KGATELOPELE LOCAL MUNICIPALITY

"re gatela Pele" "we moving Forward" "ons gaan Vorentoe"

DRAFT ANNUAL REPORT

2020/2021 FINANCIAL YEAR

Contents

LIST OF ABBREVIATIONS AND DEFINITIONS ... 6
COMPONENT A: MAYORAL FOREWORD ... 7
MUNICIPAL MANAGER'S OVERVIEW ... 9
1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW ... 11
1.2.1 DEMOGRAPHIC PROFILE ... 11
1.3. Socio economic analysis ... 12
1.3.5.6. Groundwater ... 15
1.3.5.7. Heritage and assets ... 15
1.3.5.8. Environmental threats ... 15
1.3.6. Climate change ... 16
1.3.7 Landfill Site ... 17
1.3.7.1 Tenure status ... 17
1.3.8. Local economic development (LED) ... 17
1.4 SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT ... 18
1.4.1 Water ... 18
1.4.2 Electricity ... 19
1.4.3 Sanitation ... 20
1.4.4 Storm water ... 20
1.4.5 Waste management ... 21
1.5.3.1. Compliance with SPLUMA ... 23
1.5.3.2. Land use and development applications ... 23
1.5.3.3. Dissemination of zoning information ... 23
1.5.3.4. Building Plans ... 23
1.5.3.5. Outdoor advertising applications ... 23
1.6.1 Mayor's Office ... 24
1.6.2 Municipal Managers Office ... 24
1.6.3 Budget & treasury services (finance) ... 25
1.6.4 Corporate services ... 26
1.6.5 Technical, infrastructure and community service directorate ... 26
1.6.6 Organisational structure ... 28
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE ... 37
2.1 Political composition of Council ... 37
The municipality is led by a Council, which performs both legislative and executive function. ... 37
2.2 Council meetings ... 37
2.3 Portfolio Committees / Section 79 & 80 Committees ... 38

2.5 Directorates 40
2.5.1 Technical, Infrastructure and Community Service Directorate................................ 40
2.5.2 Financial Management Directorate 40
2.5.3 Corporate services Directorate 40
COMPONENT B: INTERGOVERNMENTAL RELATIONS 41
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION 42
2.8 Ward committees 42
2.10 Risk management 43
2.10.2 Governance 45
Strategic Risk Profile for the period 2020/21 46
Figure 2: Strategic Risk Exposure... 46
46
- Material misstatements in the Annual Financial Statements.. 47
- Late payments of creditors 47
- Incorrect billing increasing the loss of revenue 47
- Municipality may not continue after disruption or disaster 47
- Inadequate IT infrastructure 47
- Insufficient adherence to Occupational Health and Safety Act & Inadequate Fire and Rescue Service 47
- Inadequate implementation of Performance Management System for employees other than Senior Managers 47
- Projects may not be completed as stipulated in Municipal Integrated Development Plan (IDP) 47
- Dolomitic status of the municipality 47
- Delays in handling of community complains 47
2.10.5 Anti-corruption and Fraud Policy 53
2.11 Internal Audit 54
Daniëlskuil Distribution Network 79
WHY IS AN ENERGY MASTER PLAN NEEDED? 80
2020-21 FY building plans status 95
3.8.2 Library transformation and development grant 95
3.8.3. Appointment of staff 96
3.8.4. Training and development of library staff to improve capacity................................... 96
3.8.5. Infrastructure development library facilities and fittings.. 97
3.8.6 Services to illiterate literacy classes 97

3.8.7. Programs targeting teenagers 97
3.8.8 Information communication technology 97
3.8.9. Programs promoting reading and library usage 97
3.8.10. Appointment of library staff 97
3.8.11. Community development programs 98
3.8.12. Consumable items 98
3.8.9. To promote a culture of reading and learning services rendered: 98
3.8.10. Operational budget 98
98
3.8.11. Service statistics -kgatelopele library 98
3.8.12. Monthly statistics 99
3.8.13. Chart analysis 99
3.8.14. Membership Statistics 100
COMPONENT C: CEMETERIES AND SOCIAL PROGRAMMES 100
3.9. Cemeteries and crematoriums 100
3.10. Comments on social programmes 100
3.11. Sports & recreation 101
3.12. Community participation 101
3.12.1. Priority issues for 2020/2021 planning 2021/2022 financial year 101
3.12.2. Challenges confronting the municipality: categorized as external and internal 102
3.12.3. Issues raised from different wards 102
3.12.4. Cross cutting/transversal issues 102
CHAPTER 4 103
4.1 Performance management system 103
Figure1: High level summary of performance comparison for the 2019/2020 FY and 2020/2021 FY 103
4.2. Housing & town planning 104
4.2.1 Housing 104
4.2.3. Recent and current projects 104
4.2.3. Town planning 105
4.2.4. Compliance with SPLUMA 106
4.2.5. Land use and development applications 106
4.2.6. Dissemination of zoning information 106
4.2.7. Town planning and human settlement planning challenges 106
4.2.8 Service delivery and budget implementation plan 106
5. SKILLS DEVELOPMENT 108
5.1 Skills development and training 108

5.1.1. Ongoing trainings 108
5.1.2. Training per unit for 2020/2021........ 109
5.1.3. Learnership monthly meetings held 109
5.1.4. Training committee meetings held 109
5.1.5. Work Skills Plan 109
6. RECRUITMENT: POST AND QUALIFICATION 110
6.1. The following posts were filled 2020/2021 110
7. EMPLOYEES WHO LEFT THE INSTITUTION........ 111
7.1. Positions re-assigned 111
8. POSTS ADVERTISED 112
9. JOB EVALUATION........ 113
10. TRAFFIC AND LICENSING 113
10.1. Traffic Law Enforcement........ 113
10.1.2. Covid-19 roadblocks and operations 113
10.1.3. JOC Law Enforcement Cluster 113
10.1.5. Road markings and erection of traffic signs 114
10.1.6. Driving licence testing centre & motor vehicle registering authority 114
11. FINANCIAL IMPLICATIONS 115
12. EMPLOYEE REMUNERATION TABLE 2020/2021 116
12.1.1. Task Category 1: 2020/2021 Salary Scale: 6.25% Salary increase W.E.F 1 July 2020 116
12.1.2. Task Category 1: 2020/2021Salary Scale: 6.25% Salary increase W.E.F 1 July 2020 117
13. LEGAL MATERS........ 118
14. Injury on duty........ 123
15. Leave taken 2020/2021........ 123
16. Skills Gape Analysis and Development Plans 123
123
CHAPTER 5 – FINANCIAL PERFORMANCE OF THE MUNICIPALITY........ 123
5.1 REVENUE........ 123
Credit Control 125
Indigents........ 126
Findings and recommendations........ 126
5.2 Budget and reporting........ 127
Finding and recommendation 128
5.3 Assets and Supply Chain Management........ 129

Extension of contracts 132
General expenditure 132
Municipal Infrastructure Grant 134
Library Grant 135
Water Services Infrastructure Grant 136
EPWP 137
Findings and recommendations 138
ANNUAL FINANCIAL STATEMENTS 139
Findings and recommendations 139
FINANCIAL POSITION 139
Findings and recommendations 140

ANNEXURE A: Audited Annual Performance report 2020/2021
ANNEXURE B: Audited Annual Financial Statements
ANNEXURE C: Auditor –General of South Africa Final Audit Reports 2020/2021
ANNEXURE D: Audit, Performance and Risk Committee report 2020/2021

LIST OF ABBREVIATIONS AND DEFINITIONS

ACIP	Accelerated Com. Infrastructure Programme
AMP	Asset Management Plan
BDS	Blue Drop System
CRC	Current Replacement Cost
CRR	Cumulative Risk Ratio
CRU	Community Residential Units
DRC	Depreciated Replacement Cost
DWQ	Drinking Water Quality
DWS	Department of Water and Sanitation
EIA	Environmental Impact Assessment
EMS	Environmental Management Services
EPHP	Enhanced People's Housing Process
EPWP	Expanded Public Works Programme
GAMAP	General Accepted Municipal Accounting Practice
GDIP	Green Drop Improvement Plan
GDPR	Regional Gross Domestic Product
GDS	Green Drop System
HIV	Human Immunodeficiency Virus
IAMP	Immovable Asset Management Programme
IDP	Integrated Development Plan
ILI	Infrastructure Leakage Index
ISP	Internal Strategic Perspective
LED	Local Economic Development
MIG	Municipal Infrastructure Grant
Ml	Mega Litre
Ml/a	Mega Litre per Annum
MTEF	Medium-Term Expenditure Framework
NGO	Non-governmental organization
NRW	Non-Revenue Water
NWRS	National Water Resource Strategy
PDA	Previously Disadvantage Area
RDP	Reconstruction and Development Programme
RSA	Republic of South Africa
RUL	Remaining Useful Life
SANS	South African National Standard
SCADA	Supervisory Control and Data Acquisition
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
VAT	Value Added Tax
WDM	Water Demand Management

CHAPTER 1

COMPONENT A: MAYORAL FOREWORD

It is with great pleasure that I present this annual report which reflects our efforts in building a developmental town in order improve the lives of our residents.

This Annual Report closes off the term of Council for the years 2016/2021. I want to express my sincere gratitude to all Councillors, during this term of office whom has contributed to the vision of creating a better Kgatelopele for all our residents.

The COVID-19 pandemic has had an impact on the municipality's collection ability, which has dropped. The migration to a new financial system assisted the municipality to do a data cleansing on the data on the financial system more especially the billing information.

Our IDP priorities were Municipal Environmental Health & Environmental Management, Disaster Management (Fire Services included), and Local Economic Development, Municipal Roads and Storm water, Municipal Support & Institutional Development, Community Participation & Good Governance and Electricity

During the 2020/21 Financial Year, the Municipality was able to complete is Sewer Bulk facility namely its Oxidation Pond System which yields approximately 1400m3 of sewer from the community as its capacity.

During the 2020/21 financial year, the Municipality implement phase 2 of the installation of prepaid water meters, 122 prepaid meters installed to households that were registered as indigents and non-indigents residents.

The importance of access to clean water cannot be over emphasized, as the absence of that can result to a lot of health-related challenges. In a bid to ensure that all residents receive clean water, the municipality takes water samples on a monthly basis and they are sent to the laboratory for analysis. With 19 sampling points identified, the municipality has, throughout the years, consistently complied with the provisions of South African National Standard (SANS) 241-1:2015.

During the 2019/20 Financial year, the Municipality was been able to register a Sewer Reticulation Project with the Department of Water and Sanitation with the intention of connecting households that are making use of septic tanks to the main sewer network.

Blockages in our sewer lines have become a very common challenge. This is mostly due to foreign objects that are disposed either in the manholes or even through the internal residential sewer networks. Blockages often lead to sewer overspills through our manholes and can even cause the sewer pumps to malfunction and lead to costly breakages. The Technical Department as well as the Communications Unit have made use of the different platform of media and social networks to educate and bring awareness to our local community with regards to challenges that lead to blockages. Aged asbestos pipes reticulating the sewage also poses a problem.

Through the Water Services Infrastructure Grant, the Municipality managed to refurbish 10 of its major pump stations. However, due to the Covid-19 pandemic, the project was negatively impacted through delays in the availability of material. This led to the project overlapping into the 2020/21 financial year.

The Municipality currently has approximately over 300 households that are not connected to the main sewer line and instead making use of septic tanks. This requires the Municipality to ensure that the drains are emptied out daily through the two Sewer Trucks that the Municipality currently has. During the 2019/20 Financial year, the Municipality was been able to register a Sewer Reticulation Project with the Department of Water and Sanitation with the intention of connecting households that are making use of septic tanks to the main sewer network.

The Municipality has responded and repaired a total of 30 pipes bursts incident during the financial year. These pipe bursts were mostly from the underlying asbestos pipes that still form part of our water reticulation system.

The replacement of existing high mast bulbs and light fittings with bulbs that consume less energy took place.

Rates and taxes remain the municipality’s main source of revenue in relation to billing, followed by electricity during peak season, which is over autumn and winter. The collection rate remains below the National Treasury norm of 95% which the municipality is working on addressing the low collection in ensuring we become a financial sustainable municipality.

The Municipality continued to support registered indigent households in the form of a monthly subsidy on their household accounts to cover the basic fees with regard to sewerage (R171.65 pm), refuse removal (R146.58 pm), water (R51.78 pm) and electricity (R63). The municipality aimed at targeting 1500 households to be registered as indigents, the total registered indigents at year end was 1 751.

In conclusion, I would like to thank the administration for their efforts to lift the bar of Good Governance and Service Delivery despite various challenges.

Kgatelopele Municipality faces the future with optimism. It gives me great pride to serve Kgatelopele as Executive Mayor.

I thank you

Hon Mayor: Cllr Irene Williams

MUNICIPAL MANAGER'S OVERVIEW

The 2020/21 Annual Report reflects on the performance of Kgatelopele Local Municipality for the period 1 July 2020 to 30 June 2021. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year.

Rates and taxes remain the municipality's main source of revenue in relation to billing, followed by electricity during peak season, which is over autumn and winter.

The collection rate remains below the National Treasury norm of 95% which the municipality is working on addressing the low collection in ensuring we become a financial sustainable municipality.

The planning and budgeting process of the municipality was steered through the implementation of the process plan for Integrated Development Plan, Budget, Performance Management and Human Resources approved by Council.

The 2020/2021 budget and medium-term revenue and expenditure framework was prepared at a time when global and national economies are experiencing weak economic growth. On the 26th May 2020 council approved the annual budget for the municipality. The municipality has a role to play in ensuring through resources allocated on the budget and the medium term revenue and expenditure framework that it contributes towards the alleviation of unemployment, poverty and inequality challenges.

With the limited funds the municipality receives from National Treasury for capital projects, it is evident that internally funded capital projects need to increase, through an increase in the collection rate. The collection rate of the municipality is relatively low compared to the norm resulting in the municipality being grant dependent. The migration to the new financial system has assisted the municipality greatly, with more reliable data, we are able to plan better.

The Municipality met the requirements with regard to the adoption of a policy and also implemented the prescribed procurement procedures to ensure that all legal requirements were met. Council approved the revision of the Supply Chain Management Policy on the 26th May 2020, it came into effect on 1 July 2020 for the 2020-2021 financial year.

The application of sound budget and financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The maintenance of municipal infrastructure remains a major challenge for the municipality due to continuous cable theft and acts of vandalism on our infrastructure.

Thank you to all employees, management and Council for the commitment and hard work during the year in review. Also thank you the Greater Kgatelopele community for their continued involvement in the affairs of Council and who continued to honour their municipal commitments through trying times, it is truly appreciated.

Thank you!

Mr. Alfred Tieties

Acting Municipal Manager

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.2.1 DEMOGRAPHIC PROFILE

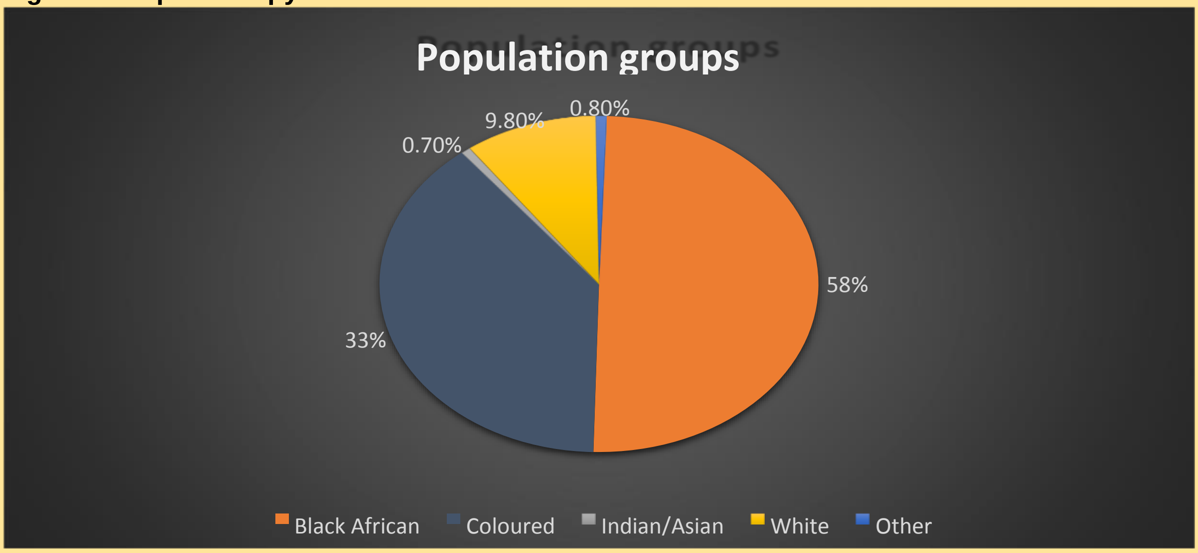
Kgatelopele Local Municipality falls under ZF Mgcawu District Municipality. The municipality is bordered by Ga-Segonyana LM on the north, on the west it is Tsantsabane LM, east it is Dikgatlong LM and south it is It Siyancuma LM. The municipal area is divided into 4 wards and has 2 towns which are Daniëlskuil and Lime Acres. The administrative town of the municipality is Daniëlskuil. Kgatelopele Local Municipality consist of Daniëlskuil, Kuilsville, Tlhakalatlou, Lime Acres and the surrounding farms. The municipality's name Kgatelopele, is a Setswana name which means moving forward. The municipality is situated 154 km west of Kimberley and 91 km to Kuruman.

The Kgatelopele Local Municipality has a total population of 20691, 52.5% of the population being male, while 47.5% are female as per census Statistics for 2016. The population growth rate has been 3.49% between 2011 and 2016. The municipality has 6206 households, with 3.49% of households being female-headed (Stats SA, Census, 2011 and 2016). The average household size is 3.5.The majority of people residing in the municipal area are Black Africans, followed by Coloured people. The two least represented racial groups are Whites and Indian/Asians. The most commonly spoken language is Afrikaans at 58%, followed by Setswana at 33%.

1.2.2 Age groups

The majority of people residing in the Kgatelopele Local Municipality are children of 0 – 4 years old, followed by those in the 15 – 34 years old group and from this group we have a total number of 5202 persons aged 20 years + who have completed their Grade 12 and this indicated that more programmes or projects need to be more responsive to the needs of children and young people. The population of the municipality resembles that of most developing nations, where there are high birth rates, slow growth rates and a population with a short life expectancy.

Figure 1: Population pyramid

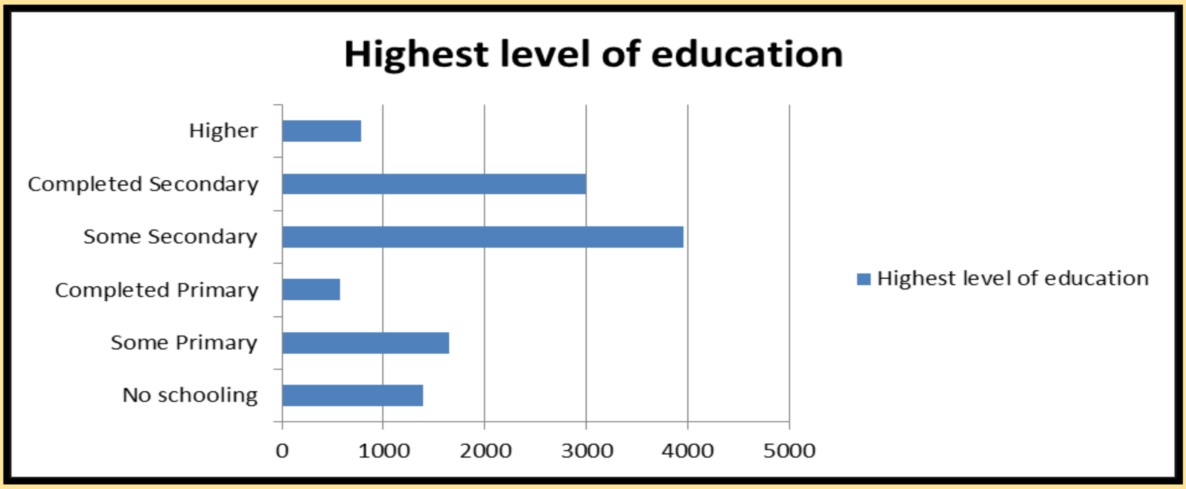


1.3. Socio economic analysis

1.3.1. Education levels

The majority of people in the municipal area has some secondary education and has completed their secondary schooling. There are those that have no schooling, some primary and others completed primary schooling and this means that these people did not receive their senior certificate, which limits their chances of getting a decent job or employment opportunities. The numbers of those who completed secondary school and got a higher education is high, so there is a large capacitated workforce to contribute to the economy of the municipality or the region.

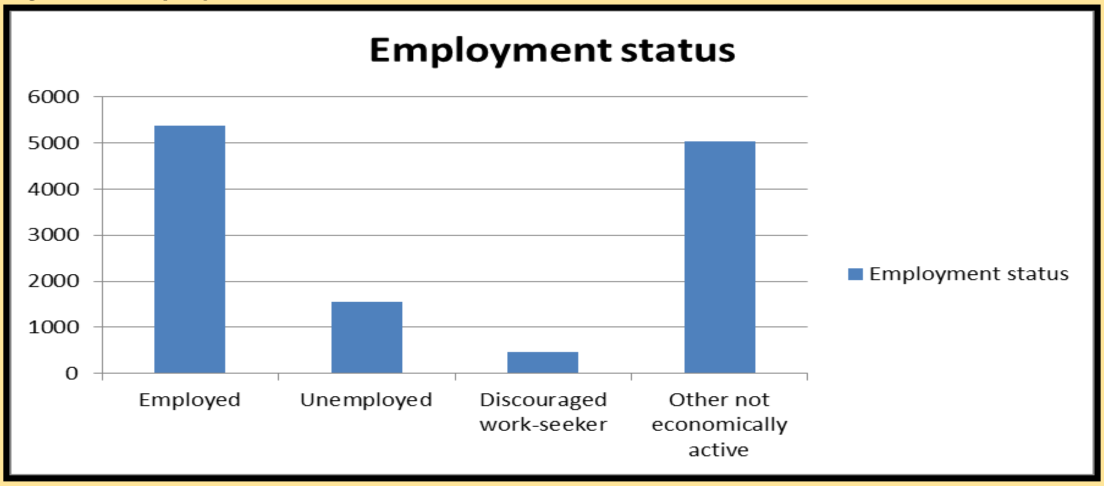
Figure 2: High level of education



1.3.2 Employment levels

The number of those economically active is slightly greater than those not economically active, hence the dependency ratio of 50.6% which is very high. Stats SA (2016) indicates that the unemployment rate is at 22.3% while 29.1% of the total unemployed people are young people. There is need to address the challenges of those not employed particularly the youth.

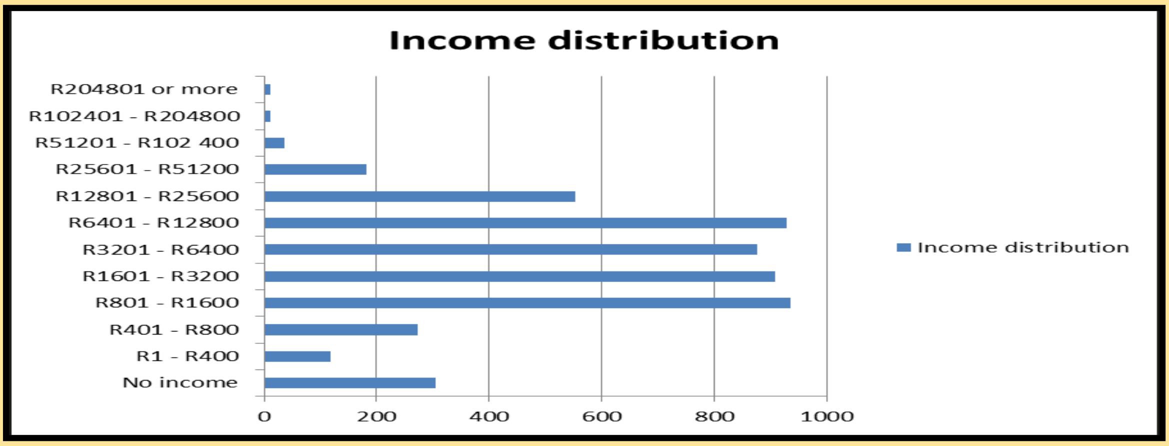
Figure 3: Employment status



1.3.3. Income distribution

The income distribution of the municipality shows a very interesting pattern given the education levels in the municipality. A large number of people in the municipal area receive income above the poverty line (large capacitated workforce). It is of great concern from a municipal perspective for those who have no income at all. This income group may most likely be highly depended on government grants and are thus not able to spend money in the municipal area or pay their rates.

Figure 4: Income distribution



1.3.4 Social infrastructure

"Historically, the institutions which were most valued by society - such as institutions of learning, worship, exchange, markets and universities - served as the key structuring elements of settlements. The siting of these, in turn, formed the basis for the locational choices of other." (Redbook, 2000:6).

The residents have access to the following facilities:

Ward	Educational	Health service	Recreational/community facility	Safety
1	Primary school	-	-	-
2	High school	-	-	-
3	High school and primary	Clinic	Club, swimming pool	Police station
4	3 primary school	clinic	Recreational club and swimming pool	Police station

Access to schools, government facilities/services is at the heart of settlements that perform well. These facilities give residents options and do not restrict how they live. The facilities or services offered contribute to the human development of the residents. It is clear that there are limited options for the residents, as there is not a diverse range of social services/facilities that are available to them to use.

1.3.5 Environmental analysis

1.3.5.1 Geology and soils

There are two different surface geology types in kgatelopele local municipality. These are sedimentary rocks and/or soil (karoo sediments), folded sedimentary and volcanic rocks (ZF Mgcawu district, 2008). The mineral types that are found in this municipal area include limestone and asbestos. Red, massive or weakly structured soils with high base status (association of well drained lixisols, camisoles', luvisols); red, yellow and greyish excessively drained sandy soils (arenosols).these soils are also very prone to wind erosion. Soils with minimal development, usually shallow on hard or weathering rock, with or without intermittent diverse soils (association of leptosols, regosols, calsisols and durisols. in addition one or more of cambisols and luvisols may be present (dominant soil type) rocks with limited soils (association of leptosols, regosols, durisols, calsisols and plinthosols). this soil type, which is found in the area, is prone to sand erosion.

1.3.5.2. Climate

The area is known for its hot days and cold nights. During summer time it is hot while in winter the nights are very cold. The rainfall in the area is relatively low making it a relatively dry place.

1.3.5.3. Biomes

This municipal area has a Savanna type of biome. The Savanna Biome is the Centre of wildlife tourism and meat production (game, cattle and goats) in South Africa.

1.3.5.4. Vegetation types

Vegetation types

Vegetation type	Coverage of the municipal area
Ghaap Plateau Vaalbosveld	66.78%
Kuruman Mountain Bushveld	20.57%
Kuruman Thornveld	6.79%
Olifantshoek Plains Thornveld	3.65%
Southern Kalahari Mekgacha	0.17%
Southern Kalahari Salt Pans	2.03%

"The Ghaap plateau is a higher lying, pre-Karoo surface with its main physiographic element being the surface of dolomite that gives the form to the plateau"

1.3.5.5. Threatened terrestrial ecosystem

Critically endangered	None
Endangered	None
Vulnerable	None

No land-based protected area in the municipal area.

1.3.5.6. Groundwater

"Groundwater utilization is important in the area and constitutes the only source of water over much of the rural areas within the Environmental Management Framework area. As a result of the low rainfall over the area, the groundwater is mainly used for rural domestic water supplies, stock watering and water supplies to inland towns. Recharge of groundwater is limited and only small quantities can be abstracted on sustainable basis. Aquifer characteristics (borehole yields and storage of ground water) are also typically unfavorable because of the hard-geological formation underlying most of the municipal area" (Siyanda EMF, 2012: 24).

1.3.5.7. Heritage and assets

Daniëlskuil boasts many different historical sites. For an informative historical day trip, make your way to Wonderwerk Cave just 40km outside Daniëlskuil where proof of human existence dating back 800 000 years can be discovered and explored. Archaeological research at this massive cave site has revealed and proved an immensely long record of human and environmental history, spanning hundreds of thousands of years. This mystical cave, as well as its surroundings, forms a conservation area with several distinctive features of the gorgeous Kuruman Hills. The site is open to the public and includes an interpretative center nearby the cave. Other historical sites include the Vermeulen grave, Dutch Reformed Church, Old Town Hall and many more. Daniëlskuil boasts rather warm summers, beautiful landscapes and superb amenities. It's a rather tranquil town where the people have formed a united community, and boasts an abundance of beauty as well as a rich cultural heritage (Stats SA Municipal Profile, 2016).

1.3.5.8. Environmental threats

Major existing environmental problems	Location	Magnitude of problem	Causes	Possible sustainable solutions
Poor appearance of Public Open Spaces and Road Reserves	All wards	Some Sidewalks are unusable.	Shortage of staff and equipment to clean the public open spaces.	Establishment of Wards Environmental forums to be fast tracked. Continuous of Environmental awareness campaigns in all wards
Lack of an Environmental Awareness Policy	All wards	Serious, since the by-laws should be informed by the policy	No guidelines to say how the bylaw will be implemented	Development of environmental awareness policy. Request for assistance from the district and province

				Environmental sections on the development of a policy and training of officials and local people on environmental awareness.
Waste Landfill site not licensed	Daniëlskuil	Illegal dumping since landfill not licensed and not operated according to legislation	Application of the EIA was submitted to the Department of Environment and Nature Conservation	To receive the EIA approval from the Department of Environment and Nature Conservation
Littering	All wards	Negative impact on the aesthetic appearance of the municipal area.	Lack of public awareness and ownership of public properties	Conduct awareness. Have Imbizo's with the community and youth on the importance of a clean and safe environment.
Need for a new Dumping Site. Closure of existing dumping site	Daniëlskuil	With the projected growth, due to the mining developments the current sites will not be able to carry the capacity	Population and economic growth	The Municipality has conducted site determination process for new land fill site, we also conducted EIA for closure and rehabilitation of old landfill site and EIA for new landfill site.

Environmental challenges for Kgatelopele Local Municipality, are also associated with the fact that the region has a rich mineral deposit, which is a main economic driver for the municipal area. The large areas of un-rehabilitated or poorly rehabilitated mining activities have a significant negative effect on the scenic environment in the region. The Northern Cape Environmental Implementation Plan identifies varies key environmental issues and the ones of concern for the municipal area is the over-exploitation of natural resources, dust pollution, development in the high conservation vegetation areas and illegal hunting.

1.3.6. Climate change

Climate change represents a change in climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability over comparable time periods. In many parts of South Africa, especially in the Northern Cape, variability in climatic conditions is already resulting in wide ranging impacts, specifically on water resources and agriculture. Water is a limiting resource for development in the Northern Cape and a change in water supply could have major implications in most sectors of the economy, especially in the agricultural sector (ZFM DM

EMF). “As the rate of climate change accelerates it is expected that the ZFM District Municipality will experience a change in temperature (increase in summer and autumn) and rainfall regimes (reduction and more severe in winter). It is expected that extreme dry years will be more frequent in this area.

This will lead to:
· increased droughts and flooding and water availability
· Change in biodiversity pattern and
· impacts on health, tourism, agriculture and food security” (ZFM DM SDF).

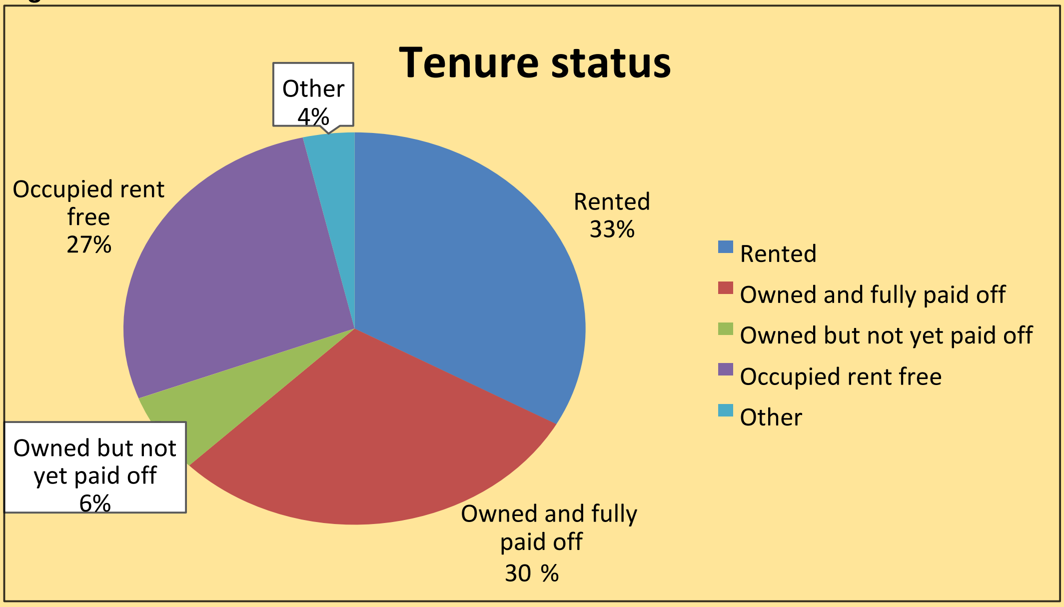
1.3.7 Landfill Site

The current landfill site is being utilized for Daniëlskuil and Lime Acres communities and is nearing its capacity. Tenders were invited in 2011, to develop a new landfill site and the process of an EIA study has been completed and this new landfill site will be 20km away from the old landfill site. The process of construction did resume in the financial year 2015/16 and the relevant regulating department i.e. Department of Environmental Nature Conservation (DENC) did provide a record of decision (ROD).

1.3.7.1 Tenure status

The rental market seems to be doing well in the municipal area, as the majority of people are renting, followed by those who have fully paid for their homes and are now the rightful owner. There are also those who are residing rent free; those are most probably residing in the mining houses’ accommodation.

Figure 5: Tenure status



1.3.8. Local economic development (LED)

In order to have economic development in an area, one requires a credible Local Economic Development Strategy, a valid LED compound in the Integrated Development Plan, a budget and systems and structures that are credible and based on the local comparative realities.

Due to the LED Strategy of the Municipality being outdated, realizing the aforementioned proved to be difficult and it is on this basis that the municipality had requested the Department of Economic Development and Tourism to assist with the development of the Kgatelopele Local Economic Development Strategy. The intent of the strategy is to guide the municipality to realise economic development and unlocking opportunities for the growth of the area. The review of the strategy thus commenced in March 2018.

The following methodology was proposed for the review of the LED Strategy:

- Step One: Inception
- Step Two: LED Institutional Assessment and Communication
- Step Three: Competitive Assessment
- Step Four: LED Opportunity Analysis
- Step Five: LED Framework Development
- Step Six: LED Strategy Development
- Step Seven: Municipal Institutional Platform
- Step Eight Implementation Plan
- Step Nine: Anchor Project Feasibility Studies

At the end of the 2018/19 financial year, we had completed Stage six of the review with the rest of the stages to be completed in the new financial year.

1.4 SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

1.4.1 Water

Section 27(1)(b) of the Bill of Rights provides that 'everyone has the right to have access to sufficient water', and section 27(2) obliges the state to take reasonable legislative and other measures, within its available resources, to achieve the progressive realization" of everyone's right of access to sufficient water" (Basic Sanitation Guideline in South Africa, 2011: 20). A Water Services Authority (WSA) refers to a municipality's responsibility to ensure access to water services. WSAs derive their authority from the Municipal Structures Act. The water service authority is the Kgatelopele Local Municipality.

Chapter 4 of the National Development Plan (NDP) envisages a South Africa that recognizes the importance of secure and equitable access to water and sanitation as catalysts for socioeconomic development. In line with this vision, over the medium term, the Municipality seeks to focus on developing and investing in water infrastructure, improving planning in and regulation of the water sector, and monitoring and protecting Danielskuil's water resources as the main source of supply in the area.

In a bid to ensure that all residents have access to clean water, the Municipality takes water samples from specific 19 sampling points to an accredited laboratory for a water quality assurance assessment according to the provisions of the South African National Standard (SANS) 241-1:2015. This part of SANS 241 specifies the acceptable quality of drinking water, defined in terms of microbiological, physical, aesthetic and chemical determinants. Water that complies with this part of SANS 241 is deemed to present an acceptable health risk for lifetime consumption. Kgatelopele Local Municipality has been found to be efficient and compliant with this National Standard from which the Municipality was awarded the prestigious Blue Drop status with 99.9% compliance in 2014, making the Municipality the top performer in the province, with regards to the provision of drinkable water.

Municipal Category	Municipality		Water	
		Access to improved water (%)	Access to piped water (%)	Water Interruptions longer than 2 days (%)
	Kgatelopele Local Municipality	99.4	98.8	31.7

The state of basic service delivery in South Africa: In-depth analysis of the Community Survey 2016 data, Report 03-01-22 **(Figure 6)**

1.4.2 Electricity

The existing 22kV Daniëlskuil, Kuilsville and Tlhakalatlou under the Kgatelopele Municipality's main intake is at the Ouplaas 88/22kV Substation, as the existing 22kV infrastructure does not have adequate capacity to accommodate any further development within Kgatelopele Municipality. Development in Daniëlskuil constitutes of mostly domestic/residential and commercial expansion because of the mining activities in the surrounding area of the town.
The Ouplaas Substation consists of 2 x 10 MVA 132k/22kV transformers which supply the Kgatelopele Municipality via the Daniëlskuil 22kV feeder (at an NMD of 5MVA) and the Idwala Lime Mine (at NMD 15MVA). The figure 1 below is the MV & LV network being supplied by the Ouplaas Substation via the Daniëlskuil 22kV feeder. The Daniëlskuil 22kV feeder supplies ±3578 customer, of which are made up of residential customers, local business customers and other customers (clinics, libraries, municipal offices etc.)

Figure 6: Energy for lighting

Municipal Category	Municipality	Electricity	
		Access to electricity (%)	Electrical Interruptions (%)
	Kgatelopele Local Municipality	96.0	71.5

The state of basic service delivery in South Africa: In-depth analysis of the Community Survey 2016 data, Report 03-01-22 **(Figure 7)**

1.4.3 Sanitation

During the 2019/20 Financial Year, the Municipality was able to complete is Sewer Bulk facility namely its Oxidation Pond System which yields approximately 1400m3 of sewer from the community as its capacity. This project was funded through the Municipal Infrastructure grant with co-funding support from the Finsch Diamond Mine. The project emanated from the need to increase the existing oxidation pond's capacity as it had already reached its full capacity. The Municipality currently has 10 Sewer Pump stations that feed into the main line channeling the water to the existing oxidation pond. With the population of 20 000 in Kgatelopele, there are 11 000 households that are connected to water borne systems as a form of sanitation. During the 2019/20 financial year, there had been approximately 827 reported incidents of blockages in the sewer lines that have been reported. On average, this means that there had been 70 blockages per month that have been attended during the financial year.

