



**KANNALAND**  
MUNISIPALITEIT | MUNICIPALITY

# DRAFT ANNUAL REPORT 20/21

# Contents

CHAPTER 1: .....	8
<b>MAYOR'S FOREWORD AND EXECUTIVE: SUMMARY .....</b>	<b>8</b>
<b>MUNICIPAL MANAGER'S OVERVIEW .....</b>	<b>9</b>
CHAPTER 2 – GOVERNANCE.....	32
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE.....	33
COMPONENT B: INTERGOVERNMENTAL RELATIONS .....	43
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION .....	45
COMPONENT D: CORPORATE GOVERNANCE.....	52
CHAPTER 3 - BASIC SERVICE DELIVERY PERFORMANCE INFORMATION .....	60
<b>Overview of performance within the organization .....</b>	<b>60</b>
<b>PDO 1: To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens .....</b>	<b>64</b>
<b>PDO 2: To provide adequate Services and improve our Public relations .....</b>	<b>65</b>
<b>PDO 3: To strive towards a safe community in Kannaland through the proactive management of traffic , enviromental health,fire and disaster risks .....</b>	<b>68</b>
<b>PDO 4: To facilitate economic growth and social and community development .....</b>	<b>68</b>
<b>PDO 5: To promote efficient and effective Governance with high levels of stakeholder participation .....</b>	<b>69</b>
<b>PDO 7: To strive towards a financially sustainable municipality.....</b>	<b>73</b>
CONCLUSION.....	75
COMPONENT A: BASIC SERVICES: .....	77
<b>COMPONENT B: ROAD TRANSPORT .....</b>	<b>102</b>
<b>COMPONENT E: ENVIRONMENTAL PROTECTION.....</b>	<b>111</b>
COMPONENT F: SAFETY AND SECURITY.....	116
COMPONENT G: SPORT AND RECREATION.....	120
COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES .....	128
<b>CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE.....</b>	<b>132</b>
COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE.....	134
COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE.....	139

<b>CHAPTER 5 – FINANCIAL PERFORMANCE .....</b>	<b>144</b>
COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE .....	144
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET .....	153
COMPONENT D: OTHER FINANCIAL MATTERS.....	155
<b>CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS.....</b>	<b>155</b>

Table 1: Functions per department .....	12
Table 2: Kannaland industries and activities.....	15
Table 3: Population of Kannaland – Source: Local Government Socio Economic Profile, 2019.16Table	
4: Data Source - SA9: Mero 2017, Community Survey 2016 and Samras.....	17
Table 5: Socio Economic Status Source: Mero 2020.....	18
Table 6: Natural Resources .....	19
Table 7: Highlights during the 2019/20 financial year .....	21
Table 8: Challenges during the 2019/20 financial year.....	23
Table 9: Proportion of Households to basic services as per municipal statistics (Source: SAMRAS).....	23
Table 10: Challenges regarding financial management .....	25
Table 11: Financial Overview – Source: AFS vs Municipal budget.....	26
Table 12: Capital Expenditure - Source: AFS vs Municipal budget.....	26
Table 13: 1.5.1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT	28
Table 14: Audit Outcomes .....	29
Table 15: Statutory Reporting Timeframes – Circular 63 (September 2012).....	32
Table 16: Mayoral Committee .....	35
Table 17: Councillors.....	36
Table 18: Councillors, Committees Allocated and Council Attendance .....	37
Table 19: Municipal Public Accounts Committee (MPAC) .....	40
Table 20: Disciplinary Board .....	40
Table 21: Audit and Performance Audit Committee.....	42
Table 22: Risk Committee members .....	42
Table 23: risk management champions .....	42

Table 24: Inter-Governmental Structures (IGR) attended .....	44
Table 25: Ward 1 – Ward Committee .....	47
Table 26: WARD 2 – WARD COMMITTEE.....	48
Table 27: WARD 3 – WARD COMMITTEE.....	48
Table 28: WARD 4 – WARD COMMITTEE.....	49
Table 29: Public engagements During the 2019/20 financial Year .....	50
Table 30: IDP Participation and Alignment Criteria Section 26 Municipal Systems Act, 2000.....	52
Table 31: Highlights and Challenges of ICT Services .....	58
Table 32: Section 75 Checklist of the MFMA .....	59
Table 33: PDO 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizen’s .....	64
Table 34: PDO 2: To Provide adequate Services and improve our Public relations.....	68
Table 35: PDO 3: To strive towards a safe community in Kannaland through the proactive management of traffic , enviromental health,fire and disaster risks.....	70
Table 36: PDO 4: To Facilitate Economic Growth and Social and Community development .....	71
Table 37: PDO 5: To promote efficient and effective Governance with high levels of stakeholder participation.....	76
Table 38: PDO 6: To Provide an efficient workforce by aligning our institutional arrangements to our overall strategy .....	78
Table 39: PDO 7: To Strive towards a financially sustainable municipality.....	88
Table 40: Water Service Delivery Levels – Source: Samras (municipal statistics).....	89
Table 41: Total use of water by sectors – Source: Samras (municipal statistics).....	91
Table 42: Financial Performance of water services - 2019/20 - Source: AFS.....	92
Table 43: Capital Expenditure of water services – 2019/20 - Source: AFS .....	92
Table 44: Water Service Policy Objectives Taken from the IDP - 2019/20 - Source: Samras (municipal statistics) .....	93
<i>Table 45 - Sanitation Service Delivery Levels 2018/19 and 2019/20- Source: Samras (municipal statistics) .....</i>	<i>94</i>
Table 46: Financial Performance of Sanitation Services - 2019/20- Source: AFS .....	95
Table 47: Sanitation Service Policy Objectives Taken From IDP .....	95

Table 48: highlights, challenges and interventions.....	96
Table 49 - Electricity Service Delivery Levels 2017-2018 and 2019/20- Source: Samras (municipal statistics).....	97
Table 50: Financial Performance Per Electricity Services - Source: AFS.....	97
Table 51: Capital Expenditure per Electricity Services 2019/20 - Source: AFS .....	98
Table 52: Electricity service policy objectives taken from the IDP – 2018/19 and 2019/20.....	98
Table 53: Financial Performance of solid waste management services - AFS .....	107
Table 54: Capital Expenditure –Waste Management Services – Source AFS.....	107
Table 55: Waste service policy objectives taken from the idp.....	107
Table 56: Financial Performances of housing services - Source: AFS .....	109
Table 57: Free basic services to low income households - Source: Samras (municipal statistics).....	110
Table 58: JOBS CREATED THROUGH EPWP.....	113
Table 59: Financial Performance 2019/20 Libraries - Source: AFS .....	117
Table 60: Financial Services for Fire Services 2019/20 - Source AFS.....	126
Table 61: Financial Performance for Sport and Recreation 2019/20 - Source AFS.....	127
Table 62: MIG allocations .....	128
Table 63: Summary of implementation of projects.....	131
Table 64: Financial Performance 2019/20: The Executive and Council – Source AFS .....	140
Table 65: Financial Performance 2019/20: Financial Services Source AFS.....	141
Table 66: number of employees .....	143
Table 67: turnover rate.....	144
Table 68 - HR Policies and Plans.....	147
Table 69: Number and Cost of Injuries on Duty.....	148
Table 70: Number and Period of Suspensions.....	149
Table 71: Skills Matrix .....	151
Table 72: financial competency development: progress report.....	152
Table 73: Disclosures of Financial Interests .....	153
Table 74: Reconciliation of Table A1 Budget Summary Source AFS .....	157
Table 75: Financial Performance of Operational Services Source AFS.....	158
Table 76: Grant performance Source AFS.....	161

Table 77: Actual Borrowings Source AFS .....	161
Table 78: Revenue by vote 2019/20 vOTE AFS .....	162
Table 79: Revenue Collection by Source 2019/20 Source AFS.....	162
Table 80: Capital Programme by Project 2019/20.....	164
Table 81: Cash Flow Source AFS 2019/20 .....	165
Table 82: Councillors, Committees Allocated and Council Attendance.....	171
Table 83: COMMITTEES AND COMMITTEE PURPOSES .....	172
Table 84: Municipal Functions .....	173
Table 85: Functionality of Ward Committees .....	174

## ***INTRODUCTION: ABOUT THE 2020/21 ANNUAL REPORT***

This report offers an overview of the operations, financial, non-financial activities and the performance of Kannaland Municipality for the 2020/21 financial year. The annual report is prepared in terms of Section 127(3) and the process has been trailed as per section 127 (3) (a-c) stipulated in the Municipal Finance Management Act (MFMA).

The Annual Report comprises of six chapters with the following broad overview:

- Chapter 1: An overview of the Municipality's social and demographic profile and key highlights regarding finance, performance and service delivery.
- Chapter 2: Details about the governmental workings of the Municipality addressing the key aspects of good governance.
- Chapter 3: Highlights the Municipality's performance for the year, focusing on the service delivery and the Pre-determined objectives of the Council.
- Chapter 4: Provides insight into the Human Resources and organizational management areas of the Municipality, focusing on organizational structure and legislation.
- Chapter 5: An overview of the Municipality's financial performance, reflecting on the Municipality's financial position, assets, cash flow and intergovernmental grants received by the Municipality.
- Chapter 6: An overview of the audit key findings per the Auditor-General –
- Volume I: Annual Financial Statements

# CHAPTER 1:

## MAYOR'S FOREWORD AND EXECUTIVE: SUMMARY

The Municipality has faced numerous challenges over the past ten years. We will require great discipline, commitment and hard work to overcome these challenges and to hold each other accountable through transparent disclosure of the root causes to the difficulties we are facing.

Assessment of the year under review indicates that the Municipality should continue to implement its Municipal Strategy in a manner that builds confidence. The Municipality should strive to be well managed and accountable, taking prudent stewardship of public funds, safeguard public assets, and set example for the effective, efficient and economical use of public resources.

The implementation of the IDP can be seen as one of the Municipality's greatest challenges faced as it is with severe financial constraints, insufficient capacity and inadequate resources. Kannaland Municipality inherited huge outstanding debt, assets that were in a poor and unusable state, and many that remain unaccounted for. Covid-19 and the legal battle concerning the lengthy administration also added to the already embattled municipality.

The Municipality will require a great deal of support, assistance and self-determination to govern to achieve its strategic objectives, which aim to create a better situation and a good quality of life for its communities. We need to put the people first. The Municipality must improve on the management of its resources in a manner to mitigate risks; make improvements in basic infrastructure; improve municipal financial management, spend its grant funding and strive for clean audits, thereby adhering to legislative prescripts and promoting public confidence in our leadership.

Public participation will remain an important priority for the Municipality where we move towards not only an informed, but an involved community. Stakeholder engagement through active ward committees will lay the foundation for the further maturity of participatory democracy and equal opportunity for all. All relevant stakeholders will be engaged in strengthening ward committees to retain a connection with communities in relation to projects and initiatives of the Municipality. Sector engagements on a regular basis. In order to establish a sound living environment, we will address, in collaboration with other spheres of government to deal with housing delivery backlogs, the introduction of innovative solutions and the acceleration of the implementation of the social housing policy. A concerted effort including massive campaigns will be made to will continue. The local economic development strategy must be translated into real jobs. Our organizational structure needs to be responsive to the challenges facing the Municipality.

We can only achieve this through co-operative collaboration with government departments and private business in the provision of services to our communities.

**NICOLAAS VALENTYN**

**EXECUTIVE MAYOR**



## **MUNICIPAL MANAGER'S OVERVIEW**

The Kannaland Municipality has been faced by consistent failures to fulfil its executive and legislative obligations over a prolonged period. This has affected the morale of staff and the ability of the Municipality to present itself as a dynamic, growing and positive entity. Non-compliance in timeously meeting legal prescripts and Covid-19 has unfortunately led to cascading and repetitive failure to comply and meet the standard of good governance practice.

Linked to the inherent challenges the financial sustainability of the Municipality is threatened. One of the main priorities over the short term will be to stabilise and strengthen the Municipal administration. This will require the review of systems, policies and procedures in an array of corporate, institutional and administrative functions that will have to be designed and put in place. Capacity building of staff requires attention. Oversight, risk management and internal audit controls will be addressed in order to ensure value for money spending and to prevent irregular, fruitless and wasteful and unauthorised expenditure.

Currently the Kannaland Municipality faces severe financial constraints, infrastructure deficits, backlogs and institutional instability. A Financial Recovery Plan was developed to attempt and balance the budget, reduce debt to sustainable levels, benchmark its revenue and expenditure. This will result in providing for the current contingent liabilities and to build reserves to invest in infrastructure that will promote its development and shared growth. Grant funding has to be spent to achieve this.

The tariff structure will be reviewed in order to recover the cost of service rendering and allowing infrastructure to be maintained and upgraded. The challenge of a high occurrence of indigent customers places a strain on municipal resources and the ability to function as a going concern. The continuity of senior management staff has also resulted in institutional and administrative difficulty. The administrative structure will have to be reviewed with recent and accurate job descriptions. The right person must be placed in the right job and the capacity and skills of employees should also be addressed in order to enable them to fulfil their administrative and technical duties. The aim is to transform the Municipality's organisational culture to one that is characterised by passionate employees, relentless in their pursuit for excellence. I would like to extend my appreciation and gratitude to the Mayor, Speaker, and Councillors, as well as Municipal staff, for their ongoing support and commitment to build a better future for all who live in the Municipal area.

Lastly, I would like to thank the management and IDP team for their dedication, commitment and hard work for an effective and successful IDP development and implementation process under difficult circumstances.

**IAN AVONTUUR**

**ACTING MUNICIPAL MANAGER**

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

This report offers an overview of the financial and non-financial performance of Kannaland Municipality for the 2020/21 financial year. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the Municipality provide regular and predictable reporting on programme performance and the general state of affairs in the Municipality.

The 2020/21 Annual Report reflects on the performance of Kannaland 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), which stipulates that the Municipality must prepare an Annual Report for each financial year. Due to Covid-19 related challenges, the finalization of the annual audit process was extended beyond the already exempt date of compliance and consequently the submission of the Annual Report will be dealt with in terms of section 127 (3) of the MFMA.

### **MUNICIPAL FUNCTIONS**

The Municipality is structured in two directorates namely, Finance and Infrastructure Services. The Corporate Services function is still vacant with the department community services as well, however the two departments resides currently under the Office of the Municipal Manager. The Municipal Manager drives the oversight function for those departments under very difficult circumstances but successfully implemented some functions within the unit, community services.

The Municipality's administration comprises of the following departments and functions:

DEPARTMENT	FUNCTION (SECTION)
Municipal Manager	<ul style="list-style-type: none"> <li>• Integrated development planning</li> <li>• Corporate strategy</li> <li>• Performance management</li> <li>• Communications</li> <li>• Inter-governmental relations</li> <li>• Local economic development and tourism</li> <li>• Spatial development planning</li> <li>• Internal Audit</li> <li>• Risk Management and Legal Services</li> </ul>
Financial Services	<ul style="list-style-type: none"> <li>• Revenue management</li> <li>• Expenditure management</li> <li>• Budget preparation and management</li> <li>• Preparation of financial statements</li> </ul>
	<ul style="list-style-type: none"> <li>• Information Communication and Technology (ICT)</li> <li>• Supply chain management</li> <li>• Asset management</li> </ul>
Corporate and Community Services (resides currently under the office of the Municipal Manager)	<p>Administration</p> <ul style="list-style-type: none"> <li>• Human Resources</li> <li>• Committee Secretariat</li> <li>• Policy formulation</li> <li>• Records Management</li> <li>• Knowledge management</li> </ul>

Infrastructure Services	<ul style="list-style-type: none"> <li>• Engineering Services</li> <li>• Roads and storm water</li> <li>• Waste water services (Sanitation)</li> <li>• Water services</li> <li>• Electrical services</li> <li>• Fleet Management</li> <li>• Mechanical workshops (pumps, implements and vehicles)</li> <li>• Project management: MIG,RBIG, ACIP and other infrastructureprojects</li> </ul> <p>Integrated Transport</p>
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TABLE 1: FUNCTIONS PER DEPARTMENT

## DEMOGRAPHICAL OVERVIEW

Kannaland Municipality is situated in the Western Cape, 325 kilometres from Cape Town. The Municipality covers an area of 4,758 square kilometres in the Little Karoo, stretching from the Swartberg Mountain in the north to the Langeberg Mountain in the south, and from the Anysberg Mountain in the west to the Gamkaberg Mountain in the east.

The largest town and also the location of the municipal headquarters is Ladismith. Ladismith is situated at the foot of the picturesque Swartberg Mountains, as is Zoar and Calitzdorp to the east. Vanwyksdorp is further south in the valley of the Groot River.

Statistics remain a challenge and will be addressed in future. Too many sources are being used to calculate the statistics of Kannaland and varies in data. The data of Statistic South Africa 2011 is currently used in most cases.

Industries and activities in the various towns include:

<b>TOWN</b>	<b>INDUSTRIES</b>
Ladismith	Ladismith Cheese factory
	Parmalat Dairy factory
	Tourism:  Hiking trails amongst the Swartberg ranges, Stanly's Liggie as well rock climbing to the well-known Towerkop peak.
	Southern Cape Vineyards (also exports wine)
	Scenic drives around the game reserves
	The town boasts a unique Ladismith architectural style which is a combination of Victorian, neo-gothic, Edwardian, Cape Dutch Revival and Regency.
	The economy of the town is mainly centered on the agricultural industry, which includes the production of fruit (grapes, apricots, and plums), milk, wine, flowers and mutton.
	Accommodation available in town as well as amongst picturesque winelands, abundant fruit farms and the magnificent Towerkop Mountain.
	Historic scene – Otto Hager Church – tourist attraction and beautiful history
	Agritourism
Calitzdorp	Port wine capital of South Africa Wine exporting farms
	Calitzdorp can also be explored through its hot springs, backpackers facilities, hiking and biker trails as well camping sites with relaxing accommodation.

	<p>The general architecture of the central village area of Calitzdorp is English-derived and its beauty is that of severe simplicity in the so-called Karoo style.</p> <p>Calitzdorp falls within The Cape Floral Kingdom region which has been called the world's hottest spot for plant diversity and endemism. The flora is so diverse and unique that it warrants classification as one of the world's six principal floristic regions.</p> <p>The town is known for its art and craft assembles:</p> <ul style="list-style-type: none"> <li>➤ Elnatan Food Stall and Solar Cookers</li> <li>➤ Groenfontein Toy Project</li> <li>➤ Hand Made Ceramic Tiles</li> <li>➤ Homemade pickles and preserves</li> <li>➤ Wemasi handmade dolls (doll project)</li> <li>➤ Local art painters</li> <li>➤ Art gallery</li> <li>➤ Fruit production</li> <li>➤ Wine production</li> <li>➤ Guest houses</li> <li>➤ Restaurants</li> <li>➤ Local wire crafting</li> <li>➤ Agritourism</li> </ul>
<p>Zoar</p>	<p>Started as a Lutheran missionary station</p> <p>Restored church building and historic grave yard and farm buildings</p> <p>Historic scenic drive through Amalienstein</p> <p>Hiking trails through the Seweweekspoort</p> <p>Homestays - Guesthouses</p> <p>Tant Carolina Guesthouse</p> <p>Fruit production</p> <p>Jam production</p> <p>Indigenous Tourism</p> <p>Towing Services</p>

Van Wyksdorp	<p>Popular for its rural character</p> <p>Van Wyksdorp Development Institute (non-profit organization aimed at socio-economic upliftment of poor rural communities) Learning campus to acquire skills and incubate entrepreneurial activities</p> <p>Fruit production Olive production Guest houses</p> <p>Agritourism</p>
Hoeko Valley	Birthplace of C J Langenhoven, famous South African writer (composer of the anthem “Die Stem”)

TABLE 2: KANNALAND INDUSTRIES AND ACTIVITIES

## POPULATION PROFILE

The table and graph below indicates the population forecasting of Kannaland population

YEAR	KANNALAND POPULATION
2018	23 897
2019	24530
2020	26014
2021	26014
2022	26789
2023	27647
2024	28466

TABLE 3: POPULATION OF KANNALAND – SOURCE: LOCAL GOVERNMENT SOCIO ECONOMIC PROFILE, 2019

According to the Department of Social Development's 2019 projections, Kannaland Municipality currently has a population of 23 897, rendering it the smallest municipal area by population within the Garden Route District. This total is estimated to increase to 28 466 by 2024 which equates to 3.0 per cent average annual growth over this period. The population growth within the Kannaland municipal area for the 2018 to 2024 period is higher than the Garden Route District's rate of 1.9 per cent during the same period.

## HOUSEHOLDS

The table and graph indicates the number of households and indigents within the municipal area. The numbers of total number of households emanates from the community survey conducted in 2016 by Stats SA and MERO 2017 whilst the poor households were retrieved from the municipal financial system.

The struggle of comparison of statistics remains the main challenge as we are dependent of the stats from MERO's and community surveys conducted by independent parties – Stats SA in partnership. The general census will be conducted in 2020/2021.



	DATA SOURCED – SA 9	
Economic Indicator	2016 Community Survey	2019/20 MERO 2017
Number of households in municipality	6333	7537
Number of poor households in municipal area	2059	2665

TABLE 4: DATA SOURCE - SA9: MERO 2017, COMMUNITY SURVEY 2016 AND SAMRAS

#### SOCIO ECONOMIC STATUS

Socio Economic Status									
Year	Housing Backlog as a proportion of	Average household income 2018 (current prices)	Informal settlements	Access to basic services	Access to free basic services	Unemployment Rate	Skilled	Semi-skilled	Low-skilled
2020/21	3184	R13 014	306	6 733	2192	9.1 %	23%	30%	13%
									T.1.2.4

TABLE 5: SOCIO ECONOMIC STATUS SOURCE: MERO 2020

#### ENVIRONMENT, TOURISM AND LOCAL ECONOMIC DEVELOPMENT

The municipal area is very popular for its rural rustic Karoo scenery amongst domestic and foreign tourists. Our unique offerings in the heart of the Klein Karoo, the local top class brandy, port and wines, hot springs and top class cheese industries, provide attractions for tourists with distinctive tastes who enjoy trying new delicacies.

An important role and function of the Municipality is to balance the need for development with the need to reserve the fauna and flora which are an important leverage within the agriculture and tourism industry. In this regard the Municipality cooperates with the relevant sector departments, National Parks and the private sector for the best opportunities with the least damage to nature. The area is very popular amongst artists, cyclists and off-road enthusiasts who come here for untouched natural beauty.

The Municipality has a difficult task to balance the interest in the natural environment with the need to promote development which will address the socio-economic under-development, infrastructure backlogs and the need to promote investment inflows to the area. The Spatial Development Framework (which is reflected in the IDP) will be one of the key strategic tools with which the Municipality will balance these competing interests.

The Ladismith and Calitzdorp Tourism Bureaus are active. Kannaland Municipality has entered into Memorandum of Agreement with the Tourism Bureaus.

The table below reflects the natural resources within the municipal area:

<b>Natural Resources</b>	
<b>Major Natural Resource</b>	<b>Relevance to Community</b>
<b>Water</b>	Basic need to all residence
<b>Electricity</b>	Basic need to all residence

TABLE 6: NATURAL RESOURCES

### 1.3. SERVICE DELIVERY OVERVIEW

Government policy places specific emphasis on the provision of basic services, which entail the provision of electricity, water, sanitation and waste collection. Chapter 3 provides more detailed information on basic service delivery as well as all other functions rendered by the Municipality during 2020/21.

