THE ADMINISTRATOR
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BEAUFORT WEST MUNICIPALITY

Munisipale Bestuurder / Municipal Manager
2022 -01- 27
Beaufort West / Wes

DRAFT ANNUAL REPORT 2020/21

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CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

The audit by the Auditor General is still currently underway and therefore the financial sections included throughout the document includes unaudited figures. The matters as stipulated by the Auditor General after their audit is completed will be included and rectified with the Final Annual Report.

CHAPTER 1

COMPONENT A: MAYOR'S FOREWORD



It is a great privilege and honour to submit the Annual Report for the 2020/21 financial year. The reporting financial year came with myriad of challenges for the Beaufort West Municipality and the resilience of the organisation was tested and indeed the institutional capacity and structural arrangements were equal to the task. The Municipality is committed in the achievement of the constitutional aspiration of delivering basic service that will secure the development of our communities in the municipal area. Sound political leadership and good governance are a pre-requisite and condition for the Municipality to achieve its developmental objectives as set in the blueprint (Integrated Development Plan) document of the Municipality.

COVID-19 and a series of lockdowns in the financial year under review impacted the fragile economy of the town negatively and adversely impacted the job market in the town. As a consequence, it added to the financial and fiscal risk of the Municipality. The fiscal position of national government has deteriorated significantly because of the pandemic, resulting in the revenue collector adjusting its estimates downward. This has led to reduced allocation for local government in the medium term. It therefore means going forward, the Municipality must operate more efficiently and innovative in achieving its developmental priorities.

Local government is a complex environment and COVID-19 and its socio-economic effects on the communities have added to the complexities immensely. That being said, the COVID-19 environment has propelled all sectors of life to utilise technology in performing its activities. This has presented opportunities that still needs to be further explored in the delivery of services to our communities.

The Annual Report of 2020/21 financial year articulates the deliverables of the Municipality. I am however pleased to mention that the Municipality executed the following projects with great success

- Extension of the Goue Akker Cemetery in Beaufort West
- Construction of the New Reservoir in Merweville
- Construction of the New Reservoir in Murraysburg

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

This is just a few of the projects that will have a positive impact on the economy of the Municipality and most importantly deliver on the basic services needed by our communities. I have no doubt in my mind that the new council will perpetuate the success of the previous administration.

G Pietersen

EXECUTIVE MAYOR

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CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

Component B: Executive Summary



The honour is mine in submitting the Annual Report for the financial year 2020/21 as we navigate are way around COVID-19. As administration, we have developed new tools, instruments and attitude to ensure that work that needs to be performed is indeed attended to.

Public sector resources are continuously diminishing across the board, and yet the need for government service delivery package is on the rise. The Municipality is yet to see an improvement in the job market in the economy of the town, which will translate in improved collection rates and reduction on the reliance and provisioning of free basic services by the Municipality.

A financially striving municipality is indicative of a performing local economy. It therefore means that the Municipality has to play a more prominent role in ensuring that it creates enabling environment that will increase investment in the town. In the year under review, the Municipality has improved its capital expenditure from the previous year figures of 73.59% to 84.68%. This shows that the capacity of the Municipality in delivering on social and economic infrastructure is gradually improving. Importantly, the local economic development strategy of the Municipality should ensure that local businesses are supported in order to grow and create job opportunities for the populace of the Municipality.

A concerted effort by the administration needs to be deployed to ensure continued and uninterrupted delivery of quality services to our communities and the business sector in the town. It is for this purpose I call on everyone in the administration and new Council to work together in ensuring a better life for all the citizen of this great Municipality

M PENXA

ACTING MUNICIPAL MANAGER

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CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1 Municipal overview

This report addresses the performance of Beaufort West Municipality (BWM) in the Western Cape in respect of its core legislative obligations. 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 provides regular and predictable reporting on program performance and the general state of affairs in their locality.

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

1.1.1 Vision and mission

The Municipality committed itself to the following vision and mission:

Vision:

"Beaufort West, economic gateway in the central Karoo, where people are developed and live in harmony together"

Mission:

To reflect the will of the South African people as reflected in the Constitution and by Parliament:

- Service Delivery: To provide excellent services to the residents of Beaufort West Municipality
- Growing the Economy: To implement infrastructure to grow the economy and create jobs
- Staff: To have an equipped, skilled and motivated staff establishment
- Well-run Administration: establish a sound, efficient and effective administration for the Municipality
- Financial Sustainability: Collecting all debtors and paying creditors in time
- Sport Centre: To become the sport and recreational mecca of the Karoo, creating harmony and unity
- Safe Place: To create a crime-free, safe and healthy environment
- Reduce Poverty: To reduce poverty and promote the empowerment of women, youth and people living with disabilities

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CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

Strategic Objectives:

- To improve and maintain current basic service delivery through specific infrastructural development projects
- Provision of basic services to all the people in the municipal area
- Provide for the needs of indigent households through improved services
- To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development
- To enable education and skills development to equip people with economic skills
- Sustainability of the environment
- Establishment of a well governed and accountable administration
- Ensure liquidity of the administration
- Transparency and participation

1.2 Municipal functions, population and environmental overview

1.2.1 Population

The table below illustrates the population in the municipal area as per census 2001 – 2011 and the Socio-economic profile 2017 and 2020:

Population	2001	2011	2018	2020
Number of people residing in the Beaufort West municipal area	43 284	49 586	53 168	51 074
Census 2001 and 2011			*Socio-economic profile 2017*	*Socio-economic profile 2020*

Table 1: Demographic information of the municipal area – Total population

1.2.2 Population by race

The table below reflects on the race classification of the population within the Beaufort West area:

Year	Black African	%	Coloured	%	Indian or Asian	%	White	%	Other	%	Total
2001	6 923	16	31 792	73.4	42	0.1	4 528	10.5	0	0	43 284
2011	8 103	16.3	36 433	73.5	241	0.5	4 539	9.2	270	0.5	49 586
Census 2001 and 2011											

Table 2: Population by race

1.2.3 Population by age

The table below includes data about the composition of the population per age category.

Year	0 – 18	19 – 30	31 – 40	41 – 50	51 – 65	66 – 120	Total
2001	17 938	7 848	6 048	4 896	4 321	2 233	43 284
2011	19 132	9 162	6 508	6 030	6 091	2 663	49 586
Census 2001 and 2011							

Table 3: Population by age

1.2.4 Households

The number of households within the municipal area is 16 240. The size of a household is about 5 people (as per Census 2011).

The table below indicates the growth of households:

Households	2017/18	2018/19	2019/20	2020/21
Number of households	10 540	13 080	16 240	16 240

Table 4: Total number of households

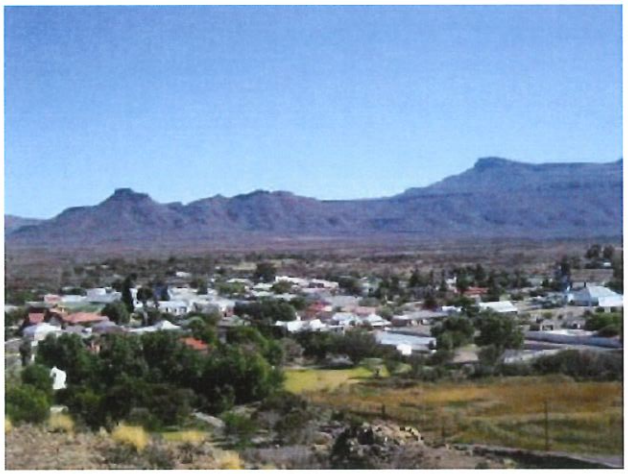
1.2.5 Demographic Information

a) Municipal Geographical Information



Towering mountains and rolling plains welcome you to the Beaufort West region. Beaufort West, the oldest and largest town in the Central Karoo, lies in an ancient area which once was a swamp, now a semi-desert area named "thirst land", making it rich in history. This ancient area of the Karoo is considered one of the world's most interesting arid zones and holds intrigue for scientist, historians and eco-tourists which is fondly referred to as place of the pioneers. In February 1837, BWM became South Africa's first and therefore oldest municipality. It is the centre of an agricultural district based mainly on sheep farming and meat production. Strategically positioned on the N1 National Road, which links Cape Town with the interior and northern parts of South Africa, BWM maintains a minimal but steady amount of growth due to the high volume of passing road traffic.

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The nearby Karoo National Park is a national asset which aims to reclaim the original flora of the Karoo and is one of the chief tourist attractions in the region, boasting a wide variety of endemic wildlife. The municipal area covers approximately 16 330 km² with the town situated 851 meters above sea level between the Gamka and Kuils Rivers. The town lies just south of a ridge of hills and north of the Nuweveld Mountains in the Central Karoo where rocks date back some 230 million years. Not only was the first reptile fossil discovered in the area, but Beaufort West has been described as the world's richest collecting ground for fossils. The town's historic centre displays an electric mix of historical architecture that makes a stop-over here essential.

Summer rains normally begin with light showers around October. Rain is very sporadic and mostly occurs in the form of thunderstorms. Snowfalls can occur as late as September and the first snowfalls reached ground level in 2011. Temperatures increase dramatically during November and remain high until February, reaching highs of between 38 and 48 degrees. The mid-winter months of June and July are cold and dry with temperatures falling well below zero.

In the year 2000, the smaller rural towns of Merweville and Nelspoort were incorporated into the BWM, and since June 2011 the town of Murraysburg has also been a DMA of the Municipality.

b) Wards

The Municipality is structured into the following 7 wards:

Ward	Areas
1	Murraysburg and Murraysburg rural areas
2	Nelspoort, Nelspoort rural, Noord Einde, part of Hillside, central town, part of rural areas of Beaufort West and part of Hospital Hill
3	Part of Rustdene, Essopville and Nieuveld Park
4	Part of Kwa Mandlenkosi, De Lande, part of central town and southern part of Hospital Hill
5	Part of Kwa Mandlenkosi, part of Rustdene, Paddavlei, Hooyvlakte, New Lands and New Town
6	Part of Rustdene and Prince Valley
7	Part of rural Beaufort West, part of Hillside I and II, Toekomsrus, Merweville and rural parts of Merweville

Table 5: Municipal wards

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Below is a map that indicates the municipal area and wards:

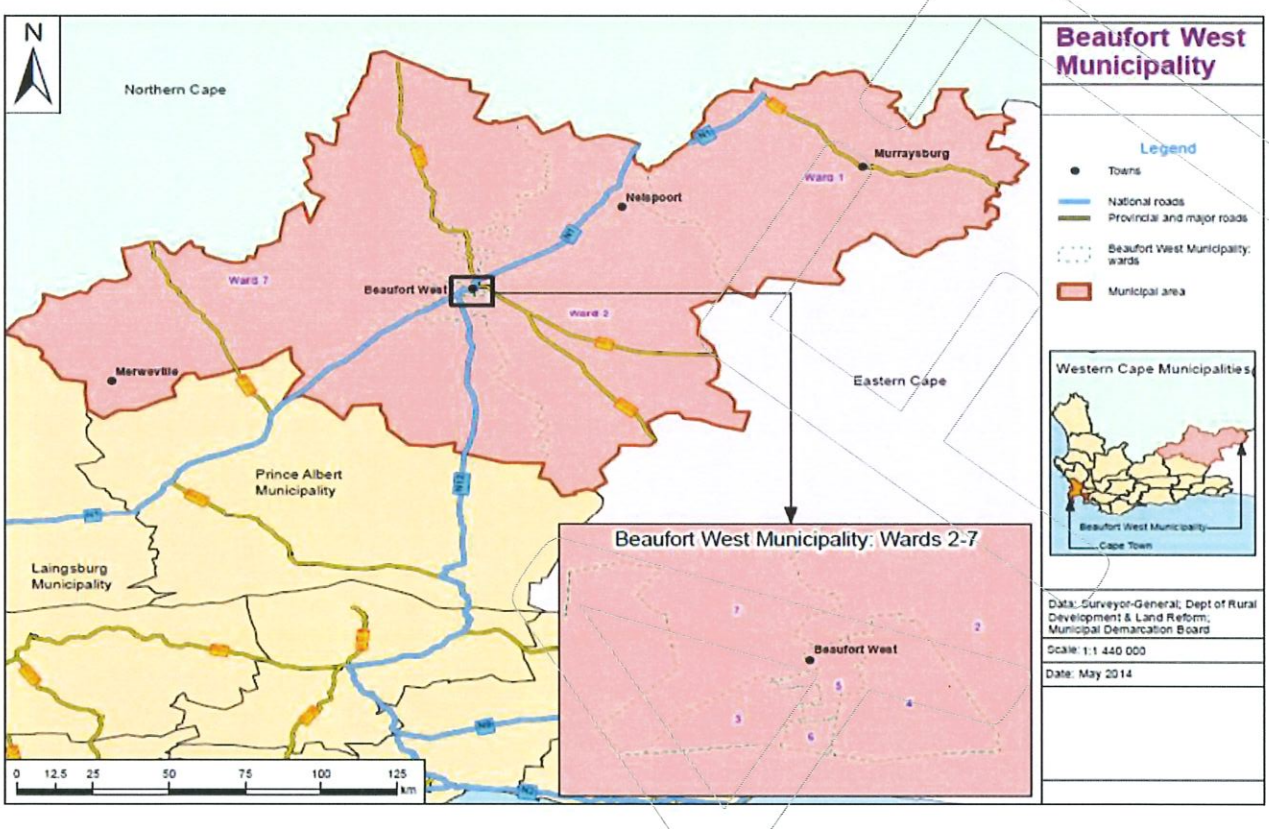


Figure 1.: Beaufort West municipal area and wards

Merweville

Merweville is a small town situated 160 km south-west of Beaufort West and 40 km from Prince Albert Road station. This Central Karoo town lies in a picturesque area of plains often linked to the Nevada Desert region of the United States. It was established around 1897 on the farm of Jacobus van der Bijl, a jack of many trades: farmer, shopkeeper, postmaster, magistrate and justice of the peace.



He built a church that was later used as a school. Merweville lies in the koup, which means "caul fat", and was so named by early indigenous inhabitants who felt that the patches of golden veld grass, interspersed by dark brown soil, resembled the fat and blood vessels surrounding a sheep's liver. The reason for this name is quite apparent at the onset of winter when the veld is less lush and the gold and brown patches become evident. Merweville maintains a great deal of the charm of earlier days and is an ideal spot to rest, relax and unwind from the pressures of modern-day city life.

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Murraysburg



Murraysburg, a typical old-world Great Karoo town that lies 160 km north-east of Beaufort West, became Ward 1 with the new demarcation and as a result became a DMA of the BWM, after it was previously a DMA of the Central Karoo District Municipality. Murraysburg, located at the foot of the Sneeuberg Mountains in a scenic mix of mountains and plains, offers tranquility for environmentalists and eco-watchers. In the late 18th century a bloody and vicious war of revenge and retaliation raged for many years between the San and farmers. Farms were attacked, houses set alight and herdsmen murdered. Farmers went out on punitive missions and killed many of the San, who hunted the livestock of the farmers.

The region was very unsettled by stock theft, murders and reprisal expeditions against the San. At the beginning of the 19th century, the San began to move towards the Kalahari and eventually the farm *Eenzaamheid* was bought from Mr. Kootjie Burger where after the farm became the town of Murraysburg. It was a "church town", meaning that the

Dutch Reformed Church (DRC) exercised full control over the town and its inhabitants.

Below picture shows the beauty of Murraysburg during a snow filled winter season:

The new town was named after Reverend Andrew Murray, minister of the DRC in Graaff-Reinet. The "burg" derives from the Dutch word meaning "place of safety".

Nelspoort



Nelspoort, situated 56 km north of Beaufort West, is a small community in the depths of the Central Karoo. The Bushmen and Khoi visited the surrounding heads and left their mark in rock engravings. Long since the Bushmen, the area became a haven for those with chest ailments.

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As early as 1836, Beaufort West's dour but well-loved Dr. John Christie appealed to people to "breathe" the air of the Nuweveld Mountains. White farmers later established their homes here and for a while the sanatorium brought peace and healing to many tuberculosis (TB) sufferers. Established in 1924 through the efforts of Dr. Alfred Jasper Anderson and John Garlick, a philanthropist, the Nelspoort area was identified as an ideal location for "the first chest hospital on the African continent." By 1969, the first psychiatric patients were admitted. The disastrous socio-economic effects of tuberculosis had decreased by then and the disease could be treated with drugs at home. The old magic mountain method of healing with good food and fresh air was a thing of the past and thus Nelspoort devoted itself to psychiatric patients, maintaining only one TB ward Today, both roles have declined

c) Key economic activities

Agriculture forms the backbone of the Beaufort West economy and accounts for the largest labour to date. Despite the harsh climate and poor carrying capacity of the veldt, it still offers opportunities for growth and employment creation. The Municipality is dependent upon the following main economic activities:

Key economic activities	Description
Agriculture and agri-processing	Fresh meat (mutton, game, Karoo lamb, ostrich, goat, beef)
	Processed meat (biltong, cold meats, "droë wors")
	Fresh fruit and vegetables (figs, olives, apricots, grapes, herbs)
	Processed fruit and vegetables (chutney, dried figs, olives, jams)
	Animal bi-products (skins, hides, wool, mohair, milk)
	Processed animal bi-products (leather products, dairy products, wool and mohair products)
	Other (traps for problem animals – manufacturing and servicing)
Transportation	The transportation sector in the Central Karoo is one of the strongest contributors to the regional economy and completely dominated by Beaufort West, which contributes 86.4% of the total gross domestic product in this sector
Tourism	Wide-open spaces, magnificent landscapes, panoramas and the sense of solitude attractions
	Historic and cultural attractions

Table 6: Key economic activities

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1.3 Service delivery overview

1.3.1 Highlights: Basic services delivery performance

The table below shows the Municipality's achievement with regards to service delivery:

Highlight	Description
Upgrade of boreholes - Merweville	Upgrade of the 5 existing boreholes in Merweville and development of a new borehole
Upgrade of main substation	The Municipality started with the upgrade of the main substation, one of the oldest and most critical primary substations. New switchgear was ordered for manufacturing, and the Municipality is awaiting delivery soon
Training of youth (Environmental practice NGF Level 2)	Thirty (30) youth received training from House of Boniwe (Department of Labour) which consistent of 60% theoretical and 40% practical training. House of Boniwe was deployed to conduct the training for Beaufort West Municipality (2020)

Table 7: Basic services delivery highlights

1.3.2 Challenges: Basic services delivery

The Municipality faced the following challenges during the year:

Service area	Challenges	Action to address
Water Services	Water losses	Water meter audit to be done to ensure that all consumers are billed. Leak detection and repair programme to be implemented
Sanitation Services	Upgrading the Beaufort West WWTW	Currently, the plant is running at 97% of its capacity. Ageing infrastructure needs urgent attention as regular downtime occurs that results in untreated sewerage water flowing to the emergency ponds
Electricity Services	Shortage of cherry pickers, personal protective clothing (PPE), material and tools	Cherry pickers must be repaired and certified serviceable. Tools for electricians and linesmen must be acquired as soon as possible. PPE must be issued backdated to 3 years. Material levels in the municipal stores must be stocked at minimum service levels and all essential and hard to require material and equipment must form part of stores stock
Waste Management Services	Illegal dumping	• Education awareness to be done to all residential areas • Budget allocation to buy enough "Illegal Dumping" boards • Encourage/promote the 3 R's (reduce, reuse and recycle)

Table 8: Basic services delivery challenges

1.3.3 Proportion of households with access to basic services

The table below indicates the Municipality's performance related to basic services provided:

Description	2019/20	2020/21
Water - minimum service level and above percentage	98%	98%
Sanitation - minimum service level and above percentage	96%	96%
Electricity - minimum service level and above percentage	100%	
Waste collection - minimum service level and above percentage	100%	100%

Table 9: Households with minimum level of basic services

1.4 Financial health overview

1.4.1 Challenge: Financial viability

The table below indicates the challenge faced during the financial year:

Challenge	Action to address
Financial distress (Inability by the Municipality to meet its commitments)	The turnaround plan has been developed to address the financial situation of the Municipality

Table 10: Financial viability challenge

1.4.2 National Key Performance Indicators – Municipal financial viability and management (Ratios)

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators (KPI) required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the Municipal Systems Act (MSA). These KPI's are linked to the National Key Performance Area (KPA) namely: Municipal financial viability and management.

KPA and Indicator	2019/20	2020/21
Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2021 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)x 100]	10.93%	12.93%
Financial viability measured in terms of the outstanding service debtors as at 30 June 2021 [(Total outstanding service debtors/ revenue received for services)x 100]	68.54%	80.12%
Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2021 ((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))	0.6	0

Table 11: National KPI's for financial viability and management

1.4.3 National KPI - Good governance and public participation

The following table indicates the Municipality's performance in terms of the National KPI's required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 of 2001 and Section 43 of the MSA. This KPI is linked to the National KPA - Good governance and public participation.

KPA and Indicators	Municipal achievement 2019/20	Municipal achievement 2020/21
The percentage of the municipal capital budget spent by 30 June 2021 ((Actual amount spent /Total amount budgeted for capital projects)X100)	73.59%	84.68%

Table 12: National KPIs - Good governance and public participation performance

1.4.4 Financial overview

The table below indicates the Municipality's financial overview for the financial year:

Details	Original budget	Adjustment budget	Actual
Income			
Grants (transfer recognition)	84 105	93 290	89 883
Taxes, levies and tariffs (property and services)	176 306	175 061	174 162
Other (investments and own)	67 754	67 326	53 846
Sub total	**328 165**	**335 677**	**317 891**
Less expenditure	347 175	357 140	369 819
Net surplus/(deficit)	**(19 010)**	**(21 463)**	**(51 928)**

Table 13: Financial overview

1.4.5 Total capital expenditure

The table below indicates the Municipality's capital expenditure for the financial year:

Detail	2019/20	2020/21
	R'000	
Original budget	31 958	35 897
Adjustment budget	38 135	24 692
Actual	26 423	20 901
% Spent	69	85

Table 14: Total capital expenditure

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1.5 Auditor-General report

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen our Country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. In short, the Auditor-General checks the spending of public money by looking at whether it has been used ideally and for the purposes intended. This is done by annually checking all government spending.

The Auditor-General's annual audit examines 3 areas:

- Fair presentation and absence of significant misstatements in financial statements
- Reliable and credible performance information for predetermined objectives
- Compliance with all laws and regulations governing financial matters

There can be 5 different outcomes to an audit, once the municipality has submitted their financial statements to the Auditor-General, which can be simply defined as follows:

- **A clean audit**: The financial statements are free from material misstatements and there are no material findings on reporting on predetermined objectives or non-compliance with legislation
- **Unqualified audit with findings**: The financial statements contain material misstatements. Unless a clean audit outcome is expressed, findings will be raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects
- **Qualified audit opinion**: The financial statements contain material misstatements in specific amounts, or there is insufficient evidence to conclude that specific amounts included in the financial statements are not materially misstated
- **Adverse audit opinion:** The financial statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements
- **Disclaimer of audit opinion**: Insufficient evidence was provided in the form of documentation on which to base an audit opinion. The lack of sufficient evidence is not confined to specific amounts, or represents a substantial portion of the information contained in the financial statements

BWM implemented MGRO as initiated by Provincial Treasury. MGRO is a Municipal Governance and Review Outlook plan to monitor the performance of municipalities within certain focus areas to ensure clean administration within the Western Cape.

1.5.1 Audited outcomes

The table below indicates the audit opinion received for the past 3 financial years:

Year	2017/18	2018/19	2019/20	2020/21
Opinion received	Qualified	Qualified	Disclaimer	To be announced

Table 15: Audit outcomes

CHAPTER 2: GOOD GOVERNANCE

Chapter 2

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 minimised, the views of minorities are considered and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

Component A: Political and Administrative Governance

2.1 Governance structure

2.1.1 Political governance structure

The Council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles, and have delegated its executive function to the Executive Mayor and the Mayoral Committee. Their primary role 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 programs in the municipal area.

Council

The Council comprises of 13 elected Councillors made up from 7 Ward Councillors and 6 Proportional Representation (PR) Councillors. The portfolio committees are made up of Councillors drawn from all political parties.

Below is a table that categorise the Councillors within their specific political parties and wards for 2020/21 financial year:

Council members	Capacity	Political party	Ward representing or proportional	Number of meetings attended
1 July 2020 to 21 April 2021				
L Basson	Councillor	DA	Ward 3	22
N Constable	Mayor / Speaker	KDF	Proportional	25
L Deyce	Councillor / Speaker	ANC	Proportional	24
O Haarvoor	Councillor	DA	Ward 1	23
M Kilani	Councillor	ANC	Ward 5	25
Z Lambert	Councillor	ANC	Proportional	25
E Lawrence	Councillor	ANC	Proportional	25
Q Louw	Deputy Mayor / Mayor	ANC	Proportional	25
S Motsoane	Speaker	ANC	Ward 4	25
A Slabbert	Councillor	DA	Proportional	20
J van der Linde	Councillor	DA	Ward 7	23
D Welgemoed	Councillor / Speaker	DA	Ward 2	24
E Wentzel	Councillor	DA	Ward 6	21

CHAPTER 2: GOOD GOVERNANCE

Council members	Capacity	Political party	Ward representing or proportional	Number of meetings attended
22 April 2021 to 30 June 2021				
L Basson	Councillor	DA	Ward 3	2
N Constable	Mayor / Speaker	KDF	Proportional	3
L Deyce	Speaker / Deputy Mayor	ANC	Proportional	3
C de Bruin	Councillor	ANC	Ward 4	4
O Haarvoor	Councillor	DA	Ward 1	2
M Kilani	Councillor	ANC	Ward 5	3
Z Lambert	Councillor	ANC	Proportional	3
E Lawrence	Councillor	ANC	Proportional	3
Q Louw	Deputy Mayor / Mayor	ANC	Proportional	3
A Slabbert	Councillor	DA	Proportional	2
J van der Linde	Councillor	DA	Ward 7	2
D Welgemoed	Speaker / Councillor	DA	Ward 2	2
E Wentzel	Councillor	DA	Ward 6	2

Table 16: Council 2020/21

The table below indicates the Council meeting attendance for the 2020/21 financial year:

Meeting dates	Council meetings attendance	Apologies for non-attendance
18 August 2020	13	0
2 September 2020	13	0
8 September 2020	13	0
30 September 2020	9	4
5 October 2020	11	(2)
28 October 2020	12	(1)
4 November 2020	12	1
2 December 2020	12	1
15 December 2020	10	3
29 January 2021	13	0
10 February 2021	13	0
16 February 2021	7	6
23 February 2021	13	0
24 February 2021	13	0
4 March 2021	13	0
24 March 2021	13	0
29 March 2021	13	0
31 March 2021	13	0
8 April 2021	13	0

CHAPTER 2: GOOD GOVERNANCE

Meeting dates	Council meetings attendance	Apologies for non-attendance
15 April 2021	13	0
16 April 2021	12	(1)
5 May 2021	13	0
10 May 2021	7	(6)
17 May 2021	9	(4)
31 May 2021	12	1
15 June 2021	13	0
30 June 2021	7	6
Numbers between brackets indicate non-attendance without apology		

Table 17: Council meetings

b) Executive Mayoral Committee

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 in the Executive Mayor, delegated by the Council, and as well as the powers assigned by legislation.

Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.