Municipal Category	Municipality	Sanitation	
		Access to improved sanitation (%)	Sharing Toilet (%)
	Kgatelopele LM	96.7	16.4

The state of basic service delivery in South Africa: In-depth analysis of the Community Survey 2016 data, Report 03-01-22 **(Figure 8)**

1.4.4 Storm water

The Municipality currently doesn't have a Storm water Master Plan in place which would've been a strategic document that outlines long-, medium- and short-term plans covering expansion, operations and maintenance, costing, possible funding sources, land, servitudes as well as staffing requirements in order to ensure the implementation and management of operation and maintenance plans. The fact that the locality is underlain by dolomite is also an exacerbating factor that requires for such a plan to be in place to further as well as the Dolomite Risk Management Strategy to manage the risks involved with dolomite towards the existing residential areas particularly in Ward 1, 2 and 3 which are largely affected by storm water challenges. In terms of drainage laws which are largely related to the management of storm water, there are typically three rules that are generally applicable where the drainage of surface runoff is concerned. This includes:

- The "common enemy" concept; (Which is water or storm water)
- Natural flow; and (this is governed by the natural landscape of topography of the area)
- Reasonable use.

Storm water runoff is considered a common enemy and each property owner may fight it off or control it by retention, diversion, repulsion or altered transmission. The focus of the common enemy rule has two focal points, the need to make improvements to property, with the acknowledgement that some damage results from even minor improvements and the principle of granting each landowner as much freedom as possible to deal with his land essentially as he sees fit. In light of the above, the aspect of storm water is a critical aspect of infrastructure that still needs to be addressed within the jurisdiction of the Municipality. Under the year in review, the Municipality has been able to conduct assessments and further prioritize areas of extreme storm water challenges in order to initiate of process of deriving business plans for funding for the 2020/21 financial year as well as adopting a long-term vision through the Integrated Infrastructure Master Plan process.

1.4.5 Waste management

Disposing waste in an environmentally friendly manner is very important for the Municipality, as conservation of the environment is one of its strategic objectives. The last Quarter of the financial year, the Municipality introduced in-house refuse. The Municipality uses a landfill site for this purpose. This function is very important as it is not just about making the municipal area aesthetically pleasing but maintaining the dignity of the natural environment. This places a responsibility on the Municipality to conduct awareness campaigns and educational workshops to those who use their own dumping site. This is essential so that they are educated and that some materials should not be publicly disposed such as medical waste and batteries which can be toxic for the environment. Street cleaning activities are carried out on a daily basis in the CBD and main streets in residential areas. Cleaning in residential areas is carried out in conjunction with the Community Workers Programme.

The municipality is also doing well in this area, as weekly refuse removal is at 100%. The municipality needs to pay attention to those using their own refuse dump and those that have no rubbish disposal, as they might be disposing waste in a manner that is not in line with sustainable development. The current landfill site which is being utilized for Daniëlskuil and Lime Acres communities is near its full capacity. The Municipality has undertaken a number of activities for the cleaning campaign in trying to ensure that there is a collection of waste and the eradication of heaps that are laying around the area of Tlhakalatlou, Kuilsville, Maranteng as well as in the Landbou Erwe and this initiative transpired to be a success and the municipality will then take the responsibility in ensuring that they continue with such programmes.

Municipal Category	Municipality	Refuse Removal
		Access to refuse removal (%)
	Kgatelopele Local Municipality	94.2

The state of basic service delivery in South Africa: In-depth analysis of the Community Survey 2016 data, Report 03-01-22 **(Figure 9)**

1.5. SERVICE DELIVERY OVERVIEW

1.5.1 Water and sanitation

The constitution of the Republic of South Africa, Chapter 7 under objects of local government assigns the responsibility of ensuring access to water services to municipalities. Furthermore, the Water Services Act entrust the local municipality with provision of affordable, efficient, effective on-going water services to local communities.

I. **Functions of the Water and Sanitation unit**: are to provide affordable, efficient, effective and on- going water and sanitation services in a sustainable manner, water provision for informal settlements, ensuring that the quality of potable water provided to Kgatelopele residents is of an acceptable standard, reduction of water losses, implementation of water conservation and water demand management projects, maintenance and refurbishment of water and sanitation infrastructure. Water supply, our water supply is underground pump water.

II. **Sanitation/Sewer services**: The sewerage work is currently an oxidation pond system and had reached its capacity. The Municipality currently has the upgrading of the Oxidation ponds project which is underway and it will assist with increasing the capacity and better control on sanitation and sewer services. There are currently 8 sewerage pump stations in the sewerage system and about 200-500 households not connected to the central system. These households are serviced through sewer trucks and this is posing health hazard to the community and resulting in high cost on overtime & vehicles maintenance.

1.5.2 Human settlement

The housing section of the Kgatelopele Local Municipality is entrusted with overseeing the facilitation of integrated human settlements, management of informal settlements and ensuring security of tenure by facilitating issuing of Title Deeds and identification of suitable land parcels for human settlement. However, state subsidy/social housing programmes and projects are managed in conjunction with the district municipality, as it is the one that is accredited. The following housing programmes are currently being prioritised by the Kgatelopele Local Municipality:

- Sustainable Human Settlements
- Provision of essential services
- Social Housing;
- Rural Development
- Housing consumer education programs

1.5.3 Town Planning

The Town Planning Unit is responsible for the management of the key performance areas associated with the spatial planning and land use management aspect of development planning and control. The Unit is the custodian of the following tools: Spatial Planning and Land Use Management By-law, 2015

- Land Use Management By-law, 2019;

- Land Use Scheme, 2019;
- Spatial Development Framework, 2019;
- Manual for the Land Use Scheme and Application Procedures for Land Use Control Applications, 2019
- Advertising Sings By-law, 2017; and
- Dolomite Risk Management Policy, 2016.

1.5.3.1. Compliance with SPLUMA

As required by Section 35(1) of the Spatial Planning and Land Use Management Act (Act No. 16 of 2013), the municipality has a functional Municipal Planning Tribunal in the form of a joint structure with the Kai! Garib Local Municipality, Tsantsabane Local Municipality and ! Kheis Local Municipality while the ZF Mgcawu District Municipality provides administrative assistance. Its meetings take place in Upington at the offices of the District Municipality subject to receipt of applications. While it is not mandatory, the Municipality also appointed the Town Planning Official as the Authorised Official to consider Category-B applications in line with Section35(2) of SPLUMA. The Municipality also has a Land Use Management By-law adopted and gazette. Furthermore, the Municipality adopted a Spatial Development Framework and Land Use Scheme on 27 March 2019 and implementation commenced on 01 July 2019. Kgatelopele Municipality has a plenary Council as defined under Section 7(c) of Municipal Structures Act (Act No. 117 of 1998 as amended), thus, the whole Council would ordinarily serve as the Appeals Authority. However, Council has, on 27 March 2019, delegated the Technical and Commonage Committee to serve as an Appeal Authority from 01 July 2019.

1.5.3.2. Land use and development applications

The Municipality received eight (08) land use and development applications during the 2020/21 financial year. Furthermore, there were numerous pre-application consultations by property owners. The disparity between the number of applications received and consultations attended to is a huge concern, as it might be one of the main reasons for illegal land use and development prevalence within the municipality.

1.5.3.3. Dissemination of zoning information

Fifteen (15) zoning certificates were issued during the 2020/21 financial year at R 120.79 per copy while four (4) zoning maps were issued at the same cost per copy.

1.5.3.4. Building Plans

The town planning unit is also responsible for providing land use related recommendations regarding the approval of building plans based on the provisions of the land use scheme. Thus, for 2020/21 FY, twenty-seven (27) building plans were assessed during the period under review and thirteen (13) were recommended for approval.

1.5.3.5. Outdoor advertising applications

This function is regulated by the Advertising Signs by-law, published on the provincial gazette on 17 April 2017. Only three (3) outdoor advertising applications received during the period under review, and one (1) was reviewed and recommended for approval.

Town planning and human settlement planning challenges

- Non-submission of land use and development applications by property owners.
- Increase in illegal land usage and informal settlement, which the Municipality tries to mitigate by issuing contravention notices and levying of transgression fees. The newly adopted Land Use Scheme and Application Manual provide guidance on how to address contraventions.
- The dolomitic condition of the municipality is proving to be a huge setback to the Municipality's developmental vision as it is determining factor on how and where development should take place in space. Thus, more efforts and funds need to be channeled towards dolomite management and the identification of land that is suitable for sustainable human settlement. It is also of paramount importance for the Municipality to undertake dolomite stability investigations in the built-up areas to ensure effective dolomite risk management.

1.6 ORGANISATIONAL DEVELOPMENT OVERVIEW

The municipality is made up of the following key departmental sections

1.6.1 Mayor's Office

- **National Key Performance Area:** Good governance

- **Strategic Objective:** To ensure an accountable, efficient and effective Council operation responsive to community needs.

Operational Objective

- **Council:** To ensure good and accountable governance, that promotes the objects of local government as enshrined in the RSA Constitution, Chapter 7, and Section 152.

- **Portfolio Committees:** To ensure effective and efficient Council operation and enable oversight role of Council.

- **Ward Committees:** To ensure effective community participation in the affairs of local government so as to deepen democracy.

1.6.2 Municipal Managers Office

Guided by all National KPA'S of Local Government:

1. Good Governance & Public Participation
2. Financial Viability
3. Institutional Transformation
4. Basic Services and Infrastructure Development
5. Local Economic Development
6. Spatial Development and Transformation

Strategic Objective: To ensure a credible, efficient, effective and economical institution. Based on good ethical conduct and responsive to community needs.
Operational Objective

- **Risk Management:** Is to be responsible for enterprise risk management and fraud prevention management within the Kgatelopele Municipality. This entails development of policies, strategy & processes, development of fraud prevention, facilitating and advising on risk management issues. While promoting a culture of risk management amongst managers.

- **Internal Auditing:** To provide independent, objective assurance and consulting services design to add value and improve Kgatelopele Municipality operations. Driven by the following values honesty: integrity, professionalism, accountability, objectivity and empathy, while ensuring good governance.

- **Integrated Development Plan:** To ensure formulation/development of a credible and realistic IDP that is informed by community needs.

- **Performance Management System:** To ensure the implementation of performance management system and promote a performance orientated organizational culture.

- **Communication & Media Relation:** To enhance & promote the role of the municipality and its operations in its area of jurisdiction in ways that contribute to the process of deepening democracy by: promoting awareness of economic opportunities, improve the culture of service delivery in the public service, build & promote partnership through public participation and communicate policies & information.

- **Council Secretariat:** To ensure efficient and effective operation of Council, and the record keeping thereof.

- **Local Economic Development**: To promote a conducive environment for enterprise support and development, and foster partnership that contribute to economic development.

1.6.3 Budget & treasury services (finance)

- **National KPA:** Financial Viability

- **Strategic Objective:** To ensure an effective and efficient financial management of the municipality to meet its financial obligations.

Operational Objective

- **Supply Chain Management:** To ensure efficient, effective and economical supply chain management services.

- **Expenditure:** To implement and manage budget control.

- **Income:** Render and implement municipal accounts accurately and timeously and the effective implementation of customer care and the credit control policy.

- **Budget & Treasury:** Fully compliance to treasury guidelines and timeously reporting.

- **Assets Management:** Management of assets including the safeguarding and maintenance. Internal control of asset and liabilities register. Management, accounting and information system that accounts for proper assets management of the municipality.

1.6.4 Corporate services

- **National KPA:** Institutional Transformation
- **Strategic Objective**: This section is mainly internally focused with the primary aim of enhanced and efficient administrative system.

Operational Objectives:

- **Human Resource**: Promote organizational cohesion. Effective human resource development and performance development and employment equity.

- **Administration**: Key systems, processes and structures to support governance and operational efficiency.

- **Information Technology:** Improved organizational stability and sustainability.

- **Fleet Management :** Municipal fleet and transport administration

1.6.5 Technical, infrastructure and community service directorate

- **National KPA:** Provision of Basic Services and Infrastructure Development
- **Strategic Objective:** To ensure the provision of sustainable basic services to our communities consisting of water, wastewater, roads, storm water, recreational facilities and related services.

Operational Objective:

- **Electricity**: To provide all planned "households "with electricity energy connection and promote use of other alternative energy.

- **Water & Sewer**: Address the provision and maintenance of municipal services such as water and sewerage removal.

- **Roads & Storm water**: Address the provision and maintenance of municipal services such as roads and storm water.

- **Parks & Cemetery**: Address the provision and maintenance of parks and cemeteries.
- **Land**: Development as informed by the Spatial Development Framework.
- **Housing**: To provide sustainable human settlement suitable for human habitation.
- **Waste Removal:** to ensure efficient and effective waste removal
- **Library Services**: Sufficient library service delivered to the community.
- **Traffic Services**: Efficient traffic service regarding vehicle registration, learner's licenses and law enforcement.

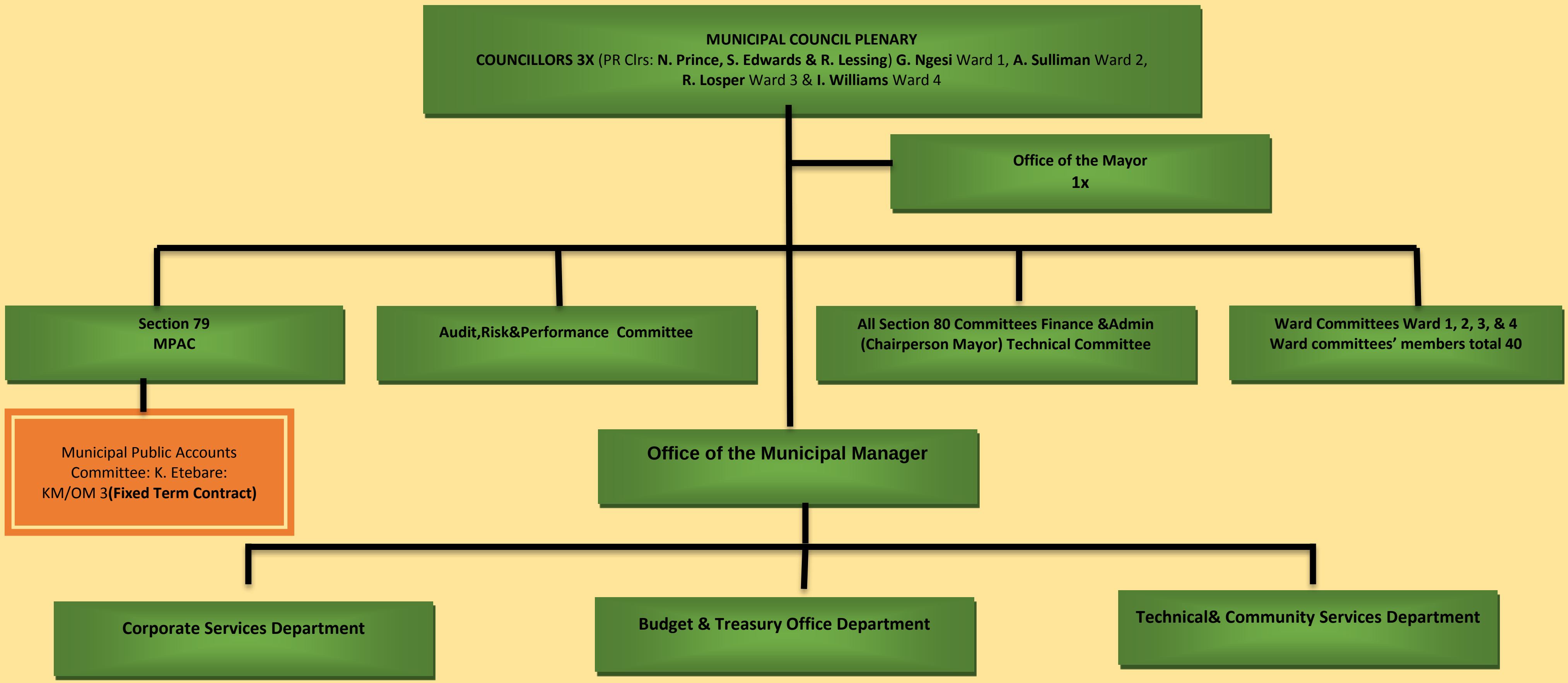
1.6.6 Organisational structure

Reviewed Organisational Structure

KGATELOPELE MUNICIPALITY COUNCIL

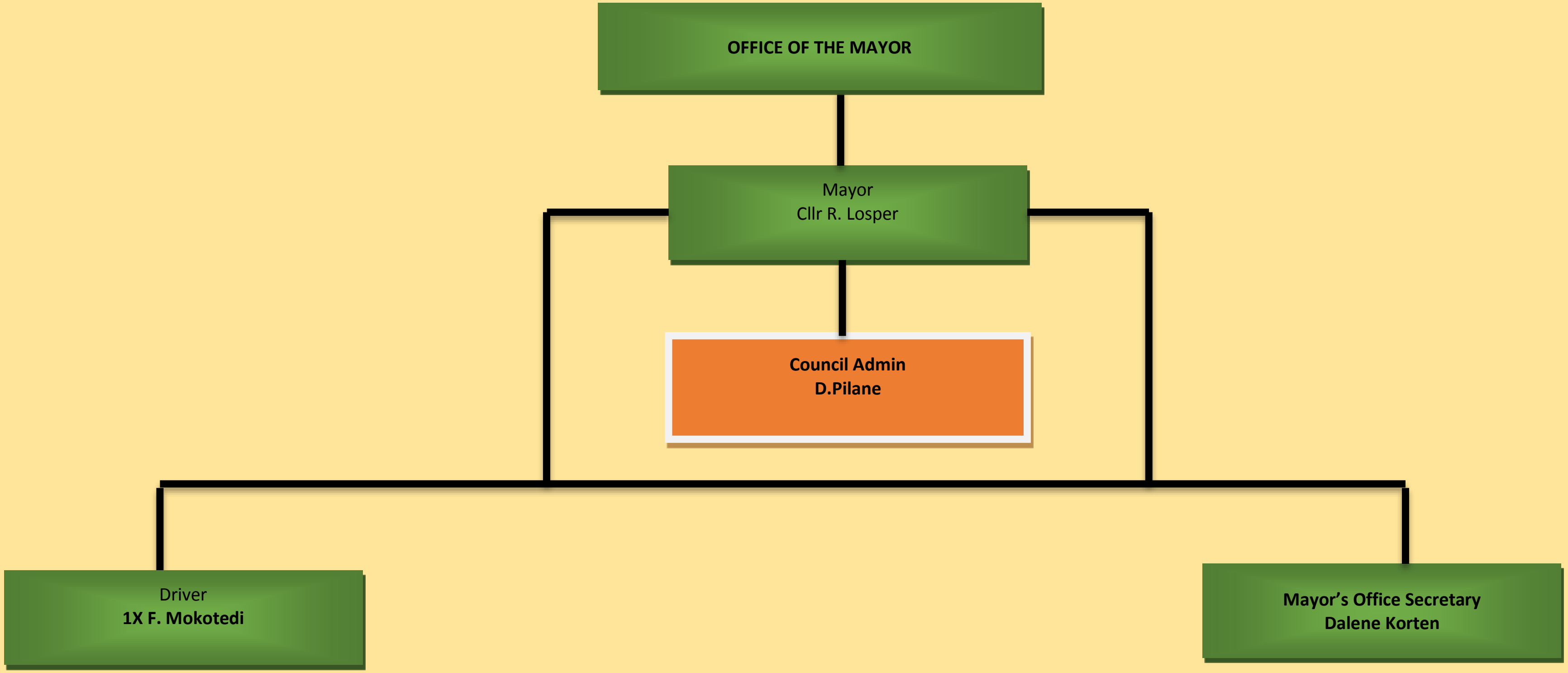
Vision: Kgatelopele Local Municipality aims to improve the quality of life of all its residents. **Mission** Kgatelopele Local Municipality will strive to promote sustainable development by the: Provision of quality services, Conservation of the environment, Stable and effective administration, Promotion of socio-economic development and promoting social cohesion. **Values of the municipality:** The values of the municipality are in line with the basic values and principles governing public administration as envisioned in section 195 of the Constitution of the Republic of South Africa: a high standard of professional ethics must be promoted and maintained, efficient, economic and effective use of resources must be promoted, public administration must be development oriented, services must be provided impartially, fairly, equitably and without bias, people’s needs must be responded to, and the public must be encouraged to participate in policy making, public administration must be accountable, transparency must be fostered by providing the public with timely, accessible and accurate information, good human-resource management and career development practices, to maximize human potential, must be cultivated, public administration must be broadly, representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation. **Municipal slogan “**Re gatela pele” “ons gaan vorentoe” “we moving forward”

KGATELOPELE MUNICIPALITY COUNCIL



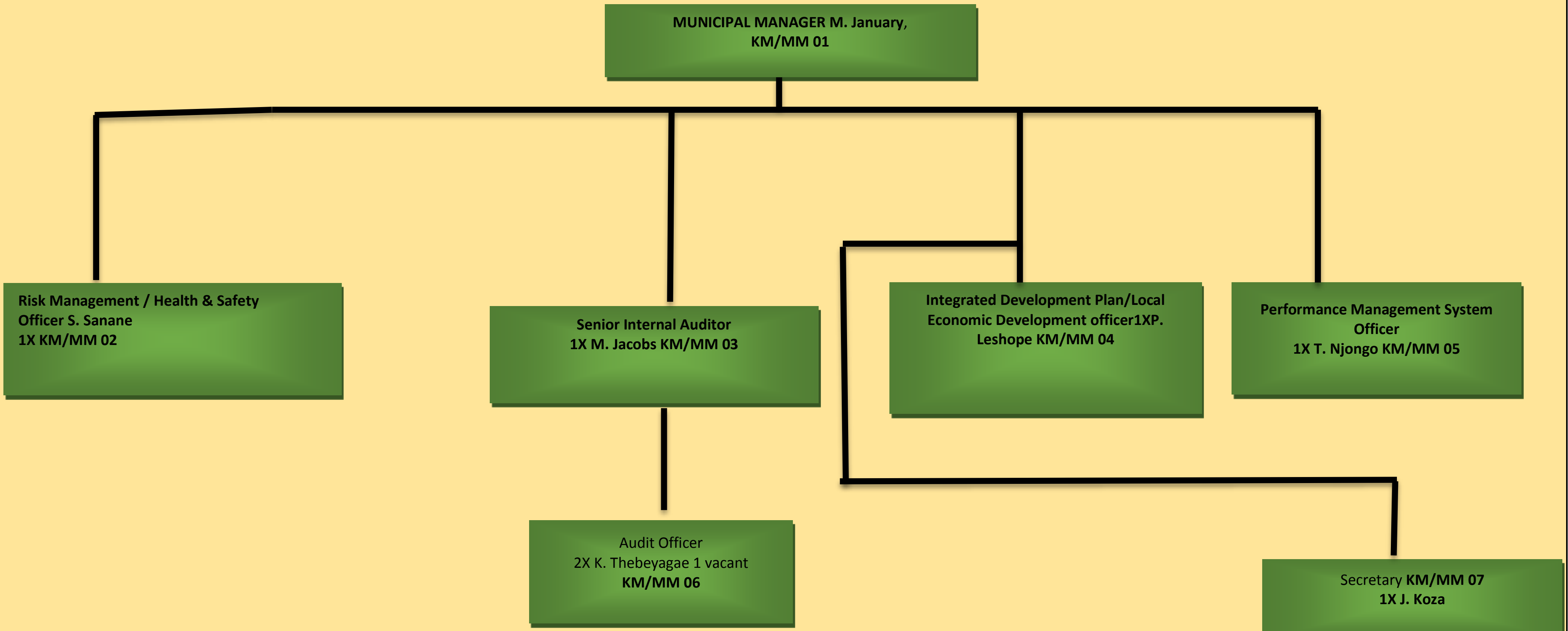
OFFICE OF THE MAYOR

The Mayor is the Political head of the Municipal Council and chairs all Council meetings. Since the Municipal Council is a plenary type the Mayor serves on a fulltime basis. Besides being the Political head of the Council the Mayor’s Office is responsible for certain administrative functions of which the Manager in the Mayor’s Office is the head. Other areas that are covered in the Office include: Transversal issues like Youth Development, HIV/AIDS, People with Disability, Children Rights, Gender Issues and elderly issues and also coordination of the MPAC Secretariat.



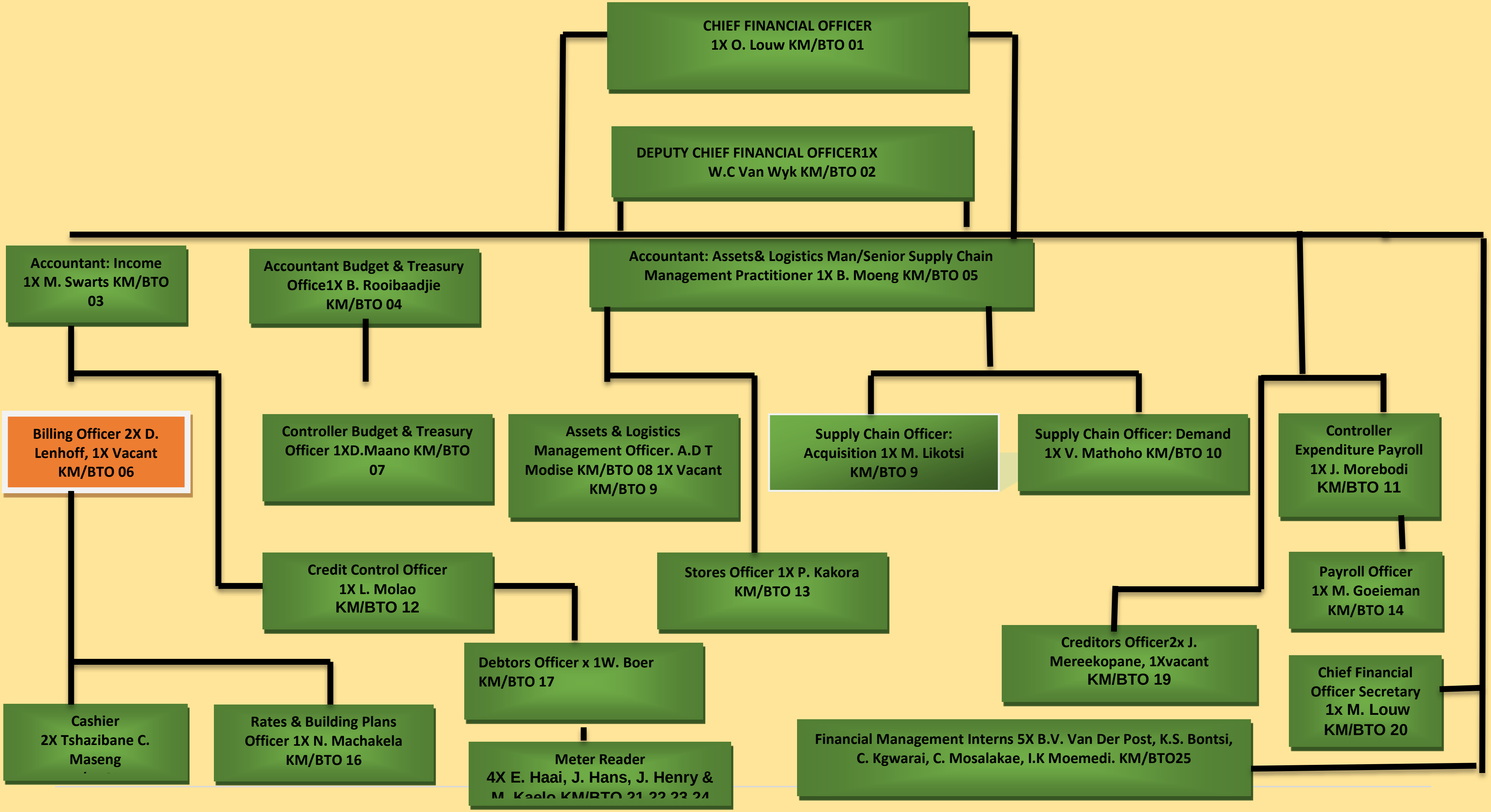
OFFICE OF THE MUNICIPAL MANAGER

The Municipal Manager Mr Monde January is the head of Administration and is the accounting officer. He is responsible for the day to day running of the municipality. The Municipal Manager is further responsible for making sure that, the Council objectives gets achieved as well as making sure that the municipality functions optimally. The Municipal Manager is responsible for overseeing; internal audit, risk management, compliance, council secretariat, LED, IDP, PMS, communication and marketing, which falls under his Department. The Municipal Manager works closely with the Managers who are responsible for the various Departments whose Manager are directly accountable to him.



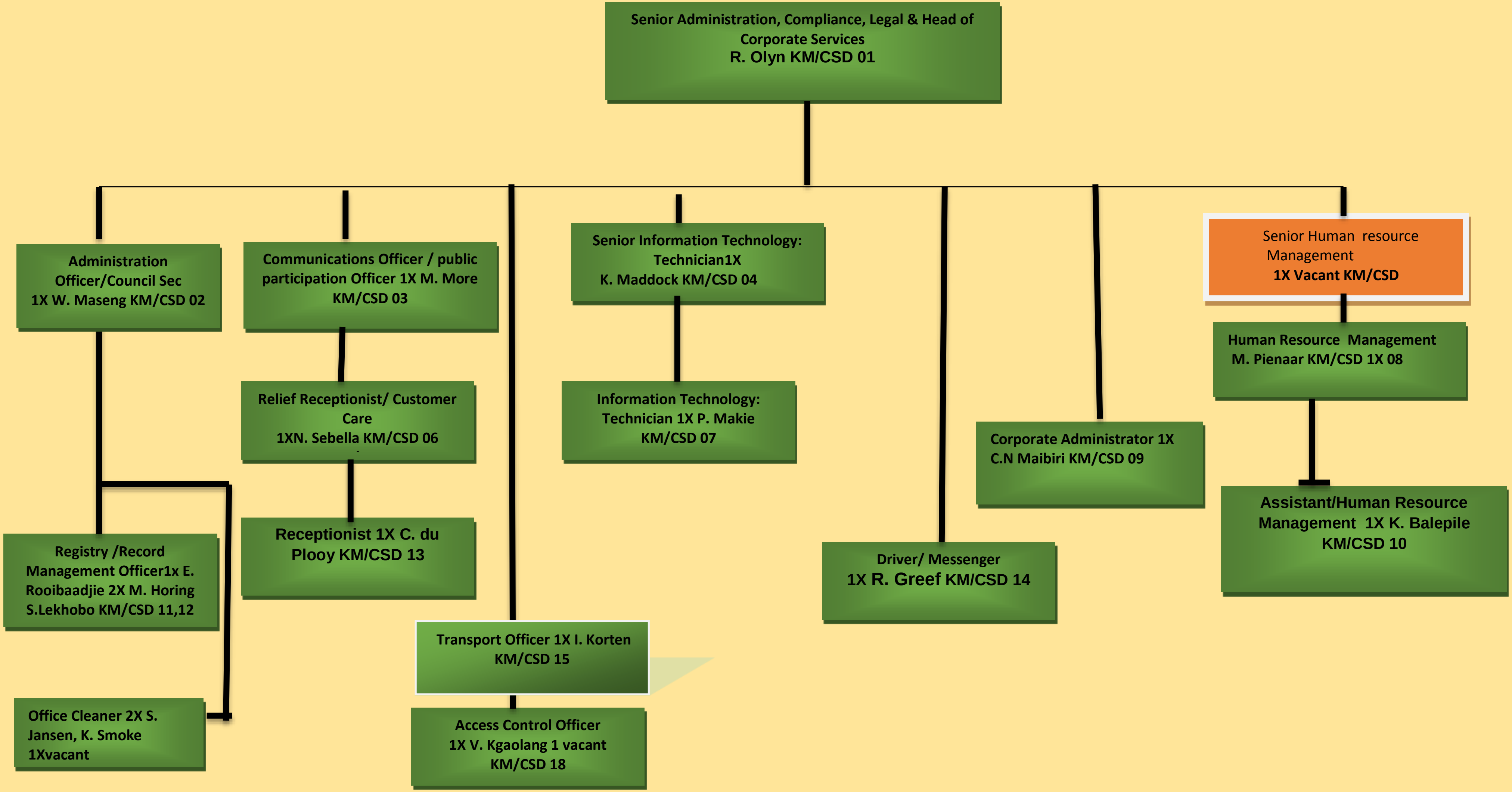
BUDGET & TREASURY OFFICE

This Department is responsible for the financial management of the municipality, putting systems in place for proper financial management and managing the inflow and outflow of money in the municipality. The Department is responsible for the following: Financial systems, Budget and treasury, Revenue/Income, Expenditure, Supply Chain Management and Assets Management and Stores



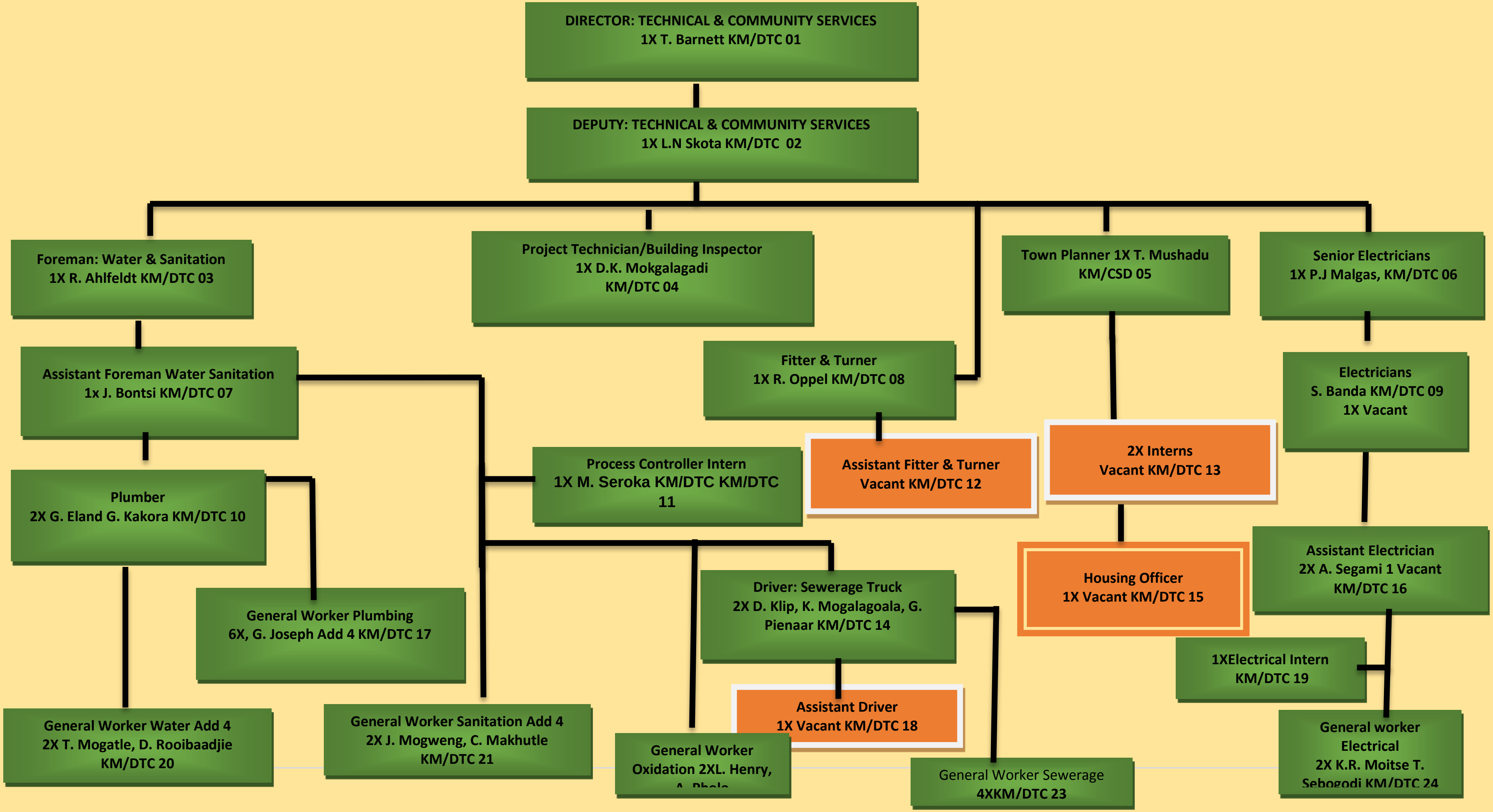
CORPORATE SERVICES

This Department is responsible for the administration of the municipality. Key responsibilities are: Human resources and Skills Development, Municipal building/facilities, Legal matters, Compiling and management of all contracts and the transfer of properties and Information and Communication Technology and Fleet management



