,600	7,149,546	-3.87%	
B - Refurbishment and upgrade of sewer pump stations (Johan Street, Muller, Taljaard, TLC) and upgrade of Coligny sewer line.	9,376,927	9,376,927	7,439,858	-20.66%	
C – Upgrade of the Standerton waste water treatment works	3,423,873	3,423,873	5,688,993	+66%	
D – Refurbishment and Upgrading of Morgenzon and Sivukile Bulk Water Supply System	5,000,000	5,000,000	4,894,268	-2%	
E – Construction of the Switching Station (Ext 8)	7,110,742	7,110,742	7,110,742	0%	



<i>* Projects with the highest capital expenditure in Year 0</i>	
<b>A – Refurbishment and upgrade of portions of the Standerton water supply scheme</b>	
Objective of Project	Replace aged and non-functional infrastructure
Delays	Delivery of turbine pumping units which were imported
Future Challenges	Funding shortfalls
Anticipated citizen benefits	Uninterrupted water supply
<b>B - Refurbishment and upgrade of sewer pump stations (Johan Street, Muller, Taljaard, TLC) and upgrade of Coligny sewer line.</b>	
Objective of Project	Reduction of sewer spillages
Delays	Additional scope given to Contractor
Future Challenges	Funding shortfalls
Anticipated citizen benefits	Improved green drop status
<b>C – Upgrade of the Standerton waste water treatment works</b>	

Objective of Project	Compliance of green drop
Delays	N/A
Future Challenges	Funding shortfalls
Anticipated citizen benefits	Improved green drop status
<b>D - Refurbishment and upgrade of portions of the Morgenzon water supply scheme</b>	
Objective of Project	Improved water supply
Delays	Sub-Contracting issues
Future Challenges	Funding shortfalls
Anticipated citizen benefits	Improved water supply
<b>E – Construction of the Switching Station (Ext 8)</b>	
Objective of Project	Improve reliability of electricity supply
Delays	Delays in delivery of switch gears.
Future Challenges	N/A
Anticipated citizen benefits	Access to electricity

**COMMENT ON CAPITAL PROJECTS:**

The five largest projects implemented were the refurbishment and upgrade of portions of the Standerton water supply scheme, Refurbishment and Upgrading of Morgenzon and Sivukile Bulk Water Supply System, Design for upgrade of the Standerton WWTW, Refurbishment and upgrade of sewer pump stations (Johan Street, Muller, Taljaard, TLC) and upgrade of Coligny sewer line and Construction of the 10 MVA switching station at Standerton extension 8.

The budget provision to complete projects in the near future are limited as the MIG allocation is insufficient to complete the projects within a one year financial cycle. Other sources of funding are to be explored in order to ensure that the project is completed within a reasonable period, mindful of the importance of the WWTW operating optimally. These projects were implemented to ensure that Council priorities were attended to.

T 5.7.1.1

**5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW**

## INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Masterplans need to be developed or revised and costed per infrastructure service in order to correctly allocate financial resources where most needed and in terms of reprioritizing the needs of the municipality. Assets that are not properly maintained will cost the user and municipality more in the future. Proper planning based on the plans will improve service delivery.

T 5.8.1

Service Backlogs as at 30 June 2021				
	Households (HHs)			
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	33 734	90%	3 599	10%
Sanitation	32 318	87%	5 016	13%
Electricity	33 991	91%	3 343	9%
Roads	422.9km	40,3%		59,9%
Waste management	25,946	82,2%	1,772	%
Housing	22,858	73,6%	7,414	23,9%

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

T 5.8.2

COMMENT ON BACKLOGS:

MIG & INEP grants have been utilised to redress the backlogs, although the available funding is insufficient to completely address all backlogs, thus the phased approach as multi-year projects to ensure the eventual upgrade and refurbishment of such backlogs.

T 5.8.4

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Proper cash flow management is a critical element to ensure the municipality meets its obligations. A stable positive cash flow balance relative to the growth of the municipality is a good indication of the municipality financial position and health. Cash flow projections are done on a monthly basis, and cash not immediately required are invested for a better return on the short term.

T 5.9

## 5.9 CASH FLOW

Description	2020/2021							2019/2020	
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Audited Outcome
R thousand	1	2	3	6	7	9	10	11	12
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Ratepayers and other	723,464		723,464	723,464	341,891	381,572	53%	53%	371,010
Government - operating	154,738		154,738	154,738	152,770	1,968	1%	1%	119,689
Government - capital	39,623		39,623	39,623	38,320	1,303	3%	3%	29,738
Interest	12,542		12,542	12,542	1,666	10,876	87%	87%	55,945
Dividends				-		-			
<b>Payments</b>									
Suppliers and employees	(817,983)		(817,983)	(817,983)	(397,375)	(420,607)	51%	51%	(345,869)
Finance charges						99,693			(121,999)
Transfers and Grants									
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	112,384	-	112,384	112,384	37,578	74,806	0	0	108,513
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE									
Decrease (increase) in non-current debtors									
Decrease (increase) other non-current receivables									
Decrease (increase) in non-current investments									(1,270)
<b>Payments</b>									
Capital assets	(56,623)		(56,623)	(56,623)	(46,475)	(10,149)	18%	18%	(82,080)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	(56,623)	-	(56,623)	(56,623)	(46,475)	(10,149)	0	0	(83,350)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans									
Borrowing long term financing									
Increase (decrease) in consumer deposits									
<b>Payments</b>									
Repayment of borrowing									
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>									
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	55,761	-	55,761	55,761	(8,897)	64,657	116%	116%	25,163
Cash/cash equivalents at the year begin:	12,444		12,444	12,444	37,607	12,444			12,444
Cash/cash equivalents at the year end:	68,205		68,205	68,205	28,710	77,102			37,607

#### COMMENT ON CASH FLOW OUTCOMES

In comparison between the adjustment budget and actual for the 2020/2021 financial year, the following were noted: Cash generated from operating activities was R 37 million compared to the adjustment budget total of R 112 million. The net cash from investing activities was R 46 million while the projection in terms of the adjustment budget was R 56 million. The cash and cash equivalents at the end of the reporting period indicates a surplus of R 28 million. The Municipality has put in place systems to address the cash flow challenges.

T 5.9.1.1

#### 5.10 BORROWING AND INVESTMENTS

##### INTRODUCTION TO BORROWING AND INVESTMENTS

**Borrowing:** The Municipality, for the period under review did not seek any funding in terms of sections 45 and 46 of the MFMA. In respect of investments, the Municipality did not have long-term

investments due to cash flow challenges. Investment held, were for shorter periods of less than 31 days' notice for operational expenditure. Investments for conditional grants were ring-fenced and were for shorter periods to enable the Municipality to meet the obligation requirements within limited timeframes.

T 5.10.1

Actual Borrowings: 2018/2019 to 2020/2021			
	R' 000		
Instrument	2018/2019	2020/2021	2020/2021
<b>Municipality</b>	0	0	0
Long-Term Loans (annuity/reducing balance)	0	0	0
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
<b>Municipality Total</b>	0	0	0



<b>Municipal Entities</b>			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
<b>Entities Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
			<i>T 5.10.2</i>

**COMMENT ON BORROWING AND INVESTMENTS:**

Borrowing: The Municipality, for the period under review did not seek any funding in terms of sections 45 and 46 of the MFMA. In respect of investments, the Municipality did not have long-term investments due to cash flow challenges. Investment held, were for shorter periods of less than 31 days' notice for operational expenditure. Investments for conditional grants were ring-fenced and were

for shorter periods to enable the Municipality to meet the obligation requirements within limited timeframes. T 5.10.5

#### 5.11 PUBLIC PRIVATE PARTNERSHIPS

##### PUBLIC PRIVATE PARTNERSHIPS

The Municipality did not have any public private partnerships for the year under review.

T 5.11.1

### COMPONENT D: OTHER FINANCIAL MATTERS

#### 5.12 SUPPLY CHAIN MANAGEMENT

##### SUPPLY CHAIN MANAGEMENT

Supply chain management (SCM) is the oversight function of materials, information, and finances as they move in a process from supplier to the Municipality. Supply chain management involves coordinating and integrating these flows. It is said that the ultimate goal of any effective supply chain management system is to reduce stock levels, with the assumption that products are available when needed.

The department (usually abbreviated to SCM) manages the supply and acquisition of goods and services to the Municipality or on behalf of the Municipality. This includes construction works and consultant services, the disposal of goods no longer needed, and the selection of contractors to assist in the provision of municipal services.

SCM is responsible for ensuring a sound, sustainable and accountable supply chain process that promotes black economic empowerment and local economic development, and encourages small businesses and joint venture partnerships. This procurement system must be fair, equitable, transparent, competitive and cost effective, in accordance with the Constitution of South Africa. The composition of SCM consists of Demand, Acquisition and Logistic Management. The Unit has 7 permanent employees and 2 vacancies.

The Municipality has established 3 Committees, namely: Specifications Committee, Evaluation Committee and the Adjudication Committee. No councillors are members of any committee of the committees dealing with supply chain processes.