The name and portfolio of each member of the Mayoral Committee is listed in the table below for the period 1 July 2020 to 30 June 2021:

Name of member	Capacity
L Deyce (1 July 2020 – 31 May 2021)	Fulltime Councillor
M Kilani (1 July 2020 – 30 June 2021)	Fulltime Councillor
Z Lambert (1 June 2021 – 30 June 2021)	Fulltime Councillor

Table 18: Mayoral Committee members (1 July 2020 to 30 June 2021)

The table below indicates the dates of the Mayoral Committee meetings and the number of reports submitted to Council for the 2020/21 financial year:

Meeting date	Number of reports submitted to Council
20 July 2020	5
24 November 2020	
27 November 2020	
15 February 2021	
18 February 2021	
13 April 2021	

Table 19: Executive Mayoral Committee meetings

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c) Portfolio Committees

The MSA provides for the establishment of Section 79 and Section 80 Committees.

Section 79 Committees are Council committees, appointed by Council for a specific purpose and accounting to Council section 79 Committees must be composed to reflect the way in which parties and interest are reflected in Council.

Council has established the following Section 79 Committees:

- Financial and Development Committee
- Corporate Services and Social Development Committee
- Human Resource (HR) Development Committee
- Municipal Resource Development Committee

The portfolio committees and their chairpersons for the period 1 July 2020 to 31 May 2021 were as follows:

Chairperson	Other members	Number of minutes submitted to Council	Meeting dates
Financial Services Committee			
Cllr N Constable	Cllr Q Louw Alderman S Motsoane Cllr J van der Linde	2	7 July 2020 10 November 2020
Corporate Services and Human Resources Committee			
Alderman S Motsoane	Cllr Z Lambert Cllr L Deyce Cllr E Wentzel Cllr E Lawrence	2	21 November 2020 26 November 2020
HR Development Committee			
Cllr Q Louw	Cllr M Kilani Cllr O Haarvoor Cllr N Constable Alderman S Motsoane	1	11 November 2020
Municipal Resource Development Committee			
Cllr M Kilani	Cllr N Constable Cllr Q Louw Cllr D Welgemoed Cllr Z Lambert	1	11 November 2020

Table 20: Portfolio Committees (1 July 2020 to 31 May 2021)

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The portfolio committees and their chairpersons for the period 1 June 2021 to 30 June 2021were as follows:

Chairperson	Other members	Number of minutes submitted to Council	Meeting dates
Financial Services Committee			
Cllr Q Louw	Cllr Z Lambert	0	0
	Cllr N Constable		
	Alderman J van der Linde		
Corporate Services and Human Resources Committee			
Cllr L Deyce	Cllr Z Lambert	0	0
	Cllr EWentzel		
	Cllr E Lawrence		
	Cllr C de Bruin		
Community Services, Housing and Traffic Committee HR Development Committee			
Cllr N Constable	Cllr M Kilani	0	0
	Cllr O Haarvoor		
	Cllr Q Louw		
	Cllr C de Bruin		
Infrastructure and Engineering Services, Youth and Women Committee			
Cllr M Kilani	Cllr N Constable	0	0
	Cllr Q Louw		
	Cllr D Welgemoed		
	Cllr Z Lambert		
	Cllr L Deyce		

Table 1: Portfolio Committees (1 June 2021 to 30 June 2021)

d) Municipal Public Accounts Committee

The Municipal Public Accounts Committee (MPAC) is a committee of the Municipal Council, appointed in accordance with Section 80 of the Structures Act. The main purpose of the MPAC is to exercise oversight over the executive functionaries of Council as delegated and to ensure good governance in the Municipality.

Name of representative	Departments / Sections / Council	Political Party
Cllr Z Lambert(until 31 May 2021)	Council	ANC
Cllr E Lawrence	Council	ANC
Cllr D Welgemoed	Council	DA
Cllr C de Bruin (from 31 May 2021)	Council	ANC
K Haarhoff (until 16 February 2021)	MM	-
J Penxa (from 17 February 2021)	MM	-
A Makendlana	Director: Corporate Services	-

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Name of representative	Departments / Sections / Council	Political Party
B Vink (until December 2020)	Director: Financial Services	-
N Ntsangani (from 5 May 2021)	Director: Financial Services	-
D Van Turha	Director: Infrastructure Services	-
T Prince	Director: Community Services	-
M Phoshoko (from 5 May 2021)	Director: Community Service	-

Table 2: MPAC

2.1.2 Administrative governance structure

The Municipal Manager is the accounting officer of the Municipality. He is the head of the administration and primarily must serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the management team, whose structure is outlined in the table below:

Name of official	Department	Performance agreement signed Yes/No
M Penxa	Municipal Manager	No
N Ntsangani	Director: Financial Services	No
D van Turha	Director: Infrastructure Services	No
A Makendlana	Director: Corporate Services	Yes
Vacant	Director: Community Services	NA

Table 3: Administrative governance structure

Component B: Intergovernmental Relations

2.2 Intergovernmental relations

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

CHAPTER 2: GOOD GOVERNANCE

a) Intergovernmental structures

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

Name of structure	Members	Outcomes of engagements/topics discussed
Supply Chain Management (SCM) forum	Manager: SCM	Enhance municipality financial and administrative capability
Integrated Waste Management forum	Waste Management: Superintendent	Waste minimisation and campaigns
IDP Indabas	IDP Manager and all Directors	Resources agree on joint priorities and commit resources to implement these priorities
Provincial Public Participation and Commutation forum	Public participation officials	Ensure the coordinated and Coherent implementation and establishment of the ward participatory process to encourage the involvement of communities and organisations ensure in matters of local government
Provincial Skills Development	Skills Development Facilitator	Ensure and improve training delivery system in the province
HR Practitioners forum	Manager: HR	Educational attainment , skills development, science and innovation and labour, market/ employment policies
Karoo STR and Economic Initiative	Executive Mayor and IDP Coordinator	The Karoo Regio n STR Program aims to achieve developmental outcomes across local municipalities, district s and provinces through municipal cooperation across the Karoo region
EPWP Central Karoo District Forum	EPWP Champions for District, Sector Departments (National and Provincial), Regional Coordinator	Grant agreement. EPWP progress and possible interventions
MIG Coordination Meeting	Local Municipalities PMU Managers, Department of Local Government, DCOGTA, Sector Departments	MIG progress and possible interventions
MISA Steering Committee	MM, CFO, Director: Infrastructure, MIG PMU Manager, Managers MISA Officials, Department of Local Government	MOA, technical support required as per technical support plan between MISA and the Municipality

Table 4: Intergovernmental structures

b) Joint projects and functions with sector departments

All the functions of government are divided between the different spheres of government. The Municipality therefore share their area and community with other spheres of government and their various sector departments and must work closely with national and provincial departments to ensure the effective implementation of various projects and functions.

The table below provides detail of such projects and functions:

Name of project/ function	Expected outcomes of the project	Sector departments involved	Contribution of sector department
EPWP	Work Opportunities, 65 FTE's (Full Time Equivalents)	Department of Public Works: EPWP Section	R1 285 000
WOSA Funding Project	COVID-19 relief	CKDM/Department Community Safety	R400 000
Community Work Programme	To strengthen community development approaches. To improve the quality of life for people in marginalised economic areas by providing work experience, enhancing dignity and promoting social and economic inclusion	COGTA	R14 362 134

Table 5: Joint projects and functions with sector departments

Component C: Public Accountability and Participation

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

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

2.3 Ward committees

Ward committees supports the ward councillor who receives reports on development, participate in development planning processes and facilitate wider community participation. To this end, the Municipality constantly strives to ensure that all ward committees' function optimally with community information provision, convening of meetings, ward planning, service delivery, IDP formulation and performance feedback to communities.

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2.3.1 Ward Committees

The tables below indicate each ward with their associated members and dates of meetings:

a) *Ward 1: Murraysburg and Murraysburg rural areas*

Name of representative	Capacity representing	Dates of meetings held during the year
V Mlilwana	Unemployment	27 July 2020 21 August 2020 22 September 2020 29 October 2020 27 November 2020 17 December 2020 21 January 2021 22 February 2021 25 March 2021 28 April 2021 20 May 2021 24 June 2021
A Hoffman	Education and Religion	
G Zahela	Senior Burger and Disability	
J Jonas	Community Based Organization and Safety	
D Oerson	Youth	
J Martin	Welfare Development	
S Tshikolo	Environmental based organization and safety	
N Fywers	Health	
A Johnson	Women	

Table 6: Ward 1: Committee meetings

b) *Ward 2: Nelspoort, Nelspoort Rural, Noord Einde, part of Hillside, central town, part of rural areas of Beaufort West and part of Hospital Hill*

Name of representative	Capacity representing	Dates of meetings held during the year
A Peers	Business	28 July 2020 10 August 2020 28 September 2020 15 October 2020 30 November 2020 17 December 2020 27 January 2021 25 February 2021 10 March 2021 28 April 2021 25 May 2021 23 June 2021
A Jonkers	Youth Forum	
B Maxhegwana	Education	
S November	CWP/ Community	
J Lodewyk	Policing Safety & Security	
D Booysen	Health	
M Breda	Religion	
J Bosman	Church/ Social Groups and Community	

Table 7: Ward 2: Committee meetings

c) Ward 3: Part of Rustdene, Essopville and Nieuveld Park

Name of representative	Capacity representing	Dates of meetings held during the year
L Bosman	Charity	27 July 2020
A Plaatjies	Labour	11 August 2020
J Wentzel	Youth	9 September 2020
E Jacobs	Sport	28 October 2020
J Paulse	Unemployment	19 November 2020
G Makok	Religion	15 December 2020
N Fortuin	Environment	12 January 2021
E Lottering	Health	9 February 2021
H Frazenburg	Youth	9 March 2021
E Arendse	People with Disability	12 April 2021
		11 May 2021
		8 June 2021

Table 8: Ward 3: Committee meetings

d) Ward 4: Part of Kwa Mandlenkosi, De Lande, part of central town and southern part of Hospital Hill

Name of representative	Capacity representing	Dates of meetings held during the year
H Mali	Women	30 July 2020
B Khedama	Health	12 August 2020
A Swanepoel	Unemployment	16 September 2020
S Ndyalivane	Religion	26 October 2020
Z Mdlikiva	Women and Health	1 November 2020
L Banda	Business Sector	17 December 2020
X Voorslag	Youth	4 January 2021
N Dyani	Governing Bodies	22 February 2021
F Njoli	Women and Safety	28 April 2021
		6 May 2021
		29 June 2021

Table 9: Ward 4: Committee meetings

e) Ward 5: Part of Kwa Mandlenkosi, part of Rustdene, Paddavlei, Hooyvlakte, New Lands and New Town

Name of representative	Capacity representing	Dates of meetings held during the year
S Dyson	Community Clinics	23 July 2020
S Louw	Clinics	17 August 2020
M de Boer	Youth and Disabled	20 September 2020
E Grootboom	Community Clinics	11 October 2020
A Lottering	Governing Bodies	27 November 2020
J Ceasar	Business Sector	15 December 2020
G Louw	Women	23 January 2021
A Mdlikiva	Governing Bodies	17 February 2021
M Mapotolo	Community	15 March 2021
B Jack	Crime and Drugs	28 April 2021
		14 May 2021
		21 June 2021

Table 10: Ward 5: Committee meetings

f) Ward 6: Part of Rustdene and Prince Valley

Name of representative	Capacity representing	Dates of meetings held during the year
V Louw	Neighborhood Watch	27 July 2020
E Links	Neighborhood Watch	24 August 2020
R Adonis	Religion	15 September 2020
A Daniels	Children	27 October 2020
L Beyers	Women	19 November 2020
E Mosterd	Sport	15 December 2020
F Martin	Religion	25 January 2021
M Kratshi	Municipal Affairs	16 February 2021
M McDonald	Business	23 March 2021
		15 April 2021
		10 May 2021
		21 June 2021

Table 11: Ward 6: Committee meetings

g) Ward 7: Part of rural Beaufort West, part of Hillside I and II, Toekomsrus, Merweville and rural parts of Merweville

Name of representative	Capacity representing	Dates of meetings held during the year
T Bostander	Transport	13 July 2020
J Spogter	Caring Hands	27 July 2020
C van Zyl	Women and Safety	17 August 2020
E Daniels	Business	19 August 2020
D Klein	Youth	14 September 2020
T Sam	Sport and Culture	16 September 2020
N Johnson	Women	14 October 2020
		12 November 2020

Name of representative	Capacity representing	Dates of meetings held during the year
D Abrahams	Sport	12 December 2020 20 January 2021 21 January 2021 25 February 2021 11 March 2021 21 March 2021 18 April 2021 25 April 2021 18 May 2021 22 June 2021 23 June 2021 24 June 2021
R Uithaler	Women	

Table 12: Ward 7: Committee meetings

2.4 Functionality of Ward Committees

The purpose of a ward committee is:

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

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise the ward councillor who makes specific submissions directly to the administration. These committees play a very important role in the development and annual revision of the IDP of the area.

The table below provides information on the ward committees and their functionality for the 2020/21 financial year:

Ward number	Committee established Yes / No	Number meetings held during the year	Committee functioning effectively (Yes / No)
Ward 1	Yes	12	Yes
Ward 2	Yes	12	Yes
Ward 3	Yes	12	Yes
Ward 4	Yes	12	Yes
Ward 5	Yes	12	Yes
Ward 6	Yes	12	Yes
Ward 7	Yes	12	Yes

Table 13: Functioning of ward committees

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2.5 Representative forums

2.5.1 Labour Forum

The table below specifies the members of the Labour Forum for the 2020/21 financial year:

Name of representative	Capacity	Meeting dates
M Penxa	Acting Municipal Manager/Management	No formal LLF meetings held since 9 March 2021 until 30 June 2021. Matters regarding permanent appointment of temporary employees, placement of employees, payment of standby and overtime discussed at Staff Appointment Committee Meetings, Placement Committee meetings as well as informal meetings between management and trade unions
N Constable	Speaker/Management	
M Kilani	Management	
T Deyce	Chairperson/Management	
A Makendlana	Director: Corporate Services	
H Maans	SAMWU	
G Daniels	SAMWU	
E Molowitz	SAMWU	
G Daniels	SAMWU	
L Swarts	SAMWU	
G Plaatjies	SAMWU	
W van der Horst	IMATU	
C Lotterring	IMATU	
M Govender	IMATU	
L Barnard	Secretariat (Human Resources)	

Table 14: Labour Forum

2.6 Public meetings

The table below indicates the public meetings arranged and dates that it took place on:

Venue	Ward	Date
Murraysburg Town Hall, Beaufort Street, Murraysburg	1	5 October 2020
Nelspoort Sport Ground, Clubhouse, Nelspoort	2	7 October 2020
Geelsaal, Alfonso Avenue, Nieuveld Park	3	8 October 2020
Kwa Mandlenkosi Hall, Kwa Mandlenkosi	4	12 October 2020
Rustdene Hall, Long Street, Newlands	5	13 October 2020
Pinkster Eenheid Church, Ebenezer Avenue, Rustdene	6	14 October 2020
Merweville, Sport Ground, Community Hall, Merweville	7	26 October 2020

Table 15: Labour Forum

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Component D: Corporate Governance

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

2.7 Risk management

To maintain an overall positive perception of the Municipality and confidence in the Municipality from the public and other stakeholders, well planned goals and objectives should be coordinated and achieved within the Municipality. Section 62(1) of the MFMA 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 as well as the effective, efficient and economical use of the resources of the municipality. BWM has instituted a systematic and formalised process to identify, assess, manage and monitor risks which effectively ensures achievement of those planned goals and objectives. Thus, risk management is essentially a good governance measure instituted to ensure the municipality accomplish its vision, mission and strategic plans.

The Municipality has an approved Risk Management Policy, Framework and Implementation Plan as approved by Council on 23 January 2017 (resolution number 8.15 5/12/2/1). The policy is reviewed annually by the Risk Committee and submitted to the Municipal Manager for approval.

The risk management function is facilitated internally by the internal audit division and externally by a service provider to ensure the following functions are performed:

- Assisting management to develop and implement the Risk Management Policy, Strategy and Implementation Plan;
- Coordinating risk management activities;
- Facilitating identification and assessment of risks;
- Recommending risk responses to management; and
- Developing and disseminating risk reports.

a) Risk assessment process

The risk assessment for the 2020/21 financial year was completed during January to February 2018 where risks were identified and categorised into the following groups:

- Operational risks
- Strategic risks

The risks identified were classified into high, medium and low risks to determine the inherent risk (impact risk has before taking controls into consideration). The risk rating is determined by a 10 X 10 risk matrix.

b) Top strategic risks

As part of the risk assessment, management identifies current controls, which mitigates the inherent risks identified. After considering controls, the identified risks will receive a residual risk.

After the residual risks have been determined it will be categorised again according to high, medium and low risks, where after management determines which of the risks require further actions to mitigate the impact it may have.

The top ten risks of the Municipality for the financial year were as follow:

Risk level	Risk	Directorate	Impact	Likelihood	Risk rating
High	Impact that the COVID-19 pandemic has on the Municipality	Strategic	10	10	100
Low	Impact of Drought	Strategic	10	10	100
High	Lack of funding (need to expand the landfill site in the near future)	Strategic	10	10	100
High	Misuse and abuse of municipal vehicles	Engineers	10	10	100
High	Impact of loss of fines on short term financial feasibility	Strategic	10	10	100
Medium	Financial feasibility in the long term	Strategic	9.5	9.5	90.3
Medium	Ageing and deteriorating infrastructure	Strategic	9	10	90
Medium	Excessive water losses	Strategic	9	10	90
Medium	Decentralised SCM unit resulting in corruption or bypassing SCM processes	Financial	9	10	90
Medium	Loss of key data (Data management outsources to service provider with no controls vested in the Municipality	Community Services	9	10	90

Table 16: Strategic risks

c) Organisational risk assessment

The table below reflects the annual risk assessments for the past two financial years, reflecting the change in the risk profile:

2019/20			2020/21		
Risk categories	Risks	% of all risk	Risk categories	Risks	% of all risks
High	72	31	High	72	31
Medium	157	64	Medium	171	66
Low	14	5	Low	16	3
Total	243	100	Total	259	100

Table 17: Risk profile

d) Risk Committee

The role of the Risk Committee is to provide timely and useful enterprise risk management reports to the Audit Committee of the Municipality. The reports contain the current top risks of the Municipality, which includes:

- Key strategic and financial risks facing the Municipality (all extreme and high risk exposures)
- Key operational risks per strategic goal (top 5 risks per objective as per risk exposure from high to low)

The Risk Committee consists of the following members:

Name of Committee Member	Capacity	Meeting dates
K Haarhoff	Chairperson – resigned 25 March 2021	20 September 2020 23 March 2021
M Penxa	Chairperson	
A Makendlana	Member	
D van Turha	Member	
B Vink	Member	
C Kymdell	Member	
R Naidoo	CRO	
N Gabada	Member	

Table 18: Members of the Risk Committee

2.8 Anti-corruption and anti-fraud

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

a) Developed strategies

Name of strategy	Developed Yes/No	Dates adopted
Anti-corruption Strategy and Response Plan	Yes	30 August 2016
Anti-corruption Strategy and Response Plan	Yes	24 April 2018
Draft Integrity Management Framework	Yes	Not yet adopted

Table 19: Strategies and response plan

2.9 Audit and Performance Audit Committee

a) Functions of the Audit Committee (AC)

The AC has the following main functions as prescribed in Section 166(2)(a-e) of the MFMA, and the Local Government Municipal and Performance Management Regulation:

- To advise Council on all matters related to compliance and effective governance
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, Division of Revenue Act (DoRA) and other applicable legislation
- Respond to Council on any issues raised by the Auditor-General in the audit report
- Carry out investigations into the financial affairs of the municipality as Council may request
- Review the quarterly reports submitted by internal audit

- Evaluate audit reports pertaining to financial, administrative and technical systems
- Evaluate the compliance to existing policies and relevant legislation
- Review the performance management system and make recommendations in this regard to Council
- Assess whether the performance indicators are sufficient
- Determine possible reasons for discrepancies between performance and targets
- Identify major risks to which Council is exposed and determine the extent to which risks have been minimised
- To review the annual report of the municipality
- Investigating cases of fraud, misbehaviour and conflict of interest involving employees
- Review the plans of internal audit and ensure that the plan addresses the high-risk areas and ensure that adequate resources are available
- Review audit results and action plans implemented by management
- Provide support to internal audit
- Ensure that no restrictions or limitations are placed on internal audit

b) *Functions of the Performance Audit Committee*

The regulations require that the Performance Audit Committee (PAC) is comprised of a minimum of three members, the majority of whom are external (neither a Councillor nor an employee) of the municipality. Section 14(2)(b) of the Regulations further stipulates that the PAC must include at least one person who has expertise in performance management. It is also a requirement of the Regulations in Section 14(2)(d) that the Council of a municipality designate neither a member of the PAC who is neither a Councillor nor an employee of the municipality as the chairperson of the committee.

Both the Regulations and the MFMA, indicate that three is the minimum number of members needed to comprise a PAC. While the regulations preclude the appointment of a Councillor as chairperson of the PAC, the MFMA excludes the involvement of a Councillor in the composition of a PAC entirely.

In accordance with the requirements of Section 14(2)(e) of the Regulations, if the chairperson is absent from a specific meeting of the committee, the members present must elect a chairperson from those present to act as chairperson for that meeting.

Further, Section 14(2)(f) of the Regulations provides that, in the event of a vacancy occurring amongst the members of the PAC, the municipality concerned must fill that vacancy for the unexpired portion of the vacating member's term of appointment.

Section 14(3)(a) of the Regulations requires that the PAC of a municipality must meet at least twice during each financial year. However, additional special meetings of the PAC may be called for by any member of the committee where sufficient justification exists in terms of Section 14(3)(b) of the Regulations.

In terms of Section 14(4)(a) of the Regulations the PAC has the responsibility to -

- review the quarterly reports produced and submitted by the internal audit process;
- review the municipality's performance management system and make recommendations in this regard to the Council of the municipality; and
- at least twice during each financial year submit a performance audit report to the Council of the municipality.

c) Members of the PAC

The table below indicates the names of the members of the AC and PAC:

Name of representative	Capacity	Meeting dates
S Ngwevu	Chairperson	30 September 2020 22 October 2020 27 October 2020 31 March 2021 22 June 2021
A Augustyn	Member	
W Phillips	Member	
N Gabada	Member	

Table 20: Members of the AC and PAC

2.10 Internal audit

Section 165(2)(a) and (b)(iv) of the MFMA requires that the internal audit unit of a municipality prepare a risk based audit plan and an internal audit program for each financial year; advise the accounting officer and report to the AC on the implementation on the internal audit plan and matters relating to:

- internal audit;
- internal controls;
- accounting procedures and practices;
- risk and risk management;
- performance management;
- loss control;
- compliance with this Act, the annual Division of Revenue Act and any other applicable legislation, and
- perform other duties as may be assigned to it by the accounting officer.

The Municipality has an in-house internal audit function.

a) Annual audit plan

The table below provides detail on audits completed:

Description			Date completed
Phase 1			
Operational and Strategic Risk Assessment			January – February 2018
Phase 2			
Compilation of Risk Based Audit Plan			July 2020
Phase 3			
Type of audit engagement	**Department**	**Detail**	**Date completed**
Quarterly audit of Performance Management	Strategic	Quarterly audit of the Performance Management System	18 March 2021 6 April 2021 27 September 2021

Description			Date completed
SCM COVID-19 Emergency Procurement	Strategic	To ensure compliance with the SCM emergency COVID-19 legislative requirements	12 July 2021
Grants	Strategic	To ensure compliance with DORA	12 July 2021
Income	Finance	To ensure compliance of Debtors, Credit control, Rebates and Cash management to legislative requirements	24 August 2021
Ad-hoc Internal Audit on the essential transport allowance	Strategic	To provide assurance and an audit opinion around the effectiveness and efficiency of internal controls of the essential transport scheme	19 August 2020
Ad-hoc Internal Audit of the overtime	Strategic	To provide assurance and an audit opinion around the effectiveness and efficiency of internal controls of the overtime procedures	31 August 2020
Ad-hoc Internal Audit on the contract/SLA of a service provider	Corporate	To provide assurance and an audit opinion around the effectiveness and efficiency of internal controls of the contract/SLA of service provider	13 May 2021
Ad-hoc Internal Audit of the suspected/alleged irregularities with regards to certain procurement processes within SCM	Finance	To provide assurance and an audit opinion around the effectiveness and efficiency of internal controls around the suspected/alleged irregularities reported by a whistle blower with regards to certain procurement processes within SCM	3 June 2021

Table 21: Internal audit plan

2.11 By-laws and policies

Section 11 of the MSA gives a Council the executive and legislative authority to pass and implement by-laws and policies.

No new by-laws were developed and reviewed during the financial year.

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2.12 Communication

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community.

Below is a communication checklist of the compliance to the communication requirements:

Communication activities	Yes/No
Communication Strategy	Yes
Communication Policy	No
Functional Complaint Management Systems	Yes

Table 22: Communication activities

Additional communication channels utilised:

Channel	Yes/No	Number of people reached
SMS system	Yes	176 per month

Table 23: Additional communication channels

2.13 Website

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the MFMA and Section 21A and B of the MSA as amended.

The table below gives an indication about the information and documents that are published on our website:

Description of information and/or document	Yes/No and/or Date Published
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical and postal address of the Municipality	Yes
Financial information (Sections 53, 75, 79 and 81(1) of the MFMA)	
Tabled Budget 2020/21	Yes
Adjusted Budget 2020/21	Yes
Asset Management Policy	Yes
Customer Care, Credit Control and Debt Collection Policy	Yes
Indigent Policy – Part of Credit Control Debt Collection Policy	Yes
Funds and Reserves Policy	Yes
Investment and Cash Management Policy	Yes
Rates Policy	Yes
SCM Policy	Yes
Tariff Policy	Yes

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Description of information and/or document	Yes/No and/or Date Published
Virement Policy	Yes
Petty Cash Policy – Part of SCM Policy	Yes
Travel and Subsistence Policy	Yes
Long Term Financial Policy	No
Borrowing Policy	Yes
SDBIP 2020/21	Yes
Budget and Treasury Office Structure	No
IDP and public participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)	
Reviewed IDP for 2020/21	Yes
IDP Process Plan for 2020/21	Yes
SCM (Sections 14(2), 33, 37 and75(1)(e) and (f) and 120(6)(b) of the MFMA and Section 18(a) of the National SCM Regulation)	
List of capital assets that have been disposed	No
Long-term borrowing contracts	Yes
SCM contracts above R 30 000	No
Service delivery agreements	No
Public invitations for formal price quotations	Yes
Reports (Sections 52(d), 71, 72 and 75(1)(c) and 129(3) of the MFMA)	
Annual Report of 2019/20	Yes
Oversight reports	Yes
Mid-year budget and performance assessment	Yes
Quarterly reports	Yes
Monthly budget statement	Yes
LED (Section 26(c) of the MSA)	
LED Strategy	No
Economic profile	No
LED projects	No
Performance management (Section 75(1)(d) of the MFMA)	
Performance agreements for employees appointed as per S57 of MSA (Municipal Manager only)	Yes
Assurance functions (Sections 62(1), 165 and 166 of the MFMA)	
Internal Audit Charter	Yes
AC Charter	Yes
Risk Management Policy, Strategy and Implementation Plan	Yes

Table 24: Website checklist

CHAPTER 2: GOOD GOVERNANCE

2.14 SCM

The SCM Policy of BWM is deemed to be fair, equitable, transparent, competitive and cost-effective as required by Section 217 of the Constitution.