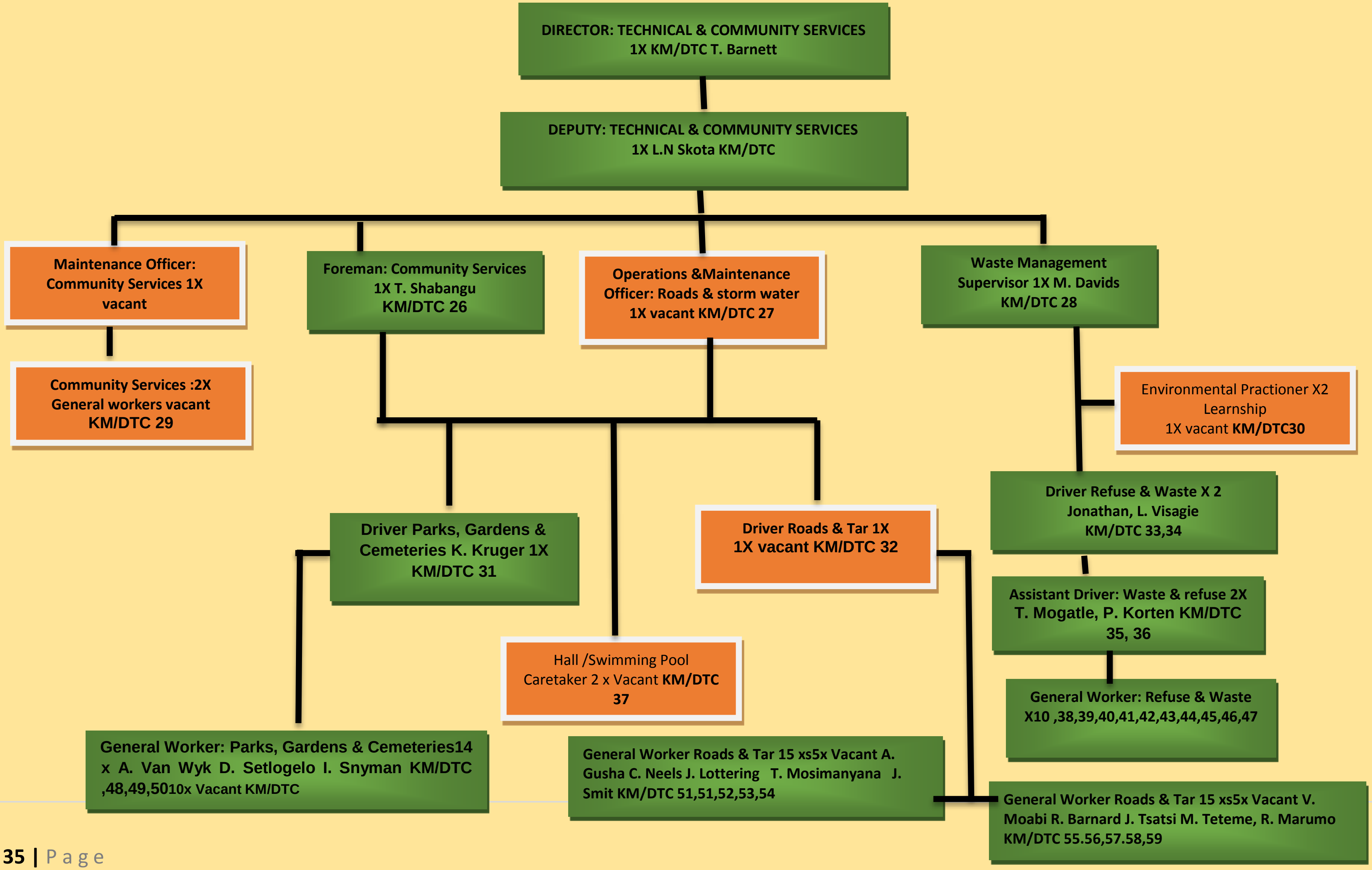
TECHNICAL & COMMUNITY SERVICE DEPARTMENT
(TECHNICAL SERVICE UNIT OR SECTION)

This Department's main functions are to see to it that residents have basic services. The unit is responsible for: Basic Service delivery, Maintenance of all infrastructures, MIG Projects, Waste management and Coordinating the building of houses Town Planning, Land Use Management and the SDF



TECHNICAL & COMMUNITY SERVICE DEPARTMENT
(COMMUNITY SERVICE UNIT OR SECTION)

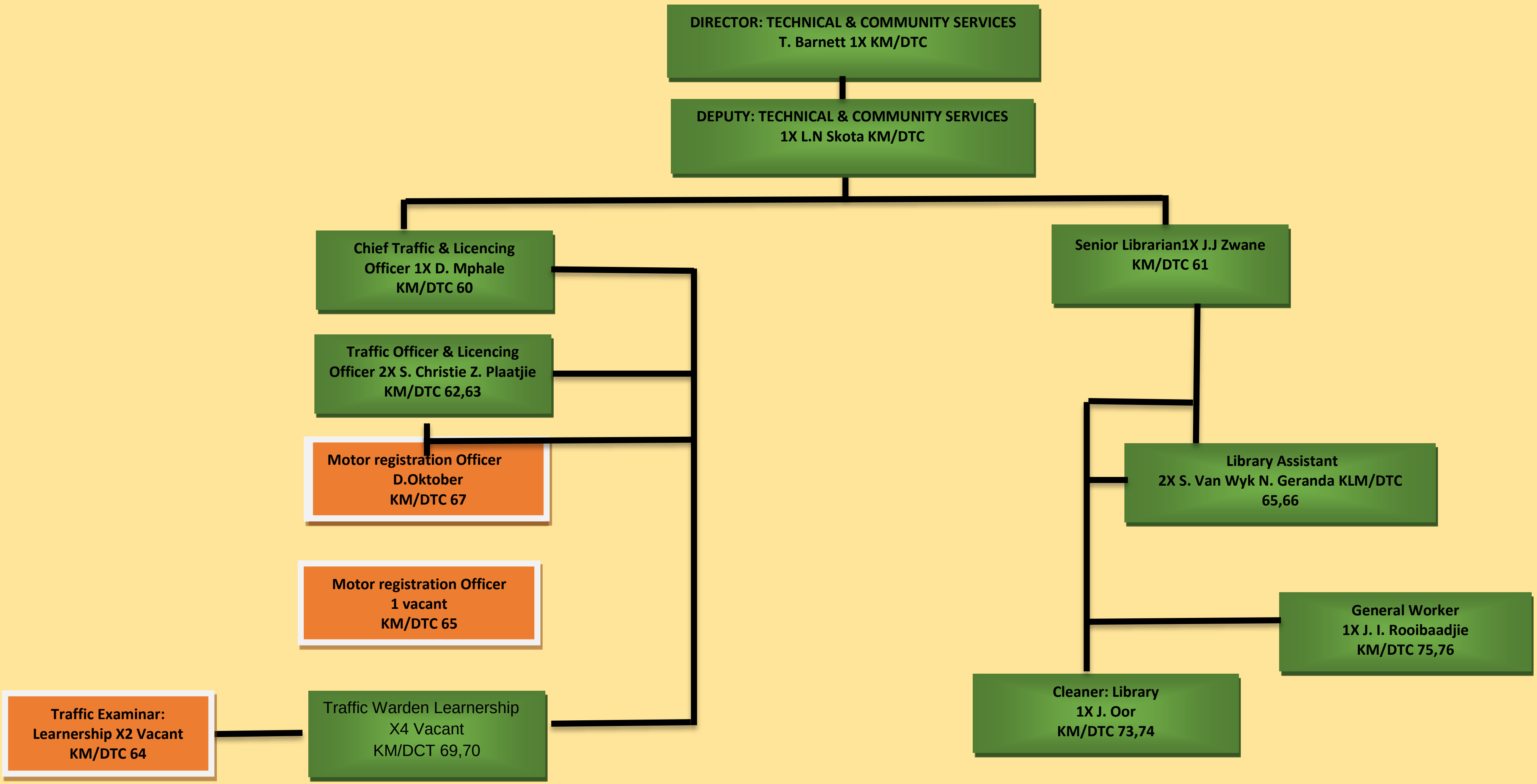
This Department's main functions are to see to it that residents have basic services. The unit is responsible for: Basic Service delivery, Maintenance of all infrastructures, MIG Projects, Waste management and Coordinating the building of houses



TECHNICAL & COMMUNITY SERVICE DEPARTMENT

(COMMUNITY SERVICE UNIT OR SECTION TRAFFIC, LICENCING AND LIBRARY SERVICE)

Key responsibilities are: Traffic services, Library services



CHAPTER 2: GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The municipality has a political and administrative component, the section below will give an analysis of the two and how they operate in making sure that the developmental mandate is achieved. The Municipal Elections took place on 03 August 2016 where different political organizations elected its representatives to contest into the elections for the next 5 years, and different organizations did part take and the outcome of the elections came out different whereby the then regime (ANC) which led Kgatelopele Council for the past years lost to its contestants known as Democratic Alliance (DA) in collision with the newly formed political organization known as Kgatelopele Community Forum (KCF) and the new regime was then inaugurated into office to take over the Municipal Council for a Period of five (5) years. The Municipality is currently running the political structures of the Municipality in collision between Democratic Alliance (DA) and Kgatelopele Community Forum (KCF).

2.1 Political composition of Council

The municipality is led by a Council, which performs both legislative and executive function. The Council for the 2020/21 financial year was led by the Hon. Mayor Cllr R. Losper.

The municipal council composition is as follows:

Councilor	Political party	Ward/PR
Cllr R. Losper (Mayor)	ANC	Ward 3
Cllr N Prince	KCF	PR
Cllr R. Lessing	ANC	PR
Cllr I Williams	ANC	Ward 4
Cllr S. Edwards	DA	PR
Cllr E Sulliman	DA	Ward 2
Cllr G Ngesi	KCF	Ward 1

2.2 Council meetings

The following reflect the number of Council meetings that took place in the year 2020/2021:

(04) Normal Council Meetings
(06) Special Council Meetings

Meeting	Dates	Meetings Held	Name of Council Member	Number of Council Meeting Attended
Normal Council Meetings	28 October 2020 27 January 2021 28 July 2021 29 April 2021	4	Cllr R Losper (Mayor) Cllr I Williams Cllr R Lessing Cllr G Ngesi Cllr N Prince Cllr E Sulliman Cllr S Edwards	4 4 4 4 4 4 3
Special Council Meeting	25 August 2020 30 September 2020 25 January 2021 28 January 2021 29 March 2021 31 May 20221	6	Cllr R Losper (Mayor) Cllr I Williams Cllr R Lessing Cllr G Ngesi Cllr N Prince Cllr E Sulliman Cllr S Edwards	6 6 6 6 6 5 4

2.3 Portfolio Committees / Section 79 & 80 Committees

Council has also established committees to ensure its effectiveness in terms of Section 79 and 80 of the Municipal Structures Act 1998.

- Finance Committee
- Institutional Committee
- Technical Committee
- Audit, Risk and Performance Committee
- MPAC

2.4 Number of Council Committee

Council Committee	Scheduled meetings	Meetings held	Members	Number of meeting attended
Financial Committee	30 November 2020 02 February 2021 24 February 2021 17 March 2021 18 May 2021 29 June 2021	06	Mayor Cllr. R Losper (Chairperson) Cllr. N Prince Cllr E Sulliman Cllr R Lessing	6 6 5 4

Audit Committee	21 October 2020 10 December 2020 04 February 2021 21 April 2021 22 June 2021		Ms. T. Kati (Chairperson) Adv. M. Phera Mr. M. Jarvis Mr.J Van Tonder	5 5 3 5
Technical Committee	No meeting were held due to committee did not form a quorum. Technical challenges experienced for virtual platform.	00	Cllr. R Lessing (Chairperson) Cllr. G Ngesi Cllr E Sulliman Cllr S Edwards Cllr N .Prince	0 0 0 0 0
Institutional Committee	30 September 2020 12 January 2021 28 June 2021 30 June 2020	04	Cllr. N .Prince (Chairperson) Cllr. G Ngesi Cllr E Sulliman Cllr S Edwards	2 4 3 4
MPAC	13 August 2020 17 August 2020 14 September 2020 22 September 2020 20 November 2020 14 January 2021	06	Cllr. I Williams (Chairperson) Cllr E Sulliman Cllr S Edwards Cllr R Lessing	6 5 5 6

2.5 Directorates

2.5.1 Technical, Infrastructure and Community Service Directorate

This directorate's main functions are to see to it that residents have basic services. The Unit headed by the Technical and Community Services Manager Mr. Thulaganyo Barnett. The unit is responsible for:

- Basic Services
- Management & Maintenance of all infrastructure
- MIG Projects
- Coordinating the building of houses
- Library services
- Housing administrator
- Traffic services

- Town Planning, Land Use Management and the SDF
- Waste management

2.5.2 Financial Management Directorate

This directorate is responsible for the financial management of the municipality, putting systems in place for proper financial management and managing the inflow and outflow of money in the municipality. This Unit has been headed by Chief Financial Officer Ms. Ophelia Louw. The Unit is responsible for the following:

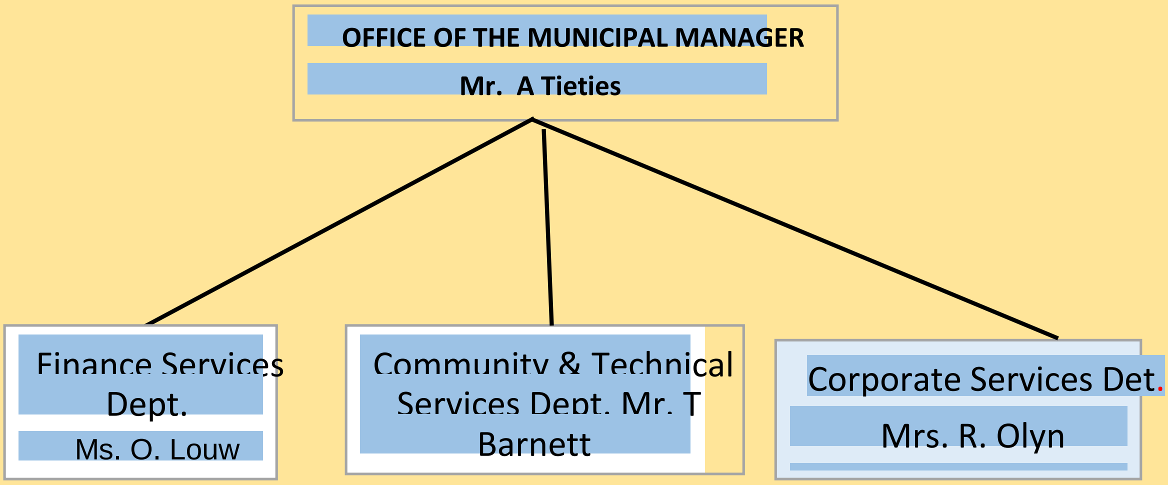
- Financial systems
- Budget and treasury
- Revenue/Income
- Expenditure
- Assets Management

2.5.3 Corporate services Directorate

This directorate is responsible for the administration of the municipality. The Unit is led by the Senior Admin, Compliance, Legal and Head of Corporate Ms. Refilwe Olyn, The Unit is responsible for the following:

- Human resources
- Legal matters
- Compiling of all contracts.
- Information and Communication Technology
- Fleet management
- Administration and Registry
- Communications and Customer Care

Administrative top level structure



COMPONENT B: INTERGOVERNMENTAL RELATIONS

There is a need to coordinate and integrate activities of government in delivering services to the communities and that forms the basis why intergovernmental relation is crucial. The need for the three spheres of government to work together is a Constitutional obligations reconfirmed by various pieces of legislations. The Intergovernmental Fiscal Relation Act, of 1997, Section 4, provides that all spheres of government to facilitate coordination in the implementation of policy and legislation In cooperate with one another in mutual trust and good faith by.

- Fostering friendly relations
- Assisting and supporting one another
- Informing one another of; and consulting one another on matters of common interest
- Coordinating their actions and legislation with one another
- Adhering to agreed procedures; and
- Avoiding legal proceedings against one another

Kgatelopele Local Municipality is instrumental in the process of Intergovernmental relations by participating in various legislated forums i.e. District Intergovernmental Forum and Premiers Intergovernmental Forum, and attendance hereby attested.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.8 Ward committees

The Constitution of South Africa affirms the right of public involvement in legislative and development policy. The intention is to allow communities and other non-state sectors another platform with which to engage the State other than through political representatives elected through the ballot. The concept of ward committees is meant to speak to this need. Section 152 (1) of the Constitution enjoins local governments 'to encourage the involvement of communities and community organizations in the matters of local government.' (Republic of South Africa, 1996). The establishment of ward committees is provided for in Chapter 4 of the Municipal Structures Act of 1998. According to the Act, ward committees should be established in each ward of a Category A or Category B municipality. The Municipal Systems Act of 2000 elaborates further on the issue of community participation in municipal affairs and encourages municipalities' to establish alternative forums where no municipal structures for community participation exist. An important provision of the Act is that these forums are to be representative of the different interests within communities.

2.8.1 Ward committee attendance Dates and Venues

NO	Scheduled Meetings	Dates	Venues	Time
1.	Ward 1 Cllr. Ngesi Tlakalatlou	12 January 2020 26 February 2020	Govern Teteme's house	17:00
2.	Ward 2 Cllr. Sulliman Landbou Erwe	19 January 2020 16 February 2020 15 March 2020 08 April 2021 06 May 2021 15 June 2021	Francois Marits house	17:00
3.	Ward 3 Cllr .Losper Maranteng	23 October 2020 23 November 2020 21 January 2021 11 February 2021 04 March 2021 17 June 2021	Adullam Assemblies church	17:00
4.	Ward 4 Cllr. Williams Lime acers	19 February 2021 15 March 2021 16 November 2021	Shalaje hall	17:00

2.9 Block Meetings

Block meetings were held due covid-19 pandemic

2.9.1 IDP participation and alignment

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

COMPONENT D: CORPORATE GOVERNANCE

The national and provincial governments must by agreement assist municipalities in building the capacity of municipalities for efficient, effective and transparent financial management. They must support the efforts of municipalities to identify and resolve their financial problems. National and provincial departments and public entities must:

- In their fiscal and financial relations with the local sphere of government, promote cooperative government in accordance with Chapter 3 of the Constitution.
- Promptly meet their financial commitments towards municipalities.
- Provide timely information and assistance to municipalities to enable municipalities.
- To plan properly, including in developing and revising their integrated development plans.
- To prepare their budgets in accordance with processes set out in Chapter 4 of the Local Government Municipal Finance Management Act.
- Comply with the Public Finance Management Act, the annual Division of Revenue Act and the Intergovernmental Fiscal Relations Act, 1997.

2.10 Risk management

Section 62 of the Municipal Finance Management Act requires the Accounting Officer to take all reasonable steps to ensure that the Municipality has, and maintains, effective, efficient and transparent systems of financial and risk management, internal control, internal audit as well as the effective, efficient and economical use of the resources of the Municipality. Risk

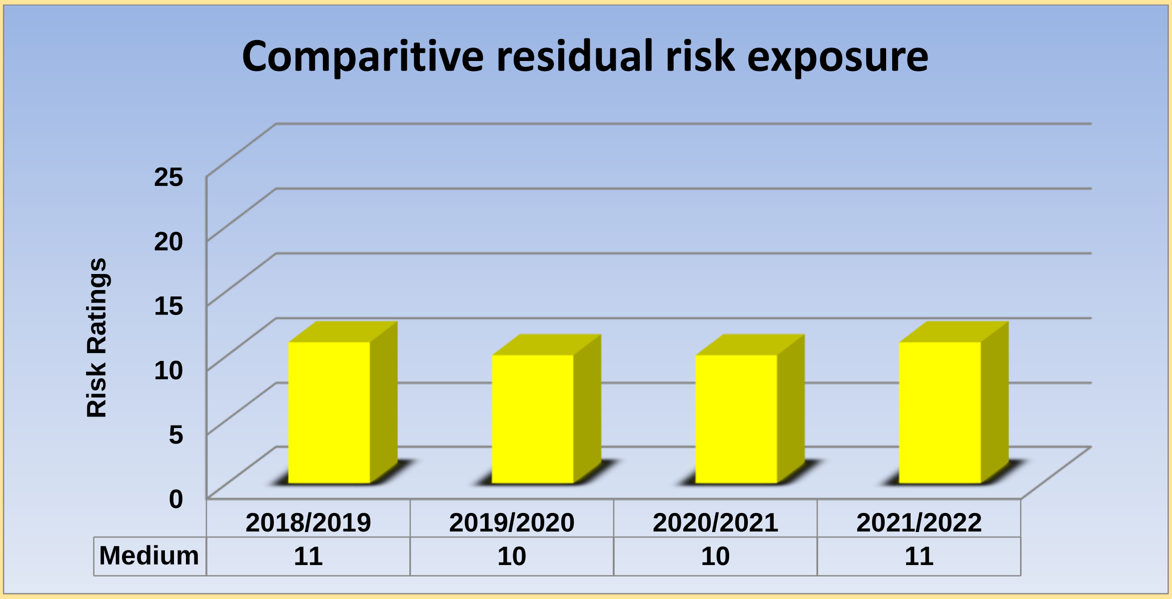
Management is a logical and systematic process of establishing the context, identifying, analyzing, evaluating, treating, monitoring and communicating risks associated with any activity, function or process, in a way that enables an organization to minimize losses and maximize opportunities. Strategic and operational risk assessment are done in quarterly basis by Management and departmental officials. The participants for operational risk assessment sessions were senior managers and extended managers and lower official where possible. The focus were on progress to date on mitigation strategies, emerging risk for the institution and the way forward to improve on what has been done.

2.10.1. The role/function of Risk Management

The risk management function within the municipal manager environment is a critical component of strategic management. Risk management must be able to influence Strategy in relation to the major risks that that the municipality is facing and must be informed by the extent of its risk exposure, be it financial, reputational or operational in nature. With the modern-day economic uncertainties that directly and indirectly impact on the municipality's own business environment, risk management plays a crucial role in the identifying both risks and opportunities that are present and to take a strategic position in minimizing the said risks and maximizing present opportunities for the benefits of the Kgatelopele Local Municipality.

The role of the Risk Management unit is to provide the municipality with the expertise and support for institutionalizing ERM and thereby embedding a risk intelligent culture.
Furthermore, the graph below depicts the comparative residual risk exposure between the previous and current financial year:

Figure 1: Comparative residual risk exposure



As indicated in graph the residual risk exposure for the municipality analyzed for every new financial years, was rated at a medium level, rating 11 for the 2018/2019, at medium level for 2019/2020 and 2020/2021, rating at 10 respectively. Currently the risk exposure is at medium level, rating 11 for 2021/2022 financial year. This indicates that the controls environment and the maturity level of the municipality has regress and has not been maintained and improved.

2.10.2 Governance

During the 2020/21 reporting period, the municipality has a functional Risk Management Unit as well as a functional Audit, Performance and Risk Management Committee which has held 4 meetings during the year. The municipality maintains the following Risk Management Policies and plan:

- Risk Management Policy;
- Risk Management Strategy ;
- Audit, Performances and Risk Committee Charter;
- Anti-Fraud and Corruption Policy;
- Occupational Health and Safety Policy;
- Standard Operating Procedures Occupational Health and Safety;
- Risk identification Process
- Risk Management Implementation Plan;
- Loss, Assets Disposal, Anti-Fraud and Corruption Committee Terms of References.

2.10.3. Risk assessment

It is a fact that municipalities do not operate in a risk-free-environment. The main purpose of the risk assessment is therefore to help the municipality to identify and prioritize risks that will impede attainment of goals and objectives.

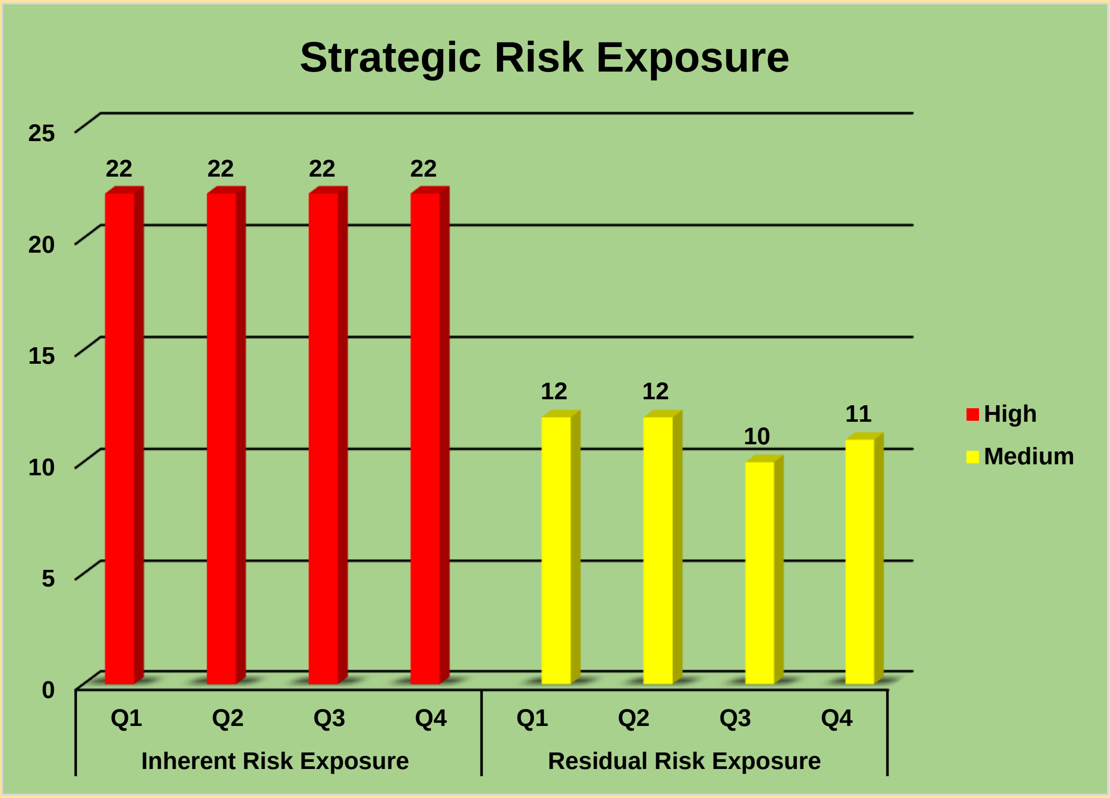
The municipality maintains a Strategic Risk Register, departmental Operational Risk Register, Mscoa as well as COVID-19 risk register. In total, 119 risks operational have been reviewed for all quarters this includes both IT, COVID-19 risks and Fraud risks, 14 strategic risk under the year review.

Based on the risk ratings, risks have been prioritized as follows:

Risk ranking	Risk priority
1 – 7	Low
8 – 14	Medium
15 – 25	High

Strategic Risk Profile for the period 2020/21

Figure 2: Strategic Risk Exposure



As per the risk assessment, Kgatelopele Local Municipality was rated as a Medium risk instutition which implies that the risk profile is at a moderate level.

The strategic risk before controls for quarter 1,2,3 and q4 was rated at an average of 22 respectively , which is a high priority, whereas after controls was rated at an average of 12,12,10 and 11 for quarter 2 -4, respectively, which is at a moderate level. The average rate for residual risk has increase in quarter 4, which implies that the internal controls have not being maintained.

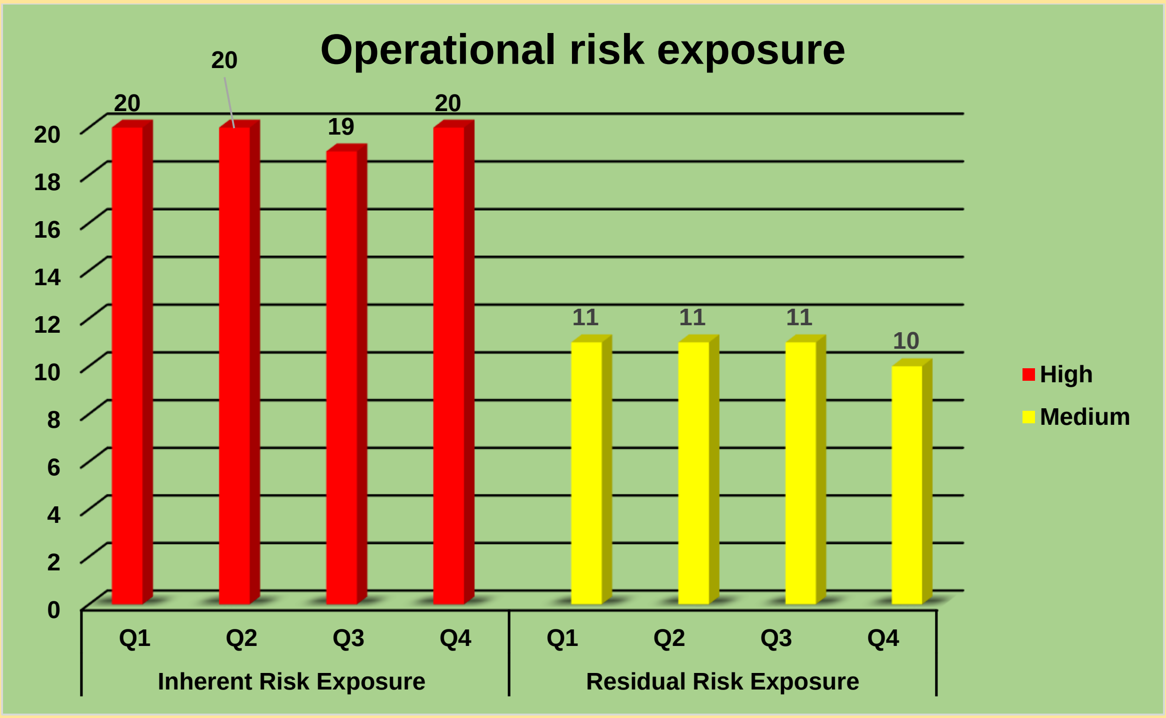
Even if the controls are not yet tested for effectiveness it is important that the Management monitors the current controls and ensure implemantation of the agreed management actions. Furthermore, at the residual risk exposure, the following are top institution priority risks that we would recommend the Municipality to take note of without necessarily implying that other risks falling outside the tolerance level need not attention:

- Material misstatements in the Annual Financial Statements
- Late payments of creditors
- Incorrect billing increasing the loss of revenue
- Municipality may not continue after disruption or disaster
- Inadequate IT infrastructure
- Insufficient adherence to Occupational Health and Safety Act & Inadequate Fire and Rescue Service
- Inadequate implementation of Performance Management System for employees other than Senior Managers
- Projects may not be completed as stipulated in Municipal Integrated Development Plan (IDP)
- Accountability over IT
- Dolomitic status of the municipality
- Delays in handling of community complains

The above Strategic risks have the potential to undermine the effective, efficient and economical achievement of municipal strategic objectives; including the potential to miss out on opportunities to effectively, efficiently and economically optimize when pursuing municipal strategic objectives.

Operational Risk Profile for the period 2020/21

Figure 3: Operational Risk Exposure



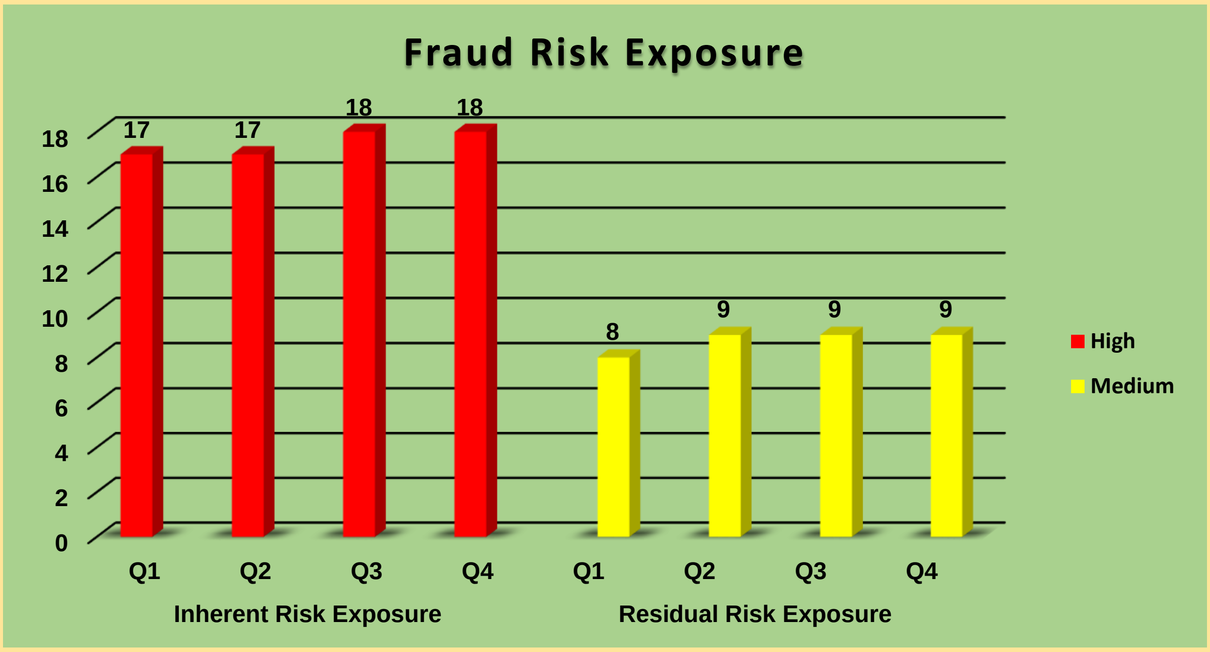
institution which implies that the risk profile is at a moderate level. The overall operational risk before controls was rated at an average of 20,20,19,20 for q1 – q4 which is a high priority, whereas overall operational risks after controls was rated at an average of 11,11,11,10 for quarter 1 - 4 which is at a moderate level. In light of this, the municipality is unlikely to achieve its service delivery objectives effectively.

Management needs to ensure actions to improve the management of risk are rigorously monitored and reported to the relevant structures. Even if the controls are not yet tested for effectiveness it is important that the Management monitors the current controls and ensure implementation of the agreed management action. Below are the top 10 operational risks:

- Insufficient reliable information for KPI verification
- Over/under payment of service providers and staff
- Lack of stock control
- Vandalisation of solar street lights
- Under utilization of traffic services e.g. law enforcement.
- Ineffective project management
- Late approval of leaves.
- Critical vacant positions not timeously filled
- Logical and Malware attack
- Collusion/Difference between customers' accounts issued and account data movement.

Fraud Risk Profile for the period 2020/21

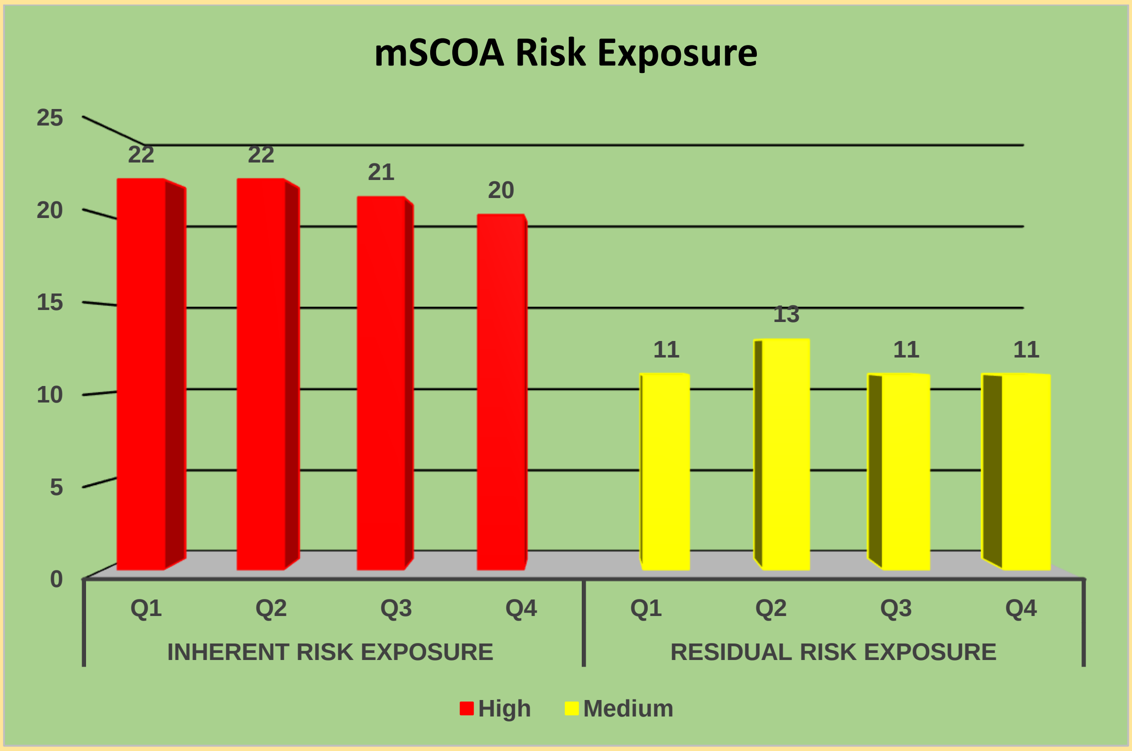
Figure 4: Fraud risk exposure



The overal fraud risk exposure was rated as a Medium risk which implies that the risk profile is at a moderate level. The overall risk before controls for all quarters was rated at an average of 17,17,18 and 18, respectiverly , which is a high priority, whereas overall risks after controls was rated at an average of 8,9,9,9 for all quarters,respectively, which is at a moderate level.
The following are top fraud risk:
Theft of assets

- Collusion between supplier and SCM officials
- Collusion/Difference between customers’ accounts issued and account data movement.
- Staff involved in decision making may have a personal or pecuniary interest in the contract resulting in biased tender evaluation
- Hacking of ICT system
- Illegal connection of electricity
- Payments above approved entitlements

Mscoa Risk Profile for the period 2020/21



The municipality is currently implementing to a new financial system. As part of the National Treasury regulations, the municipality has to develop an mSCOA risk register. 14 risks have identified for the project.
The overall risk before controls for Q1- Q4 was rated at an average of 22,22,21,20 respectively ,which is a high priority, whereas overall risks after controls was rated at an average of 11,1311,11 respectively which is at a moderate level. With all actions in place and implemented, the municipality will be able to implement project successfully.
The following are top mSCOA risks:

- Poor ICT infrastructure: Lack of technical Capacity and unapproved Disaster Recovery Plan and Business Continuity Plan.
- Incompatible ICT Infrastructure: Core financial management and subsystems might fail to operate optimally due to incompatible ICT infrastructure.
- Insufficient Communication of mSCOA Benefits: Lack of or insufficient communication and articulation of business benefits to municipal employees and other stakeholders will increase a risk of not achieving the expected Mscoa project outcomes.