The Council has approved a Supply Chain Management (SCM) Policy with practises in compliance with the guidelines set down by the Supply Chain Management Regulations, 2005, which was approved with effect from 1 March 2006. The new Preferential Procurement Regulations, 2011, with effect from 7 December 2011 has been incorporated into the policy as adopted. The SCM policy is reviewed annually with other budget-related policies to incorporate any changes that were not covered in the previous policy, taking into consideration legislative and regulatory circulars and provisions.

The Auditor General indicated significant issues regarding the SCM Unit which included:

Sufficient appropriate audit evidence could not be obtained that all contracts and quotations had been awarded in accordance with the legislative requirements and procurement processes that is fair, equitable, transparent and competitive, as tender files were not submitted.

Sufficient appropriate audit evidence could not be obtained that all bids awarded during the financial period were within the prescripts of the SCM legislation and regulations.

Goods and services with a transaction value above R 200 000 were procured without inviting competitive bids, contrary to supply chain management regulation 19(a).

Weakness in internal controls and the lack of review and monitoring of compliance with applicable laws and regulations resulted in non-compliance with SCM regulations.

The challenges in the supply chain management include broadly the following:

- 1) Fruitless and Wasteful Expenditure
- 2) Unauthorised Expenditure
- 3) Irregular Expenditure
- 4) None compliance with Supply Chain Management Regulations (Local Content, Declaration of Interest, BBBEE etc)

- 5) Inadequate contract Management & contract monitoring
- 6) Supply Chain Management not centralised
- 7) Inadequate implementation and monitoring of the Annual Procurement Plan

T 5.12.1

#### 5.13 GRAP COMPLIANCE

#### GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance also ensures that municipal accounts are comparable and more informative for the Municipality. It also ensures that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

The Municipality has not deviated from applicable GRAP Standards applicable to Municipalities

In the current year, the Municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation: Effective date: Years beginning on or after expected impact:

- GRAP 104 (as amended): Financial Instruments 01 April 2009
- GRAP 20 Accounting for Adjustments to Revenue 01 April 2020
- GRAP 34 Separate Financial Statements 01 April 2020
- GRAP 35 Consolidated 01 April 2020
- GRAP 36: Investments in Associates and Joint 01 April 2020
- GRAP 37: Joint Arrangements 01 April 2020
- GRAP 38: Disclosure of Interests in Other Entities 01 April 2020
- GRAP 110 (as amended 2016): Living and Non-living Resources 01 April 2020

T 5.13.1

# Chapter 6

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General. Every municipality must for each financial year prepare annual financial statements which fairly presents 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.

Annual financial statements must be prepared within two months after the end of the financial year to which those statements relate and submit the statements to the Auditor-General for auditing. The accounting officer is responsible to at least once per year measures and reviews the performance of the municipality. The results of the performance measurement must be audited annually by the Auditor-General.

Therefore the performance results are submitted with the annual financial statements.

The responsibility of the Auditor-General is to express an opinion on the financial statements based on the audit. The audit is conducted in accordance with International Standards on Auditing. Those standards require that the Auditor-General comply with ethical requirements, a plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

The Auditor-General must audit the financial statements and performance results and submit an audit report to the accounting officer within three months of receipt of the statements.

*T 6.0.1*

# Chapter 6

## COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2019/2020

### 6.1 AUDITOR GENERAL REPORT : 2019/2020 FINANCIAL YEAR

Auditor-General Report on Financial Performance: 2019/2020	
<b>Audit Report Status*:</b>	<b>Disclaimed</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Non-compliance issues and the remedial action plan is being attended to. The audit recovery action plan is attached as Appendix T6.1	
<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>	
T 6.1.1	

Auditor-General Report on Service Delivery Performance: 2019/2020	
<b>Audit Report Status:</b>	<b>Qualified</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Non-compliance issues and the remedial action plan is being attended to. The audit recovery action plan is attached as Appendix T6.1	
T 6.1.2	



# Chapter 6

## COMPONENT B: AUDITOR-GENERAL OPINION : 2020/2021

### 6.2 AUDITOR GENERAL REPORT : 2020/2021 FINANCIAL YEAR

Auditor-General Report on Financial Performance 2020/2021	
Status of audit report:	Disclaimed
Non-Compliance Issues	Remedial Action Taken
Non-compliance issues and the remedial action plan is being attended to. The audit recovery action plan is attached as Appendix T6.2	
<p><i>Note:*</i> 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). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Year 0.</p>	
T 6.2.1	

Auditor-General Report on Service Delivery Performance: 2020/2021	
Status of audit report**:	Disclaimed
Non-Compliance Issues	Remedial Action Taken
Non-compliance issues and the remedial action plan is being attended to. The audit recovery action plan is attached as Appendix T6.2	
<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 0</i></p> <p><i>** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.</i></p>	
T 6.2.2	

# Chapter 6

## AUDITOR GENERAL REPORT ON THE ANNUAL FINANCIAL STATEMENTS: 2019/2020

In the opinion of the Auditor General, I do not express an opinion on the financial statements of the municipality. Because of the significance of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### **Basis for disclaimer of opinion**

#### **Cash and cash equivalents**

I was unable to obtain sufficient appropriate audit evidence for bank balances, due to the inadequate state of the accounting records. The municipality did not have adequate systems of internal control for reconciling all bank transactions and could not provide reconciliations between the bank accounts and the accounting records. I could not confirm bank balances by alternative means. The cash and cash equivalents included in risk management in note 38 to the financial statements also included this amount.

Consequently, I was unable to determine whether any adjustment was necessary to the bank overdraft/cash and cash equivalents of R139,45 million (2019-20: R43,11 million) and risk management, as disclosed in notes 8 and 38 to the financial statements, respectively. Since the cash and cash equivalents balance and bank overdraft are included in the determination of net cash flows from operating activities reported in the statement of cash flows, I was

# Chapter 6

unable to determine whether any adjustments were necessary in the cash flows from operating activities stated at R37,58 million in the financial statements.

## Property, plant and equipment

Contrary to the requirements of the Standards of Generally Recognised Accounting Practice (GRAP) 17, Property, plant and equipment, the municipality included land that it did not have control over in its fixed asset register. Consequently, property, plant and equipment was overstated by R25,79 million (2019-20:R25,79 million). Furthermore, some properties identified from the valuation roll could not be traced to the asset register as internal controls had not been established to maintain an adequate asset register. I was not able to determine the full extent of the misstatement to property, plant and equipment, as it was impracticable to do so.

I was unable to obtain sufficient appropriate audit evidence for the unreconciled difference of R46,58 million between the asset register and the financial statements due to the lack of adequate accounting records. I was unable to confirm the reconciling difference by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to property, plant and equipment, stated at R1,14 billion (2019-20: R1,18 billion) and the depreciation expense of R94,93 million (2019-20: R87,25 million), as disclosed in notes 10 and 27 to the financial statements, respectively.

## Investment property

Contrary to the requirements of GRAP 16, investment property, the municipality did not recognise all its investment properties in the assets register. Some properties identified from

# Chapter 6

the valuation roll could not be traced to the investment property asset register. Consequently, I was unable to determine the full extent of the misstatement to investment property, stated at R1,37 million in note 9 to the financial statements, as it was impracticable to do so.

## **Inventory: land for sale – RDP**

The municipality did not recognise all its inventory in the financial statements in accordance with GRAP 12, Inventories. Some land for sale – RDP could not be traced to the valuation roll, while some of the land for sale – RDP were recognised at amounts above their net realisable values. Consequently, inventory and expenditure are overstated and understated by R33,67 million, respectively.

Furthermore, I could not trace land selected from the valuation roll to the assets register of land for sale – RDP. Consequently, I was unable to determine the full extent of the misstatement to inventories, stated at R67,18 million in note 3 to the financial statements, as it was impracticable to do so.

## **Value-added tax (VAT)**

I was unable to obtain sufficient appropriate audit evidence for the unreconciled difference between VAT receivables and the VAT 201 returns, as internal controls had not been established to maintain financial records. I was unable to confirm the VAT receivables by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the VAT receivables, stated at R74 million (2019-20: R62 million) in note 4 to the financial statements.

# Chapter 6

## Receivables from exchange transactions

I was unable to obtain sufficient appropriate audit evidence for the unreconcilable difference between the debtors listing and consumer debtors due to the poor status of the accounting records and the non-submission of information in support of these differences. I could not confirm consumer debtors by alternative means. The receivables from exchange transactions included in risk management in note 38 and allowance for impairment stated in note 6 to the financial statements were also impacted by the difference

Consequently, I was unable to determine whether any adjustment was necessary to the receivables from exchange transactions and risk management, stated at R155 million (2019-20: R168 million) in notes 5, 6 and 38 to the financial statements. Additionally, there was a consequential impact on the debt impairment, stated at R210 million (2019-20: R189 million) in note 30 to the financial statements.

## Receivables from non-exchange transactions

The municipality did not record all the revenue in accordance with GRAP 23, Revenue from non-exchange transactions. The municipality did not record all the traffic fines issued in the accounting records. As a result, receivables and revenue from non-exchange transactions were understated. The receivables from non-exchange transactions included in risk management in note 38 to the financial statements also included this amount and was also understated. Consequently, I was unable to determine the full extent of the misstatement to receivables from non-exchange transactions, stated at R37,68 million; revenue from non-exchange transactions, stated at R1,11

# Chapter 6

million; and risk management – receivables from non-exchange transactions, stated at R 37,68 million, as disclosed in notes 7, 19 and 38 to the financial statements, respectively, as it was impracticable to do so.