2.14.1 Competitive bids in excess of R200 000

a) Bid committee meetings

The following table details the number of Bid Committee meetings held for the 2020/21 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
26	19	12

Table 25: Bid committee meetings

The members of the bid committees for the financial year were:

Bid Specifications Committee	Bid Evaluation Committee	Bid Adjudication Committee
C Els	C Els	B Vink
B Damon	M Tshibo	A Makendlana
S Berg	N Kotze	D van Turha
S Pheiffers	K Fortuin	S Pothberg
N Kotze	S Berg	K Fortuin
N January	J Abrahams	C Kymdell
A Makendlana	D le Roux	
R Summers	A Mitchell	
C Okkers	L Gouws	
K Fortuin	P Lande	
D le Roux	C Wright	
C de Koker	R Eland	
D Hawker	V Ruiters	
P Strümpher	L Barnard	
C Wright	D Hawker	
J Abrahams	B Damon	
B Motsoane	X Dika	
P Mditshwa	L Lakay	
V Ruiters		
M Lawrence		
R Klink		
S Pothberg		
B Vink		
L Lakay		

Bid Specifications Committee	Bid Evaluation Committee	Bid Adjudication Committee
D van Turha		
W Petersen		
B Mitchell		
L Gouws		
C Molligan		
C Kymdell		
P Lande		
A Mitchell		
B Balie		
A Hendriks		
J Jacobs		
B Horn		
B Jacobs		
R Eland		
M Phosoko		

Table 26: Members of bid committees

b) Awards made by the Bid Adjudication Committee

The highest bids awarded by the Bid Adjudication Committee are as follows:

Bid number	Date of award	Title of bid	Successful bidder	Value of bid awarded (R)
SCM 29/2021	5 May 2021	Beaufort West Cemetery: Expansion of "Goue Akker"	Amandla Construction	R6 523 898.48
SCM 17/2021	13 April 2021	Murraysburg Reservoirs: Construction of a 200kl and 400kl Reservoir	Phambili Civils	R6 450 667.63
SCM 32/2020	30 September 2020	Supply and delivery of mechanical and electrical equipment to equip and upgrade boreholes in Merweville	TG Elektries (Pty) Ltd	R3 808 542.61
SCM 21/2020	13 October 2021	Supply, installation and maintenance of new digital VHF repeater system including two-way radio's for a period of 3 years	J & E Communications	R1 204 255.85
SCM 25/2021	6 May2021	Maintenance and Repair of Electrical Networks (132/22/11/0.4kV) and associated Civil and Construction works for Beaufort West	VE Reticulation	R2 733 356.34

Bid number	Date of award	Title of bid	Successful bidder	Value of bid awarded (R)
		Municipality for the period ending June 2024.		
SCM 12/2021	13 January 2021	Supply and delivery of server- and video conferencing software to Beaufort West Municipality	Mantella IT	Various prices
SCM 19/2020	27 July 2020	Request for service provider for implementing skills development programme	RSTG (Pty) Ltd	R180 000.00
SCM 22/2020	21 August 2020	Request for formal quotation: Financial Consultant	Ultimate Consulting Solutions (Pty) Ltd	R189 175.00
SCM 04/2020	29 September 2020	Supply, printing and mailing/e-mail of municipal accounts for 2-year period	Mailtronic Direct Marketing cc	R179 187.25
SCM 35/2020	23 December 2020	Supply and delivery of water and sewerage maintenance material for a period of 3 years	Nolada8 (Pty) Take Note Trading 245cc t/a Universal Trading KFC Engineering and Industrial Supplies Ithuba Industries NRB Piping Systems (Pty) Ltd Kingpin Supplies ALM Construction & Supplies	Various prices

Table 27: Highest bids awarded by Bid Adjudication Committee

c) Awards made by the accounting officer

The following award was made by the accounting officer of the Municipality:

Bid number	Date bid was awarded	Title of bid	Successful bidder	Value of bid awarded (R)
SCM 21/2021	11 June 2021	Upgrading and refurbishment of Electical Networks (132/22/11/0.4 KV) for the grater Beaufort West Municipality for the period ending June	Rivigan Infrastructure Services	R14 940 795.28

Table 28: Awards made by the Accounting Officer

d) Appeals lodged by aggrieved bidders

No appeals were received for the 2020/21 financial year.

2.14.2 Deviation from normal procurement processes

The following table provides a summary of deviations approved on an annual and monthly basis respectively:

Type of deviation	Number of deviations	Percentage of total deviations number	Value of deviations R	Percentage of total deviations value
Emergency	10	50	R170 074.92	51
Sole supplier	6	30	R29 024.00	9
Any other exceptional case where it is impossible or impractical to follow the official procurement process	4	20	R132 634.20	40
Total	**20**	**100**	**R331 732.92**	**100**

Table 29: Summary of deviations

Clause 36(1)(a)(v)- Deviations- impractical and or impossible:

Type of deviation	Number of deviations	%	Value of deviations (R)
Any contract relating to the publication of notices and advertisements by the Municipality	7	5	R129 052.08
Any contract with an organ of state, a local authority or a public utility corporation or company	6	2	R45 030.00
The appointment of any person to provide professional advice or services, where the value of such appointment is less than R200 000	44	92	R2 190 835.50
Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required to call for bids	7	1	R25 337.18
Total	**64**	**100**	**R2 390 254.76**

Table 30: Deviations – impractical and/or impossible

2.14.3 Logistics management

The system of logistics management must ensure:

- the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
- the placing of manual or electronic orders for all acquisitions other than those from petty cash;

- before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

Each stock item at the municipal stores are coded and are listed on the financial system. Monthly monitoring of patterns of issues and receipts are performed by the storekeeper.

Inventory levels are set at the start of each financial year. These levels are set for normal operations. If special projects are being launched by departments, such information must be communicated timely to the stores section for them to order stock more than the normal levels.

Internal controls are in place to ensure that goods and service that are received are certified by the responsible person.

Regular checking of the condition of stock is performed. Quarterly stock counts are performed at which surpluses, deficits, damaged and redundant stock items are identified and reported to Council.

The system of disposal management must ensure the following:

- Immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise, as community value makes up for the lower market value
- Movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous
- Firearms are not sold or donated to any person or institution within or outside the republic unless approved by the National Conventional Arms Control Committee
- Immovable property is let at market related rates except when the public interest or plight of the poor demands otherwise
- All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed
- Where assets are traded in for other assets, the highest possible trade-in price is negotiated
- In the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment

Assets must be disposed of in terms of Council's Asset Management and Immoveable Property Management Policy.

CHAPTER 2: GOOD GOVERNANCE

2.15 Municipal Cost Containment Measures

2.15.1 Municipal Cost Containment Regulations (MCCR)

National Treasury first published the draft MCCR for public comment on 16 February 2018, with the closing date being 31 March 2018. Comments were received, from the Department of Cooperative Governance and Traditional Affairs, SALGA, municipalities and other stakeholders. After extensive consultation and consideration of all comments received, the MCCR were finalised and promulgated on 7 June 2019 in the Government Gazette, with the effective date being 1 July 2019.

2.15.2 Municipal Cost Containment Policy

The MCCR do not apply retrospectively, therefore will not impact on contracts concluded before 1 July 2019. If municipalities and municipal entities decided to extend current contracts, such contracts should have been aligned with the principles outlined in the MCCR and SCM regulations.

Regulation 4(1) of the MCCR requires municipalities and municipal entities to either develop or review their cost containment policies. The MCCR require municipalities to adopt the cost containment policies as part of their budget related policies prior to 30 September 2019. The Beaufort West Municipality adopted cost containment policies on 15 June 2021.

2.15.3 Cost containment measure and annual cost saving

The effective implementation of the MCCR is the responsibility of the municipal council and the municipal accounting officer. In terms of the cost containment framework provided in the MCCR, which is consistent with the provisions of the MFMA and other government pronouncements, the following cost savings for the financial year are disclosed:

Cost Containment						
Cost Containment Measure	2019/20			2020/21		
	Budget	Total Expenditure	Savings	Budget	Total Expenditure	Savings
	R'000	R'000	R'000	R'000	R'000	R'000
Use of consultants	3 762	6 207	(2 455)	4 245	4 070	175
Vehicles used for political office -bearers	0	0	0	0	0	0
Travel and subsistence	962	956	6	609	313	296
Domestic accommodation	0	0	0	251	135	116
Sponsorships, events and catering	127	70	57	193	71	122
Communication	2 147	2 023	124	1 968	1 809	159
Other related expenditure items	0	0	0	0	0	0
Total	**6 998**	**9 256**	**(2 268)**	**7 266**	**6 398**	**868**

Table 31: Deviations – impractical and/or impossible

CHAPTER 3

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 KPI's and objectives in the IDP. It includes an overview on achievement in 2020/21 when compared to actual performance in 2019/20.

3.1 Overview of performance within the organisation

Performance management is a process which measures the implementation of the organisation's strategy. It is 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 institutionalised 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 organisation and its employees, are met.

The constitution of S.A (1996), Section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of Section 195(1) are linked with the concept of performance management, regarding the principles of inter alia:

- the promotion of efficient, economic and effective use of resources;
- accountable public administration;
- to be transparent by providing information;
- to be responsive to the needs of the community; and
- to facilitate a culture of public service and accountability amongst staff.

The MSA, 2000 requires municipalities to establish a performance management system. Further, the MSA and the MFMA requires the IDP to be aligned to the municipal budget and to be monitored for the performance of the budget via the service delivery and the budget implementation plan (SDBIP).

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, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation but also to the individuals employed in the organisation and the external service providers and municipal entities. This framework, *inter alia*, reflects the linkage between the IDP, budget, SDBIP and individual and service provider performance.

The Municipality adopted a performance management framework that was approved by Council in 2009.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.1.1 Legislative requirements

In terms of Section 46(1)(a) of the MSA 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.

3.1.2 Organisational performance

Strategic performance indicates how well the Municipality meet 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 ongoing basis and the results reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlights the strategic performance in terms of the Municipality's Top Layer SDBIP per strategic objective and the National KPI's prescribed in terms of Section 43 of the MSA.

3.1.3 The performance system followed for 2020/21

a) The IDP and the budget

The IDP and the budget for 2020/21 was reviewed and approved by Council on 29 May 2020. The IDP and performance management processes are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation, management, monitoring and evaluation of the IDP.

The SDBIP was prepared as described in the paragraphs below and the Top Layer SDBIP approved by the Executive Mayor on 31 May 2020.

3.1.4 Performance management

The organisational performance is monitored and evaluated via the SDBIP and the performance process can be summarised as follows:

- The Top Layer SDBIP was approved by the Mayor on 31 May 2020 and the information was loaded on an electronic web-based system
- The web-based system sent automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against KPI targets of every month for the previous month's performance
- The performance system administrator reminded all departments on a monthly basis to update their actual performance on the web-based system
- The Top Layer SDBIP was amended with the adjustment budget on 31 May 2021

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.2 Introduction to strategic and municipal performance for 2020/21

3.2.1 Strategic SDBIP

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section provides 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 SDBIP is the Municipality's strategic plan and shows the strategic alignment between the different documents (IDP, budget and performance agreements).

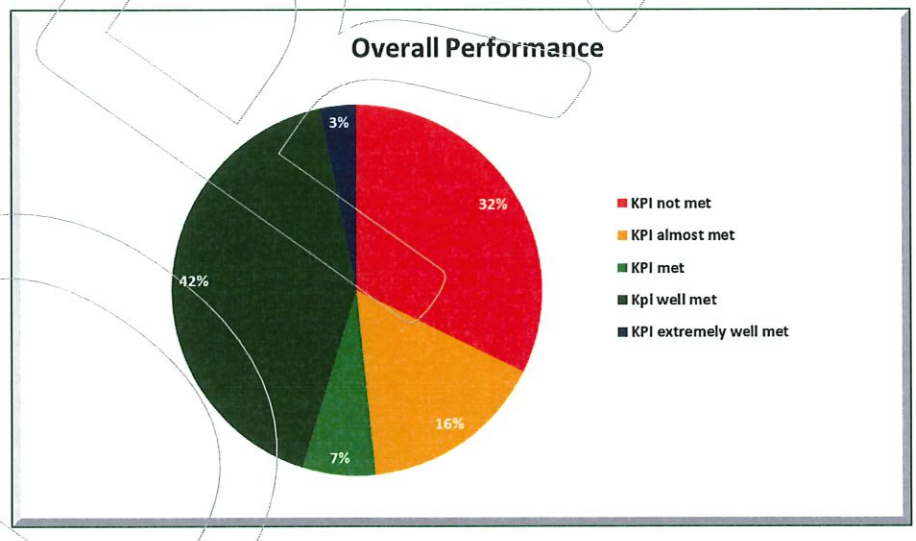
In the detail below the performance achieved is illustrated against the Top Layer SDBIP according to the IDP (strategic) objectives.

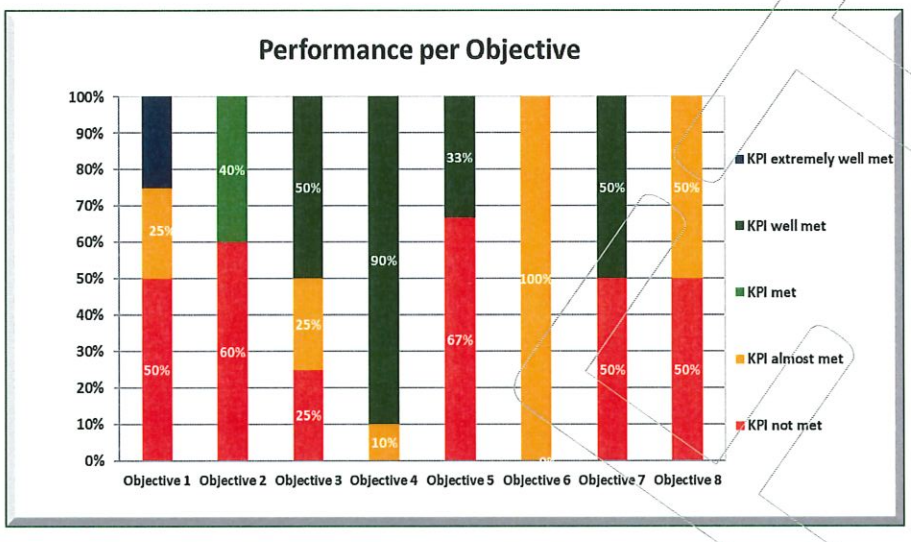
The following table explains the method by which the overall assessment of actual performance against targets set for the KPI's of the SDBIP is measured:

Category	Rating	Explanation
KPI Not Yet Measured	Not yet measured	KPI's with no targets or actuals in the selected period
KPI Not Met	KPI Not Met	0% > = Actual/Target< 75%
KPI Almost Met	KPI Almost Met	75% > = Actual/Target < 100%
KPI Met	KPI Met	Actual/Target = 100%
KPI Well Met	KPI Well Met	100% > Actual/Target < 150%
KPI Extremely Well Met	KPI Extremely Well Met	Actual/Target > = 150%

Figure 2.: SDBIP measurement categories

The graph below displays the overall performance in terms of the Top Layer SDBIP per strategic objectives for 2020/21:





Measurement Category	Objective 1 Ensure liquidity of the administration	Objective 2 Establishment of a well governed and accountable administration	Objective 3 Provide for the needs of indigent households through improved services	Objective 4 Provision of basic services to all the people in the municipal area	Objective 5 Sustainability of the environment	Objective 6 To enable education and skills development to equip people with economic skills	Objective 7 To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development	Objective 8 To improve and maintain current basic service delivery through specific infrastructural development projects
KPI Not Met	2	3	1	0	2	0	1	1
KPI Almost Met	1	0	1	1	0	1	0	1
KPI Met	0	2	0	0	0	0	0	0
KPI Well Met	0	0	2	9	1	0	1	0
KPI Extremely Well Met	1	0	0	0	0	0	0	0
Total		5	4	10	3	1	2	2

Graph 1.: Overall performance per strategic objective

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.2.2 Detailed actual performance for 2020/21 KPI's per strategic objectives

a) *Ensure liquidity of the administration*

Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2019/20	Overall performance 2020/21						
						Target					Actual	
						Q1	Q2	Q3	Q4	Annual		
TL11	Municipal Financial Viability and Management	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2021 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue - Operating Conditional Grant)x 100]	Debt to Revenue as at 30 June 2021	All	10.93%	0%	0%	0%	45%	45%	12.93%	B
TL12	Municipal Financial Viability and Management	Financial viability measured in terms of the outstanding service debtors as at 30 June 2021 [(Total outstanding service debtors/ revenue received for services)x 100]	Service debtors to revenue as at 30 June 2021	All	68.54%	0%	0%	0%	35%	35%	80.12%	R
Corrective Measures				Improve credit control and debt collection. Turnaround strategy								

Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2019/20	Overall performance 2020/21						
						Target					Actual	
						Q1	Q2	Q3	Q4	Annual		
TL13	Municipal Financial Viability and Management	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2021 [(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)]	Cost coverage as at 30 June 2021	All	0.6	0	0	0	1	1	0	R
Corrective Measures				No corrective measure provided								

Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2019/20	Overall performance 2020/21						
						Target					Actual	
						Q1	Q2	Q3	Q4	Annual		
TL14	Municipal Financial Viability and Management	Achieve a payment percentage of 90% by 30 June 2021 [(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100]	Payment % achieved by 30 June 2021	All	79.68%	75%	80%	85%	90%	**90%**	**81.60%**	O
Corrective Measures				Improve credit control and debt collection policy. Turnaround strategy								

Table 32: Ensure liquidity of the administration

b) Establishment of a well governed and accountable administration

Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2019/20	Overall performance 2020/21						
						Target					Actual	
						Q1	Q2	Q3	Q4	Annual		
TL17	Municipal Transformation and Institutional Development	Appoint people from the employment equity target groups in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people appointed in the three highest levels of management	All	0	0	0	0	1	**1**	**1**	G
TL18	Municipal Transformation and Institutional Development	0.10% of the municipality's personnel budget spent on implementing its workplace skills plan by 30 June 2021 [(Actual amount spent on training/total personnel budget)x100]	% of the municipality's personnel budget spent on implementing its workplace skills plan	All	0.77%	0%	0%	0%	0.10%	**0.10%**	**0%**	R
Corrective Measures				No training conducted in this financial year due to limitations caused by COVID-19. Other methods of rolling out training must be initiated such as webinars								

Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2019/20	Overall performance 2020/21						
						Target					Actual	
						Q1	Q2	Q3	Q4	Annual		
TL20	Good Governance and Public Participation	Compile the Risk based audit plan for 2021/22 and submit to Audit committee for consideration by 30 June 2021	Risk based audit plan submitted to Audit committee by 30 June 2021	All	0	0	0	0	1	1	1	G
TL21	Good Governance and Public Participation	70% of the Risk based audit plan for 2020/21 implemented by 30 June 2021 [(Number of audits and tasks completed for the period/ Number of audits and tasks identified in the RBAP)x100]	% of the Risk Based Audit Plan implemented by 30 June 2021	All	157%	0%	20%	0%	70%	70%	20%	R
Corrective Measures				10 Audits in the Internal Audit Plan but only 2 completed. The rest of the audit reports are not yet finalized, will be submitted to the Audit Committee in 2021/22								
TL31	Municipal Transformation and Institutional Development	85% of the approved project budget spent on the acquisition of the Municipal Office by 30 June 2021	% of budget spent by 30 June 2021	All	New KPI for 2020/21. No comparative actual available	10%	20%	50%	85%	85%	0%	R
Corrective Measures				No corrective measure provided								

Table 33: Establishment of a well governed and accountable administration

c) *Provide for the needs of indigent households through improved services*

Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2019/20	Overall performance 2020/21						
						Target					Actual	
						Q1	Q2	Q3	Q4	Annual		
TL5	Basic Service Delivery	Provide free basic water to indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2021	Number of indigent households receiving free basic water as at 30 June 2021	All	6 529	0	5 600	0	5 600	**5 600**	**7 244**	G2
TL6	Basic Service Delivery	Provide free basic electricity to indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2021	Number of indigent households receiving free basic electricity as at 30 June 2021	All	6 990	0	5 094	0	5 094	**5 094**	**7 173**	G2
TL7	Basic Service Delivery	Provide free basic sanitation to indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2021	Number of indigent households receiving free basic sanitation as at 30 June 2021	All	4 800	0	5 953	0	5 953	**5 953**	**3 575**	R
Corrective Measures				Community did not register for indigent rebate. Encourage community to register. Change different rebate categories from 3 to 2								

Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2019/20	Overall performance 2020/21						
						Target					Actual	
						Q1	Q2	Q3	Q4	Annual		
TL8	Basic Service Delivery	Provide free basic refuse removal to indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2021	Number of indigent households receiving free basic refuse removal as at 30 June 2021	All	2 539	0	2 225	0	2 225	**2 225**	**1 767**	O
Corrective Measures				Community did not register for indigent rebate. Encourage community to register. Change different rebate categories from 3 to 2								

Table 34: Provide for the needs of indigent households through improved services

d) Provision of basic services to all the people in the municipal area

Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2019/20	Overall performance 2020/21						
						Target					Actual	
						Q1	Q2	Q3	Q4	Annual		
TL1	Basic Service Delivery	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and which are billed for water or have pre paid meters as at 30 June 2021	Number of residential properties which are billed for water or have pre paid meters as at 30 June 2021	All	14 210	0	13 500	0	13 500	**13 500**	**15 388**	G2
TL2	Basic Service Delivery	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and which are billed for electricity or have pre paid meters (Excluding Eskom areas) as at 30 June 2021	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas) as at 30 June 2021	All	13 172	0	12 462	0	12 462	**12 462**	**11 204**	O
Corrective Measures				Old and duplicate accounts removed from financial system. Data cleansing								

Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2019/20	Overall performance 2020/21						
						Target					Actual	
						Q1	Q2	Q3	Q4	Annual		
TL3	Basic Service Delivery	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2021	Number of residential properties which are billed for sewerage as at 30 June 2021	All	12 559	0	11 870	0	11 870	**11 870**	**11 927**	G2
TL4	Basic Service Delivery	Number of formal residential properties for which refuse is removed once per week and which are billed for refuse removal as at 30 June 2021	Number of residential properties which are billed for refuse removal as at 30 June 2021	All	12 089	0	11 346	0	11 346	**11 346**	**11 712**	G2
TL25	Basic Service Delivery	85% of the approved project budget spent on the extension of the Goue Akker Cemetery in Beaufort West by 30 June 2021 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2021	2	New KPI for 2020/21. No comparative actual available	10%	20%	50%	85%	**85%**	**100%**	G2
TL26	Basic Service Delivery	85% of the approved project budget spent on the upgrade of the gravel road (Kamp Street) in Merweville by 30 June 2021 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2021	7	New KPI for 2020/21. No comparative actual available	10%	20%	50%	85%	**85%**	**100%**	G2
TL27	Basic Service Delivery	85% of the approved project budget spent on the construction of a new reservoir in Merweville by 30 June 2021 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2021	7	New KPI for 2020/21. No comparative actual available	10%	20%	50%	85%	**85%**	**100%**	G2

Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2019/20	Overall performance 2020/21						
						Target					Actual	
						Q1	Q2	Q3	Q4	Annual		
TL28	Basic Service Delivery	85% of the approved project budget spent on the construction of two new reservoirs in Murraysburg by 30 June 2021 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2021	1	New KPI for 2020/21. No comparative actual available	10%	20%	50%	85%	**85%**	**100%**	**G2**
TL29	Basic Service Delivery	85% of the approved project budget spent on the upgrade of the main substation - Phase 3 by 30 June 2021 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2021	All	New KPI for 2020/21. No comparative actual available	10%	20%	50%	85%	**85%**	**97.45%**	**G2**
TL30	Basic Service Delivery	85% of the approved project budget spent on the upgrade of Low Smit substation - Phase 2 by 30 June 2021 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2021	All	New KPI for 2020/21. No comparative actual available	10%	20%	50%	85%	**85%**	**96.38%**	**G2**

Table 35: Provision of basic services to all the people in the municipal area

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e) Sustainability of the environment

Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2019/20	Overall performance 2020/21						
						Target					Actual	
						Q1	Q2	Q3	Q4	Annual		
TL15	Local Economic Development	Limit unaccounted for water quarterly to less than 25% during 2020/21 [(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold (incl free basic water) / Number of Kilolitres Water Purchased or Purified x 100]	% unaccounted water	All	56%	25%	25%	25%	25%	**25%**	**54%**	R
Corrective Measures				Municipality is still busy to implement correctional measures to decrease the loss								
TL16	Local Economic Development	95% of water samples in the Beaufort West jurisdiction area comply with SANS241 micro biological indicators	% of water samples compliant to SANS 241	All	100%	95%	95%	95%	95%	**95%**	**100%**	G2
TL23	Local Economic Development	Limit unaccounted for electricity to less than 12% quarterly during the 2020/20 financial year [(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased) x 100]	% unaccounted electricity	All	14.70%	12%	12%	12%	12%	**12%**	**14.78%**	R
Corrective Measures				No corrective measure provided								

Table 36: Sustainability of the environment

f) To enable education and skills development to equip people with economic skills

Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2019/20	Overall performance 2020/21						
						Target					Actual	
						Q1	Q2	Q3	Q4	Annual		
TL19	Local Economic Development	Spend 100% of the library grant by 30 June 2021 (Actual expenditure divided by the total grant received)	% of grant spent by 30 June 2021	All	0	0%	0%	0%	100%	100%	94.36%	O
Corrective Measures				No corrective measure provided								

Table 37: To enable education and skills development to equip people with economic skills

g) To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development

Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2019/20	Overall performance 2020/21						
						Target					Actual	
						Q1	Q2	Q3	Q4	Annual		
TL10	Local Economic Development	Create temporary job opportunities in terms of the Extended Public Works Programme (EPWP) projects by 30 June 2021	Number of temporary jobs opportunities created by 30 June 2021	All	159	0	0	0	40	40	48	G2
TL22	Local Economic Development	Review the LED strategy and submit to Council by 30 June 2021	Revised LED strategy submitted to Council by 30 June 2021	All	0	0	0	0	1	1	0	R
Corrective Measures				LED Strategy not completed and therefore still in draft form. Resolved to adopt with the next 5 year IDP by May 2022								

Table 38: To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development

h) *To improve and maintain current basic service delivery through specific infrastructural development projects*

Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2019/20	Overall performance 2020/21						
						Target					Actual	
						Q1	Q2	Q3	Q4	Annual		
TL9	Basic Service Delivery	The percentage of the municipal capital budget spent by 30 June 2021 [(Actual amount spent /Total amount budgeted for capital projects)X100]	% of capital budget spent by 30 June 2021	All	73.59%	0%	15%	50%	85%	**85%**	**84.68%**	O
Corrective Measures				Target almost met								
TL24	Basic Service Delivery	85% of the electricity maintenance budget spent by 30 June 2021 ((Actual expenditure on maintenance divided by the total approved budget for maintenance)x100)	% of the electricity maintenance budget spent by 30 June 2021	All	New KPI for 2020/21. No comparative actual available	10%	20%	50%	85%	**85%**	**28.58%**	R
Corrective Measures				The Municipality will ensure acceleration of the maintenance expenditure in the following months								

Table 39: To improve and maintain current basic service delivery through specific infrastructural development projects

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3.2.3 Municipal functions

The municipal functional areas are as indicated below:

Municipal function	Municipal function Yes / No
Constitution Schedule 4, 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	No
Municipal planning	Yes
Municipal health services	No
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	No
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	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	No
Municipal abattoirs	No

Municipal function	Municipal function Yes / No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Table 40: Municipal functions

3.3 Component A: Basic Services

3.3.1 Water Services

a) *Introduction to Water Services*

Beaufort West is dependent on three different water sources:

- Surface water (Gamka Dam, Springfontein Dam and Walker Dam)
- Boreholes (40 boreholes in 6 aquifers)
- Water Reclamation Plant (WRP)

The water sources mentioned above are used to adhere to the demand of the community. The demand is approximately 6.3 mega litres per day. This figure varies depending on the weather conditions. During summer the water consumption is much higher than during winter. The high summer consumption is balanced by abstracting water from the Gamka Dam, boreholes and water from the WRP. During winter, only boreholes and the WRP are used to adhere to the demand from the community. The water quality of Beaufort West, Nelspoort, Merweville and Murraysburg is of a good standard.