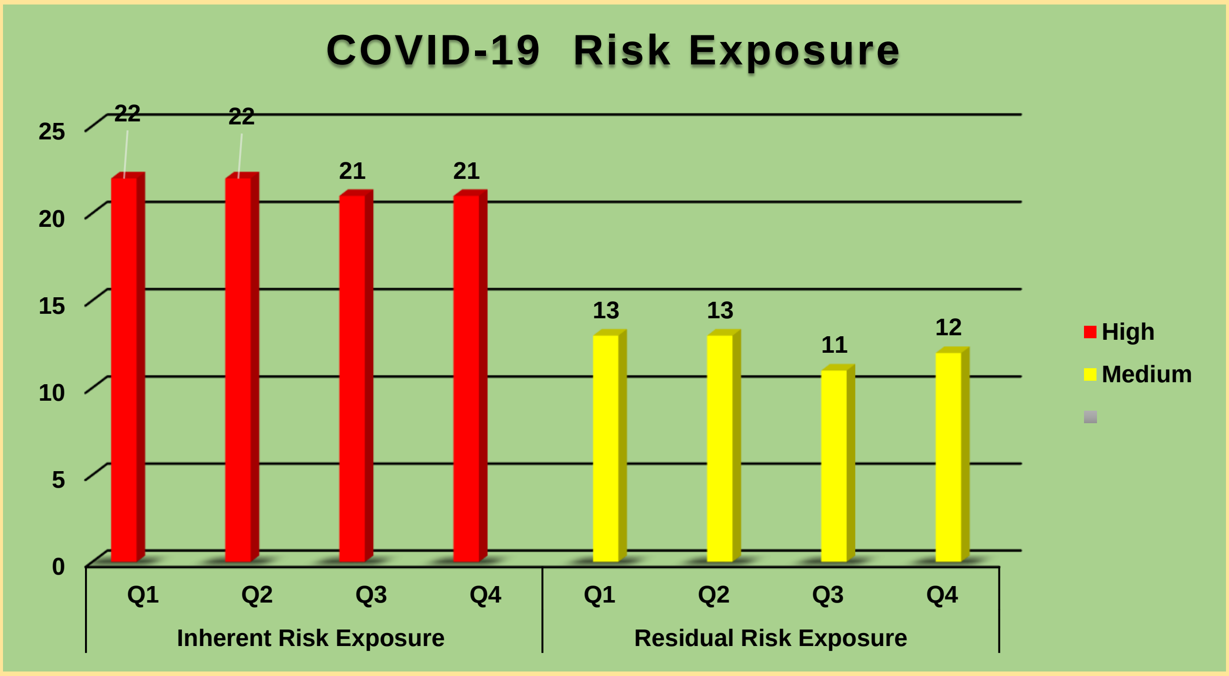
- Insufficient project funding: Budgetary provisions are not necessarily appropriate to meet service delivery demands and delay of project
- Non-compliance to mSCOA regulations: Exclusion of mSCOA project from the municipal audit action plan may result in the municipality not paying adequate attention to mSCOA compliance and implementation matters, resulting in an adverse audit opinion.
- Scope creep: Poor clearly defined project specifications.
- Financial Management System not functional as intended: Inability of system vendor to develop applications conforming to the technical specifications of mSCOA
- Lack of resources for the implementation of mSCOA: Capacity and cash flow constraints.
- Slow computer network: Insufficient network capacity and budget
- mSCOA Project Governance structure not commissioned: Lack of strategic direction for the project

COVID-19

On the 15th March 2020, President Ramaphosa's declared COVID-19 pandemic National State of Disaster. COVID -19 will undoubtedly impact on the public service in various ways. Prior to commencing operations, employers are directed to undertake a risk assessment to give effect to the health and safety directives issued by the government and the specific conditions of workplaces. This includes identifying all areas within the workplace that are a transmission risk for Covid-19.

All COVID-19 health and safety protocols are followed at all times. An employer by law must protect all employees and others from harm. The municipality as the employer has made sure that it provides every employee with a cloth face mask, homemade item, or another appropriate item that covers the nose and mouth, when in the workplace. Draft Occupational Health and Safety COVID-19 Standard Operating Procedures (OHSC-19SOPs) has being developed and approved. OHSC-19SOPs will provide standard requirements and protocol to as far as reasonable possible mitigate and control COVID-19 spread in the municipality.

COVID-19 Risk Profile for the period 2020/21
Figure 5: COVID-19 Risk Exposure



Prior to commencing operations, employers are directed to undertake a risk assessment to give effect to the health and safety directives issued by the government and the specific conditions of workplaces. This includes identifying all areas within the workplace that are a transmission risk for Covid-19. As per the risk assessment review, the COVID-19 risk exposure was rated as a Medium risk which implies that the risk profile is at a moderate level.

The overall risk before controls for q1 – q4 were rated at an average of 22,22,21, 21 respectively, which is a high priority, whereas overall risks after controls was rated at an average of 13,13,11,12 respectively for q1 - q4, resulting in slightly increase in q4, which is at a moderate level.

.

The following are KLM top COVID-19 risks:

Macroeconomic Conditions: closing down of the economy can weaken consumer spending, consequently leading to loss of revenue

Supply Chain Management: unavailability of spares and consumables to carry out required maintenance and upgrades.

Health: non adherence to Disaster management act, 2002 regulations issued in terms of section 27(2) of the disaster management act, 2002 and OHSA 85 of 1993 and regulations

Fraud & Corruption: false issuing of permits to staff not for work purpose

Capital Infrastructure Projects: delays in completing projects on time that leads to increased costs.

In order to mitigate transmission and the spread of the COVID-19, the following is recommended:

KLM website should be linked to COVID-19 Corona Virus South African Resource Portal to further intensify awareness.

All the official notices should be publish on the website to minimise cyber risk.

Management to ensure its facilities are disinfected.

Refurbishment of ablution facilities.

The Management needs to ensure that guidelines, regulations and internal controls put in place are adhere to by all employees and provide resources needed. Further educate employees.

Overall, Risk assessment is key to the municipalities' improvement on the control environment. The municipality need obtain sufficient evidence that risks are being managed even though the risk assessment process itself did not meet all the requirements. The risk assessment is important though because without it there is a danger that significant issues may be overlooked.

The municipality needs to ensure that monitoring of internal controls is performed to provide necessary support for management and others who are charged with governance, to be confident that internal controls are operating as intended at any point in time.

2.10.4. Monitoring and review

The municipality has in terms of the approved Risk Management Implementation Plan (RMIP) achieved all targets. The municipality achieved a Risk Maturity **Score of 2.93/3.00** with the following matters remaining outstanding.Defining the Risk Appetite and Tolerance Levels (Currently defined in the Strategy in terms of the risk rating criteria. Management has developed risk responses and mitigating action plans. Risk management has been incorporated into all staff and management meetings. The Internal Audit unit perform quarterly review on the implementation of management action plans.

2.10.5. Anti-corruption and Fraud Policy

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1) (m)(i) identifies supply chain measures to be enforced to combat fraud and corruption, favoritism and unfair and irregular practices. Section 115(1) of the MFMA states that the Accounting Officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud. The Anti-Fraud and Corruption Policy was developed and it outlines the municipality's commitment to the reduction and possible eradication to fraud and misconduct. The policy is established to facilitate the development of controls which will assist in the prevention and detection of fraud and corruption as well as to provide guidelines as to how instances of fraud and corruption could be identified and gives effect to various legislative instruments.

Legislative instruments include various acts such as the Constitution, Protected Disclosure Act, Prevention and Combating of Corrupt Activities, MFMA, Municipal Systems Act and Schedule 1 and 2 of the Municipal Systems Act. The policy sets out a stance with regard to fraud and corruption as well reinforcing existing legislation aimed at preventing, reacting and reducing the impact of fraud and corruption. The policy was successfully work shopped with the municipal staff members. All employees were also required to declare under oath their direct and indirect business interests. The principle is for employees to abide by the principles of local government and foster an environment, where all employees and councilors shall strive for the ultimate eradication of fraud, corruption, theft and maladministration by means of the application of the full spectrum of both pro-active and re-active measures at their disposal.

Consistent with such an Act, the municipality has the responsibility to take reasonable steps to ensure that “whistle Blowers” who disclose such information are protected from any reprisals as a result of such disclosure.

2.10.5 Anti-corruption and Fraud Policy

The primary objective of the Policy is to prevent fraudulent conduct before it occurs by encouraging a culture within the municipality where all employees, members of the public and other stakeholders continuously behave with and promote integrity in their dealings with or on behalf of the municipality. Fraud represents a significant potential risk to the municipality’s assets and reputation. Fraud represents a significant potential risk to the municipality’s assets and reputation. The principle of the strategy is for employees to abide by the principles of local government. The policy also aims to develop and foster an environment, where all employees and councilors shall strive for the ultimate eradication of fraud, corruption, theft and maladministration by means of the application of the full spectrum of both pro-active and reactive measures at their disposal.
Consistent with such an Act, the municipality has the responsibility to take reasonable steps to ensure that “whistle Blowers” who disclose such information are protected from any reprisals as a result of such disclosure.

2.10.5.1. Whistle blowing Act

The whistle blowing act further-more aims to provide avenues for staff to raise concerns and receive feedback on any action taken, inform staff on how to take the matter further if they are dissatisfied with the response and re-assure staff the will be protected from abuse and victimization for blowing the whistle in good faith. The policy contains detailed procedures that should be followed when employees, councilors, service providers and members of the public should they wish to report fraud and corruption allegations. The policy included Whistle Blowing Act, as it is designed to make it clear that the Kgatelopele Local Municipality is committed to fighting Fraud and Corruption whether the perpetrators are internal and external. Enforcing whistle blowing act is part of the municipality commitment towards a culture of accountability, transparency, excellence and efficiency the Protected Disclosure Act 26 of 2000 provides protection to employees who make disclosures in good faith.

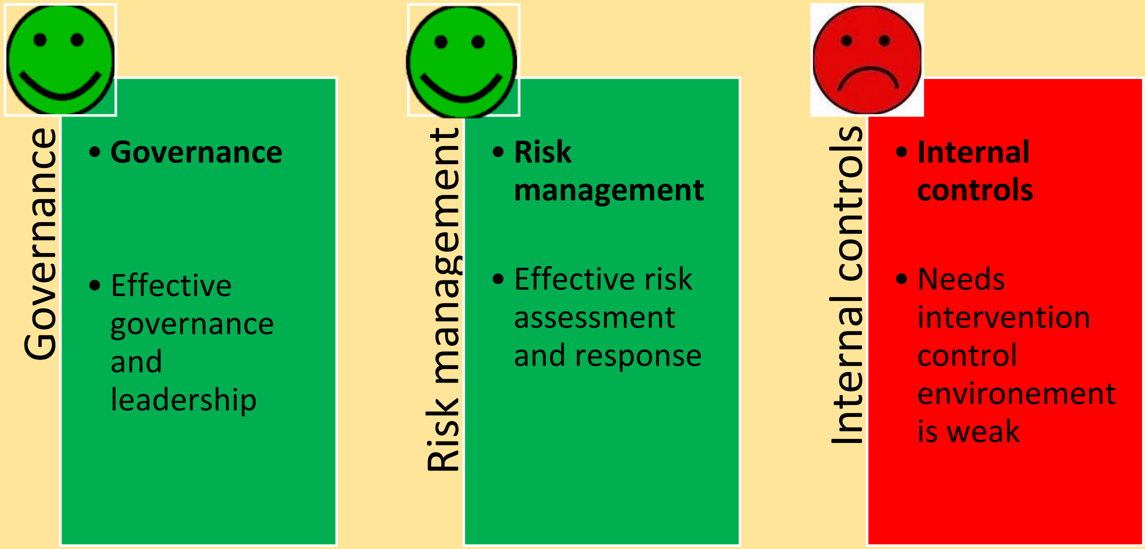
2.10.6. Loss, Assets Disposal, Anti-Fraud and Corruption

Fraud and Corruption represent a significant potential risk to the Municipality’s’ assets, service delivery efficiency and reputation. The Municipality will not tolerate corrupt or fraudulent activities, whether internal or external to the institution and will vigorously pursue and prosecute any parties which engage in such practices or attempt to do so by all legal means available.

No meetings were held in 2020-2021 financial year. Futhermore, they hasn’t been any cases reported or referred to committee.

2.11 Internal Audit

2.11.1 Executive Summary



Governance

In evaluating effective governance and leadership internal audit evaluated the Accounting Officer together with those charged with governance (Council) and senior management's processes and principles applied to maintain effective governance and leadership:

i **Demonstrate commitment to integrity and ethical values**: By setting the tone at the top, establishing code of conduct, evaluating performance against the expected standards of conduct and addressing deviation in a timely manner.

ii **Exercise oversight responsibility:** determine an oversight structure to fulfill responsibilities set forth by applicable laws through council committees as per section 79 of MFMFA and provide feedback to key stakeholders.

iii Establishes structures, reporting lines, authorities and responsibilities:

- The organizational structure is reviewed annually to ensure that it enables the Municipality to achieve its service delivery objectives and address related risks.
- The Accounting Officer and Council evaluates Reporting lines to enable execution of authority and responsibilities within various units of municipality and flow of information to manage the operational activities of the municipality
- There is an approved system of delegation and Accounting Officer delegates authority to key roles throughout the municipality

iv **Demonstrates a commitment to Competence:**

- Establishes policies and practices that reflect expectations of competence necessary to support the achievement of service delivery objectives.
- Management provides the mentoring and training needed to attract, develop, and retain employees to support achievement of objectives.
- Plans and prepares for succession – Management develops contingency plans for assignments of responsibility important for internal control.

v **Enforces Accountability**: Management establishes performance expectations through review of Service Delivery Budget Implementation Plan (SDBIP). Key performance Indicators (KPIs) are developed against the SMART principles to ensure that municipality is able to achieve its service delivery objectives. The is effective reporting on KPIs , management reports to Audit Performance and Risk Committee and reports are tabled to Council on a quarterly basis.

Risk management

We evaluated the risk management process through the four principles relating to periodic risk assessment.

I. **Management specifies objectives and risk tolerance**: with sufficient clarity to enable the identification and assessment of risks relating to its objectives. They consider external and internal risks factors and expectations when defining objectives.

II. **Management identifies and analyses risks:**

- Management consider changes within the municipality's internal environment risk factors, such as complex nature of service delivery objectives, the organizational structure, or the use of new technology in operational processes. They also consider external environment risk factors such as new or amended laws, regulations, or professional standards; economic instability; or potential natural disasters and uses that as a basis for determining how the risks should be managed.
- Analyzes risks- management analyzes identified risks to estimate their significance, which provides a basis for responding to the risks.
- Manages risk- management manage risk through risk acceptance, risk avoidance, risk reduction or risk Sharing measures according to the risk tolerance level.

III. **Assess Fraud Risk**

- **Management considers the potential for fraud** in assessing risks to the achievement of its objectives, such as fraudulent financial reporting, theft and misappropriation of assets and corruption.
- Considers fraud risk factors - such as the absence of controls, and or ineffective controls.
- Considers fraud risk factors -management analyzes and responds to fraud risks.

Management identifies, analyses, **and responds to changes that could significantly impact objectives**, because changing conditions may prompt new risks or changes to existing risks, management analyzes and responds to identified changes that could significantly impact its system of internal control in order to maintain its effectiveness. This has been evident through the declaration of Nation disaster due to world pandemic COVID-19. Management responded to the COVID-19 risk to ensure that municipality will still be able to achieve its service delivery objectives.

<u>Internal controls</u>

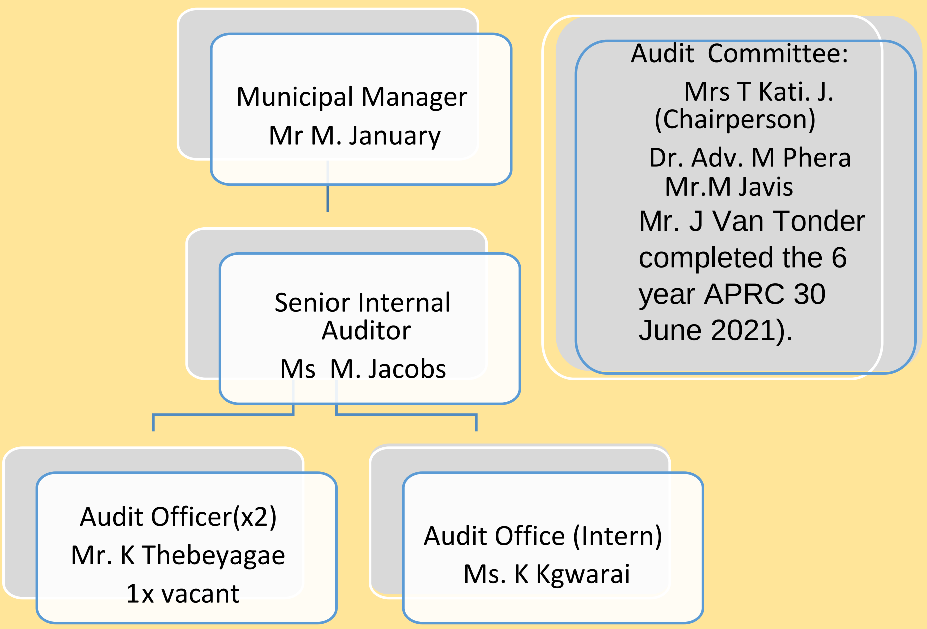
In evaluating internal controls focal point was to assess management's implementation of reconciliation procedures to enhance accuracy of financial information.

i There is SAMRAS system in place to record transection however failure to consistently produce credible reports was identified. The process to migrate to a new financial system is in progress.

ii Periodic reconciliations in accounting systems is not performed leading to incorrect closing procedures.

iii Non-compliance with Municipal Finance Management Act, there annual financial statements were not fairly presented, in reference to audit outcome.

2.11.2 Internal audit unit staff composition



The internal audit unit is staffed by a Senior Internal Auditor who executes the role of Chief Audit Executive supported by one Audit Officer and one Intern. As at the 30 June 2021 these staff members were as follows:

- Ms. M Jacobs - Senior Internal Auditor
- Mr. K Thebeyagae - Audit Officer
- Ms. K Kgwarai - Internal Audit Intern

2.11.3 Portfolio committees: Audit, Performance and Risk committee

Committee Structure and Assessment

The committee complied with the MFMA requirement that committee should consist of at least three members who are independent external members.

Figure 2.11.3.1 Table of members of the audit committee:

Name of member	Date of Appointment	Comment/Comments
Mrs. T Kati	19 August 2019	Chairperson
Adv Dr. M Phera	19 August 2019	Member
Mr. M Jarvis	19 August 2019	Member
Mr. Johan van Tonder	01 July 2017	Member

The Chairperson of the Committee should assess the performance of individual committee members, and the Council should evaluate the committee's chairperson, based on several factors. These include;

- Expertise;
- Inquiring attitude;
- Objectivity and Independence;
- Judgment;
- Understanding of the public Sector Business;
- Willingness to devote the time needed to prepare for and participate in committee deliberations;
- Timely Responses;
- Attendance of meetings.

Overall, the chairperson is satisfied that the members have displayed sufficiently thorough behavior and attitude that the expectations set on the in the APRC Charter have been adhered to.

MFMA Section 166 duties to regularly hold meetings.

Internal audit provides secretariat functions to the Audit Performance Risk Committee to ensure that committee complies with its mandate as stipulated in MFMA act 56 of 2003.The committee has complied with the requirement to regularly hold meeting at least four times a year to evaluate the municipality and advice council on matters evaluated.

Figure 2.11.3.2 Table of audit committee meeting attendance

Meeting dates	Member Name	Number of meetings attended	Comments
21 October 2020 10 December 2020 04 February 2021 21 April 2021 22 June 2021	Mrs. T Kati	5	100% -attended 5 of the 5 meetings scheduled.
	Adv Dr. M Phera	4	80% -attended 4 of the 4 meetings scheduled. (appointed after 30 August)
	Mr. M Jarvis	3	60% -attended 4 of the 5 meetings scheduled.
	Mr. Johan van Tonder	5	100% -attended 5 of the 5 meetings scheduled.

2.11.4. Evaluation of the financial statements

The financial information reviewed during the year indicated that the municipality is under severe financial difficulty and need urgent financial turnaround. The 2020/2021 financial statements were compiled internally and consultants were appointed to assist with the review process. This was done to ensure annual financial statements are prepared according to the applicable Accounting Reporting Framework (Generally Recognized Accounting Practice). The draft annual financial statements were presented in the 15 October 2020 committee meeting. The committee reviewed the draft annual financial statements and noted the following. Kgatelopele Local Municipality adhered to the revised legislated submission deadline of 31 October 2020.

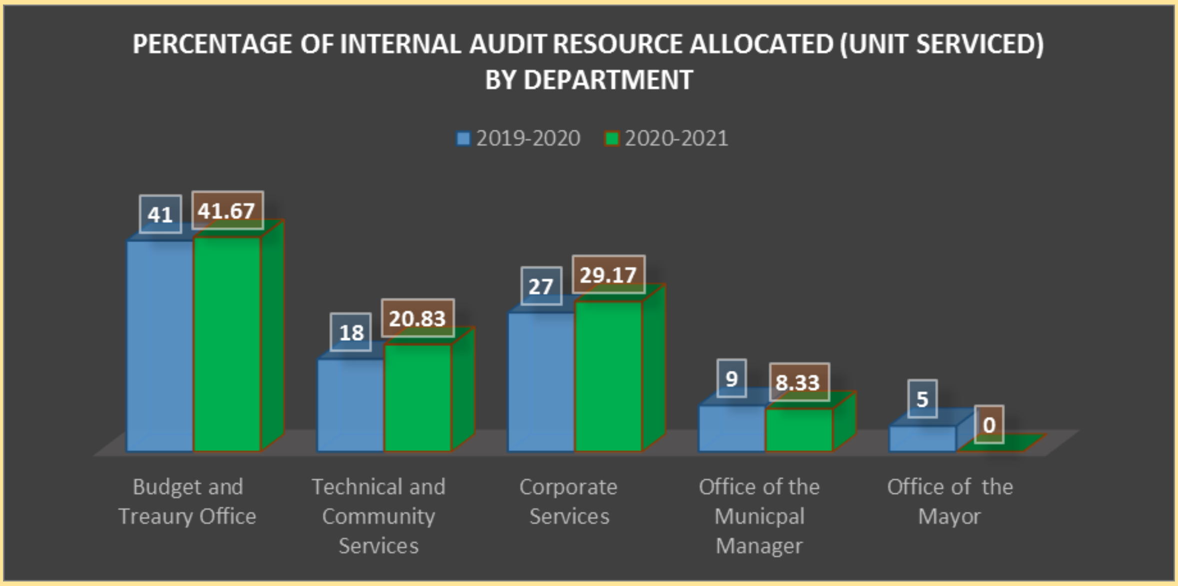
2.11.5 Activities of Internal Audit

The Audit, Performance and Risk committee is satisfied that the internal audit unit performed its activities in accordance with the approved internal audit charter and internal audit operational plan for the financial year and Section 165 as per the MFMA. Quarterly internal audit reports reflecting the progress were adopted at the meetings held during the year and the committee is satisfied with the performance of the internal audit.

PERFORMANCE OF INTERNAL AUDIT: METRICS

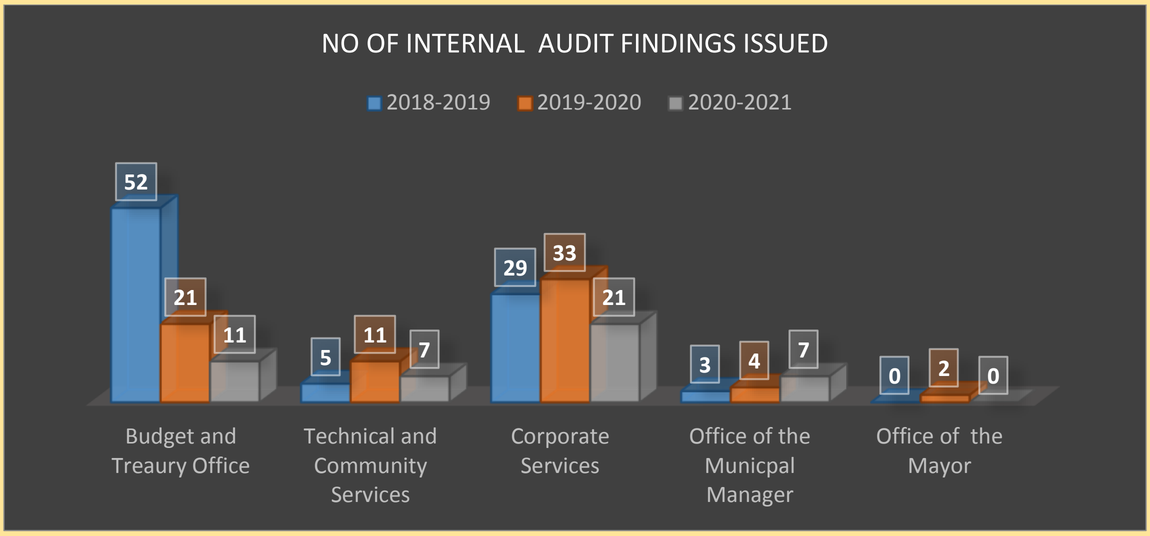
Internal audit uses several metrics to measure our performance, to ensure we improve and remain relevant.

Percentage of internal audit resource allocated to each unit serviced



The internal audit follows a risk-based audit approach and thus allocate the resource to units where high risk on internal control breakdown and high internal control deficiencies were identified. 41.67% of our resource and focus was on the budget and treasury office. This is consistent with prior years. We allocated 29.17% in Corporate services ,18% to the technical and community service department and 9%to the office of the municipal manager. Technical and community service department is the service delivery department which I the core for local municipality. Internal audit is of the view that more focus should be directed towards enhancing controls in service delivery unit rather than in support units (administration). This can be achieved internal controls and risks is reduced in the high risks units.

No of issues raised per unit serviced



Budget and Treasury Office:

In efforts to strengthen the implementation of effective internal controls 11 finding and recommendations were raised for the 2020-2021 financial year in comparison with the 21,52 recommendations raised in the 2019-2020 and 2018-2019 respectively. The significant decrease should not be viewed as a sign of improvement as it is due to limitation of scope and the control deficiencies still exist.

Corporate Services: 21 findings and recommendations were raised for the 2020-2021 financial year in comparison with the 21and 29 recommendations raised in 2019-2020 and 2018-2019 respectively. Fleet Management remain the highest in findings.

Technical and Community Services: 7 findings and recommendations were raised for the 2020-2021 financial year in comparison with the 11 and 5 recommendations raised in 2019-2020 and 2018-2019 respectively year.

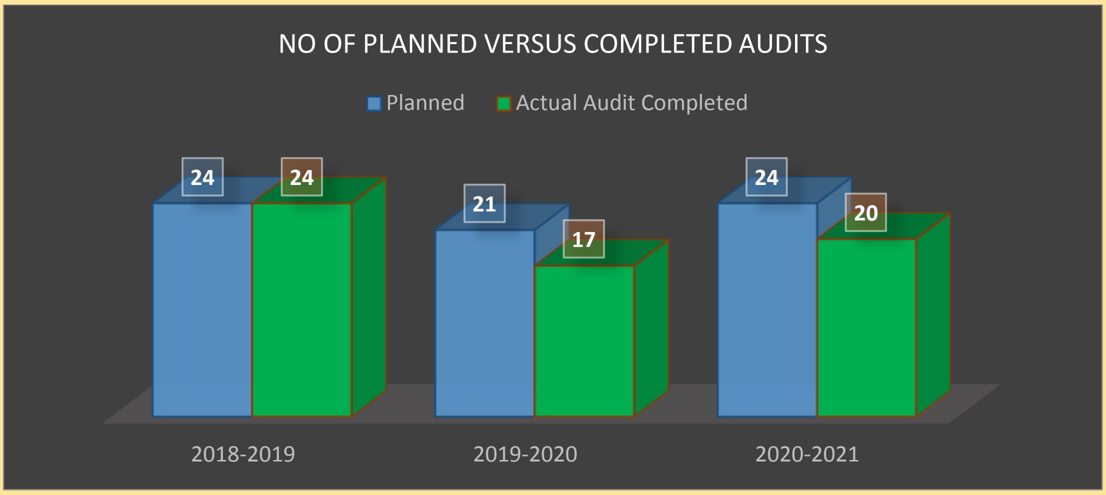
Office of the Municipal Manager: 7 findings and recommendations were raised for the 2020-2021 financial year in comparison with the 4,3 raised in 2019-2020 and 2018-2019 respectively year. The unit is of strategic nature and performs monitoring and evaluation than operational activities therefore less finding are raised.

Office of the Mayor: We allocated 5% of our resources to enhance oversight in the office of the mayor. Efforts were directed to the MPAC Committee for consultations with committee to ensure the correct investigation methodologies are applied for section 32 expenditure.

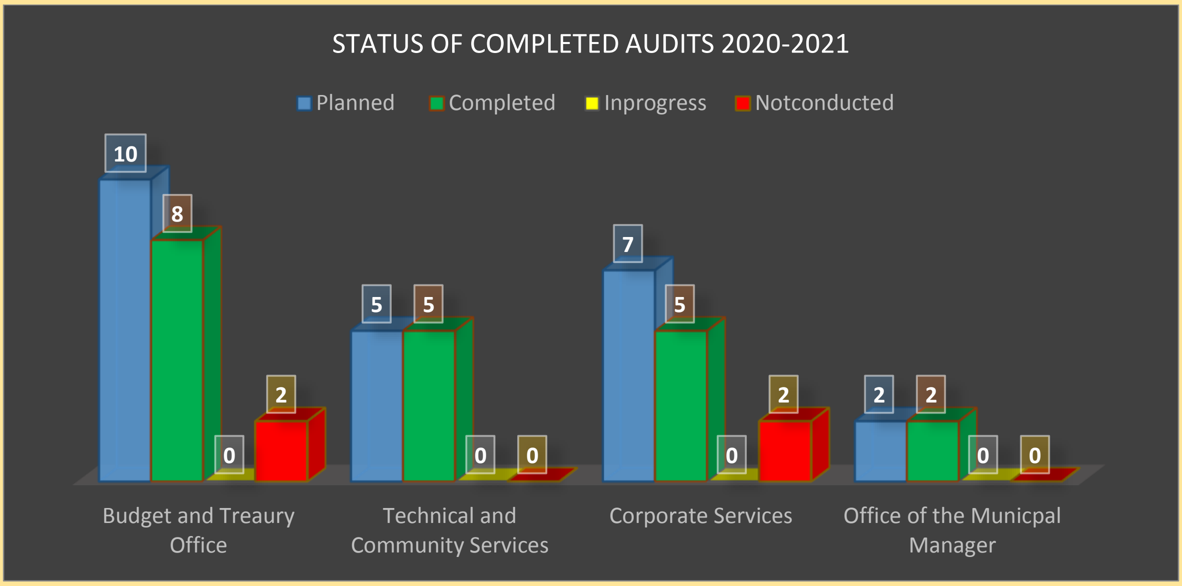
Statistical information: Internal audits conducted against the annual operational plan

The internal audit activities are conducted based on the annual operational plan derived from approved internal audit charter and a three-year strategic plan.

Comparative Internal Audits Completion Status



Status of completion of internal audit executed against the annual operational plan



The Internal audit executed audits according to the annual operational plan audit with the exception of the following audits: Supply Chain and Contract Management Payroll; MSCOA and Information Technology. The audits were not conducted due covid-19 related challenges which affected optimal functionality of the unit.

Below is a table that reflects the types of audits conducted and control outcomes. The inadequate internal control may derail the municipality from achieving its service delivery objectives

Unit serviced	Audit Area	Type of service	Control outcome
Technical and Community Service	Integrated Service delivery audit KPA 1	Assurance	😐 **Moderate**
	Project Management	Assurance	😐 **Moderate**
	Traffic	Consulting	☹ **Weak**
	Library	Assurance	😐 **Moderate**
	MIG Grant Compliance	Consulting	😐 **Moderate**
Corporate Services	Customer Care	Assurance	😐 **Moderate**
	Human resource management	Assurance	😐 **Moderate**
	Information audit	Not Conducted	Not Applicable
	Occupational health and Safety	Consulting	😐 **Moderate**
	Fraud Prevention	Not Conducted	Not Applicable
	Fleet management	Assurance	☹ **Weak**
	Records Management	Assurance	☹ **Weak**
Budget and Treasury Office	Payroll and third-party audit	Not Conducted	Not Applicable
	Budget and Grant management	Assurance	☺ Strong
	Revenue Management	Assurance	☹ **Weak**
	Supply Chain and contract management	Not Conducted	Not Applicable
	Asset and Inventory management	Assurance	☹ **Weak**
	Expenditure management: Suppliers & compliance	Assurance	☹ **Weak**
	Review of Implementation of Audit Action Plan	Consulting	😐 **Moderate**
	AFS review before submission to the auditor general 31 August 2019	Consulting	☹ **Weak**
	Financial system Change	Consulting	😐 **Moderate**
	Bank reconciliation	Assurance	😐 **Moderate**
Office of the Municipal Manager	Risk Management	Assurance	😐 **Moderate**
	PMS Review/ SDBIP	Consulting	😐 **Moderate**

2.12. Supply chain management

2.12.1 Implementation of SCM process

Integrated Supply Chain Management aims to add value at each stage of the process, from demand of goods and services to their acquisitions and managing the logistics process.

2.12.2 Demand management

The procurement plan for 2020/2021 has been developed and approved by the Accounting Officer. The goods and services above R200 000.00 (vat inclusive) are procured according to the procurement plan.

2.12.3 Bids (procurement above R 200 000)

The following tables gives information on all the tender process undergone by the municipality in the 2020/2021 financial year.

REFURBISHMENT OF PUMP STATIONS IN DANIELSKUIL, KUILSVILLE AND TLHAKALATLOU PHASE 2

NO	BIDS RECEIVED	TENDER AWARDED TO	AWARDED AMOUNT
01	▪ ZALISILE MSEBENZI CIVILS & BEST ENOUGH TRADING PROJECTS ▪ PRAYSA TRADING 1094 t/a C-PAC PUMPS & VALVES ▪ LEBOGANG KATLEGO BUSINESS PROJECTS CC PESO DEALERS (PTY) LTD PLS CONSTRUCTION	▪ ZALISILE MSEBENZI CIVILS & BEST ENOUGH TRADING PROJECTS	R 6 290 567.97

REFURBISHMENT O SEWERAGE AND WATER PUMP STATIONS

NO	BIDS RECEIVED	TENDER AWARDED TO	AWARDED AMOUNT
02	▪ TARCRON PROJECTS (PTY) LTD ▪ TAANIL CONSTRUCTION (PTY) LTD	TAANIL CONSTRUCTION (PTY) LTD	R 13 950 276.17

PROVISION FOR REPAIRS AND MAINTENANCE OF SEWER AND WATER PUMPS

NO	BIDS RECIEVED	TENDER AWARDED TO	AWARDED AMOUNT
03	▪ PRAYSA TRADE 1094 t/a C-PAC PUMPS AND VALVES ▪ NEWGEN PUMPS AND VALVES (PTY) LTD ▪ CRAVEN KOENA TRADING ▪ BLACC ENGINEERING SERVICES (PTY) LTD ▪ TARCON PROJECTS (PTY) LTD ▪ CIVIL ELEMENT (PTY) LTD NADINA TRADING 551 CC t/a TRS	▪ NEWGEN PUMPS AND VALVES (PTY) LTD	R 1 248 913.80

SECURITY UPDGRADES AT THE MUNICIPAL BUILDING

NO	BIDS RECEIVED	TENDER AWARDED TO	AWARDED AMOUNT
04	MATSEKA CONSTRUCTION & PROJECTS	MATSEKA CONSTRUCTION & PROJECTS	R 782 862.50

REPLACEMENT OF HIGH MAST LIGHTNING IN KGATELOPELE

NO	BIDS RECEIVED	TENDER AWARDED TO	AWARDED AMOUNT
05	▪ PHEPHENG PROJECT MANAGEMENT AND CONSTRUCTION ▪ GKM ENGINEERING SERVICES ▪ TARCRON PROJECTS (PTY) LTD TAIHE ENERGY (PTY) LTD TRADERS	▪ PHEPHENG PROJECT MANAGEMENT AND CONSTRUCTION	R 2 442 083.77

REVIEW PF ANNUAL FINANCIAL STATEMENT (AFS)

NO	BIDS RECEIVED	TENDER AWARDED TO	AWARDED AMOUNT

06	▪ MUBESKO AFRICA ▪ IMANI BUSINESS ADVISORY SERVICES ▪ JBN AND ASSOCIATES INC ▪ CCG SYSTEMS ▪ MAINE MANAGEMENT AND CHARTERED ACCOUNTANTS ▪ MORAR INCORPORATED ▪ FIXED ASSETS MANAGEMENT UNITY (PTY) LTD ▪ SHUMBA INC EMS SOLUTIONS (PTY) LTD	▪ CCG SYSTEMS	R 903 900.00

COMPILATION OF GRAP COMPLIANT ASSETS REGISTER

NO	BIDS RECIEVED	TENDER AWARDED TO	AWARDED AMOUNT
07	▪ AUDIT & RISK MANAGEMENT SOLUTION (PTY) LTD ▪ CCG SYSTEM (PTY) LTD ▪ SDM ASSETS MANAGEMENT & CONSULTATION ▪ MUBESKO AFRICA ▪ JAJI ADVISORY ▪ MORAR INCORPORATED ▪ SMEC SOUTH AFRICA (PTY) LTD ▪ SHUMBA INC ▪ AFROCENTRIC IP ▪ INFRATEC CONSULTING (PTY) LTD ▪ TOTAL GEO-SPATIAL INFORMATION SOLUTION(TGIS) ▪ EAGILWE PROPERTY CONSULTING AND ASSETS ▪ EMS SOLUTION (PTY) LTD MNB CHARTED ACCOUNTANTS	▪ INFRATEC CONSULTING (PTY) LTD	R 4 124 130.00

CONSTRUCTION OF A SPORTS FACILITY: DANIELSKUIL

NO	BIDS RECIEVED	TENDER AWARDED TO	AWARDED AMOUNT
08	▪ DOUBLE RING TRADING 356 ▪ TARCRON PROJECTS (PTY) LTD ▪ ZALISILE MSEBENZI CIVIL ▪ CASNAN CIVILS ▪ ETERNITY STAR INVESTMENT (PTY) LTD ▪ TAANIL CONSTRUCTION (PTY) LTD BOPHELONG CONSTRUCTION (PTY) LTD	▪ ZALISILE MSEBENZI CIVIL	R 11 365 611.35

UPGRADING OF STREET IN THE GREATER DANIELSKUIL AREA

NO	BIDS RECIEVED	TENDER AWARDED TO	AWARDED AMOUNT
09	▪ BOPHELONG CONSTRUCTION ▪ ETERNITY STAR INVESTMENT 231 ▪ MAKHADO CONSTRUCTION (PTY LTD ▪ TAANIL CONSTRUCTION (PTY) LTD ▪ ZALISILE MSEBENZI CIVILS ▪ OIT-SEGODIRA GENERAL TRADING TARCRON PROJECT (PTY) LTD	▪ MAKHADO CONSTRUCTION (PTY LTD	R 11 651 801.15

DANILSKUIL: KUILSVILLE: ERADICATION OF CONSERVANCY TANKS THROGH THE CONSTRUCTION OF HDPE SEWER NETWORK

NO	BIDS RECIEVED	TENDER AWARDED TO	AWARDED AMOUNT
10	▪ BOPHELONG CONSTRUCTION ▪ ETERNITY STAR INVESTMENT 231 ▪ CASNAN CIVILS CC ▪ TAANIL CONSTRUCTION (PTY) LTD ▪ WHITE HACY BUILDING CONS(PTY) LTD ▪ OIT-SEGODIRA GENERAL TRADING ▪ TARCRON PROJECT (PTY) LTD	▪ OITSEGODIRA GENERAL TRADING (PTY) LTD	R 13 638 727.54

SUPPLY, DELIVERY OF ELECTRICAL STORE ITEMS AND INSTALLTION OF ELECTRICAL TRANSFORMERS AND OTHER RELATED WORKS			
NO	**BIDS RECIEVED**	**TENDER AWARDED TO**	**AWARDED AMOUNT**
11	▪ PHEPHENG PROJECT MANAGEMENT & CONSTRUCTION ▪ TRANSFIX TRANSFORMERS SA ▪ NEWGEN PUMPS & VALVES ▪ TVW ELETRICAL & TECHNICAL SOLUTIONS ▪ PRAYSA TRADE 1094 CC t/a C-PAC PUMPS AND VALVES ▪ NADINA TRADING 551 CC t/a TRS ▪ SIVTECH ENGINEERING CC ▪ DANIELSKUIL ELECTRICAL (PTY) LTD t/a POWER SOLUTION ▪ BLACC ENGINEERING SERVICES(PTY) LTD ▪ OITSIGODIRA GENERAL TRADING CC	▪ SIVTECH ENGINEERING CC	R 2 093 500.00

	▪ MKZ GENERAL PTY LTD ▪ TARCRON PROJECTS (PTY) LTD ▪ CONLOG (PTY) LTD ▪ GKM ENGINEERING SERVICES ▪ RIBO FACILITATION T/A BORICON ▪ OWAMAJOLA TRADING ENTERPRISES		

2.12.4 IRREGULAR EXPENDITURE

PERIOD	AMOUNT
July 2020 to June 2021	R 2 293 497,28

2.13 Contracts management

- Contracts Register is updated on a quarterly basis, and finalization is done at the end of each financial year.