In terms of GRAP 104, Financial instruments, an entity is required to assess individually significant financial assets for impairment where there are indicators of impairment, and to collectively assess significant financial assets with groups of assets with similar credit-risk characteristics. Contrary to this requirement, the municipality did not wholly assess individual debtors' payment history in calculating the allowance for impairment for property rates.

Consequently, I was unable to determine the full extent of the misstatement to receivables from non-exchange transactions, stated at R37,68 million, and allowance for debt impairment, stated at R1,23 billion, as disclosed in notes 7 and 6 to the financial statements, respectively, as it was impracticable to do so.

## Provisions

I was unable to obtain sufficient appropriate audit evidence for the adjustments made to the opening balance of the provisions amounting of R157 million (2019-20: R251 million), as I was not provided with supporting evidence. I could not confirm the provisions balance by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the provisions, stated at R518 million (2019-20: R 504 million) in note 15 to the financial statements.

# Chapter 6

## Payables from exchange transactions

I was unable to obtain sufficient appropriate audit evidence for prior year payments received in advance and salary accruals included in payables from exchange transactions due to a lack of proper record keeping and reconciliations of control accounts by the municipality. I was unable to confirm these payables from exchange transactions by alternative means

I was unable to obtain sufficient appropriate audit evidence for the debtors with credit balance for R13 431 100, as disclosed in the financial statements, as I was not provided with supporting evidence. I could not confirm this by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to payables from exchange transactions, stated at R1,93 billion (2019-20: R1,83 billion) in note 12 to the financial statements.

## Service charges

Included in service charges is sale of electricity, sale of water, sewerage and sanitation charges, and refuse removal. The municipality processed the correction of prior year period errors as part of current year, contrary to GRAP 3, Accounting policies, estimates and errors.

The prior year correction of billing errors for refuse removal, sewerage and sanitation was processed against the current year revenue instead of the corresponding figures, resulting in an overstatement of R43,19 million on current year service charges and receivables from exchange transactions. Additionally, there was an impact on surplus for the period and on the accumulated surplus.

Furthermore, not all service charges were billed for the full 12 months against some of the properties, resulting in service charges and receivables from exchange transactions being understated. I could not

# Chapter 6

determine the full extent of the understatement of service charges and receivables from exchange transactions as it was impracticable to do so.

I was unable to obtain sufficient appropriate audit evidence for estimate billing on sale of electricity and water as I was not provided with the methods and assumptions used to determine this. I could not confirm the estimate billing by alternative means. The water and electricity losses stated in note 31 to the financial statements were also affected by this. Consequently, I was unable to determine whether any adjustment was necessary to service charges, stated at R481,06 million (2019-20: R441,27 million) in note 18; receivables from exchange transactions, stated at R155,10 million in notes 5 and 6; and electricity and water losses, stated at R124,40 million and R 77,97 million, respectively, in note 31 to the financial statements. This also had an impact on the surplus for the period and on the accumulated surplus.

## Property rates

The municipality did not record all the revenue in accordance with GRAP 23, Revenue from non-exchange transactions. The municipality did not charge property rates on some properties for the full 12 months, resulting in property rates revenue and receivables from non-exchange transactions being understated. I could not determine the full extent of the understatement of revenue from property rates and receivables from non-exchange transactions by alternative means. Consequently, I was unable to determine the full extent of the understatement to property rates, stated at R156,42 million in note 22 to the financial statements, as it was impracticable to do so.



# Chapter 6

## **Bulk purchases**

The municipality did not recognise some expenditures in accordance to GRAP 1, Presentation of financial statements. Some of the invoices of bulk purchases relating to goods received in the prior year were recorded as transactions that occurred in the current year, resulting in both expenditure and payables from exchange transaction being overstated by R47 million. This also had an impact on the surplus for the period and on the accumulated surplus.

## **Contracted services**

The municipality did not recognise some expenditures in accordance with GRAP 1, Presentation of financial statements. Some of the invoices of contracted services relating to services that were received in the current year were recorded as the ensuing financial year's transactions, resulting in expenditure and payables from exchange transactions being understated by R38 million. This also had an impact on the surplus for the period and on the accumulated surplus.

## **Operational costs**

The municipality did not recognise some expenditures in accordance with GRAP 1, Presentation of financial statements. Some of the invoices for services rendered for operational cost during the year were not recorded in the general ledger, resulting in both the expenditure and payable from exchanges transaction being understated. I could not determine the full extent of the understatement of

# Chapter 6

operational costs, stated at R41,95 million in note 34, and payables from exchange transactions, stated R1,93 billion in note 12 to the financial statements, as it was impracticable to do so.

## Commitments

I was unable to obtain sufficient appropriate audit evidence for commitments as the municipality did not have adequate systems to maintain records for commitments. I was unable to confirm these amounts disclosed by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to commitments, stated at R6,24 million (2019-20: R8,36 million) in note 43 to the financial statements

## Fruitless and wasteful expenditure

The municipality did not recognise fruitless and wasteful expenditure, as required by section 125(2)(d) of the Municipal Financial Management Act 56 of 2003 (MFMA). The penalties and interest for late submission of returns to the South African Revenue Service (Sars) were not all recorded in the fruitless and wasteful expenditure register, as internal controls had not been established to recognise and record all fruitless and wasteful expenditure incurred. I could not confirm whether all fruitless and wasteful expenditure had been recognised by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to fruitless and wasteful expenditure of R461,92 million, as disclosed in note 42 to the financial statements.

# Chapter 6

## **Irregular expenditure**

The municipality did not have adequate system to detect, record and appropriately disclose all irregular expenditure incurred, as required by section 125(2)(d) of the Municipal Financial Management Act 56 of 2003 (MFMA). I was unable to determine the full extent of the understatement of irregular expenditure stated at R 502,17 million (2019-20: R 461,42 million) in note 44 to the financial statements, as it was impracticable to do so

## **Net cash flows from operating and investing activities**

The municipality did not correctly prepare and disclose the net cash flows from operating and investing activities, as required by GRAP 2, Cash flow statements. This was due to multiple errors in determining cash flows from operating and investing activities. I was unable to determine the full extent of the errors in the net cash flows from operating and investing activities as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments were necessary to cash flows from operating and investing activities, stated at R37,58 million and R46,47 million, respectively, in the financial statements.

## **Prior period error**

I was unable to obtain sufficient appropriate audit evidence for the adjustments disclosed to VAT receivable; property, plant and equipment; provision of water; trade payables; and bulk purchases, which were stated in note 48 to the financial statements. I was unable to confirm these adjustments by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the prior year adjustments as well as the prior period error note in the financial statements

# Chapter 6

The 2020/2021 Annual Financial Statements for the year ended 30 June 2020 is attached under Volume II to the Annual Report.

T 6.2.3

# Chapter 6

## COMMENTS ON AUDITOR GENERAL'S OPINION: 2019/2020

In order for the Municipality to improve the audit outcome, it will be important to constantly look at ways to further improve systems and the key drivers of internal control in order to avoid regression from the current unqualified audit finding and to ultimately achieving a clean audit.

Special attention and focus will be given to the following key areas:

- 1) Ensuring that misstatements in the Annual Financial Statements is eliminated and that the Annual Financial statements are prepared in accordance with section 122 of the MFMA.
- 2) Ensuring that material debt impairment is reduced through the implementation of credit control and debt collection as required by section 96(b) of the MSA and section 62(1)(f)(iii) of the MFMA.
- 3) Ensuring that the material losses are reduced to the acceptable norm of 10% and this will be done through the implantation of the smart meters for electricity distribution as well as the maintenance and refurbishment of the electricity reticulation network. The water losses is reduced through the implementation of the water demand and conservation project as well as the replacement of the AC to PVC pipes. Projects for repairing water leaks as well as removing meters from inside the household's yards to outside the yard is being implemented which will also assist in the reduction of water losses.

Emphasis will also put on improving areas of performance against predetermined objectives by ensuring that the Key Performance indicators are Specific, Measurable, Attainable, Reliable and Time bound (SMART). These will be done through the implementation of the 2019/20 – 2021/2022 Integrated Development Plan (IDP).

# Chapter 6

The Internal Unit prepares a risk-based audit and internal audit programme focusing on the implementation and improving of the internal control, accounting procedures and practices, performance management as well as compliance to legislations applicable to Local Government. The Supply Chain Management process will be reviewed to ensure that all procurements are done within the prescripts of legislation and also to ensure that there is adequate and sufficient record maintenance for audit purposes. The Municipality envisages to strengthen implementation of credit control and debt collection as required by section 96(b) of the MSA and section 62(1)(f)(iii) of the MFMA in order to ensure that sufficient revenue is generated to honor payments to creditors as well as to ensure that the Municipality is financially sustainable.