#### BASIC SERVICE DELIVERY HIGHLIGHTS FOR 2020/21

During the 2020/21 financial year, the municipality made the following contributions to satisfy basic requirements:

<b>SERVICE</b>	<b>HIGHLIGHT DESCRIPTION</b>
<b>WATER SECURITY AND PROVISION</b>	Providing water for tanks to schools and some farm areas in dry summer months in Kannaland area with assistance from the GRDM and provincial government.
	Monthly laboratory results of water samples that comply with SANS 241 with regards to the quality of water
	Supply emergency water to hospitals and schools
	Refurbishment of the pipeline system at the borehole plant in Ladismith
	Refurbishment of boreholes as well a new borehole pump and pipeline at the Swartberg River in Ladismith

<b>ELECTRICITY</b>	Upgrade of the main electricity substation including installation of new 20 MVA transformer in Ladismith (R8m VAT included).
	Better internal controls within the department

	Network and transformer audit was conducted to determine the number of assets to be refurbished or replaced.
	Daily electrical work is being successfully completed within 24 hours from callout
	Staff morale has been improved which resulted in increased productivity
	Bulk, conventional and prepaid electrical meter audit was conducted.
	Faulty meters were identified to be replaced and the system will be upgraded in the next 2 financial years to ensure the data is clean and reliable
	A cost analysis was done of the demand to be saved in terms of Eskom penalties
<b>ROADS</b>	This function remains a challenge, due to financial constraints. Repairs and maintenance should be throughout the entire municipal area.
<b>PMU</b>	
	Contract workers became permanent i.t.o the EPWP programme
	73% MIG spending for the year under review
	Over achieved EPWP work target
<b>GOOD GOVERNANCE</b>	Functional ward committee meetings
	Thusong outreaches to enable the local community to do their personal affairs wrt government services.
	Engagement with stakeholders internal and external on municipal affairs
	Good progress have been made in the turn-around of the Municipality although much effort is still required.
	MOU in place wrt internal audit and risk management with assistance from Garden Route District Municipality
	There is momentum regarding governance structures and a commitment to function. The intervention actions rendered progress and the final hurdles need to be tackled now
	Functional meetings with LLF members
	Restructuring of organogram

	Adhering to MSCOA regulations
	Appointment of a Chief Financial Officer, BTO Manager as stipulated to the FRP
	Implementation of the FRP – Organisational structure renewalJob description not finalized Training development
<b>FINANCIAL VIABILITY</b>	
	The payment rate of the Municipality has decreased to an average of 77.4%
<b>DISASTER MANAGEMENT</b>	Disaster Management Committee has been established and actively assisted during the drought period

TABLE 7: HIGHLIGHTS DURING THE 2020/21 FINANCIAL YEAR

During the 2020/21 financial year, the municipality faced the following challenges:

<b>Service Area</b>	<b>Challenge</b>	<b>Interventions to address</b>
<b>Infrastructure: Water, roads, sanitation, electrical</b>	Inadequate funding (grant and own funding)	Infrastructure maintenance and upgrades are the most crucial issues in the Municipality. Additional funding is required to address infrastructure maintenance and upgrades.
	Large number of faulty water meters. Users only pay for basic services until meters are replaced- financial loss	Funding and manpower required to repair/replace faulty water meters
	Roads - Grant funding not adequate to maintain upgraded roads.	Ongoing application for external funding from various sources.
	Electricity - maintaining and managing electricity losses due to aging networks	Ongoing application for external funding from various sources.
	Water - availability of water, especially in the hot and dry summer months	Fast-tracking of the ACIP & RBIG funding requests for WWTW's & Ladismith Swart Berg Dam raised at the Back to Basics, Water and Sanitation forums and as well IDP forums
	Non-compliance regarding the operation of refuse sites are serious. No funding is available to comply with the requirements.	The Municipality is in a mediation process with the Department of Environmental Affairs and Public Prosecution.
<b>Fleet Management</b>	Limited fleet available in all service delivery departments	This was raised and addressed with DLG and funding applications were submitted for fleet required.
<b>Human</b>	Challenges exist with regard to the	Funding required to increase the
<b>Settlements</b>	capacity of bulk infrastructure services	capacity of bulk infrastructure to
	resulting in significant increases in	allow for new housing
	housing waiting lists	developments

	Incorrect title deeds	Appoint a surveyor to alleviate	
		the risk of incorrect title deeds	
	Huge demand for low cost and GAP (Social) housing	Ongoing liaison	with the
		Department of	Human
		Settlements to	fund the
		implementation of	the human
		settlement pipeline	

TABLE 8: CHALLENGES DURING THE 2020/21 FINANCIAL YEAR

#### PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES

Proportion of Households to basic services as per municipal statistics		
	2018/19	2019/20
<b>Electricity service connections</b>	3530	
<b>Water - available within 200 m from dwelling</b>	4915	
<b>Sanitation - Households with at least VIP service</b>	4459	
<b>Waste collection - kerbside collection once a week</b>	4861	

TABLE 9: PROPORTION OF HOUSEHOLDS TO BASIC SERVICES AS PER MUNICIPAL STATISTICS (SOURCE: SAMRAS)

The variances in numbers for basic service can be attributed to the fact that not all households have access to the same level of service (e.g. in informal areas households have access to communal taps) and in certain areas ESKOM is the distributor of electricity. A large part of Calitzdorp is not connected to the sewage system but septic tanks are emptied when full.

In Zoar 10 households still have to make use of the bucket system which must still be eradicated. Due to the fact that the area is situated in a rocky area, the cost of installing sewage will be high and therefore the bucket system has not been eradicated there. Pit latrines are still used in the Calitzdorp (15) and in Vanwyksdorp (30). In Vanwyksdorp 100 septic tanks are being serviced by the Municipality.

CHALLENGES REGARDING FINANCIAL MANAGEMENT FOR 2020/21

<b>SERVICE AREA</b>	<b>CHALLENGE</b>	<b>INTERVENTION</b>
Late submission of Annual Financial Statements	The Municipal Manager was suspended during October 2020 and the CFO became the acting Municipal Manager. Significant governance challenges of long standing key vacancies in the finance department affecting effective monitoring andoversight of actions to enable the timely preparation of the financial statements;	Provincial Treasury assisted with Financial Recovery Plan
Financial system	<ol style="list-style-type: none"> <li>1. Capacity and skills challenges, including severe funding constraints to manage the mSCOA implementation process;</li> <li>2. The inability of existing accounting and information systems to accommodate the technical specifications set in the mSCOA, negatively affected the finalisation of data migration and mapping processes;</li> <li>3. Loss through theft of stand-alone laptop containing mSCOA data-base and general ledger that required the rebuild of the database;</li> <li>4. Ongoing segmentation errors and systemset-up issues, which affect the recording of and reporting on transactions, including the loading and management of the annual and adjustment budgets;</li> </ol>	<p>Bytes to cooperate in rectifying segmentation errors and systemset-up issues;</p> <p>Internal controls tightened on oversight and monitoring of reconciliations in future</p> <p>Providing leadership and in-service training to ensure that in-year reporting are correct and on time as per statutory timeframes.</p> <p>Appointment of BTO manager and accountant reporting with extensive knowledge of the financial system. Encourage the community to pay their bills and to apply for indigent services.</p>

SERVICE AREA	CHALLENGE	INTERVENTION
	<p>5. Inaccurate recording of transactions on the accounting system;</p> <p>6. Inability to perform reconciliations of various accounts because of data errors;</p> <p>7. Inability to manage accounts and in-year reporting due to data errors; and</p> <p>8. The Municipality's inability to pay the outstanding account of financial system service provider and for current services owing to severe cash flow constraints affecting the implementation of MSCOA.</p>	
Internal Audit and Risk Management	<p>No internal audit function</p> <p>Internal audit and risk management are not functioning separately</p>	<p>Internal audit function to be established. An internal auditor was appointed on 1 July 2021.</p> <p>Risk management officer and internal auditor must check each other</p> <p>Sufficient funding must be budgeted for the functions of internal audit and risk management</p>
Asset management	<p>Poorly maintained assets (vehicles, roads and other infrastructure etc) are major risk</p>	<p>Asset management is being addressed</p>
	<p>Expenditure and expenditure patterns are a matter of concern</p>	<p>Expenditure and expenditure patterns must be adapted and phased-in in accordance with National Treasury norms</p>

TABLE 10: CHALLENGES REGARDING FINANCIAL MANAGEMENT



The tables below indicates the financial overview, operating ratios as well capital expenditure for the 2020/21 financial year: The final financial statements are still awaited to be finalized, therefore no actuals can be given.

<b>Financial Overview: Year 2020/21</b>			
<b>Details</b>	<b>Original budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>
Income:			
Grants	R33 145 800	R6 506 360	R
Taxes, Levies and tariffs	R95 107 273	R159 791	R102 712 849
Other	R1 876 150	(R1 552 250)	R1 346 826
Sub Total	<b>R100 329 223</b>	<b>R5 113 901</b>	<b>R144 003 037</b>
Less: Expenditure	-R143 977 243	-R6 644 994	-R147 220 281
Net Total*			
<i>* Note: surplus/(deficit)</i>	R47 137 174	-R22 786 997	R9 163 726

TABLE 11: FINANCIAL OVERVIEW – SOURCE: AFS VS MUNICIPAL BUDGET

The table and graph below indicates the capital expenditure incurred for prior and financial year under review:

<b>Total Capital Expenditure: 2019/20 - 2020/21</b>		
<b>Detail</b>	<b>2018/19</b>	<b>2019/20</b>
Original Budget	R44 978 200	R63 321 350
Adjustment Budget	R25 119 200	R44 151 248
Actual	R44 978 200	R63 321 350

TABLE 12: CAPITAL EXPENDITURE - SOURCE: AFS VS MUNICIPAL BUDGET

## **Human Resources**

The municipality currently has **238** employees, of which **3** are Section 57 employees, **164** permanent and **52** contract employees and **4** interns.

- Management initiated a process to review the organisational structure to ensure alignment with the municipal strategic objectives (IDP) to ensure compliance and effective and efficient service delivery. This exercise highlighted a number of critical areas that management needs to address to ensure optimal service delivery. Examples of these areas follows:
- Low staff morale
- Inadequate skills levels
- Inadequate qualifications
- Lack of clarity regarding roles and responsibilities (middle management and supervisors)
- Lack of discipline

Some of the above concerns have subsequently been addressed in implementing the following initiatives:

- Review and update organogram, including job descriptions – under review (in process), not finalized.
- Implement effective HR management practices to improve operational efficiency
- Manage employee costs within national norm
- Training plans will be developed that identify skills needs.
- Work Place Skills Plan has been developed and will be implemented in the next financial year

## **Employee Wellness;**

A wellness programme will be developed in the new financial year that will address the issues relating to substance dependency, personal financial management, and other related issues. The world-wide pandemic had an impact on all business cycles thus the municipality introduced health mechanism and awareness of the covid 19 pandemic and the seriousness thereof.

## **Skills Development**

The municipality has developed a Work Place Skills Plan (WSP) of which the main objective is to ensure that there is staff development through training interventions for all levels of staff.

The management team is committed to ensure that all staff is skilled and trained in their respective fields, even though there are financial constraints. The management team will continue to source funding and form cooperative partnerships where the opportunity presents itself to ensure a well-qualified workforce.

MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

ITEM	Progress
<b>Implementation of the organizational structure</b>	The new structure introduced is currently in place and ensure effective, efficient, economic, quality and timeous service delivery which enables employees that are capacitated to perform according to expectations. Job descriptions to accompany the organizational structure are now being compiled
<b>Skills Development</b>	The Municipality is in process to equip employees with training through the LGSETA programme.
	The training is currently set out for finance staff

TABLE 13 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

1.6. AUDITOR GENERAL REPORT (ANNEXURE: ORIGINAL DOCUMENT)

**REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL  
PARLIAMENT AND THE COUNCIL OF KANNALAND MUNICIPALITY**

*The audit report is attached as an annexure*

Financial Year	Outcome	Progress
2017/2018	Unqualified Audit with findings	Action Plan addressed
2018/2019	Unqualified Audit with findings (fewer)	Action Plan addressed
2019/20	Qualified Audit Findings with Findings	Action Plan addressed

**TABLE 14: AUDIT OUTCOMES**

## STATUTORY ANNUAL REPORT PROCESS

The Municipal Finance Management Act (MFMA) requires that a Municipality prepared an Annual Report for each financial year. The Annual Report is a measure of ensuring that there is regular, impartial feedback to stakeholders and that accountability and thereby to strengthened transparency.

Circular 104 issued by National Treasury indicated the new timelines of the submission of the Annual Financial Statements and the Annual Report.

The context of this exemption flows from the Minister of Cooperative Governance and Traditional Affairs' announcement of the national state of disaster in terms of the Disaster Management Act to enable government and the country at large to manage the spread of the Covid-19 virus.

It further states that the timing of the phased lockdown also had a knock-on effect on availability of municipal staff, which impacted on operations and added to the delays in ability to prepare AFS, undertake procedures such as the physical verification of assets, meter reading, revenue management, valuations, finalising supporting documentation and concluding reconciliations.

There are similar impacts on the quality assurance processes, annual report, performance report and oversight report procedures and processes.

Activity	Legislation and Guidance	Process Owner	Timeframes
The accounting officer of a municipality must prepare the annual financial statements of the municipality and, within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing.	Section 126(1)(a) of the MFMA	Municipal Manager (Assisted by other s56 managers and CFO)	31 October 2020
The accounting officer of a municipality must in the case of a municipality referred to in section 122(2), prepare consolidated annual financial statements in terms of that section and, within three months after the end of the financial year to which those statements	Section 126(1)(b) of the MFMA	Municipal Manager (Assisted by other s56 managers and CFO)	30 November 2020

Activity	Legislation and Guidance	Process Owner	Timeframes
<b>relate, submit the statements to the Auditor-General for auditing.</b>			
The accounting officer of a municipal entity must prepare the annual financial statements of the entity and, within two months after the end of the financial year to which those statements relate, submit the statements to— the parent municipality of the entity; and the Auditor-General, for auditing.	Section 126(2) of the MFMA	Municipal Manager (Assisted by other 56 managers and CFO)	31 October 2020
Submission of AFS as per section 126 (1) of the MFMA. Additional step, a draft annual report is prepared. Annual performance report needs to be included as per section of the MSA	Section 127(1) of the MFMA	Municipal Manager and CFO	28 February 2021
The mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control.	Section 127(2) of the MFMA	Municipal Manager and CFO	31 March 2021
The council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council -  has approved the annual report with or without reservations;	Section 129(1) of the MFMA	Municipal Manager and CFO	31 May 2021

<p>has rejected the annual report; or</p> <p>has referred the annual report back for revision of those components that can be revised.</p>			
<p>The Auditor-General must submit to Parliament and the provincial legislatures—</p> <p>by no later than 31 October of each year, the names of any municipalities or municipal entities which have failed to submit their financial statements to the Auditor- General in terms of section 126; and</p> <p>b) at quarterly intervals thereafter, the names of any municipalities or municipal entities whose financial statements are still outstanding at the end of each interval.</p>	Section 133(2) of the MFMA	AG	31 December 2020

**TABLE 15: STATUTORY REPORTING TIMEFRAMES – CIRCULAR 63 (SEPTEMBER 2012)**

The Annual Report must align with the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP), and in year reports. The contents will assist with the annual audits and as a management tool for the budget process and as an accountability instrument for feedback to the public. MFMA reforms include ensuring transparency and accountability for the fiscal and financial affairs of municipalities through in- year and Annual Reporting.

Real transparency and accountability can only be achieved where there is a clear link between the strategic objectives agreed with the community, the IDP, the Budget, SDBIP, service delivery agreements, performance agreements of senior management and officials, in-year reports covering financial and non-financial information, (such as MFMA Sections 71, 72 & 74 and MSA Section 41 among others), Annual Financial Statements, Annual Performance Report and the Annual Report.

The IDP, Budget, SDBIP, in-year reports, annual performance report and Annual Report should have similar and consistent information to facilitate understanding and to enable the linkage between plans and actual performance.

## CHAPTER 2 – GOVERNANCE

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the communities are heard in decision-making. It is also responsive to the present and future needs of society.

Kannaland Municipality strives towards achieving the characteristics of good governance.

Though the difficult financial year, facing Covid 19 close to heart, the Municipality stride though by ensuring the message was clearly communicated and keeping the constituencies of Kannaland safe.

Highlights:

- Council has remained stable and well-functioning throughout 2020/21.
- Approving the organisational structure – still in process to be implemented
- Made progress with audit outcomes and this year's opinion is still pending;
- Handing over of title deeds to communities – ongoing project
- Activity on our social media platforms and municipal website has improved.
- Social media platforms have grown significantly and now reaches a much larger, ever-growing audience.

Challenges:

- Renewing bylaws to eradicate illegal activities
- Financial constraints to fund own projects – Listed in IDP
- Continuity in senior management



## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Section 151(3) of the Constitution states that the council of a Municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation.

Political governance is the process of decision-making to formulate policy of a Municipality (by-laws), whereas administrative governance is the system of policy implementation.

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### 2.1 POLITICAL GOVERNANCE

In terms of section 52(a) of the Local Government: Municipal Finance Management Act, Act 53 of 2003 (MFMA), the Executive Mayor provides general political guidance over the fiscal and financial affairs of the Municipality subject to applicable legislation and the delegations by Council. Council remains responsible for oversight and participatory roles.

The primary role of Councillors is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, councillors are also actively involved in community work and the various social programmes in the municipal area.

The roles and responsibilities of council should always be carried out with a clear distinction between oversight and interference in administration, as defined in the Municipal Finance Management Act, sections 52(b) and 103 respectively, as well as in the Code of Conduct for Councillors (Schedule 1 to the Municipal Systems Act).

POLITICAL STRUCTURE

Kannaland Municipality has a Council consisting of 7 Councillors with an Executive System (4ward Councillors and 3 proportionally representative Councillors).

The Mayoral Committee consist of:

Councillors	Position	Party	Wards
	<b>EXECUTIVE MAYOR</b> Councilor Magdalena Barry	ANC	Ward 3:
	<b>SPEAKER</b> Councilor Aletta Theron	DA	Ward 4
	<b>DEPUTY MAYOR</b> Councilor: Phillipus Antonie	ANC	Ward 3

TABLE 16: MAYORAL COMMITTEE

The remainder of Councillors are:





Councillors	Position	Party	Wards	
	Councillor Hyrin Ruiters	PR Councillor	ICOSA	Ward 3
	CHIEF WHIP	Ward Councillor	ICOSA	
	Councillor Werner Meshoa			Ward 2
	Councillor Jeffrey Donson	Ward Councillor	ICOSA	Ward 1
				
	Councillor Joslyn Johnson	PR Councillor	DA	Ward 3

TABLE 17: COUNCILORS

The table below categorises the councillors within their specific political parties and wards for the 2020/21 financial year:

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time/ Part Time	Committees Allocated	Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
<b>Cllr M Barry</b>	FT	Executive Mayor - Mayco / Council	Ward (ANC)	100%	0%
<b>Cllr P Antonie</b>	FT	Mayco Council MPAC	Party Representative (ANC)	100%	0%
<b>Cllr A Theron</b>	FT	Speaker Mayco / Council	Ward (DA)	100%	0%
<b>Cllr J Johnson</b>	PT	Council / MPAC	Party Representative DA	100%	0%
<b>Cllr W Meshoa</b>	PT	Council	Ward (ICOSA)	100%	0%
<b>Ald J Donson</b>	PT	Council / MPAC	Ward (ICOSA)	100%	0%
<b>Cllr H Ruiters</b>	PT	Council	Party Representative (ICOSA)	100%	0%

TABLE 18: COUNCILORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE

## POLITICAL DECISION TAKING

The Executive Mayor of the Kannaland Municipality is assisted by the Mayoral Committee and advised by the Municipal Manager and senior managers. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in the Executive Mayor to manage the day-to-day affairs. This means that the Executive Mayor has an overarching strategic and political responsibility.

The key element of the executive model is that executive power is vested with the Executive Mayor, in terms of applicable legislation and a set of delegations approved by Council. Council appoints the Municipal Manager and Senior Managers and delegates powers through the approved set of delegations to provide for sufficient separation of powers. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.

Each member of the Mayoral Committee is responsible for the functions indicated below whilst remaining accountable to the Mayoral Committee and the Executive Mayor unless provided for otherwise by applicable legislation. Administration is in the process of compiling an electronic register to monitor, track and record the carrying-out of Council resolutions.

## OVERSIGHT STRUCTURES

Council oversight is exercised through committees appointed by Council in terms of Section 79 of the Local Government: Municipal Structures Act, 1998. The following committees contribute towards assurance and makes recommendations for consideration and approval by Council:

### MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

Section 129(4) of the MFMA provides for the issuance of guidance on the manner in which municipal councils should consider annual reports and conduct public hearings as well as the functioning and composition of any public accounts or oversight committees established by the council. The Municipal Public Accounts Committee (MPAC) assists council to exercise oversight over the executive functionaries of Council, to ensure the efficient and effective use of municipal resources and to ensure good governance in the Municipality. By so doing, the MPAC will help to increase council and public awareness of the financial and performance issues within the Municipality.

This MPAC focuses mainly on compliance in accordance with the Local Government: Municipal Finance Management Act. The terms of reference of the MPAC include the following:

- Investigate unforeseen and avoidable expenditure (Section 29 of MFMA);
- Investigate unauthorized, irregular or fruitless and wasteful expenditure (Section 32 of MFMA);
- Review the quarterly report of the Executive Mayor on the implementation of the budget and the state of affairs of the Municipality – SDBIP (Section 52 (d) of MFMA);
- Review monthly budget statements (Section 71 of MFMA);
- Review mid-year budget and performance assessment (Section 72 of MFMA);
- Ensure disclosure of Councillors, Directors and Officials (Section 124 of MFMA);
- Review Financial Statements before submission to the Auditor General (AG) (Section 126 of MFMA);
- Review and give recommendation on the submission of the Annual Report (Section 127 of MFMA);
- Present an oversight report on the Annual Report (Section 129 of MFMA);
- Ensure that issues raised by the Auditor-General are addressed (Section 131 of MFMA);
- Ensure that the functions of the Audit Committee are carried out (Section 166 of MFMA);
- Ensure that disciplinary action instituted against Councillors, the Municipal Manager and Senior Management is within the guidelines of the MFMA financial misconduct regulations (MFMA);
- Review the IDP (Section 25 of MFMA);
- Annual Review of the IDP (Section 34 of MFMA);
- Review the performance management plan (Section 39 of MFMA);
- Monitor that the Annual Budget is aligned with the IDP (Regulation 6 of the LG: Municipal Planning and Performance Regulations); and
- Monitor that all declaration of interest forms are completed by Councillors and relevant municipal staff (Section 54 – read with item 7 of schedule 1).

**MPAC consists of the following Councilors:**

<b>Name</b>	<b>Position</b>
Councillor P Antonie	Chairperson
Councillor J Johnson	Member
Alderman J Donson	Member
Representative from Provincial/ National Treasury	To be appointed

**TABLE 19: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)**

It was also requested by the municipality that continuous training and workshop to all committees be scheduled in order to stay on board with the trends of municipal affairs. MPAC can only be revived and remain active if there is clarity and understanding of the important role they play within the organization.

**FINANCIAL DISCIPLINARY BOARD**

The Disciplinary Board is an independent advisory body that assists the council with the investigation of allegations of financial misconduct by officials and provide recommendations on further actions in this regard. It is also to monitor the institution of disciplinary proceedings against alleged transgressors.

The Disciplinary Board consists of the following members:

<b>Name</b>	<b>Position</b>
Vacant	Chairperson (Audit Committee representative)
Mr G Breda	Manager: Legal and Risk
Mr R de Jongh	Acting Manager: Human Resources
Representative from Provincial/ National Treasury	To be appointed

**TABLE 20: DISCIPLINARY BOARD**

## AUDIT AND PERFORMANCE AUDIT COMMITTEE

Council appointed a combined Audit and Performance Audit Committee. In the absence of an internal audit unit and as result of the instability in the appointment of Section 57 Senior Managers, the committee was not functional during the period under review. However training from Provincial Treasury to all committees are welcomed to capacitate the committee with new knowledge.

### **The responsibilities of the Audit and Performance Audit Committee include:**

Advising Council and management of the Municipality on matters relating to:

- internal financial control and internal audits;
- risk management;
- accounting policies;
- the adequacy, reliability and accuracy of financial reporting and information;
- performance management;
- effective governance;
- compliance with applicable legislation;
- performance evaluation; and
- any other issues referred to it by the Municipality.
- Overseeing internal controls, financial reporting and compliance with regulatory matters;
- Reviewing the effectiveness of the council's system of internal control and risk management;
- Reviewing financial reporting and financial statements;
- Reviewing the internal audit function;
- Reviewing the performance management system and reports;
- Reviewing compliance with policies, regulations and procedures in terms of prescribed guidelines and applicable laws; and
- Responding to council on any issues raised by the Auditor-General in the audit report.