2.14 Compliance and reporting

Insufficient supporting documents from the bidders the unit has been experiencing the issue of service providers who are reluctant to register on the National Treasury's Central Supplier Database (CSD), and also the slow internet when the SCM Unit is helping local suppliers to register on the CSD. Order printers that are not functioning, recommends the purchase of new order printer. Lack of complying with SCM processes by other units and recommends that all procurement should be centralized to the SCM Unit.

Order Processing

To be done at least 3 days so that SCM can be afforded the time and space to attend to other daily office operations such as reports, bookings, sourcing quotations etc. Officials come daily with isolated individual requests with expectation of the SCM officials to stop execution of service to attend to their issues. This clashes with our flow of work and results in pile-ups and disagreements between employees.

Records management

All Tender documents and Quotation documents are stored in the lockable filing cabinet. The Register has been implemented for all the documents that were issued.

SCM information on website

Reports on SCM and bid invitations were also available on the municipality's official website at www.kgatelopele.gov.za. Challenges were being experience during the year on the issue of the website being down and as a result not all the information pertaining to SCM was uploaded. The administration is currently looking at resolving the matter by training and capacity building initiatives.

2.15. Risk management

The following is the main risk as per the risk register:

- Manipulation in terms of sourcing of quotations (Operational Risk)
- No rotation of suppliers in the database (Fraud Risk)
- Theft of petrol due to lack of monitoring (Fraud Risk)
- Unauthorised disclosure of personal or confidential information as a result of poor record management (Fraud Risk)

All the identified risks within the SCM environment are well managed and the risk register is updated on a quarterly basis with sessions attended with risk officer. The use of suppliers registered on the national treasury's database has minimised the risk of supplier rotation. The Supply Chain Management Unit is continuously improving its process and procedures in order to ensure that Council receives its value for money in terms of Demand and Acquisition management. The Unit is committed to give assurance to the Council that all due processes will be followed and we will adhere to the legislations i.e. MFMA, SCM Regulations, and Kgatelopele Municipality's SCM Policy.

2.16. Municipal By-Laws

Bylaws are a type of law and specifically a type of legislation made by a municipal council rather than the other two spheres of government (i.e. provincial and national government). Bylaws as legislation must be distinguished from common law. Like all legislation bylaws are – made by a legislature (your municipal council) and intended to comprehensively regulate a particular situation (such as, street trading).

2.17 Websites

Kgatelopele Municipality has a website which is available and accessible to all who has internet access. The website link to access the website is www.kgatelopele.gov.za. All information about Kgatelopele Local Municipality is placed on the municipality website. For enquiries, reporting and complaints the tab "CONTACT US" can be clicked on and an email will be sent automatically to the Customer care and Reception department, Thus, the community can enter: His/her name and surname as well as email and contact number. Customer care will respond back and also capture one's enquiries. All Documents or Reports are found under the tab All Tender and Bids documents will be placed under Supply Chain Tenders as well as the municipality policies with other options/tabs as well for each department.

Kgatelopele Local Municipal website is available accessible and to all who has internet access:

- Website: www.kgatelopele.gov.za
- Email: customercare@kgatelopele.gov.za

2.18 Public satisfaction on municipal services

Public Satisfaction Municipal survey was not undertaken in the year under

2.19 All municipal oversight committees

Municipal Public Accounts Committee (MPAC) comprise of Councilors

MPAC Structure	Designation
Cllr. I Williams	Chairperson
Cllr. E Sulliman	Member
Cllr. S Edwards	Member
Cllr. R Lessing	Member

Audit Committee – comprised of independent members with certain requisite skills and competence.

Audit Committee Members

APRC Structure	Designation
Mrs Kati	Chairperson
Adv Dr. M Phera	Member
Mr. M Jarvis	Member
Mr. J Van Tonder	Member

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

COMPONENT A: TECHNICAL INFRASTRUCTURE AND COMMUNITY SERVICES

Status Quo Report and Initiatives from 1 July 2020- 30 June 2021

3.1 Water and sanitation provision

As a Water Services Authority (WSA), the Municipality has executive authority for water services within its area in terms of the prescribed legislation. This means that the Municipality is responsible for ensuring access to quality water supply and sanitation services to all its residents in Kgatelopele. Ordinarily, the WSA may carry out the functions of a water services provider itself or it may enter into a contract (service level agreement) with another water services provider to undertake this function. Currently, the Municipality only provides these services in the greater Danielskuil (Tlhakalatlou, Danielskuil town and Kuilsville) and the greater Lime Acres area which is North in, Lime Acres town and Shalej being serviced by Sedibeng Water Board.
This function is mandated by the following legislation;

- Constitution of South Africa Act No.108 of 1996
- National Water Act No. 36 of 1998 (as amended)
- Water Services Act No. 108 of 1997 (as amended)
- National Sanitation Policy, 2016
- National Water Resource Strategy
- Guidelines for Human Settlement Planning and Design Manual

During the 2020/21 financial year, the performance of the Unit was assessed on the following key performance activities;

- Sewer Blockages (Reticulation lines)
- Water Meters
- Water Quality
- Maintenance of Sewer Pump stations
- Drains

The Water Services Act entrusts the Local Municipality with ensuring the provision of affordable, efficient, effective and on-going water services to its local communities. A total number of 3033 households have access to water and sanitation services which are provided by the Municipality. The majority of households (4225) have access to piped water in their house, followed by those who have access to piped water in their yard (1262). 35 Households are still without piped water in their yards and those households in the informal settlements, however mechanisms have been put in place by providing communal taps. Through the support of the Department of Water and Sanitation, the Municipality was also able to install 15 Jojo tanks in various areas in our informal settlements. The provision of water in allowing our community to also adhere to the Covid-19 protocols was the primary focus in curbing the impact of the pandemic in our area.

Functions of the Water and Sanitation unit are to provide affordable, efficient, and effective and on- going water and sanitation services in a sustainable manner and ensuring that the quality of potable water provided to Kgatelopele residents is of an acceptable standard. It is also critical that as an Institution, water losses are monitored with the primary objective of implementing water conservation and demand management strategies and ensure maintenance and refurbishment of water and sanitation infrastructure.

3.1.1 Water Supply Source

Water is currently extracted from three boreholes and pumped into two reservoirs situated on the hill towards the Northern most side of Danielskuil. These two reservoirs are commonly described as the Old (3.5 megalitres) and New (4 megalitres) reservoirs and their combined capacity is 7.5 megalitres. The former is made of concrete and it was constructed in the early nineteen seventies (approximately 50 years old). It was sealed in 1986, and was rehabilitated in 2000 which included the installation of a Geotextile lining. The New Reservoir is made of steel and it was constructed in 2016.The Municipality supplies portable water to the community through the use of municipal boreholes. The breakdown of the existing boreholes and their status are as follows:Number of Municipal boreholes- Four (4), namely:

- Danlime 1 standby pump
- Danlime 1 main pump
- Danlime 2
- Tlhakalatlou borehole

Number of boreholes in use-2

- Danlime 1 standby pump
- Danlime 2

Reasons for non-functionality of boreholes:

- Tlhakalatlou Borehole- Vandalism
- Danlime 1 main Pump- Mechanical faults
-

Current Levels of Boreholes (As Of June 2020)

NAME OF BOREHOLE	TOTAL DEPTH OF BOREHOLE (Meters)	DIP METER LEVEL (Meters)	CURRENT WATER LEVEL (Meters)
DANLIME 1	60m	12m	42m

DANLIME 2	50m	9m	41m
TLHAKALATLOU NEW BOREHOLE	34m	13m	21m

3.1.1.2 Sanitation/Sewer services

During the 2020/21 Financial Year, the Municipality was able to complete is Sewer Bulk facility namely its Oxidation Pond System which yields approximately 1400m3 of sewer from the community as its capacity. This project was funded through the Municipal Infrastructure grant with co-funding support from the Finsch Diamond Mine. The project emanated from the need to increase the existing oxidation pond's capacity as it had already reached its full capacity. The Municipality currently has 10 Sewer Pumpstations that feed into the main line channelling the water to the existing oxidation pond. With the population of 20 000 in Kgatelopele, there are 11 000 households that are connected to water borne systems as a form of sanitation. During the 2020/21 financial year, there had been approximately 827 reported incidents of blockages in the sewer lines that have been reported. On average, this means that there had been 70 blockages per month that have been attended during the financial year.

Water meters

Kgatelopele Local Municipality currently has conventional metering as well as prepaid metering installed within its residents. During the 2020/21 financial year, the Municipality planned to implement phase 2 to install 122 prepaid meters to households that were registered as indigents and non-indigents residents. The greatest challenges of this project have been awareness to our community in terms of the benefits of such a system in order to monitor their water consumption and be able to detect water leakages as well as water losses in time. With the Dolomitic nature of Kgatelopele Local Municipality, the system will prove to be an adequate solution in terms of also mitigating against the risk of the formations of sink holes in the area.

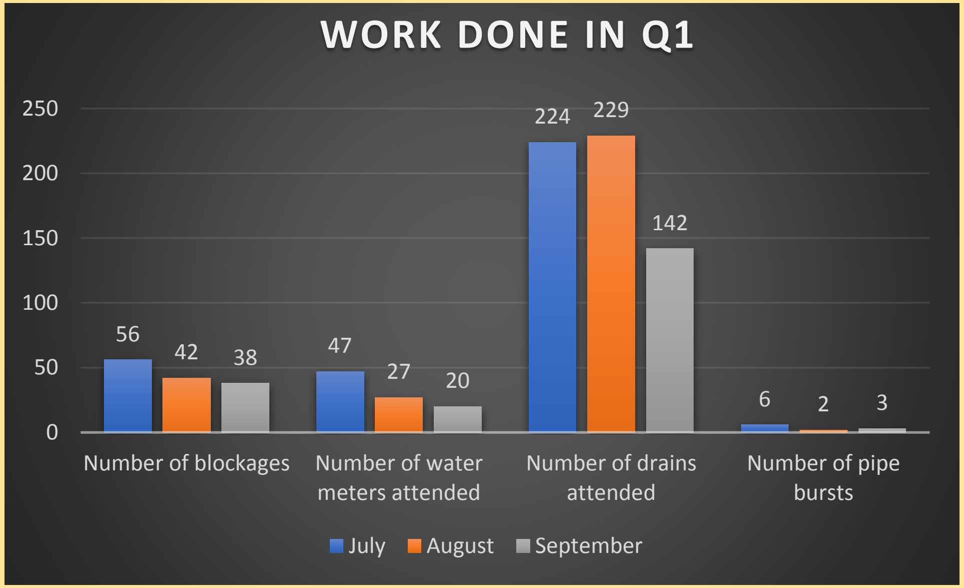
Water quality

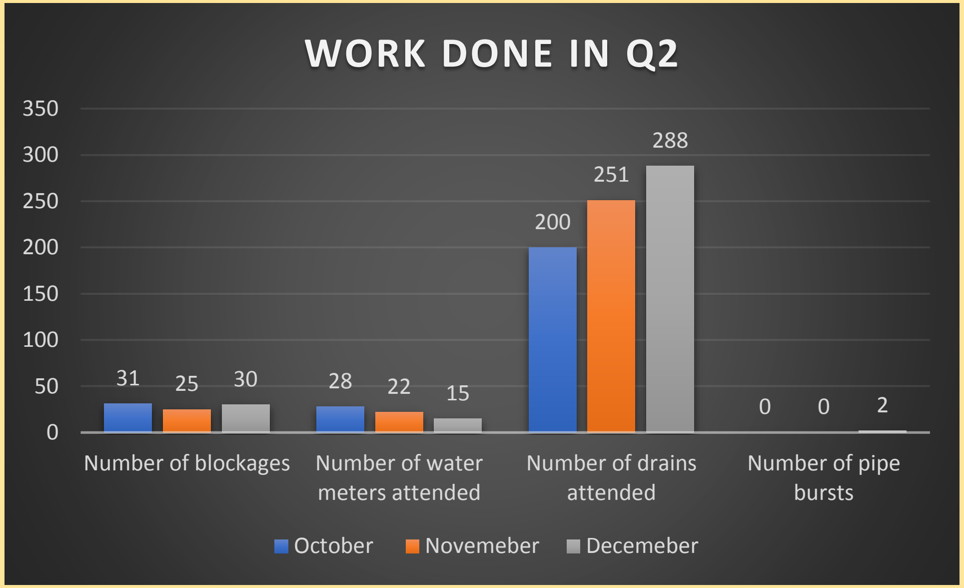
The importance of access to clean water cannot be over emphasized, as the absence of that can result to a lot of health-related challenges. In a bid to ensure that all residents receive clean water, the municipality takes water samples on a monthly basis and they are sent to the laboratory for analysis. With 19 sampling points identified, the municipality has, throughout the years, consistently complied with the provisions of South African National Standard (SANS) 241-1:2015.This part of SANS 241 specifies the acceptable quality of drinking water, defined in terms of microbiological, physical, aesthetic and chemical determinants. Water that complies with this part of SANS 241 is deemed to present an acceptable health risk for lifetime consumption. It is for this reason that the municipality was awarded the prestigious Blue Drop status with 99.9% compliance making the municipality the top performer in the province, with regards to the provision of drinkable water.No audit has been done by DWS in the 2020/21 FY. The reported results is the results reflected on the DWS Integrated Regulatory Information System (IRIS). No blue drop score available for 2020/21 FY.

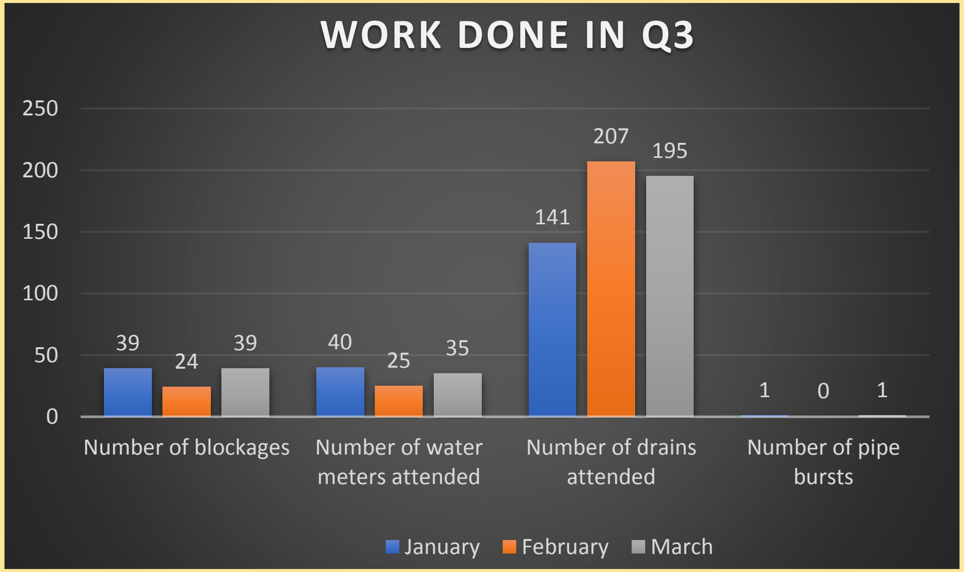
Drains

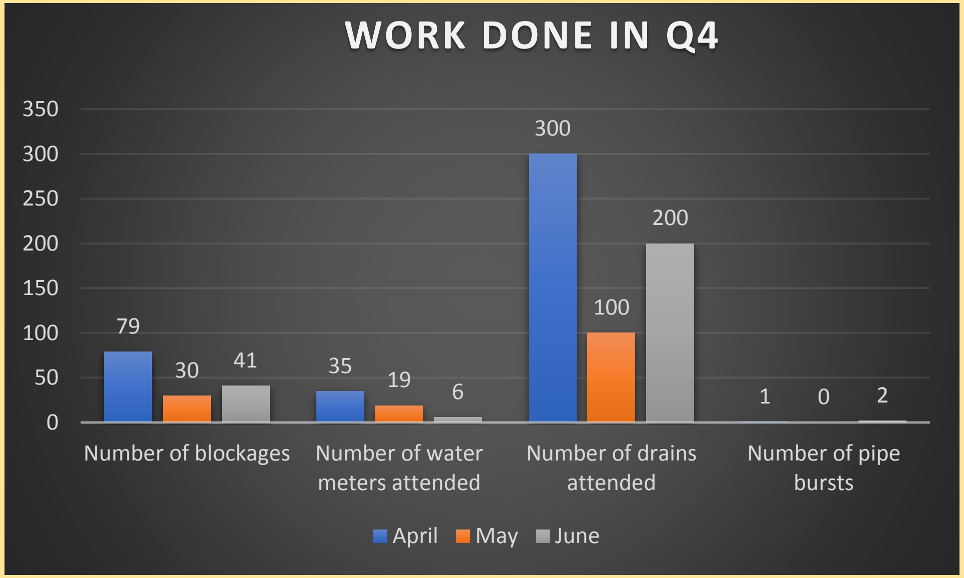
The Municipality currently has approximately over 300 households that are not connected to the main sewer line and instead making use of septic tanks. This requires the Municipality to ensure that the drains are emptied out daily through the two Sewer Trucks that the Municipality currently has. During the 2019/20 Financial year, the Municipality was been able to register a Sewer Reticulation Project with the Department of Water and Sanitation with the intention of connecting households that are making use of septic tanks to the main sewer network. The project is valued at an amount of R 36 000 000.00 and earmarked to be implemented during the 2021/22 Financial year as per the indication received from the Sector Department.The Unit has been performing above average during the financial year with a good turn-around time in terms of addressing complaints in Medium to Long-Term Plans.

- Water Services Development Plan
- Water Resource Strategy
- Water & Sanitation Master Plan


WORK DONE IN Q1
250
200
150
100
50
0
56
42
38
47
27
20
224
229
142
6
2
3
Number of blockages
Number of water meters attended
Number of drains attended
Number of pipe bursts
July
August
September


WORK DONE IN Q2
350
300
250
200
150
100
50
0
31
25
30
28
22
15
200
251
288
0
0
2
Number of blockages
Number of water meters attended
Number of drains attended
Number of pipe bursts
October
Novemeber
Decemeber


WORK DONE IN Q3
250
200
150
100
50
0
39
24
39
40
25
35
141
207
195
1
0
1
Number of blockages
Number of water meters attended
Number of drains attended
Number of pipe bursts
January
February
March


WORK DONE IN Q4
350
300
250
200
150
100
50
0
79
30
41
35
19
6
300
100
200
1
0
2
Number of blockages
Number of water meters attended
Number of drains attended
Number of pipe bursts
April
May
June

OVERVIEW: OPERATION & MAINTENANCE

KEY ACTIVITIES	OVERVIEW
BLOCKAGES	Blockages in our sewer lines have become a very common challenge. This is mostly due to foreign objects that are disposed either in the manholes or even through the internal residential sewer networks. Blockages often lead to sewer overspills through our manholes and can even cause the sewer pumps to malfunction and lead to costly breakages. The Technical Department as well as the Communications Unit have made use of the different platform of media and social networks to educate and bring awareness to our local community with regards to challenges that lead to blockages. Aged asbestos pipes reticulating the sewage also poses a problem
WATER METERS AND GATE VALVES	In the previous financial year the Municipality introduced a project to eradicate the conventional meters by replacing them with water prepaid meters. This project was initiated primarily to benefit indigents in order to eliminate the challenges of water losses and high bills for consumers as a result of not adequately monitoring of water consumption. Kgatelopele Local Municipality is reliant on ground water as its source and a result, the conservation and monitoring of water consumption is a critical key focus area.
WATER SAMPLES TAKEN	Water samples are taken on a monthly basis at different sampling points in order to ensure compliance of our water quality with SANS 241:2015.
SEWER PUMP STATIONS	Through the Water Services Infrastructure Grant, the Municipality managed to refurbish 10 of its major pump stations. However, due to the Covid-19 pandemic, the project was negatively impacted through delays in the availability of material. This led to the project overlapping into the 2020/21 Financial year. For the 2020/21 Financial Year, the Municipality also plans to refurbish the remainder of the 7 minor pumpstations as this will also alleviate the challenges of sewer overspills in the community.
DRAINS/SEPTIC TANKS	A total of approximately 400 households are still making use of septic tanks in the Kgatelopele jurisdiction. The demand of servicing all the registered septic tanks remains to be a challenge for the Municipality due to its limited resources and dilapidated honey sucker fleet. As a long-term solution, the Municipality has been able to successfully register a sanitation project to with a scope to connect the above-mentioned households to the existing sewer network through the assistance of the Department of Water and Sanitation.
Pipe bursts	The Municipality has responded and repaired a total of 30 pipes bursts incident during the financial year. These pipe bursts were mostly from the underlying asbestos pipes that still form part of our water reticulation system. The refurbishment of water infrastructure project is also currently in the pipeline after the eradication or sewer challenges in our community

ELECTRICAL SERVICES

The Electrical section falls within the Technical Services Directorate and is responsible for the provision of quality and sustainable electrical services to all customers within the Kgatelopele electrical distribution area. The functions of the electricity unit are to maintain the electrical infrastructure, monitor implementation of electrical projects, upgrading of dilapidated electricity infrastructure, reduction of electricity losses and improve quality of supply.

Daniëlskuil Distribution Network

The existing 22kV Daniëlskuil, Kuilsville and Tlhakalatlou under the Kgatelopele Municipality's main intake is at the Ouplaas 88/22kV Substation, as the existing 22kV infrastructure does not have adequate capacity to accommodate any further development within Kgatelopele Municipality. Development in Daniëlskuil constitutes of mostly domestic/residential and commercial expansion because of the mining activities in the surrounding area of the town.
The Ouplaas Substation consists of 2 x 10 MVA 132k/22kV transformers which supply the Kgatelopele Municipality via the Daniëlskuil 22kV feeder (at an NMD of 5MVA) and the Idwala Lime Mine (at NMD 15MVA). The figure 1 below is the MV & LV network being supplied by the Ouplaas Substation via the Daniëlskuil 22kV feeder. The Daniëlskuil 22kV feeder supplies ±3578 customer, of which are made up of residential customers, local business customers and other customers (clinics, libraries, municipal offices etc.)

Eskom Distribution Supply

Kgatelopele Municipality is and has been supplied by Eskom at a Medium voltage supply of 22kV from Ouplaas 88/22kV substation. The municipality is currently being supplied from a single source POS i.e. no premium supply, and that would usually translate to the fact that any loss of supply from Ouplaas substation, whether through planned or unplanned outages will leave the municipality without any alternative form of electrical supply to its domestic, industrial and other customers. Furthermore, this loss of supply will also leave the municipality with the inability of being unable to maintain reliability and continuity of supply and that means loss of revenue to the municipality.

Figure 1 is the current electrical network of Daniëlskuil including the POS from Ouplaas Substation. A comprehensive and detailed electrical strengthening master plan was conducted by the by Dihlase Consulting Engineers in September 2016 where the plan outlined all the additional infrastructure enhancements that need to be implemented in order to ensure a reliable network. However, the plan does not include any plans for the municipality to secure continuous supply to all the customers despite all forms of outage. The Kgatelopele Municipality has explored the option of increasing the Notified Maximum Demand (NMD) to 10MVA. The outcome from the request had to be taken with a pinch of salt as that came with total quote of R 19 815 772. However, that does not guarantee any form of financial reprieve in a long term especially considering the current municipal debt.

WHY IS AN ENERGY MASTER PLAN NEEDED?

A master plan is essentially a structured plan of action which is designed to achieve particular Medium to long term goals. Electrical Master Plan There are a set of challenges a municipality in faced with on a daily basis and are listed below as follows.

Broad strategic Content	Symptoms	Strategic Questions
Municipalities in general are experiencing high electricity bills	Defaulting on electricity accounts to Eskom	How are municipalities planning on reducing municipal consumption to manageable levels?
Municipalities need to accomplish self-sustainability	Municipalities are more and more reliant on the coal powered supply form of energy source	How is the municipality planning on playing a role in ensuring it reduces a carbon foot print?
	Municipalities need to learn to function in an independent manner when coming to electrical energy	How is the municipality able to achieve long term self-sustainability while ensuring a growing and developed community?
	Municipalities pay huge amounts on energy bills that can be used effectively to develop the community and to maintain the electrical infrastructure	How is the municipality to ensure that it enhances and retains as much revenue as possible?
The municipality is faced with transition	Municipalities are experiencing a high unemployment rate. Municipal labour skills are too much focused on the old techniques and old technology.	How are municipalities equipped to stimulate economic development and job opportunities?
	There are real opportunities and people with ideas, and some new businesses are springing up.	How can municipalities play a role in ensuring that skills development is optimally maintained while the 4th Industrial revolution is looming
		The 4th industrial revolution is upon us and how do municipalities encourage entrepreneurship

It is against this background, that Kgatelopele Local Municipality has taken strides in implementing a Revenue Enhancement Project through Renewable Energy which has birthed a Demo Solar Carport Facility which feeds energy to the Municipal Building as the 1st Phase of the implementation Plan.

ENERGY EFFICIENCY AND DEMAND
REPLACEMENT OF HIGH MAST LIGHTS

The Projects entailed the replacement of existing high mast bulbs and light fittings with bulbs that consume less energy:

- Replacement of 24 1000W Son T (HPS) bulbs and light fittings with 400W LED light bulbs and light fittings.
- Replacement of 30 400W LED light bulbs and light fittings with 200W LED light bulbs and light fittings.
- Replacement of 36 400W Son T (HPS) bulbs with 200W LED light bulbs and light fittings.
- Replacement of 40m x 6mm (x2) Steel Cables
- Replacement of 40m x 16mm (x4) Trailing Cables

High masts are the main source of public lighting in the Kgatelopele Local Municipality areas. They are situated according to sections of several houses, the locations are Tlou; Nare; Dipico; Ramaphosa; Phokoje; Willow; Aster; Flamingo; Petunia; Maseng; Luthuli; and Scanlan Streets; Maranteng New Stands; Tlhakalatlou New Stands, and Donkerhoek.

OPERATION & MAINTENANCE

KEY ACTIVITIES	
Meter inspections	
HV-electrical network o Replacement of drop-out fuses. Repair broken jumpers and replace PG clamps. Repair broken lines. Replace Insulators - (Long rod and pin) Replace Wooden poles and cross-arms Replace HRC fuses in RMUs Replace transformers Inspect network Cut tree branches from conductors	Replaced 2x 20A drop-out fuses in the following locations: • Landbou-Erwe. • Cell C tower • Blikkiesdorp sectional links. Repair damaged HT lines next to ZCC in Tlhakalatlou and in Tuin street. Replace low hanging conductors in Johanna Van Der Merwe. Repaired Auto-Recloser jumpers at the Substation
LV-electrical network Cut tree branches from conductors. Repair underground distribution cable faults. Repair ABC cable faults. Repair service cables faults. o Households service problems. Replace faulty distribution circuit breakers Install services Replace piercing clamps and PG clamps. Inspect kiosks and network Illegal connections inspections o Inspection of illegal supply to informal settlements	Repaired low voltage cable at the Vodacom tower. Replaced 3 PG clamps in Eugene Marais street. Replaced burnt piercing clamp in landbou-erwe (W. Freeman) We are experiencing over-voltage between phase and neutral. A normal voltage must be at least between 230v and 240v but now we get 257v to 265v at some transformers.
Transformers	Old transformers leaking oil. Blikkiesdorp transformer damaged by lightning.
Street lighting. Repair of street lights and highmast lights	Repairs and maintenance work was done through the Energy Efficiency and Demand Grant 15 High Mast Lights were repaired. No Street lights were repaired.
Sewer pump stations-repairs. Reset circuit breakers o Cleaning panels o Replacement of level switches	Refurbishment of 10 pump station done through the phase 1 & 2 Projects of refurbishment of sewer pump stations.
Water pump stations-repairs o Inspection and cleaning of panels	Danlime 2 was vandalized and had to be repaired Danlime 1.1 pump motor burned and had to be replaced.

	Danlime 1 not working. Tlhakalatlou pumphaas been vandalized and currently not working.

Electricity unit is facing the following challenges:

- Cable theft & vandalism of pillar boxes,
- By-passing of electrical meters & aged infrastructure,
- Insufficient budget to undertake consistent maintenance,
- insufficient supply from ESKOM, un-firm electrical capacity in our substation,
- high electricity loss due to aged infrastructure & theft of electricity (by-pass)
- Vandalism of electrical assets & network and skills shortage.
- Increasing cost of electricity supply
- Illegal supply to informal settlements
- Insufficient Human Capacity
- Measuring equipment and Electricians tools
- Proper Vehicles to perform work in the veld and muddy areas,
- Proper PPE for Electricians
- Safety equipment and ladder

3.3 Waste management

National Environmental Management Act 2008 makes Provision To reform the law regulating waste management in order to protect health and the environment by providing reasonable measures for the prevention of pollution and ecological degradation and for securing ecologically sustainable development; to provide for institutional arrangements and planning matters; to provide for national norms and standards for regulating the management of waste by all spheres of government; to provide for specific waste management measures; to provide for the licensing and control of waste management activities; to provide for the remediation of contaminated land; to provide for the national waste information system; to provide for compliance e and enforcement; and to provide for matters connected therewith.

Section 84(1)E) of the Municipal Structures Act (117 of 1998) mandate the Waste Management section of Kgatelopele Local Municipality to make provision for the collection and disposal of waste from the community and this includes; determining and implementing its Waste Management Strategy i.e. refuse collection, waste recycling, transportation, disposal etc.; regulating the disposal of waste within its area of jurisdiction; establishing, operating and controlling waste disposal facilities including waste transfer . In order to achieve its legislative mandate, the section is subdivided into the following functional categories, namely:

- Refuse removal services
- Street Cleaning & litter-Picking
- Illegal Dumping Removal
- Waste Minimization
- Landfill site Operations & Management
- Environmental awareness campaigns
- Environmental Forum

Distribution of Trees for Community Members and disposing waste in an environmentally friendly manner is very important for the Municipality, as conservation of the environment is one of its strategic objectives. The last Quarter of the financial year, the Municipality introduced in-house refuse. The Municipality uses a landfill site for this purpose. This function is very important as it is not just about making the municipal area aesthetically pleasing but maintaining the dignity of the natural environment. This places a responsibility on the Municipality to conduct awareness campaigns and educational workshops to those who use their own dumping site. This is essential so that they are educated and that some materials should not be publicly disposed such as medical waste and batteries which can be toxic for the environment. Street cleaning activities are carried out on a daily basis in the CBD and main streets in residential areas. Cleaning in residential areas is carried out in conjunction with the Community Workers Program.

Landfill site Operation and Management Pictures

<u>Construction of new landfill site</u>

The Kgatelopele Municipality proposed to close its existing, landfill site and find a suitable site for the establishment of a new landfill site at Daniëlskuil for the disposal of General Urban waste.

The Department of Water and Sanitation (DWS) has set out minimum requirements by which a landfill must be designed and operated. The requirements are aimed at protecting the public and environment from the impacts of bad waste management.

The proposed solid waste disposal site is situated approximately 3.5km along the D3399 gravel road linking Daniëlskuil to Koopmansfontein on the remainder of Erf 1 Daniëlskuil. the scope of the project involves:

- Construction Of Landfill Site & Leachate Ponds
- Construction of Water Distributing Network and Connection
- Construction Of Weigh Bridge Structure H Building Works
- Construction Of Roads & Storm Water
- Fencing
- Closing Of Existing Landfill Site
- Electrical

3.4 Municipal projects undertaken to ensure efficient and effective service delivery for the 2020/2021

Municipal Infrastructure Project is a function that is embedded in the Project Management Unit. This unit is responsible for the management of projects that are not only funded through the Division of Revenue Bill/Framework but also project that are internally funded through the MTEF or funded by other external stakeholders. For the 2018/19 FY Kgatelopele Local Municipality had 8 running infrastructure projects which are currently in progress. The projects consist of the following categories:

- Water,
- Sanitation,
- Electrical,
- Renovation,
- Recreational as well as
- Road infrastructural projects

Council during the 2021/2020 financial year also adopted a Top 10 Priority Infrastructure list that seeks to address the backlogs that the Municipality is currently facing. It's also important to note that Road & Storm water Infrastructure remains to be one of the critical areas that also need to be prioritized as internal roads particularly in Tlhakalatlou and Kuilsville have dilapidated and the maintenance thereof remains to be a challenge. With Dolomite also being a risk factor in terms of development, the management of storm water is a grave area that needs to be addressed through funding models and operations and maintenance plans.

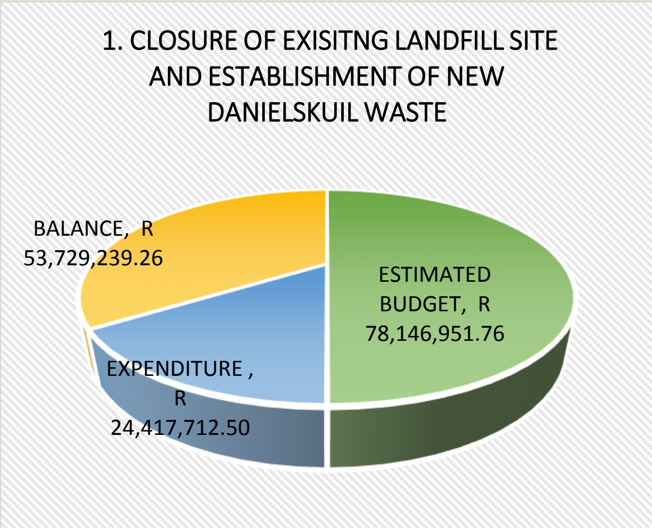
To expedite the approach of being able to strategically address the backlogs and even future planning of infrastructure, the Municipality underwent a bidding process of procuring a panel of consultants and contractors in order to have an integrated way of planning and implementation towards addressing municipal infrastructure. This is also coupled with the initiative that the Municipality also embarked on to develop the Integrated Infrastructure Master Plan

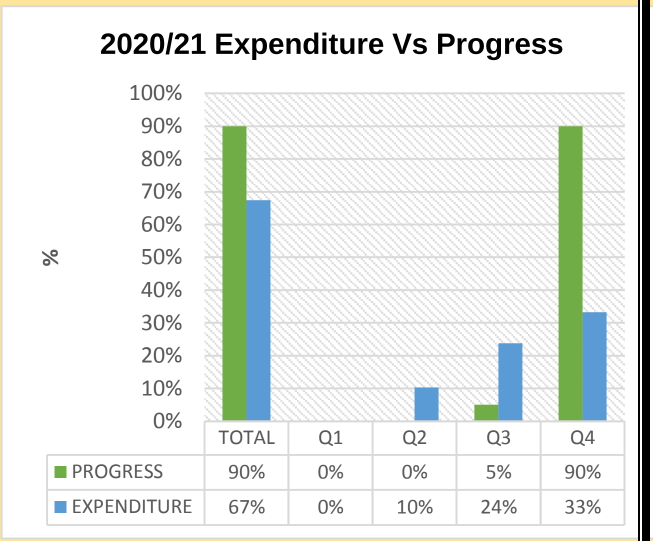
In addressing development needs, long-term development plans must be considered to ensure that systematic and sustainable development takes place. The guiding principles for sustainable development call for political and social stability through good governance and ensuring that existing and new human settlements are economically sustainable, by placing employment opportunities and economic development within reach of the employable component of the population.

Furthermore, society must be empowered to join the economy through appropriate and adequate education and skills development. This requires looking at long-term economic development and growth opportunities, demand, practical spatial distribution, economic development and bulk infrastructure requirements. To this end many sectors are setting new longer-term goals to take development to new heights.

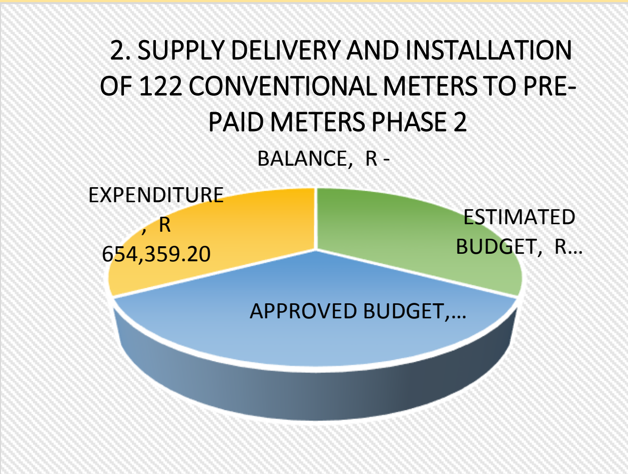
It is also of critical importance to recognise, and make provision for, ongoing efficient implementation, operation, management and maintenance of existing and new infrastructure generated via the planning process. To ensure that adequate planning would be done, the Municipal Systems Act (MSA), 2000 (Act No. 32 of 2000), as amended by Act No. 44 of 2003, called for the development of Integrated Development Plans (IDPs) aimed at developing municipalities in a sustainable manner. Chapter 5, Part 2, Clause 26 of this Act calls for municipalities to develop a vision for their long-term development, looking initially at the existing levels of development and considering long-term economic development and transformation. The Act further calls for municipalities to align with national and provincial sector plans and strategies, as well as spatial development and appropriate land-use management.