Reasonable steps will be taken to prevent unauthorized, irregular as well as fruitless and wasteful expenditure as required by section 62(1)(d) of the MFMA. In circumstances where it was found that unauthorized, irregular as well as fruitless and wasteful expenditure was incurred by the Municipality an investigation will be conducted to determine if any person was liable for the expenditure as required by section 32(2)(a)(ii) of the MFMA.

The Municipality will endeavour to maintain and improve the following key steps:

a) Governance.

- Functional Internal Audit and Council.
- Quarterly performance reviews.
- Functional Audit Committee.
- Legislation compliance.

b) Financial Management.

- Record (keeping and document management).

# Chapter 6

- Adherence to reporting requirements.
- Generally Recognized Accounting Practice (GRAP) compliance to accounting Standards.
- Monthly balancing of registers and control accounts.

Based on the audit report and management letter, corrective measures will be implemented through a credible audit action plan with deadlines on matters raised to address identified inefficiencies before the next audit. The municipality remains committed to achieving clean audits.

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 Acting 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 “ <i>full and regular</i> ” 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 “ <i>what we do</i> ”.
<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</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and



# GLOSSARY

<b>indicators</b>	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> <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

# GLOSSARY

	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</b>	Detailed plan approved by the mayor for implementing the municipality's

# GLOSSARY

<b>Budget Implementation Plan</b>	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> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

## APPENDICES

### APPENDIX A – COUNCILLORS

#### APPENDIX A.1 COUNCILLORS

	Council Members	Male (M) / Female (F)	Full Time / Part Time	Portfolio	Political Party Represented	Ward (W) or Proportional Representative (PR)
1	MICHAEL SIFISO MNGOMEZULU	M	PT		ANC	Ward 1
2	LUCKY PAULUS SELEPE	M	PT		ANC	Ward 2
3	MAPASEKA LIZZY MOLABA	F	FT	Member of Mayoral Committee	ANC	Ward 3
4	JOHANN LOUIS JANSEN VAN RENSBURG	M	PT		DA	Ward 4
5	FANIZA ENOCK NHLAPO	M	PT		ANC	Ward 5
6	ELIJAH NICODIMUS KHEHLA SHABANGU	M	PT		ANC	Ward 6
7	MOLELEKWA BEN MOSIKEDI	M	PT		ANC	Ward 7
8	TORNADO JUDAH KAMBULE	M	PT		DA	Ward 8
9	BONGANE NDHLEBE	M	PT		ANC	Ward 9
10	JACOBUS ROSIER DE VILLE	M	PT		DA	Ward 10
11	MILLION MANQOBA SIBANYONI	M	PT		ANC	Ward 11
12	POPPY JULIA DHLAMINI	F	PT		ANC	Ward 12
13	XOLILE MARTHA TSHABALALA	F	PT		ANC	Ward 13
14	JULIET QUEEN KHUMALO	F	PT		ANC	Ward 14
15	VUSUMUZI MOSS SKHOSANA	M	PT		ANC	Ward 15
16	LINDOKUHLE BLESSING DHLAMINI	M	FT	Executive Mayor	ANC	PR
17	HARRIET MAKHOSAZANA KHOTA	F	FT	Speaker	ANC	PR
18	THEMBISILE P MOTLOUNG	F	FT	Member of Mayoral Committee	ANC	PR
19	MAKHOSAZANA SOPHY KHUMALO	F	FT	Member of Mayoral Committee	ANC	PR
20	BANANA POSHIAH MOLLO	F	FT	Chief Whip	ANC	PR
21	FAWZIA SARANG	F	PT		ANC	PR
22	NURSE LETTY NKOSI	F	PT		ANC	PR
23	SIBONGILE MARTHA ZACARIAS	F	PT		ANC	PR
24	NICOLAS SIMOLA SELEPE	M	PT		CVC	PR
25	SONTO JELINAH NKOSI	F	PT		CVC	PR
26	JABULANI WILLIAM NGUBENI	M	PT		CVC	PR
27	SYLVIA M NGWENYA	F	PT		DA	PR
28	S SILOSINI	F	PT		DA	PR
29	SARAH NTOMBI MORAJANE	F	PT		EFF	PR
30	PHINDILE CYNTHIA MAHLABA	F	PT		EFF	PR

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

# APPENDICES

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

<b>APPENDIX B - COMMITTEES AND THEIR PURPOSES</b>	
<b>Committees (other than Mayoral / Executive Committee) and Purposes of Committees</b>	
<b>Municipal Committees</b>	<b>Purpose of Committee</b>
<b>AUDIT COMMITTEE</b>	
<b><u>1. Audit and Performance Audit Committee</u></b>	The purpose of the Audit Committee is to advise the municipal Council, the political office-bearers, the accounting officer and Management staff of the municipality on matters relating to:
	1. Internal financial control and internal audits;
	2. Risk Management;
	3. Accounting Policies;
	4. The adequacy, reliability and accuracy of financial reporting and information;
	5. Performance management;
	6. Effective governance;
	7. Compliance with the MFMA, Division of Revenue Act (DoRA) and other applicable legislation;
	8. Performance evaluation; and
	9. Any other issues referred to it by the Municipality.
	In terms of Regulation 14 (c) of the Municipal Planning and Performance Management Regulations, 2001, the Municipality has opted to utilise the established Audit Committee as the Performance Audit Committee and is required to inter alia do the following:
	1. Review the quarterly reports submitted to it by the Internal auditors on the performance measurements of the municipality;
	2. Review the municipality's performance management system and make recommendations in this regard to the municipal council;
	3. At least twice during a financial year submit an audit report to the municipal council;
4. Any other issues referred to it by the Municipality	
<b>MUNICIPAL PUBLIC ACCOUNTS COMMITTEE</b>	
<b><u>2. Municipal Public Accounts Committee (MPAC)</u></b>	MPAC performs an oversight function on behalf of Council and is not a duplication of and should not be confused with the role played by the Audit Committee or that of the Finance Committee.
	The primary function of the MPAC is to assist Council to hold the executive and the municipal administration to account and to ensure the effective and efficient use of municipal resources. It executes this function by reviewing the accounts and financial statements of the municipality and exercising oversight on behalf of Council and to report to council on its activities.
	MPAC acts independently has the right to refer or receive matters and reports from other committees.
	MPAC may inter alia consider the following:
	To examine the annual financial statements;
	Any audit reports issued on the Annual Financial Statements;
	Any reports issued by the Auditor-General on the affairs of the municipality;
	Receive reports from the Audit Committee;
	Any other report referred to the Committee by Council;
	As an Oversight Committee, review the Annual Report on behalf of Council and make recommendations to Council thereafter;
	MPAC may also:
	Table reports with findings and recommendations on any financial statements or reports to Council;
	Initiate and develop the annual oversight report based on the annual report;
	Recommend and initiate any investigation in its area of competence;

# APPENDICES

	Seek information from any councillor, employee or any person outside council when conducting an investigation;
	Perform any other functions assigned to it by resolution of Council;
	When examining financial statements and audit reports, the committee to consider improvements from previous statements and must monitor the extent to which the committee's and the Auditor General's recommendations are implemented.
	The outcomes and the resolutions taken by the MPAC must be reported to Council and must be made public.
<b>COUNCIL OVERSIGHT COMMITTEES</b>	
<b>3. Council section 79 Oversight Committees</b>	The Council had established the following committees in terms of section 79 of the Municipal Structures Act, 117 of 2008 in order to allow an oversight role to be exercised in respect of service delivery and budget implementation:
	a) Corporate Services and Community Services and Safety
	b) Technical Services and Planning
	c) Budget and Treasury
<b>RULES, ETHICS, BY-LAWS AND POLICIES COMMITTEE</b>	
<b>4. Rules, Ethics, By-laws &amp; Policies Committee</b>	Foster and maintain discipline among the Councillors
	Monitor the implementation of rules and ethical behaviour of Councillors
	Attend to petitions and motions
	Monitor the implementation of Council resolutions
	Review the standing orders
	Propose the establishment of a particular committee
	Review the delegations register
	Initiate the development, rationalisation and review of by-laws and policies
	Perform any other functions assigned to it by resolution of Council
<b>LOCAL GEOGRAPHICAL NAMES COMMITTEE (LGNC)</b>	
<b>5. Local Geographical Names Committee (LGNC)</b>	To identify or help to identify geographical features for possible name standardisation;
	To receive and process submissions/applications from individuals and or organisations regarding the standardization of geographical names;
	To conduct public participation programmes in which proposed name changes will be discussed by the relevant stakeholders;
	To ensure that the standardization of geographical names takes place within a municipal area of jurisdiction area in line with guidelines published by the Mpumalanga Provincial Geographical Names Committee (MPGNC);
	Create an atmosphere and mechanisms including sub structures, suitable for the participation of all stakeholders;
	To conduct awareness raising activities about the programme of standardising geographical names and to ensure that the public is adequately informed about such processes;
	Receive and strive to resolve any objections related to the process of standardizing geographical names in line with MPGNC guidelines for handling objections;
	Prepare and submit reports on a regular basis to Council, the Regional Geographical Names Committee and the MPGNC;
	Monitor the implementation of standardized geographical names in its jurisdictional area and report any failure to implement to Council and the MPGNC;
	Ensure that all the administration related to the process of standardizing geographic names in its jurisdictional area is properly addressed;
	Ensure correspondence with all parties concerned especially the applicants and identifiable objectors as per the applicable MPGNC guidelines;
	Interface and interact with the Town Planning, property developers and residents on the naming of any new settlements, streets, public spaces or any related geographic features;

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Implement provisions of the SAGNC Act, SAGNC Regulations, Provincial policy and related provincial regulations on the standardisation of geographic names as may be promulgated from time to time.