The Audit and Performance Audit Committee consists of the following members:

<b>Name</b>	<b>Position</b>
Mr C Ipser	Chairperson of Audit Committee
Vacant	Member
Ms H Duiker	Member
Mr J de Wet	Member

**TABLE 21: AUDIT AND PERFORMANCE AUDIT COMMITTEE**

**RISK COMMITTEE**

The Risk Management Committee is responsible for assisting the Accounting Officer in addressing oversight requirements of risk management and evaluating and monitoring the institution's performance with regard to risk management.

The Risk Committee for the period under review consisted of the following members:

<b>Name</b>	<b>POSITION</b>
Gersdwin Breda	Manager: Risk Contract and Legal Services
Wayne Robertson	Senior Manager: Community Services
Mark van Rensburg	Senior Official: Building and Planning
Pumezo Mngeni	Manager: BTO
Hilda Duiker	Audit Committee Member

**TABLE 22: RISK COMMITTEE MEMBERS**

THE FOLLOWING EMPLOYEES HAS BEEN IDENTIFIED TO ACT AS RISK CHAMPIONS:

<b>NAME</b>	<b>POSITION</b>
Danielle Koert	Manager: PMU
Sherilene Adams	Waste Management Official
Adri Fortuin	Senior Official: Housing
Mervian Scheffers	Accountant Fleet Management

**TABLE 23: RISK MANAGEMENT CHAMPIONS**

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## 2.2 ADMINISTRATIVE GOVERNANCE

The Municipal Manager, as the Accounting Officer of the Municipality is the Head of the Administration, must provide guidance on compliance with legislation to political structures, political office bearers and officials and is primarily responsible for service delivery and implementation of political priorities.

The organizational structure provides for 2 senior managers to report directly to the Municipal Manager.

Performance agreements that align to the Municipality's top layer SDBIP were in place for senior managers serving during the 2020/21 financial year although annual performance evaluations have not been performed yet. The mid-year performance assessment was done with the financial performance in January 2020, the annual performance assessments will be conducted after the final audit outcome is received as well the final submission of the annual report for the year under review.

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### 2.3 INTERGOVERNMENTAL RELATIONS

Intergovernmental Relations (IGR) is an important inter-governmental structure for compliance purposes but also provides the opportunity for Kannaland Municipality to progress issues of mutual interest with neighbouring municipalities, Garden Route District Municipality, provincial and national government as well as the South African Local Government Association.

At these critical platforms the Municipality raises its experiences and challenges in order to obtain support from other government sectors and spheres or to address policy and practice matters. Attending meetings of these important IGR structures remain costly and directs funding away from other services delivery issues.

The value for money principle is applied in approving attendance of IGR meetings to ensure the most benefit for the Municipality at the least possible cost.

District Intergovernmental Technical Forum	<b>Municipal Manager</b>	<b>District driven agenda</b>
District Municipal Managers Forum	Municipal Manager	District driven agenda
District Co-ordinating Forum	Executive Mayors	District driven agenda
SALGA Steering/Sub Committees	Municipal Manager and Council	All municipal support services
CFO Forum	Chief Financial Officer	All financial related topics
MIG forum	PMU Manager	Identified priorities / appraisalsdiscussion
GRDM Local Economic Development Forum	LED and Communication Coordinator	LED related topics
Water and Sanitation Forums	LED and Communication Coordinator	Water and sanitation related concerns and solutions discussions
Provincial Speakers Forum	Speaker	Provincial Local Government drivenagenda
Municipal Governance Review and Outlook (MGRO)	Accounting Officer	Provincial Local Government drivenagenda – Financial Recovery Plan, Revenue Enhancement project andPWC project for assessment and registration of indigents

		Appointment of Geodebt for collections
MINMAY Forum	Mayors and Municipal Managers	Provincial Local Government drivenagenda
MINMAY Tech Forum	Municipal Managers and Directors	Provincial Local Government drivenagenda
Public Participation Communication Forum	LED and Communication Coordinator	Public Participation related topics
TIME	Mayors, accountingofficers, IDP Managers	To discuss future planning and budget related queries emanating from assessments from PT
District IDP/PMS Managers Forum	IDP officials	IDP alignment
Provincial IDP Managers Forum	IDP and relevant key personnel	IDP planning

**TABLE 24: INTER-GOVERNMENTAL STRUCTURES (IGR) ATTENDED**

#### **MUNICIPAL ENTITIES**

Kannaland Municipality does not have any municipal entities.

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### 2.4 PUBLIC MEETINGS

#### COMMUNICATION, PARTICIPATION AND FORUMS

Section 16 of the Municipal Systems Act (MSA) refers to the development of a culture of community participation within municipalities. It requires of the Municipality to develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose, it must encourage and create conditions for the local community to participate in the affairs of the Municipality throughout the year.

Such participation is required in terms of:

- the preparation, implementation and review of the IDP;
- establishment, implementation and review of the performance management system;
- monitoring and review of the performance, including the outcomes and impact of such performance;
- Preparation of the municipal budget; and
- Spatial Development Framework etcetera.

Kannaland Municipality has a robust public participation process in terms of the revised Public Participation Policy adopted in May 2019. The process enables vigorous and constructive engagements with all stakeholders through their participation in ward committee meetings and community feedback sessions throughout the year on various issues including matters raised by members of the community. This is of particular importance, given the geographical size and nature of the municipal area within which community's needs vary from area to area.

The result of the municipal public participation processes is designed to allow Council and management to do better long-term planning and deliver, amongst other, a more credible IDP and Budget.

Due to the regulations stipulated in terms of the Covid 19 pandemic, no physical contact were allowed in 2020. Therefore no public meetings were held, however a WhatsApp group with ward

committees was established to keep abreast with communication. The complaints system was and is still being utilized to obtain the enquiries from the community

No community satisfaction surveys have been conducted although the Municipality has high regard for the complaints system and all possible measures are taken to ensure that complaints are attended to in the shortest possible time and that feedback is given to the complainant. The Municipality has acquired the electronic IGNITE complaints system for improved monitoring of complaints. Response times and attention to complaints will be considered as a KPI on the SDBIP for the 2020/21 financial year.

### **WARD COMMITTEES**

Public meetings are being held in all wards of the Municipality with the specific intention to determine community-based needs and opinions for purposes of the Integrated Development Plan and Annual Budget processes. These meetings inform and report on public needs, planning and budgeting as well as strategic objectives. Quarterly Ward Committee meetings are held with the Ward Councillor.

Ward Councillors with their Ward Committees have public meetings twice a year to discuss ward plans and service delivery shortcomings as well as to give feedback on the success/ failure of proposed projects.

Attendance of the public is determined by their personal interest in the matters for discussion at the specific the meeting, otherwise there is very little interest shown in such meetings. Attendance is often very poor at approximately 50 – 100 people attending such engagements. Municipal officials from all departments attend all public meetings to ensure that knowledgeable answers can be given on matters raised and for management to take note of matters to receive attention.

Transport is provided, where necessary, forward committee members to attend ward committee meetings and functions where public participation, through the ward committee system, is required. Administrative capacity is provided to ward committee meetings by the Municipality.

All ward committee members must attend the monthly meetings and submit a report as part of their participatory functions as ward committee members in their respective wards. A stipend of R 500 per month has been approved as per the ward committee policy (out of pocket expense)

The ward committees are structured as follows:

**Ward 1 Ladismith: Nissenville, Towerkop**

Name of representative	Capacity representing	Dates of meetings held
Ald Jeffrey Donson	Chairperson	9 November 2020
Ms. Melanie Ayslie	Religion	
Mr. Past. Hendrik Rademeyer	Culture	8 Februarie 2021
Mr Johannes Ruiters	Community	
Ms. Brumilda Januarie	Youth	
Ms. Hilda Van Eick	Individual	12 April 2021
Mr. Dawid Rooi	Infrastructure	
Ms. Carol Hendricks	Individual	
Mr. Jan Cederas	GPF	
Ms. Gloria Dowries	Community	
M. Elizabeth Jacobs	Senior Citizen	

TABLE 25: WARD 1 – WARD COMMITTEE

**Ward 2: Calitzdorp, Bergsig, Warmbad, and Kruisrivier, Gamka– East and West**

Name of representative	Capacity representing	Dates of meetings held
Cllr Werner Meshoa	Chairperson	12 November 2020
Mrs. Sophia Roman	Women	
Mr. Monolitto Pieterse	Health	11 February 2021
VACANT	Individual	
Mrs. Emilene Hess	Youth	
Mr. Gert Uithaler	Infrastructure	15 April 2021
Ms. Quinta Valentyn	Religion	
Ms. Bettie Mcdillon	Individual	10 June 2021
Mr. Mike Neebe	Tourism	
Ms. Franciena Quintini	Individual	

Mr. Alfredo Horn	Youth	
<b>TABLE 26: WARD 2 – WARD COMMITTEE</b>		
<b>Ward 3 Zoar</b>		
Name of representative	Capacity representing	Dates of meetings held
Cllr Magdalena Barry	Chairperson	10 November 2020
Mr. Tsodinyane Jacob Nkokou	Agriculture	9 February 2021
Ms. Dianne Hardien	Woman	
VACANT	Education	13 April 2021
Ms. Manoline Willemse	GPF	
Ms. Elize Booysen	Individual	
Ms. Rina Hector	Culture	8 June 2021
Ms. Carol Hess	Sport	
Mr. Dennis Jacobs	Tourism	
Ms. Leslene De Jongh	Youth	
VACANT	Religion	

**TABLE 27: WARD 3 – WARD COMMITTEE**

**Ward 4 Ladismith Town, Van Wyksdorp, Dankoord, Algerynskraal, Buffelsvlei, Hoeko**

Name of representative	Capacity representing	Dates of meetings held
Cllr Aletta Theron	Chairperson	11 November 2020
Mr. Ivan Januarie	Education	10 February 2021
Ms. Surina Jafta	Community	
Ms. Maria Herdien	Individual	
Ms. Nerina Lochner	Individual	14 April 2021
VACANT	Agriculture	9 June 2021
Mr. Edward Adcock	Health	
Ms. Regina Hendricks	Individual	
Mr. Martin Hendricks	Infrastructure	
Mr. Jonathan Jantjies	Individual	



**TABLE 28: WARD 4 – WARD COMMITTEE**

**FUNCTIONALITY OF WARD COMMITTEES**

NB: Due to the COVID -19 pandemic that have started in March 2020, Ward committee meeting could not take place since March 2020 until November 2020.

Ward committee members are elected by the communities they serve. A ward committee maynot have more than 10 members and women must be well represented. The ward councillor is the chairperson of the ward committee.

The main purpose of ward committees is to improve effective communication and participation of community members to inform council’s decision-making on the opinion and needs of the communities, especially those affected by a decision. Ward committees have no formal powers, but they advise ward councillors who make specific submissions directly to the Administration/ Council and also assist the ward councillor with the following:

- consultation and report-back to the community;
- obtaining better participation from the community to inform council decisions, and
- playing an important role in the annual revision of the Integrated Development Plan of the area.

It is envisaged to review the functionality of ward committees to enhance public participation in monthly meetings of ward committees to provide feedback from the community for informed Council decisions.

**PUBLIC ENGAGEMENTS**

The table below indicates the community engagement sessions with the stakeholders in the four wards: Please note this table indicates only the final phase of the public participation:

<b>Nature of meeting</b>	<b>Date of events</b>	<b>Purpose</b>	<b>Target audience</b>	<b>Communication Mechanisms</b>
Ward 1: Public Participation	20 January 2020	Presentation of the IDP & Budget to the citizens of Ward 1	Residents Ward Businesses, NGO’s, Churches	Monthly Newsletters/IDP & Budget Report Back meeting
Ward 2 Public Participation	23 January 2020	Presentation of the IDP & Budget to the citizens of Ward 2	Residents Ward Businesses, NGO’s, Churches	Monthly Newsletters/IDP & Budget Report Back Meeting

Ward 3: Public Participation	21 January 2020	Presentation of the IDP & Budget to the citizens of Ward 3	Residents o ward Businesses, NGO's, Churches	Monthly Newsletters/IDP & Budget Report Back Meeting
Ward 4: Public Participation	27 January 2020  05 February 2020	Presentation of the IDP & Budget to the citizens of Ward 4	Residents o ward Businesses, NGO's, Churches	Monthly Newsletters/IDP & Budget Report Back Meeting
Ward feedback meetings in all four wards	Each quarter in all four wards	Feedback to communities & obtaining of input from the community on IDP	Residents o wards Businesses, NGO's, Churches	Ward council gives feedback on ward meeting

**TABLE 29: PUBLIC ENGAGEMENTS DURING THE 2019/20 FINANCIAL YEAR**

Unfortunately public engagements and feedback sessions are often not well attended and the benefits of such engagements can be largely improved if communities can be mobilized to attend public engagements in larger numbers (in 2020). Even though community members attend in smaller numbers, public engagements are considered to be valuable in the sense that those community members are presented with a platform to voice their needs and expectations while the Municipality have the opportunity to explain the broader picture and/or giving feedback on delivering services in the entire municipal area within the financial means of the Municipality.

Informed communities do not easily revert to protest action and by understanding the constraints of the Municipality and the importance of paying for services, progress are being made with the establishment of a culture of payment in communities. The municipality will establish an IDP/Budget Representative Forum to ensure more informed information are shared and discussed at meetings.

<b>IDP Participation and Alignment Criteria*</b>	<b>Yes/No</b>
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
Are the budget aligned directly to the KPIs in the strategic plan?	Yes
Are the IDP KPI's aligned to the Section 57 Managers	Yes
Are the IDP KPI's aligned to functional area KPIs as per the SDBIP?	Yes
Are the IDP KPI's aligned with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

**TABLE 30: IDP PARTICIPATION AND ALIGNMENT CRITERIA SECTION 26 MUNICIPAL SYSTEMS ACT, 2000**

## COMPONENT D: CORPORATE GOVERNANCE

The council and management subscribe to the principles reflected by the various King reports. The seven primary characteristics of good governance namely, discipline, transparency, independence, accountability, responsibility, fairness and social responsibility have been considered critical in the compilation of the Kannaland Municipality Financial Recovery Plan.

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### 2.6 ENTERPRISE RISK MANAGEMENT

The direction and mandate of risk management for Kannaland Municipality is clearly set out in Section 62(1) of the MFMA that stipulates that the *“Accounting Officer must take all reasonable steps to ensure that the Municipality has and maintains an effective, efficient and transparent system of financial and risk management and internal control” accompanied by the crucial motto of the public sector: “that the resources of the Municipality are used effectively, efficiently and economically”.*

Enterprise Risk Management (ERM) is an essential function that must be performed by the Municipality in terms of the applicable local government legislation. Auditor-General reports in recent years have highlighted risks for the Municipality and findings indicated that ERM must be prioritized as this function has been neglected for years. The municipality signed a MOU with the Garden Route District Municipality to enter a shared service agreement.

**INSTITUTION TRANSFORMATION – RISK MANAGEMENT**

Item	Description
<b>Organisational Structure</b>	The organisation structure must be aligned with the IDP, hence the two documents must complement each other. The result is ultimately that the IDP and Organizational Structure, is to be used as tools for the drafting of the SDBIP, to ensure compliance, monitoring and evaluation.
<b>Internal Audit</b>	<p>In terms section 165(1), (2) (b) &amp; (c) of Municipal Finance Management Act (MFMA), 2003 (Act No. 56 of 2003)</p> <p>“Each municipality and each municipal entity must have an internal audit unit, subject to sub-section (3).and</p> <p>The internal audit unit of the municipality and municipal entity must – advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to –</p> <ul style="list-style-type: none"> <li>(i) internal audit;</li> <li>(ii) internal controls;</li> <li>(iii) accounting procedures and practices;</li> <li>(iv) risk and risk management;</li> <li>(v) performance management;</li> <li>(vi) loss control; and</li> <li>(vii) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; and</li> </ul> <p>c)perform such other duties as may be assigned to it by the accounting officer.”The municipality has not established an internal audit unit since the 2016-17 financial year and has also not outsourced this service as required in terms of section 165(3), even though the municipality accepted the recommendations made by the auditors in the</p>

Item	Description
	<p>prior year, namely to establish an internal audit unit.</p> <p>The municipality therefore did not fulfil its responsibility to ensure an internal audit unit exist, as required by the above stated legislation, in order to ensure regular risk assessments and monitoring are conducted, and that there is an effective process of identification of internal control deficiencies and recommending corrective action, in order to improve the control environment of the Municipality. However an Internal Auditor was appointed on 1 July 2021.</p>
<p><b>Risk Management</b></p>	<p>Risk refers to a beneficial or unwanted outcome, actual or potential, to the organisation's service delivery and other performance objectives, caused by the presence of risk factors. Some risk factors also present upside potential, which management must be aware of and be prepared to exploit. Such opportunities are encompassed in this definition of risk.</p> <p>Risk management is a systematic and formalised process instituted by the</p> <p>organisation to identify, assess, manage and monitor risks.</p>

## **RISK MANAGEMENT WITHIN KANNALAND MUNICIPALITY**

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The Accounting Officer exercised his right in terms of the applicable Risk Management legislation to appoint a Risk Contract and legal manager in June 2019. The official was appointed based on his qualification, skills, expertise and the need for such appointment.

### **CHALLENGES IN RISK MANAGEMENT**

1. The Municipality only has one permanent incumbent to fulfil, the Risk Contract and Legal services function.
2. The Municipality, due to cash constrains is unable to purchase a Risk and Contract electronic system, hence Business Plan in terms of the Financial Recovery Plan has been submitted to Provincial Government to secure funds, for this purpose.

### **BENEFITS OF RISK MANAGEMENT**

Kannaland Municipality will implement and maintain an effective, efficient and transparent system of risk management and internal control. Risk management will assist the municipality to achieve, among other things, the following outcomes needed to underpin and enhance performance:

- more sustainable and reliable delivery of services;
- informed decisions underpinned by appropriate rigour and analysis;
- achievement of strategic goals as set out in the Integrated Development Plan;
- reduced waste;
- prevention of fraud and corruption and better value for money through more efficient use of resources; and
- better outputs and outcomes through improved project and program management.

### **HISTORICAL REPUTATIONAL RISK**

- fraud and corruption
- lack of communication with Community
- Nepotism
- Financial Risk
- Lack of planning
- Making appointments outside the budget and insufficient means to recover revenue.

## OPERATIONAL RISK

- A lack of appropriate governance over information stored, processed, or produced by IT systems
- Safety and Security
- Weakness in governance and accountability
- Governance and Ethics
- Fraud and error
- Natural Disasters

## **Contract Management**

In the absence of a proper functioning contract management function the municipality was unable to monitor, review and evaluate contracts that either came to an end or had to be reviewed for service delivery purposes.

The Auditor General has also pointed out the lack or weak management of contracts which does have a negative financial impact on the municipality. There were also a significant number of officials who did not have formal signed contracts that complied with the collective agreement and the basic conditions of employment.

The contract management function could have a significant positive impact on the financial recovery plan of the municipality particularly with regard to the selling or leasing of council assets, land and other facilities

Given the above, management has undertaken to do a full audit with regard to contractual arrangements particularly to ensure that the contracts are in place in the following areas:

- Current land leased (market related and MFMA compliance)
- Unleased land (land used by parties that do not have a lease agreement)
- Council facilities that are leased (market related and MFMA compliance)
- Unleased Council facilities (sports fields etc.)
- Employment contracts of staff (temporary staff, contract staff and permanent staff)
- SCM contracts (to ensure MFMA compliance and goods and services are delivered within agreed timeframes and in good quality).



- Government contracts for grant funding (MIG, FMG, MSIG, RBIG, etc, - to ensure funds are utilised for purposes for which it was allocated to the municipality)
- Municipal leases (e.g. office space, equipment, and cell phones, )
- ICT service provider contracts
- Water board contracts

The municipality is currently outsourcing the contract management function and the need has been identified that suitable and qualified internal capacity is needed to ensure that Council increases its revenue and has control over this function

## **INTERNAL AUDIT**

For the financial year under review the Municipality did not have a functional internal audit unit.

Through cross partnering between Department Local Government and the Garden Route District Municipality, it was discussed that the internal audit and risk management will form part of a shared service to assist the municipality. The Memorandum of Understanding/Agreement was finally concluded in the 2019/20 financial year.

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## **2.7 ANTI-CORRUPTION AND FRAUD**

The oversight roles are managed by the Municipal Public Accounts Committee (MPAC), Disciplinary Board and Audit Committee as described under Oversight Structures at the beginning of this Chapter.

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## **2.8 SUPPLY CHAIN MANAGEMENT**

Supply Chain Management is guided by sections 110 – 119 of the MFMA; SCM Regulations 2005, and relevant MFMA circulars that set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

The Municipality established a functional SCM unit has over the three years.

Monthly updates on the SCM policy are communicated to council.

## 2.9 BY-LAWS

Section 11 of the Municipal Systems Act gives a Municipal Council the executive and legislative authority to pass and implement by-laws and policies. A by-law is a legal document, which enables a local authority (Municipality) to implement certain powers vested in it by the Constitution. Kannaland Municipality has by-laws which give effect to its constitutional obligations.

The Municipality is in the process of revising by-laws to identify potential interventions introducing new by-laws for adoption by Council. No by-laws were adopted in the 2020/21 financial year. The public participation stipulated in the applicable legislation will be followed for the adoption of by-laws process.

There is no capacity to rewrite and adopt the bylaws, therefore the municipality requested the support from DLG to assist the municipality in developing and review the bylaws.

## 2.10 WEBSITE AND ICT

The information pertaining the ICT function remains the same. Financial constraints are the critical area that needs attention to ensure the challenges are resolved.

The primary purpose of the Information Systems and Technology section is the provision of Information and Communication Technology (ICT) services which will enable an efficient and effective administration. An ICT assessment was done on current challenges as well to recommend possible solutions.

HIGHLIGHTS	CHALLENGES
<ul style="list-style-type: none"> <li>New Public Interactive Municipal Website;</li> </ul>	<ul style="list-style-type: none"> <li>A disaster recovery system not in place</li> </ul>
<ul style="list-style-type: none"> <li>Approved legislative documents:</li> </ul>	<ul style="list-style-type: none"> <li>Obsolete hardware still present</li> </ul>
<ul style="list-style-type: none"> <li>Reviewed ICT Policies;</li> </ul>	<ul style="list-style-type: none"> <li>No offsite backups are not in place</li> </ul>
<ul style="list-style-type: none"> <li>ICT Governance Framework and Disaster Recovery Policy</li> </ul>	<ul style="list-style-type: none"> <li>Budget constraints</li> <li>Data cleansing</li> </ul>
<ul style="list-style-type: none"> <li>ICT SOP's.</li> </ul>	<ul style="list-style-type: none"> <li>Need for electronic systems e.g. Performance information and Collaborator</li> </ul>

**TABLE 31: HIGHLIGHTS AND CHALLENGES OF ICT SERVICES**

The ICT department is working towards full compliance in terms of section 75 of the MFMA regarding information that must be placed on the municipal website.

<b>Municipal Website: Content and Currency of Material</b>	
Documents published on the Municipality 's / Entity's Website	Yes / No
Current annual and adjustments budgets and all budget-related documents	YES
All current budget-related policies	YES
The previous annual report	YES
The annual report	YES
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act) and resulting scorecards	YES
All long-term borrowing contracts	YES
All supply chain management contracts above a prescribed value (give value) for Year	YES
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4)	YES
Contracts agreed in Year to which subsection (1) of section 33 apply, subject to subsection (3) of that section	YES
All quarterly reports tabled in the council in terms of section 52 (d) during Year	YES

**TABLE 32: SECTION 75 CHECKLIST OF THE MFMA**

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

No community satisfaction surveys have been conducted although the Municipality has high regard for the complaints system and all possible measures are taken to ensure that complaints are attended to in the shortest possible time and that feedback is given to the complainant. The Municipality has acquired the electronic Collaborator complaints system for improved monitoring of complaints.

# CHAPTER 3 - BASIC SERVICE DELIVERY PERFORMANCE INFORMATION

## Introduction

This chapter provides an overview of the key service achievements of the Municipality that came to fruition during 2020/21 in terms of the deliverables achieved compared to the key performance objectives and indicators in the Integrated Development Plan (IDP).

## Overview of performance within the organization

Performance management is a process which measures the implementation of the organization's strategy. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the Municipality.

At local government level performance management is institutionalized through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organization and its employees, are met.