Water losses are reduced to the minimum from the source to sector meters. There is a loss of approximately 60% from sector meters to billing. A water meter audit was done and showed that the challenge faced is billing and not only water losses by leakages in the network.

During the 2020/21 financial year all boreholes supplying water to Merweville was upgraded and a new 500kl reservoir was constructed.

Water supply to Merweville was a challenge during as the water demand exceeded the available bulk water supply. This resulted in "water shedding."

b) Highlight: Water Services

The table below indicate the highlight during the financial year:

Highlight	Description
New Reservoir – Merweville	New 500kl reservoir constructed
Upgrade of boreholes - Merweville	Upgrade of the 5 existing boreholes in Merweville and development of a new borehole

Table 41: Water Services highlight

c) Challenges: Water Services

The table below indicate the challenge faced during the financial year:

Description	Actions to address
Augmenting - water supply to Merweville	Drilling and equipping additional boreholes in Merweville to ensure sustainable bulk water supply
Water losses	Water meter audit to be done to ensure that all consumers are billed. Leak detection and repair programme to be implemented
Vandalism to water supply infrastructure	Upgrade of security measures at all boreholes and pumpstations

Table 42: Water Services challenge

d) Total use of water by sector

The table below indicates the total use of water per sector:

Total use of water by sector (cubic meters)				
Financial year	Agriculture	Forestry	Industrial	Domestic
2019/20	0	0	218 242	2 128 444
2020/21	0	0	243 843	2 465 534

Table 43: Total use of water by sector (cubic meters)

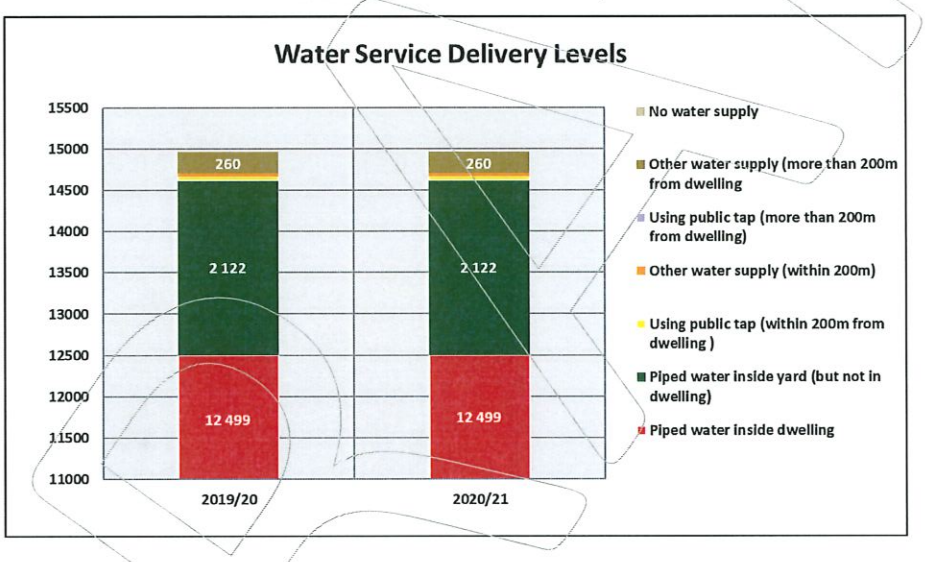
e) Water service delivery levels

The table below indicates the water service delivery levels:

Households		
Description	2019/20	2020/21
	Actual	Actual
	No.	No.
Water: (above min level)		
Piped water inside dwelling	12 499	12 499
Piped water inside yard (but not in dwelling)	2 122	2 122
Using public tap (within 200m from dwelling)	49	49
Other water supply (within 200m)	31	31
Minimum service level and above sub-total	**14 701**	**14 701**
Minimum service level and above percentage	**98**	**98**

Households		
Description	2019/20 Actual No.	2020/21 Actual No.
Water: (above min level)		
Water: (below min level)		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling	260	260
No water supply	0	0
Below minimum service level sub-total	260	260
Below minimum service level percentage	2	2
Total number of households	14 961	14 961
Include informal settlements		

Table 44: Water service delivery levels



Graph 2.: Water service delivery levels

f) Access to water

The table below indicates the number of households that have access to water:

Financial year	Number of households with access to water points*	Proportion of households with access to piped water	Number of households receiving 6 kl free#
2019/20	14 961	98.1%	6 529
2020/21	14 961	98.1%	6 627
* Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute # 6 000 litres of potable water supplied per formal connection per month			

Table 45: Access to water

g) Employees: Water Services and Waste Water Services

The table below indicates the number of staff employed within the Unit:

Occupational level	2019/20	2020/21			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	1	2	2	0	0
Skilled technical, superintendents, etc.	2	2	2	0	0
Semi-skilled	12	10	10	0	0
Unskilled	7	7	4	3	42.86
Total	**20**	**21**	**18**	**3**	**14.29**

Table 46: Employees: Water Services

h) Capital expenditure: Water Services

The table below indicates the capital expenditure incurred:

Capital projects	2020/21 (R)		
	Budget	Adjustment budget	Actual expenditure
Drilling, testing, equipping and connection of boreholes in Merweville	0	4 298 724	3 737 950
Construction of New Reservoir: Merweville	3 763 005	5 033 701	4 377 074
Construction of Two (2) New Reservoirs : Murraysburg	4 893 187	3 979 258	3 460 225
Enhancement of Borehole Monitoring and Security Upgrades	600 000	0	0
Supply and Install Generator at Water Treatment Works (WTW)	600 000	0	0
Total	**9 856 192**	**13 311 683**	**11 575 249**

Table 47: Capital Expenditure: Water Services

3.3.2 Sanitation Services

a) Introduction to Sanitation Services

The Municipality has four Waste Water Treatment Works (WWTW) that are situated in Beaufort West, Nelspoort, Merweville and Murraysburg. The WWTW of Nelspoort, Murraysburg and Merweville has recently been upgraded and are operating within the design capacity and the final effluent is of good quality.

The WWTW of Nelspoort, Merweville and Murraysburg are evaporation ponds.

Studies are being done on the Beaufort West WWTW as the biological trickle filter system has been de-commissioned and this increases the load on the activated sludge process.

The final effluent of the Beaufort West WWTW is reclaimed by the reclamation plant and treated to drinking water standards.

b) Challenges: Sanitation Services

The table below indicate the challenges faced during the financial year:

Description	Actions to address
Upgrading the Beaufort West WWTW	Currently, the plant is running at 97% of its capacity. Ageing infrastructure needs urgent attention as regular downtime occurs that results in untreated sewerage water flowing to the emergency ponds
Vandalism	Vandalism at pumpstations and the treatment works cause downtime and has a financial implication. Upgrade of security systems at the treatment facility and pumpstations is needed

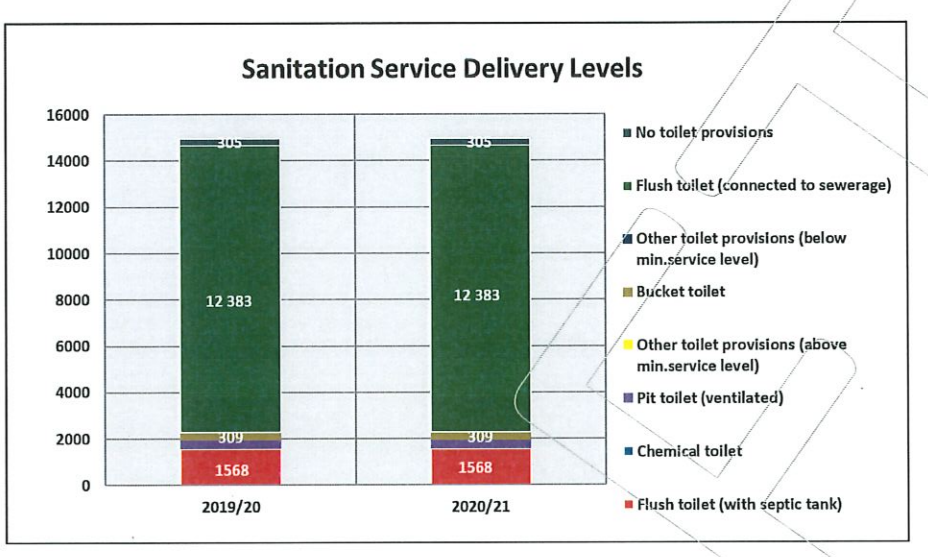
Table 48: Sanitation Services challenges

c) Sanitation service delivery levels

The table below indicates the service delivery levels for sanitation:

Households		
Description	2019/20	2020/21
	Actual	Actual
	No.	No.
Sanitation/sewerage: (above minimum level)		
Flush toilet (connected to sewerage)	12 383	12 383
Flush toilet (with septic tank)	1 568	1 568
Chemical toilet	0	0
Pit toilet (ventilated)	355	355
Other toilet provisions (above min.service level)	31	31
Minimum service level and above sub-total	**14 337**	**14 337**
Minimum service level and above percentage	**96%**	**96%**
Sanitation/sewerage: (below minimum level)		
Bucket toilet	309	309
Other toilet provisions (below min.service level)	0	0
No toilet provisions	305	305
Below Minimum Service Level sub-total	**617**	**617**
Below Minimum Service Level Percentage	**4%**	**4%**
Total households	14 951	14 951
Including informal settlements		

Table 49: Sanitation Service delivery levels



Graph 3.: Sanitation Service delivery levels

d) Employees: Water and Waste Water Networks

The table below indicates the number of staff employed within the Unit:

Occupational level	2019/20	2020/21			
	Number	Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	0	0	0	0	0
Skilled technical, superintendents, etc.	1	1	1	0	0
Semi-skilled	11	10	10	0	0
Unskilled	19	19	18	1	5.26
Total	**31**	**30**	**29**	**1**	**3.33**

Table 50: Employees: Sanitation Services

e) Capital expenditure: Sanitation Services

The table below indicates the capital expenditure incurred:

Capital projects	2020/21 (R)		
	Budget	Adjustment budget	Actual expenditure
Renewal of Sewerage Pump	0	350 000	306 001
Total	**0**	**350 000**	**306 001**

Table 51: Capital expenditure: Sanitation Services

3.3.3 Electricity Services

a) *Introduction to Electricity Services*

Local Government plays an important role in the provision of electricity. Section 153 of the Constitution places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic and social support.

The distribution of electricity in Beaufort West started in 1919 when the railway supplied the Municipality with electricity. The cost was 4.5 pennies per unit. During 1924, the Municipality started building their own power station. On 1 November 1925, the power station was officially opened and ever since, electricity has grown to be a huge industry, supplying energy to businesses and the community. The department is licensed by the National Electricity Regulator (NER) to supply electricity within its approved area of supply. The department is responsible for the distribution and supply of electricity for Beaufort West, Nelspoort, Merweville and surrounding rural areas. Eskom is responsible for the distribution of electricity in Merweville and partially in Murraysburg.

The department takes supply from Eskom at 132 000 volt at Katjieskop substation and distribute 11 000 volt to the supply areas.

The electricity is sold to industrial, commercial and domestic customers. Approximately 35.63% of the electricity is sold to industrial and commercial customers, 48.08% to domestic customers, 8.42% to indigents, 3.18% for street lighting and 4.69% for own use. Energy losses during the financial year amounted to 14.78%.

There are no backlogs in the provision of service connections. Applications for connections are processed as they are received and the necessary connection fees collected. All electricity customers receive a full service but are differentiated in terms of connection size in relation to connection fees paid.

I) SERVICE BACKLOGS

Due to the lack of financial resources over the past number of years, a backlog in repair and maintenance, as well as refurbishment and network expansion has increased. This backlog can only be addressed by sufficient capital investment into the electricity infrastructure.

II) INFRASTRUCTURE

Although the Municipality has been able to assist all applicants by providing electricity, the low level of investment in the upgrade, refurbishment and expansion of the electricity infrastructure has led to a situation that new developments can no longer be accommodated without major capital investment. It is therefore absolutely essential that the Municipality direct more of the surplus generated by the sale of electricity to the capital requirements of the electrical department.

b) *Highlights: Electricity Services*

The table below indicates the highlights of the financial year:

Highlight	Description
Upgrade of main substation	The Municipality started with the upgrade of the main substation, one of the oldest and most critical primary

Highlight	Description
	substations. New switchgear was ordered for manufacturing, and the Municipality is awaiting delivery soon
Expansion of Louw Smit substation	The Municipality expanded and is busy with the upgrade of Louw Smit substation, one of our primary substations. New 22 kV switchgear ordered and awaiting delivery. New 22 kV cables are in the process of being installed to close the ring feed from other primary substations

Table 52: Electricity Services highlights

c) Challenges: Electricity Services

The table below indicates the challenges faced during the financial year:

Description	Actions to address
COVID-19 pandemic	The Municipality must find a way to keep service delivery at a constant level although COVID-19 regulations hamper the services rendered
Financial constraints of the Municipality	The Services Departments can do little to address this issue and overtime is the only factor that can be addressed. The problem with overtime is that the more financial constraints are implemented, the more the network is dilapidated and the more overtime will be needed
Shortage of cherry pickers, personal protective clothing (PPE), material and tools	Cherry pickers must be repaired and certified serviceable. Tools for electricians and linesmen must be acquired as soon as possible. PPE must be issued backdated to 3 years. Material levels in the municipal stores must be stocked at minimum service levels and all essential and hard to require material and equipment must form part of stores stock

Table 53: Electricity Services challenges

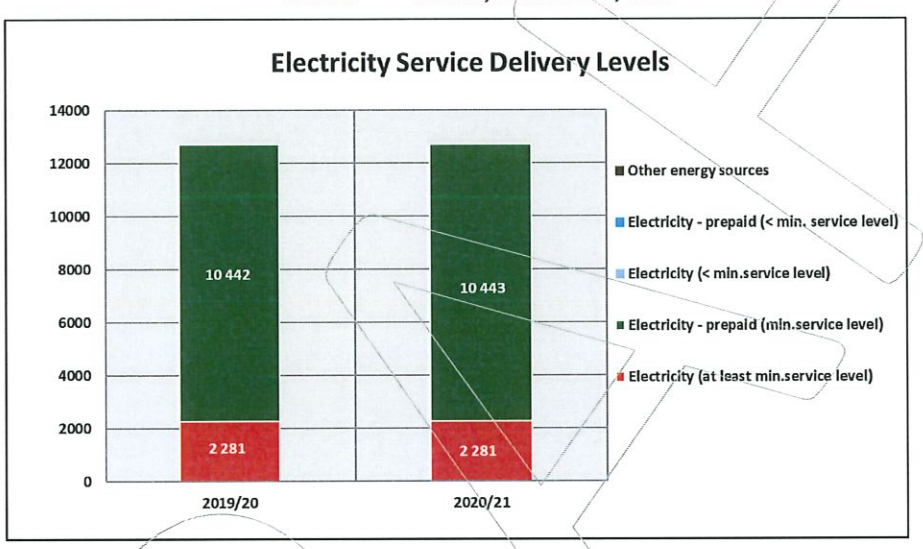
d) Electricity service delivery levels

The table below indicates the service delivery levels for electricity:

Households		
Description	2019/20	2020/21
	Actual	Actual
	No.	No.
Energy: (above minimum level)		
Electricity (at least min.service level)	2 281	2 281
Electricity - prepaid (min.service level)	10 442	10 443
Minimum service level and above sub-total	**12 723**	**12 724**
Minimum service level and above percentage	**100**	**100**
Energy: (below minimum level)		
Electricity (<min.service level)	0	0
Electricity - prepaid (< min. service level)	0	0

Households		
Description	2019/20	2020/21
	Actual	Actual
	No.	No.
Other energy sources	0	0
Below minimum sevice level sub-total	0	0
Below minimum service level percentage	0	0
Total number of households	12 723	12 724

Table 54: Electricity Service delivery levels



Graph 4.: Electricity Service delivery levels

e) *Employees: Electro-Technical Services*

The table below indicates the number of staff employed within the Unit:

Occupational level	2019/20	2020/21			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	1	0	1	100
Middle management and professionals	3	2	2	0	0
Skilled technical, superintendents, etc.	4	4	4	0	0
Semi-skilled	11	12	12	0	0
Unskilled	10	9	5	4	44.44
Total	28	28	23	5	17.86

Table 55: Employees: Electricity Services

f) Capital expenditure: Electricity Services

The table below indicates the capital expenditure incurred:

Capital projects	2020/21 (R)		
	Budget	Adjustment budget	Actual expenditure
Upgrading of Louw Smit Substation - Phase 2	2 800 000	2 800 000	2 406 846
Upgrading of Main Substation - Phase 3	3 600 000	2 414 000	2 098 099
Electrical Service Connection - Skills Centre	920 000	0	0
Total	**7 320 000**	**5 214 000**	**4 504 945**

Table 56: Capital expenditure: Electricity Services

3.3.4 Waste Management (refuse collections, waste disposal, street cleaning and recycling)

a) Introduction: Waste Management

I) SERVICE DELIVERY

The Unit provides a weekly door-to-door waste removal service to households and bi-weekly to businesses. Domestic and garden waste is removed on daily basis and placed either in the 85 litre refuse bins or refuse bags. Medical waste generated from hospitals, clinics and general practitioners are collected by a private company. The private company is responsible for spillage removal along the N1 national road transversing the Beaufort West area. Builder's rubble is removed by the community with their own transport, and the Municipality removes when dumped illegally on open spaces or upon request from households at minimal costs.

Community Work Programme (CWP) beneficiaries clean open spaces, litter picking and streets sweeping to other residential areas where there are no permanent staff allocated.

II) LANDFILL SITE DISPOSAL SITES

The four waste management facilities within the Beaufort West municipal area are situated in:

- Beaufort West - known as Vaalkoppies Landfill Site
- Merweville – known as Merweville Landfill Site
- Nelspoort – known as Nelspoort Landfill Site
- Murraysburg – known as Murraysburg Landfill Site

In addition, Beaufort West has a privately owned recycling facility. All landfill sites are operational of which 3 has permits (Vaalkoppies, Merweville and Murraysburg). The Municipality is currently busy with the licensing application for Nelspoort landfill site.

III) WASTE MINIMISATION

The Municipality developed a Waste Minimisation Strategy in 2002 in partnership with Southern Cape Recycling which was made possible by contributions from the Department of Environmental Affairs. The initiative targeted the high-income residential areas. Blue bags are supplied to about 20 households to collect only cardboard boxes, cans, paper and newspapers. Recyclable waste is

collected once a week and taken to the reclamation depot where it is sorted, baled and transported to Cape Town or Oudtshoorn. Some of the businesses, farmers and community drop the recyclables personally to the depot. The Municipality intends to expand the programme to middle and low income (including outside areas ie. Murraysburg, Nelspoort and Merweville) as soon the Youth Community Outreach Program (YCOP) participants are employed.

IV) WASTE AWARENESS AND EDUCATION

Waste awareness and education is currently done through the distribution of pamphlets on a quarterly basis. The target audience for these initiatives are schools and communities.

b) Highlights: Waste Management

The table below indicate the highlight during the financial year:

Highlights	Description
Training of youth (Environmental practice NGF Level 2)	Thirty (30) youth received training from House of Boniwe (Department of Labour) which consistent of 60% theoretical and 40% practical training. House of Boniwe was deployed to conduct the training for Beaufort West Municipality (2020)

Table 57: Waste Management highlight

c) Challenges: Waste Management

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Illegal dumping	▪ Education awareness to be done to all residential areas ▪ Budget allocation to buy enough "Illegal Dumping" boards ▪ Encourage/promote the 3 R's (reduce, reuse and recycle)
Maintenance and repairs of machinery	▪ Regular service/maintenance of compactor trucks and all machinery ▪ Review the current maintenance/repairs plan of fleet ▪ Appointment of qualified drivers/capacity training of current drivers
Waste Management Strategy	Review the Waste Management Strategy (currently collecting mixed waste, promote sorting out of waste)
Directive issued by the Department of Fishery, Forestry and Environment for Valkoppies and Murraysburg landfill sites	▪ Budget allocation for the expansion of Valkoppies landfill site ▪ Budget allocation for closing and rehabilitating of current cells at Valkoppies ▪ Promote the 3R's in Murraysburg for less waste to go to the landfill site
Draft Air Quality Management Plan	To be tabled at Council for final approval

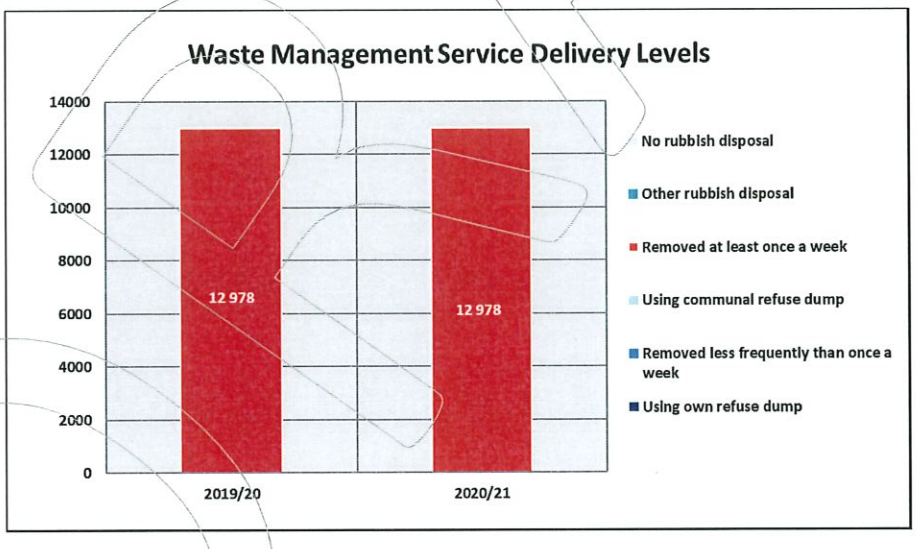
Table 58: Waste Management challenges

d) *Waste Management service delivery levels*

The table below indicates the service delivery levels for waste management:

Description	Households	
	2019/20	2020/21
	Actual	Actual
	No.	No.
Solid waste removal: (minimum level)		
Removed at least once a week	12 978	12 978
Minimum service level and above sub-total	12 978	12 978
Minimum service level and above percentage	100	100
Solid waste removal: (below minimum level)		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
Below minimum service level sub-total	0	0
Below minimum service level percentage	0	0
Total number of households	**12 978**	**12 978**

Table 59: Waste Management service delivery levels



Graph 5.: Waste Management service delivery levels

e) *Employees: Waste and Facility Management (Street Cleaning/Sanitation, Vacuum Services, Landfill Site & Refuse Removal)*

The table below indicates the number of staff employed within the Unit:

Occupational level	2019/20	2020/21			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	1	0	0	0	0
Skilled technical, superintendents, etc.	0	1	1	0	0
Semi-skilled	11	10	8	2	20
Unskilled	30	33	22	11	33.33
Total	**42**	**44**	**31**	**13**	**29.55**

Table 60: Employees: Waste Management

f) *Employees: Waste, Environment and Facility Management (Administrative Support, EPWP Administrations & Projects, Parks & Gardens, Cemeteries, Pound, Halls, Stadiums & Swimming Pools)*

The table below indicates the number of staff employed within the Unit:

Occupational level	2019/20	2020/21			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	1	1	1	0	0
Skilled technical, superintendents, etc.	3	2	2	0	0
Semi-skilled	13	29	24	5	17.24
Unskilled	34	23	21	2	8.70
Total	**51**	**55**	**48**	**7**	**12.73**

Table 61: Employees: Waste, Environment and Facilities Management

g) Capital expenditure: Waste Management

The table below indicates the capital expenditure incurred:

Capital projects	2020/21 (R)		
	Budget	Adjustment budget	Actual expenditure
Refuse Removal Truck	1 800 000	0	0
Bulldozer	1 800 000	0	0
Bulldozer	1 200 000	0	0
Total	**4 800 000**	**0**	**0**

Table 62: Capital expenditure: Waste Management

3.3.5 Employees: Basic Services: Merweville, Murraysburg and Nelspoort

The table below indicates the number of staff employed within the unit:

Occupational level	2019/20	2020/21			
	Number	Budgeted posts	Employees	Vacancies	Vacancies (as a % of total Budgeted posts)
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	0	1	1	0	0
Skilled technical, superintendents, etc.	4	5	5	0	0
Semi-skilled	23	28	27	1	3.57
Unskilled	27	24	13	11	45.83
Total	**54**	**58**	**46**	**12**	**20.69**

Table 63: Employees: Basic Services: Merweville, Murraysburg and Nelspoort

3.3.6 Housing

a) Introduction to housing

I) HOUSING NEED

The need for an integrated residential development approach that addresses the whole spectrum of residential needs has been identified and the following main income categories have been considered:

- IRDP: R0 – R3 500 per month
- Consolidation Housing Project: R0 – R3 500 per month
- Military Veteran Housing (MV): R0 – R10 417 per month
- Social Housing (Nelspoort Nurses Home) R 1 501 – R15 000 per month
- FLISP and GAP Housing R3 501 – R22 000 per month

II) EXISTING UNITS

Existing units are as follows:

IRDP Subsidy	**6040** - units according to recent estimates of the housing demand data base (Includes towns Beaufort West, Murraysburg, Merweville and Nelspoort)
GAP	**383-** potential applicants have registered on our data system
Social Housing	**21** – potential applicants occupying premises

Table 64: Housing needs

b) Prioritised IRDP housing sites

The prioritised IRDP housing site figures for the financial year is indicated in the table below:

Site	Units
Subsidy: Priority 1	
Murraysburg IRDP 347 & 388	100
Subsidy Priority 2	
Beaufort West S7 IRDP	624
Subsidy Priority 3	
B-West KwaMandlenkosi Consolidation	18

Table 65: Prioritised housing sites

c) GAP housing sites

The table below indicates the GAP housing sites of the Municipality and the number of units built:

Site	Property	Units
GAP: Priority 1		
5299, 5336 & 2851	G2	67

Table 66: GAP housing sites

d) Challenges: Housing

The table below indicates the challenges faced during the financial year:

Description	Actions to address
No grants committed for IRDP top structure for region	Housing pipeline must be revised and submitted for consideration
No emergency funding budgeted for Emergency Housing Programme (EHP)	A request must be submitted directly to national for a grant
The condition of dilapidated roofs of Kwa-Mandlenkosi old RDP housing is worsening and becoming a foreseeable hazard and danger to occupants	Grant from National for repairs ideal
The dilapidated Nelspoort Nurses Home	Grant from national for urgent renovations

Table 67: Housing: challenges

e) Households with access to basic housing

The table below indicates the statistics of households with access to basic housing:

Number of households with access to basic housing			
Financial Year	Total households (including formal and informal settlements)	Households in formal settlements	Percentage of households in formal settlements
2019/20	13 015	12 992	99.8%
2020/21	13 015	12 991	99.8%

Table 68: Households with access to basic housing

g) Housing waiting list

The following table shows the increase in the number of people on the housing waiting list.