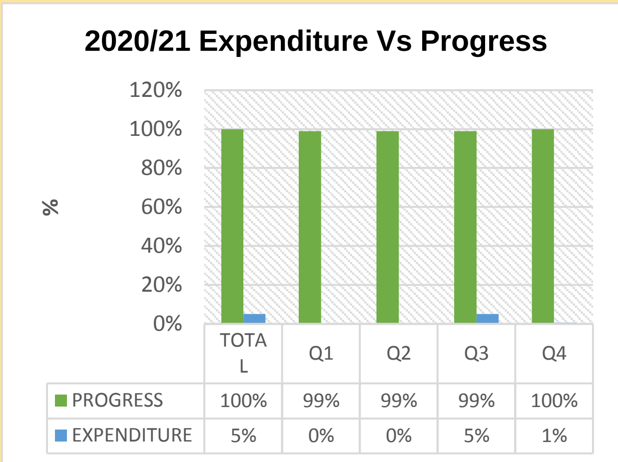
To ensure that delivery was indeed taking place, the Municipal Finance Administration Act (MFMA), 2003 (Act No. 56 of 2003) also called for the preparation of Service Delivery and Budget Implementation Plans (SDBIPs) which require that municipalities produce monthly and quarterly reports outlining income, expenditure, adherence to milestones and the equitable distribution of projects across wards. This has had the effect of focusing development efforts on the present rather than the medium- and long-term. Coupled with their limited capacity, few municipalities have developed visionary IDPs but have rather concentrated on addressing short-term development plans. As a result, only a few IDPs look beyond the current five- year political term to take their municipalities into a new paradigm.



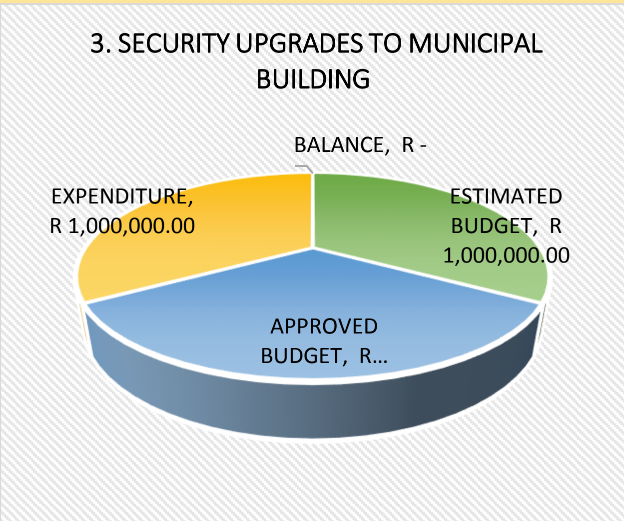


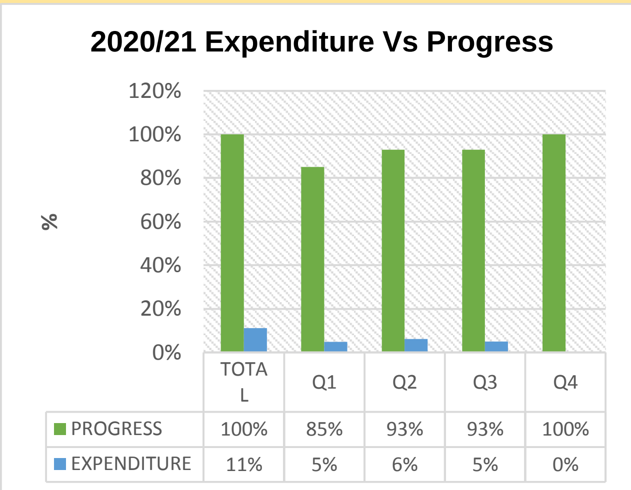
	TOTAL	Q1	Q2	Q3	Q4
PROGRESS	90%	0%	0%	5%	90%
EXPENDITURE	67%	0%	10%	24%	33%



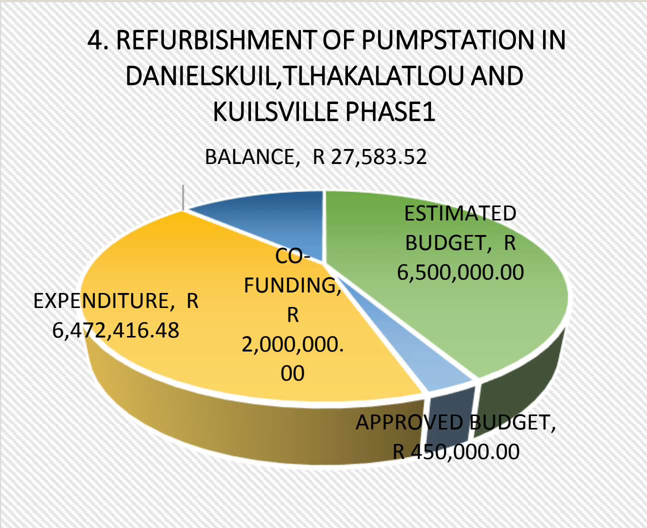


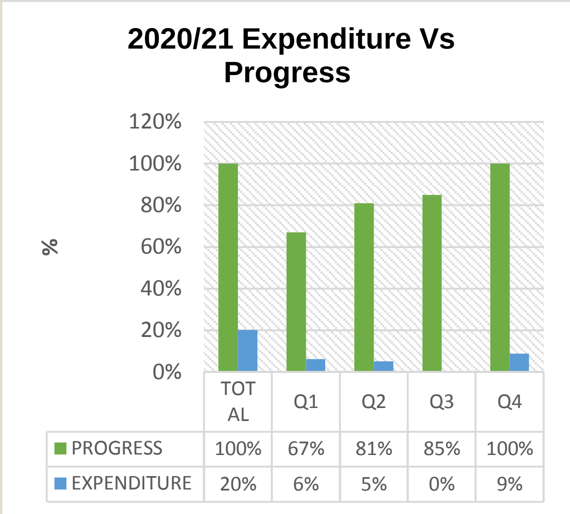
	TOTAL	Q1	Q2	Q3	Q4
PROGRESS	100%	99%	99%	99%	100%
EXPENDITURE	5%	0%	0%	5%	1%

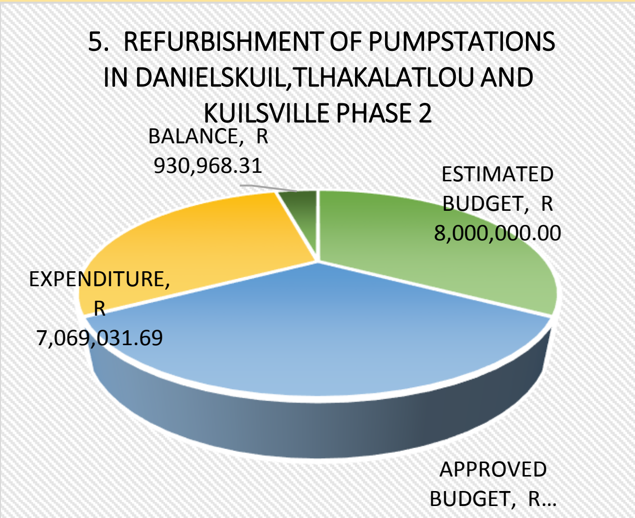


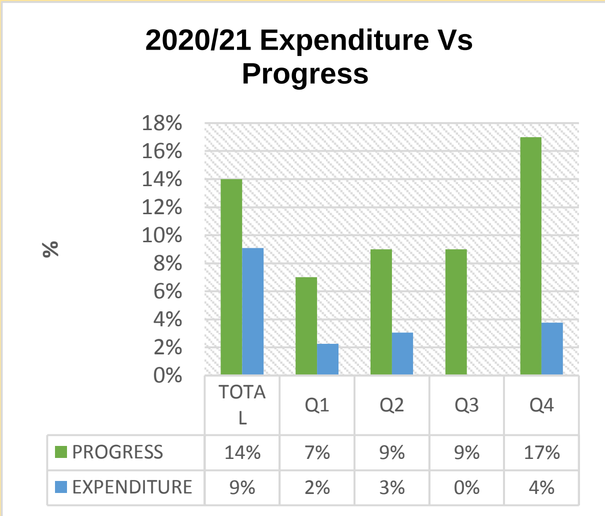


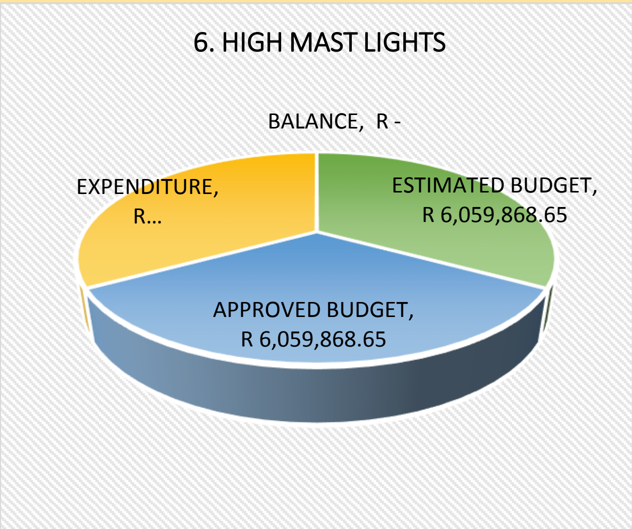
	TOTAL	Q1	Q2	Q3	Q4
PROGRESS	100%	85%	93%	93%	100%
EXPENDITURE	11%	5%	6%	5%	0%

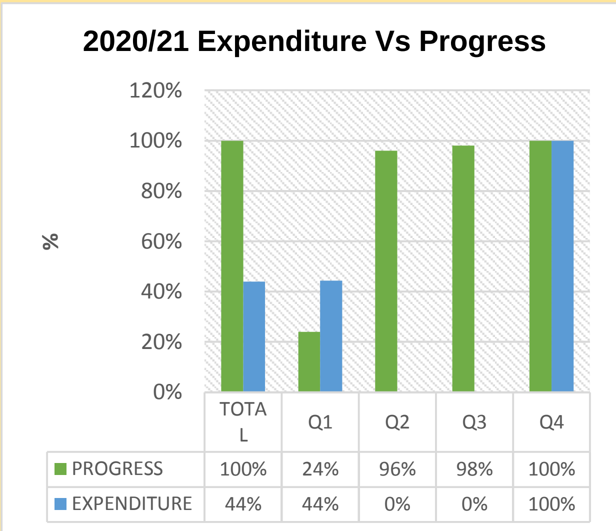

4. REFURBISHMENT OF PUMPSTATION IN DANIELSKUIL,TLHAKALATLOU AND KUILSVILLE PHASE1
BALANCE, R 27,583.52
ESTIMATED BUDGET, R 6,500,000.00
CO-FUNDING, R 2,000,000.00
EXPENDITURE, R 6,472,416.48
APPROVED BUDGET, R 450,000.00

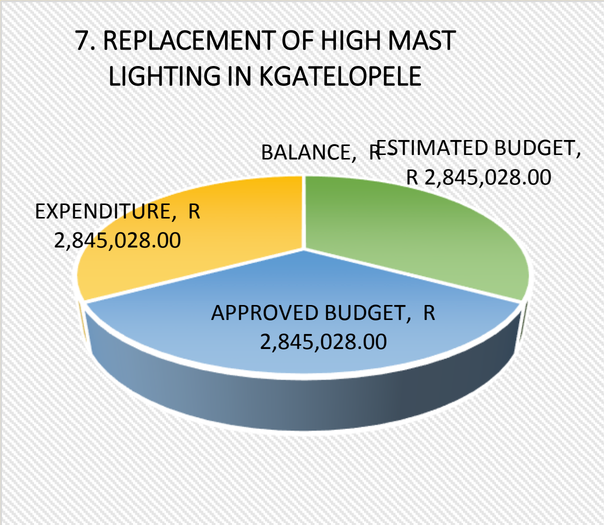

2020/21 Expenditure Vs Progress
%
120%
100%
80%
60%
40%
20%
0%
TOTAL Q1 Q2 Q3 Q4
PROGRESS 100% 67% 81% 85% 100%
EXPENDITURE 20% 6% 5% 0% 9%

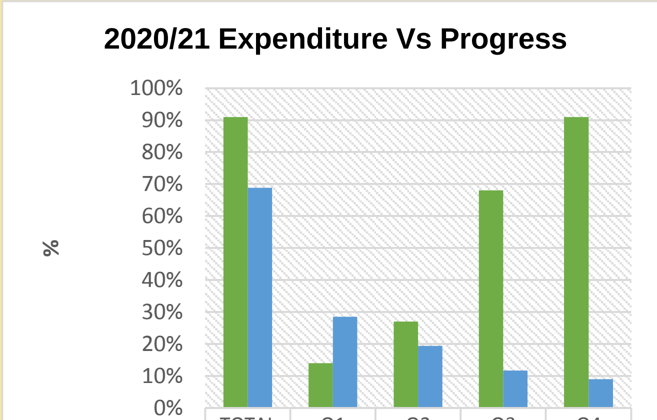

5. REFURBISHMENT OF PUMPSTATIONS IN DANIELSKUIL,TLHAKALATLOU AND KUILSVILLE PHASE 2
BALANCE, R 930,968.31
ESTIMATED BUDGET, R 8,000,000.00
EXPENDITURE, R 7,069,031.69
APPROVED BUDGET, R...


2020/21 Expenditure Vs Progress
%
18%
16%
14%
12%
10%
8%
6%
4%
2%
0%
TOTAL Q1 Q2 Q3 Q4
PROGRESS 14% 7% 9% 9% 17%
EXPENDITURE 9% 2% 3% 0% 4%

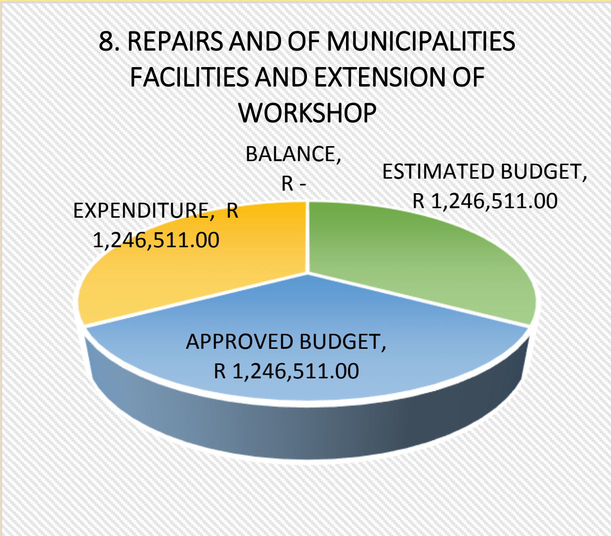

6. HIGH MAST LIGHTS
BALANCE, R -
EXPENDITURE, R...
ESTIMATED BUDGET, R 6,059,868.65
APPROVED BUDGET, R 6,059,868.65

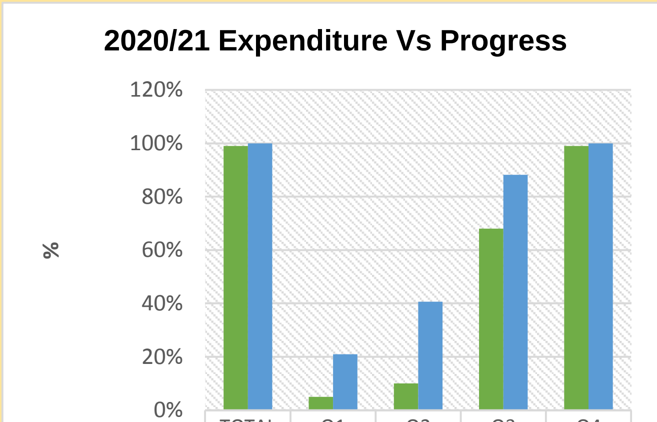

2020/21 Expenditure Vs Progress
%
120%
100%
80%
60%
40%
20%
0%
TOTAL Q1 Q2 Q3 Q4
PROGRESS 100% 24% 96% 98% 100%
EXPENDITURE 44% 44% 0% 0% 100%



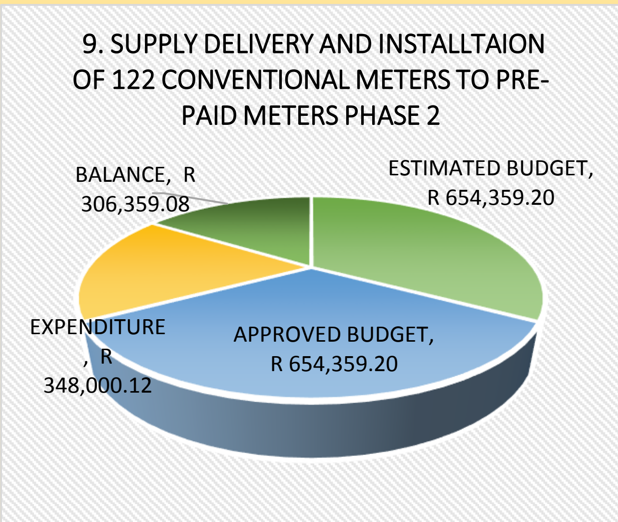


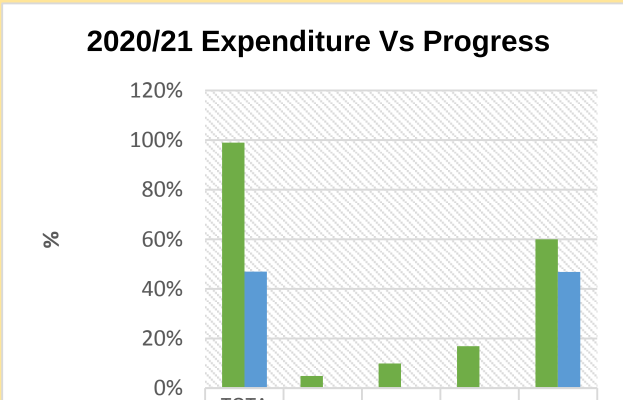
	TOTAL	Q1	Q2	Q3	Q4
PROGRESS	91%	14%	27%	68%	91%
EXPENDITURE	69%	29%	19%	12%	9%



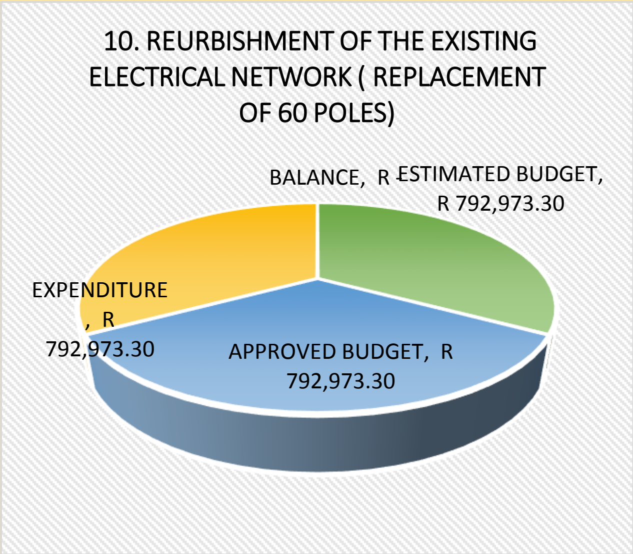


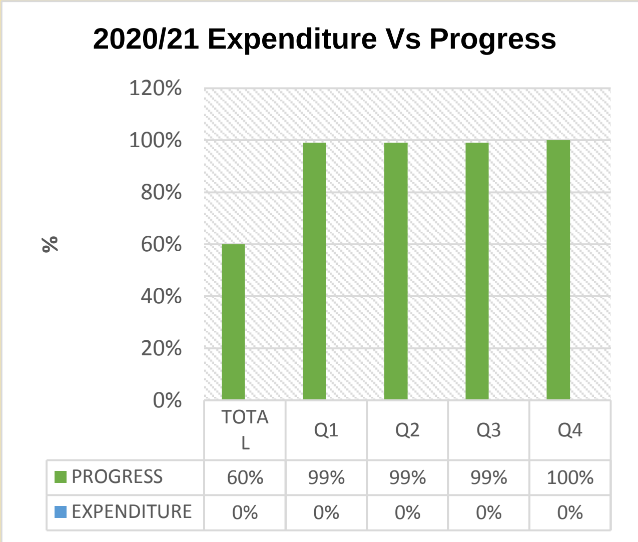
	TOTAL	Q1	Q2	Q3	Q4
PROGRESS	99%	5%	10%	68%	99%
EXPENDITURE	100%	21%	41%	88%	100%

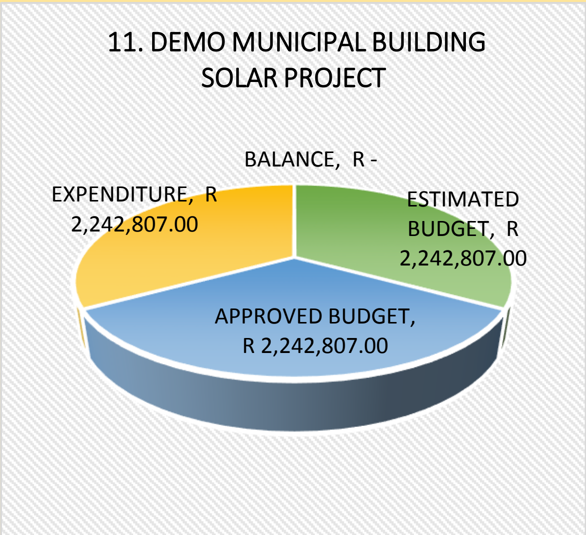


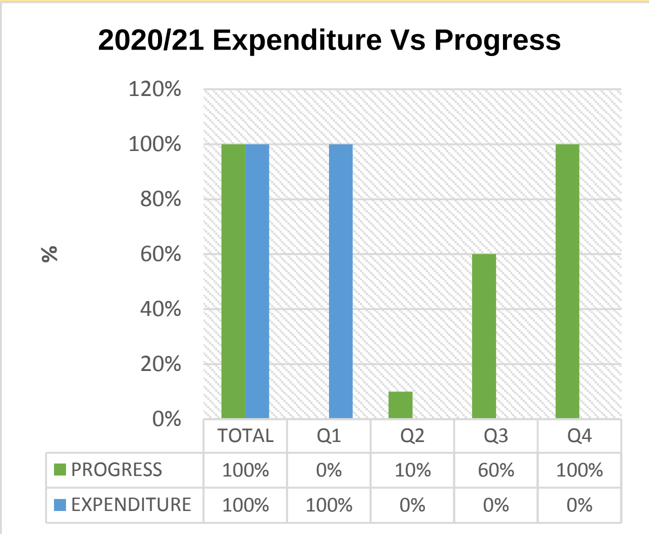


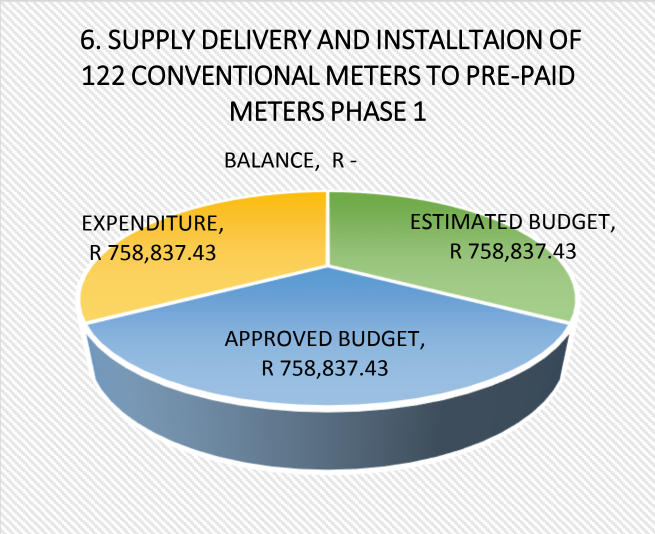
	TOTAL	Q1	Q2	Q3	Q4
PROGRESS	99%	5%	10%	17%	60%
EXPENDITURE	47%	0%	0%	0%	47%

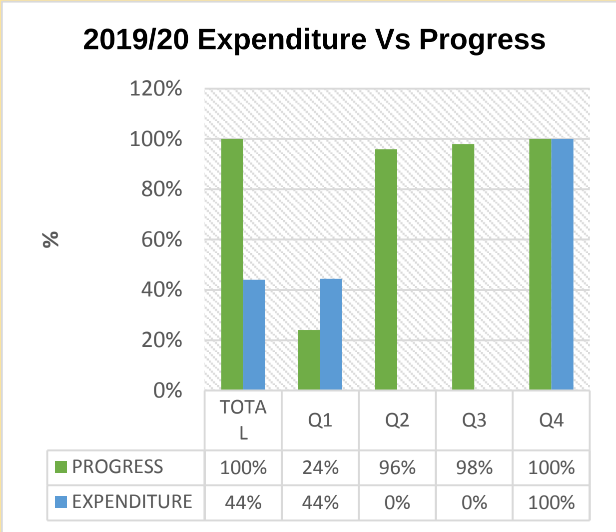

10. REURBISHMENT OF THE EXISTING ELECTRICAL NETWORK (REPLACEMENT OF 60 POLES)
BALANCE, R -
ESTIMATED BUDGET, R 792,973.30
EXPENDITURE, R 792,973.30
APPROVED BUDGET, R 792,973.30

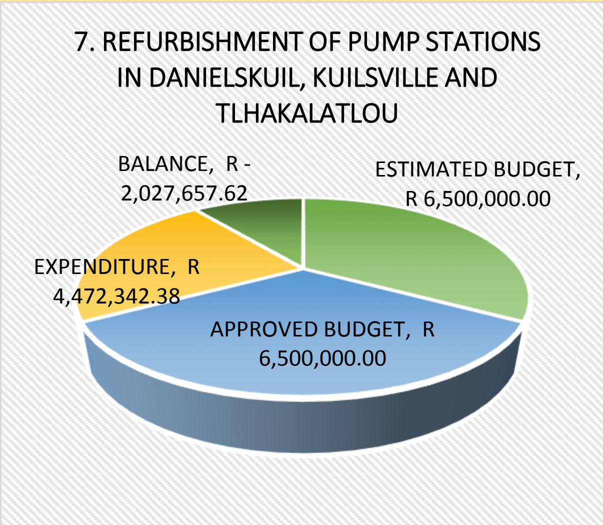

2020/21 Expenditure Vs Progress
%
120%
100%
80%
60%
40%
20%
0%
TOTAL
Q1
Q2
Q3
Q4
PROGRESS 60% 99% 99% 99% 100%
EXPENDITURE 0% 0% 0% 0% 0%

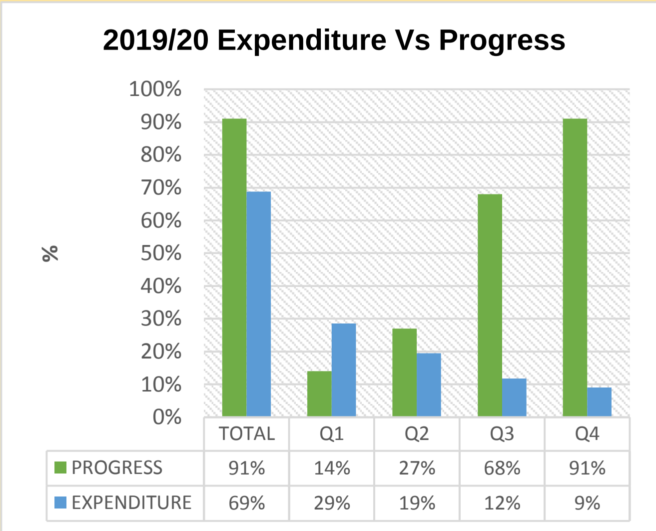

11. DEMO MUNICIPAL BUILDING SOLAR PROJECT
BALANCE, R -
EXPENDITURE, R 2,242,807.00
ESTIMATED BUDGET, R 2,242,807.00
APPROVED BUDGET, R 2,242,807.00

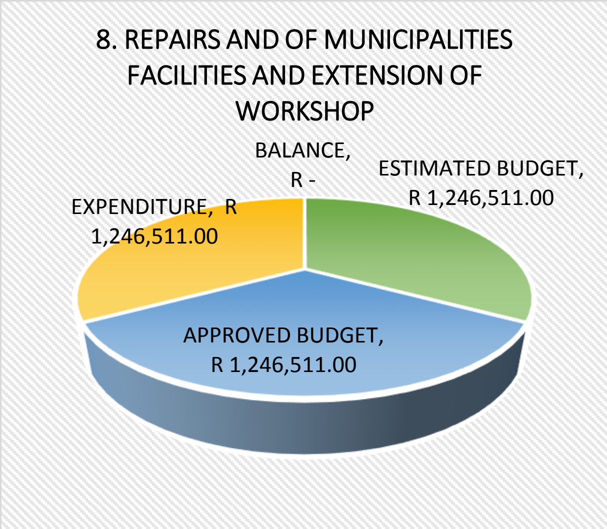

2020/21 Expenditure Vs Progress
%
120%
100%
80%
60%
40%
20%
0%
TOTAL
Q1
Q2
Q3
Q4
PROGRESS 100% 0% 10% 60% 100%
EXPENDITURE 100% 100% 0% 0% 0%

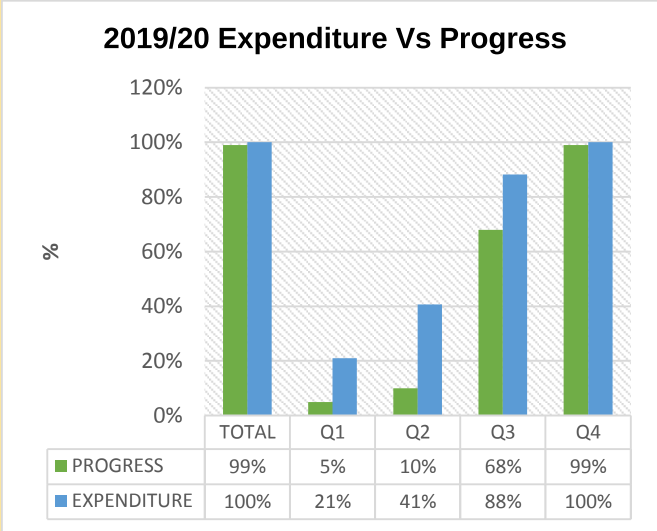

6. SUPPLY DELIVERY AND INSTALLTAION OF 122 CONVENTIONAL METERS TO PRE-PAID METERS PHASE 1
BALANCE, R -
EXPENDITURE, R 758,837.43
ESTIMATED BUDGET, R 758,837.43
APPROVED BUDGET, R 758,837.43

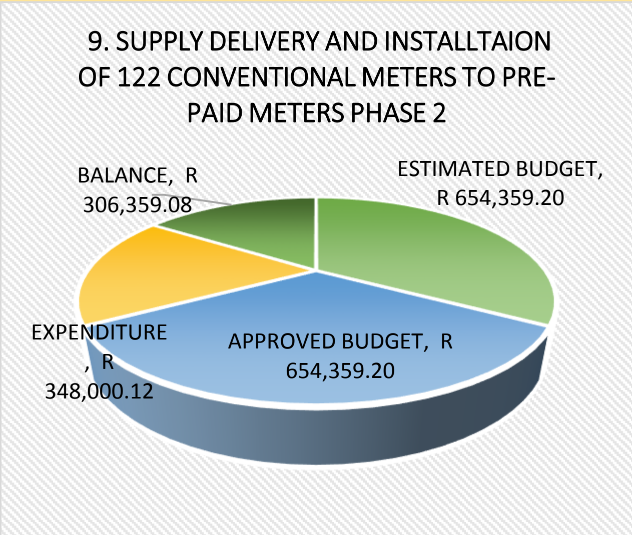

2019/20 Expenditure Vs Progress
%
120%
100%
80%
60%
40%
20%
0%
TOTAL
Q1
Q2
Q3
Q4
PROGRESS 100% 24% 96% 98% 100%
EXPENDITURE 44% 44% 0% 0% 100%

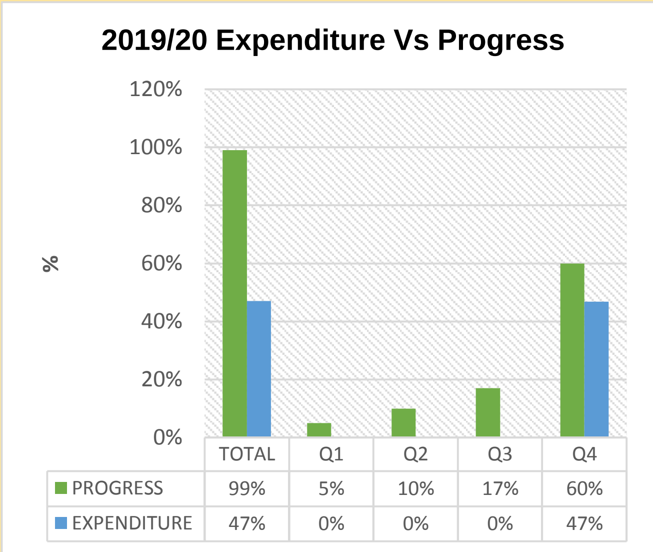

7. REFURBISHMENT OF PUMP STATIONS IN DANIELSKUIL, KUILSVILLE AND TLHAKALATLOU
BALANCE, R - 2,027,657.62
ESTIMATED BUDGET, R 6,500,000.00
EXPENDITURE, R 4,472,342.38
APPROVED BUDGET, R 6,500,000.00

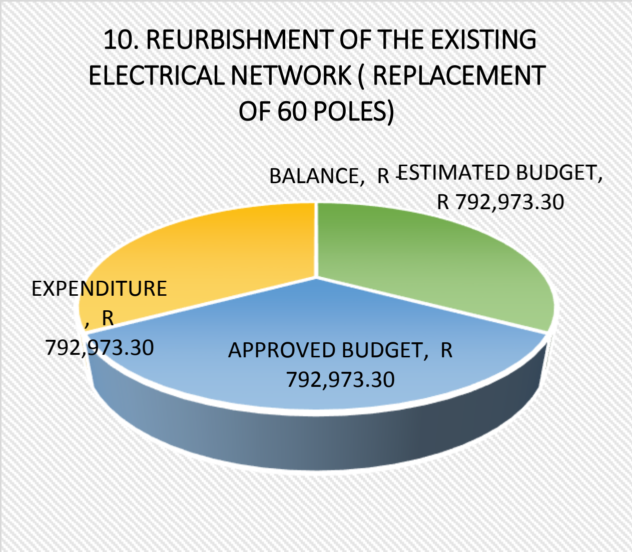

2019/20 Expenditure Vs Progress
%
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
TOTAL
Q1
Q2
Q3
Q4
PROGRESS 91% 14% 27% 68% 91%
EXPENDITURE 69% 29% 19% 12% 9%

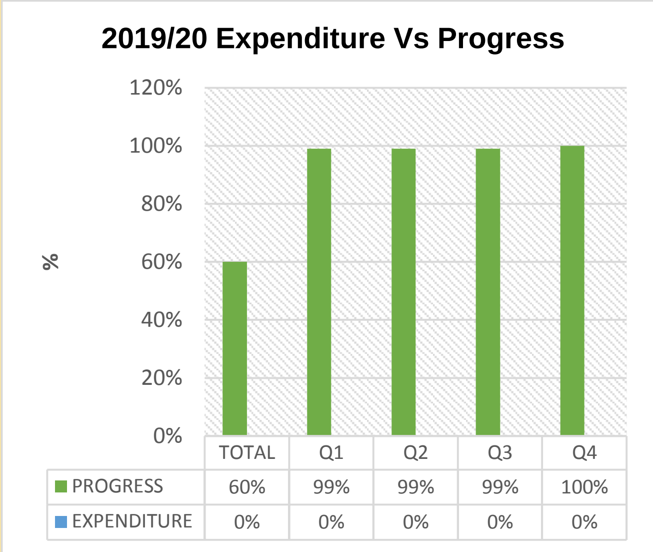

8. REPAIRS AND OF MUNICIPALITIES FACILITIES AND EXTENSION OF WORKSHOP
BALANCE, R -
ESTIMATED BUDGET, R 1,246,511.00
EXPENDITURE, R 1,246,511.00
APPROVED BUDGET, R 1,246,511.00

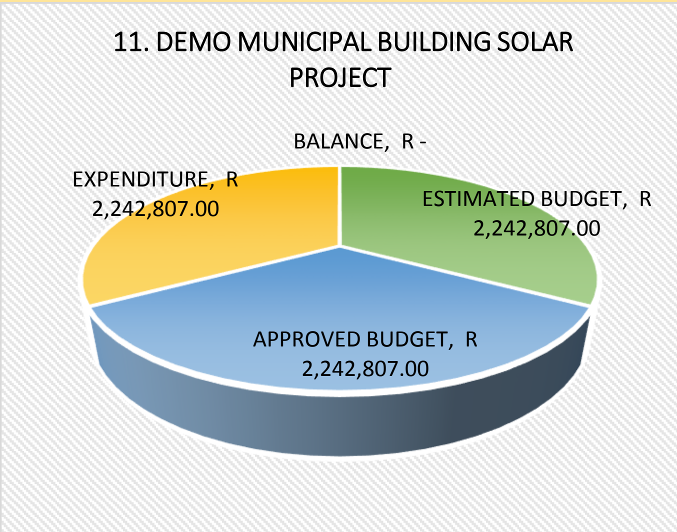

2019/20 Expenditure Vs Progress
%
120%
100%
80%
60%
40%
20%
0%
TOTAL Q1 Q2 Q3 Q4
PROGRESS 99% 5% 10% 68% 99%
EXPENDITURE 100% 21% 41% 88% 100%

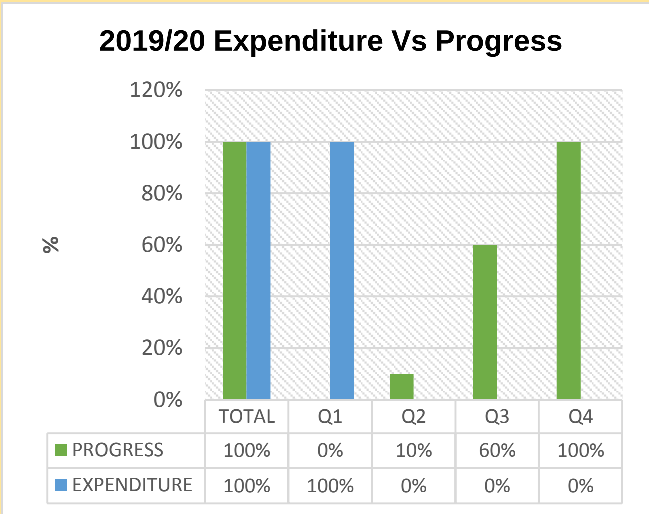

9. SUPPLY DELIVERY AND INSTALLTAION OF 122 CONVENTIONAL METERS TO PRE-PAID METERS PHASE 2
BALANCE, R 306,359.08
ESTIMATED BUDGET, R 654,359.20
EXPENDITURE , R 348,000.12
APPROVED BUDGET, R 654,359.20


2019/20 Expenditure Vs Progress
%
120%
100%
80%
60%
40%
20%
0%
TOTAL Q1 Q2 Q3 Q4
PROGRESS 99% 5% 10% 17% 60%
EXPENDITURE 47% 0% 0% 0% 47%

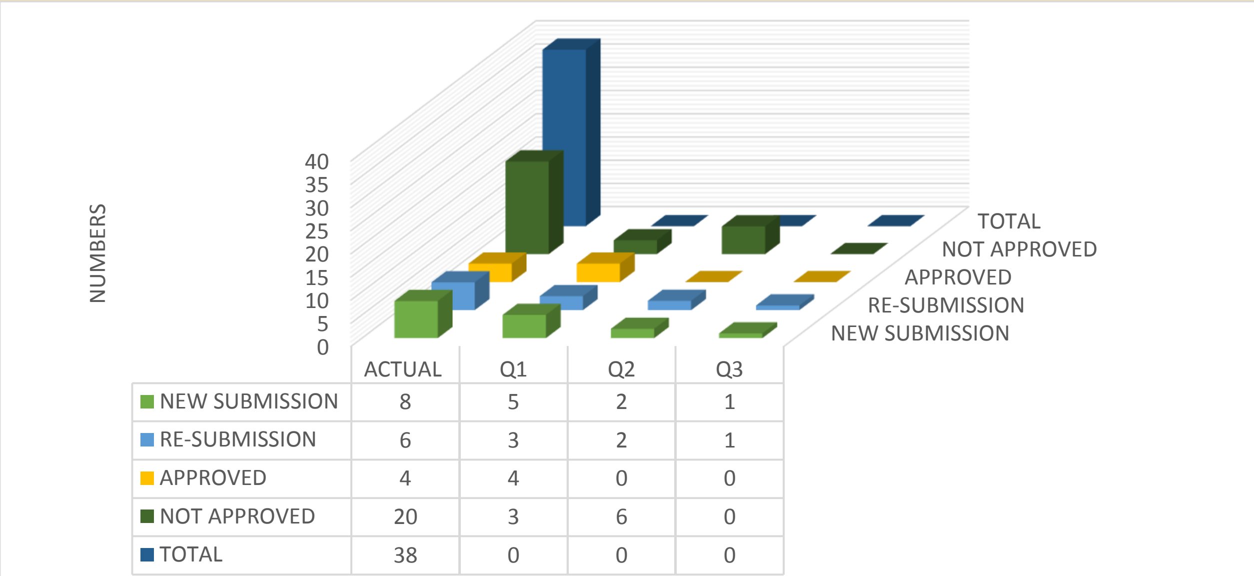

10. REURBISHMENT OF THE EXISTING ELECTRICAL NETWORK (REPLACEMENT OF 60 POLES)
BALANCE, R -
ESTIMATED BUDGET, R 792,973.30
EXPENDITURE, R 792,973.30
APPROVED BUDGET, R 792,973.30


2019/20 Expenditure Vs Progress
120%
100%
80%
60%
40%
20%
0%
%
TOTAL Q1 Q2 Q3 Q4
PROGRESS 60% 99% 99% 99% 100%
EXPENDITURE 0% 0% 0% 0% 0%


11. DEMO MUNICIPAL BUILDING SOLAR PROJECT
BALANCE, R -
EXPENDITURE, R 2,242,807.00
ESTIMATED BUDGET, R 2,242,807.00
APPROVED BUDGET, R 2,242,807.00


2019/20 Expenditure Vs Progress
120%
100%
80%
60%
40%
20%
0%
%
TOTAL Q1 Q2 Q3 Q4
PROGRESS 100% 0% 10% 60% 100%
EXPENDITURE 100% 100% 0% 0% 0%

2020-21 FY building plans status



	ACTUAL	Q1	Q2	Q3
NEW SUBMISSION	8	5	2	1
RE-SUBMISSION	6	3	2	1
APPROVED	4	4	0	0
NOT APPROVED	20	3	6	0
TOTAL	38	0	0	0

COMPONENT B: LIBRARY & COMMUNITY FACILITIES

3.8. Library & community facilities

3.8.1. Overall Goal and Purpose of the grant

The overall goal of this conditional grant is to enable the Northern Cape society to gain access to knowledge and information that will improve their socio- economic situation. Its purpose is to have transformed urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalized programme at local government level in the Northern Cape whereas “libraries other than national libraries” is a Schedule 5, Part A of the Constitution of the Republic of South Africa, 1996, function and whereas the different spheres of government have a constitutional obligation to support one another in the exercise of their powers and the performance of their functions. Whereas the department has received funding from the National Government of South Africa for the funding of community libraries.