## APPENDIX –THIRD TIER ADMINISTRATIVE STRUCTURE

Within the Municipality, the next tier of the administrative structure consists of managers across the various departments. This tier of management is permanently employed and are not required to sign performance agreements on an annual basis. They are however bound by their approved and signed job descriptions as a means to hold them accountable for duties that ought to be performed. It is envisaged that the implementation of individual performance management and with the signing of some kind of a commitment to hold this tier of management more responsible to fulfil their employment obligations will also be introduced.

## APPENDIX C – FUNCTIONS OF MUNICIPALITY / ENTITY

<b>APPENDIX C - FUNCTIONS OF THE MUNICIPALITY</b>		
<b>Municipal / Entity Functions</b>		
<b>MUNICIPAL FUNCTIONS</b>	<b>Function Applicable to Municipality (Yes / No)*</b>	<b>Function Applicable to Entity (Yes / No)</b>
<b>Constitution Schedule 4, Part B functions:</b>		
Air pollution	No	GSDM
Building regulations	Yes	
Child care facilities	No	N/A
Electricity and gas reticulation	Yes	
Firefighting services	Yes	
Local tourism	Yes	
Municipal airports	No	
Municipal planning	Yes	
Municipal health services	No	N/A
Municipal public transport	No	N/A
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	N/A
Stormwater management systems in built-up areas	Yes	
Trading regulations	Yes	
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	
Beaches and amusement facilities	No	N/A
Billboards and the display of advertisements in public places	Yes	
Cemeteries, funeral parlours and crematoria	Yes	
Cleansing	Yes	
Control of public nuisances	Yes	
Control of undertakings that sell liquor to the public	Yes	
Facilities for the accommodation, care and burial of animals	Yes	

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Fencing and fences	Yes	
Licensing of dogs	Yes	
Licensing and control of undertakings that sell food to the public	Yes	GSDM
Local amenities	Yes	
Local sport facilities	Yes	
Markets	No	N/A
Municipal abattoirs	No	N/A
Municipal parks and recreation	Yes	
Municipal roads	Yes	
Noise pollution	No	
Pounds	Yes	
Public places	Yes	
Refuse removal, refuse dumps and solid waste disposal	Yes	
Street trading	Yes	
Street lighting	Yes	
Traffic and parking	Yes	
<i>* If municipality: indicate (yes or No); * If entity: Provide name of entity</i>		

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## APPENDIX D – WARD REPORTING

Functionality of Ward Committees as at 30 June 2021			
Ward Number	Name of Ward Councillor	Ward Committee established with ward operational plans (Yes / No)	Functionality of Ward Committees through meetings convened
Ward 1	MICHAEL SIFISO MNGOMEZULU	Yes	Functional
Ward 2	LUCKY PAULUS SELEPE	Yes	Functional
Ward 3	MAPASEKA LIZZY MOLABA	Yes	Functional
Ward 4	JOHANN LOUIS JANSEN VAN RENSBURG	Yes	Non-functional
Ward 5	FANIZA ENOCK NHLAPO	Yes	Functional
Ward 6	ELIJAH NICODIMUS KHEHLA SHABANGU	Yes	Functional
Ward 7	MOLELEKWA BEN MOSIKEDI	Yes	Functional
Ward 8	TORNADO JUDAH KAMBULE	Yes	Functional
Ward 9	BONGANE NDHLEBE	Yes	Functional
Ward 10	ROSIER DE VILLE	Yes	Functional
Ward 11	MILLION MANQOBA SIBANYONI	Yes	Functional
Ward 12	POPPY JULIA DHLAMINI	Yes	Functional
Ward 13	XOLILE MARTHA TSHABALALA	Yes	Functional
Ward 14	JULIET QUEEN KHUMALO	Yes	Functional
Ward 15	VUSUMUZI MOSS SKHOSANA	Yes	Functional



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## APPENDIX E – WARD CAPITAL PROJECTS 2019/2020

Ward Title: Ward Name (Number)			
Capital Projects: Largest in 2020/2021 (Full List at Appendix O)			
No.	Project Name and detail	Wards to Benefit	Total Value
1	Refurbishment and upgrade of portions of the Standerton water supply scheme	1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 15	7,437,600
2	Refurbishment and upgrade of sewer pump stations (Johan Street, Muller, Taljaard, TLC) and upgrade of Coligny sewer line.	1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 15	9,376,927
3	Upgrade of the Standerton waste water treatment works	8	3,423,873
4	Refurbishment and Upgrading of Morgenzon and Sivukile Bulk Water Supply System	14	5,000,000
5	Construction of the Switching Station (Ext 8)	15	7,110,742

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	33735	32318	33991	25946	X
Households without minimum service delivery	3599	5016	3343	4419	
Total Households*	37334	37334	37334	30365	
Houses completed in year	X				442
Shortfall in Housing units for 2020/2021					468
*Including informal settlements					T F.2

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## APPENDIX F – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2020/2021

Municipal Audit Committee Recommendations			
MEETING DATE	RESOLUTIONS	PROGRESS	IMPLEMENTED/RESOLUTION NOT IMPLEMENTED
27-Jul-20	<b>Resolutions tracking for quarter 1</b>		
<b>Audit Committee Resolution Tracker</b>			
1	That an updated Resolution Tracking report <u>BE SUBMITTED</u> where management gives reasons why the resolutions of the Audit committee were not implemented and urgently <u>ATTEND</u> to all outstanding resolutions and a further report <u>BE TABLED</u> in the next Audit Committee meeting	The updated resolution tracker was updated and sent to management for comments and updates	Resolution implemented
2	That the bank reconciliation <u>BE UPDATED</u> on a monthly basis as this was one of the critical findings that the Auditor General raised, including cash and cash equivalents	The bank reconciliation has been done on a monthly basis, however there are still challenges with reconciling items and opening balances	Resolution in progress
<b>Audit Action Plan</b>			
3	That management urgently <u>ADDRESS</u> all findings in the action plan as this will be the point of entry when the Auditor General audits the 2019/2020 financial year;	Some of the findings raised by Auditor-General are being attended to by management but not all findings raised have been addressed	Resolution not Implemented
4	That all Executive Managers <u>ATTEND TO</u> the findings relating to their departments and further provide reasons why these findings have not yet addressed.	Some of the findings raised by Auditor-General are being attended to by management but not all findings raised have been addressed	Resolution not Implemented
5	That effective Records management <u>BE STRENGTHENED AND CENTRALISED</u> to ensure that all audit file information is readily available during the audit;	The Audit file was prepared and submitted for audit to the Auditor-General	Resolution implemented
6	That ICT related matters <u>BE ATTENDED TO</u> as it remains a repeat finding that must addressed.	Some of the ICT related findings have been addressed, however there are still challenges with some of the other issues raised. Example recruitment of the ICT Manager, Appointment of the Information Security Officer (ISO)	Resolution in progress
7	That monthly reports <u>BE SUBMITTED</u> in respect of meter readings as well as if targets set for meter readers were	Procurement for the outsourcing of meter reading has commenced	Resolution not Implemented
<b>4<sup>th</sup> Quarter section 52</b>			

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8	That the Financial recovery Plan <u>BE IMPLEMENTED</u> as a way to improve the financial position of the Municipality noting also the increased amount on outstanding creditors;	The financial recovery has been implemented and the municipality has developed a cash management committee to help reduce expenditure	Resolution in progress
9	That management <u>DEVELOP</u> a clear plan on dealing with and improving on reducing the distribution losses.		Resolution not Implemented
10	That the Municipality <u>IMPLEMENT</u> controls and strategies on collecting outstanding debt from other government entities.	The municipality is collecting from government entities and is part of the provincial government debt forum	Resolution in progress
11	That the Municipality should <u>IMPROVE</u> and avoid the constant use of estimates and that more accurate meter reading should be a priority for improved billing and revenue collection.	Procurement for the outsourcing of meter reading has commenced	Resolution in progress
<b>Litigation Report</b>			
12	That where possible, <u>CONSIDERATION BE GIVEN</u> by the Municipality to settle certain matters out of court as a way of reducing legal costs;	The Municipality has settled 4 cases out of court	Resolution implemented
13	That adequate budgetary provision <u>BE MADE</u> for litigation matters (contingent liability)	Due to financial constrains the municipality has not provided the budget for litigation	Resolution not Implemented
<b>Risk Management Report</b>			
14	That the Risk Management Committee <u>PRIORITIZE</u> attending the risk management meetings as scheduled.	The RMAFACC had a successful Q4 meeting with full attendance from all members	Resolution implemented
15	It <u>BE NOTED</u> that a Covid-19 Risk Register is in place and being monitored.	Covid-19 Risk Register is in place and is being monitored.	Resolution implemented
<b>Performance Management Report</b>			
16	The performance management report <u>BE UPDATED</u> with reasons and why certain KPIs were not achieved and how the non-achievement of such KPIs will be addressed in subsequent quarters as well as the <u>PROVIDE</u> information in order for financial and non-financial reporting to tally, with due consideration of reduced expenditure in some instances due to the Covid-19 lockdown;		Resolution not Implemented
17	That a meeting <u>BE ARRANGED</u> by the Municipal Manager between the Troika and the Audit Committee in order to highlight and raise the serious concerns regarding governance shortcomings.	The meeting between the Audit committee and Troika could not be arranged due to clashing schedules and political instability	Resolution not Implemented
<b>Internal Audit Documents</b>			
18	That all the findings raised by Internal Audit <u>BE ATTENDED TO</u> by management;	Most of the Internal Audit Findings raised were addressed by management however, not all findings were addressed	Resolution in progress