Financial Year	Number of housing units on waiting list	% Housing waiting list increase/(decrease)
2019/20	6 128	6.13%
2020/21	6 423	4.81%

Table 69: Housing waiting list

h) Housing allocation

A total amount of R37.3 million was allocated to build houses during the 2019/20 financial year. A summary of houses built, includes:

Financial year	Allocation R'000	Amount spent R'000	% spent	Number of houses built	Number of sites serviced
2019/20	37 254	37 254	100%	796	0
2020/21	0	0	0	0	0

Table 70: Houses built in 2020/21

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i) Employees: Human Settlements and Land Affairs

The table below indicates the number of staff employed within the Unit:

Occupational level	2019/20	2020/21			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	1	1	1	0	0
Skilled technical, superintendents, etc.	1	1	1	0	0
Semi-skilled	3	5	4	1	20
Unskilled	0	0	0	0	0
Total	5	7	6	1	14.29

Table 71: Employees: Human Settlements and Land Affairs

3.3.7 Free basic services and indigent support

a) Introduction

The Municipality is one of the first municipalities in the country to implement free basic services to its indigent households. A debtor is considered indigent if the total monthly household income equals two times the amount of state funded social pensions or less (currently R3 380 per month). All indigent households receives 6kl water and 50KwH electricity free each month. Furthermore, an indigent debtor also receives a subsidy on refuse removal and sewerage, depending on the household income.

All indigents have to renew their applications annually in order to qualify for the benefits.

The table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved indigent policy of the Municipality, all households earning less than R3 380 per month will receive the free basic services as prescribed by the national policy.

b) Households: Free basic services

The tables below indicate the number of households that received free basic services in the 2019/20 and 2020/21 financial years:

Financial Year	Number of households								
	Total no of HH	Free basic electricity		Free basic water		Free basic sanitation		Free basic refuse removal	
		No. Access	%	No. Access	%	No. Access	%	No. Access	%
2019/20	14 994	6 549	44	6 529	44	4 800	32	2 539	17
2020/21	14 994	6 607	44	6 627	44	4 889	33	2 589	17

Table 72: Free basic services: Number of households

Electricity									
Financial Year	Indigent households			Non-indigent households			Households in Eskom areas		
	No. of HH	Unit per HH (kwh)	Value R'000	No. of HH	Unit per HH (kwh)	Value R'000	No. of HH	Unit per HH (kwh)	Value R'000
2019/20	6 549	50	5 770	0	0	0	52	50	46
2020/21	6 607	50	6 266	0	0	0	52	50	

Table 73: Free basic services: Electricity

Water						
Financial Year	Indigent Households			Non-indigent households		
	No. of HH	Unit per HH (kl)	Value R'000	No. of HH	Unit per HH (kl)	Value R'000
2019/20	6 529	6	11 248	0	0	0
2020/21	6 627	6		0	0	0

Table 74: Free basic services: Water

Sanitation						
Financial Year	Indigent Households			Non-indigent households		
	No. of HH	R value per HH	Value R'000	No. of HH	Unit per HH per month	Value R'000
2019/20	4 800	1 026	4 926	0	0	0
2020/21	4 889	1707	7 008	0	0	0

Table 75: Free basic services: Sanitation

Refuse removal						
Financial Year	Indigent Households			Non-indigent households		
	No. of HH	Service per HH per week	Value R'000	No. of HH	Unit per HH per month	Value R'000
2019/20	2 539	1	1 862	0	0	0
2020/21	2 589	1	2 634	0	0	0

Table 76: Free basic services: Refuse removal

3.4 Component B: Road Transport

This component includes: Roads, Transport, and Waste Water (Stormwater Drainage).

3.4.1 Roads

a) Introduction to Roads

The Municipality does pothole repairs, while contractors undertake the construction of new paved roads. These projects are done according to the Expanded Public Works Programme (EPWP) standards to create job opportunities.

All road construction is done by a main contractor and a nominated sub-contractor who is responsible for the labour. The main contractor trains the sub-contractor in all aspects of safety and construction.

The general maintenance of tarred and gravel roads were delayed due to budget constraints and unreliable machinery.

b) Highlight: Roads

The following table indicate the highlight of the financial year:

Highlight	Description
Construction of Kamp Street in Merweville	Gravel road to paved road

Table 77: Roads highlight

c) Challenges: Roads

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Old unreliable machinery	Ways to improve and acquire new fleet
Limited budget	Funding sources
Deterioration of road assets due to lack of annual maintenance budgeting	Provide funding for annual maintenance

Table 78: Roads challenges

d) Gravel roads infrastructure: Kilometres

The table below indicates the amount of gravel roads constructed, maintained and upgraded during the financial year:

Gravel roads infrastructure: Kilometres				
Financial year	Total km's gravel roads	New gravel roads constructed	Gravel roads upgraded to paved	Gravel roads graded/maintained (km)
2019/20	74.41	0	0	10
2020/21	55.80	0	0.68	2

Table 79: Gravel road infrastructure

e) Tarred road infrastructure: Kilometres

The table below indicates the number of tarred/paved roads constructed, maintained and upgraded during the financial year:

Tarred/paved road infrastructure: Kilometres					
Financial year	Total tarred/paved roads	New paved roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar/paved roads maintained
2019/20	109.4	0	0	0	10
2020/21	110.1	0.68	0	0	25

Table 80: Tarred road infrastructure

f) Employees: Roads and Stormwater

The table below indicates the number of staff employed within the Unit:

Occupational level	2019/20	2020/21			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	1	1	1	0	0
Skilled technical, Superintendents, etc.	1	1	1	0	0
Semi-skilled	17	17	17	0	0
Unskilled	36	34	27	7	20.59
Total	**55**	**53**	**46**	**7**	13.21

Table 81: Employees: Roads and stormwater

g) Capital expenditure: Roads and Stormwater

The table below indicates the capital expenditure incurred:

Capital projects	2020/21 (R)		
	Budget	Adjustment budget	Actual expenditure
Upgrading of Gravel Roads : Merweville - Kamp Street	1 830 764	2 619 897	2 278 147
Total	**1 830 764**	**2 619 897**	**2 278 147**

Table 82: Capital expenditure: Roads and stormwater

3.4.2 Waste Water (Stormwater Drainage)

a) Introduction to Waste Water (Stormwater Drainage)

Maintenance of the waste water/stormwater drainage systems are done by a team employed under an EPWP project.

The project involves the following:

- maintenance and cleaning of inlets, channels, culverts and earth drains
- construction of minor stormwater systems/structures

b) Highlights: Waste water (stormwater drainage)

The following table indicates the highlight of the financial year:

Highlight	Description
Less flooding occurred	Cleaning of systems

Table 83: Waste water (stormwater drainage) highlight

c) Challenges: Waste water (stormwater drainage)

The tables below reflects the challenges experienced during the financial year:

Description	Actions to address
Limited operational budget	Budget accordingly
More capital funding needed to address problem areas	
No mechanical plant	

Table 84: Waste water (stormwater drainage) challenges

d) Stormwater infrastructure: kilometres

The table below shows the total kilometres of stormwater infrastructure maintained, upgraded and the kilometres of new stormwater pipes installed:

Stormwater infrastructure: Kilometres				
Financial year	Total stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2019/20	Master plan outdated	0	0	5
2020/21	Master plan outdated	0	0	10

Table 85: Stormwater infrastructure

e) Cost of stormwater infrastructure

The table below indicates the amount of money spend on stormwater maintenance:

Financial year	Stormwater measures		
	New R'000	Upgraded R'000	Maintained R'000
2019/20	Part of new road construction and roads and stormwater maintenance budget	0	Part of Roads
2020/21	Part of new Kamp Street road budget	0	Part of Roads

Table 86: Cost of construction/maintenance of stormwater systems

EPWP funds were made available to create jobs through stormwater maintenance. Material was purchased with savings from the operational and maintenance budget.

Personnel appointed for these projects are categorized as the following:

Description	Female	Male	Youth
Data capturer	0	0	1
Supervisor	0	0	0
Labourers	1	1	1

Table 87: Appointments for EPWP stormwater maintenance

3.5 Component C: Planning and LED

3.5.1 Planning and Building Control

a) *Introduction to Planning and Building Control*

Due to the growing beneficiary list for subsidised housing, planning for residential areas to accommodate the IRDP and GAP Housing was performed by a turnkey contractor. The aforementioned planning was done in conjunction with the officials of the Municipality.

b) *Service statistics: Planning and Building Control*

The table below indicates the performance statistics for planning and building control:

Type of service	2019/20	2020/21
Building plans application processed	86	87
Total surface (m²)	5 001	5226
Approximate value (Rand)	15 004 110	187 400
Residential extensions	57	78
Land use applications processed	36	21
Rural applications	0	0

Table 88: Service statistics: Planning and building control

c) *Employees: Planning and Building Control*

The table below indicates the number of staff employed within the unit:

Occupational level	2019/20	2020/21			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	0	0	0	0	0
Skilled technical, superintendents, etc.	2	2	2	0	0
Semi-skilled	0	0	0	0	0
Unskilled	0	0	0	0	0
Total	**2**	**2**	**2**	**0**	0

Table 89: Employees: Planning and building control

f) Capital expenditure: Planning and Building Control

Capital projects	2020/21 (R)		
	Budget	Adjustment budget	Actual expenditure
Computer Equipment – Project Management Unit (PMU)	0	60 000	0
Furniture and Office Equipment - PMU	0	16 210	0
Total	**0**	**76 210**	**0**

Table 90: Capital expenditure: Town planning

3.5.2 Local Economic Development (including market places)

a) Introduction to LED

LED plays a central role in fighting the triple challenge of poverty, inequality and unemployment by striving to stimulate economic growth, development and transformation. In this case, with the development of a new LED Strategy, the Municipality will strive to develop the Beaufort West local economy into a diversified and vibrant one.

In partnership with all key role players, LED promotes and facilitates, enterprise development, skills development, economic transformation and poverty alleviation directed at five (4) focus areas:

- enterprise development;
- rural development;
- economic skills and capacity development; and
- investment facilitation.

The Municipality currently does not have a dedicated LED and Tourism Official but is in the process to advertise and fill the position. The Municipality was involved in some inter-sectoral job creation opportunities during the 2019/20 financial year, including the Expanded Public Works Programme (EPWP) and the Community Work Programme (CWP). The CWP provided for more than 1 300 temporary jobs in this financial year.

The Municipality does not have an LED Strategy and Implementation Plan in place. The Municipality is busy developing a new LED Strategy with the support of SALGA and Municipal Infrastructure Support Agent (MISA).

The Municipality's first LED Workshop was held on 10 December 2018 as a first phase of a process to adoption of the new LED strategy with the support of SALGA.

MISA has come on board during the 2019/20 financial year to assist the Municipality together with the support of SALGA to champion the development of the LED Strategy. Part of the commitments made by MISA and SALGA was the following:

- ongoing support;
- a dedicated official from MISA and SALGA to work with the Municipality;
- support with the development of the new LED Strategy; and
- support with the establishment of an LED Forum for Beaufort West.

The second workshop with different stakeholders was held on 12 December 2019 and the third workshop on 27 February 2020. Separate workshops were organized for the outside towns of Murraysburg, Nelspoort and Merweville for April 2020, but due to the nationwide lockdown emanating from the COVID-19 pandemic, these sessions could not take place. A subsequent meeting was held on 6 May 2020 between the Municipality and MISA to discuss the progress made with the development of the draft LED Strategy and to find ways to gather the inputs of the towns of Murraysburg, Nelspoort and Merweville.

Some of the projects that will be included in the LED Strategy are the following:

- development of a business hub;
- reserve and identification of land for business purposes;
- subdivision of agricultural land and provision of industrial land;
- rezoning of road infrastructure (conversion of streets in CBD to one ways);
- conversion of Hansrivier Farm to a recreational park;
- utilisation of the farm Lemoenfontein for renewable energy; and
- re-use technology (turning waste into energy).

The target date to table the LED Strategy before Council for adoption was initially by 30 June 2020, but it is now envisaged to get the draft LED Strategy approved by Council by 30 June 2021.

Small Enterprise Development Agency (SEDA) in collaboration with the Municipality offered a "Basic Business Skills" training during September 2019 for all Small, Medium and Micro Enterprises (SMME's) in the area. The training focused on the following areas:

- marketing skills
- costing and pricing
- general business management principles

3.5.3 Tourism

a) Introduction to Tourism

The primary purpose of the Tourism Office is to actively introduce and market the tourism experiences and services of the municipal area within its frontier, throughout the Western Cape, the country as a whole and in foreign countries, where possible.

It is important to coordinate the marketing actions of local government, private sector and other institutions within the area, to optimally utilise the tourism potential. At the same time, it is important to continually expand new tourism experiences and enhance current activities and experiences.

Tourism directly employs 321 full time positions and 46 casual employees in the town of Beaufort West alone. This does not include the knock-on effect from tourism suppliers and related industries, nor the surrounding small towns and farm stays.

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b) Highlights: Tourism

Highlight	Description
Launch of Beaufort West and Surrounds Map Brochure	A new map brochure was introduced this year. 10 000 have been printed and will be distributed
Development of Roads Less Travelled Map Brochure	New back roads map brochures have been under development. This will consist of five loops which start and end in Beaufort West. The loops take visitors to visit the lesser-known towns and regions of the Central Karoo, thus bringing tourists to these often-forgotten areas. "Road Less Travelled" should be ready to launch by the beginning of October 2021
Astro Tourism	The Municipality has started exploring expanding the Tourism Sector and hope to find funding to train some Astro Tourism Guides which could be placed in strategic areas
"Karoo tot Kus"/Karoo to Coast	Together with George, Oudtshoorn and Prince Albert Tourism, The Unit is currently developing a new tourism route which takes visitors from Beaufort West to George via the N12. The Municipality hope to encourage visitors to take this route to the coast, instead of the N9, which means they bypass Beaufort West

Table 91: Tourism highlights

c) Challenges: Tourism

The table below indicates the challenges faced during the financial year:

Description	Actions to address
COVID-19 restrictions	Digitization and increased focus on domestic tourism
Funding	Lobby local and provincial government to assist with increased funding. Increase membership drive
Poor maintenance of CBD area, especially Main Road	Lobby the Municipality to increase focus on the towns image to visitors, increased patrols by SAPS to discourage loitering and begging. Tourism Safety Monitors need to be hosted by the Municipality, not only Beaufort West Tourism and Beaufort West Museum

Table 92: Tourism challenges

d) Tourism initiatives

Initiative	Proposals
Tourism transformation	Integrated tourism routes, tourism conservancy adjacent to park, Beaufort West Empowerment Through Tourism (BWETT), upgrading of arts and crafts centre to serve as a hub for township tourism
Cycle tourism	Development of self-guided cycle routes throughout the area, linking smaller towns. Cycling is a proven tourism catalyst and builds new tourism initiatives. Wesgro has developed Karoo Crossings, which we hope to expand into some of our areas
Self-drive routes	Development of self-drive routes throughout the area, linking the smaller towns in the area and highlighting the rich culture

Initiative	Proposals
	and heritage of our wonderful region. With small budgets these can be created. Roads Less Travelled is under construction
Astro tourism	The area has excellent opportunities for Astro tourism. Funding for training and development of Astro tourism should be allocated
Dine with a local	This is an initiative that has a proven success in both Stellenbosch and George. Have 4 cultural food experiences showcasing Beaufort West's diverse cultural heritage by having group visitors enjoy a meal with a local
Nelspoort rock engravings complex	Nelspoort has an incredible array of rock engravings on a farm belonging to Beaufort West Municipality. It is suggested that a small part of this farm should be set aside so that these engravings can be showcased in an appropriate manner, thus creating a tourism experience which would benefit the local community of Nelspoort

Table 93: Tourism initiatives

3.6 Component D: Community and Social Services

3.6.1 Libraries

a) Introduction to Libraries

Beaufort West Municipality has six libraries which are based in the following towns:

- Beaufort West (3 libraries);
- Merweville (1 library);
- Murraysburg (1 library); and
- Nelspoort (1 library).

Beaufort West libraries provide library and information services which are free, equitable and accessible. Libraries also promote a culture of reading, library usage and lifelong learning. Beaufort west libraries also provide free access to the internet, Wifi and Mzantsi Libraries Online. The Municipality is also continuing with the Mini Libraries for the Blind Project at Church Street Library.

The COVID-19 pandemic has disrupted life in ways that we could never have imagined. It has changed every aspect of living, even routine activities that often taken for granted, such as visiting the library. The spread of the COVID 19 virus has influenced the very nature of what libraries are and do. Libraries were forced to re-evaluate its services and how it meets the needs of the communities.

The pandemic also brought to the fore the manner in which libraries will need to operate in future. In response to the upheaval caused by COVID-19, Beaufort West libraries operated in novel ways to remain relevant in the lives of their user communities.

b) Highlights: Libraries

The table below indicates the highlights of the financial year:

Highlight	Description
Introduction of eBooks and audiobooks by Western Cape Library Services	An eBook is a book in an electronic format. It is downloaded to a computer, PC, laptop, smartphone or any other kind of reading device and is read on-screen. It can have numbered pages, table of contents, pictures and graphics, exactly like a printed book. Audiobooks are voice recordings of the text of a book that you listen to rather than read. Audiobooks can be exact "word-for-word" versions of books. You can listen to audiobooks on any smartphone, tablet, computer, home speaker system, or in a car entertainment system. Borrowers can register online and if they encounter any problems, they can visit their local library. All individuals who are valid active members of a public library in the Western Cape will have an access. For more information on procedures library users can visits their local library or the digital website (https//westerncape.ovedrive.com)
Virtual story telling	Church Street Library, in collaboration with the Beaufort West Museum, hosted virtual story telling

Table 94: Libraries highlights

c) Challenges: Libraries

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Non-return and late of library material	Due to COVID-19 pandemic, library users could not be able to return library material in time due to closing of libraries
Training for library staff	Professional recognized training should be identified for library staff. Training of library staff will be identified in the next financial year
COVID-19	Due to the COVID-19 pandemic, libraries could not be able to deliver what was expected of them in terms of outreach programmes, attending of trainings, seminars and building projects. This resulted in the budget not being fully utilised. Despite the sectors innovative undertakings, access to information and resources have been severely curtailed. Library hours reduced and library programmes stopped. Health and safety concerns add stress, while social distancing has taken away some of the fun and the support system

Table 95: Libraries challenges

d) Service statistics for libraries

The table below indicates the service statistics for library services:

Type of service	2019/20	2020/21
Library members	426 230	8 512
Books circulated	67 200	29 607

Type of service	2019/20	2020/21
Exhibitions held	84	72
Internet users	93 000	2 343
New library service points or wheelie wagons	0	0
Visits by school groups	63	0

Table 96: Service statistics for libraries

e) Employees: Libraries

The table below indicates the number of staff employed within the Unit:

Occupational level	2018/19	2019/20			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	1	1	1	0	0
Skilled technical, superintendents, etc.	2	3	3	0	0
Semi-skilled	12	18	17	1	5.56
Unskilled	0	0	0	0	0
Total	**15**	**22**	**21**	**1**	**4.55**

Table 97: Employees: Libraries

f) Capital expenditure: Libraries

The table below indicates the capital expenditure incurred:

Capital projects	2020/21 (R)		
	Budget	Adjustment budget	Actual expenditure
Church Street Library Furniture and Office Equipment	0	155 968	8 936
Total	**0**	**155 968**	**8 936**

Table 98: Capital expenditure: Libraries

3.6.2 Cemeteries

a) Introduction to Cemeteries

There are enough burial grounds in the outer towns under the jurisdiction of Beaufort West, but the expansion of the "Goue Akker" cemetery was implemented in the 2020/21 financial year due to limited burial space.

b) Highlight: Cemeteries

The table below indicates the highlight of the financial year:

Highlight	Description
Expansion of "Goue Akker" Cemetery in Beaufort West	The project entails the expansion of the cemetery, fencing and a caretaker facility with restrooms

Table 99: Cemeteries highlight

c) Challenges: Cemeteries

The table below indicate the challenge faced during the financial year:

Description	Actions to address
Vandalism	Caretakers and maintenance on sites
Decreasing burial space in Beaufort West	Project was registered with Municipal Infrastructure Grant (MIG) and implemented

Table 100: Cemeteries challenge

d) Service statistics: Cemeteries

The table below indicates the performance statistics for Cemeteries:

Type of service	2019/20	2020/21
Pauper burials	44	437
Total	**44**	**437**

Table 101: Capital expenditure: Cemeteries

e) Capital expenditure: Cemeteries

The table below indicates the capital expenditure incurred:

Capital projects	2020/21 (R)		
	Budget	Adjustment budget	Actual expenditure
Extension of Goue Akker Cemetery: Beaufort West	2 341 355	1 839 757	1 599 788
Total	**2 341 355**	**1 839 757**	**1 599 788**

Table 102: Capital expenditure: Cemeteries

3.7 Component E: Security and Safety

3.7.1 Traffic Services and Law Enforcement Services

a) *Introduction to Traffic and Law Enforcement Services*

Traffic Services resort under the Department: Community Services. The office is responsible for Law enforcement, driving licenses, vehicle testing, vehicle registration and court functions. The Traffic Services is currently in its 72nd year of operation.

b) *Highlights: Traffic and Law Enforcement Services*

The following table indicate the highlight of the financial year:

Highlight	Description
24/7 operations	Successfully implemented first ever 24/7 law enforcement operations for the period

Table 103: Traffic and Law Enforcement Services highlight

c) *Challenges: Traffic Services and Law Enforcement*

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Impact of COVID-19 on workplace	Vaccinations and observe safety protocols
Lack of discipline	Implementation of disciplinary procedures
Lack of supervision	Manage attendance and provide supervisory or management training

Table 104: Traffic and Law Enforcement Services challenges

d) *Service statistics for Traffic and Law Enforcement Services*

The table below indicates performance statistics for Traffic and Law Enforcement Services:

Details	2019/20	2020/21
Motor vehicle licenses processed	8 244	15 740
Learner driver licenses processed	301	242
Driver licenses processed	316	197
Driver licenses issued	1 096	655
Fines issued for traffic offenses	134	5 003
R-value of fines collected	112 200	2 590 080
Roadblocks held	18	4
Complaints attended to by Traffic Officers	0	0
Awareness initiatives on public safety	0	0

Table 105: Service statistics for Traffic and Law Enforcement Services

e) Employees: Traffic Services and Law Enforcement

The table below indicates the number of staff employed within the Unit:

Occupational Level	2019/20	2020/21			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	1	1	1	0	0
Skilled technical, superintendents, etc.	19	18	17	1	5.56
Semi-skilled	12	10	5	5	50
Unskilled	2	2	2	0	0
Total	**34**	**31**	**25**	**6**	**19.35**

Table 106: Employees: Traffic and Law Enforcement Services

3.7.2 Fire and Disaster Management Services

a) Introduction to Fire and Disaster Management Services

Beaufort West Municipality offers services for structural fires in surrounding areas. It comprises of 15 firemen. The Fire Services put out fires to conserve the environment and save properties and lives. In case of emergencies the Fire Services also assist the emergency services personnel (health) on arrival, put out fires as soon as possible and investigate the cause of the fire.

b) Highlight: Fire and Disaster Management Services

The following table indicate the highlight of the financial year:

Highlights	Description
Superintendent office	Moved to Head Office of Community Services

Table 107: Fire and Disaster Management Services highlight

c) Challenges: Fire and Disaster Management Services

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Outdated building (fire station)	Renovate building or lease suitable building
No PPE/uniforms because of poor procurement process	Consult with Supply Chain Management (SCM) for better procurement

Table 108: Fire and Disaster Management Services challenges

d) Service statistics for Fire and Disaster Management Services

The table below indicates performance statistics of fire services and disaster management services:

Details	2019/20	2020/21
Operational callouts	132	120
Reservists and volunteers trained	4	2
Awareness initiatives on fire safety	2	4

Table 109: Service statistics for Fire and Disaster Management Services

e) Employees: Fire and Disaster Management Services

The table below indicates the number of staff employed within the Unit:

Occupational level	2019/20	2020/21			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	0	0	0	0	0
Skilled technical, superintendents, etc.	5	5	5	0	0
Semi-skilled	11	11	10	1	9.09
Unskilled	0	0	0	0	0
Total	**16**	**16**	**15**	**1**	**6.25**

Table 110: Employees: Fire and Disaster Management Services

3.7.3 COVID - 19

a) Introduction to COVID-19

On 15 March 2020 President Cyril Ramaphosa declared South Africa COVID-19 epidemic a national state of disaster under the Disaster Management Act (DMA) 57 of 2002. This was done primarily, as the President stated it to enable the government to "have an integrated and coordinated disaster management mechanism that will focus on preventing and reducing the outbreak of this virus." The declaration enabled the government to issue a slew of regulations, directions, and guidelines to contain and mitigate the impact of the pandemic.

During a state of disaster, the DMA allows the government to issue regulations to restrict, inter alia, movement of persons and goods "to, from or within the disaster-stricken or threatened area, ... the suspension or limiting of the sale, dispensing or transportation of alcoholic beverages in the disaster-stricken or threatened area.... [or] any other steps that may be necessary to prevent an escalation of the disaster, or to alleviate, contain and minimise the effects of the disaster..." (Section 27(2).)

Similarly, the Disaster Management Regulations of 2004 (DMR) (as amended) state that:

"any Minister may issue and vary directions, as required, within his or her mandate, to address, prevent and combat the spread of COVID-19, from time to time, as may be required, including...steps that may be necessary to prevent an escalation of the national state of disaster, or to alleviate, contain and minimise the effects of the national state of disaster." (Section 10(8).)

These regulations and the pandemic itself have had a major impact on the basic service delivery and operations of local government, who had to adjust with immediate effect not only identified risks, projects, manpower but also budgets.

b) COVID-19 Committee

On April 2020, the Municipality established the Local Joint Organising Committee (LJOC). The committee comprises of members from all spheres of government.