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to inform the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

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

The final 4th Generation IDP was tabled on 31 May 2020 at the Council meeting and was advertised for public comment thereafter. This IDP is the primary planning instrument that guides and informs the municipal budget. The Municipal Systems Act requires each municipality in South Africa to prepare such a strategic plan to guide all development and management within the municipal area. The IDP sets out the development priorities of Kannaland Municipality for the year under review. The IDP must guide and determine municipal planning and project implementation.

## **LEGISLATIVE CONTEXT**

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

## **ORGANISATIONAL PERFORMANCE**

Strategic performance indicates how well the Municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation.

The implementation must be monitored on an on-going basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlight the strategic performance in terms of the Municipality's Top Layer Service Delivery Budget Implementation Plan (SDBIP), high level performance in terms of the National Key Performance Areas, performance on the National Key Performance Indicators prescribed in terms of section 46 of the Municipal Systems Act, 2000 and an overall summary of performance on a functional level and municipal services.

## INTRODUCTION TO STRATEGIC AND MUNICIPAL PERFORMANCE FOR 2020/21

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview on the strategic achievement of a Municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer (strategic) SDBIP is the Municipality's strategic plan and shows the strategic alignment between the different documents. (IDP, Budget and Performance Agreements). Please note this section of performance information is subject to change after final audit report has been issued.

In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP KPI's applicable to 2020/21 in terms of the IDP strategic objectives.

The following table explains the method by which the overall assessment of the actual performance against the targets set for the key performance indicators (KPI's) of the SDBIP are measured:

KPI not yet measured	KPI's with no targets or no actual results for the selected period	
KPI not met	Target not achieved – insufficient performance	
KPI almost met	Partially achieved – not effective performance yet	
KPI met	Target achieved – effective performance	
KPI well met	Exceeding performance target	
KPI extremely met	Outstanding Performance	

Below the annual performance report is outlined with the prior year's performance results as well.

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipality and service provider with whom the municipality has entered into a service delivery agreement. A service provider:

- means a person or institution or any combination of persons and institutions which provide a municipal service to or for the benefit of the local community
- means an external mechanism referred to in Section 76(b) which provides a municipal service for a municipality
- service delivery agreement means an agreement between a municipality and an institution or person mentioned in Section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality.

Section 121(b) of the MFMA and section 46 of the MSA further state that a municipality should include the following aspects related to service providers in its annual report.

- The performance of each service provider;
- A comparison of the performance with targets set for and performance in the previous financial year;
- Measures taken to improve performance.

The service provider's performance are monitored by each department responsible for a specific project.

**PDO 1: To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens**

IDP reference	KPA	Department	Indicator	Unit of Measurement	Type	Baseline	Performance comparison of prior and current financial years		Overall performance for 2020/2021						
							Prior year's performance 2019/2020								
							Annual Target	Annual Actual	Annual Target	Annual Actual	Achieved	Performance Comment	Corrective Measures	Proof of Evidence	
KPI.1	KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	INFRASTRUCTURE SERVICES	Spend 98% of allocation for MIG budget within 2020/21 financial year in terms of Provincial DPIP by 30 June 2021 and projects listed in the approved IDP	% Of Budget spend of MIG funding		New KPI	-	-	98%	70.17%	Target not achieved	New KPI: Quarterly MIG progress Reports should be submitted to Council	Quarterly MIG progress Reports should be submitted to Council.	MIG Report.	
KPI.2	KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	INFRASTRUCTURE SERVICES	Complete 95% of all infrastructure projects (incl MIG, WSIG, INEP etc) to the stage where were issued with Practical Completion certificates by 30 June 2021	% of all Infrastructure projects completed and issued with Practical Completion certificates	Output	New KPI	-	-	95%	40%	Target not achieved	Target not achieved. New KPI	Improve on performance in 2021/22 financial year.	Attached.	
KPI.3	KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	CORPORATE SERVICES	Complete the upgrade of the library in Bergsig, Calitzdorp by end June 2021	Number of libraries completed (listed if phased project)	Output		-	-	1	0	Target not achieved	Target not achieved Project to be completed during 2021/22 financial year.	Complete project during 2021/2022.	Progress report attached.	

**Table 6: PDO 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizen's**



## PDO 2: To provide adequate Services and improve our Public relations

Table 7: PDO 2: To provide adequate Services and improve our Public relations

IDP reference	KPA	Department	Indicator	Unit of Measurement	Type	Baseline	Performance Comparison of prior and current financial years							
							Prior year's performance 2019/2020		Overall Performance for 2020/2021					
							Annual Target	Annual Actual	Annual Target	Annual Actual	Achieved	Performance Comment	Corrective Measures	Proof of Evidence
KPI.4	KPA 2: To Provide adequate Services and improve our Public relations	Infrastructure Services	Limit total of electricity losses in distribution network to less than 12% accumulative over the financial year until 30 June 2021	% of electricity losses in distribution network	Output	6%	12%	6%	12%	11.36%	Target achieved	Target achieved.	None required as the target was achieved.	Attached
KPI.5	KPA 2: To Provide adequate Services and improve our Public relations	Infrastructure Services	75% of water samples comply with SANS-241 micro biological indicators  {(Number of water samples that comply with SANS-241 indicators/Number of water samples tested x 100	% of water samples that complies with SANS-241 standards		75%	85%	72%	75%	0%	KPI not achieved	Target not achieved. Regression of performance.	Management to intervene. Measures will be put in place to achieve the targets.	Reports attached.

IDP reference	KPA	Department	Indicator	Unit of Measurement	Type	Baseline	Performance Comparison of prior and current financial years							
							Prior year's performance 2019/2020		Overall Performance for 2020/2021					
							Annual Target	Annual Actual	Annual Target	Annual Actual	Achieved	Performance Comment	Corrective Measures	Proof of Evidence
KPI.6	KPA 2: To Provide equitable Services and improve our Public Utilities	Infrastructure Services	Limit accumulated losses accounted for water losses than 30% annually until June 2021	% of water losses distribution networks in all of inland towns	Output	6%	12%	6%	30%	28,5%	Target achieved	Target achieved.  Prior year actuals were used to determine averages for Zoar due to the faulty bulk water metre.	None required as the target was achieved.	Attached
NKPI 1	KPA 2: To Provide equitable Services and improve our Public Utilities	Financial Services	Number of formal residential properties that receives piped water interconnected to the municipal water infrastructure network at 30 June 2021	Number of residential properties which are billed for water services as at 30 June 2021	Output	4932	4914	4932	4950	4629	Target not achieved	Target not achieved.	Targets to be revised with the Adjustments budget to ensure it is reasonable given the municipality's infrastructure and rate payer's needs. Measures will be put in place to achieve the targets.	Attached
NKPI 2	KPA 2: To Provide equitable Services and improve our Public Utilities	Financial Services	Number of formal residential properties connected to the municipal electrical infrastructure network (excluding eskom areas) prepaid and conventional at 30 June 2021	Number of residential properties which are billed for electricity (excluding eskom areas) prepaid and conventional as at 30 June 2021	Output	Prepaid: 89 Conventional: 0	Prepaid: 3086 Conventional: 439	Prepaid: 1689 Conventional: 420	Prepaid: 3140 Conventional: 415	Prepaid: 2896 Conventional: 240	Target not achieved	Target not achieved.  Target was revised to make it well defined and measurable.	Targets to be revised with the Adjustments budget to ensure it is reasonable given the municipality's infrastructure and rate payer's needs. Measures will be put in place to achieve the targets.	Debtors SAMRAS Statement Attached

IDP reference	KPA	Department	Indicator	Unit of Measurement	Type	Baseline	Performance Comparison of prior and current financial years							
							Prior year's performance 2019/2020		Overall Performance for 2020/2021					
							Annual Target	Annual Actual	Annual Target	Annual Actual	Achieved	Performance Comment	Corrective Measures	Proof of Evidence
NKPI 3	KPA 2: To Provide adequate Services and improve our Public relations	Financial Services	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network billed for the service as at 30 June 2021	Number of residential properties which are billed for sewerage services as at 30 June 2021	Output	4468	4460	4468	4478	4227	Target not achieved	Target not achieved.	Targets to be revised with the Adjustments Budget to ensure it is reasonable given the municipality's infrastructure and rate payer's needs. Measures will be put in place to achieve the targets.	Debtors SAMras Listing Attached
NKPI 4	KPA 2: To Provide adequate Services and improve our Public relations	Financial Services	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2021	Number of residential properties which are billed for refuse removal services as at 30 June 2021	Output	4811	4800	4811	4820	4535	Target not achieved	Target not achieved.	Targets to be revised with the Adjustments Budget to ensure it is reasonable given the municipality's infrastructure and rate payer's needs. Measures will be put in place to achieve the targets.	Debtors SAMras Listing Attached
NKPI 5	KPA 2: To Provide adequate Services and improve our Public relations	Financial Services	Number of Households with access to free basic services (as per Indigent Register) by 30 June 2021	Number of Households with access to free basic services (as per Indigent Register)	Output	2479	2700	2479	2560	2734	Target achieved	None Exceeding performance target Improvement from 2019/2020 where target was partially achieved.	None required as the target was achieved.	Debtors SAMras Listing Attached

**PDO 3: To strive towards a safe community in Kannaland through the proactive management of traffic , enviromental health,fire and disaster risks**

IDP reference	KPA	Department	Indicator	Unit of Measurement	Type	Baseline	Performance Comparison of prior and current financial years							
							Prior year's performance 2019/2020		Overall Performance for 2020/2021					
							Annual Target	Annual Actual	Annual Target	Annual Actual	Achieved	Performance Comment	Corrective Measures	Proof of Evidence
KPI.7	KPA 3: To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire and disaster risks	Corporate Service: Community Services	Annual Review of the Disaster Management Plan by end November	Plan completed and submitted to Council for approval by end November	Output	New KPI	1	0	1	0	Target not achieved	Target not achieved. New KPI	Meeting was held in September 2021 for the review of the disaster management plan.	Unreviewed disaster management plan.

Table 8: PDO 3: To strive towards a safe community in Kannaland through the proactive management of traffic , enviromental health,fire and disaster risks

**PDO 4: To facilitate economic growth and social and community development**

IDP reference	KPA	Department	Indicator	Unit of Measurement	Type	Baseline	Performance Comparison of prior and current financial years							
							Prior year's performance 2019/2020		Overall Performance for 2020/2021					
							Annual Target	Annual Actual	Annual Target	Annual Actual	Achieved	Performance Comment	Corrective Measures	Proof of Evidence
NKPI.6	KPA 4: To Facilitate Economic Growth and Social and Community development	Infrastructure Services	Create 184 job opportunities through the Expanded Public Works Programme (EPWP) for all municipal towns (Ladismith, Calitzdorp, Zoar and Van Wyksdorp)	Number of Job opportunities created	Activity	184	62	184	184	240	Target achieved	MIG Report tabled to Council	None	Evidence attached.

Table 9: PDO 4: To Facilitate Economic Growth and Social and Community development

**PDO 5: To promote efficient and effective Governance with high levels of stakeholder participation**

IDP reference	KPA	Department	Indicator	Unit of Measurement	Type	Baseline	Performance Comparison of prior and current financial years							
							Prior year's performance 2019/2020		Overall Performance for 2020/2021					
							Annual Target	Annual Actual	Annual Target	Annual Actual	Achieved	Performance Comment	Corrective Measures	Proof of Evidence
KPI.8	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	Office of the Municipal Manager	Ensuring performance by the timeous development and signing of the Section 57 performance agreements in adherence to the Performance Framework	Number of signed performance agreements of Section 57 managers (not later than 31 July of each year)	Output	3	3	3	3	0	Target not achieved	Target not achieved.	Table performance agreements to MAYCO during the 2021/22 financial year.	Performance agreements attached.
KPI.9	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	Corporate Services	Compulsory number of general council meetings per annum	Number of general council meetings held per annum	Output	4	4	4	4	10	Outstanding Performance	Target achieved in both 2019/2020 and 2020/2021. Improved performance	None	Minutes of meetings
KPI.10	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	Corporate Services	Minimum number of Mayoral Committee meetings to be held per annum.	Number of meetings convened	Activity	4	-	-	4	0	Target not achieved	Target not achieved. New KPI	MAYCO is active during the 2022/22 financial year.	None.
KPI 11	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	Office of the Municipal Manager	Conduct an Annual Strategic risk assessment	Number of risk assessments conducted	Activity	0	1	0	1	0	Target not achieved	Target not achieved.	SALGA Internal audit intervention will be conducted during October 2021 in order to assist with the compilation of an organizational Risk Register.	None.
KPI 12	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	Office of the Municipal Manager	Revise the communication strategy by means of approval by the mayor and or council	Number of strategies approved	Output	New KPI	-	-	1	0	Target not achieved	Target not achieved. New KPI	Policies was approved on 6 July 2021.	None.

IDP reference	KPA	Department	Indicator	Unit of Measurement	Type	Baseline	Performance Comparison of prior and current financial years							
							Prior year's performance 2019/2020		Overall Performance for 2020/2021					
							Annual Target	Annual Actual	Annual Target	Annual Actual	Achieved	Performance Comment	Corrective Measures	Proof of Evidence
KPI 13	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	CorporateServices	Number of reviewed policies updated on the Council policy register.	Number of reports generated of updated policies	Output	New KPI	-	-	1	0	Target not achieved.	Target not achieved. New KPI	Municipal Manager to intervene	None.
KPI 14	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	FinancialServices	ICT governance framework adopted by council by June 2021	Number of ICT frameworks adopted	Output	New KPI	-	-	1	0	Target not achieved.	Target not achieved. New KPI	ICT Frameworks to be tabled to Council during September 2021.	None.
KPI 15	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	Office of theMunicipal Manager	Redevelop a led strategy for the Kannaland Municipality by June 2021	Number of strategies approved	Activity	New KPI	-	-	1	0	Target not achieved.	Target not achieved. New KPI	Manager: IDP and PMS appointed on 1 July 2021. Said Manager resigned during March 2021. Critical vacancy in LED and Tourism unit. Manager has managed to secure two interns from the GRDM who shall resume duties close to December 2021. Manager IDP and PMS also assisting with the function.	None.
KPI 16	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	Office of theMunicipal Manager	Annual review of Performance management policy by August 2020	Number of policies approved	Activity	New KPI	-	-	1	0	Target not achieved.	Target not Achieved New KPI	Manager: IDP and PMS appointed on 1 July 2021. Manager: IDP and PMS developed the PM Policy and tabled to Council on 31 August 2021. SALGA support/ Mossel Bay Peer learning agreement arranged by Acting MM.	None

IDP reference	KPA	Department	Indicator	Unit of Measurement	Type	Baseline	Performance Comparison of prior and current financial years							
							Prior year's performance 2019/2020		Overall Performance for 2020/2021					
							Annual Target	Annual Actual	Annual Target	Annual Actual	Achieved	Performance Comment	Corrective Measures	Proof of Evidence
KPI 17	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	Office of theMunicipal Manager	Complete and produce a draft Annualreport to council within seven monthsafter the end of the financial year	Number of annual reports completed	Activity	New KPI	-	-	1	0	Target not achieved	New KPI. Target not achieved.	Manager: IDP and PMS appointed on 1 July 2021. Backlog was addressed. 2019/2020 Annual Report being tabled to Council on 31 August 2021. AFS only issued to Council during April 2021. MPAC revived.	Attached.
KPI 18	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	Office of theMunicipal Manager	Produce a final annual report with oversight to council within nine months after the end of the financial year.	Number of annual reports completed	Activity	New KPI	-	-	1	0	Target not achieved	New KPI. Target not achieved.	None.	None.
KPI 19	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	Office of the Municipal Manager	IDP reviewed and approved by Council before the end of May	IDP approved by Council before the end of May annually	Activity	1	1	1	1	1	Target achieved	Target achieved.	N/A – Target achieved.	Attached.
KPI 20	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	Office of the Municipal Manager	Prepare and submit a section 46 report to the Auditor-General by endAugust 2020	Number of section 46 reportssubmitted	Activity	New KPI	-	-	1	0	Target not achieved	Target not achieved. New KPI	None.	No proof attached.
KPI 21	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	CorporateServices	Number of audit and performancecommittee meetings held	Number of meetings convened	Activity	0	4	0	4	1	Target not achieved	Target not achieved.	Committee to be appointed during the 2021/22 financial year.	Minutes of 1 meeting.
KPI 22	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	Office of the Municipal Manager	Quarterly Ward Committee meetings with consolidated quarterly reports to council until 30 June 2021	Number of ward committee meetings convened	Activity	New KPI	-	-	16	9	Target not achieved	Target not achieved. New KPI	None	Attendance registers of Ward Committee meetings attached.

IDP reference	KPA	Department	Indicator	Unit of Measurement	Type	Baseline	Performance Comparison of prior and current financial years							
							Prior year's performance 2019/2020		Overall Performance for 2020/2021					
							Annual Target	Annual Actual	Annual Target	Annual Actual	Achieved	Performance Comment	Corrective Measures	Proof of Evidence
KPI 23	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	Financial Services	100% Reporting compliance by submitting s71, s72 and s52d reports within legislated timeframes 30 June 2021.	% of reporting on all compliance documents	Activity	New KPI	-	-	100%		Target achieved	Target achieved. New KPI	None	Reports attached.

Table 10: PDO 5: To promote efficient and effective Governance with high levels of stakeholder participation

**PDO 6: To provide an efficient workforce by aligning our institutional arrangements to our overall strategy**

IDP reference	KPA	Department	Indicator	Unit of Measurement	Type	Baseline	Performance Comparison of prior and current financial years							
							Prior year's performance 2018/19		Overall Performance for 2019/20					
							Annual Target	Annual Actual	Annual Target	Annual Actual	Achieved	Performance Comment	Corrective Measures	Proof of Evidence
KPI 24	KPA 6: To Provide an efficient workforce by aligning our institutional arrangements to our overall strategy	Corporate Services	Vacancy rate of the entire approved staff establishment	% of vacancy rate	Activity	New KPI	-	-	20%	34,80%	Target not achieved	Target not achieved. Interim court order prevented staff vacancies from being filled. New KPI	Only critical vacancies be filled which would have a catastrophic risk on the organisation.	Vacancy rate attached.
KPI 25	KPA 6: To Provide an efficient workforce by aligning our institutional arrangements to our overall strategy	Corporate Services	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people employed as per employment equity	Control	New KPI	3	3	3	2	Target not achieved	Target not achieved.	Filling of critical vacancy.	Attached.
KPI 26	KPA 6: Efficient Workforce	Corporate Services	Spend 65% of the municipality's budget on implementing its workplaceskills plan.	% budget spend on wsp	Control	New KPI	-	-	65%	100%	Target not achieved	Target achieved. New KPI	None.	None

Table 11: PDO 6: To Provide an efficient workforce by aligning our institutional arrangements to our overall strategy



## PDO 7: To strive towards a financially sustainable municipality

Please note that the NO financial data will be included in this draft document – it will be included subject to amendment as per audited AFS.

IDP reference	KPA	Department	Indicator	Unit of Measurement	Type	Baseline	Performance Comparison of prior and current financial years							
							Prior year's performance 2018/19-		Overall Performance for 2019/20					
							Annual Target	Annual Actual	Annual Target	Annual Actual	Achieved	Performance Comment	Corrective Measures	Proof of Evidence
KPI 27	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	Financial Services	Budget for 2020/21 financial year approved by Council by 31 May 2020.	Number of budgets approved	Control	1	1	1	1	0	Target not achieved	Target not achieved.	Executive intervention.	None.
KPI 28	KPA 7: To Strive towards a financially sustainable municipality	Financial Services	Achieve 80% year to date collection rate of revenue billed by 30 June 2021 (Total revenue collected / total billed)x100	% on ytd rate of payment rate	Control	New KPI	-	-	80%	77.35%	Target not achieved	Target not achieved.	To improve debt collection.	Ratio attached.
NKPI.7	KPA 7: To Strive towards a financially sustainable municipality	Financial Services	Financial Viability measured in terms of Cost coverage ratio for the financial year	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)).	Control	Awaits afs	-	-	10%	20%	Target achieved	Target achieved.	N/A – Target achieved.	SDBIP ratios attached.
KPI.8	KPA 7: To Strive towards a financially sustainable municipality	Financial Services	Financial Viability measured in terms of debt coverage ratio for the financial year	Debt coverage ratio calculated as follows:  (Total revenue received – Total grants)/debt service payments due within the year)	Control	Awaits afs	-	-	25%	200.32%	Target achieved	Target achieved.	N/A – Target achieved.	SDBIP ratios attached.
KPI.29	KPA 7: To Strive towards a financially sustainable municipality	Financial Services	Conduct monthly reconciliation of the bank account within 10 working days	Number of reconciliations completed	Output	New KPI	-	-	12	12	Target achieved	Target achieved	None	Monthly reconciliation statements

IDP reference	KPA	Department	Indicator	Unit of Measurement	Type	Baseline	Performance Comparison of prior and current financial years							
							Prior year's performance 2018/19-		Overall Performance for 2019/20					
							Annual Target	Annual Actual	Annual Target	Annual Actual	Achieved	Performance Comment	Corrective Measures	Proof of Evidence
KPI.30	KPA 7: To Strive towards a financially sustainable municipality	Financial Services	Financial Statements submitted to the Auditor-General by end of August 2020	Number of completed annual financial statements to be submitted to the Auditor-General	Control	1	1	1	1	0	Target not achieved	Target not achieved.	None	None.
KPI.31	KPA 7: To Strive towards a financially sustainable municipality	Financial Services	Submit an adjustment budget to Council for approval by 28 February 2021	Number of adjustment budget approved	Control	1	1	1	1	0	Target not achieved	Target not achieved.	None	None.

Table 12: PDO 7: To Strive towards a financially sustainable municipality

## CONCLUSION

Kannaland Municipality is an under performing municipality plagued by the Covid-19 pandemic, political and administrative instability, infighting among political leaders, non-functional oversight committee, lack of financial resources, little or no accountability and a non-existence of consequence management, capacity constraints and a high vacancy rate with a court case holding the municipality ransom. Invoking the S139, the implementation of a recovery plan and the appointment of a n administrator did little to improve performance in this embattled municipality.

The following actions are recommended to improve performance at Kannaland Municipality:

1. That the ongoing court action reach finality and a verdict be passed as this is affecting staff morale and instilling a culture of non-performance;
2. That future disputes be dealt with in terms of the Inter-governmental Relations Framework Act;
3. That a Kannaland performance management policy be adopted by Council;
4. That critical vacancies be filled to avoid catastrophic risks;
5. That performance management be cascaded to departmental level;
6. That a culture of performance be instilled throughout the organization and that the Municipal Manager be tasked to ensure this happens;
7. That workshops and staff induction sessions be held with all staff on the performance management policy;
8. That consequence management for non-performance be implemented;
9. That job descriptions be updated and tasked;
10. That the Manager: IDP and PMS report to Council each month on progress made in relation to the implementation of the Performance Management Policy.
11. That the Performance Management Policy which is modelled upon that of Mossel Bay Municipality be implemented incrementally through a formalized Peer review and mentoring programme initiated by SALGA;
12. That consequence management be applied where under-performance is recurring.

13. That a SALGA Internal Audit Support Peer Mentorship arrangement be formalized between Kannaland Municipality Mossel Bay Municipality as part of a performance turn-around strategy.
14. That an automated Performance Management System be procured.

## COMPONENT A: BASIC SERVICES:

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services. Please note that the municipality is in process of comparing the municipal statistics to MERO and LGSEP statistics to ensure proper alignment.

### 3.1 WATER PROVISION

The table below indicates the access to water from 2018/19 and 2019/20 per financial year.

<b>Water Service Delivery Levels</b>		
<b>Households</b>		
<b>Description</b>	<b>2019/20</b>	<b>2020/21</b>
<b><u>Water: (above min level)</u></b>		
Piped water inside dwelling	4932	4950
Piped water inside yard (but not in dwelling)(backyard dwellers)	0	
Using public tap (within 200m from dwelling )	0	
Other water supply (within 200m)		
<i>Minimum Service Level and Above sub-total</i>		
<i>Minimum Service Level and Above Percentage</i>		
<b><u>Water: (below min level)</u></b>		
Using public tap (more than 200m from dwelling)		
Other water supply (more than 200m from dwelling)		
No water supply		
<i>Below Minimum Service Level sub-total</i>		
<i>Below Minimum Service Level Percentage</i>		
<b>Total number of households*</b>	4932	4950

TABLE 40: WATER SERVICE DELIVERY LEVELS – SOURCE: SAMRAS (MUNICIPAL STATISTICS)

**LADISMITH:** (PLEASE PROVIDE INFO REGARDING LADISMITH WATER SITUATION.

All households have access to basic water services which means that water is available within 200 meters from their dwellings/houses. All the houses in the urban areas of Kannaland Municipality are provided with individual water connections except for informal areas. Stand pipes are provided in the informal areas as a temporary emergency service.