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19	That the internal audit action plan <u>BE SUBMITTED</u> in the next Audit Committee meeting.	The Internal Audit Action Plan is a standing item at all Audit committee meetings	Resolution implemented
<b>AFS Action Plan</b>			
20	That management with the assistance of Umnotho Business Consulting <u>WORK AROUND THE CLOCK</u> to ensure that a credible AFS and asset register is produced.	The AFS and Asset register was submitted for audit, however there were financial misstatements that were raised during the audit.	Resolution implemented
21	That a Special Audit Committee meeting <u>BE CONVENED</u> on 2020-08-18 to review progress in respect of finalization of the draft AFT and asset register;	A special audit committee was held on the 22 August 2020	Resolution implemented
	<b>Total Resolutions = 21</b>		
	<b>Resolutions implemented = 8 (38%)</b>		
	<b>Resolutions in progress = 6 (29%)</b>		
	<b>Resolutions not implemented = 7 (33%)</b>		
<b>22-Oct-20</b>	<b>Resolutions tracking for quarter 2</b>		
<b>Litigation Report</b>			
1	That the attorneys appointed <u>BE ASSESSED</u> on performance to determine if value for money is obtained from using their services.	The appointment of a panel of attorney's has commenced to ensure rotation	Resolution in progress
2	That investigations <u>BE UNDERTAKEN</u> to determine instances of negligence as certain court matters could have been avoided if due diligence and care had been taken and there was adherence to the rule of law;		Resolution not Implemented
<b>Audit Action Plan</b>			
3	The municipality's audit opinion was a disclaimer and management should put all their attention and efforts in improving the audit outcome.	The Audit opinion is still a disclaimer	Resolution not Implemented
4	That the consultant responsible for preparation of the AFS must also assist the municipality with improving the audit outcome.	The Audit opinion did not improve. The Municipality has commenced procurement process for the appointment of a service provider to assist with AFS	Resolution not Implemented
5	That management urgently <u>ADDRESS</u> all findings in the action plan as this will be the point of entry when the Auditor General audits the 2019/2020 financial year;	Not all findings raised by the Auditor General were addressed	Resolution not Implemented
6	That all Executive Managers <u>ATTEND</u> to the findings relating to their departments and further provide reasons why these findings have not yet addressed.	Not all findings raised by the Auditor General were addressed	Resolution not Implemented
7	That a report <u>BE SUBMITTED</u> at the next meeting regarding progress made with the finalization of outstanding Service Level Agreements (SLA) with service providers doing business with the Municipality;	A contract management policy has been developed and awaiting council approval.	Resolution in progress

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<b>Annual financial Statements Year End Process Plan</b>			
8	That the AFS always BE SUBMITTED for quality assurance by external structures.	The AFS were submitted to Treasury and Internal Audit and Audit Committee	Resolution implemented
<b>Draft Annual Financial Statements</b>			
9	That further improvements BE MADE on the draft AFS as the Committee is not yet confident to approve the AFS for submission to AG, noting that all the comments and inputs of the Audit Committee BE INCLUDED in the AFS report that will serve before Council on 2020-10-29;	All the comments and recommendations were implemented before the final set of AFS was submitted to the Auditor-General	Resolution implemented
<b>1st Quarter section 52 report</b>			
10	That all conditional grant funding as allocated BE SPENT by appointing credible and competent service providers, as such grants are meant for service delivery;		Resolution implemented
11	That costs on internally funded projects BE CUT in order to try and pay its debts and also to find strategies to increase the collection rate;	Internal funded projects reduced and only service delivery projects were considered	Resolution in progress
12	It BE NOTED with concern that some of the contracted service providers are not adding value to the Municipality and some might also inflate their prices while delivering poor quality.	Performance Management to be used on contracted services	Resolution in progress
13	That the use of consultants BE EFFECTIVELY MANAGED and that appointed employees should still perform their duties instead of everything being done by consultants;	Performance Management to be cascaded to all employees	Resolution in progress
14	That all attempts BE MADE to increase revenue collection whilst remaining financially disciplined to minimize running the municipality at a loss with ever increasing debt and expenditure;		Resolution not Implemented
15	That the financial recovery plan BE USED on a continuous basis as a mechanism to improve revenue generation;		Resolution not Implemented
<b>Risk Management Report</b>			
16	That the risk management report BE NOTED with serious concerns regarding the progress on the mitigation of the strategic register	Some departments still do not provide the progress as per reporting template on the mitigation of the strategic risks, reported the challenge to the MM	Resolution in progress
17	That the report of risk committee will be submitted to the accounting officer on the challenges raised during the risk committee meeting	Risk committee report was submitted to the Accounting Officer in October 2020	Resolution implemented

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18	That the office of the MM needs to make sure that risk management in the municipality is taken seriously	The Office of the MM is emphasizing the importance of risk management in the municipality as a result risk management has been added as a standing item in the top management agenda	Resolution implemented
19	That it BE NOTED that each department have appointed a risk champion to assist Departments in reporting on risk management and to convene risk meetings within the department so that each department start to attend its own issues	Risk champions have been appointed for each department for a period of 3 years. The challenge is the non-co-operation of managers in respect of giving processes on the mitigation plans within departments this is because of the lack of knowledge on risk management. The CRO has been trying to arrange with PT to conduct training for the risk champions and managers so that both parties get to understand their role within risk management	Resolution in progress
20	That issues of risk management must be included in the performance agreement of all senior managers	Risk issues are included in the performance agreements of all senior managers	Resolution implemented
21	That management must report on risk matter during management meetings.	Risk Management is a standing item on management meetings	Resolution implemented
<b>1st Quarter Performance Report</b>			
22	Adherence to submission deadlines remains an area of great concern;		
23	That performance management report must be a standing item in management meetings	Standing item in management meetings	Resolution implemented
24	That Departments should provide reasons why they fail to submit their quarterly reports and supporting PoE and be dealt with as such for effective consequence management;	No reasons provided by departments	Resolution not Implemented
<b>Internal Audit Action Plan</b>			
25	That the accounting officer and senior management should attend to all the findings raised by Internal Audit	The findings raised by Internal Audit were attended to by management,	Resolution implemented
<b>Internal Audit Report</b>			

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26	That all the findings raised by Internal Audit <u>BE ATTENDED TO</u> by management;	Most of the Internal Audit Findings raised were addressed by management however, not all findings were addressed	Resolution in progress
	<b>Total Resolutions = 25</b>		
	<b>Resolutions implemented = 9 (36%)</b>		
	<b>Resolutions in progress = 8 (32%)</b>		
	<b>Resolutions not implemented = 8 (32%)</b>		
<b>26-Jan-21</b>	<b>Resolutions tracking for quarter 3</b>		
<b>Quarterly Report (Section 52)</b>			
1	The management should ensure the municipality settle its debt with the creditors, especially <u>SARS (PAYE) and ESKOM</u>	Weekly payments are made to SARS AND ESKOM	Resolution in progress
<b>Mid-Term Report (Section 72)/ Performance Management Report</b>			
2	That late submissions by the departments of the SDBIP reports is NOTED as as it impacts on PMS and Internal Audit's time and sufficient quality control is given and in the long run it also affects our overall audit outcome.	Slight improvement in adherence to submission deadlines allow time to review reports before submission to Internal Audit	Resolution in progress
3	That departments provide reasons or challenges as to why they don't reach their targets.	No progress provided by management	Resolution not Implemented
4	The <u>TARGETS</u> that are not achieved in this quarter should be transferred to the next quarter to ensure that the targets (KPIs) are achieved at the end of the financial year.	No progress provided by management	Resolution not Implemented
5	That management be held accountable for <u>NONE SUBMISSION</u> of SDBIP and not meeting the targets. If the management have issues meeting the targets, they should state the challenges to the committee.	No progress provided by management	Resolution not Implemented
<b>2018/2019 Audit Action Plan</b>			
6	That all Executive Managers <u>ATTEND</u> to the findings relating to their departments and further provide reasons why these findings have not yet addressed.	Not all findings raised by the Auditor General were addressed	Resolution not Implemented
<b>COVID-19 Report</b>			
7	The management is advised to take Covid-19 <u>REGULATIONS</u> seriously and adhere to them at all times, not inconsistency.	Management has ensured that all COVID-19 regulations are adhered to	Resolution in progress
<b>Risk Management Report</b>			