The LJOC has the following functions:

- planning and implementing of an action plan to combat the spread of the corona virus
- reporting of confirmed cases per sector department
- economy recovering discussions and COVID-19 awareness communication

c) Committee members

The table below indicates the members that serve on the LJOC and the dates of the meetings held:

Name of representative	Representative forum	Meeting dates
K Haarhoff	Municipal Manager	Every Thursday pending the availability of Sector Departments Representatives
S Pheiffers	COVID-19 Compliance Officer	
A Makendlana	Director Corporate Services	
B Vink	Director of Finance Department	
D Van Thura	Director Infrastructure	
Representatives	Sector Departments	

Table 111: Local Joint Organising Committee members

d) COVID-19: statistical information

The table below indicates the documented statistical information for COVID-19 within the Beaufort West Municipality area from 1 July 2020 – 30 June 2021:

Description	2019/20	2020/21
Infections	60	20
Deaths	1	3
Recoveries	59	17

Table 112: COVID-19 statistical information

e) Challenges: COVID-19

The table below gives a brief description of the COVID-19 challenge during the 2020/21 financial year:

Challenge	Corrective action
Finance	Support from national programmes
Awareness	Conduct public participation programmes

Table 113: COVID-19 challenges

f) Action plan to address the COVID-19 associated risks

The table below provide the actions implemented/that will be implemented to address the COVID-19 associated risks:

Risk	Action implementation
Public Spaces	Decontaminate the areas
COVID-19 protocols	Induction
COVID-19 positive cases in the workplace	Administrative controls

Table 114: COVID-19 action plans

g) COVID – 19 communication/awareness

The table below indicates the different communication/awareness statistical information the Municipality has implemented:

Communication/ Awareness campaign	Platform/ channel utilised	Date
Public participation radio program to communicate important protocols about COVID-19	Radio Gamkaland	N/A
Flyer distribution	BWM Jurisdiction	Ongoing

Table 115: COVID-19 communication/awareness

3.8 Component F: Sport and Recreation

3.8.1 Sport and Recreation

The community loves sport, but the main challenge is to raise enough funds to develop the different sport fields as only 15% of the Municipal Infrastructure Grant (MIG) funds are available for this purpose.

The MIG allocation for the 2020/21 financial year was earmarked for the upgrade of Kwa-Mandlenkosi Sports Ground where the newly constructed ablution block from the 2019/20 financial year, was completed.

Due to drought challenges and vandalism which affected the irrigation system in all sport and recreation facilities, grass are mowed and irrigated using the water tank truck on a regular basis.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

a) Highlight: Sport and recreation

The following table indicate the highlight of the financial year:

Highlight	Description
Completion of ablution block at the Kwa Mandlenkosi Sport Ground	The ablution block was constructed in the previous financial year and was completed within the 2020/21 financial year. Work done included, painting, tiling and ceiling construction

Table 116: Sport and recreation highlight

b) Challenges: Sport and recreation

Challenge	Actions to address
Vandalism of buildings to all sports facilities	Community involvement in terms of future plans and ownership
	Budget allocation to continue with the repairs of damaged buildings or facilities and security

Table 117: Sport and recreation challenges

c) Service statistics for sport and recreation

The table below indicates performance statistics of sport and recreation services:

Type of service	2019/20	2020/21
Community parks		
Number of parks with play park equipment	8	8
Number of wards with community parks	7	7
Swimming pools		
Number of visitors per annum	0	0
R-value collected from entrance fees	0	0
Sport fields		
Number of wards with sport fields	7	7
Sport halls		
Number of wards with sport halls	7	7
Number of sport associations utilizing sport halls	5	5

Table 118: Service statistics for sport and recreation

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d) Capital expenditure: Sport and recreation

The table below indicates the capital expenditure incurred:

Capital projects	2020/21 (R)		
	Budget	Adjustment budget	Actual expenditure
Upgrade Sport Stadium - Kwa Mandlenkosi	0	152 448	80 696
Upgrade Existing Regional Sport Stadium Phase 2: Rustdene	776 689	0	0
Total	**776 689**	**152 448**	**80 696**

Table 119: Capital expenditure: Sport and recreation

3.9 Component G: Corporate Policy Offices and Other Services

3.9.1 Corporate Services

a) Introduction to Corporate Services

The purpose of the Corporate Service Department is to provide corporate support to the institution. Corporate Services support the efficient organizational and administrative processes of the Municipality and includes the following functions:

- provide legal and administrative support
- render HR management and support services to the Municipality that will sustain optimal utilization of municipal human capital
- coordinate and provide functional and administrative support to the political office bearers
- provide library information services to the community
- coordinate administrative processes and activities pertaining to the Thusong Centres
- provides ICT support to the Municipality

b) Highlights: Corporate Services

The following table indicate the highlight of the financial year:

Highlight	Description
Hybrid webinar meetings and adopting to 4th Industrial revolution	The COVID-19 restrictions has forced institutions to develop new methods of hosting meetings through various virtual platforms

Table 120: Corporate Services highlight

c) Challenges: Corporate Services

The table below indicates the challenges faced during the financial year:

Description	Actions to address
COVID-19 pandemic restrictions that has an impact on hosting of contact meetings	Introduction of virtual meetings
Hosting of hybrid webinar meetings problematic	

Table 121: Corporate Services challenges

d) Employees: Administration

The following tables represents the number of employees in the Administration Units of Corporate Services, Infrastructure Services & Community Services:

Occupational level	2019/20	2020/21			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	2	2	2	0	0
Middle management and professionals	2	3	2	1	33.33
Skilled technically, superintendents etc.	1	1	0	1	100
Semi-skilled	16	14	13	1	7.14
Unskilled	2	2	1	1	50
Total	**23**	**22**	**18**	**4**	**18.18**

Table 122: Employees: Administration

Occupational level	2019/20	2020/21			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	0	0	0	0	0
Skilled technically, superintendents etc.	2	2	2	0	0
Semi-skilled	13	13	13	0	0
Unskilled	1	1	0	1	100
Total	**16**	**16**	**15**	**1**	**6.25**

Table 123: Employees: Councillor Support and Thusong Service Centres

Occupational level	2019/20	2020/21			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	1	1	0	1	100
Senior management	0	0	0	0	0
Middle management and professionals	2	3	2	1	33.33
Skilled technically, superintendents etc.	3	2	2	0	0
Semi-skilled	2	1	1	0	0

Occupational level	2019/20	2020/21			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Unskilled	0	0	0	0	0
Total	8	7	5	2	28.57

Table 124: Employees: Municipal Management Services

e) Capital expenditure: Executive and Council

The table below indicates the capital expenditure incurred:

Capital projects	2020/21 (R)		
	Budget	Adjustment budget	Actual expenditure
Camera	0	0	2 814
Total	0	0	2 814

Table 125: Capital expenditure: Executive and Council

3.9.2 Financial Services

a) Highlights: Corporate Services

The following table indicate the highlight of the financial year:

Highlight	Description
Filling of vacancies	The Department has filled the positions of Accountants that were previously occupied by Interns

Table 126: Financial Services highlight

b) Challenges: Financial Services

The following table indicates the challenges faced during the financial year:

Description	Actions to address
Financial distress (Inability by the Municipality to meet its commitments)	The turnaround plan has been developed to address the financial situation of the Municipality
Unfunded budget	The Municipality has developed a budget funding plan to address the budget deficit in the 2021/22 financial year
mSCOA configurations	Ensure that mSCOA configurations are done at the beginning of the financial year

Table 127: Financial Services challenges

c) Debt recovery statistics

The table below indicates the debt recovery statistics for the financial year:

Details of the types of account raised and recovered	2018/19			2020/21			2021/22	
	Billed in Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected in the year	Billed in Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected	To be billed in Year	Estimated turnout for accounts to be billed in year
	R'000		%	R'000		%	R'000	
Property Rates	33 653	29 830	88	41 543	42 252	102%	44 681	41 738
Electricity	50 882	41 419	81	85 195	79 493	93%	96 329	109 627
Water	19 375	13 512	69	21 135	25 018	118%	30 024	34 931
Sanitation	16 700	11 451	68	17 750	17 968	101%	20 074	22 964
Refuse	7 303	4 132	56	9 439	9 431	99.9%	10 132	10 761

Table 128: Debt recovery

d) Employees: Financial Services

The table below indicates the number of staff employed within the Unit:

Occupational level	2019/20	2020/21			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	1	1	1	0	0
Middle management and professionals	4	3	3	0	0
Skilled technically, superintendents etc.	11	11	11	0	0
Semi-skilled	36	36	29	7	19.44
Unskilled	2	2	1	1	50
Total	**54**	**53**	**45**	**8**	**2.94**

Table 129: Employees: Financial Services

3.9.3 HR

a) Highlights: HR

The following table indicates the highlights of the financial year:

Highlight	Description
Vacancies	Filled and/or promoted 27 employees
Placements	Finalised placement on 20 April 2021
Organogram	Approved with placements at Special Council Meeting held on 15 June 2021

Table 130: HR highlights

b) Challenges: HR

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Placements	Implementation date to be determined
Employment Equity (EE)	EE Plan and Report to be approved by end November 2021 to be submitted online to the Department of Labour The issue of achieving employment equity targets must be addressed during new appointments
Review of HR Policies	All outstanding HR policies to be reviewed by HOD's & HR. SALGA agreed to assist and recommendations referred to Council for approval
Job Descriptions	Job descriptions were issued to all employees to be submitted to HR by 30 June 2021
Industrial Relations Officer	Though the vacancy was advertised and a candidate shortlisted and interviewed, the candidate declined the offer of employment due to the financial implications to relocate and the starting notch was much lower than his current remuneration

Table 131: HR challenges

In terms of the approved organogram of the Municipality, divisions, sections and sub-sections were changed in the 2019/20 financial year.

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c) Employees: HR Services

The table below indicates the number of staff employed within the Unit:

Occupational level	2019/20	2020/21			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	1	2	2	0	0
Skilled technically, superintendents etc.	3	2	1	1	50
Semi-skilled	2	3	3	0	0
Unskilled	0	0	0	0	0
Total	**7**	**7**	**6**	**1**	**14.29**

Table 132: Employees: HR

3.9.4 Information and Communication Technology (ICT) Services

a) Introduction to ICT services

The ICT services of the Municipality is outsourced to an external servicer provider.

b) Highlights: ICT services

The following table indicates the highlight of the financial year:

Highlight	Description
Veeam	Beaufort West Municipality implemented Veeam backup during the 2020/21 financial year. By implementing Veeam, it allows the Municipality to perform backup testing and enables the Municipality to implement an off-site disaster recovery site. With Veeam backup and replication, the Municipality can create image and file level backups as well as ready-to-boot replicas of its virtual and physical infrastructure. Technology used in the product optimizes data transfer and resource consumption, which helps to minimize storage costs and the recovery time in case of a disaster

Table 133: ICT Services highlight

c) Challenges: ICT services

The table below indicates the challenges faced during the financial year:

Description	Actions to address
ICT operation vs ICT governance	The Auditor-General (AG) places a high emphasis on ICT governance matters and requirements. With the limited resources and capacity available to the Municipality, an ongoing challenge exists to comply with the day-to-day operational requirements which is crucial for service delivery versus governance requirements that does not have a direct negative impact on day to day service delivery. This means that not all the governance requirements are met to the standard of the AG, ultimately resulting in audit findings on governance issues, but overlooking the high standard maintained on operations in order to enable the Municipality to deliver basic services and so fulfilling its Constitutional mandate
Limited funding	Limited funding allocated for capital expenditure remains a constant challenge and makes it almost impossible to replace aging hardware and to keep up with the ever-growing development of technology
Wireless free range spectrum	The 5Ghz free range spectrum in Beaufort West, used by the Municipality is currently over utilized due to private wireless service providers using the same frequency range. The Municipality's wireless network is being used for communication to provide in basic service delivery and constant signal interference from private service providers are encountered. Due to the vast extent of the Municipality's wireless network and budget restraints the Municipality cannot afford the cost of licensed spectrum and the associated cost of upgrading the routers to communicate on a dedicated frequency
COVID-19 pandemic	The ongoing COVID-19 pandemic presents an enormous challenge to Beaufort West Municipality in terms of remote access to the Municipality's ICT environment in order to enable officials to work from home ensuring the Municipality's business continuity. The Municipality's wide area network (WAN) was not designed to include the private homes of officials. Alternative ways to enable connectivity had to be done via WiFi from private internet service providers (ISP's), Telkom Asymmetric Digital Subscriber Line (ADSL) and 3G connectivity from the mobile phone companies. The option of WiFi posed to be expensive whilst the throughput on standard ADSL provided by Telkom, was to slow to provide for the effective utilization of certain applications used by the Municipality. 3G connectivity, in many cases also presented challenges due to the instability of signal strength in many areas. The Municipality will be investigating a workable solution during the 2021/2022 financial year

Table 134: ICT Services challenges

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d) Capital expenditure: ICT Services

Capital projects	2020/21 (R)		
	Budget	Adjustment budget	Actual expenditure
Computer Equipment	972 000	972 000	553 518
Total	**972 000**	**972 000**	**553 518**

Table 135: Capital expenditure: ICT Services

3.9.5 Procurement Services

a) Service statistics for Procurement Services

The following table indicates the performance statistics of Procurement Services:

Description	Total No.	Monthly average	Daily average
Requests processed	1 485	124	6
Orders processed	1 293	108	5
Requests cancelled or referred back	192	16	1
Extensions	0	0	0
Bids received (number of documents)	180	15	1
Bids awarded	41	3	0.15
Bids awarded below R200 000	16	1	0.06
Appeals registered	8	0.7	0.04
Successful appeals	0	0	0

Table 136: Service statistics for Procurement Services

b) Details of deviations for Procurement Services

The following table indicates the detail of deviations incurred during the financial year:

Type of deviation	Number of deviations	Percentage of total deviations number (%)	Value of deviations (R)	Percentage of total deviations value (%)
Emergency	5	10.64	89 867.46	5.69
Sole supplier	3	6.38	14 508	0.92
Acquisition of special works of art or historical objects where specifications are difficult to compile	1	2.13	86 525.49	5.47
Any other exceptional case where it is impossible or impractical to follow the official procurement process	2	4.26	66 317.10	4.20
Any contract with an organ of state, a local authority or a public utility corporation or company	4	8.51	30 257	1.92

Type of deviation	Number of deviations	Percentage of total deviations number (%)	Value of deviations (R)	Percentage of total deviations value (%)
Any contract relating to the publication of notice and advertisements by the municipality	3	6.38	42 584.04	2.70
The appointment of any person to provide professional advice or services is less then R200 000 or any greater amount	25	53.19	1 121 977	71.05
Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	4	8.51	127 168.59	8.05

Table 137: Statistics of deviations: Procurement Services

3.9.6 Municipal Buildings

a) Introduction to Municipal Buildings

Maintenance on municipal buildings is done on an ad hoc basis due to financial constraints. Budget was made available during the financial year for the upgrade of municipal stores.

A indigent household team, under the EPWP project, was established in accordance with EPWP standards to create job opportunities. This project involved the fixing of leaks at indigent households to enhance water saving measures.

b) Challenges: Municipal buildings

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Limited budget	Alternative sources of income and ring-fencing income
Unknown factor of households' infectious status	COVID-19 protocols

Table 138: Municipal buildings challenges

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d) Employees: Municipal Buildings

The table below indicates the number of staff employed within the Unit:

Occupational level	2019/20	2020/21			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	0	0	0	0	0
Skilled technically, superintendents, etc.	1	1	0	1	100
Semi-skilled	9	8	8	0	0
Unskilled	7	7	4	3	42.86
Total	**17**	**16**	**12**	**4**	**25**

Table 139: Employees: Municipal buildings

e) Capital expenditure: Municipal Buildings

Capital projects	2020/21 (R)		
	Budget	Adjustment budget	Actual expenditure
Acquisition of Municipal Office	8 000 000	0	0
Total	**8 000 000**	**0**	**0**

Table 140: Capital expenditure: Municipal Buildings

3.9.7 Fleet Management Services

a) Introduction to Fleet Management Services

I) THE GOAL:

The Fleet Management Unit strives to provide a safe, reliable and cost-effective fleet to different departments in such a manner that the service to the community can be delivered in a timely manner. The fleet consist of 180 vehicles, including: cars, light duty vehicles, trucks, tractors, earth moving vehicle, compressors and different small plants such as mobile and ordinary grass cutters, water pumps, jolly jumpers, vibrators and power generators.

II) OBJECTIVE:

To achieve the aim of our Municipality's Fleet Management Plan, key objectives for fleet services have been set as follows:

- Maintain fleet costs effectively and in a timely manner
- Put internal control methods in place to prevent fraud and fruitless expenditures
- Implementing policies formulated by Council to deliver an efficient service to the community
- Share values, norms and expectations

- Provide a safe and reliable fleet by keeping fleet in a roadworthy condition
- Implementing replacement policies ensuring vehicles are always road and service ready
- Building team support, trust, cooperation and evaluate performance of all employees
- Keep a thorough record of statistics of vehicle history, logs, petrol usage, vehicles issued and availability
- Set up reports that is transparent and accessible to responsible people

The functions of the Fleet Management Section are as follows:

- Vehicle maintenance and repairs
- Driver management
- Vehicle financing
- Fuel management
- Monthly, quarterly and annually reports
- Licensing and road worthiness of fleet vehicles. Provide technical specs for fleet tenders and evaluate
- Record keeping
- Prepare accident claims
- Reconciling bank statements with petrol cards
- Vehicles acquisitions

d) *Employees: Mechanical Workshop and Fleet Management*

The table below indicates the number of staff employed within the Unit:

Occupational level	2019/20	2020/21			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	1	1	1	0	0
Skilled technical, superintendents, etc.	2	2	1	1	50
Semi-skilled	4	4	3	1	25
Unskilled	0	0	0	0	0
Total	**7**	**7**	**5**	**2**	**28.57**

Table 141: Employees: Mechanical Workshop and Fleet Management

3.10 Component H: Service Delivery Priorities for 2021/22

The main development and service delivery priorities for 2021/22 forms part of the Municipality's Top Layer SDBIP for 2021/22 and are indicated in the tables below:

3.10.1 Ensure liquidity of the administration

Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL15	Municipal Financial Viability and Management	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2022 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant) x 100]	Debt to Revenue as at 30 June 2022	All	45%
TL16	Municipal Financial Viability and Management	Financial viability measured in terms of the outstanding service debtors as at 30 June 2022 [(Total outstanding service debtors/ revenue received for services)x 100]	Service debtors to revenue as at 30 June 2022	All	35%
TL17	Municipal Financial Viability and Management	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2022 [((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))	Cost coverage as at 30 June 2022	All	1
TL18	Municipal Financial Viability and Management	Achieve an payment percentage of 85% by 30 June 2022 [(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100]	Payment % achieved by 30 June 2022	All	85%

Table 142: Service delivery priority for 2021/22: Ensure liquidity of the administration

3.10.2 Establishment of a well governed and accountable administration

Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL1	Good Governance and Public Participation	Compile the Risk based audit plan for 2022/23 and submit to Audit committee for consideration by 30 June 2022	Risk based audit plan submitted to Audit committee by 30 June 2022	All	1

Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL2	Good Governance and Public Participation	90% of the Risk based audit plan for 2021/22 implemented by 30 June 2022 [(Number of audits and tasks completed for the period identified in the RBAP/ Number of audits and tasks identified in the RBAP) x 100]	% of the Risk Based Audit Plan implemented by 30 June 2022	All	90%
TL4	Good Governance and Public Participation	Develop the new Integrated Development Plan for the 2022-2027 period and submit to Council by 31 May 2022	Number of IDP's submitted	All	1
TL5	Good Governance and Public Participation	Submit the Annual Performance Report to the Auditor-General by 31 August 2021	Number of reports submitted	All	1
TL34	Municipal Transformation and Institutional Development	Appoint people from the employment equity target groups in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people appointed in the three highest levels of management	All	1
TL35	Municipal Transformation and Institutional Development	0.50% of the municipality's personnel budget spent on implementing its workplace skills plan by 30 June 2022 [(Actual amount spent on training/total personnel budget) x100]	% of the municipality's personnel budget spent on implementing its workplace skills plan	All	0.50%
TL37	Municipal Transformation and Institutional Development	95% of the approved project budget spent on the Computer Equipment Project by 30 June 2022	[(Actual expenditure divided by the total approved project budget) x100]	All	95%

Table 143: Service delivery priority for 2021/22: Establishment of a well governed and accountable administration

3.10.3 Provide for the needs of indigent households through improved services

Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL10	Basic Service Delivery	Provide free basic water to active indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2022	Number of active indigent households receiving free basic water as at 30 June 2022	All	5 600
TL11	Basic Service Delivery	Provide free basic electricity to active indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2022	Number of active indigent households receiving free basic electricity as at 30 June 2022	All	5 094
TL12	Basic Service Delivery	Provide free basic sanitation to active indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and	Number of active indigent households receiving free basic sanitation as at 30 June 2022	All	5 953

Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
		Debt Collection Policy as at 30 June 2022			
TL13	Basic Service Delivery	Provide free basic refuse removal to active indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2022	Number of active indigent households receiving free basic refuse removal as at 30 June 2022	All	2 225

Table 144: Service delivery priority for 2021/22: Provide for the needs of indigent households through improved services

3.10.4 Provision of basic services to all the people in the municipal area

Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL6	Basic Service Delivery	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and which are billed for water or have pre-paid meters as at 30 June 2022	Number of residential properties which are billed for water or have pre paid meters as at 30 June 2022	All	11 510
TL7	Basic Service Delivery	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and which are billed for electricity or have pre paid meters (Excluding Eskom areas) as at 30 June 2022	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas) as at 30 June 2022	All	12 462
TL8	Basic Service Delivery	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2022	Number of residential properties which are billed for sewerage as at 30 June 2022	All	11 870
TL9	Basic Service Delivery	Number of formal residential properties for which refuse is removed once per week and which are billed for refuse removal as at 30 June 2022	Number of residential properties which are billed for refuse removal as at 30 June 2022	All	11 346
TL23	Basic Service Delivery	95% of the approved project budget spent on the construction of two new reservoirs in Murraysburg by 30 June 2022 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2022	1	95.00%
TL24	Basic Service Delivery	95% of the approved project budget spent on the upgrade of the 20 MVA 22/11 kV Main	% of budget spent by 30 June 2022	2	95%

Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
		Substation - Phase 4 in Beaufort West by 30 June 2022 [(Actual expenditure divided by the total approved project budget)x100]			
TL25	Basic Service Delivery	Complete the construction of two (2) new reservoirs in Murraysburg by 30 June 2022	Number of reservoirs constructed	1	2
TL26	Basic Service Delivery	95% of the approved project budget spent on New High Mast Lighting in Nelspoort by 30 June 2022 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2022	2	95%
TL27	Basic Service Delivery	95% of the approved project budget spent on New High Mast Lighting in Rustdene, Prince Valley and Lande by 30 June 2022 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2022	All	95%
TL28	Basic Service Delivery	95% of the approved project budget spent on the upgrade of the sport stadium in Kwa Mandlenkosi by 30 June 2022 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2022	4	95%
TL29	Basic Service Delivery	95% of the approved project budget spent on the extension of the Goue Akker Cemetery in Beaufort West by 30 June 2022 [(Actual expenditure divided by the total approved project budget) x100]	% of budget spent by 30 June 2022	4	95%
TL30	Basic Service Delivery	95% of the approved project budget spent on the upgrade of existing regional sport stadium: Phase 2 in Rustdene by 30 June 2022 [(Actual expenditure divided by the total approved project budget) x100]	% of budget spent by 30 June 2022	All	95%
TL32	Basic Service Delivery	Submit a report on the Illegal Dumping Project (Department of Environmental Affairs) to Council by 30 September 2021	Number of reports submitted	All	1

Table 145:
Service delivery priority for 2021/22: Provision of basic services to all the people in the municipal area

3.10.5 Sustainability of the environment

Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL19	Municipal Financial Viability and Management	Limit unaccounted for water quarterly to less than 25% during 2021/22 [(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold (incl free basic water) / Number of Kilolitres Water Purchased or Purified x 100]	% unaccounted water	All	25%
TL20	Municipal Financial Viability and Management	Limit unaccounted for electricity to less than 10% quarterly during the 2021/22 financial year [(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased) x 100]	% unaccounted electricity	All	10%
TL22	Basic Service Delivery	95% of water samples in the Beaufort West jurisdiction area comply with SANS241 micro biological indicators	% of water samples compliant to SANS 241	All	95%

Table 146: Service delivery priority for 2021/22: Sustainability of the environment

3.10.6 To enable education and skills development to equip people with economic skills

Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL36	Local Economic Development	Spend 100% of the library grant by 30 June 2022 (Actual expenditure divided by the total grant received)	% of grant spent by 30 June 2022	All	100%

Table 147: Service delivery priority for 2021/22: To enable education and skills development to equip people with economic skills

3.10.7 To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development

Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL3	Local Economic Development	Review the LED strategy and submit to Council by 30 June 2022	Revised LED strategy submitted to Council by 30 June 2022	All	1
TL21	Local Economic Development	Create temporary job opportunities in terms of the Extended Public Works Programme (EPWP) projects by 30 June 2022	Number of temporary jobs opportunities created by 30 June 2022	All	100

Table 148: Service delivery priority for 2021/22: To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development

3.10.8 To improve and maintain current basic service delivery through specific infrastructural development projects

Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL14	Basic Service Delivery	The percentage of the municipal capital budget spent by 30 June 2022 [(Actual amount spent /Total amount budgeted for capital projects)X100]	% of capital budget spent by 30 June 2022	All	95%
TL33	Good Governance and Public Participation	Submit a Housing Pipeline Report to Council by 30 June 2022	Number of reports submitted	All	1

Table 149: Service delivery priority for 2021/22: To improve and maintain current basic service delivery through specific infrastructural development projects

3.10.9 Transparency and participation

Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL31	Good Governance and Public Participation	Hold roadblocks in conjunction with the Provincial Traffic Department quarterly	Number of roadblocks held	All	4

Table 150: Service delivery priority for 2021/22: To improve and maintain current basic service delivery through specific infrastructural development projects

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CHAPTER 4

4.1 National KPI – Municipal transformation and organisational development

The following table indicates the Municipality's performance in terms of the National KPI required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These KPI's are linked to the National KPA – Municipal transformation and organisational development.

KPA and Indicators	Municipal achievement 2019/20	Municipal achievement 2020/21
Appoint people from the employment equity target groups in the three highest levels of management in compliance with a municipality's approved employment equity plan	0	1
0.10% of the municipality's personnel budget spent on implementing its workplace skills plan by 30 June 2021 ((Actual amount spent on training/total personnel budget)x100)	0.77%	0%

Table 151: National KPIs– Municipal transformation and organisational development

4.2 Component A: Introduction to the municipal workforce

The Municipality currently employs **416** (excluding non-permanent positions) officials, who individually and collectively contribute to the achievement of the Municipality's objectives. The primary objective of HR management is to render an innovative service that addresses both skills development and an administrative function.

4.2.1 Employment equity

The Employment Equity Act (1998) Chapter 3, Section 15(1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The National KPA also refers to: "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"

a) Employment equity targets and actuals

African		Coloured		Indian		White	
Target	Actual	Target	Actual	Target	Actual	Target	Actual
69	108	309	294	0	0	38	14

Table 152: 2020/21 Employment equity targets and actuals by racial classification

Males (including disability)		Females (including disability)	
Target	Actual	Target	Actual
195	284	221	132

Table 153: 2020/21 Employment equity targets and actuals by gender classification

b) *Specific occupational categories - Race*

The table below indicates the number of employees (excluding vacancies) by race within the specific occupational categories:

Occupational	Male				Female				Total
Levels	A	C	I	W	A	C	I	W	
Top management	0	0	0	0	0	0	0	0	0
Senior management	1	1	0	0	1	0	0	0	3
Professionally qualified and experienced specialists and mid- management	2	6	0	5	0	2	0	1	16
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	5	30	0	4	7	17	0	0	63
Semi-skilled and discretionary decision making	38	94	0	2	17	61	0	2	214
Unskilled and defined decision making	28	68	0	0	9	15	0	0	120
Total permanent	**74**	**199**	**0**	**11**	**34**	**95**	**0**	**3**	**416**

Table 154: Occupational categories

4.2.2 Vacancy rate

The approved organogram of the Municipality had **495** posts for the 2020/21 financial year. The actual positions filled are indicated in the tables below by post and by functional level. **79** posts were vacant at the end of 2020/21, resulting in a vacancy rate of **15.96%**. The table below indicates a breakdown of vacancies within the Municipality:

Per post level		
Post level	Filled	Vacant
Municipal Manager and MSA Section 57 and 56 employees	3	2
Middle management (T14-T19)	20	4
Admin officers (T4-T13)	273	28
General workers (T3)	120	45
Total	**416**	**79**
Per functional level		
Functional area	Filled	Vacant
Municipal Manager	5	2
Corporate Services	54	3
Financial Services	45	8
Community Services	125	30
Infrastructure Services	187	36
Total	**416**	**79**

Table 155: Vacancy rate per post and functional level

4.2.3 Staff turnover rate

A high staff turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional knowledge. The staff turnover rate shows a decrease from 3.66% in 2019/20 to 3.13% in 2020/21.