The waterworks have been upgraded to provide better quality water. The Municipality received funding from WSIG to equip the borehole no T1 with the necessary equipment and pump in addition to support other boreholes. Drought relief funding was received from Provincial

Government for the upgrading of existing boreholes and developing borehole monitoring for deep borehole drilling.

The construction of a storage dam is urgently needed as the existing dams does not have the adequate storage capacity. The town has no water security for more than six months. Clean drinking water storage capacity is required therefore a new infrastructure network upgrade is required.

Due to budget constraints the Municipality applied for funding support to ensure water security projects could be enabled. The following measures were put in place for the different support:

- Additional boreholes drilling and equipping. It must be noted that operating boreholes is expensive because of the associated electricity cost;
- Business plans have been submitted for approval for a new 3 mega-litre reservoir
- Refurbishment of old piped networks.

#### Van Wyksdorp

One million rand was received from the Western Cape Provincial Department for drought relief to ensure that the drilling and equip of borehole is executed. Unfortunately the borehole was tested and not suitable for use. This resulted that plus minus R300 000 was rolled over for testing of other existing boreholes. The Municipality still faces the challenge in Van Wyksdorp where the waterworks needs to be upgraded.

Storage boreholes are a big problem. Raw water reservoirs must be upgraded. Upgrading of existing networks is necessary. Funds must be applied for at Province and National to improve the situation.

The current situation is that too little raw water is received for purification, especially in the summer months, and that reservoirs have to be emptied and water trucks have to be introduced. Storage capacity is also a serious problem at present. New boreholes need to be exploited to address the shortcomings.

The current water losses are 33.14% and below are the reasons and remedial actions to reduce the losses to the norm:

- Faulty meters
- Leakages on existing pipelines and reservoirs
- By-pass on water meters
  
- Unaccounted water losses

Various rural settlements and farm schools experience problems with sustainable access to and consistency of water sources, and the quality of the water available for domestic usage. Farm schools are in some instances serviced by municipal water tankers, to supply water for basic sanitation and human consumption.

**Zoar**

Waterworks have been upgraded with the help of funds from Province (drought relief). Challenges are the expansion of existing Tierkloof Dam and development of new boreholes. Funds must be obtained from Province and National to minimize the challenges. Current situation is the lack of storage capacity for raw water and develop new boreholes to replenish raw water and then upgrade network along with build extra reservoirs for storage of treated water.

**Calitzdorp**

Replacement of raw water line from Nelsdam to waterworks. Construction of new reservoir at Bloekomlaan. Challenges are the replenishment of raw water through the development of new boreholes. Current raw water source comes from Nelsdam which belongs to the irrigation board and which we have to pay dearly for the consumption. Upgrading of existing waterworks is necessary. Apply for funds from Province or National. Current situation is that if Nelsdam is low the municipality has no other sources of raw water. Boreholes must be developed to increase raw demand.

The table below indicates the total use of water by sector in kilolitres from 2019/20 and 2020/21 per financial year

<b>Total Use of Water by Sector 2019/20 and 2020/21</b>				
<b>Years</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Domestic</b>	<b>Unaccountable water losses (R)</b>
<b>2019/20</b>	-	402 000	694 667	-802 446
<b>2020/21</b>	-			

TABLE 41: TOTAL USE OF WATER BY SECTORS – SOURCE: SAMRAS (MUNICIPAL STATISTICS)



The tables below indicates the financial performance, capital expenditure and performance information (strategic objectives), for 2019/20 and 2020/21 financial year:

The table below indicates the financial performance of water services for the year under review:

Financial Performance 2019/20 -2020/2021: Water Services				
Details	2019/20	2020/21		Actual Variance to Budget
	Actual	Original Budget	Adjustment Budget	
Total Operational Revenue	R34 429 112,58	R50 506 830,00	R43 229 340,00	R43 229 340,00
<b>Expenditure:</b>				
Employees	R4 518 989,34	R3 186 077,00	R6 647 317,00	R6 647 317,00
Repairs and Maintenance	R348 475,02	R1 133 960,00	R1 517 960,00	R1 517 960,00
Other	R4 005 224,41	R8 919 880,00	R10 008 716,00	R10 008 716,00
Total Operational Expenditure	R8 872 688,77	R13 239 917,00	R18 173 993,00	R18 173 993,00
<b>Net Operational Expenditure</b>	<b>R25 556 423,81</b>	<b>R37 266 913,00</b>	<b>R25 055 347,00</b>	<b>R25 055 347,00</b>

TABLE 42: FINANCIAL PERFORMANCE OF WATER SERVICES - 2020/21 - SOURCE: AFS

The table below indicated the capital expenditure for the year under review:

Capital Expenditure: 2020/21 Water Services					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	R95 436 125	R44 163 248	R8 344 496	R35 818 752,46	

TABLE 43: CAPITAL EXPENDITURE OF WATER SERVICES – 2020/21 - SOURCE: AFS

The table below indicates the water services policy objectives taken from the IDP:

Water Service Policy Objectives Taken From IDP						
Service Objectives		2019/2020			2020/2021	
		Outline				
Service Targets		Service	Target	Actual	Target	Actual
		Number of formal residential properties that receives piped water connected to the municipal water infrastructure network as at 30 June 2020	Number of Residential properties which are Billed for water services as at 30 June 2020	4914	4932	4950

TABLE 44: WATER SERVICE POLICY OBJECTIVES TAKEN FROM THE IDP - 2019/20 - SOURCE: SAMRAS (MUNICIPAL STATISTICS)

### 3.2 WASTE WATER (SANITATION) PROVISION

#### Sanitation:

The majority of households are connected to waterborne sanitation systems in the Kannaland area. The Municipality is intending to replace all bucket systems with water borne system, however funding needs to be sourced to implement this project. No major infrastructure projects was executed due the lack of funding to support the projects.

#### Ladismith

Currently, sanitation gravitates to the WWTW which comprises a primary settling tank, bio- filter, and humus settling tank and sludge facilities (anaerobic digester and sludge drying beds).

No projects were launched for 20/21 in all the towns. Funds were allocated but taken back.

Upgrading existing sewerage works is urgent as it is over its capacity. No new houses can be built. Challenges are also the flushing of main sewer lines that are full of sediment.

Current situation is that sewerage works must be upgraded as soon as possible and main lines must be flushed. Funds must be applied for beforehand. Provision of sanitation services at informal housing required

#### Zoar

The majority of households are connected to waterborne sanitation systems in the Kannaland area. A few households throughout the municipal area are connected to septic or conservancy tanks and ten households in Zoar still use the bucket system. This project is listed for future intervention.

Challenges are that extra staff must be appointed for maintenance of works.

Current situation is that the sewers at dams need to be upgraded and pump stations upgraded. Funds must be applied for at WSIG - Provision of services at informal areas is still a challenge and remain a priority.

#### Calitzdorp

The municipality is also planning to replace the septic and conservancy tanks in the coming years by linking those households to the bulk infrastructure network throughout the Calitzdorp area. This project is listed for future intervention.

#### Vanwyksdorp

Ninety households in Vanwyksdorp Greenhills area are connected to a waterborne system which gravitates to a package plant for treatment. Provision of services at informal areas is still a challenge and remain a priority.

The table below indicates the sanitation service levels:

<b>Sanitation Service Delivery Levels</b>		
<b>*Households</b>		
<b>Description</b>	<b>2019/20</b>	<b>2020/21</b>
	Outcome	Outcome
	No.	No.
<b><u>Sanitation/sewerage:</u> (above minimum level)</b>		
Flush toilet (connected to sewerage)	4459	4468
Flush toilet (with septic tank)	-	-
Chemical toilet	-	-
Pit toilet (ventilated)	-	-
Other toilet provisions (above min.service level)	-	-
<i>Minimum Service Level and Above sub-total</i>	-	-
<i>Minimum Service Level and Above Percentage</i>	-	-
<b><u>Sanitation/sewerage:</u> (below minimum level)</b>		
Bucket toilet	-	-
Other toilet provisions (below min.service level)	-	-
No toilet provisions	-	-
<i>Below Minimum Service Level sub-total</i>	-	-
<i>Below Minimum Service Level Percentage</i>	-	-
<b>Total households</b>	<b>4459</b>	<b>4468</b>

TABLE 45 - SANITATION SERVICE DELIVERY LEVELS 2018/19 AND 2019/20- SOURCE: SAMRAS

(MUNICIPAL STATISTICS)

The tables below indicates the financial performance and capital expenditure for 2020/21 financial year:

The table below indicates the financial performance for the year under review:

Financial Performance for financial year 2019/20 to 2020/21: Sanitation Services					
R'000					
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R7 682 211,56	R44 105 650,00	R14 396 290,00		
<b>Expenditure:</b>					
Employees	R2 844 305,53	R2 126 078,00	R3 472 198,00		
Repairs and Maintenance	R54 327,91	R310 000,00	R135 000,00		
Other	R2 841 727,00	R4 469 980,00	R4 801 519,00		
Total Operational Expenditure	R5 740 360,44	R6 906 058,00	R8 408 717,00		
<b>Net Operational Expenditure</b>	R1 941 851,12	R37 199 592,00	R5 987 573,00		

TABLE 46: FINANCIAL PERFORMANCE OF SANITATION SERVICES - 2020/21- SOURCE: AFS

There were no capital funding received for sanitation services for the financial year under review

Below is the policy objectives taken from the IDP for the financial year under review:

Sanitation Service Policy Objectives Taken From IDP					
Service Objectives	Outline Service Targets	2019/20		2020/21	
		Target	Actual	Target	Actual
Number of formal residential properties connected to the Municipal waste water sanitation/sewerage network billed for the service as at 30 June 2020	Number of Residential properties which Are billed for water meters	4460	4468	4478	4468

**TABLE 47: SANITATION SERVICE POLICY OBJECTIVES TAKEN FROM IDP**

**3.3 ELECTRICITY**

Electricity is the main energy source of households. The Kannaland Municipality is responsible for the provision of electricity to Ladismith and Calitzdorp, whilst Zoar and Van Wyksdorp are supplied by ESKOM.

Kannaland infrastructure is outdated and in need of urgent upgrade. The Municipality has over the past four years invested in new infrastructure to ensure secured electricity distribution to businesses and the community. The current substation in Calitzdorp has an electricity usage capacity of 1.7 MVA and the availability of electricity is 1.2 MVA.

No major infrastructure projects were completed, it must be take into account that the Municipality rendered services to the community of Kannaland.

It is imperative that the electricity infrastructure be maintained at all times in order to identify where upgrading on aged infrastructure is needed. Upgrading and refurbishment of infrastructure will result in a secure revenue stream as well as quality services delivered to the residents of Kannaland. The capital expenditure is a roll over project from the prior year.

The table below indicates all highlights, challenges and interventions incurred by the municipality:

HIGHLIGHTS	CHALLENGES	INTERVENTIONS
Completion of the upgrade of the Ladismith electricity main sub station	<p>Significant financial constraints:</p> <p>Fleet</p> <p>Lack of staff / training</p> <p>Tools and equipment and materials</p> <p>Safety and security</p>	<p>Submission of applications/business plans to sector departments for funding.</p>

**TABLE 48: HIGHLIGHTS, CHALLENGES AND INTERVENTIONS**

Despite the challenges listed, the municipality provide adequate services to their community and businesses.

It is imperative that the electricity infrastructure be maintained at all times in order to identify where upgrading on aged infrastructure is needed. Upgrading and refurbishment of infrastructure will result in a secure revenue stream as well as quality services delivered to the residents of Kannaland.

Electricity Service Delivery Levels		
Households		
Description	2019/20	2020/21
	Actual	Actual
	No.	No.
Energy: (above minimum level)		
Electricity - Conventional	420	415

Electricity - prepaid	1689	2896
Minimum Service Level and Above sub-total	3530	
Minimum Service Level and Above Percentage		
Energy: (below minimum level)		
Electricity (< min.service level)		
Below Minimum Service Level sub-total		
Below Minimum Service Level Percentage		
Total number of households	3530	2896

TABLE 49 - ELECTRICITY SERVICE DELIVERY LEVELS 2017-2018 AND 2019/20- SOURCE: SAMRAS(MUNICIPAL STATISTICS)

The tables below indicates financial performance and capital expenditure for 2020/21 financial year:

Financial Performance for the financial year 2019/20 to 2020/21: Electricity Services					
R'000					
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R53 144 150,41	R59 734 880,00	R62 781 930,00		
<b>Expenditure:</b>					
Employees	R3 670 752,16	R3 619 777,00	R4 265 315,00		
Repairs and maintenance	R251 759,07	R1 000 000,00	R456 000,00		
Other	R45 061 215,07	R48 566 638,00	R49 456 186,00		
Total Operational Expenditure	R48 983 726,30	R53 186 415,00	R54 177 501,00		
<b>Net Operational Expenditure</b>	R4 160 424,11	R6 548 465,00	R8 604 429,00		

TABLE 50: FINANCIAL PERFORMANCE PER ELECTRICITY SERVICES - SOURCE: AFS

Capital Expenditure 2020/21: Electricity Services					
R' 000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R6 922 219,00	R2 699 000,00			

TABLE 51: CAPITAL EXPENDITURE PER ELECTRICITY SERVICES 2020/21 - SOURCE: AFS



Electricity Service Policy Objectives Taken From IDP					
Service Objectives	Outline Service Targets	2019/20		2020/21	
		Target	Actual	Target	Actual
Number of formal residential properties connected to the municipal electrical infrastructure network	Number of residential properties which are billed for electricity or have pre-paid meters.	3086	1689	Prepaid: 3140 Conventional 415	Prepaid: 2896 Conventional 240

TABLE 52: ELECTRICITY SERVICE POLICY OBJECTIVES TAKEN FROM THE IDP – 2019/20 AND 2020/21

### 3.4 WASTE MANAGEMENT

Kannaland Municipality operates four licensed landfill sites. Operational sites are situated in Ladismith and Zoar. The landfill site in Calitzdorp is licensed for closure and therefore only organic waste and building rubble is accepted at this site. Household and business waste from Ladismith, Calitzdorp and Zoar are collected on a weekly basis and disposed at the Ladismith and Zoar Landfill sites.

Household and business waste from Vanwyksdorp is collected every week and disposed of at the Ladismith landfill site. Factories, namely Ladismith Kaas and Parmalat dispose their waste, mostly commercial and industrial waste at the Ladismith Landfill site at a daily base. The Municipality does not provide waste collection services to farms, but farmers are encouraged to drop off their waste at the various landfill sites.

Ladismith and Zoar has operational licenses in and Calitzdorp and Vanwyksdorp has been licensed for closure.

The following illustrates all licensed landfill sites:

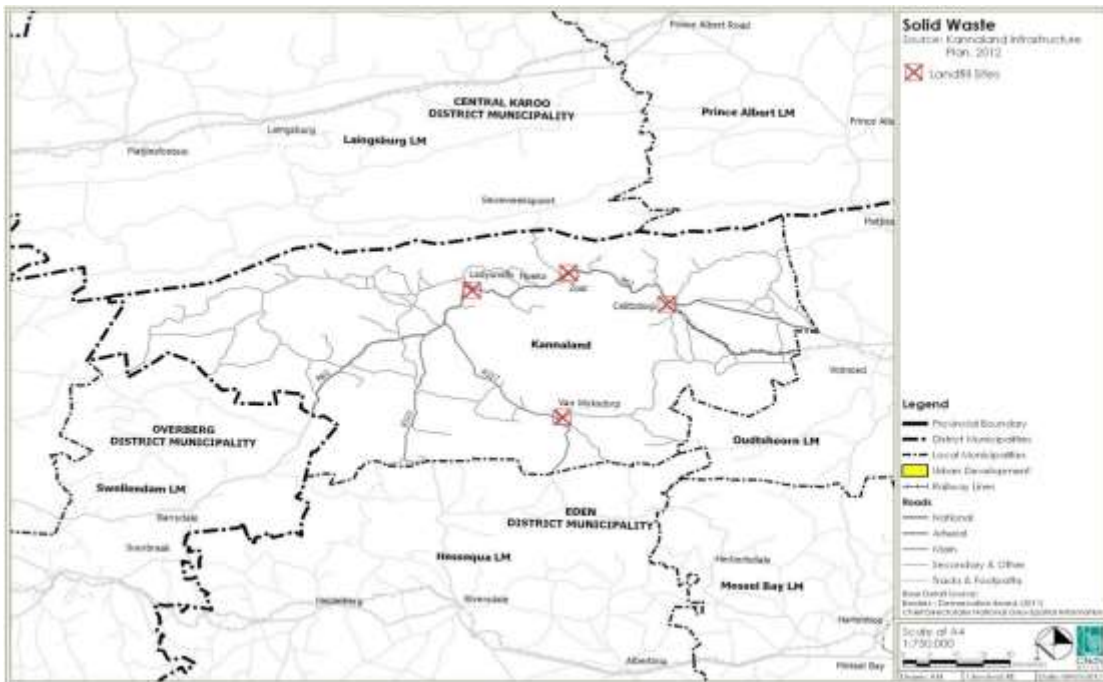


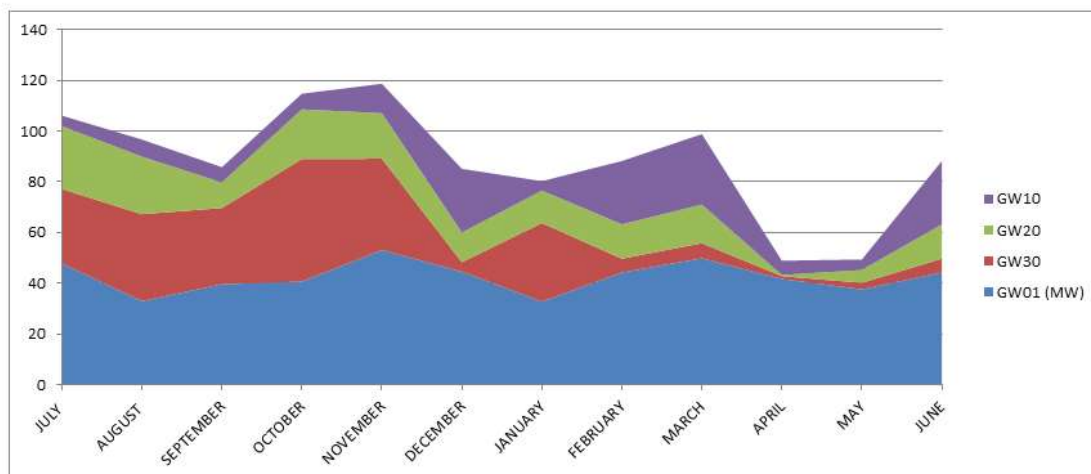
FIGURE 1: LANDFILL SITES – AS INDICATED IN SDF FIGURE 3.4.7.1

The following illustrates the estimated waste which was generated per operational landfill site:

LADISMITH LANDFILL SITE



WASTE DISPOSED – LADISMITH LANDFILL SITE 2019-2020



Source: Waste Activity Management Reports



**YOUTH COMMUNITY OUTREACH PROGRAMME:**

The Municipality is in partnership with Department Environmental Affairs and has been awarded the Youth Community Outreach Programme. Through this programme a Youth Environmental Coordinator has been deployed to Kannaland Municipality. A further 22 beneficiaries will be employed from within the municipal area. The Coordinator has been conducting schools audits at various schools identifying environmental needs in schools.

The Coordinator has conducted a schools audit report to establish the needs of the identified schools. Awareness programs were held during May and June 2019

**MAY 2019**

Name of the school	Towerkop Primary School
Ages	11-12 years and 12-13 years
Group size	86 (1 <sup>st</sup> group) and 107( 2 <sup>nd</sup> group)
Level of education	Grade 6 and Grade 7
Socio-economic background	Middle class
Languages	Afrikaans
Race	Coloured
Knowledge of the topic	Little knowledge about the topic



**Showing the learners in Towerkop Primary School during ECO Break demonstration**

Environmental Awareness/Education- Hoerskool Ladismith – International Biodiversity Day

Name of the school	Hoerskool Ladismith
Ages	11-12 years
Group size	28
Level of education	Grade 6
Socio-economic background	Middle class
Languages	Afrikaans
Race	Coloured
Knowledge of the topic	No knowledge about the topic



Learners in Hoerskool Ladismith during the International Biodiversity Day celebration

JUNE 2019 – WORLD ENVIRONMENT DAY

Name of the school	Van Wyksdorp Primary School
Ages	12-13 years
Group size	32
Level of education	Grade 5
Socio-economic background	Middle class
Languages	Afrikaans
Race	Coloured
Knowledge of the topic	Little to no knowledge of the topic



Showing the learners in Van Wyksdorp Primary school during the presentation

In partnership with Department of Environmental Affairs the Municipality has compiled it's Second Generation Waste Management Plan in line with the National Waste Strategy which consist of the following goals:

- Promote, educate and raise awareness w.r.t integrated waste management
- Improve waste information management
- Ensure the effective and efficient delivery of integrated waste management services
- Promote waste minimization through the re-use, recycling and recovery of waste
- Improve regulatory compliance
- Ensure the safe and integrated management of hazardous waste
- Ensure the sound budgeting and financial management for IWM services

GOALS	2019/20
Promote, educate and raise awareness w.r.t Integrated Waste Management	<p>Awareness and education programmes were conducted at schools</p> <p>District Waste Management Officers Forum meetings were attended</p>
Improve waste information management	<p>Training has been received on DEADP Calculator system</p> <p>Regular reporting is done on iPWIS</p> <p>A waste characterization study has been conducted</p>
Ensure the effective and efficient delivery of Integrated Waste Management services	<p>The Municipality offers removals once per week for household and business</p>
Improve regulatory compliance	<p>All landfill sites have been suitably licensed during the 2019/20 financial year</p> <p>Budgetary constraints complicates the ability to comply to permit conditions</p>
Ensure the safe and integrated management of hazardous waste	<p>Hazardous waste is being managed effectively at hospitals, clinics, consulting rooms and businesses in Kannaland Municipality</p>
Ensure the sound budgeting and financial management of IWM services	<p>There are still budget constraints</p>

The Second Generation Integrated Waste Management Plan is currently being reviewed. Kannaland Municipality has entered into a Service Level Agreement for the revision of the Integrated Waste Management Plan. GIBB is the appointed service provider who will be reviewing and developing the Third Generation Integrated Waste Management Plan.

Engagements were held between Kannaland Municipality and Department of Environmental Affairs and Developmental Planning for the initiation of a separation at source project in Ladismith and Calitzdorp.

Kannaland Municipality together with Garden Route District Municipality had a waste characterisation study and the Waste Characterisation Report was adopted by Council.

The Kannaland Municipality Waste Minimization Strategy was also adopted by Council.

**PERSONNEL:**

The Kannaland Municipality has during the 2019/20 financial year appointed a supervisor for the landfill sites. 2 General workers were permanently appointed at the Ladismith landfill site and 1 general worker was permanently employed at the Zoar landfill site.

**TRAINING AND CAPACITY BUILDING:**

The following are the training and capacity building initiatives:

TRAINING/CAPACITY BUILDING ATTENDED	DEPARTMENT/INSTITUTION	NO OF EMPLOYEES THAT ATTENDED
Integrated Waste Management Training	Institute of Waste Management	1
iPWIS Training	Department of Environmental Affairs and Developmental Planning	3
Collaborator Training	Collaborator	1



**AIR QUALITY MANAGEMENT:**

SLA was undertaken by Kannaland Municipality and Garden Route District Municipality where by Lethabo Air Quality Specialist is the appointed as the service provider.

The draft Air Quality Management Plan has been finalised and published for public commenting at the Ladismith library as well as on the Cape EAPrac website.

An Air Quality Officer has been appointed in terms of NEM:AQA (Act 39 of 2004).