3.8.2 Library transformation and development grant

Municipality	**Funding year**	**Date submitted**
KGATELOPELE	2020/2021	JUNE 2021

Objective:

To transform community library services by strengthening the capacity of municipalities to improve the quality of community library services delivered at the local sphere government.

Grant outcomes:

1. To obtain the stated objective the following outcomes are identified and should be achieved:

- promote public access to public library and information services;
- Encourage a culture of reading to create a nation of readers.
- provide measures to redress the inequality in the provision of public library and information services;
- Improved coordination and collaboration between the provincial and local governments with regard to the provision of library services through library development projects and activities;
- Improved library infrastructure and services that reflect the specific needs of the communities it serves; and
- Improved staff capacity at urban and rural libraries to appropriately respond to community knowledge and information needs.
- To achieve the stated objective and to obtain the desired outcomes, the business plan should be aligned with the conditions of the signed Memorandum of Agreement.
- In terms of the conditions of the Memorandum of Agreement the following service delivery criteria should be used to transform libraries from mere book repositories to community-based centers that are pro-active and responsive to the needs of its communities.
- Business plans should include one or more of these identified service delivery criteria to accelerate the process of transforming community libraries to centers of excellence sensitive to the needs of the community and providing a quality library and information service
- The specific stated service delivery criteria are confined to the following activities/ projects/ programmes.

3.8.3. Appointment of staff

Provision is made for a staff subsidy for permanently employed library staff appointed by the Municipality and who is on the municipal organogram/budget Provision must be made for additional staff required.

3.8.4. Training and development of library staff to improve capacity

Provision must be made for all expenses including transport and accommodation costs for training facilitated by the Provincial Library Service e.g. Day Seminars, short courses, in-service training, conferences, and formal study opportunities at accredited Institutions of Higher Learning, etc. Services to rural and previously disadvantaged areas outreach and extension services e.g. mobile book box services, depot services, book loan services to be included. The purchase of a suitable vehicle to support the service to outlying rural areas can be included here. Assistance to schools in terms of research and developments and curricular support in terms of printing and photocopy services.

3.8.5. Infrastructure development library facilities and fittings

Infrastructure developments to be consulted with District librarian, who must make an assessment and make a recommendation to the Head of Provincial Library Services, who must give prior approval for any infrastructure projects. Where such approval is granted, the tender processes of the municipality must be followed. Documentation regarding tender processes followed and concluded to be submitted to the Provincial Library Services via the District Librarian. Security of buildings to be included here. Maintenance of building, revamping the image of the library, purchase of additional shelves, trolleys and issue trays can be included here. Specific details of planned activities and purchases to be included in the business plan.

3.8.6 Services to illiterate literacy classes

Structured Reading Development programs.

3.8.7. Programs targeting teenagers

A schedule of programs and planned activity must be included in the business plan.

3.8.8 Information communication technology

- Replacement of hardware and software may be included.
- No hardware or software to be purchased without the approval of Provincial Library Service.
- No Library Automation to be done without consultation and prior approval of the Provincial Library Service.

3.8.9. Programs promoting reading and library usage

- A complete schedule of programs and planned activity must be included in the business plan.
- Where possible, costing must be provided for planned programs and activities.

3.8.10. Appointment of library staff

- Additional staff e.g., full time or part time, may be appointed.
- Particulars of all new appointees to be provided to the provincial library service upon appointment.
- Appointment of skilled and trained security personnel to be included here.
- Where possible, appointments to be made in consultation with the provincial library service via the district librarian.

3.8.11. Community development programs

- Programs coordinated by the library and held at the library can be included here.
- A schedule of programs and planned activities must be included in the business plan.

3.8.12. Consumable items

- Administrative support, support for ICT services, programs, displays, cleaning materials to be included.

3.8.9. To promote a culture of reading and learning services rendered:

- Circulation of Library Material
- Toy library
- Short loans
- Block Loans
- Reference Services
- Photocopy facilities
- Reading awareness campaigns
- Current Awareness
- Outreach Programme
- Information Communication Technology
- ICT Infrastructure
- Public Internet Access
- Mzansi Libraries Online

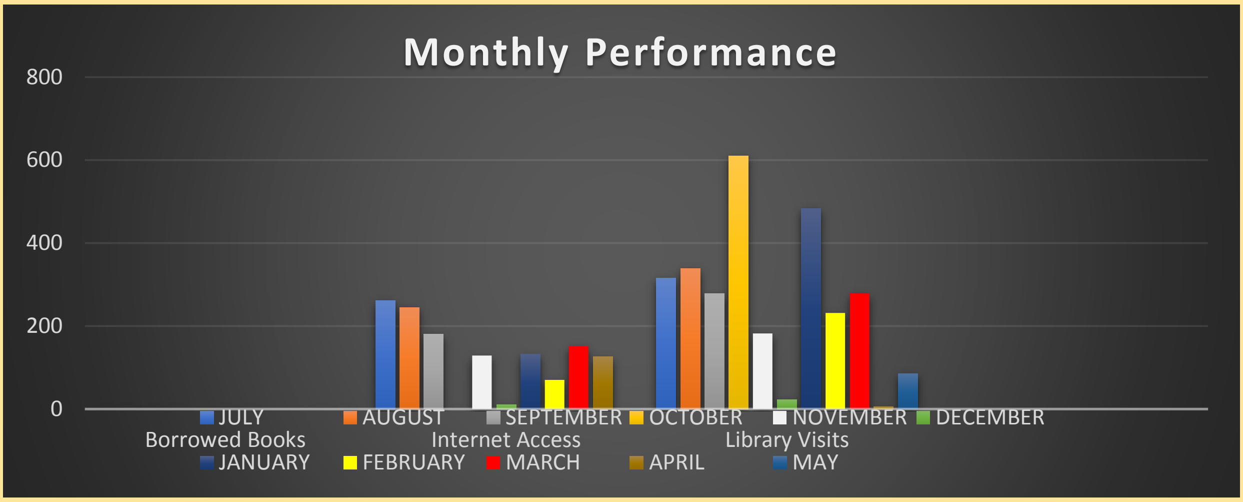
3.8.10. Operational budget

Staff Salaries	Full time staff Senior Librarian 1 Library assistant 1 Library assistant 1 Cleaner 1 General Worker	R912 000	Kgatelopele library staff

3.8.11. Service statistics -kgatelopele library

TYPES OF SERVICES RENDERD	**2020/2021**
number of books circulated	3580
outreach programs held	3
internet access	1300
new membership	56
monthly display	monthly basis 8 displays

3.8.12. Monthly statistics



3.8.13. Chart analysis

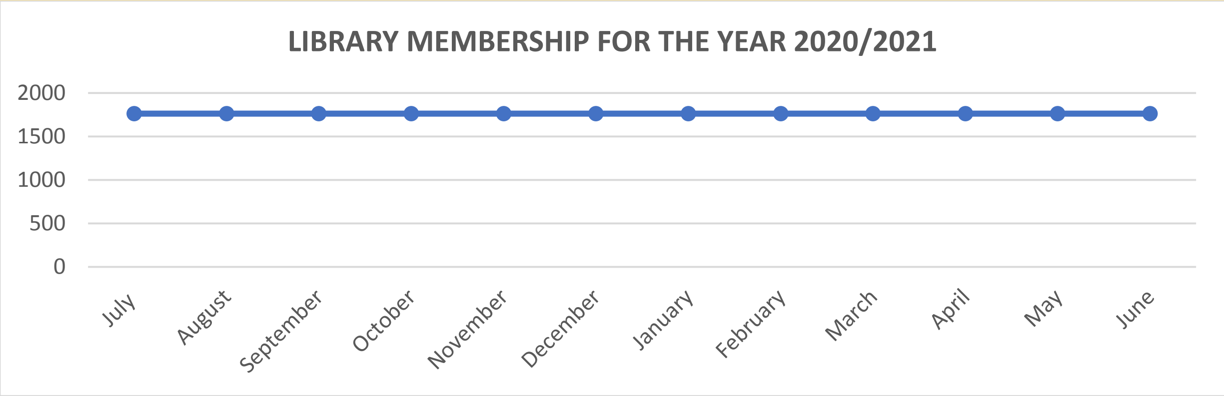
The chart gives an overview of library statistics covering the period from 01st July 2020 until 30 June 2021:

- For borrowed books the chart depicts high activities for the months of July, November and February respectively.
- Internet access shows much movement for the months, July. August and September.
- Library visits present high activities in January, February and March.
- There was minimal to no activities for the months of April, May and June due to national lockdown.

3.8.13.1. Chart Analysis

The above line chart present library membership period July 2020 until June 2021. The information is satisfactory in that the membership numbers has been increasing on a month to month basis. This mean that there's was increasing number of people who get exposed to the library services.

3.8.14. Membership Statistics



COMPONENT C: CEMETERIES AND SOCIAL PROGRAMMES

3.9. Cemeteries and crematoriums

a) Number of Cemeteries in the municipal area

- 1 in Kuilsville
- 1 in Tlhakalatlou
- 1 in Daniëlskuil

b) There is no Crematoriums in the Municipal area.

c) Maintenance and management are done by the Municipality through the Operation and Maintenance Budget along with the assistance of the community Works Programme (CWP). As part of supporting indigent households, the municipality allocates graves for free to the latter households.

COMPONENT D: SOCIAL PROGRAMMES

3.10. Comments on social programmes

3.10.1. Skills development of youth

Accessibility of computer training provided by mines for local youth in particular matriculants sitting at home, so as to meet the employment requirements. Improvement: Information dissemination by mines on training opportunities to the communities.

COMPONENT E: SPORTS AND RECREATION

3.11. Sports & recreation

Sports Ground (Soccer Field) is managed and maintained by the local school. Renovation of Kuilsville Swimming Pool (Phase1) is complete and the opening is awaiting the completion of the Hall which is phase 2 of the project.

3.12. Community participation

The Municipal Systems Act (2000: section 16) is clear that a municipality must “encourage and create conditions for, the local community to participate in the affairs of the municipality including the preparation, implementation and review of its integrated development plan”. The municipality in line with section 16 consult community members through an area based consultative process. Each area was consulted then indicate what its needs are for the coming financial year. Area based planning is the ideal form of planning to gives the municipality an opportunity to get a better understanding of the level of services available to that particular area, It ensures that IDP is targeted and relevant to address the needs of the people in that area/ward, consensus on priority outcomes for that particular area, increased accountability in terms of the provision of services.

The municipality couldn’t host meeting due to the national disaster lockdown and Public notice was advertised, seeking inputs from the community. No feedback was however provided.

3.12.1. Priority issues for 2020/2021 planning 2021/2022 financial year

After the first round of the municipal area-based community consultation meetings, of which there were disruptions from certain groups from the community members which led to none sitting of other ward community engagements and none/poor attendance from other wards the following are the priorities of the Kgatelopele Local Municipality for the 2019/2020 Planning the 2021/2022 financial year. From these priorities identified above, Council went on to identify the top 10 most important issues that need to be given immediate attention. Those issues are:

1. Housing
2. Road and Storm Water Infrastructure
3. Electricity
4. Water Infrastructure
5. Landfill Site
6. Reticulation connection of 500 households to the sewer network
7. Services (Water, Sanitation & electricity) at Die Erwe.
8. Technical Resources (TLB, Tipper Truck, Fire Truck ,Sewer Truck etc.)
9. Traffic Testing Ground
10. Upgrading of the Caravan Park

3.12.2. Challenges confronting the municipality: categorized as external and internal

External

- High rate of unemployment mostly amongst youth
- Housing need
- Land need for human settlement, social and economic development
- Dolomitic nature of the area constrains development
- Growing informal settlements caused by lack of suitable land
- Low payment culture of municipal services (resulting in cash flow problems)
- Poor roads infrastructure
- Vandalism of public facilities or assets
- Funding need to address service delivery backlogs
- Need for sports and recreational facilities

Internal (Institutional)

- Poor financial status and revenue generation failure
- Implementation of Performance Management effectively for MSA section 66
- Quality of reporting
- Ineffective infrastructure maintenance
- Lack of equipment's to ensure effective maintenance
- Reliance of external service provider(s) to compile AFS
- Un-purified ratepayer's data
- Billing system ineffectiveness
-

3.12.3. Issues raised from different wards

After several engagements with representatives from different wards, the following wish list projects were identified and some of them were issued raised by communities, and they are as follows:

3.12.4. Cross cutting/transversal issues

The following issues were identified as cross cutting or transversal in respect of all other 4 municipal wards as follows:

- Infrastructure
- Upgrading of Electricity
- Sanitation (Sewer, Communal toilet facilities)
- Maintenance of road infrastructure
- Maintenance of water network infrastructure
- Implementation of sewer connection to bulk infrastructure
- Enhancement of municipal visibility i.e. entrances
- Traffic testing facilities
- Fire station (SLA with Idwala)
- Future sustainability of the municipality

SERVICE DELIVERY INFORMATION		
NO	DESCRIPTION	AMOUNT
1	TOTAL NUMBER OF HOUSEHOLDS	
2	NUMBER OF HOUSEHOLDS BILLED WITH ACCESS TO WATER	4692
3	NUMBER OF HOUSEHOLDS BILLED WITH ACCESS TO ELECTRICITY	3596
4	NUMBER OF HOUSEHOLD BILLED WITH ACCESS TO REFUSE REMOVAL	4719
5	NUMBER OF HOUSEHOLD BILLED WITH ACCESS TO SANITATION	4879

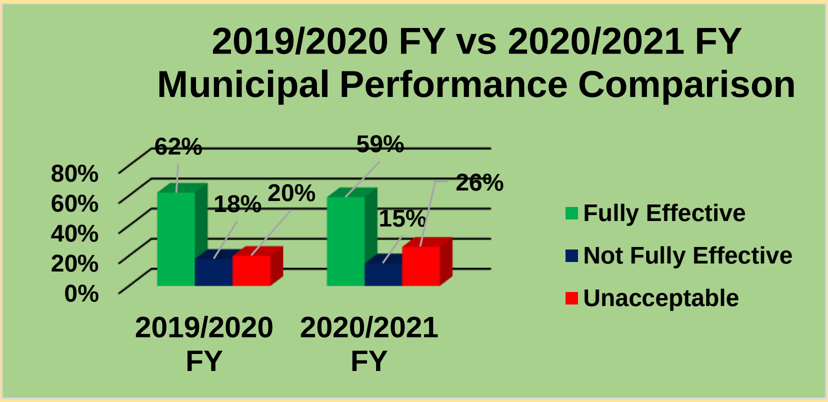
CHAPTER 4

COMPONENT A: ORGANISATIONAL DEVELOPMENT PERFORMANCE MANAGEMENT SYSTEM

4.1 Performance management system

The municipality has translated the national key performance areas into strategic objectives. These strategic objectives assisted the institution to refocus in achieving the developmental agenda. Performance Management System is the key element in ensuring implementation and realisation of the Integrated Development Plan (IDP). The year under review realised 3% decline on the institutional performance, where 2019/2020 performance was at 62% in relation to the 59% in 2020/2021. . Due to South Africa national state of disaster of which national lockdown was instituted primarily to COVID-19 pandemic, the municipality realised the decline in 2020/2021 FY. The development of the return to work strategy assisted the municipality to accommodate this pandemic on the new financial year. This had led to the municipality incorporating Covid-19 risk mitigation plans in relation projects and its operations as well as emphasis towards effective planning of KPI’s as well as Community Awareness Strategies to ensure effective & efficient stakeholder participation.

Figure1: High level summary of performance comparison for the 2019/2020 FY and 2020/2021 FY



COMPONENT B: PLANNING AND DEVELOPMENT

4.2. Housing & town planning

4.2.1 Housing

Background

The Housing Section of the Kgatelopele Local Municipality is entrusted with overseeing the facilitation of integrated human settlements, management of informal settlements and ensuring security of tenure by facilitating the issuing of Title Deeds and identification of suitable land parcels for human settlement. However, state subsidy/social housing programmes and projects are managed in conjunction with the District Municipality as the accredited authority.

The following housing programmes are currently being prioritised by the Kgatelopele Local Municipality:

- Sustainable Human Settlements
- Provision of essential services
- Social Housing
- Rural Development; and
- Housing consumer education programs

The Municipality's housing initiatives are aligned with the Provincial Agenda, which is in turn based on the sustainable Human Settlement Plan adopted by National Government in 2004.

4.2.3. Recent and current projects

A high-level countrywide report by the Council for Geoscience identified Daniëlskuil as a dolomite risk area. It further recommended that all new development in Daniëlskuil should be subjected to dolomite stability investigation. The National Home Builders Registration Council (NHBRC) also put stringent requirements regarding the construction of houses in Daniëlskuil. It is against this backdrop that, between 2015 and 2018, the main human settlement related funding from the Department of Co-operative Governance, Human Settlements & Traditional Affairs (CoGHSTA) was for dolomite stability investigations covering six sites with a combined area of 622.62 hectares. Of this extent, 81.62 hectares were covered during the 2016/17 financial year while 541 hectares were covered during the 2017/18 financial year. The purpose of these studies was to establishment allowable development type on each land parcel for human settlement development, especially the much-needed low-cost or state subsidy housing.

The 2016/17 site-specific investigations did not yield positive results as most of the land was found to be dolomitic with dolomite category D4, which is not suitable for housing development in terms of SANS 1936-3. The pockets of dolomite category D3 would be developable subject to precautionary measures in addition to those pertaining to the prevention of concentrated ingress of water into the ground. In terms of the settlement development feasibility reports, the development of dolomite category D3 proved to be very expensive and challenging; thus, not viable considering the human and financial resources constraint. In the wake of this, three more sites were identified for further dolomite stability investigations. However, only one site owned by the National Government, with an extent of 252.7 hectares was found to be non-dolomitic. The Municipality together with the CoGHSTA and Housing Development Agency are engaging the Department of Public Works and Infrastructure for the realise of the non-dolomitic site. Furthermore, the Municipality has also benefited from the Mining Towns: Human Settlement Development Grant to the tune of R 20 860 000.00. These funds will cover the acquisition of land, provision of temporary shelter and services, and other incidental matters.

National housing needs register database

The National Housing Needs Register (NHNR) initiative was introduced by the National Department of Human Settlements as a new approach to the management of housing needs registers (commonly known as waiting lists), and more specifically, the way in which housing opportunities created by the government are to be allocated. It is designed to measure the actual housing need, as well as serve as a source of information to be used in the process of the allocation of housing opportunities that have been created. Even though relevant officials from the Municipality have attended NHNR training, it is only the District Municipality that is accredited to capture NHNR questionnaires in the system. Therefore, the role of Kgatelopele is to distribute NHNR forms to clients and handover completed forms to the district for capturing. In terms of the National Housing Needs Register database, the number of people that have registered their need for housing in Kgatelopele is sitting at 3623 as of June 2020, thus, only four (4) new questionnaires were captured during the period under review which is way fewer than the number of forms that were distributed.

4.2.3. Town planning

Background

The Town Planning Unit is responsible for the management of the key performance areas associated with the spatial planning and land use management aspect of development planning and control. The Unit is the custodian of the following tools:

- Land Use Management By-law, 2019, Land Use Scheme, 2019
- Spatial Development Framework, 2019
- Manual for the Land Use Scheme and Application Procedures for Land Use Control
- Applications, 2019
- Advertising Sings By-law, 2017
- Dolomite Risk Management Policy, 2016.

4.2.4. Compliance with SPLUMA

As required by Section 35(1) of the Spatial Planning and Land Use Management Act (Act No. 16 of 2013), the municipality has a functional Municipal Planning Tribunal in the form of a joint structure with the Kai! Garib Local Municipality, Tsantsabane Local Municipality and !Kheis Local Municipality while the ZF Mgcawu District Municipality provides administrative.

4.2.5. Land use and development applications

The Municipality received eight (8) land use and development applications during the 2020/21 financial year. Furthermore, there were numerous pre-application consultations by property owners. The disparity between the number of applications received and consultations attended to is a huge concern, as it might be one of the main reasons for illegal land use and development prevalence within the municipality.

4.2.6. Dissemination of zoning information

Fifteen (15) zoning certificates were issued during the 2020/21 financial year at
R 120.79 per copy while four (4) zoning maps were issued at the same cost per copy.

4.2.7. Town planning and human settlement planning challenges

Non-submission of land use and development applications by property owners. Increase in illegal land usage and informal settlement, which the Municipality tries to mitigate by issuing contravention notices and levying of transgression fees. The newly adopted Land Use Scheme and Application Manual provide guidance on how to address contraventions. The dolomitic condition of the municipality is proving to be a huge setback to the Municipality's developmental vision as it is determining factor on how and where development should take place in space. Thus, more efforts and funds need to be channeled towards dolomite management and the identification of land that is suitable for sustainable human settlement. It is also of paramount importance for the Municipality to undertake dolomite stability investigations in the built-up areas to ensure effective dolomite risk management. The absence of a Housing Officer is also affecting the effectiveness of efforts currently put towards development control and housing provision.

4.2.8 Service delivery and budget implementation plan

The MFMA section 69 (a) requires that municipalities prepare a Service Delivery and Budget Implementation Plan as a strategic financial management tool to ensure that budgetary decisions that are adopted by municipalities for the financial year are aligned with their Integrated Development Plan Strategy. Service delivery and budget implementation plan means a detailed plan approved by the mayor of a municipality in terms of section 53(1) (c) (ii) for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate-

(I) Revenue to be collected, by source

(ii) Operational and capital expenditure, by vote

(b) Service delivery targets and performance indicators for each quarter

(c) Any other matters that may be prescribed, and includes any revisions of such plan by the mayor in terms of section 54(1).

In terms of Section 53 (3) of the Municipal Finance Management Act (MFMA) No. 56 of 2003, the mayor must ensure-

a) that the revenue and expenditure projections for each month and the service delivery targets and performance indicators for each quarter, as set out in the service delivery and budget implementation plan, are made public no later than 14 days after the approval of the service delivery and budget implementation plan.

b) that the performance agreements of the municipal manager, senior managers and any other categories of officials as may be prescribed, are made public no later than 14 days after the approval of the municipality's service delivery and budget implementation plan. Copies of such performance agreements must be submitted to the council and the MEC for local government in the province.

5. SKILLS DEVELOPMENT

5.1 Skills development and training

The Workplace Skills Plan and Annual Training Report were submitted on the 30 April 2020 to LGSETA to ensure the municipality reports the Annual Training of 2020/2021 on the education and training interventions that were delivered in the previous year and also consists of all training attendance registers, proof of expenditure, training providers used and the purpose of the Work skills plan for 2019/2020 is based on the skills needs of the organisation at large that serves to put in place the training requirements of the municipality and the amount of funding needed in terms of the upcoming year 2021/2022.The table below indicates the trainings provided for the period under review.

5.1.1. Ongoing trainings

Course name	Course date		Participant Details		
	Start	End	Name	Department	Occupation
Certificate in Municipal Finance	04 February 2019	Ongoing	Refilwe Olyn	Corporate service	Senior Admin/head of Corporate service
Municipal Finance Management Program	04 February 2019	Ongoing	Thulaganyo Barnett	Technical& Community Services	Technical Manager
Municipal Finance Management Program	04 February 2019	Ongoing	Manase Jacobs	Office of the Municipal Manager	Senior Internal Audit

5.1.2. Training per unit for 2020/2021

Due to Covid-19 rule and regulation no trainings took place for financial year

5.1.3. Learnership monthly meetings held

No meetings sat as the learnership contract ended

5.1.4. Training committee meetings held

- 29 April 2021
- 11 March 2021

5.1.5. Work Skills Plan

Work Skills Plan/ Annual Training Report were submitted on the 29 of April

6. RECRUITMENT: POST AND QUALIFICATION

The Council approved the reviewed Organizational Structure for 2019/2020 planning for 2020/2021 to ensure compliance with legislative prescripts on organizational performance is managed & evaluated through the SDBIP.

6.1. The following posts were filled 2020/2021

Name and Surname	Appointment Date	Position	Qualifications
Othusitse Melokwe	01/07/2020	Spatial Information and Town Planning Officer	Professional Planner
Letlhogonolo Nouse	01/04/2021	Temporary Worker (Cleaner)	Grade 12
Jury Stander	01/04/2021	Temporary Worker (Cleaner)	Grade 10
Kesenogile Seane	01/04/2021	Temporary Worker (Cleaner)	Grade 10
China Maseng	14/09/2020	Temporary Worker (Cleaner)	Grade 3
Johannes Jacobs	14/09/2020	Temporary Worker (Cleaner)	Grade 9
Smous Morake	14/09/2020	Temporary Worker (Cleaner)	Grade 10
Caroline Maibiri	01/08/2020	Corporate Services Administrator	B.COM IT
Randall Peacock	01/10/2020	TLB Operator	TLB Operator Certificate

7. EMPLOYEES WHO LEFT THE INSTITUTION

A total of 7 employees left the institution on the following grounds for the period under review:

Name	Department	Reason for leaving	Position
Malebogo More	Corporate Service	Resigned	Communication/ Public Participation Officer
Thandokuhle Njongo	Municipal Manager Office	Resigned	Performance Management System Officer
Randall Peacock	Technical & Community Service	Dismissed	TLB Operator
Boipelo Setlhauno	Corporate Service	Contract Ended	Learner in the Corporate Service
Keosentse Etebare	Office of the Mayor	Contract Ended	Learner MPAC
Precious Kolberg	Technical & Community Service	Contract Ended	Learner
Georgina Mosinki	Budget & Treasury	Contract Ended	Learner

7.1. Positions re-assigned

- Joline Oor and Itumeleng Rooibaadjie was re-assigned as office cleaners, Kenneth Balepile- Assistant Human Resource Management and Sheila Lekhobo as Records/ Registry Management Officer.
- Mr. John Bontsi was appointed as a temporary Labour Relations Officer as from the 01 February 2020 till 30 September 2020
- Three financial Internships was extended (Kealebogile Kgwarai - 01 February 2020 and Keabetswe Bontsi and Boipelo Van der Post as from the 02 March 2020

8. POSTS ADVERTISED

Post (Internally/Externally)	Department	Date of Advert
Creditors Clerk (Externally)	Budget and Treasury Office	14/10/2020
Billing Clerk (Externally)	Budget and Treasury Office	14/10/2020
Auditors Clerk	Office of the MM	14/10/2020

9. JOB EVALUATION

Job evaluation process is ongoing, Job descriptions has been developed for employees who did not had Job Description as its part of the Job Description Process, employees will capacitated on Job Evaluation Training.

10. TRAFFIC AND LICENSING

10.1. Traffic Law Enforcement

Visible Blue Light Patrolling, Law enforcement for Visible Blue Light Patrolling on the roads and in communities is underway. Programs of law enforcement have been hampered due to the focus being on Covid operations. The program for law enforcement to be conducted in such a way that it covers peak times during the weak and also caters for weekends.

10.1.2. Covid-19 roadblocks and operations

National Disaster Management Compliance Regulations, No Covid-19 related roadblocks and patrols on the roads and in communities were conducted in June whereas operations were done on a regular basis in April and May 2020. No Covid-19 related roadblocks and patrols on the roads and in communities were conducted in June whereas operations were done on a regular basis in April and May 2020. Although the meetings are no longer sitting regularly as supposed to be, it is of vital importance that all role players who participated in these meetings share whatever knowledge and advice they have with regards to compliance in their respective work places and communities. Co-chaired by the South African Defence Force and South African Police Service Commanders.

10.1.3. JOC Law Enforcement Cluster

The cluster consist of all law enforcers in SAPS, SANDF, Traffic, CPF and Private Security,

The discussions are about reporting on what happened in the past few days, tendencies of the general public and road users and planning on future patrols, enforcements of Disaster Regulations and roadblocks. The committee also failed to sit in the duration of the month of June as opposed to the two previous months whereby it sat regularly and thus made it difficult for law enforcers to plan for roadblocks and other operations like your funeral monitoring and escorts.

10.1.4. Justice court process flow

Traffic Summonses. Written traffic summonses and disaster management compliance fines are being paid at the nearest local police station in the respective magisterial area of jurisdiction. With the current status on the lockdown, it has been a mammoth task to deal with offenders who have to appear in Court as most cases are postponed to a later date with Level restrictions of the lockdown. Some of the summonses are being withdrawn by the Court due to the legality and constitutionality of the regulations. The public to be encouraged to still utilize the traffic account for the payment of all traffic related fines whereby this will lessen the burden on the courts roll book.

10.1.5. Road markings and erection of traffic signs

Road Markings Project, Constrained parking bays and loading zones for taxis and offloading trucks especially in McKenzie Street and reopening of one of the closed illegal routes in Rhodes Street near V&V Hardware due to business sector pressure. If the route is reopened as it is illegal, appropriate signage has to be erected and be in place and this cannot be put on the shoulders of the Municipality, the business sector should also play its role.

10.1.6. Driving licence testing centre & motor vehicle registering authority

ENaTIS Transactions, Motor vehicle registrations and licensing and other services were done from 19 June 2020 and professional driving permits, learner's and driving licences tested from 24 June 2020 respectively. Motor vehicle registrations and licensing and other services were done from 19 June 2020 and professional driving permits, learner's and driving licences tested from 24 June 2020 respectively.

Motor Vehicle Registering Authority and Driving Licence Testing Center managed to comply for resumption of duties from 19 June 2020 and 24 June 2020 with conditions that we get all outstanding compliance items as services are conducted on a daily basis, we have already taken big strides in addressing the backlog of expired driving licences, learner's licences, and vehicle registrations and licensing, we only have to operate within the time framework stipulated by the Department of Transport, Safety and Liaison.

11. FINANCIAL IMPLICATIONS

TRANSACTION	NO. OF TRANSACTION 2020/21	TOTAL AMOUNT 2020/21
Motor Vehicle Registration	109	R19 747.00
Motor Vehicle Licensing	221	R133 666.30
Special & Temporary Permits	16	R2 711.00
Traffic Infringements	14	R3 290.00
Other Transactions	161	R10 743.00
TOTAL TRANSACTIONS	**521**	**R170 157,30**

Driving licence testing centre		
Learner's Licences	324	R 18 468.00
Professional Driving Permits (PrDP's)	50	R3600.00
Driving Licences	247	R 28 044.00
TOTAL TRANSACTIONS	**621**	**R 50 112.00**
motor vehicle registering authority & driving testing centre (no fee transactions)		
Vehicle & Driver Queries 2020/21	**1524**	
Disaster management compliance regulations fines issued in Danielskuil	**0**	
Disaster management compliance regulations fines issued in lime acres	**0**	
Traffic summonses issued	**44**	
Warrants of arrests served	**0**	

12. EMPLOYEE REMUNERATION TABLE 2020/2021

12.1.1. Task Category 1: 2020/2021 Salary Scale: 6.25% Salary increase W.E.F 1 July 2020

TASK CATEGORY 1 : 2020/2021 SALARY SCALES : 6.25% SALARY INCREASE W.E.F 1 JULY 2020

LEVEL	T 1	T 2	T 3	T 4	T 5	T 6	T 7	T 8	T 9	T 10	T 11
1	99946	102345	104793	107317	117986	138607	167571	188680	212422	239149	282360
2	106410	104793	107317	109890	120834	141938	171599	193204	217519	244892	289122
3	108964	107317	109890	112538	123117	145344	175702	197828	222740	250784	296059
4	0	109890	112538	115237	126076	148825	179927	202577	228086	256801	303170
5	0	112538	115237	117986	129084	152405	184253	207450	233555	262967	310454
6	0	0	117986	120834	132192	156060	188680	212422	239149	269283	317888
7	0	0	120834	123117	135374	159814	193204	217519	244892	275721	325521
8		0	123117	126076	138607	163642	197828	222740	250784	282360	333327
9		0	0	129084	141938	167571	202577	228086	256801	289122	341333
10			0	132192	145344	171599	207450	233555	262967	296059	349538
11			0	135374	148825	175702	212422	239149	269283	303170	357915
12			0	0	152405	179927	217519	244892	275721	310454	366518

12.1.2. Task Category 1: 2020/2021Salary Scale: 6.25% Salary increase W.E.F 1 July 2020

Level	T 12	T 13	T 14	T 15	T 16	T 17	T 18	T 19
1	333327	375295	422533	487150	548484	663074	764487	820850
2	341333	384320	432676	498859	561661	678986	782835	840565
3	349538	393543	443068	510818	575137	695295	801606	860728
4	357915	402966	453709	523075	588935	711978	820850	881389
5	366518	412638	464600	535630	603081	729059	840565	902546
6	375295	422533	475737	548484	617552	746561	860728	924201
7	384320	432676	487150	561661	632369	764487	881389	946403
8	393543	443068	498859	575137	647535	782835	902546	969103
9	402966	453709	510818	588935	533085	801606	924201	992374
10	412638	464600	523075	603081	678986	820850	946403	1016191
11	422533	475737	535630	617552	695295	840565	969103	1040581
12	432676	487150	548484	632369	711978	860728	992374	1065543

13. LEGAL MATERS

GENERAL LITIGATION MATTERS		
PARTIES INVOLVED	**CASES DETAILS**	**STATUS / PROGRESS**
1. Michael Kotze /KLM (Labour Court matter)	Alleged unfair labour practice. Matter sat in 2016 January with favorable outcome to the municipality with and order as to costs. Costs need to be recovered from Michael Kotze as per court ruling.	Matter was stuck of the roll as the Labour Court ruled in favour of the municipality
2. C A Lottering / KLM and another similar matter (Magistrate's Court matters)	Matter on Electrical Meter Tampering	Settlement proposals have been made to settle the matter in a cost-effective manner Estimated further legal fees: R60000.00 Matter was concluded
3. EnviroServ Waste Management (Pty) Ltd / KLM (High Court matter)	Dispute of Payment to EnviroServ for Services rendered.	A pre-trial conference was held in September 2019 the minutes of which must still be signed. We are awaiting feedback from the Plaintiff's attorneys of record who are dragging their feet in this regard. After the minutes have been signed a trial date will be obtained. We are making all attempts to have this matter declared trial ready as per the Municipal Manager's instructions as to attempt to dispose of the matter. A trial date will in all probability only be obtained during the first 3 months of 2021. Estimated further legal fees: R120000.00 Matter was concluded in 2021.