Below is a table that shows the staff turnover rate within the Municipality:

Financial year	Appointments at the end of each financial year	New appointments	Terminations during the year	Turn-over rate
2019/20	410	21	15	3.66%
2020/21	416	26	13	3.13%

Table 156: Staff turnover rate

4.3 Component B: Managing the municipal workforce

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

4.3.1 Injuries

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injuries will influence the loss of man hours and therefore financial and productivity performance. The number of injuries **decreased** from 12 for 2019/20 to 5 for the 2020/21 financial year.

The table below indicates the total number of injuries within the different directorates:

Directorates	2019/20	2020/21
Municipal Manager	0	0
Corporate Services	3	0
Financial Services	0	0
Community Services	0	0
Infrastructure Services	9	5
Total	**12**	**5**

Table 157: Injuries

4.3.2 Sick leave

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

The total number of employees that have taken sick leave during the 2020/21 financial year shows a decrease when compared with the 2019/20 financial year.

The table below indicates the total number of sick leave days taken within the different directorates:

Department	2019/20	2020/21
Municipal Manager	25	5
Corporate Services	256	195
Financial Services	432	310
Community Services	N/A	810
Infrastructure Services	2 408	1 228
Total	**3 121**	**2 548**

Table 158: Sick leave

4.3.3 HR Policies and plans

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the HR policies and plans that are approved:

HR policies categories supplied to Municipality		
Category	**Policy**	**Date**
Category A: Organisation management		
A1	Organisational Management Policy	26 June 2017
A2	Individual Performance Management Policy	26 June 2017
A3	Telecoms and Cellular Phone Allowances Policy	26 June 2017
A4	Fixed Transport Allowances Policy	26 June 2017
A5	Essential Transport Allowances Policy	26 June 2017
A6	Removal Expenses Policy	26 June 2017
Category B: HR provisioning and maintenance		
B1	Recruitment and Selection Policy	29 January 2019
B2	Internal and Functional Transfers Policy	26 June 2017
B3	Remuneration Policy	26 June 2017
B4	Non-Pensionable Accommodation Allowances Policy	26 June 2017
B5	Working Hours Policy	26 June 2017
B6	Termination of Services Policy	26 June 2017
B7	Leave of Absence Policy	26 June 2017
B8	HR Records Systems Policy	26 June 2017
B9	Official Vehicles and Fleet Management Policy	26 June 2017
B10	Gifts Policy	26 June 2017
B11	Office Ethics Policy	26 June 2017
B12	Acting Arrangements Policy	26 June 2017
B13	Private Work Policy	26 June 2017

HR policies categories supplied to Municipality		
Category	**Policy**	**Date**
B14	External Communication Policy	26 June 2017
B15	Confidentiality Policy	26 June 2017
B16	Legal Aid Policy	26 June 2017
Category C: Human Capital Development		
C1	Education, Training and Development Policy	26 June 2017
C2	Induction Policy	26 June 2017
C3	Mentoring and Coaching Policy	26 June 2017
C4	Employee Study Aid and Leave Policy	26 June 2017
C5	Succession Planning and Career Pathing Policy	29 January 2019
C6	MFMIP Internship Policy	26 June 2017
C7	Learnership Policy	26 June 2017
C8	Experiential Training Policy	26 June 2017
C9	Employee Driving License Assistance Policy	26 June 2017
C10	N7 Fire and Rescue Training Academy Policy	26 June 2017
Category D: Employee Wellness		
D1	Employee Assistance Programme (EAP) Policy	26 June 2017
D2	Substance Abuse Policy	26 June 2017
D3	Incapacity Policy	26 June 2017
D4	Occupational Health and Safety (OHS) Policy	26 June 2017
D5	HIV / AIDS Policy	26 June 2017
D6	Smoking Policy	26 June 2017
D7	Bereavement Policy	26 June 2017
Category E: Employment Equity		
E1	Employment Equity Policy Framework	26 June 2017
E2	Gender Policy	26 June 2017
E3	Sexual Harassment Policy	26 June 2017
E4	Disability Policy	26 June 2017

Table 159: HR Policy list in categories

4.4 Component C: Capacitating the municipal workforce

Section 68(1) of the MSA states that a municipality must develop its HR capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose, the HR capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

4.4.1 Skills matrix

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

Management level	Gender	Number of employees identified for training at start of the year (2020/21	Number of employees that received training (2020/21)
Municipal Manager and Section 57 employees	Female	0	0
	Male	1	0
Legislators, senior officials and managers	Female	8	0
	Male	23	0
Associate professionals and technicians	Female	83	1
	Male	135	5
Professionals	Female	9	0
	Male	3	0
Clerks	Female	33	2
	Male	8	3
Service and sales workers	Female	23	0
	Male	45	0
Craft and related trade workers	Female	0	0
	Male	22	0
Plant and machine operators and assemblers	Female	1	0
	Male	22	1
Elementary occupations	Female	32	0
	Male	130	0
Sub-total	**Female**	**189**	**3**
	Male	**389**	**9**
Total		**578**	**12**

Table 160: Skills matrix

4.4.2 Skills development – Training provided

The SDA and the MSA requires employers to supply employees with the necessary training in order to develop its HR capacity. Section 55(1)(f) states that the Municipal Manager is responsible for the management, utilisation and training of staff.

The table below gives an indication of the training provided to employees for the financial year:

Occupational categories	Gender	Training provided within the reporting period (2020/21)	
		Learnerships	
		Target	Actual
Municipal Manager and Section 57 employees	Female	0	0
	Male	1	0
Legislators, senior officials and managers	Female	8	0
	Male	23	0
Professionals	Female	83	1
	Male	135	5
Technicians and associate professionals	Female	9	0
	Male	3	0
Clerks	Female	33	2
	Male	8	3
Service and sales workers	Female	23	0
	Male	45	0
Craft and related trade workers	Female	0	0
	Male	22	0
Plant and machine operators and assemblers	Female	1	0
	Male	22	1
Elementary occupations	Female	32	0
	Male	130	0
Sub-total	**Female**	**189**	**3**
	Male	**389**	**9**
Total		**578**	**12**

Table 161: Skills development

4.4.3 MFMA competencies

In terms of Section 83(1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the MFMA. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-based NQF Level 6 qualification

in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013 (exempted until 30 September 2015 in terms of Government Notice 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

The table below provides details of the financial competency development progress as required by the regulation:

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial officials				
Accounting Officer	0	0	0	0
Chief Financial Officer	1	0	0	0
Senior managers	2	1	1	1
Any other financial officials	3	3	0	3
SCM officials				
Heads of SCM Units	0	0	0	0
SCM senior managers	1	1	0	1
Total	7	5	1	5

Table 162: MFMA competencies

4.5 Component D: Managing the municipal workforce expenditure

Section 66 of the MSA states that the accounting officer of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

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4.5.1 Personnel expenditure

Below is a summary of councillor and staff benefits for the year under review:

Financial year	2019/20	2020/21		
Description	Actual	Original budget	Adjusted budget	Actual
	R'000			
Councillors (political office bearers plus other)				
Basic salaries and wages	4 811	5 028	5 028	4 869
Pension and UIF contributions	350	313	313	264
Medical aid contributions	31	37	37	36
Motor vehicle allowance	517	560	560	489
Cell phone allowance	530	530	530	524
Other benefits and allowances	47	47	47	46
Sub total	**6 286**	**6 515**	**6 515**	**6 228**
% increase/ (decrease)	**N/A**	**3.64**	**0**	**(4.41)**
Senior managers of the Municipality				
Basic salaries and wages	3 488	3 974	4 228	3 787
Pension and UIF contributions	461	424	451	345
Medical aid contributions	40	37	39	27
Motor vehicle allowance	325	180	191	148
Cell phone allowance	83	84	89	78
Housing allowance	-	-	-	-
Performance bonus	-	287	306	502
Other benefits and allowances	570	383	408	370
Post retirement benefit obligations	89	-	-	5
Sub total	**5 056**	**5 369**	**5 712**	**5 262**
% increase/ (decrease)	**N/A**	**6.19**	**6.39**	**(7.88)**
Other municipal staff				
Basic salaries and wages	77 807	81 750	86 228	84 154
Pension and UIF contributions	12 741	13 124	13 912	14 175
Medical aid contributions	1 807	1 976	2 101	1 970
Motor vehicle allowance	2 412	2 519	2 680	2 608
Cell phone allowance	165	170	181	175
Housing allowances	942	1 589	1 686	1 000
Overtime	5 376	2 705	2 878	3 875
Other benefits and allowances	10 041	9 141	9 704	11 543
Long service awards	471	0	0	0
Payments in lieu of leave	2 151	0	0	220

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Financial year	2019/20	2020/21		
Description	Actual	Original budget	Adjusted budget	Actual
	R'000			
Post-retirement benefit obligations	998	1 362	1 448	1 184
Sub-total	**114 911**	**114 336**	**120 818**	**120 904**
% increase/ (decrease)	**N/A**	**(0.50)**	**5.67**	**0.07**
Total Municipality	**126 253**	**126 220**	**133 045**	**132 394**
% increase/ (decrease)	**N/A**	**(0.03)**	**5.41**	**(0.49)**

Table 163: Councillor and staff benefits

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CHAPTER 5

This chapter provides details regarding the financial performance of the Municipality for the 2020/21 financial year.

Component A: Statements of Financial Performance

The statement of financial performance provides an overview of the financial performance of the Municipality and focuses on the financial health of the Municipality.

5.1 Financial summary

The table below indicates the summary of the financial performance for the 2020/21 financial year:

Financial summary						
R'000						
Description	2019/20	2020/21			2020/21 % variance	
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
Financial performance						
Property rates	39 564	40 903	41 543	42 252	3.19	1.68
Service charges	126 769	135 403	133 518	131 910	(2.65)	(1.22)
Investment revenue	284	1 155	380	192	(501.59)	(97.93)
Transfers recognised - operational	76 735	84 105	93 290	89 882	6.43	(3.79)
Other own revenue	55 258	66 599	66 946	53 654	(24.13)	(24.77)
Total revenue (excluding capital transfers and contributions)	**298 610**	**328 165**	**335 677**	**317 891**	**(3.23)**	**(5.60)**
Employee costs	119 967	119 705	126 530	126 815	5.61	0.22
Remuneration of Councillors	6 286	6 515	6 515	6 228	(4.60)	(4.60)
Depreciation and asset impairment	22 679	25 096	25 096	21 321	(17.71)	(17.71)
Finance charges	7 715	3 124	2 795	10 799	71.07	74.12
Materials and bulk purchases	75 047	85 842	92 180	83 392	(2.94)	(10.54)
Transfers and grants	510	500	2 183	615	18.74	(254.77)
Other expenditure	108 982	106 393	101 841	120 648	11.82	15.59
Total expenditure	**341 186**	**347 175**	**357 140**	**369 819**	**6.12**	**3.43**
Surplus/(deficit)	**(42 577)**	**(19 009)**	**(21 463)**	**(51 928)**	**63.39**	**58.67**
Transfers recognised - capital	27 800	20 811	22 784	22 446	7.29	(1.50)

Financial summary						
R'000						
Description	2019/20	2020/21			2020/21 % variance	
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
Contributions recognised - capital and contributed assets	1 259	0	0	0	N/A	N/A
Surplus/(deficit) after capital transfers and contributions	**(13 518)**	**1 801**	**1 320**	**(29 482)**	**106.11**	**104.48**
Capital expenditure and funds sources						
Capital expenditure						
Transfers recognised - capital	24 207	20 811	22 784	20 345	(2.29)	(11.99)
Public contributions and donations	1 259	0	0	0	N/A	N/A
Borrowing	645	12 800	0	0	N/A	N/A
Internally generated funds	313	2 286	1 908	(12 067)	118.95	115.82
Total sources of capital funds	**26 423**	**35 897**	**24 692**	**8 278**	**(333.63)**	**(198.28)**
Financial position						
Total current assets	78 901	75 196	92 893	85 441	11.99	(8.72)
Total non-current assets	558 595	556 396	558 414	542 656	(2.53)	(2.90)
Total current liabilities	118 051	73 196	127 028	145 600	49.73	12.76
Total non-current liabilities	54 403	66 066	50 520	46 939	(40.75)	(7.63)
Community wealth/equity	465 041	492 330	473 758	435 559	(13.03)	(8.77)
Cash flows						
Net cash from (used) operating	22 576	26 898	33 270	27 059	0.60	(22.95)
Net cash from (used) investing	(19 722)	(35 897)	(24 692)	(20 901)	(71.75)	(18.14)
Net cash from (used) financing	(2 989)	7 816	(1 880)	(1 880)	515.71	0.00
Cash/cash equivalents at the year end	**(135)**	**(1 183)**	**6 698**	**4 278**	**127.65**	**(56.58)**
Cash backing/surplus reconciliation						
Cash and investments available	(12 421)	458	17 251	(12 556)	103.65	237.39
Application of cash and investments	(34 746)	458	1 312	(24 124)	101.90	105.44
Balance - surplus (shortfall)	**(47 167)**	**917**	**18 563**	**(36 680)**	**102.50**	**150.61**
Asset management						
Asset register summary (WDV)	553 503	553 748	553 067	540 446	(2.46)	(2.34)
Depreciation and asset impairment	22 679	25 096	25 096	21 321	(17.71)	(17.71)
Renewal of existing assets	0	0	0	0	N/A	N/A

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Financial summary						
R'000						
Description	2019/20	2020/21			2020/21 % variance	
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
Repairs and maintenance	3 656	5 319	7 533	2 955	(79.96)	(154.88)
Free services						
Cost of Free Basic Services provided	0	26 550	33 211	0	N/A	N/A
Revenue cost of free services provided	36 521	8 421	12 170	42 009	79.95	71.03
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual						

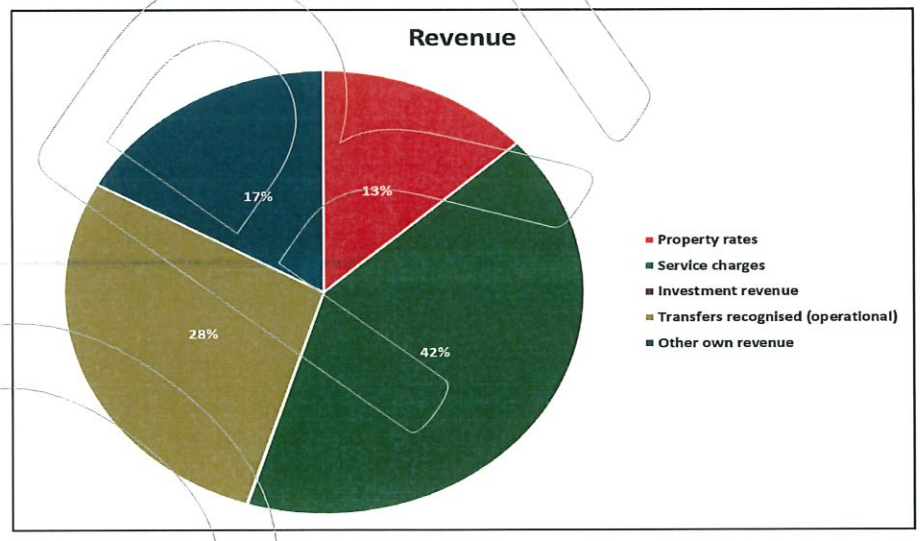
Table 164: Financial performance 2020/21

The table below shows a summary of performance against budgets:

Financial year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000	R'000	R'000		R'000	R'000	R'000	
2019/20	406 079	327 669	(78 410)	(19)	378 533	341 186	37 346	10
2020/21	358 460	340 337	(18 123)	(5)	357 140	369 819	(12 679)	(4)

Table 165: Performance against budgets

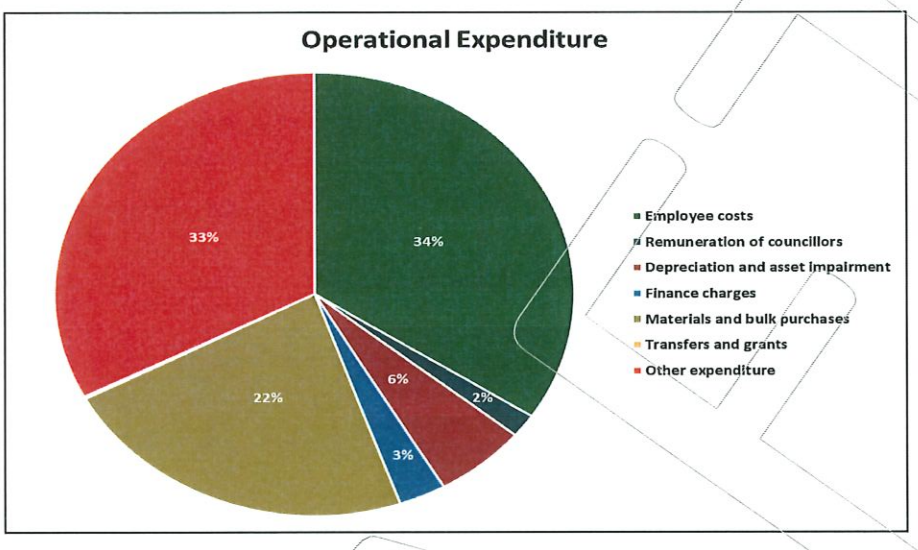
The following graph indicates the various types of revenue items in the municipal budget for 2020/21



Graph 6.: Revenue

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The following graph indicates the various types of expenditure items in the municipal budget for 2020/21



Graph 7.: Operating expenditure

5.1.1 Revenue collection by vote

The table below indicates the revenue collection performance by vote:

Vote description	2019/20	2020/21			2020/21 % variance	
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjusted budget
	R'000					
Vote 1 – Executive and Council	45 220	0	0	81 489	100.00	100.00
Vote 2 - Financial Services	44 688	43 619	45 158	73 405	40.58	38.48
Vote 3 - Corporate Services	654	20 495	24 675	561	(3 554.91)	(4 300.41)
Vote 4 - Community Services	53 169	93 881	91 464	12 860	(630.02)	(611.22)
Vote 5 - Engineering Services	183 937	190 981	197 163	172 021	(11.02)	(14.62)
Vote 6 - Electrical Services	0	0	0	0	N/A	N/A
Total revenue by vote	**327 669**	**348 976**	**358 460**	**340 337**	**(2.54)**	**(5.33)**
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual						

Table 166: Revenue by vote

5.1.2 Revenue collection by source

The table below indicates the revenue collection performance by source for the 2020/21 financial year:

Description	2019/20	2020/21			2020/21 % variance	
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjusted budget
	R'000					
Property rates	39 564	40 903	41 543	42 252	3.19	1.68
Service Charges - electricity revenue	82 028	85 273	85 195	79 493	(7.27)	(7.17)
Service Charges - water revenue	19 492	22 631	21 135	25 018	9.54	15.52
Service Charges - sanitation revenue	16 589	18 087	17 750	17 968	(0.66)	1.22
Service Charges - refuse revenue	8 659	9 411	9 439	9 431	0.21	(0.08)
Rentals of facilities and equipment	1 378	1 358	1 447	1 407	3.49	(2.80)
Interest earned - external investments	284	1 155	380	192	(501.59)	(97.93)
Interest earned - outstanding debtors	4 815	4 798	5 056	10 692	55.13	52.71
Fines	41 877	57 326	57 326	34 550	(65.92)	(65.92)
Licences and permits	230	580	580	134	(333.26)	(333.26)
Agency services	654	968	968	302	(220.17)	(220.17)
Transfers recognised - operational	76 735	84 105	93 290	89 882	6.43	(3.79)
Other revenue	6 304	1 570	1 570	6 568	76.10	76.10
Gains on disposal of PPE	0	0	0	503	100.00	100.00
Total Revenue (excluding capital transfers and contributions)	**298 610**	**328 165**	**335 677**	**318 394**	**(3.07)**	**(5.43)**
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual						

Table 167: Revenue by source

5.1.3 Operational services performance

The table below indicates the operational services performance for the 2020/21 financial year:

Description	2019/20	2020/21			2020/21 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Operating Cost						
Water Services	29 470	33 431	35 132	23 993	(39.34)	(46.43)
Waste Water (Sanitation) Services	19 129	12 687	13 031	5 497	(130.79)	(137.04)
Electricity Services	84 767	94 264	97 080	87 758	(7.41)	(10.62)
Waste Management Services	23 037	14 773	14 938	13 563	(8.92)	(10.14)
Component A: sub-total	**156 402**	**155 155**	**160 180**	**130 811**	**(18.61)**	**(22.45)**
Planning and Development	7 097	7 574	7 810	14 598	48.11	46.50
Road Transport	22 763	23 001	23 837	10 409	(120.98)	(129.01)
Component B: sub-total	**29 860**	**30 576**	**31 647**	**25 007**	**(22.27)**	**(26.55)**
Community and Social Services	12 761	9 416	9 907	7 562	(24.52)	(31.01)
Sport and Recreation	8 645	11 048	11 538	7 024	(57.29)	(64.26)
Public Safety	50 201	63 321	64 281	22 755	(178.27)	(182.49)
Housing	1 981	6 385	2 360	1 589	(301.75)	(48.46)
Component C: sub-total	**73 589**	**90 172**	**88 085**	**38 931**	**(131.62)**	**(126.26)**
Executive and Council	21 949	20 057	23 775	22 638	11.40	(5.02)
Finance and Administration	59 094	49 461	51 630	159 763	69.04	67.68
Internal Audit		1 755	1 822		N/A	N/A
Component D: sub-total	**81 042**	**71 272**	**77 227**	**182 401**	**60.93**	**57.66**
Total Expenditure	**340 894**	**347 175**	**357 140**	**377 150**	**7.95**	**5.31**

In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

Table 168: Operational services performance

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5.2 Financial performance per municipal function

The tables below indicate the Municipality's performance with regards to each municipal function:

5.2.1 Water services

Description	2019/20	2020/21			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	**37 300**	**44 578**	**54 068**	**51 793**	**13.93**
Expenditure:					
Employees	7 181	9 859	10 489	6 284	(56.89)
Repairs and maintenance	1 753	1 216	3 187	614	(98.22)
Other	20 178	22 356	21 456	17 095	(30.77)
Total operational expenditure	**29 112**	**33 431**	**35 132**	**23 993**	**(39.34)**
Net operational (service)	**8 188**	**11 148**	**18 936**	**27 800**	**(59.90)**
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 169: Financial performance: Water services

5.2.2 Waste water (sanitation) services

Description	2019/20	2020/21			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	**23 328**	**31 275**	**32 661**	**19 266**	**(62.33)**
Expenditure:					
Employees	5 527	5 383	5 727	3 699	(45.55)
Repairs and maintenance	348	693	750	550	(26.06)
Other	13 255	6 611	6 554	1 249	(429.33)
Total operational expenditure	**19 129**	**12 687**	**13 031**	**5 497**	**(130.79)**
Net operational (service)	**4 199**	**18 588**	**19 630**	**13 769**	**(35.00)**
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 170: Financial performance: Waste water (sanitation) services

5.2.3 Electricity

Description	2019/20	2020/21			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	**117 428**	**105 190**	**103 209**	**97 954**	**(7.39)**
Expenditure:					
Employees	9 173	8 859	9 424	12 661	30.03
Repairs and maintenance	197	1 655	1 655	639	(159.23)
Other	74 239	83 750	86 000	74 458	(12.48)
Total operational expenditure	**83 609**	**94 264**	**97 080**	**87 758**	**(7.41)**
Net operational (service)	**33 820**	**10 925**	**6 129**	**10 196**	**(7.15)**
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 171: Financial performance: Electricity

5.2.4 Waste management

Description	2019/20	2020/21			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	**11 431**	**20 222**	**21 787**	**869**	**(2 227.21)**
Expenditure:					
Employees	10 816	9 297	9 891	8 911	(4.34)
Repairs and maintenance	480	664	664	282	(135.00)
Other	11 742	4 812	4 383	4 370	(10.13)
Total operational expenditure	**23 037**	**14 773**	**14 938**	**13 563**	**(8.92)**
Net operational (service)	**(11 606)**	**5 449**	**6 849**	**(12 694)**	**142.92**
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 172: Financial performance: Waste management

5.2.5 Housing

Description	2019/20	2020/21			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	**305**	**4 578**	**444**	**238**	**(1 826.67)**
Expenditure:					
Employees	1 797	1 757	1 771	1 462	(20.24)
Repairs and maintenance	18	70	70	8	(827.48)
Other	166	4 558	518	120	(3 686.69)
Total operational expenditure	**1 981**	**6 385**	**2 360**	**1 589**	**(301.75)**
Net operational (service)	**(1 677)**	**(1 807)**	**(1 916)**	**(1 352)**	**(33.71)**
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 173: Financial performance: Housing

5.2.6 Road transport

Description	2019/20	2020/21			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	**3 697**	**5 072**	**2 605**	**2 555**	**(98.51)**
Expenditure:					
Employees	14 473	13 084	13 920	8 432	(55.17)
Repairs and maintenance	392	1 090	1 090	39	(2 676.24)
Other	7 898	8 827	8 827	1 937	(355.61)
Total operational expenditure	**22 763**	**23 001**	**23 837**	**10 409**	**(120.98)**
Net operational (service)	**(19 067)**	**(17 929)**	**(21 232)**	**(7 854)**	**(128.29)**
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 174: Financial performance: Road transport

5.2.7 Planning and development

Description	2019/20	2020/21			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	**775**	**1 916**	**1 916**	**1 882**	**(1.83)**
Expenditure:					
Employees	6 096	5 537	5 793	13 583	59.24
Repairs and maintenance	85	162	162	36	(355.05)
Other	915	1 876	1 885	979	(91.51)
Total operational expenditure	**7 097**	**7 574**	**7 810**	**14 598**	**48.11**
Net operational (service)	**(6 322)**	**(5 658)**	**(5 894)**	**(12 716)**	**55.50**
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 175: Financial performance: Planning and development

5.2.8 Community and social services

Description	2019/20	2020/21			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	**8 429**	**9 010**	**9 207**	**7 692**	**(17.14)**
Expenditure:					
Employees	9 789	9 416	9 907	6 636	(41.91)
Repairs and maintenance	494	0	0	151	100.00
Other	2 478	0	0	794	100.00
Total operational expenditure	**12 761**	**9 416**	**9 907**	**7 580**	**(24.23)**
Net operational (service)	**(4 332)**	**(406)**	**(700)**	**112**	**462.71**
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 176: Financial performance: Community and social services