**Awareness and Education:**

An Awareness program was held together with Cape Nature and Department Environmental Affairs and Developmental Planning as well as Local Government Support for Department of Environmental Affairs.

Name of the school	Van Wyksdorp Primary School
Ages	12-13 years
Group size	32
Level of education	Grade 5
Socio-economic background	Middle class
Languages	Afrikaans
Race	Coloured
Knowledge of the topic	Little to no knowledge of the topic





Group photo with the class of Grade 5 in Van Wyksdorp Primary School

The table below indicates the capital performance:

Financial Performance 2020/21: Solid Waste Management Services				
R'000				
Details	2020/21			
	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R14 536 910,00	R14 586 980,00		
<b>Expenditure:</b>				
Employees	R3 216 178,00	R6 541 968,00		
Repairs and Maintenance	R785 000,00	R1 129 300,00		
Other	R4 797 410,00	R2 720 120,00		
Total Operational Expenditure	R8 798 588,00	R10 391 388,00		
<b>Net Operational Expenditure</b>	R5 738 322,00	R4 195 592,00		

TABLE 53: FINANCIAL PERFORMANCE OF SOLID WASTE MANAGEMENT SERVICES – AFS

Capital Expenditure 2020/21: Waste Management Services					
R' 000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0		

TABLE 54: CAPITAL EXPENDITURE –WASTE MANAGEMENT SERVICES – SOURCE AFS

Below is the service policy objectives taken from the IDP for the financial year under review:

<b>Waste Service Policy Objectives Taken From IDP</b>					
<b>Service Objectives</b>	<b>Outline Service Targets</b>	<b>2019/20</b>		<b>2020/21</b>	
		<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>
Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2019	Number of residential properties which are billed for sewerage (Debtors listing)	4800	4811	4820	4535

**TABLE 55: WASTE SERVICE POLICY OBJECTIVES TAKEN FROM THE IDP**

### 3.5 HOUSING

Kannaland Municipality appointed CHS Developments as Implementing Agent for the development and construction of low-cost houses and associated infrastructure for the Municipality in terms of Regulation 32 of the Municipal Supply Chain Regulations with effect from October 2019 for a three-year period.

Applications were submitted during the course of 2019 to the Western Cape Provincial Department of Human Settlements for the following projects:

1. Parmalat site, Ladismith where 280 housing units will be developed;
2. Middleton Street site with 78 Finance Linked Individual Subsidy (FLISP) housing units. This project subsequently changed from FLISP (GAP) housing to Community Residential Units (CRU).
3. Upgrading of Informal Settlement (UISP) in Zoar, where an informal settlement will be formalised. After completion of the project residents of the informal settlement will have access to basic services. At the moment residents of the informal settlement do not have access to basic services.
4. Zoar Maxi's site, where 100 housing units will be developed.

Some of our less fortunate experiences were the fact that the Municipality could not deliver basic services to informal settlements to a certain extent. A challenge which we are facing is the fact that bulk services cannot be delivered in informal settlements because plots in these areas which cannot be formalised.

A constraint which hampers service delivery in the informal settlements is the absence of bulk basic services which cannot be delivered to some of these settlements. Environmental Impact Assessments have to be conducted to ascertain whether these areas occupied to erect informal settlements are conducive for occupancy. Applications to deliver bulk basic services in informal settlements were submitted to Municipal Infrastructure Grant (MIG) through Technical Services Department in March 2018. The application was however declined because the plots were not registered.

The provision of affordable housing is a high priority for the Municipality. Challenges do exist with regards to the capacity of bulk infrastructure services with specific reference to waste water treatment works, water storage and water works. This has delayed the delivery of housing projects over the past few years which has resulted in the significant increase on the housing demand.

The Municipality developed a Human Settlement Allocation Policy which regulates the housing demand and the allocation of housing opportunities to the different categories on our Housing Demand Database.

No houses have been built during the year under review but a significant number of title deeds for houses were transferred to respective beneficiaries across the municipal area.

The tables below indicates the financial performance and capital expenditure for 2019/20 – 2020/21 financial year:

Financial Performance for the financial year 2019/20 - 2020/21: Housing Services				
R'000				
Details	2019/20		2020/21	Adjustment Budget
	Actual		Original Budget	
Total Operational Revenue	R0,00	R200 000,00	R1 200 792,00	
<b>Expenditure:</b>				
Employees	R792 627,55	R1 113 317,00	R923 890,00	
Repairs and Maintenance	R0,00	R8 450,00	R0,00	
Other	R8 214,67		R231 055,00	R1 222 557,00
Total Operational Expenditure	R800 842,22	R1 352 822,00	R2 146 447,00	
<b>Net Operational Expenditure</b>	<b>-R800 842,22</b>	<b>-R1 152 822,00</b>	<b>-R945 655,00</b>	

TABLE 56: FINANCIAL PERFORMANCES OF HOUSING SERVICES - SOURCE: AFS

No capital expenditure incurred for housing development for the year under review.

### 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Free basic municipal services are rendered to all urban areas and some rural areas within the municipal boundaries. The objective of Kannaland Municipality is to ensure that the procedures and guidelines, regarding indigent household subsidies, are known to all.

This action is usually done through public participation meetings, ward committee meetings and councillor feedback meetings. Applications for a subsidy can be made with the assistance of a person in charge of permanent offices in the areas.

Special drives are also performed in the different wards where the community is invited to come and apply for a subsidy at a hall nearby or municipal offices and where they are also assisted with the completion of the applications.

The tables below indicate the households that received free basic services:

Free Basic Services To Low Income Households								
	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
	Access	%	Access	%	Access	%	Access	%
2019/20	2479	100%	2479	100%	2479	100%	2479	2479
2020/21	2560	100%	2560	100%	2560	100%	2560	2560

TABLE 57: FREE BASIC SERVICES TO LOW INCOME HOUSEHOLDS - SOURCE: SAMRAS (MUNICIPAL STATISTICS)

## COMPONENT B: ROAD TRANSPORT

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

### 3.1 ROADS AND STORM WATER

#### ***Municipal Roads***

The Municipality is responsible for the maintenance of roads within the four (4) towns(Ladismith, Calitzdorp, Zoar and Van Wyksdorp).

The Municipality is aware of the challenges with regard to road maintenance in Ladismith and is planning to upgrade all the streets and pavements in Ladismith in the next few financial years. During the 2020/21 financial year, operational maintenance commenced and potholes were filled as a temporary measure.

Storm water systems exist in most of the residential areas. In informal and low-cost housing areas. Daily maintenance consists of opening and cleaning catch pits, manholes, side drains and open channels.

No capital expenditure incurred for the year under review. Challenges in funding projects remain unchanged, however it should be taken into consideration that business plans have been submitted to address the road and storm water backlogs as outlined in the IDP.

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

NO INFORMATION

### COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

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### 3.3 PLANNING

#### **Building Control**

The Municipality provides a full spectrum of town planning and building control services within the administrative area. The Division Town Planning and Building Control also includes a compliance component which is responsible for the enforcement of the regulations relating to municipal planning and building control, as well as environmental issues – this must be enforced by a bylaw which the Municipality does not consist of yet.

In terms of spatial planning, there is no capacity within the municipality to assist in running the process. The Department of Environmental Affairs and Planning assisted to start with the process of amending the SDF. The Municipality raised the challenges at the Back to Basics with regards to funding or sourcing expertise to support in this matter.

Since the lockdown started, a number 50 building plans have been approved and implemented.

### 3.4 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKETPLACES)

The Garden Route District Municipality assisted the Municipality with a tourism strategy and intended a Tourism Indaba, but unfortunately this had to be postponed to a later stage. All strategies and policies can be obtained from the Municipality for further assistance.

A platform must be developed for for continuous interaction between business sectors, political leadership, the administration and community to build a common understanding on Local Economic Development objectives and outcomes linked to the IDP.

The objective of the EPWP Phase 4 program is to provide work opportunities and income support to poor and unemployed people through labour intensive work. Various projects has been approved by Council for implementation and the Municipality managed to achieve the target as set out.

The tables below will show the jobs created through EPWP programme during the year under review:

<b>JOBS CREATED THROUGH EPWP</b>			
<b>EPWP Projects</b>	<b>Jobs created through EPWP projects</b>	<b>EPWP Projects</b>	<b>Jobs created through EPWP projects</b>
<b>2019/20</b>	<b>No</b>	<b>2020/21</b>	<b>No</b>
IG ACCESS CONTROLL AT LANDFILL SITES	11	IG ACCESS CONTROL AT LANDFILLSITES	
IG BEAUTIFICATION AND CLEANING OF TOWNS	11	IG SECURITY SERVICES FOR MUNICIPAL SITES AND DISASTERCONTROL ROOM	



IG CLEANING AND BEAUTIFICATION OF KANNALAND TOWNS	16	IG WASTE RECYCLING	
IG CLEANING AND MAINTENANCE OF MUNICIPAL BUILDINGS	9	IG CLEANING AND MAINTENANCE OF MUNICIPAL BUILDINGS	
IG CLEANING OF ELECTRICAL SUBSTATIONS AND WORKARE	37	IG BEAUTIFICATION AND CLEANING OF TOWNS	
IG CLEANING OF PUBLIC TOILETS	6	IG HUMAN RESOURCE INTERNSHIPS	
		IG CLEANING OF ELECTRIFICATION SUBSTATIONS	
		IG REPAIRING OF POTHOLES IN CALITZDORP	
		IG CLEANING OF SEWERAGE, WATER WORKS AND STORMWATER STRUCTURES	
		IG INSTALLATION OF WATERMETERS	

**TABLE 58: JOBS CREATED THROUGH EPWP**

### **Tourism**

The IDP recognises tourism as one of the key economic sectors in the municipality, calling for the development of a tourism master plan or a municipal wide tourism strategy. The local tourism offices need urgent support from the government department to assist in either funding of programs or the development of each town.

The tourism sector can contribute significantly to the reduction of unemployment. Kannaland's local economy is built on the opportunities created by tourists visiting the area. It is essential that the tourism industry be further developed and investment into this industry be promoted to ensure

continuous growth. The aim is that each town should have a tourism satellite office which will reside under the Kannaland Tourism umbrella.

Each town has its unique economical set-up and programs. Given the above, Garden Route District Municipal Council has passed a resolution to support Kannaland Municipality with the development of a tourism strategy; this tourism strategy aims to transform Kannaland into a viable tourist destination to improve local economy.

#### COMPONENT D: COMMUNITY & SOCIAL SERVICES

#### 3.5 LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES: OTHER (THEATRES. ZOOS. ETC)

##### **LIBRARIES**

The municipality renders the library service on an agency basis for the Provincial Government which is funded 100% through grants (Municipal Replacement fund and Conditional Grant) The municipality views the libraries as key to developing the human capital, encouraging people to equip themselves with knowledge and skills in order to lead quality lives.

Libraries	Users	Stock
Ladismith	5042	18941
Calitzdorp	575	10882
Zoar	446	6851
Van Wyksdorp	101	5178

*KANNALAND LIBRARY SERVICES*

Libraries	Objects Removed from stock	Objects Added to Stock
Calitzdorp	29	39
Ladismith	281	110
Van Wyksdorp	36	3

Removal of objects from stock take place due to various reasons, this can be due to stock losses or old and out dated items that are sent back to regional libraries. Objects are added to the stock on a quarterly basis but due to budget cuts only a few items are added per annum.

**Ladismith Public Library** is currently operating at its full capacity. An electronic lending system SLIMS has been introduced successfully since September 2011. The circulation with reference to the number of registered users remains high. The RLCP Program has been successfully introduced. The library still struggles to render a service which fills the void created by weak school libraries. Staff in the Ladismith Library attend to the information needs of learners. The library is in need of additional space for individual learners and those working in groups and transport the visit remote farm communities.

The library provides free internet access to users for which the demand is high and increasing due to the effective management of the service. Expansion is vital and is being addressed presently. Additional computers with internet access will be provided.

**Calitzdorp Library** Calitzdorp Library is currently operating at its full capacity. The SLIMS electronic lending system has been introduced October 2017; the library has three computers with internet access for users.

**Zoar Library:** Zoar library is currently operating at its full capacity. The SLIMS electronic lending system has been introduced March 2019 the library has two computers with internet access for users. With an upgrade of 4 new computers in 2020. The library has lots of outreach and literacy programs for young children. This includes a newly established reading club for young adults during the winter periods.

**Van Wyksdorp:** The operating hours were extended. Morning hours were minimized to five hours (8:00 – 13:00) Mondays to Fridays. Extension of the afternoon hours (13:30-16:00) to benefit learners and premises occupied presently are in the process of being reviewed. Van

Wyksdorp Library is fully functioning on the SLIMS lending system for libraries and has three computers with internet access for the public and learners.

Bergsig and Hoeko Libraries

## **Hoeko Library**

The Hoeko valley are located 13 KM outside of Ladismith with a population of round about 600 people living there and a well-known for its seasonal fruits. Kannaland Library Service has a long and fruit full history with the people of Hoeko out of this relationship were and by working closely with the Department of Education came this idea to light to open a satellite library for the people of Hoeko. The opening of the library were planned for March 2020 but could not be finalized due to Covid -19.

## **Bergsig Library**

The Bergsig Library is one of the oldest library in the Garden Route District. Kannaland Municipality received funding for the renovation and repair of the Bergsig Library. Due to COVID-19 all process were placed on hold.

## **Library Outreach Programs and Displays**

Library outreach programs have been conducted to raise educational awareness amongst scholars and adult uses. Kannaland library service has been liaising with various stakeholdersto ensure that outreach programs are successful and that it reaches the bulk of Kannaland communities.

## **Extended Library Hours**

All Library hours were extended in January 2018, libraries are now longer open to attend to the public during the week and on weekends.

## **New Libraries in the pipeline**

- Hoeko Mini Library ( On hold Due to COVID-19)
- Bergsig Public Library ( On hold Due to COVID-19)

**Below is the highlights and challenges during the year under review:**

Highlights	Description
<b>Bergsig Library</b>	Funding were received for the upgrade and opening of the old Bergsig Library.
<b>Library Week</b>	Is Celebrated on an annual base during this week  library staff create awareness on reading and the importance of libraries in communities
<b>Outreach Programs (16 Days of Activism, World book day, National Book Week and school holiday programs.</b>	Over the past year Kannaland Library Service had great success with outreach programs
<b>Internet Access to all Kannaland Communities</b>	All Four Kannaland Libraries has internet Access for public use.
<b>Mzansi Libraries Online</b>	Ladismith library was one of only a few libraries in South Africa who received equipment from the Bill and Melinda Gates Foundation in collaboration with the National Department of Cultural Affairs and Sport. The equipment is to establish a game room for the all library users this includes and to ensure that all South Africans has access to the internet.  10 Tablets  5 Computers  2 Projectors  2 Xbox one with games.  1 Laptop  The abovementioned equipment has been a great asset for the library during the COVID-19 Pandemic.

Challenges	Description
<b>Major Stock losses</b>	Stock Losses are one of the mayor challenges libraries face. (Library Material on loan are not returned by users) Due to Lockdown
<b>Transport</b>	Kannaland Library Service are in need for dedicated vehicle to ensure that remote farming Communities are also serviced.

#### Service Delivery levels:

Type of service	2019/202
Library members	6164
Library material circulated	21454
Exhibitions held/ Displays	48
Internet use	4871
Children's programmes	Weekly Until March 2020
Visits to schools	4 Until March 2020
Old age home visits	Weekly Until March 2020
School Holiday Programs	109

In-house library use

14874

The tables below indicates the financial performance and capital expenditure for the year under review:

### Financial Performance for the financial year 2019/20 to 2020/21: Libraries

R'000

Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R2 626 423,23	R4 052 240,00	R4 974 335,00		
<b>Expenditure</b>					
Employees	R2 090 907,28	R2 248 461,00	R2 648 754,00		
Repairs and Maintenance	R11 022,52	R20 000,00	R20 000,00		
Other	R393 102,25	R599 635,00	R717 357,00		
Total Operational Expenditure	R2 495 032,05	R2 868 096,00	R3 386 111,00		
<b>Net Operational Expenditure</b>	R131 391,18	R1 184 144,00	R1 588 224,00		

TABLE 59: FINANCIAL PERFORMANCE 2020/21 LIBRARIES - SOURCE: AFS

## 3.6 CEMETERIES

The Municipality has identified the need to develop new cemeteries due to capacity restrictions and the remaining utilisation expectancy of the current cemeteries. Land for the new cemetery in Zoar has been identified and the re-zoning approved. The Environmental Impact Assessment is in progress.

The Ladismith cemetery has nearly reached its capacity but sufficient adjacent land is available to accommodate extension in terms of the Environmental Impact Assessment (EIA) Legislation. A formal process has been initiated to seek suitable alternative land.

The Bergsig and Calitzdorp town cemeteries have also reached full capacity. The Bloekomlaan cemetery will be utilised as an alternative cemetery site for the Bergsig and Calitzdorp town

communities. This will be formally communicated through public participation processes. In addition a further utilisation expectancy study will be conducted.

The Van Wyksdorp cemetery has nearly reached its capacity and the consulting engineers have been instructed to seek suitable alternative land to establish a new cemetery for Van Wyksdorp. The Municipality is successful in maintaining the cemeteries to a high standard even though vandalism and theft of property are problematic and on the increase.

It should be noted that the planning for cemetery projects has been shifting to the outer financial years due to prioritisation on water and sanitation projects

## COMPONENT E: ENVIRONMENTAL PROTECTION

Urban expansion and farming in marginal areas to meet the demand of an increasing population, are leading to a loss of land and productivity. Secondary pressures, such as climate change, desertification and alien plant invasion, are further contributing factors.

Humans influence land degradation in three principle ways:

- The use of land resources for productive purposes: for agriculture, the collection of wood for fuel and building materials, as well as water abstraction and mineral extraction.
- The use of land resources for space needs, for example, settlement, infrastructure and recreational purposes.
- A tertiary set of influences comprises the incidental and often remote impacts of economic activity on land resources: for example, pollution of (sub) surface and atmospheric water resources by industry, alien plant invasion and climate change.

Agriculture has transformed much of Kannaland's natural landscape to cultivated lands. The Little Karoo, in general, which is under extensive agriculture, game farming and conservation land uses, falls within the category "Succulent Karoo /Spekboom/ Fynbos".

Land degradation manifests itself in the soil and in the veld. Sheet erosion is the most common form of soil degradation, with some rill and gully erosion in Kannaland. The Combined Land Degradation Index (CDI) indicates that the most degraded areas within.

Kannaland are situated around Ladismith and Calitzdorp because of overgrazing. The rest of Eden is only lightly affected by soil and veld degradation issues.

To monitor land degradation in Kannaland, the following indicators need to be identified:

- Area of land under formal conservation protection;
- Landscape change;
- Number of agricultural subdivisions; and
- ☐ Combined Land Degradation Index.

Six impact groups associated with land degradation drivers in Kannaland are:

- Farming in marginal areas, which leads to loss of ecosystem integrity, loss of natural habitats and which exerts stresses on the natural resource base, for instance on water through irrigation of crops.
- Subdivision of agricultural land into uneconomically viable units and urban sprawl leadsto diminishing agricultural returns.
- Urban expansion triggered by population growth and a better standard of living leads to the loss of agriculturally productive land and other land conflicts (e.g. conservation vs. urban development).
- Alien plant invasions cause veld degradation, a reduction on the quality and quantity of water and hence the loss of biodiversity resources.
- Climate change (global warming) brings an increase in the frequency of extreme weather events (droughts/ flooding), change in rainfall patterns and in extreme cases desertification. Loss of biodiversity is strongly associated with these phenomena.



## **WATER**

Kannaland falls largely within the Gouritz Water Management Area, a grouping of primary watercatchments, which are diverse in nature, evaporation exceeds rainfall in the northern catchments meaning that these are water stressed areas. In contrast, rainfall generally matches evaporation in the southern catchments meaning that these are generally moister environments. In the Gouritz River catchment the development of surface water resources has reached its full potential and all the water is fully utilised.

The inland water resources are under severe pressure through urban population increased. In concert with population growth Kannaland has experienced expansion in the provision of water services. In addition, low cost housing projects emerging from the National Reconstruction and Development Programme (RDP), together with the National Water and Sanitation Programme which has contributed to water demand. A further pressure on the water resource is the influx of tourism over the holiday season, introducing a spike in water demand. Economic growth and consumer and export demand has led to an increase in agricultural production, which in turn has placed greater pressure on water resources through greatest abstraction for irrigation.

Alien invasive plant and animal species, introduced by human actions either accidentally or for commercial purposes, are proving a major threat to the quality and quantity water, as well as to the biodiversity of freshwater systems. Climate change is expected to lead to slightly reduced rainfall over the Kannaland region, increased variability of rainfall, fewer but heavier precipitation events and increased temperatures and evaporation. These effects could work together to increase flooding, but could also reduce base-flow (long term low flow).

## **BIODIVERSITY**

Owing to its broad range of climatic conditions, geology, soils and landscapes, Kannaland has a very substantial share of global biodiversity within its borders. Kannaland's biological heritage is important in many ways – providing ecosystem services like clean water, contributing directly to the economy through industries like fishing and tourism, supporting livelihoods by providing food, medicines and building materials and generally improving health and well-being. Through habitat destruction and ill-conceived developments biodiversity is under threat world-wide.

To counteract this threat Kannaland should protect representatives of as many types of community and ecosystem as possible. By conserving suitable habitat we are also improving the survival

chances of the species and populations contained therein. Living landscapes preserve the option value of biodiversity – the potential to provide benefits in the future.

Important driving forces putting pressure on the biodiversity resources of Kannaland are:

- Population growth;
- The demand for economic growth to provide wealth and job creation;
- Demand for housing and associated services for historically disadvantaged people;
- Unsustainable extraction of natural resources as a result of poverty or greed;
- Poor land use practices promoting soil erosion and infestation by invasive alien plants;
- Poor waste and pollution management;
- Climate change; and
- Lack of understanding

In terms of appropriate responses, the mainstreaming biodiversity consideration into socio-economic agendas holds most promise to turn the situation around. It is necessary to:

- Integrate the protection and management of biodiversity resources with all human development by means of regional and national conservation initiatives;
- Build capacity in the areas of conservation assessment, taxonomy, green technology and knowledge transfer;
- Increase capacity in environmental law enforcement, management and education;
- Strengthen existing biodiversity conservation programmes to identify ecosystems, species and genetic resources that are at imminent risk of extinction;
- Implement strong counter measures to slow down the speed with which the loss of biodiversity occurs; and
- Link biodiversity protection and economic upliftment, as biodiversity protection provides an opportunity for less formal, nature-based community initiatives to act as economic engines and job creators.

## **CLIMATE**

There is general scientific agreement that the world is now warmer than at any time in the last 1000 years, and that the cause for this warming is due to human activities. Kannaland is at risk from projected changes in rainfall pattern and warming induced by changes in the global energy balance and atmospheric water balance.

However, the average for the five-year reporting period may be useful for simple comparative purposes against the long term average. Once a continuous ambient air quality sampling programme is in place, quarterly air quality reports which will provide useful state of environment data.

Increased drying and changes to the seasonal nature of precipitation will bring an increase in irrigation requirements which are likely to desiccate wetlands and threaten seasonal ecosystem interactions within the wetland. Such impacts are likely to further threaten the biodiversity of freshwater resources, which in turn will impair the environmental services they provide. The impact caused by climate change in terrestrial ecosystems include the detrimental effects associated with wildfires due to increased berg-wind conditions, and the possibility of changes in the distribution of alien invasive species, apart from changes in indigenous species distribution and interactions.

Numerous economic sectors could be affected by changes in temperature and precipitation patterns. The impact is likely to be felt in agriculture, fisheries, forestry, the manufacturing industry, tourism, finance and investment, transport, communication and trade, and construction. Climate change is likely to impact water services in terms of diminishing reserves on the one hand, and damage to infrastructure due to heavier precipitation events on the other.

## **KANNALAND FLORA**

The Cape Floral Kingdom is characterized by its exceptional richness in plant species. More than 8 700 species are known to exist, with more than 68% of these being endemic. The Cape Floral Kingdom, thus, compares with some of the richest floras worldwide. It is the smallest of the Floral Kingdoms and covers a mere 0.06% of the earth's surface, and is the only Floral Kingdom contained in its entirety within a single country.