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8	That the risk management report <u>BE NOTED</u> with serious concerns regarding the progress on the mitigation of the strategic register	Some departments still do not provide progress as per reporting template on the mitigation of the strategic risks, the CRO therefore reported the challenge to the Mm	Resolution in progress
<b>Internal Audit Reports</b>			
9	That all vacant positions in the Internal Audit Unit <u>BE FILLED</u>	The position of the Manager has been filled and the recruitment processes for the Internal Audit Officer has commenced	Resolution implemented
10	Request for Information (Auditors General) Report: There are still challenges with <u>TIMELY SUBMISSION</u> of requested information as management don't submit on request time	That all information requested by the A.G has been submitted	Resolution implemented
	<b>Total Resolutions = 10</b>		
	<b>Resolutions implemented = 2</b>		
	<b>Resolutions in progress = 4</b>		
	<b>Resolutions not implemented = 4</b>		
<b>28-Apr-21</b>	<b>Resolutions tracking for quarter 3</b>		
<b>2018/2019 Audit Action Plan</b>			
1	That all findings raised in the previous audit by the Auditor-General have not yet been addressed. The audit has been concluded and these findings had not been addressed or resolved.	Not all findings raised by the Auditor General were addressed	Resolution not Implemented
2	That the Municipality <u>CONDUCT</u> a proper competency check to ensure that consultants appointed by the Municipality are competent and have the relevant experience to ensure that they address key areas to eliminate the possibility of repetitive findings and to ensure that value for money is obtained from appointed service providers.	The Municipality has commenced with procurement process & Terms of Reference were submitted to AC for review	Resolution in progress
3	(a) That a Special Audit Committee meeting <u>BE HELD</u> to further discuss the following critical issues. (Irregular, fruitless and wasteful and unauthorized, expenditure •Bank Reconciliations • Assets 2019/20 Audit action plan •2020/21 Year end plan	A special AC meeting was held to discuss the draft Audit Action Plan	Resolution implemented



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<b>Financial Recovery Plan</b>			
4	The Municipality <u>RESOLVES</u> the Eskom issue, by ensuring adherence the payment arrangement.	Payments are made to Eskom on a weekly basis	Resolution in progress
5	The Municipality <u>PRIORITIZE</u> the filling of Executive Managers' vacancies	1) Interviews were conducted in July 2018 for Executive Manager Technical services. Appointed candidate declined the offer and October 2019 appointment was made and the candidate resigned on 31st March 2) Position of Executive Manager Corporate Services was advertised with a closing date of 5th October 2020, Interviews held on 22nd of December 2020. All candidates received basic competency. 3) The position of Executive Manager Community Services and Safety was advertised with the closing date of 30th November 2020, Interviews held on 19th March 2021. Awaiting Council's decision on the appointment.	Resolution in progress
7	That the Financial recovery plan <u>BE SUBMITTED</u> to Internal Audit for verification	The financial recovery plan will be submitted to IA at the end of the month once all departments have updated the information	Resolution in progress
8	That a Revenue Enhancement Committee <u>BE ESTABLISHED</u> that will also consider matters relating to cash flow management both on revenue generation and expenditure management;	That a Revenue Enhancement Committee has been established and considers matters relating to cash flow management both on revenue generation and expenditure management;	Resolution implemented
9	That Terms of Reference <u>BE DEVELOPED</u> that can holistically deal with asset management and possible asset disposals		Resolution not Implemented
<b>Litigation Report</b>			
10	That the Municipality <u>APPOINT</u> proficient and competent attorneys who will win the court cases than an attorney who will agree on every settlement stated by the plaintiffs.	The municipality enlisted a team of competent attorneys. All attorneys serving on the panel are more than capable of executing mandates. The challenge we have as a municipality is that most of our matters are petty. This where the principle ' your case is as good as your merits' comes into play. The municipality is however in the process of appointing a new panel of attorneys. The advert closed in February 2021. The matter is	Resolution in progress

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		with the Supply Chain Committees	
11	The Municipality <u>SHOULD</u> seek appropriate legal advice about the claims that can be settled out of court, thus saving costs on paying legal fees	The Department is currently holding sessions with attorneys in this regard. We are awaiting written reports from Gildenhuis Malatji Attorneys and Maliseha Attorneys. Engagements with the other two firms is has not taken place yet.	Resolution implemented
12	The management <u>SHOULD</u> put in place controls to combat the electricity theft as it is affecting the electricity trading service performance	The municipality has a By-law on Electricity which criminalizes bridging and or theft of electricity. The challenge is on implementation and enforcement of the By-law/s.	Resolution in progress
13	The management should resolve the issue of Service providers without proper SLA'S	A contract management policy has been developed and awaiting council approval.	Resolution in progress
14	That sufficient processes <u>BE PUT IN PLACE</u> to ensure effective contract management;	A contract management policy has been developed and awaiting council approval.	Resolution in progress
<b>Risk Management Report</b>			
15	That service delivery related risks <u>BE ESCALATED</u> and it receive urgent attention as service delivery risks are not being attended to.	The municipality is currently Implementing the following projects to deal with challenges of service delivery: Refurbishment and upgrading of Standerton and Morgenzon Bulk water supply to improve water provision to the community	Resolution in progress
<b>Performance Report</b>			

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16	Filling of the senior management and other critical positions in order to ensure accountability for each of the performance areas remains critical,	1)Interviews were conducted in July 2018 for Executive Manager Technical services. Appointed candidate declined the offer and October 2019 appointment was made and the candidate resigned on 31st March 2) Position of Executive Manager Corporate Services was advertised with a closing date of 5th October 2020, Interviews held on 22nd of December 2020. All candidates received basic competency. 3)The position of Executive Manager Community Services and Safety was advertised with the closing date of 30th November 2020, Interviews held on 19th March 2021. Awaiting Council's decision on the appointment.	Resolution in progress
17	That adherence to submission deadlines BE ADHERED TO	Schedule of deadline used to remind Departments of submission deadlines and reported on in management meetings	Resolution in progress
18	The blockages/challenges to achieving targets and corrective measures be included as part of the report	Quarterly reports consolidated into draft annual performance report. Departments to provide reasons why annual targets were not achieved	Resolution in progress
	<b>Total Resolutions = 18</b>		
	<b>Resolutions implemented = 3</b>		
	<b>Resolutions in progress = 13</b>		
	<b>Resolutions not implemented = 2</b>		

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## APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS ENTERED INTO DURING 2020/2021

For the 2020/2021 financial year no new long term contracts or public private partnerships that were entered into.

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

For the 2020/2021 financial year, no service provider performance schedule was developed. The Municipality did not have any municipal entities under its control for the year under review.

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## APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

The following list indicates the status of disclosure of financial interest. Where no information has been included indicates that such disclosure was not made for the 2019/2020 financial year.

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>		
	LINDOKUHLE BLESSING DHLAMINI	
<b>Members of Mayoral Committee</b>		
	MAKHOSAZANA SOPHY KHUMALO	Municipal employment as Councillor and receives remuneration
	THEMBISILE P MOTLOUNG	Nil
	MAPASEKA LIZZY MOLABA	
<b>Speaker of Council</b>		
	HARRIET MAKHOSAZANA KHOTA	Nil
<b>Chief Whip</b>		
	BANANA POSHIAH MOLLO	
<b>Councillors</b>		
	MICHAEL SIFISO MNGOMEZULU	
	LUCKY PAULUS SELEPE	Nil
	JOHANN LOUIS JANSEN VAN RENSBURG	Municipal employment as Councillor and receives remuneration
	FANIZA ENOCK NHLAPO	
	ELIJAH NICODIMUS KHEHLA SHABANGU	Nil
	MOLELEKWA BEN MOSIKEDI	Nil
	TORNADO JUDAH KAMBULE	
	BONGANE NDHLEBE	
	JACOBUS ROSIER DE VILLE	Business undertaking, shares and securities, trust, directorship status, interest in property, receives a pension
	MILLION MANQOBA SIBANYONI	
	POPPY JULIA DHLAMINI	Nil
	XOLILE MARTHA TSHABALALA	
	JULIET QUEEN KHUMALO	Nil
	VUSUMUZI MOSS SKHOSANA	Nil
	FAWZIA SARANG	
	NURSE LETTY NKOSI	
	SIBONGILE MARTHA ZACARIAS	Nil
	NICOLAS SIMOLA SELEPE	
	SONTO JELINAH NKOSI	
	JABULANI WILLIAM NGUBENI	
	SYLVIA M NGWENYA	

# APPENDICES

	S SILOSINI	
	SARAH NTOMBI MORAJANE	
	PHINDILE CYNTHIA MAHLABA	
<b>Municipal Manager</b>		
	G P N MHLONGO-NTSHANGASE	Nil
<b>Chief Financial Officer</b>	K N DUBA	Nil
<b>Executive Managers</b>		
Corporate Services	Vacant	
Technical Services	Vacant	
Community Services & Safety	Vacant	
Development and Planning	MAHLATSE P PHOSA	Shares, directorship and partnership interest, interests in property
<b>Other S57 Officials (Third tier)</b>	None	
* Financial interests to be disclosed even if they were incurred for only part of the year. See MBRR SA34A T J		

## APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

### APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

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

# APPENDICES

## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: Excluding MIG						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Expanded Public Works Grant	1 000 000,00	-	1 000 000,00		-	
Financial Management Grant	2 235 000,00		2 235 000,00		-	
Integrated National Electrification Programme	4 050 000,00		4 050 000,00		-	
Energy Efficient and Demand Side Management	-		-			
Water Services Infrastructure Grant	-	-	-		-	
Municipal Disaster Grant	325 529,00		325 529,00			
<b>Total</b>	<b>7 610 529,00</b>		<b>7 610 529,00</b>			

*\* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government. T L*



# APPENDICES

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

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

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

Capital Expenditure - Upgrade/Renewal Programme*							
Description	R '000						
	2018/2019	2019/2020			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure – Total</b>	- 24			24	-	-	-
Infrastructure: Road transport - Total	-	-		-	-	-	-
Roads, Pavements & Bridges							
Storm water							
<b>Infrastructure: Electricity – Total</b>	- 4			4	-	-	-
Generation							
Transmission & Reticulation		4 050		4 050			
Street Lighting							
<b>Infrastructure: Water – Total</b>	- 10			10	-	-	-
Dams & Reservoirs							
Water purification		9 976		9 976			
Reticulation							
<b>Infrastructure: Sanitation – Total</b>	- 9			9	-	-	-
Reticulation		1 835		1 835			
Sewerage purification	0	7 646		7 646			

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Table continued from previous page

Capital Expenditure - Upgrade/Renewal Programme*								R '000
Description	Year -1	Year 0			Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3	
<b>Capital expenditure by Asset Class</b>								
<b>Investment properties</b>	-	-		-	-	-	-	
Housing development								
Other								
<b>Other assets</b>	-	-		-	-	-	-	
General vehicles								
Specialised vehicles								
Plant & equipment								
Computers - hardware/equipment								
Furniture and other office equipment								
Abattoirs								
Markets								
Civic Land and Buildings								
Other Buildings								
Other Land								
Surplus Assets - (Investment or Inventory)								
Other								
<b>Agricultural assets</b>	-	-		-	-	-	-	
List sub-class								
<b>Biological assets</b>	-	-		-	-	-	-	
List sub-class								
<b>Intangibles</b>	-	-		-	-	-	-	
Computers - software & programming								
Other (list sub-class)								
<b>Total Capital Expenditure on renewal of existing assets</b>	-	-		-	-	-	-	
<b>Specialised vehicles</b>	-	-		-	-	-	-	
Refuse								
Fire								
Conservancy								
Ambulances								

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

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# APPENDICES

## APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 2019/2020

Capital Programme by Project: Year 0					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	R' 000
					Variance (Act - OB) %
<b>Water</b>					
Refurbishment and upgrade of portions of the Standerton water supply scheme	7,437,600	7,437,600	7,149,546	-4%	-4%
Refurbishment and Upgrading of Morgenzon and Sivukile Bulk Water Supply System	5,000,000	5,000,000	4,894,268	-2%	-2%
<b>Sanitation/Sewerage</b>					
Refurbishment and upgrade of sewer pump stations (Johan Street, Muller, Taljaard, TLC) and upgrade of Coligny sewer line.	9,376,927	9,376,927	7,439,858	-26%	-26%
Upgrade of the Standerton waste water treatment works	3,423,873	3,423,873	5,688,993	40%	40%
<b>Electricity</b>					
Construction of the Switching Station (Ext 8)	7,110,742	7,110,742	7,110,742	0%	0%

## APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD

Capital Programme by Project by Ward: 2020/2021		
Capital Project	Ward(s) affected	Works completed (Yes/No)
		R' 000

# APPENDICES

<b>Water</b>		
Refurbishment and upgrade of portions of the Standerton water supply scheme	1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 15	Yes
Refurbishment and Upgrading of Morgenzon and Sivukile Bulk Water Supply System	14	Yes
<b>Sanitation/Sewerage</b>		
Refurbishment and upgrade of sewer pump stations (Johan Street, Muller, Taljaard, TLC) and upgrade of Coligny sewer line.	1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 15	Yes
Upgrade of the Standerton waste water treatment works	8	Yes
<b>Electricity</b>		
Construction of the Switching Station (Ext 8)	15	Yes

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

Service Backlogs: Schools and Clinics					
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection	Other
<b>Schools (NAMES, LOCATIONS)</b>					
Madi School					Fencing
Nqobangolwazi School					General maintenance
<b>Clinics (NAMES, LOCATIONS)</b>					
Thuthukani					Currently mobile clinic service
<p><i>Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.</i></p>					

# APPENDICES

## 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>		
<b>Services and Locations</b>	<b>Scale of backlogs</b>	<b>Impact of backlogs</b>
<b>Clinics:</b>		
Thuthukani (Ward 12)	Mobile Clinic that does not adhere to schedule	Preventable and curable illnesses not attended to, resulting in loss of lives from potentially preventable and curable illnesses. Traveling of long distances to get to available clinic and medical services
Morgenzon (Ward 14)	Available clinic does not provide 24-hour service	Preventable and curable illnesses not attended to, resulting in loss of lives from potentially preventable and curable illnesses. Traveling of long distances to get to available clinic and medical services
<b>Housing:</b>		
Shortage of RDP Housing (Various wards)	7129 informal dwellers	Illegal invasion of unserviced land places extra demand on municipal infrastructure
<b>Police Stations</b>		
Thuthukani (Ward 12)	Area expanding and insufficient policing with closest police station in Standerton	Increase in crime levels; Delay in reporting and responding to crimes
<b>Eskom Service Centre</b>		
Morgenzon (Ward 14)	Eskom as electricity provider do not have local office for fault reporting and other queries	Turnaround time to attend to reported faults and dealing with other queries takes longer.
<b>Community Halls and Thusong Centres</b>		
Ward 3	Community halls in need of major repairs and maintenance	Available community facilities not being utilised due to disrepair. Leads to vandalism
Ward 14	Community halls in need of major repairs and maintenance	Available community facilities not being utilised due to disrepair. Leads to vandalism
<b>Schools (Primary and High):</b>		
Primary School (Ward 14)	1 existing school in the area	Overcrowding of classes; learners traveling long distances to get to existing schools
High School (Ward 11)	1 existing school in the area	Overcrowding of classes; learners traveling long distances to get to existing schools
<b>Sports Fields:</b>		
Morgenzon (Ward 14)	Only 1st phase of sports precinct completed	Available facility incomplete and thus being underutilized
Various wards	Recreational facilities not safe with no security fencing	Recreational facilities and parks not safe for children to play in
<b>Other:</b>		
Agrivillages and grazing land	Land for small scale farming not available	Livestock grazing in and around town which can cause safety and health hazards
Burial space	Rate at which burial space is utilized increasing	Unavailability of burial space may create backlogs in burials

# APPENDICES

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

The Municipality had no loans and grants that were made to any organisation or person for the 2020/2021 financial year.

## 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/Comment
Output: Improving access to basic services	The following are findings as indicated in the final management report as issued by the Auditor General:	Development of infrastructure master plans is crucial for the timely implementation of maintenance programmes
	The municipality did not have an approved policy to address routine maintenance of water infrastructure.	
	The municipality did not plan for the maintenance of water infrastructure by setting specific time frames and targets	
	Targets and time frames for routine maintenance of water infrastructure were not achieved.	
	Conditional assessments were not done on water infrastructure to inform the routine water infrastructure maintenance plan and budget.	
	The municipality did not have an approved roads maintenance plan (RMP) for the renewal and routine maintenance of roads infrastructure.	
	The municipality did not perform condition assessments for all roads infrastructure under its control to inform the roads maintenance plan.	
	There was no approved priority list of roads infrastructure for the renewal and routine maintenance projects, which is used as a basis for the RMP.	
	The municipality had not implemented corrective actions to address all findings raised in the previous year.	
Output: Implementation of the Community Work Programme	1047 CWP workers as at 30 June 2021	100% achieved. Anticipated increase in number of CWP workers for the 2020/2021 financial year
Output: Deepen democracy through a refined Ward Committee model	Ward Committee model implemented with ward committee members earning monthly stipend. The establishment of war rooms has further strengthened and deepened democracy within the Municipality	Non-functional ward committees and war rooms to be revived as not all ward committees and war rooms are fully functional

# APPENDICES

Output: Administrative and financial capability	As per the audit findings and the management letter, the municipality is unable to meet its financial obligations due to cash flow constraints. In addition, in respect of providing effective leadership based on a culture of honesty, ethical business practices and good governance and protecting and enhancing the interest of the municipality, it has remained unchanged from the previous year, thus there is room for improvement.	Internal controls and standard operation procedure implementation must be strengthened to improve the administrative and financial capabilities.
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*\* Note: Some of the outputs detailed on this table may have been reported elsewhere in the Annual Report. Kindly ensure that this information consistent.*

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# VOLUME II

## VOLUME II: ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements (AFS) in respect of the 2020/2021 financial year for the period ended 30 June 2021, was submitted to the Auditor General and subsequently audited and is hereto annexed as Volume II to the 2020/2021 Annual Report.