4. N Prince/Other Councilors/KLM (High Court matter)	Matter relate to the Vote of No Confidence meeting held 12 October 2017. Applicant, N Prince is challenging the procedures followed on his removal as mayor of KLM.	We have served the warrant of execution and we are awaiting the return of service which got lost during lockdown. We are following up on this matter on an urgent basis Estimated additional costs: R2000.00 for Sheriffs'fees . Matter is still outstanding as we can't locate the residential address of Mr. N Prince .
5.W D Beaton / KLM (Magistrate's Court)	Claim for damages allegedly suffered	The Plaintiff has recently died and we are in the process of settling the claim on the basis that the claim is withdrawn with each party to pay its own legal costs Estimated further legal fees: R3500.00 Matter was concluded as parties paid their legal fees
6.Ducharme Consulting (Pty) Ltd	Claim for payment allegedly due	This matter has been withdrawn and the Plaintiff must pay the costs incurred by the Municipality as the wrong party sued the Municipality. The matter referred to arbitration which should take place on or before the end of 2020. Estimated further legal fees: R200 000.00 Estimated additional costs (legal fees of opposing party and amounts claimed): to be determined

13.1. LABOUR RELATIONS MATTERS

EXTERNAL LABOUR COURT MATTERS		
PARTIES	**CASE DETAILS**	**STATUS**
1. SAMWU obo Likotsi M and one other	Review and setting aside of arbitration award.	The review application was dismissed by the Labour Court on 4 Augustt 2020 with no order as to costs as the Labour Court is of the view that the matter should be dealt with by the South African Local Government Bargaining Council. The matter is currently being pursued in the SALGBC. Estimated further legal fees: R70000.00
2. NASECGWU obo Morebodi J and 17 others	Review and setting aside of arbitration award.	Review application has been opposed. The applicant has not pursued the review in the prescribed manner and have taken all steps to ensure that the matter cannot proceed unless the Applicants applies to the Labour Court to have the matter revived Estimated further legal fees: R5000.00
3. NASECGWU obo Lerato Moloi	Unfair labour practice (notch dispute)	Counsel lacks jurisdiction over the referred matter. Resolved
4. KGATELOPELE V S. L. VISAGIE	L. Visagie refused to return the refuse truck to the work place during lunch time.	L. Visagie got a final written warning which will stay in his personal file for 6 months. Resolved

LABOUR MATTERS (INTERNAL)JUNE 2019/JUNE 2020		
PARTIES	**CASE DETAILS**	**STATUS**
5. KGATELOPELE VS. L HENRY	L. Henry was under the influence of alcohol during working hours.	L. Henry got a verbal written warning which will stay in his personal file for 6 months Resolved
6. KGATELOPELE V S. J NTLATHI	J Ntlathi was under the influence of alcohol during working hours.	J Ntlathi got a verbal written warning which will stay in his personal file for 6 months Resolved
7. KGATELOPELE VS. E .DANSTER	E Danster was under the influence of alcohol during working hours.	E Danster got a verbal written warning which will stay in his personal file for 6 months Resolved
8. KGATELOPELE VS. K . JONATHAN	K. Jonathan was under the influence of alcohol during working hours	K. Jonathan got a verbal written warning which will stay in his personal file for 6 months Resolved
9. KGATELOPELE VS. G. Z PLAATJIE	G. Z Plaatjie failed to perform his duties and absenteeism	G. Z Plaatjie got a written warning which will stay in his personal file for 6 months. Resolved
10. KGATELOPELE VS. P. MALGAS	. P. Malgas refused to blow the alcohol breathalyzer at the gate when reporting to duty.	P. Malgas got a written warning which will stay in his personal file for 6 months. Resolved
11. KGATELOPELE VS. S. HANS	S. Hans refused to obey a reasonable instruction to blow the alcohol breathalyzer	Matter has been referred for conciliation on the 7th September 2020 by Bargaining Council

12. KGATELOPELE VS T. SEBOGODI	Absenteeism	T.Sebogodi got a written warning which will stay in his personal file for six months Resolved
13. KGATELOPELE VS K MOKGALAGADI	Failing to perform her task and responsibilities diligently, carefully to the best of her abilities	K. Mokgalagadi got a written warning which will stay in her personal file for six months Resolved
14. KGATELOPELE VS R.OPPEL	Failing to attend work regularly and punctually	R. Oppel got a written warning which will stay in his personal file for six months Resolved
15. NESECGWU OBO MOREBODI AND 17 OTHERS	Non payment of bonuses	Not amount to unfair Labour Practice Resolved
16. KGATELOPELE VS J. JOSEPH	Continues late coming	J.Joseph got a written warning which stay in his file for six months Resolved
17. KGATELOPELE VS I. ROOIBAABTJIE	Continues late coming	I. Rooibaadtjie got a written warning which stay in his file for six months

14. Injury on duty

There were only Four employees reported and confirmed as injured on duty, however the safety and health committee did receive any matters based on injuries on duty, medical cost is covered by the municipality as all employees got injured on duty and they all work in the Technical department.

15. Leave taken 2020/2021

Type of leave	Total number of Leave	Office of the MM	Office of The Mayor	Corporate Services	Budget & Treasury Office	Technical, Infrastructure and Community services
Annual	2318	126	30	391	527	1244
Sick	1180	72	0	115	220	219
Maternity	366	155	67	48	65	31
Family responsibility	39	3	0	5	14	17
Total	3903	316	97	559	826	1511

16. Skills Gape Analysis and Development Plans

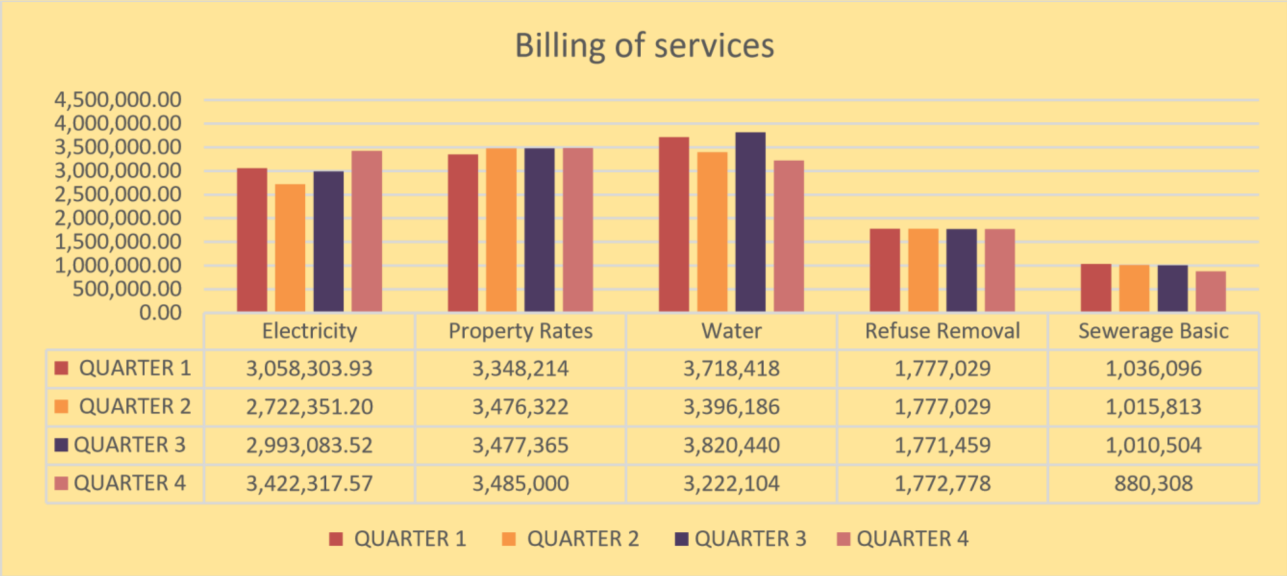
Work skills Plan analysis and audit was made to all employees within the municipality and it was submitted to LGSETA on the 30 April 2020 for approval and Personnel Development Plan for all employees. It supports all the Trainings and workshops to be attended by the municipal employees for the period of the financial year.

CHAPTER 5 – FINANCIAL PERFORMANCE OF THE MUNICIPALITY

5.1 REVENUE

The core function of municipalities is to provide quality basic services to its communities, effectively and efficiently. This is the major source of income for municipalities to ensure they reach objective of the municipality is to maintain the high demand for service delivery, while at the same time keeping it affordable for our ratepayers and users of services in the continued difficult economic climate.
At the beginning of the financial year, the municipality migrated to a new financial system that also assisted the municipality to do a data cleansing on the data on the financial system more especially the billing information.

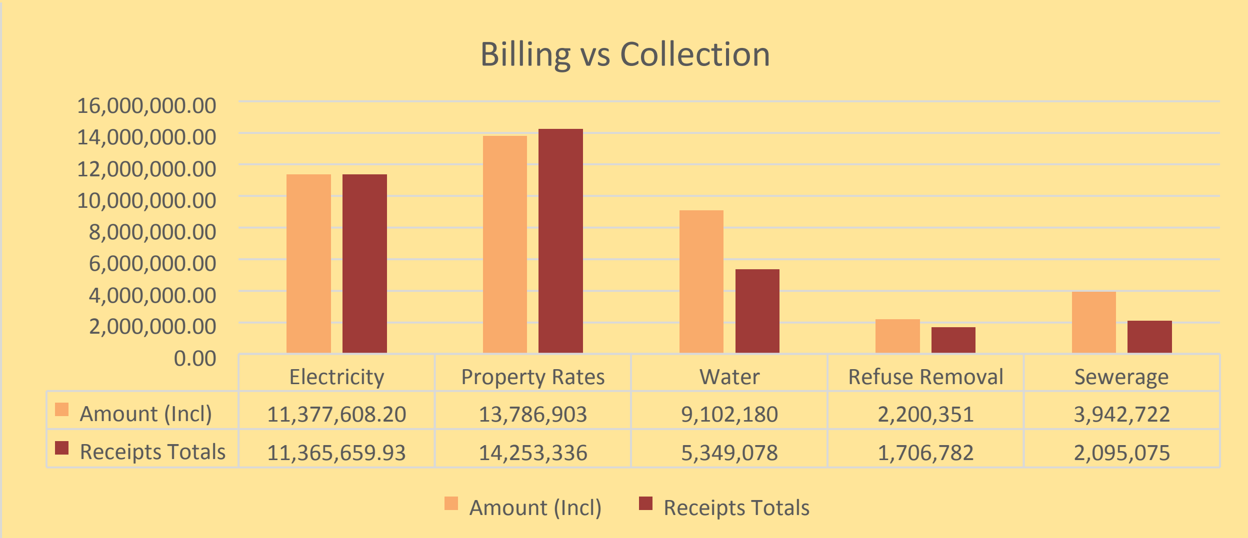
Rates and taxes remain the municipality's main source of revenue in relation to billing, followed by electricity during peak season, which is over autumn and winter. The collection rate remains below the National Treasury norm of 95% which the municipality is working on addressing the low collection in ensuring we become a financial sustainable municipality.



	Electricity	Property Rates	Water	Refuse Removal	Sewerage Basic
QUARTER 1	3,058,303.93	3,348,214	3,718,418	1,777,029	1,036,096
QUARTER 2	2,722,351.20	3,476,322	3,396,186	1,777,029	1,015,813
QUARTER 3	2,993,083.52	3,477,365	3,820,440	1,771,459	1,010,504
QUARTER 4	3,422,317.57	3,485,000	3,222,104	1,772,778	880,308

As per the KPI 25 of the SDBIP relating billing 80% of the R 74 839 000 budgeted amount, the municipality managed to bill R 67 028 801 which is 90% of the budgeted amount.

The table below illustrates the quarterly actuals of billing and revenue recovered on the billing; the recovery excludes prepaid sales.



	Electricity	Property Rates	Water	Refuse Removal	Sewerage
Amount (Incl)	11,377,608.20	13,786,903	9,102,180	2,200,351	3,942,722
Receipts Totals	11,365,659.93	14,253,336	5,349,078	1,706,782	2,095,075

The COVID-19 pandemic has had an impact on the municipality's collection ability, which has dropped from the previous financial year. However, when taking into consideration the collection made on the arrears during the year, which is all money received during the year the collection rate is above the National Treasury norm. The table below shows that the municipality collected 70% of what was budgeted for. In the 2020/21 SDBIP, KPI 26 had a target of 50% of the total billing for services be collected, this target has been surpassed as the collection rate was 70%. This target does not take into account the arrears of the that are outstanding over the previous years. However, the municipality collected more on property rates than what was budgeted for, meaning a portion of the arrears for property rates were paid.

As per the table above, the municipality collects more on electricity and property rates, with refuse removal and sewerage being the lowest service where arrears are collected from. The municipality has a policy guiding how allocation are made on arrears:

1. Water
2. Electricity
3. Property rate
4. Refuse
5. Sewerage

Credit Control

Outstanding debtors at end of June 2021 is R 68 693 279, as at end June 2020 the municipality had an outstanding debt of R 64 119 067, resulting in a 7% an increase, which equates to R 4 574 212. The effects of the Covid-19 pandemic is a major contributor to the huge increase in the outstanding debtors. Irrespective of the efforts implemented by the municipality. The category of outstanding debt per service is as follows:

- Non-indigent households – R 37 673 982
- Indigent households – R 17 612 405
- Business – R 4 813 785
- Government – R 2 166 174
- Agriculture – R 2 239 285

The municipality makes use of prepaid electricity to implement credit control, 50% of purchases for those consumers who are in arrears goes towards their municipal account. The secondary process to secure payment is to disconnect the electricity services. The municipality has over the years experienced a poor payment culture which had a negative effect on the cashflow of the municipality. The municipality also provides a repayment method through a payment arrangement on the arrear amount, this has limited effect as community members keep defaulting on the arrangement. During the 2020/21 financial year, a pilot was implemented to make use of debt collectors, which did not derive the desired outcome.

Indigents

The Municipality continued to support registered indigent households in the form of a monthly subsidy on their household accounts to cover the basic fees with regard to sewerage (R171.65 pm), refuse removal (R146.58 pm), water (R51.78 pm) and electricity (R63). The municipality aimed at targeting 1500 households to be registered as indigents, the total registered indigents at year end was 1 751. The change in the economic situation of the country as a whole during the COVID pandemic contributed to the increase in registered indigents. The purpose of the Indigent Policy is to ensure that the subsidy scheme for indigent households' form part of the financial system of the municipality and to ensure the same procedure be followed for each individual case in a fair and equitable manner. KPI 29 which has a target of 1500 indigents being registered, was achieved and surpassed as the total number of indigents for the 2020/21 financial year is 1751.
An incentive write-off of 25% was implemented during the financial year, closing balance for indigents at the end of the year is R 17 612 405, which increased by R 56 412 from the R 17 555 993 in the 2019/20 financial year.

The criteria used for households to qualify for indigent support is as follows: Subsidy, within the financial ability of the municipality, be allocated to owners, be allocated to owners of premises who receive electricity, water and sewerage or refuse removal services from the municipality in respect of charges payable to the municipality for such services.
The household income must not be more than R 4 500, excluding: Child support, foster care and disability grants. A business, body corporate, association, club or governing body shall not qualify for consideration.

Findings and recommendations

The payment culture of the municipality remains relatively poor and worsened now by the pandemic, a good culture of payment needs to be adopted amongst the ratepayers of Kgatelopele Local Municipality, as well as improvement in revenue management controls to ensure excellent and diligent revenue management system and consistent application of the Debt Collection Policy of the municipality. For the next financial year, the municipality will be moving to the next step of credit control, refining the specifications for debt collection through a 3rd party.
This will form part of the financial recovery plan which will assist the municipality in achieving a better collection rate and to explore new revenue sourcing to our disposal.

The main focus of the financial recovery plan should showcase a range of revenue collection strategies to optimize the collection of debt owed by consumers including government and also implementation of the promulgated credit control and debt collection by law once the by-laws are revised early in the 2021/22 financial year.

5.2 Budget and reporting

The planning and budgeting process of the municipality was steered through the implementation of the process plan for Integrated Development Plan, Budget, Performance Management and Human Resources approved by Council. The 2020/2021 budget and medium-term revenue and expenditure framework was prepared at a time when global and national economies are experiencing weak economic growth. On the 26th May 2020 council approved the annual budget for the municipality. The municipality has a role to play in ensuring through resources allocated on the budget and the medium term revenue and expenditure framework that it contributes towards the alleviation of unemployment, poverty and inequality challenges.

The table below illustrates the original operating and capital budget for the 2020/2021 financial year:

NC086 Kgatelopele - Table A1 Budget Summary

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Financial Performance										
Property rates	–									
Service charges				19,990					21,416	
Investment revenue	–				19,990	19,990		20,474		22,401
Transfers recognised -		12,711	12,471	56,074			12,122		56,866	
operational Other own	–			975	50,991	50,991		54,365	867	59,364
revenue		37,048	38,151		983	983	32,074	829		907
	–	851	1,195	27,106	27,038	27,038	659	28,749	30,166	32,849
Total Revenue (excluding		25,932	27,375				26,447			
capital transfers and	–	3,410	1,692	11,892	11,979	11,979	6,907	9,047	10,510	10,194
contributions) Employee costs	–	79,951	80,884	116,037	110,982	110,982	78,209	113,465	119,825	125,715
Remuneration of councillors										
Depreciation & asset										
impairment Finance	–	26,975	31,403	37,462	35,229	35,229	28,142	37,752	40,370	43,171
charges		2,149	2,568	2,602	2,602	2,602	2,176	2,608	2,727	2,853
Materials and bulk purchases	–		19,210	11,096	11,096	11,096	–	12,535	13,115	14,113
Transfers and grants		(2,142)	674	812	512	512	383	133	139	145
Other expenditure	–		17,451		22,817	22,817	17,381			25,529
Total Expenditure		–		27,010				23,332	24,406	
	–	21,925								

Surplus/(Deficit) Transfers and subsidies - capital (monetary allocations) (	– – –	2,774 50,162	– 31,646	– 39,468	– 38,565	– 38,565	– 19,101	– 36,930	– 38,146	– 38,656
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	101,844	102,951	118,450	110,821	110,821	67,183	113,290	118,904	124,468
Surplus/(Deficit) after capital transfers & contributions Share of surplus/ (deficit) of associate	– N – –	(21,893) 24,837 –	(22,067) 43,288 –	(2,413) 22,686 –	161 28,032 –	161 28,032 –	11,026 10,400 –	175 18,020 –	922 12,653 –	1,248 28,795 –
Surplus/(Deficit) for the year	– –	2,944 –	21,221 –	20,273 –	28,193 –	28,193 –	21,426 –	18,195 –	13,575 –	30,043 –
	–	2,944	21,221	20,273	28,193	28,193	21,426	18,195	13,575	30,043

The municipality adopted a Covid special adjustment budget in September 2020 to included the Covid allocation of R 3 366 000 given by National Treasury.
In terms of Section 72 of the Local Government Municipal Finance Management Act No. 56 of 2003 (MFMA) the Accounting Officer must by 25 January of each year assess the budget and performance of the Municipality during the first half of the financial year.

The final adjustment for the financial year is as follows:

The adjustment in capital grants is due to the approval of the rollover on the Municipal Infrastructure Grants and the reallocation received by the municipality. Which increased the total capital projects from R 19,020 million to R 53,247 million.

Finding and recommendation

With the limited funds the municipality receives from National Treasury for capital projects, it is evident that internally funded capital projects need to increase, through an increase in the collection rate. The collection rate of the municipality is relatively low compared to the norm resulting in the municipality being grant dependent. The migration to the new financial system has assisted the municipality greatly, with more reliable data, we are able to plan better.

5.3 Assets and Supply Chain Management

The full asset life cycle cost of capital assets needs to be recovered, while the customers have access to the service, hence the importance of the completeness of the capital asset register. The focus in the past 3 years was ensuring we are able to account for all the assets of the municipality. The Geographical Information System (GIS) is viewed as a crucial tool in ensuring completeness of immoveable capital assets. It has already proved to be very useful in ensuring completeness.

The Municipality strives to continuously improve its asset management by putting policies, principles and processes in place that is in line with the vision of the Municipality. However, it still faces challenges with maintaining the assets under its control to ensure value is derived from the assets and they are used to their estimated useful life. Taking the actual book value as at end of 2019/20 financial year of R 336,403 million, and the asset register value had increased and this attributed to new assets added to the asset register. Total additions of R 2,800 million were purchased during the financial year. The additional assets that were recognized resulted in increase on depreciation and asset impairment. Cognizance should be taken that this from budget point of view is a non-cash item (i.e. the movement did not have cash flow implication) and as a result it is pure financial accounting transaction.

Repairs and maintenance remain reactive instead of preventative to assist in being proactive in addressing maintenance of infrastructure that becomes costly. The treasury norm is 6% of the total value of assets should be earmarked for repairs and maintenance. The municipality spends less than 2% of the value of its assets on repairs and maintenance. The next step is to compile an asset maintenance plan which will aid the municipality is planning better for repairs and maintenance, replacement of assets and restoring and refurbishment of assets.

The table below illustrates the total repairs and maintenance incurred per section

Department	Period											Grand Total
	1.00	2.00	3.00	4.00	5.00	6.00	7.00	8.00	9.00	10.00	11.00	12.00	
Community Halls and Facilities	-	17,870.00		10,690.00	908.24			9,740.00	108,000.00	209,952.17		-	357,160.41
Electricity	-	11,395.00		42,301.38	17,655.50	55,010.00	75,585.00	50,570.00		6,270.00	6,492.00	-	265,278.88
Finance	-	1,640.00		4,049.00				19,600.00		-		-	25,289.00

Information Technology	-							10,344.28				-	10,344.28
Maintenace of buildings	-	17,870.00										-	17,870.00
Mayor and Council	-					4,165.00		4,485.00		9,650.00		-	18,300.00
Municipal Manager, Town Secretary and Chief Executive	-	2,898.67	11,250.00	147,971.00	5,880.00				5,400.00			238,530.00	411,929.67
Recreational Facilities	-		7,698.70	9,028.62		21,290.00		20,855.00	4,235.00	9,105.00	3,830.00	7,290.00	83,332.32
Sewerage	512.90		940.00	19,484.49	6,811.74	3,810.00	61,680.60	13,885.00	6,355.00	66,634.00	8,916.00	38,014.00	227,043.73
Solid Waste Removal	-			10,300.00	14,554.00	2,860.00	4,440.00			36,674.00	3,240.00	78,874.38	150,942.38
Water Distribution	-	10,130.00	-	37,466.22	2,300.00		5,770.00	2,140.00		8,209.00	3,070.00	5,700.00	74,785.22
Grand Total	512.90	61,803.67	19,888.70	281,290.71	48,109.48	87,135.00	147,475.60	131,619.28	123,990.00	346,494.17	25,548.00	368,408.38	1,642,275.89

Total expenditure on repairs and maintenance is R 1 642 276 which is an increase when compared to the previous financial year where we spent R 1 538 113.
The main cost drivers were as follows:

- Repairs to sewer and water pumps mainly in quarters two and four.
- Repairs and replacement of transformers.
- Servicing of air conditioning units in quarter four.
- Repairs and maintenance of our relatively aged fleet throughout the year.

During the 2020/21 financial year, the municipality had unfinished projects which are included in the work-in progress.

Project Name	Opening	Additions - Internal Payments	Additions Donations	Transfers	Closing	Status
Danielskuil: Solid waste disposal site (966)	12,437,249.83	12,782,340.26	-	-	25,219,590.09	Ongoing, Sub-contract currently on site
Refurbishment of Pump Stations	3,889,485.20		1,738,703.36	(5,628,188.56)	-	Complete
Conversion of prepaid meters Phase 2	266,399.20	261,000.03	-	-	527,399.23	
Workshop	861,680.00			-	861,680.00	Construction completed
Infills and electrifcation of 95 households	1,739,130.77		839,130.43	(2,578,261.20)	-	Complete

Refurbishment of 7 pump stations: Phase 2	-	8,251,516.31		-	8,251,516.31	Construction underway
Refurbishment of main office	-	722,086.96		-	722,086.96	Construction underway
Replacement of highmast Lights	-	1,564,767.60		(1,564,767.60)	-	Complete
Eradication of Conservancy Tanks and connection to municipal sewer network	-	2,890,433.67		-	2,890,433.67	Professional fees pai
Upgrading of Roads in Greater Danielskuil Area	-	1,527,510.46		-	1,527,510.46	Professional fees pai
	19,193,945.00	27,999,655.29	2,577,833.79	(9,771,217.36)	40,000,216.72	

Once the above projects are completed, they will transferred to additions.

Supply Chain Management

The Municipality met the requirements with regard to the adoption of a policy and also implemented the prescribed procurement procedures to ensure that all legal requirements were met. Council approved the revision of the Supply Chain Management Policy on the 26th May 2020, it came into effect on 1 July 2020 for the 2020-2021 financial year.

All supply chain management reports (quarterly and annually) were consistently reported to the Mayor as required by regulation 6 (3) of the Supply Chain Management of 27636 dated 30 May 2005 issued by National treasury.

The procurement plan of the municipality was approved and monitored during the financial period. Of the 12 projects on the procurement plan, 7 were appointed. The other 4 had to be re-advertised due to change in scope or non-responsiveness of bidders.

The table below illustrates a summary of the procurement plan.

No	Project	Procurement Method	Progress
1	Phase 2: Refurbishment of 7 Pump stations	14-day advert	Appointed
2	Supply and Delivery of Waste Skip Bins	14-day advert	Specifications to be revised
3	Maintenance of Existing Landfill Site	30-day advert	Re-advertisement
4	Energy Efficiency Project	Panel of contractors	Appointed
5	Provision of Security Services	30-day advert	Appointment pending council decision to insource service
6	Extension of Workshop and Refurbishment of Main Office - Phase 2	Panel of contractors	Appointed
7	Upgrading of Information and Communication Technology Infrastructure	30-day advert	Appointed

8	Compilation of GRAP compliant Asset Register	30-day advert	Specifications to be revised
9	Supply of stationery, cleaning material, office equipment and furniture	30-day advert	Specifications to be revised
10	Danielskuil: Upgrading of roads	Panel of contractors	Appointed
11	Danielskuil: Eradication of Conservancy Tanks	Panel of contractors	Appointed
12	Danielskuil: Construction of a Sports Facility	Panel of contractors	Appointed

Extension of contracts

Contract description	**Service provider**	**Amount**	**Reasons**
Maintenance of landfill site	Taanil Construction	R 185 482 p/m	Bid had to be readvertised
Security services	Bafazi Security	R 202 911.03 p/m	Awaiting council deliberations
Compilation of FAR	Infratec	R 1 451 675	Bid had to be readvertised

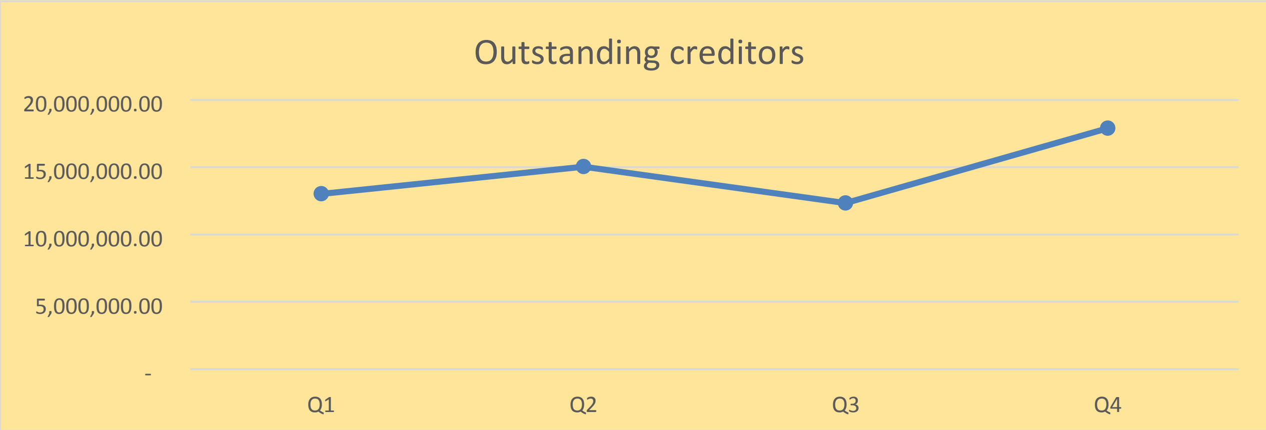
Due to the affordability, the municipality had to re-advertise the maintenance of landfill site bid as the submitted bids were out of our price range. Specification had to be revised, the amendments were made to the specifications. Revision of the bid for the compilation of the fixed asset register to accommodate the technical division. The security services is currently on hold, there are currently deliberations on the viability of the service.

Expenditure

General expenditure

The municipality still experiences challenges in payment of creditors within 30 days on receipt of the invoice as required by section 65(2)(e) of the Municipal Finance Management Act No. 56 of 2003. The municipality undertaken stringent cost curtailment measures and budget reprioritization in order to minimize the expenditure not relating to service delivery, through implementation of cost containment strategy.

Outstanding creditor as at year end was:



The steep increase in quarter 4 is attributed to the cashflow challenges the municipality had in quarter 4 due to poor collection rate.
As at end June 2021, the municipality had a total outstanding creditors of R 17 909 000:

1. Department of Transport, Safety – R 7 880 068
2. Auditor General – R 5 113 100
3. Eskom – R 1 738 345
4. Cigicell – R 1 061 498

The key objective of the municipality is to continue decreasing outsourced services over the coming years, which will decrease our monthly contractual obligations and have a positive effect on the monthly cashflow

Employee related

Remuneration which includes employee related costs and Councilors remuneration as a percentage of the total operating expenditure ratio was 40* per cent for the year under review and which is within of the set norm of between 25 to 40 per cent. The budgeted amount for employee related was within the norm by treasury, however, the decrease in expenditure compared to the estimated budget amount results in the contractual amount such as employee related to equate a higher percentage. The challenge is to keep this under control with the increasing demand of expectations regarding improved service delivery.

Grants

For the period under review the municipality had 2 capital grants and 3 operational grants from National and Provincial treasury. The municipality also received approval for the rollover which is funding the

Municipal Infrastructure Grant

Monthly Report as per the Division of Revenue Act

The onus is on the municipality to confirm that the return has been re:eived by NT

Municipality	**NC086 Kgatelopele**	**Financial Year**	**2020/21**
		Month End	**M12 June**

Financial Accounting for Grant Funds Received and Expended

	Rand
Received Prior Periods (Since Inception) - See Last Months Form	28 247 438
Received This Month	0
Total MIG Funds Received	28 247 438
Spent Prior Periods (Since Inception) - See Last Months Form	15 944 804
Spent This Month	229 738
Total MIG Funds Spent	16 174 542
Total MIG funds Received and Not Spent	12 072 896
Percentage of Funds Spent	57,26%
Funds Currently Committed but Not Spent	
Scheduled Transfers Withheld	

At the end of December 2020, the municipality had spent its full allocation of R 8 020 000 which was gazette for the year. In March 2021, the municipality received an additional R 16 402 000 for the Establishment of a new Landfill site and upgrading of streets. At the end of the financial year 57% of the grants was spent on the two registered projects, an application will be made for the unspent amount of R 12 072 896.

Library Grant

Library

Monthly Report as per the Division of Revenue Act

by PT

The onus is on the municipality to confirm that the return has been received

Municipality	**NC086 Kgatelopele**	**Financial Year**	**2020/21**
		Month End	**M12 June**

Financial Accounting for Grant Funds Received and Expended

	Rand
Received Prior Periods (Since Inception) - See Last Months Form	912 000
Received This Month	0
Total Library Funds Received	912 000
Spent Prior Periods (Since Inception) - See Last Months Form	941 590
Spent This Month	81 385
Total Library Funds Spent	1 022 975
Total Library funds Received and Not Spent	-110 975
Percentage of Funds Spent	112,17%
Funds Currently Committed but Not Spent	
Scheduled Transfers Withheld	

The municipality received R 912 000 from the Department of Sports, Arts and Culture, the allocation is below the total cost to operate the local library. This department is operating at a significant loss, expenditure has been reduced to catering for employee related cost.

Energy Efficiency & Demand Management Grant

Energy Efficiency And Demand Side Management Grant	
Monthly Report as per the Division of Revenue Act	
The onus is on the municipality to confirm that the return has been received by NT	
Municipality	**NC086 Kgatelopele**
Financial Year	**2020/21**
Month End	**M12 June**
Financial Accounting for Grant Funds Received and Expended	**Rand**
Received Prior Periods (Since Inception) - See Last Months Form	1 799 500
Received This Month	
Total EEDSMG Funds Received	1 799 500
Spent Prior Periods (Since Inception) - See Last Months Form	1 442 982
Spent This Month	356 518
Total EEDSMG Funds Spent	1 799 500
Total EEDSMG funds Received and Not Spent	0
Percentage of Funds Spent	100,00%
Funds Currently Committed but Not Spent	

For the 2020/21 financial year project, the EE&DM grant was used to install 15 LED high mass lights.

Water Services Infrastructure Grant

Water Services Infrastructure Grant (WSIG)	
Monthly Report as per the Division of Revenue Act	
The onus is on the municipality to confirm that the return has been received by NT	
Municipality	**NC086 Kgatelopele**
Financial Year	**2020/21**
Month End	**M12 June**
Financial Accounting for Grant Funds Received and Expended	**Rand**
Received Prior Periods (Since Inception) - See Last Months Form	23 000 000
Received This Month	0
Total WSIG Funds Received	23 000 000
Spent Prior Periods (Since Inception) - See Last Months Form	11 455 217
Spent This Month	4 996 447
Total WSIG Funds Spent	16 451 664
Total WSIG funds Received and Not Spent	6 548 336
Percentage of Funds Spent	71,53%
Funds Currently Committed but Not Spent	
Scheduled Transfers Withheld	

The WSIG allocation was increased in March through a reallocation process, to fund phase 2 of the replacement of pump stations and the eradication of sceptic tanks project. 71.5% of the allocation was spent

EPWP

Expanded Public Works Programme Integrated Grant (PWPG) Monthly Report as per the Division of Revenue Act			
The onus is on the municipality to confirm that the return has been received by NT			
Municipality	**NC086 Kgatelopele**	**Financial Year**	**2020/21**
		Month End	**M12 June**
Financial Accounting for Grant Funds Received and Expended			
	Rand		
Received Prior Periods (Since Inception) - See Last Months Form	1 000 000		
Received This Month	0		
Total PWPG Funds Received	1 000 000		
Spent Prior Periods (Since Inception) - See Last Months Form	953 679		
Spent This Month	46 321		
Total PWPG Funds Spent	1 000 000		
Total PWPG funds Received and Not Spent	0		
Percentage of Funds Spent	100,00%		
Funds Currently Committed but Not Spent			
Scheduled Transfers Withheld			

The EPWP grant was used for security upgrades at the municipal buildings, grant was fully spent.

Finance Management Grant

Finance Management Grant					
Monthly Report as per the Division of Reve ıue Act					
The onus is on the municipality to confirm that the return has been received by National Treasury					
Municipality	**NC086 Kgatelopele**			**Financial Year**	**2020/21**
				Month End	**M12 June**
Financial Accounting for Grant Funds Received and Expended					
	Rand				
Received Prior Periods (Since Inception) - See Last Months Form	2 800 000				
Received This Month	0				
Total FMG Funds Received	2 800 000				
Spent Prior Periods (Since Inception) - See Last Months Form	2 787 731				
Spent This Month	12 269				
Total FMG Funds Spent	2 800 000				
Total FMG funds Received and Not Spent	0				
Percentage of Funds Spent	100,00%				
Funds Currently Committed but Not Spent					

The Financial Management Grant, which serves to improve the financial system, reporting and capacity building of the municipality, 100% was spent.

Findings and recommendations

The municipality has worked on addressing the outstanding creditors where it was possible. A long-term plan is needed to eradicate the long outstanding debt. The development of a financial recovery plan which will be implemented to improve the liquidity management objectives of the municipality. This will ensure the municipality maintains a health cashflow on a monthly basis.

The municipality has maintained a good trend in expenditure management of grant funding. The objective is to ensure that rollovers are only done as a necessity due to late reallocations.

ANNUAL FINANCIAL STATEMENTS

Kgatelopele Local Municipality strives for credible financial accounting and reporting requirements through the use of internal capacity as envisioned. The financial statements of the municipality were prepared on an accrual basis of accounting in accordance with standards of the General Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB) which forms part of the GRAP reporting framework. The financial statements should be fairly presented the state of affairs of the municipality, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position.

National Treasury has released the specimen template that should be incorporated in the compilation of annual financial statements for the 2020/21 financial years which includes the changes and classification changes which emanated from the implementation of mSCOA and latest standards being released.

Kgatelopele Local Municipality will be to compiling the 2020/21 financial statements internally for the second financial year. In the 2019/20 financial year, the municipality submitted the first internally compiled annual financial statements, the municipality's audit opinion moved from a disclaimer to a qualification.

Findings and recommendations

A long term strategy has to be developed to ensure that the municipality can maintain the internal preparation the financial statements internally and credible reviews are done on the statements.

FINANCIAL POSITION

The municipality's opening balance as at 1st July 2020 was R 688 173 and closed off at R 362 992 at the end of June 2021. The municipality strives to be financially viable to a point where it becomes less grant depended. The municipality managed to cover salaries, Eskom and operating expenditure from what it collected for services rendered. Kgatelopele Local Municipality has committed to reducing the number creditors not paid within 30 days as per legislation. All unspent grants are cash backed as funds are only withdrawn once an invoice is approved for payment.

The table below illustrates the closing of the bank accounts as at 30 June 2021.

DAY TO DAY		
ACCOUNT NAME	**ACCOUNT NUMBER**	**BALANCE**
CHEQUE ACCOUNT	**52003878794**	362,992.00
CORPORATE (TRAFFIC)	**62798890630**	5,358.00

TOTAL		**368,350.00**
SAVINGS AND INVESTMENT		
ACCOUNT NAME		
WSIG	**62714846500**	7,165,935.00
DISASTER MANAGEMENT	**62822654530**	10,841.00
EPWP	**62627396915**	1,290.00
FMG	**62627396155**	5,004.00
ENERGY	**62289233547**	17.00
LIBRARY	**62627394498**	5,000.00
MIG	**62021476313**	11,478,865.00
EQUITABLE SHARE	**62627395347**	1,019,862.00
TOTAL		**19,686,814.00**
DAY TO DAY & INVESTMENT		**20,055,164.00**

Findings and recommendations

The above would not have been achieved if it wasn't for strict expenditure management and the implementation of cost containment measures. Timeous capturing of invoices and following up on suppliers and end users remain a challenge that affects the cut off at year end. The municipality strives to reduce its expenditure to ensure that reserves are cash backed.

Financial Performance

The application of sound budget and financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

ANNEXURE A: Audited Annual Performance report 2020/2021
ANNEXURE B: Audited Annual Financial Statements
ANNEXURE C: Auditor –General of South Africa Final Audit Reports 2020/2021
ANNEXURE D: Audit, Performance and Risk Committee report 2020/2021