Kannaland is a region of extensive plains, arid foothills and rugged rocky ridges and includes a wide range of microhabitats with extreme seasonal and diurnal temperature fluctuations. There are 1325 plant species in this area, including 182 Succulent Karoo endemics and 92 Red List species

(www.skep.org.za). While unique and rare species are found throughout the landscape, many of the endemics are concentrated along veins of weathered quartz, where patches of white pebbles provide camouflage and moderate the temperature for “stone plants”

## COMPONENT F: SAFETY AND SECURITY

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### 3.7 TRAFFIC SERVICES

Safety and security is the responsibility of the Protection Services Department of the Community Services Directorate. The Department is committed to provide a high quality community-oriented service to meet the safety and security needs of a diverse community. The Division strives to constantly improve its standing within the community it serves and the profession itself. Several awareness campaigns regarding road safety and fire protection are conducted throughout the year.

The traffic services unit consist of a chief traffic officer, two traffic officers, motor registration clerks chief clerks and 2 motor registration clerks, administration clerk.

During the year under review a chief traffic officer was appointed on 01st July 2018 to manage all traffic services functions. Activities such as testing of motor vehicles, motor registration and examine of drivers licences.

Awareness on road safety was implemented and conducted at schools whereby the school busses were inspected i.t.o road worthy and to adhere to the road transportation act.

Road markings were paint to ensure visibility and to encourage motorist to adhere road trafficact.

Because of the high demand of testing of driver licencing it was planned to construct a K53. The project were not completed to funding constraints. Pre planning were done on the courseof where it will be situated and looks like.

It will generate revenue for the municipality and enable a service to the local community in terms of affordability for each.

The Kannaland Municipality is eager to ensure a safe environment for the public, personnel and councillors. The Municipality therefore makes use of private security firms to ensure the safety of the personnel and councillors, as well as members of the public that visit municipal offices. Bylaws still needs to be reviewed approved by council in order to carry out the relevant law enforcement in areas.

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### 3.8 DISASTER MANAGEMENT AND FIRE SERVICES

The Municipality has a Disaster Management Plan which is an integral part of the IDP.

The establishment of a Disaster Management Centre has also been identified in terms of the Municipality's Disaster Management planning, however the Municipality does not have a functional disaster management ICT, GIS and early warning system. The Municipality is currently making use of the Disaster Management DS Tool of the Western Cape Disaster Management Centre to assist the Municipality in making informed decisions relating to Disaster Management.

As throughout the IDP is identified that water storage capacity is the main problem and has therefore prioritized the water and sanitation needs as a high and urgent matter to be attend to.

In accordance with the applicable legislation and with the desire to provide for the well-being of its citizens, the Kannaland Municipality has adopted a Disaster Management Plan in 2019/20 to ensure preparedness and effective response by the Municipality and its citizens in the event of a disaster. The Disaster Management Plan will assist Kannaland Municipality to be better prepared to support the local communities in dealing with disasters and to speed up the recovery process. It is crucial to have effective and efficient disaster risk reduction management measures in order to save lives, prevent escalation of emergencies and incidents as well as to relieve suffering. The implementation of this Disaster Management Plan will assist the municipality in clarifying roles and responsibilities with different stakeholders who are essential for disaster management. The purpose of the disaster plan is not only a legislative requirement, but enhances community safety through, planning, mitigation, response and recovery.

As defined in the prescriptions of the Act, the Municipal Manager is the Head of Disaster Management with the delegation of assistance through to the Senior Manager: Community Services. A Joint Operation Centre has recently been established. Mr Wayne Robertson has been appointed as the dedicated disaster management official with cross-functional influence to facilitate proper coordination and focused advocacy of disaster management.

The municipality adopted the Disaster Management Plan and recently a Disaster Management Centre has been established in terms of the municipality's disaster management planning. The municipality utilizes the following systems:

- Ventusky (weather predictions);
- Afis (active fires in the area);
- Functional disaster management ICT, GIS and early warning system.

## **RISK REDUCTION MEASURES**

No other risk reduction measures are in place other than proactive measures during early warnings and forecasts or progression of incidents. Preventive measures are relocating or evacuating members of communities and providing support at a local level or as assisted through the District.

A number of effective programmes have been implemented to mitigate the, which include:

- Awareness programmes to protect citizens from fires and floods;
- Regular cleaning of the storm water channels;
- Clean-up programmes of rivers and streams;
- The Fire and Rescue Services do regular awareness programmes in the communities and schools.
- Water restrictions in place

The impact prioritization for the most important risks (in order of priority) is as follows:

- Floods
- Plantation and vegetation fires
- Agricultural epidemics
- Hazardous materials transport
- Drought

### **Preparedness measures**

- Disaster Management Advisory Forum has been established.
- Meetings/ forums / workshops (newly established Disaster Management Forum)

The fire services function is managed by the Garden Route District Municipality.

Some of the achievements were:

- Members were identified who worked at working on fire (WOF) has been selected to undergo training to become qualified fire fighters. They received a high level of technical and

administrative training to enhance their knowledge, skill and experience which will be beneficial for the community at large.

- The Fire Service embarked on a community educational drive within the informal settlement areas as well to schools to educate residents and scholars of the dangers associated with fires as well as preventative measure that could be used to prevent

The outbreak of fires. Department of Local Government has donated a fully equipped fire truck as well uniforms were received from City of Cape Town, Knysna and George Municipality.

- Fire detectors were installed in municipal areas – process continuous
- Fire Safety awareness at schools
- Capacity building through training to the officials
- Maintenance of Fire Hydrants
- Water Delivery during the drought
- Disaster Management plan currently being implemented

It should be noted that the Kannaland Municipality is in process to review all its bylaws in order to improve enforcement in the area.

Fire flood kits were received from Province

The table below indicate the financial performance for fire services:

Financial Performance for the financial year 2019/20 to 2020/21: Fire Services					
R'000					
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R1 916 576,82	R0,00	R0,00	R0,00	0%
<b>Expenditure:</b>					
Fire fighters	R0,00	R509 300,00	R755 370,00		
Other employees	R0,00				

Repairs and Maintenance	R3 430,96	R13 200,00	R56 070,00		
Other	R42 259,37	R342 280,00	R218 100,00		
Total Operational Expenditure	R45 690,33	R864 780,00	R1 029 540,00		
<b>Net Operational Expenditure</b>	<b>R1 870 886,49</b>	<b>-R864 780,00</b>	<b>-R1 029 540,00</b>		

**TABLE 60: FINANCIAL SERVICES FOR FIRE SERVICES 2019/20 - SOURCE AFS**

## COMPONENT G: SPORT AND RECREATION

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

### 3.9 SPORT AND RECREATION

In terms of our mandate we make facilities, such as sport fields, available to the broader community. The Municipality is responsible for development of the facilities and the upgrading thereof whilst the sport clubs leases the facilities and as agreed upon, must maintain it.

The Municipality develops and maintains community parks, halls, camp sites and the caravanpark. This service places an enormous financial burden on the Municipality, with its limited staffcapacity and finances. The vastness of the municipal footprint demands a duplication of all services throughout the area and poses to be a well-oiled machine due to strict adherence to planning and implementation schedules.

The Sport section performed their duties excellently taking into consideration the challenges and demands they face on a continuous basis. There is a need for additional facilities but the availability of land is problematic, as well as the funds needed to develop the facilities.

The table below indicate the financial performance for sport and recreation:

Financial Performance for the financial year 2019/20 to 2020/21: Sport and Recreation					
					R'000
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Variances	Variances to Budget
Total Operational Revenue	0	R0,00	R0,00	R0,00	0
<b>Expenditure:</b>					
Employees	-R54 591,48	R215 100,00	R188 560,00		
Repairs and Maintenance	R12 620,03	R60 000,00	R10 000,00		
Other	R426 975,43	R314 930,00	R275 194,00		



Total Operational Expenditure	R385 003,98	R590 030,00	R473 754,00		
<b>Net Operational Expenditure</b>	<b>-R385 003,98</b>	<b>-R590 030,00</b>	<b>-R473 754,00</b>		

**TABLE 61: FINANCIAL PERFORMANCE FOR SPORT AND RECREATION 2019/20 - SOURCE AFS**

### 3.10 PROJECT MANAGEMENT UNIT

#### **MUNICIPAL INFRASTRUCTURE GRANT – MIG**

The purpose of the grant is to provide capital finance for eradicating basic municipal infrastructure backlogs for poor households, microenterprise and social institutions servicing poor communities.

The outputs of the programme are:-

- Infrastructure for:
  - basic water and sanitation
  - central collection points for refuse, transfer stations, recycling facilities and solid waste disposal sites
    - sport and recreation facilities, street and community lighting and public facilities
    - Number of kilometers of municipal roads developed, upgraded and maintained.
    - Number of work opportunities and full-time equivalents (FTE's) created using the Expanded Public Works (EPWP) guidelines for the above outputs.

#### **Allocation for the past 3 years**

The MIG allocations to Kannaland Municipality for the past three financial years is indicated in table below:

	2018/2019	2019/2020	2020/2021
Original allocation (R')	R10 156 000	R10 271 000	R10 107 000
Roll over approved	R0	R0	R 2 761 978
Additional allocation	R0	R0	R0
Stopped allocation	R 1 764 000	R0	R0
Final allocation	R 8 392 000	R10 271 000	R10 107 000
Amount spent	R 8 393 205	R7 509 022	R7 091 589
Amount not spent	R0	R2 761 978	R3 015 411

**TABLE 62: MIG ALLOCATIONS**

Expenditure on 2020/21 funds was delayed due to Covid-19 pandemic and the nationwide lockdown. Our consulting engineers' contract collapsed and we had to go through the procurement process for appointing them for a three year period. During the closure period of the tender the nationwide lockdown started and the closure had to be postponed. The consulting engineers was only appointed in September 2021. Three of the MIG projects was affected due to this delay.

### Key Challenges since onset (establishment of the programme)

Committing the projects for a specific year results in extra prioritization as the allocation for the year is not enough to implement all urgent projects.

### Progress to date


The table provides summary of progress in relation to projects implemented during the 2020/21 financial year.


Project ID	Project Name	MIG approved budget (R')	Exp. in previous fy (R')	Balance (R')	2020/2021 budget (R')	2020/2021 exp. (R')	Physical progress (%)
160843	Ladismith New Waste Water Treatment Works	R14 687 500.00	R3 462 137.00	R11 225 363.00	R2 497 827.44	R2 497 827.44	100%
285450	Ladismith Upgrade Water Treatment Works	R6 579 130.00	R0	R6 579 130.00	R2 600 904.66	R2 600 904.66	100%
235124	Kannaland Installation of water meters	R2 339 964.00	R1 478 204.00	R861 760.00	R42 406.90	R0	0%
213625	Zoar New Cemetery	R3 545 742.00	R400 250.98	R3 145 491.02	R3 145 491.00	R1 356 178.65	43%
220290	Zoar New Sport Field Lighting	R1 308 720.00	R0	R1 308 720.00	R1 308 720.00	R125 028.01	10%
	PMU	R511 650.00	R0	R511 650.00	R511 650.00	R511 650.00	100%
				<b>Total</b>	<b>R10 107 000.00</b>	<b>R7 091 588.76</b>	

TABLE 63: SUMMARY OF IMPLEMENTATION OF PROJECTS

Detailed progress on projects implemented over the 2020/21 financial year are reflected in the tables below:


**Project #1: Ladismith New Waste Water Treatment Works**

Item No.	Item Description	Detail information
1	Project Description	Upgrade and refurbishment of the waste water treatment works.
2	Scope of work (2020/2021 plan)	Chlorination building upgrade
3	Construction period	Multi-year project
4	Consultant	Bosch Projects and SMEC
5		Benver Civils and Exeo
6	Implementation Plan (contractor)	Tender Closing date: 30/04/2020 and 14/05/2021 Tender award date:08/05/2020 and 22/06/2021 Contract start date:08/05/2020 and 22/06/2021 Practical completion:04/11/2020 and N/A Completion / Handover:11/11/2020 and N/A Defects liability period:11/11/2021 and N/A
7	Progress	Against 2020/2021 scope: Completion of the chlorination building Overall progress (if multiyear project): Refurbishment of the biofilter, cleaning of the maturation ponds,etc. Contractor is on site
8	Major / key challenges (if delayed)	Appointment of the consulting engineers due to the national lockdown caused delays in procurement processes.
9	Pictorial depiction (Chlorination building)	

Item No.	Item Description	Detail information
1	Project Description	Upgrade and refurbishment of the waste water treatment works.
10	Pictorial description (inside chlorination building)	



**Project #2: Ladismith Upgrade Water Treatment Works**

Item No.	Item Description	Detail information
1	Project Description	Upgrade and refurbishment of the water treatment works.
2	Scope of work (2020/2021 plan)	Upgrade the chemical dosing facilities
3	Construction period	Multi-year project
4	Consultant	WEC Consultants and SMEC
5	Contractor	Alveo Water and Amandla
6	Implementation Plan (contractor)	Tender Closing date:30/04/2020 and 14/05/2021 Tender award date:08/05/2020 and 22/05/2021 Contract start date:08/05/2020 and 22/05/2021 Practical completion:15/10/2020 and N/A Completion / Handover:29/10/2020 and N/A Defects liability period: 29/10/2021 and N/A
7	Progress	Against 2020/2021 scope: Completion of the chemical dosing works Overall progress (if multiyear project): Refurbishment of the sand filters and construct two additional filters. Awaiting delivery from supplier

Item No.	Item Description	Detail information
1	Project Description	Upgrade and refurbishment of the water treatment works.
8	Major / key challenges (if delayed)	Appointment of the consulting engineers due to the national lockdown caused delays in procurement processes.
9	Pictorial depiction (chemical dosing control room)	

### Project #3: Zoar New Cemetery

Item No.	Item Description	Detail information
1	Project Description	Upgrade the new Cemetery
2	Scope of work (2020/2021 plan)	Construction of a new ablution facility, new access road and fencing.
3	Construction period	Multi-year project
4	Consultant	SMEC
5	Contractor	Amandla
6	Implementation Plan (contractor)	Tender Closing date: 11/03/2021 Tender award date: 06/05/2021 Contract start date: 06/05/2021 Practical completion: N/A Completion / Handover: N/A Defects liability period: N/A
7	Progress	Against 2020/2021 scope: Construction of the access road and ablution facility Overall progress (if multiyear project): Installation of fencing, contractor is on site

Item No.	Item Description	Detail information
1	Project Description	Upgrade the new Cemetery
8	Major / key challenges (if delayed)	Appointment of the consulting engineers due to the national lockdown caused delays in procurement processes.
9	Pictorial description (Ablution Facility)	
10	Pictorial description (Access road)	

### Monitoring

- Both Financial and Technical departments monitor the MIG expenditure separately. The two departments are trying to implement the once per month meeting to discuss and monitor expenditure to avoid the difference in reporting. These two departments also reconcile their expenditure claims to have an accurate report at the end of the financial year.
- MIG related issues and progress are discussed on the monthly LGTAS meetings where all stakeholders are present. Kannaland also arrange infrastructure meetings where MIG items are discussed with stakeholders and service providers.
- Projects are closely monitored so that action can be taken as soon as possible if any risks appear. Monthly and technical meetings are held for each project to monitor risks and discuss solutions.
- Data is collected as and when it's required. All labour-data is obtained from the contractor, either through the Community Liaison Officer or the consulting engineers. The Finance department within the municipality provide data regarding expenditure, available funds, etc. Monitoring is mainly done by the Technical department. The PMU manager and project administrator are responsible for monitoring and reporting which gets quality checked by the Director Infrastructure Services.
- Data is submitted in the prescribed format (e.g. DWS's technical report format), but not analyzed in more detail as such within the Municipality. The KPI report is utilized for data analysis.

### **The 2020/21 service delivery performance:**

- Number of poor households impacted through the construction of new infrastructure and upgrading and renewal of existing infrastructure for:
  - ✓ All households in Zoar are provided with basic water services and extra storage capacity.
- Number of infrastructure constructed (new infrastructure, upgraded or renewed):
  - ✓ One sports and recreation facilities is in the process of development

### **Key Challenges**

The following challenges are currently being experienced in the management of the programme which often result in delaying progress and low expenditure:

- External factors
  - ✓ Poor contractor performance
- Internal factors
  - ✓ Slow SCM procurement processes
  - ✓ Delays in payment of service providers
  - ✓ Unavailability of counter funding

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

### 3.11 EXECUTIVE AND COUNCIL

This component includes: Executive Office (Mayor; councillors; and Municipal Manager).

The Council consists of seven (7) councillors, including the Executive Mayor, Deputy Executive Mayor and Speaker as determined by the MEC for Local Government in the Western Cape.

The tables below indicates the financial incurred for the year under review:

Financial Performance for the financial year 2019/20 to 2020/21: The Executive and Council						R'000
Details	2019/20	2020/21				
	Actual	Original Budget	Budget Adjustment	Actual	Variance to Budget	
Total Operational Revenue	R29 032 737,64	R8 919 750,00	R13 355 550,00			
<b>Expenditure</b>						
Employees	R2 867 114,41	R2 942 070,00	R3 008 169,00			
Repairs and Maintenance	R0,00	R0,00	R3 258 000,00			
Other	R4 883 401,51	R4 062 770,00	R5 539 849,00			
Total Operational Expenditure	R7 750 515,92	R7 004 840,00	R11 806 018,00			
<b>Net Operational Expenditure</b>	R21 282 221,72	R1 914 910,00	R1 549 532,00			

TABLE 64: FINANCIAL PERFORMANCE 2019/20: THE EXECUTIVE AND COUNCIL – SOURCE AFS



### 3.12 FINANCIAL SERVICES

Sound financial management practises are essential for municipalities. The major challenge for municipalities is long term financial sustainability. The MFMA aims at directing municipalities in a sustainable financial environment and to modernise financial management practices.

The act places municipalities on a financially sustainable footing and supports co-operative government between all spheres of government. Successful implementation of the provisions of the act will maximise the capacity of municipalities to deliver services to their residents, users and customers.

It is critical for the Municipality to review how we conduct our business to ensure that value for money is obtained in all our expenditures, that revenue administration systems are operating effectively, and that creditors (including bulk service providers) continue to be paid timeously and in full.

#### Financial Performance for the financial year 2019/20 to 2020/21: Financial Services

Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Variance	Variance to Budget
Total Operational Revenue	R8 684 435,83	R4 954 100,00	R6 577 780,00		
<b>Expenditure:</b>					
Employees	R10 556 094,83	R13 561 197,00	R13 668 083,00		
Repairs and Maintenance	R21 100,39	R100 000,00	R86 000,00		
Other	R10 505 815,81	R8 862 530,00	R10 055 130,00		
Total Operational Expenditure	R21 083 011,03	R22 523 727,00	R23 809 213,00		

TABLE 65: FINANCIAL PERFORMANCE 2019/20: FINANCIAL SERVICES SOURCE AFS

### 3.13 HUMAN RESOURCE SERVICES

The broader objectives of the Human Resource Services division of the Municipality is to ensure that:

- The appropriate staff members are recruited and appointed
- Staff members are optimally placed in relation to the needs of the organization
- An environment is created conducive of staff performing their functions in line with their knowledge, experience and skills
- Staff members are adequately compensated and that their vested interests and benefits are professionally administered
- Staff members are allowed the opportunity to develop and be promoted in a physical environment that is free from safety, health and psychological hazards
- An organizational design is implemented that promotes productivity and sustains high levels of morale and ethical behaviour.
- A culture of discipline, equality, transparency and fairness is promoted in the workplace
- The organization is free from all forms of discrimination and prejudice

In order to achieve these broader objectives, the Human Resource Services is organized in a manner to respond to the following functions:

- Organizational efficiency and improvement
- Staffing in relation to recruitment, selection and appointments
- Administration of employee benefits
- Skills development and training
- Occupational health and safety
- Labor relations
- Employee wellness (EAP)
- Performance management
- Employment equity
- Change Management
- Statistics and Reporting

The organizational structure have been reviewed to ensure alignment with the municipal strategic objectives (IDP) to ensure compliance and effective and efficient service delivery. The objective with the review of the organizational structure is to improve revenue collection and a flatter management structure for faster decision making.



## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

The organizational structure of Kannaland Municipality for the Municipal Manager and three directorates namely, Corporate Services (Administration and Community Services), Finance and Infrastructure Services.

The organizational structure is currently being reviewed. The outcome of this project will result in establishment of individual performance which will be aligned to the job descriptions. The organizational structure is currently being revised for the best service delivery at the lowest cost to the Municipality. Job descriptions are being reviewed based on job content and volume in the attempt to form specialist units.

The vacancy rate of the municipality was 34.80% for the year under review. The ideal is to decrease the rate below 20% in order to achieve the goals as mentioned above.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS TURNOVER AND VACANCIES

VACANCY RATE AS AT 30 JUNE 2021					
DIRECTORATE / DEPARTMENT / DIVISION	Positions on Organogram	Permanent Posts Filled	Vacant Posts	% Filled (Permanent)	Vacancy Rate %
OFFICE OF THE MUNICIPAL MANAGER	2	2		100,00%	
FINANCIAL SERVICES	51	31	20	60,78%	39,22%
INFRASTRUCTURE SERVICES & COMMUNITY SERVICES	155	112	43	72,26%	27,74%
ADMINISTRATION SUPPORT	32	12	20	37,50%	62,50%
HUMAN RESOURCES MANAGEMENT	6	4	2	66,67%	33,33%
INTERNAL AUDIT	1		1		100,00%
IDP, LED & PM	3	2	1	66,67%	33,33%
<b>TOTAL FOR MUNICIPALITY</b>	<b>250</b>	<b>163</b>	<b>87</b>	<b>65,20%</b>	<b>34,80%</b>

TABLE 66: NUMBER OF EMPLOYEES

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2019/20	36	6	0.166%

TABLE 67: TURNOVER RATE

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

The Municipal Systems Act, 32 of 2000, Section 67, requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective and transparent personnel administration in accordance with the Employment Equity Act 1998.

The purpose of the Disciplinary Board is restricted to alleged offences of financial misconduct related to municipal officials as per sections 171 (financial misconduct by municipal officials of a Municipality) and 172 (financial misconduct by officials of municipal entities) of the Municipal Financial Management Act, 2003 (Act 56 of 2003), and has no jurisdiction to address any allegation relating to offences in terms of section 173 of the Act (criminal proceedings). Roles and functions are derived from the Municipal Financial Management Act (sections 171 and 172) and the MFMA Regulations on Financial Misconduct Procedures and Criminal Processes, 2014.

Council as a whole is the legislative body and delegates some of this authority to the committees established in terms of section 79 of the Local Government: Municipal Structures Act. The Disciplinary Board is established in terms of Section 79 of said Act.

The scope for the Municipal Public Accounts Committee's activities also encompasses, amongst other, issues relating to recommendations on unauthorized, irregular, fruitless and wasteful expenditure as well as performance, within the delegation framework of the Municipal Council

The Municipal Systems Act (Section 59 (1) prescribes that a Municipal Council must develop a system of delegation that will maximize administrative and operational efficiency and provide for adequate checks and balances. The prudent use of this system allows municipalities to separate council powers between executive (the Executive and Mayoral Committee for example) and legislative authority (Council as delegated to the Disciplinary Board, other committees and officials) in terms of a set of delegations approved by Council.

Managing the municipal workforce is not only the duty of the Human Resources section and every manager in Kannaland Municipality is responsible for managing of his/her own line function in an integrated manner.

## 4.2 POLICIES

The followings policies have been adopted and are in force:

<b>POLICIES</b>			
<b>Name of Policy</b>	<b>Completed</b>	<b>Reviewed</b>	<b>Date adopted by</b>
	%	%	<b>council or comment on failure to adopt</b>
<b>Attraction and Retention</b>	YES		October 2011
<b>Code of Conduct for employees</b>	YES		Use BCE-act & regulations & Systems
			Act Code
<b>Delegations, Authorisation &amp; Responsibility</b>	YES		
<b>Disciplinary Code and Procedures</b>	YES		Use SALGBC agreements
<b>Essential Services</b>	YES		
<b>Employee Assistance / Wellness</b>	NO		
<b>Employment Equity</b>	NO		
<b>Grievance Procedures</b>	NO		Use SALGBC agreements
<b>HIV/Aids</b>	YES		Feb 2008
<b>Job Evaluation</b>	NO		
<b>Leave</b>	YES		Feb 2008
<b>Occupational Health and Safety</b>	YES		9 Sept 2008
<b>Official Journeys (S &amp; T)</b>	YES	October 2013	19-Mar-12
<b>Official Working Hours and Overtime</b>	YES		19-Dec-12
<b>Organisational Rights</b>	YES		
<b>Payroll Deductions</b>	YES		
<b>Performance Management and Development</b>	YES		
<b>Recruitment, Selection and Appointments</b>	YES		27-Oct-11
<b>Remuneration Scales and Allowances</b>	YES		
<b>Skills Development</b>	YES		Jan 2008

<b>POLICIES</b>			
<b>Name of Policy</b>	<b>Completed</b>	<b>Reviewed</b>	<b>Date adopted by council or comment on failure to adopt</b>
	<b>%</b>	<b>%</b>	
<b>Special Skills (Scarce Skills)</b>	YES		Oct 2011
<b>Long Service Recognition</b>	YES		9-Sep-08
<b>Acting Allowance</b>	YES		19-Dec-12
<b>Standby Allowance</b>	YES		9-Sep-08
<b>Nepotism</b>	YES		9-Sep-08
<b>Demotion, Promotion &amp; Transfer</b>	YES		9-Sep-08
<b>Personnel Production: Performance Recognition</b>	YES		9-Sep-08
<b>Whistle-blowers</b>	YES		9-Sep-08
<b>Alcohol &amp; Substance Abuse</b>	YES		9-Sep-08
<b>Cellphone Users Scheme</b>	YES		9-Sep-08
<b>Car-allowances Scheme</b>	YES		29-Jan-09
<b>Legal Representative</b>	YES		21-Oct-11
<b>Study-loan Scheme</b>	YES		19-Dec-11
<b>Cellphone Users Scheme for Officials</b>	YES		13-Jan-12
<b>Retention of Staff</b>	YES		27-Oct-11
<b>Access of Information</b>	YES		18-Nov-11
<b>Anti-Fraud &amp; Corruption Strategy and Prevention</b>	YES		12-Nov-13

TABLE 68 - HR POLICIES AND PLANS

All policies will be reviewed in 2021/22 financial year.



#### 4.3 INJURIES SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty		
Type of injury	Injury Leave Taken	Employees using injury leave
	Days	No.
<b>Required basic medical attention only</b>	0	1
<b>Temporary total disablement</b>	0	0
<b>Permanent disablement</b>	0	0
<b>Fatal</b>	0	0
<b>Total</b>	0	0

TABLE 69: NUMBER AND COST OF INJURIES ON DUTY

The Municipality has an employee assistance programme to visit employees who are hospitalized for long periods due to illness or injuries and to assist them with procedures to be boarded or whatever they need assistance with.

The Occupational Health and Safety structures are being strengthened to reduce occupational injuries. Internal departments attend monthly meetings to discuss and seek possible solutions wrt OHS matters.

## DISCIPLINE

<b>Number and Period of Suspensions</b>				
<b>Position</b>	<b>Nature of Alleged Misconduct</b>	<b>Date of Suspension</b>	<b>Details of Disciplinary Action taken or Status of Case and Reasons why not finalised</b>	<b>Date Finalised</b>
Ian Avontuur	Gross Misconduct	9de Januarie	The effect of Covid-19 and booked of sick	Complete
JCP Olivier	Theft	26 Feb 2019	Dismissed	Complete
Rosemary Rothman	Insubordination	14 Oct 2019	Dismissed	Complete
Elvis Ntlebi	Gross Misconduct	11 June 2020	Dismissed	Complete
Gerhard Pretorius	Dishonesty	23 Julie 2020		Complete

TABLE 70: NUMBER AND PERIOD OF SUSPENSIONS

As result of various charges on allegations of misconduct, the general discipline in the workplace has improved during the year underreview. The status quo can be improved even more with awareness campaigns and training.

#### **4.4 PERFORMANCE REWARDS**

The individual performance management system has not yet been developed to include other officials than the section 56 and 57 seniormanagers.

#### **COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE**

Section 68 of the Local Government: Municipal Systems Act requires from the Municipality to develop the workforce capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way in accordance with the Employment Equity Act, 1998.

Challenges experienced regarding training of officials:

1. As part of a training audit to identify employees' needs for training, they had to complete a questionnaire and submit the document to the Human Resources office. The interest that the employees took into this exercise was disappointing; and
2. Funding for training remains a challenge. LGSETA do not allocate funding to Kannaland Municipality for Municipal Minimum Competency training due to the fact that a MMC course had been stopped due to the fact that the beneficiaries on course were not from the target group for MMC training. It is of critical importance that the financial and other personnel who are required to comply with MMC Regulations, be trained as a matter of urgency. The programme for the capacitation of financial interns will be utilized to train the finance department staff.

#### 4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2019	Number of skilled employees required and actual as at 30 June 2018											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20
MM and s57	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	1		0	0	0	0	0	0	0	0	0	0	0
Councillors, senior officials and managers	Female	3		0	0	0	0	0	0	0	0	0	0	0
	Male	4		0	0	0	0	0	0	0	0	0	0	0
Technicians and associate professionals*	Female			0	0	0	0	0	0	0	0	0	0	0
	Male			0	0	0	0	0	0	0	0	0	0	0
Professionals	Female			0	0	0	0	0	0	0	0	0	0	0
	Male			0	0	0	0	0	0	0	0	0	0	0
Sub total	Female			0	0	0	0	0	0	0	0	0	0	0
	Male			0	0	0	0	0	0	0	0	0	0	0
Total		0		0	0	0	0	0	0	0	0	0	0	0

TABLE 71: SKILLS MATRIX

Financial Competency Development: Progress Report\*

Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	0	1	1	1	1
Chief financial officer	1	0	1	1	1	1
Senior managers	4	0	4	1	0	0
	56	0	56	0	0	0
Any other financial officials						
Heads of supply chain management units	1	0	1	0	0	0

Supply chain management senior managers	0	0		0	0	0
<b>TOTAL</b>	<b>63</b>	<b>0</b>	<b>63</b>	<b>3</b>	<b>2</b>	<b>2</b>

TABLE 72: FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT

### DISCLOSURES OF FINANCIAL INTERESTS

Please refer to disclosures made by officials and councillors concerning their financial interests as required by the Performance Management Regulations 805 of 2006 set out table below:

Disclosures of Financial Interests		
Period 1 July 2018 to 30 June 2019		
Position	Name	Description of Financial interests*(Nil / Or details)
(Executive) Mayor	M. Barry	None
Member of Mayco / Exco		
<b>Deputy Mayor</b>	P. Antonie	None
<b>Councillor</b>		
<b>Speaker</b>	A. Theron	None
<b>Ward 1 Councillor</b>	J. Donson	None
<b>Ward 3 Councillor</b>	W. Meshoa	None

<b>PR Councillor DA</b>	Johnson	None
<b>PR Councillor ICOSA</b>	H. Ruiters	None
Acting Municipal Manager	R Butler	Attached to his performance agreement
Acting Chief Financial Officer	P Mngeni	None
Deputy MM and (Executive) Directors		
<b>Acting CFO</b>		
<b>Director Corporate Services</b>	Vacant	None
Other S57 Officials	None	None

TABLE 73: DISCLOSURES OF FINANCIAL INTERESTS

# CHAPTER 5 – FINANCIAL PERFORMANCE

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

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

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

This component provides an overview of the financial performance of the Municipality and focuses on the financial health of the Municipality.

In terms of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), section 126(1)(a), the accounting officer must prepare the annual financial statements of the Municipality and, within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing.

According to section 133(1)(a) of the MFMA, the mayor must promptly table in the council a written explanation setting out the reasons for the failure if the accounting officer fails to submit financial statements to the Auditor-General in accordance with section 126(1) of the MFMA.

The reasons for the delay in submitting the annual financial statements to the Auditor-General for auditing, as contemplated in section 126(1) (a) of the MFMA can be ascribed to the following:

### *Governance challenges*

The Municipality has been facing significant governance challenges due to leadership instability at time, including long-standing key vacancies in the finance department.

### *Skills and capacity challenges*

The finance Section is not fully capacitated as some of the employees do not have the required competency levels. The department has however enrolled the affected employees and also is putting in place measures to ensure that all employees are fully skilled.

### *System challenges*

It should be noted that the municipality is not utilizing the latest modules in its financial systems due to lack of funding. We still await the approval of grant funding from the Provincial Government to implement the latest modules.



## STATEMENT OF FINANCIAL PERFORMANCE

The financial performance of Kannaland Municipality for the 2020/21 financial year is summarized in the Statement of Performance:

<b>Reconciliation of Table A1 Budget Summary</b>					
<b>Description</b>	<b>2020/21</b>				
<b>R thousands</b>	<b>Original Budget</b>	<b>Budget Adjustments (i.t.o. s28 and s31 of the MFMA)</b>	<b>Final adjustments budget</b>	<b>Shifting of funds (i.t.o. s31 of the MFMA)</b>	<b>Virement (i.t.o. Council approved policy)</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b><u>Financial Performance</u></b>					
Property rates	19 539 980,00	3 280 520,00	22 820 500,00		
Service charges	92 033 360,00	3 866 590,00	88 166 770,00		
Investment revenue	-	815 000,00	815 000,00		
Transfers recognised - operational	37 753 020,00	8 816 857,00	46 569 877,00		
Other own revenue	14 383 930,00	229 809,00	14 154 121,00		
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>163 710 290,00</b>	<b>8 815 978,00</b>	<b>172 526 268,00</b>		
Employee costs	58 317 410,00	2 783 778,00	61 101 188,00		
Remuneration of councillors	3 578 460,00	184 410,00	3 394 050,00		
Bad debts					
Depreciation & asset impairment	12 231 200,00	9 470,00	12 221 730,00		
Finance charges	227 490,00	46 520,00	180 970,00		
Materials and bulk purchases	48 899 898,00	5 410 250,00	54 310 148,00		
Transfers and grants	470 000,00	300 000,00	770 000,00		

Other expenditure	39 461 842,00	835 857,00	6 46 297 699,00		
<b>Total Expenditure</b>	163 186 300,00	089 485,00	15 178 275 785,00		
<b>Surplus/(Deficit)</b>	<b>523 990,00</b>		- <b>5 749</b> <b>517,00</b>		
Transfers recognised - capital	65 370 350,00	- 527 102,00	28 36 843 248,00		
Contributions recognised - capital & contributed assets					
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	65 894 340,00		31 093 731,00		
Share of surplus/ (deficit) of associate					
<b>Surplus/(Deficit) for the year</b>	<b>65 894 340,00</b>		<b>31 093</b> <b>731,00</b>		
<b>Capital expenditure &amp; funds sources</b>					
<b>Capital expenditure</b>	63 321 350,00		37 550 248,00		
Transfers recognised - capital	63 321 350,00	- 471 102,00	26 36 850 248,00		
Public contributions & donations					
Borrowing					
Internally generated funds		700 000,00	700 000,00		
<b>Total sources of capital funds</b>	<b>63 321 350,00</b>	- <b>771 102,00</b>	<b>25</b> <b>37 550</b> <b>248,00</b>		
<b>Cash flows</b>					
Net cash from (used) operating	123 005 588,00		108 306 910,00		
Net cash from (used) investing					
Net cash from (used) financing					
<b>Cash/cash equivalents at the year end</b>	134 636 822,00		193 281 976,00		

TABLE 74: RECONCILIATION OF TABLE A1 BUDGET SUMMARY SOURCE AFS

## 5.1 FINANCIAL PERFORMANCE OF OPERATIONAL SERVICES

Financial Performance of Operational Services				
R '000				
Description	2020/21			Variance
	Original Budget	Adjustments Budget	Actual	Original Budget
<b>Operating Cost</b>				
Water	13 239 917,00	16 350 197,00		
Waste Water (Sanitation)	6 906 058,00	8 412 718,00		
Electricity	53 186 415,00	54 961 588,00		
Waste Management	8 798 588,00	12 648 538,00		
Housing	1 376 422,00	2 091 447,00		
Component A: sub-total	<b>83 507 400,00</b>	<b>94 464 488,00</b>		
Waste Water (Stormwater Drainage)				-
Roads	19 220 920,00	15 335 333,00		
Transport				-
Component B: sub-total	<b>19 220 920,00</b>	<b>15 335 333,00</b>		
Planning				
Local Economic Development				
Component B: sub-total	-	-		
Planning (Strategic & Regulatory)				
Local Economic Development				
Component C: sub-total	-	-		
Community & Social Services	8 332 966,00	8 728 591,00		
Environmental Protection				-
Health				-
Security and Safety	207 300,00	261 430,00		

Sport and Recreation	812 110,00	596 630,00		
Corporate Policy Offices and Other	51 105 604,00	58 889 313,00		
Component D: sub-total	<b>60 457 980,00</b>	<b>68 475 964,00</b>		
<b>Total Expenditure</b>	<b>163 186 300,00</b>	<b>178 275 785,00</b>		

**TABLE 75: FINANCIAL PERFORMANCE OF OPERATIONAL SERVICES SOURCE AFS**

## 5.2 GRANTS

Grant Performance					
R' 000					
Description	2020/21			2020/21	
	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
<b><u>Operating Transfers and Grants</u></b>					
<b>National Government:</b>					
Equitable share	29 760 70,00	34 011 300,00			
Municipal Systems Improvement	1 900 000,00	1 635 000,00			
Department of Water Affairs					
Levy replacement					
Expanded Public Work Programme	1 171 000,00	1 171 000,00			
Financial Management Grant	2 647 000,00	2 647 000,00			
Municipal Infrastructure Grant PMU	511 650,00	511 650,00			
Municipal Infrastructure Grant					
Water Services Infrastructure Grant					
INEP(integrated National Electrification Programme)					
Other transfers/grants [insert description]					
<b>Provincial Government:</b>					
WC - FINANCIAL MANAGEMENT SUPPORT GRANT					
WC - MSCOA					
FINANCIAL MANAGEMENT CAPACITY BUILDING GRANT	1 713 000,00	8 238 127,00			
GRANT: INTEGRATED HOUSING & HUMAN SETTLEMENT					
LIBRARY CONDITIONAL GRANT CAPITAL					
MRF					
MUNICIPAL DISASTER GRANT FIRE					
GRANT: CDW					
COVID 19 GRANT RELIEF (WESTERN CAPE)					
DRAUGHT RELIEF					
<i>Infrastructure</i>	50 000,00	-			
<b>Other grant providers:</b>					
<i>Departmental Agencies and Accounts</i>	-	5 800,00			
<b>Total Operating Transfers and Grants 69 345</b>	<b>37 753 020,00</b>	<b>48 219 877,00</b>			

**TABLE 76: GRANT PERFORMANCE SOURCE AFS**

### 5.3 BORROWINGS

TABLE 77: ACTUAL BORROWINGS SOURCE AFS

#### 5.4 REVENUE COLLECTION BY VOTE

Revenue Collection Performance by Vote					
					R' 000
Vote Description	2019/20	2020/21			2020/21
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget
Vote 1 - Executive Council	122 054 981,64	8 919 750,00	13 355 550,00		
Vote 2 - Corporate Services	193 207 886,00	21 132 220,00	24 970 826,00		
Vote 3 - Financial Services	231 295 907,63	28 411 750,00	33 315 950,00		
Vote 4 - Technical Services	1 364 199 123,69	170 616 920,00	137 727 190,00		
<b>Total Revenue by Vote</b>	1 910 757 898,96	229 080 640,00	209 369 516,00	-	

TABLE 78: REVENUE BY VOTE 2019/20 VOTE AFS

#### 5.5 REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source				
R '000				
Description	2019/20	2020/21		
	Actual	Original Budget	Adjustments Budget	Actual
Property rates	173 915 547,80	19 539 980,00	22 820 500,00	
Property rates - penalties & collection charges				
Service Charges - electricity revenue	598 095 670,00	55 942 550,00	56 493 950,00	
Service Charges - water revenue	209 606 101,17	21 626 190,00	17 113 470,00	

Service Charges - sanitation revenue	130 779 188,58	750,00	7 519	040,00	7 607
Service Charges - refuse revenue	130 993 756,57	870,00	6 944	310,00	6 952
Service Charges - other Fire Levy					
Rentals of facilities and equipment	8 687 634,37	160,00	17	420,00	567
Interest earned - external investments	6 980 717,11	-		000,00	815
Interest earned - outstanding debtors	44 276 933,94	5 567 010,00		5 454 140,00	
Dividends received	3 000,00	-		-	
Fines	70 684 739,08	7 384 420,00		6 354 45,00	
Licences and permits	1 785 856,75	50 000,00		215 100,00	
Agency services	3 807 959,52	1 000 000,00		1 025 000,00	
Transfers recognised - operational	251 092 960,59	37 753 020,00		46 569 877,00	
Other revenue	8 367 545,97	365 340,00		538 011,00	
Gains on disposal of PPE					
Environmental Protection					
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 639 077 611,45</b>	<b>163 710 290,00</b>		<b>172 526 268,00</b>	

TABLE 79: REVENUE COLLECTION BY SOURCE 2020/21 SOURCE AFS

## 5.6 ASSET MANAGEMENT

The unit experienced problems as a result of under staffed where only one accountant and one intern in this department. This makes it impossible to function effectively. Fleet management was also added to the asset management department and is also managed by the acting accountant.

Lack of Asset Management System, we are currently still making use of an excel register which only allows annual update of the FAR, which makes us dependant on consultants. Lack of a store room, we currently have no space for the storage of assets.

Co-operation by staff is poor. They still believe that they carry no responsibility towards the management of the assets assigned to them and that the responsibility remains with the assetmanagement unit.

The availability of financial and technical information regarding projects that was done is still a huge challenge. We are still struggling to obtain the correct information in the required format to do the unbundling of projects efficiently. The problems with the Financial System as well as how it is being used, also contribute to the difficulty regarding the data needed for the unbundling.

Availability of staff to do quarterly sample verifications, due to the lack of staff in the department, is difficult. Without sufficient staff it is impossible to implement the basic policies and procedures required to manage the assets efficiently and effectively.

Despite numerous challenges and shortages in the Asset Management section, the most pressing challenge is to attain a fully complete asset register.

This is a process that takes time as well as financial resources to be fully functional and compliant. The Municipality has an asset management plan which produces a credible asset verification register with GIS mapping.



COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.7 CAPITAL PROGRAMME

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: 2020/21			Variance	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Zoar: Upgrade Sport Field Ph2					
Ladismith: New Waste Water Treatment Works					
Ladismith: Upgrade Water Treatment Works					
Calitzdorp: Replacement of raw water supply pipeline					
Calitzdorp: Electrification of 100 houses in Bergsig					

TABLE 80: CAPITAL PROGRAMME BY PROJECT 2019/20

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

## 5.9 CASH FLOW

Cash Flow Outcomes				
R'000				
	2019/20	2020/21		
Description	Audited	Original	Adjusted	Actual
	Outcome	Budget	Budget	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	- 77 363 886,00	132 276 100,00	128 631 611,00	
Government ent - operating	- 63 235 446,00	35 223 520,00	40 724 727,00	
Government ent - capital	- 59 724 672,00	63 321 350,00	36 843 248,00	
Interest	2 909 528,00	-	4 966 380,00	
Dividends	3 000,00	-	-	
<b>Payments</b>				
Suppliers and employees	- 353 475 148,98	- 815 382,00	107 102 859 056,00	
Finance charges				
Transfers and Grants	- 3 834 283,00	-	-	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>- 554 720 907,98</b>	<b>123 005 588,00</b>	<b>108 306 910,00</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE				
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
<b>Payments</b>				
Capital assets				
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>				

TABLE 81: CASH FLOW SOURCE AFS 2020/21

## 5.10 BORROWING AND INVESTMENTS

Kannaland Municipality as many other municipalities in South Africa, is reliant on grant funding to enhance their income and to properly execute their duties and functions as prescribed by the Constitution of South Africa. Therefore all grant funding received from National and Provincial Government needs to be used, solely for the purposes intended and granted for.

All grant funding are safely deposited at the Municipality's bank on 32 days investments. This not only ensures safekeeping of grant funding, but also enhancing the cash flow position of the Municipality by earning additional income from interest.

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#### 5.11 PUBLIC PRIVATE PARTNERSHIPS

N/A

### COMPONENT D: OTHER FINANCIAL MATTERS

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#### 5.12 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the guidelines by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative. It will also ensure that the Municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is required to enable National Treasury to assess the pace of progress and consider the implications.

The financial statements have been prepared in accordance with Standards of Generally Recognized Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

The Constitution in S188 (1) (b) states that the functions of the Auditor-General include the auditing and reporting on the accounts, financial statements and financial management of all municipalities. In accordance with the Local Government: Municipal Systems Act, 2000 (section 45) the results of performance measurement must be audited annually by the Auditor-General.

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

## Report of the auditor-general to the Western Cape Provincial Parliament and the council on the Kannaland Municipality

### GLOSSARY

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	Documents used by executive authorities to give <i>“full and regular”</i> reportson the matters under their control to Parliament and provincial legislaturesas prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.

<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe " <i>what we do</i> ".
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a Municipality as audited by the Auditor-General and approved by council or a provincial or national executive.
<b>Baseline</b>	Current level of performance that a Municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>General performance indicators</b>	<b>Key</b> After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.

<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings

<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.

<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a Municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the Municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.

**APPENDICES**

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance
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Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
J Donson	FT	Mayco / Council	Ward	100 %	0%
P Antonie	FT	Mayco / Portfolio Administration / Council / MPAC	Party Representative	100 %	0%
H Ruiters	FT	Mayco / Portfolio Technical / Council	Ward	100 %	0%
M Barry	PT	Council / Mayco	Ward	100 %	0%
W Meshoa	PT	Council	Ward	100 %	0%
J Johnson	PT	Council	Ward	100 %	0%
A Theron	PT	Council	Ward	100 %	0%

TABLE 82: COUNCILORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

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



Local Labour Forum	To regulate HR matters
Audit Committee	To have oversight with regard to finance (MFMA) and legislative requirements
MPAC Committee	To have oversight with regard to the Annual Report
Technical Committee	To have oversight with regard to Technical projects
Risk Committee	To have oversight with regard to the Risk Management function

TABLE 83: COMMITTEES AND COMMITTEE PURPOSES

**APPENDIX C – FUNCTIONS OF MUNICIPALITY / ENTITY**

**Municipal Functions**

MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*
Constitution Schedule 4 and 5 Part B functions:	
Air pollution	YES
Building regulations	YES
Child care facilities	YES
Electricity and gas reticulation	YES
Firefighting services	YES
Local tourism	YES
Municipal airports	YES
Municipal planning	YES
Municipal health services	YES
Municipal public transport	YES
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	YES
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	NO
Stormwater management systems in built-up areas	YES
Trading regulations	NO
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	YES

<b>Municipal Functions</b>	
MUNICIPAL FUNCTIONS	Function Applicable to Municipality(Yes / No)*
Beaches and amusement facilities	NO
Billboards and the display of advertisements in public places	NO
Cemeteries, funeral parlours and crematoria	YES
Cleansing	YES
Control of public nuisances	PARTIAL
Control of undertakings that sell liquor to the public	NO
Facilities for the accommodation, care and burial of animals	NO
Fencing and fences	YES
Licensing of dogs	YES
Licensing and control of undertakings that sell food to the public	YES
Local amenities	YES
Local sport facilities	YES
Markets	NO
Municipal abattoirs	YES
Municipal parks and recreation	YES
Municipal roads	YES
Noise pollution	YES
Pounds	NO
Public places	YES
Refuse removal, refuse dumps and solid waste disposal	YES
Street trading	YES
Street lighting	YES
Traffic and parking	YES

**TABLE 84: MUNICIPAL FUNCTIONS**

Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of quarterly public ward meetings held during year
Nissenville Ward 1	Councillor J Donson	Yes	The ward committee was established 01 April 2017	3
Calitzdorp Ward 2	Councillor W Meshoa	Yes	The ward committee was established 01 April 2017	4
Zoar Ward 3	Executive Mayor MBarry	Yes	The ward committees were established 01 April 2017	4
Ladismith Ward 4	Speaker A Theron	Yes	The ward committees were established 01 April 2017	4

TABLE 85: FUNCTIONALITY OF WARD COMMITTEES

LUME II: ANNUAL FINANCIAL STATEMENTS