5.2.9 Sport and recreation

Description	2019/20	2020/21			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	**2 732**	**472**	**625**	**91**	**(419.29)**
Expenditure:					
Employees	6 837	7 668	8 157	6 001	(27.77)
Repairs and maintenance	241	876	876	145	(505.44)
Other	1 568	2 505	2 505	878	(185.16)
Total operational expenditure	**8 645**	**11 048**	**11 538**	**7 024**	**(57.29)**
Net operational (service)	**(5 913)**	**(10 576)**	**(10 913)**	**(6 933)**	**(52.54)**
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 177: Financial performance: Sport and recreation

5.2.10 Public safety

Description	2019/20	2020/21			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	**41 703**	**58 871**	**58 871**	**4 960**	**(1 086.87)**
Expenditure:					
Employees	15 259	15 024	15 983	17 618	14.72
Repairs and maintenance	145	638	638	178	(257.51)
Other	34 797	47 660	47 660	4 960	(860.98)
Total operational expenditure	**50 201**	**63 321**	**64 281**	**22 755**	**(178.27)**
Net operational (service)	**(8 499)**	**(4 451)**	**(5 410)**	**(17 795)**	**74.99**
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 178: Financial performance: Public safety

5.2.11 Executive and council

Description	2019/20	2020/21			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	**45 220**	**14 034**	**17 683**	**81 489**	**82.78**
Expenditure:					
Employees	6 403	6 401	6 810	6 837	6.37
Repairs and maintenance	(17)	205	2 252	0	N/A
Other	15 562	13 450	14 713	15 801	14.88
Total operational expenditure	**21 949**	**20 057**	**23 775**	**22 638**	**11.40**
Net operational (service)	**23 272**	**(6 023)**	**(6 092)**	**58 851**	**110.23**
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 179: Financial performance: Executive and council

5.2.12 Finance and administration

Description	2019/20	2020/21			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	**44 974**	**53 758**	**55 385**	**90 789**	**40.79**
Expenditure:					
Employees	26 617	28 750	30 249	34 692	17.13
Repairs and maintenance	551	1 612	1 612	315	(411.71)
Other	31 925	19 098	19 768	124 755	84.69
Total operational expenditure	**59 094**	**49 461**	**51 630**	**159 763**	**69.04**
Net operational (service)	**(14 120)**	**4 297**	**3 755**	**(68 974)**	**106.23**
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 180: Financial performance: Financial and administration

5.3 Grants

5.3.1 Grant performance

The Municipality spent an amount of **R86 million** on infrastructure and other projects available which was received in the form of grants from national and provincial governments during the 2020/21 financial year. The performance in the spending of these grants is summarised as follows:

Description	2019/20	2020/21			2020/21 variance	
	Actual (audited outcome)	Budget	Adjustments budget	Actual	Original budget	Adjustments budget
	R'000				%	
Operating transfers and grants						
National government:	**64 391**	**71 663**	**81 958**	**78 032**	**8.16**	**(5.03)**
Equitable Share	59 781	67 109	77 480	73 778	9.04	(5.02)
Local Government Finance Management Grant	1 700	1 700	1 700	1 700	0.00	0.00
Municipal Infrastructure Grant (MIG) – Project Management Unit	699	695	619	695	0.00	10.96
Expanded Public Works Programme (EPWP) Integrated Grant	1 924	1 859	1 859	1 859	0.00	0.00
Municipal Disaster relief grant	287	0	0	0	N/A	N/A
Municipal Systems Improvement	0	300	300	0	N/A	N/A
Provincial government:	**10 619**	**12 442**	**8 213**	**8 115**	**(53.32)**	**(1.21)**
Human Settlements Development Grant (Beneficiaries)	0	4 340	300	0	N/A	N/A
Human Settlements - Municipal Accreditation and Capacity Building Grant	238	238	0	252	5.56	100.00
Provincial Treasury: Financial Management Capacity Building Grant	380	401	300	300	(33.67)	0.00
Provincial Treasury: Financial Management Support Grant	1 955	0	1 000	1 000	100.00	0.00
Department of Transport and Public Works: Maintenance and Construction of Transport Infrastructure	0	50	50	0	N/A	N/A
Department of Cultural Affairs and Sport: Library Service: Replacement Funding	5 856	6 207	6 207	6 207	0.00	0.00
Local Government Support Grant	550	0	0	0	N/A	N/A
Department of Local Government: Community Development Workers (CDW) Operational Support Grant	408	206	206	206	0.00	0.00

Description	2019/20	2020/21			2020/21 variance	
	Actual (audited outcome)	Budget	Adjustments budget	Actual	Original budget	Adjust-ments budget
	R'000				%	
Operating transfers and grants						
Department of Local Government : Thusong Services Centres Grant (Sustainability: Operational Support Grant)	0	150	150	150	0.00	0.00
Department of Local Government : Municipal Drought Relief Grant	1 232	850	0	0	N/A	N/A
Other grant providers	**400**	**0**	**0**	**0**	**N/A**	**N/A**
Central Karoo District Municipality	**400**	0	0	**0**	N/A	N/A
Total operating transfers and grants	**75 410**	**84 105**	**90 171**	**86 147**	**2.37**	**(4.67)**

Table 181: Operating grant performance

5.3.2 Conditional grants

The performance in the spending of the conditional grants is summarised as follows:

Details	2019/20	2020/21			2020/21 Variance	
	Actual				Variance	
	Actual (Audited Outcome)	Budget	Adjustments Budget	Actual	Budget	Adjust-ments Budget
	R'000				%	
Local Government Finance Management Grant	1 700	1 700	1 700	1 700	0.00	0.00
MIG - Project Management Unit	699	695	619	546	(27.25)	(13.31)
EPWP	1 569	1 859	1 859	1 767	(5.19)	(5.19)
Municipal Disaster Relief Grant	287	0	0	0	N/A	N/A
Municipal Systems Improvement	0	300	300	0	N/A	N/A
Human Settlements Development Grant (Beneficiaries)	0	4 340	300	0	N/A	N/A
Human Settlements - Municipal Accreditation and Capacity Building Grant	225	238	144	238	(0.16)	39.44
Provincial Treasury: Financial Management Capacity Building Grant	0	401	300	0	N/A	N/A
Provincial Treasury: Financial Management Support Grant	2 296	0	1 000	800	100.00	(25.00)
Department of Transport and Public Works: Maintenance and Construction of Transport Infrastructure	0	50	50	0	N/A	N/A
Department of Cultural Affairs and Sport: Library Service: Replacement Funding	5 671	6 207	6 582	5 857	(5.97)	(12.37)

Details	2019/20	2020/21			2020/21 Variance	
	Actual				Variance	
	Actual (Audited Outcome)	Budget	Adjustments Budget	Actual	Budget	Adjust-ments Budget
	R'000				%	
Department of Local Government: Local Government Support Grant	447	0	103	103	100.00	0.00
Department of Local Government: CDW Operational Support Grant	89	206	331	116	(77.26)	(184.82)
Department of Local Government: Thusong Services Centres Grant (Sustainability: Operational Support Grant)	0	150	150	121	(24.24)	(24.24)
Department of Local Government: Municipal Drought Relief Grant	1 232	850	1 971	1 154	26.34	(70.83)
Department of Local Government: Municipal Service Delivery and Capacity Building Grant	88	0	0	0	N/A	N/A
Central Karoo District Municipality	0	0	400	0	N/A	N/A
Total	**14 302**	**16 996**	**15 809**	**12 402**	**(37.04)**	**(27.47)**
** This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in par 5.9.2. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.*						

Table 182: Conditional grants

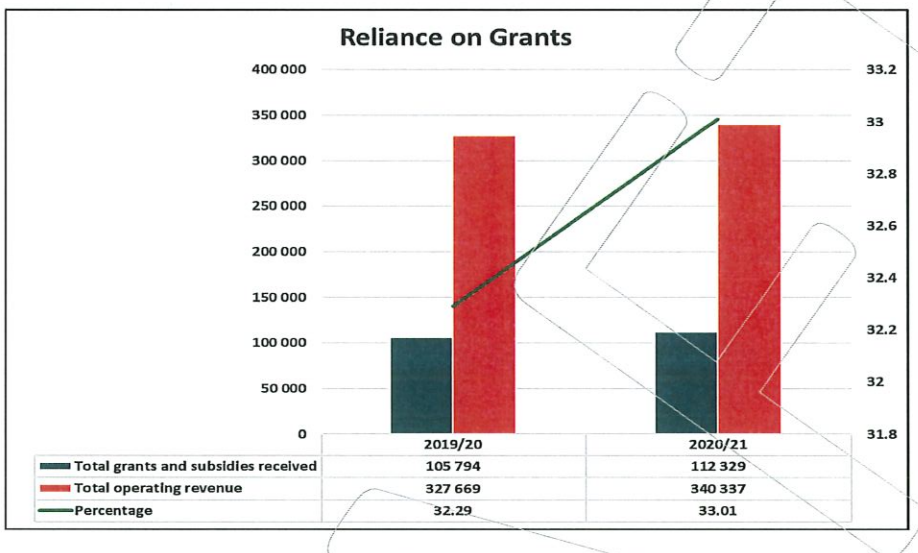
5.3.3 Level of reliance on grants and subsidies

The table below reflects the level of reliance on grants and subsidies

Financial year	Total grants and subsidies received	Total operating revenue	Percentage
	R'000		%
2019/20	105 794	327 669	32.29
2020/21	112 329	340 337	33.01

Table 183: Reliance on grants

The following graph gives a visual relationship between the two financial years and the trend based on grant received and operating revenue



Graph 8.: Reliance on grants

5.4 Repairs and Maintenance

The following table indicates the Municipality's expenditure on repairs and maintenance:

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Budget variance
	R' 000				%
Repairs and Maintenance Expenditure	3 656	6 891	7 533	2 955	(60.77)

Table 184: Repairs and maintenance expenditure

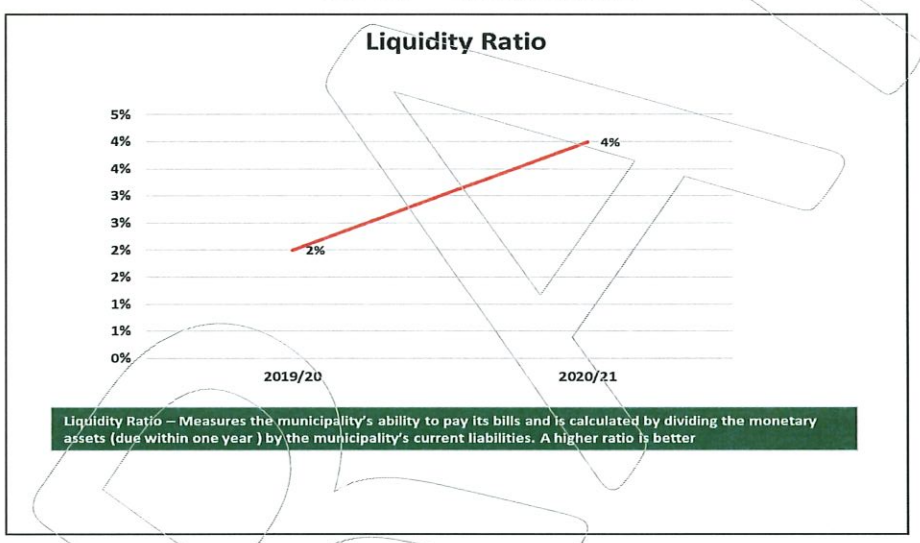
5.5 Financial ratios based on KPIs

The graphs and tables below indicate the Municipality's performance in relation to the financial ratios:

5.5.1 Liquidity ratio

Description	Basis of calculation	2019/20	2020/21
		Audited outcome	Pre-audited outcome
Current ratio	Current assets/current liabilities	66.84%	58.68%
Current ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	(26%)	(19%)
Liquidity ratio	Monetary assets/Current liabilities	2%	4%

Table 185: Liquidity financial ratio



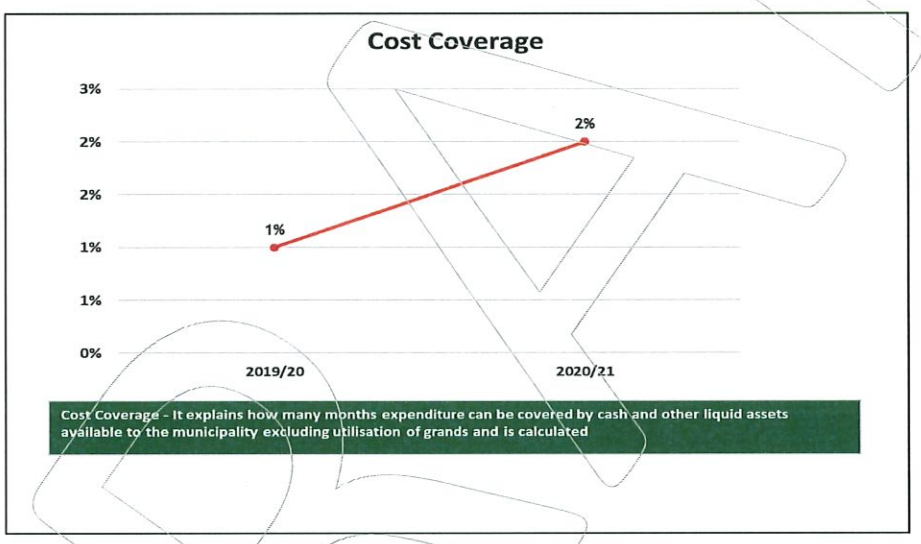
Graph 9.: Liquidity ratio

5.5.2 IDP regulation financial viability indicators

Description	Basis of calculation	2019/20	2020/21
		Audited outcome	Pre-audited outcome
Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1%	2%
Total outstanding service debtors to revenue	Total outstanding service debtors/annual revenue received for services	19%	19%
Debt coverage	(Total operating revenue - operating grants)/Debt service payments due within financial year)	76%	65%

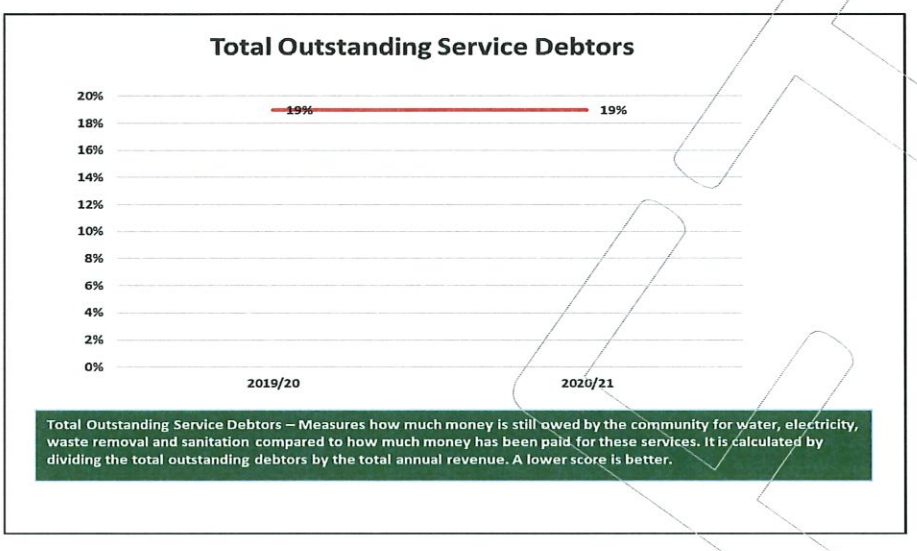
Table 186: Financial viability national KPAs

The following graphs illustrates the compared financial viability indicators for the past two financial years:

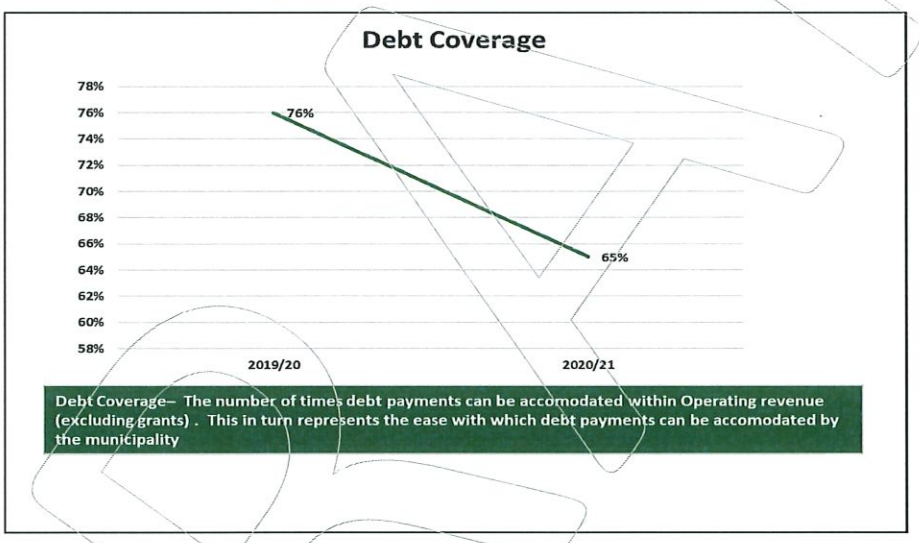


Graph 10.: Cost coverage

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Graph 11.: Outstanding service debtors to revenue



Graph 12.: Debt coverage

5.5.3 Repairs and maintenance

The following table illustrates the Municipality's proportion of operating expenditure in relation to repairs and maintenance:

Description	Basis of calculation	2019/20	2020/21
		Audited outcome	Pre-audited outcome
Repairs and maintenance	R and M/(Total revenue excluding capital revenue)	1%	1%

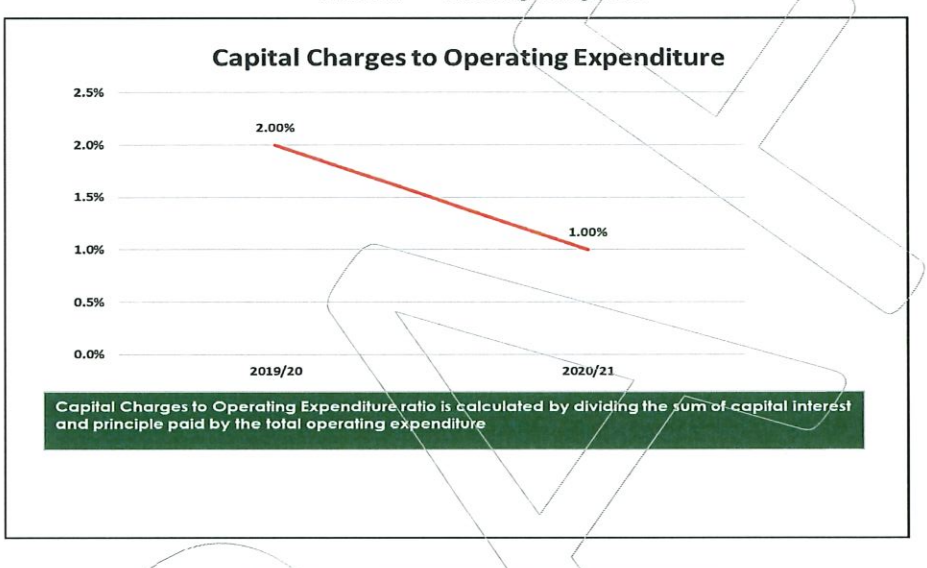
Table 187: Repairs and maintenance

5.5.4 Borrowing management

The following table and graph illustrate the Municipality's proportion of capital charges in relation to operating expenditure:

Description	Basis of calculation	2019/20	2020/21
		Audited outcome	Pre-audited outcome
Capital charges to operating expenditure	Interest and principal paid/ Operating expenditure	2%	1%

Table 188: Borrowing management



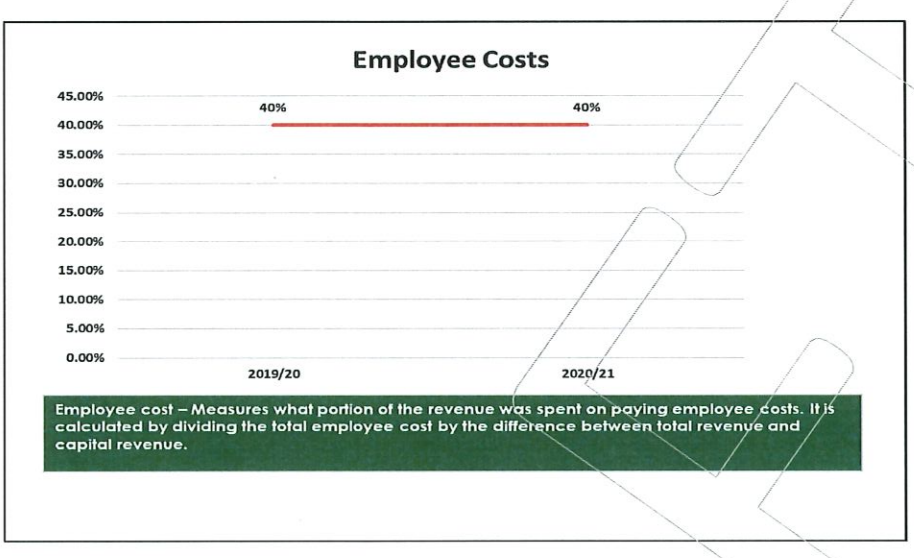
Graph 13.: Capital charges to operating expenditure

5.5.5 Employee costs

The table and graph below illustrate the Municipality's portion of revenue spent on employee costs for the past two financial years:

Description	Basis of calculation	2019/20	2020/21
		Audited outcome	Pre-audited outcome
Employee costs	Employee costs/(Total revenue - capital revenue)	40%	40%

Table 189: Employee costs



Graph 14.: Employee costs

Component B: Spending against Capital Budget

5.6 Capital Expenditure: Sources of Finance

The table below indicates the capital expenditure by funding source for the 2020/21 financial year:

Details	2019/20	2020/21				
	Audited outcome	Original Budget (OB)	Adjust-ment Budget	Actual	Adjust-ment to OB Variance	Actual to OB Variance
Source of finance						
Description	R'000				%	
External loans	645	0	0	0	N/A	N/A
Public contributions and donations	1 259	0	0	0	N/A	N/A
Grants and subsidies	24 207	34 925	22 784	19 529	(34.76)	(9.32)
Own funding	313	972	1 908	1 372	96.33	(55.16)
Total	**26 423**	**35 897**	**24 692**	**20 901**	**(31.21)**	**(10.56)**
Percentage of finance						
External loans	2	0	0	0		
Public contributions and donations	0	0	0	0		
Grants and subsidies	92	97	92	79		
Own funding	1	3	8	6		
Capital expenditure						
Description	R'000				%	

Details	2019/20	2020/21				
	Audited outcome	Original Budget (OB)	Adjust-ment Budget	Actual	Adjust-ment to OB Variance	Actual to OB Variance
Water and sanitation	2 837	9 856	13 662	11 881	38.61	(18.06)
Electricity	17 821	7 320	5 214	4 505	(28.77)	(9.69)
Housing	51	0	0	0	N/A	N/A
Roads and storm water	2 314	1 831	2 620	2 278	43.10	(18.67)
Other	3 399	16 890	3 196	2 237	(81.08)	(5.68)
Total	**26 423**	**35 897**	**24 692**	**20 901**	**(31.21)**	**(10.56)**
Percentage of expenditure						
Water and sanitation	11	27	55	57		
Electricity	67	20	21	22		
Housing	0	0	0	0		
Roads and storm water	9	5	11	11		
Other	13	47	13	11		

Table 190: Capital spending by funding source

Component C: Cash Flow Management and Investments

Cash flow management is critical to the municipality as it enables the organisation to assess whether enough cash is available at any point in time to cover the Council's commitments. Cash flow is rigorously managed and monitored on a regular basis.

5.7 Cash flow

The table below reflects the Municipality's cash flow for the financial year:

Cash flow outcomes				
R'000				
Description	2019/20	2020/21		
	Audited outcome	Original budget	Adjusted budget	Actual
Cash flow from operating activities				
Receipts				
Rate-payers and other	141 274	183 418	152 778	165 722
Government -operating	79 081	84 105	93 290	89 207
Government -capital	32 290	20 811	22 784	15 793
Interest	284	5 953	5 436	192
Payments				
Suppliers and employees	(227 332)	(263 765)	(236 039)	(237 135)

Cash flow outcomes				
R'000				
Description	2019/20	2020/21		
	Audited outcome	Original budget	Adjusted budget	Actual
Finance charges	(3 021)	(3 124)	(2 795)	(6 720)
Transfers and grants	0	(500)	(2 183)	0
Net cash from/(used) operating activities	**22 576**	**26 898**	**33 270**	**27 059**
Cash flows from investing activities				
Payments				
Capital assets	(19 722)	(35 897)	(24 692)	(20 901)
Net cash from/(used) investing activities	**(19 722)**	**(35 897)**	**(24 692)**	**(20 901)**
Cash flows from financing activities				
Receipts				
Borrowing long term/refinancing	0	12 800	0	0
Payments				
Repayment of borrowing	(2 989)	(4 984)	(1 880)	(1 880)
Net cash from/(used) financing activities	**(2 989)**	**7 816**	**(1 880)**	**(1 880)**
Net increase/ (decrease) in cash held	**(135)**	**(1 183)**	**6 698**	**4 278**
Cash/cash equivalents at the year begin:	**(12 421)**	**1 641**	**(12 556)**	**(12 556)**
Cash/cash equivalents at the yearend:	**(12 556)**	**458**	**(5 858)**	**(8 279)**

Table 191: Cash flow

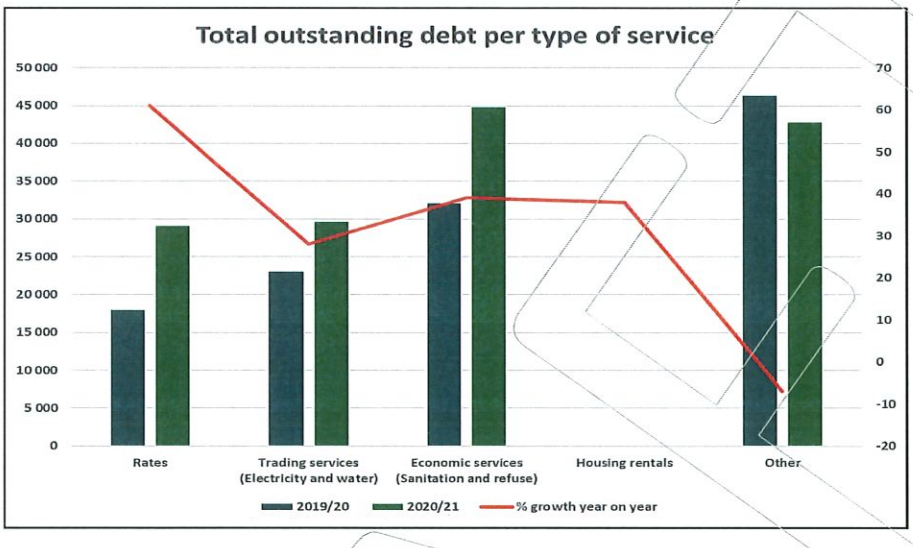
5.8 Gross outstanding debtors per service

The table below reflects the debtor's analysis per service for the previous financial years:

Financial year	Rates	Trading services (Electricity and water)	Economic services (Sanitation and refuse)	Housing rentals	Other	Total
	R'000	R'000	R'000	R'000	R'000	R'000
2019/20	18 074	23 137	32 174	35	46 373	119 792
2020/21	29 147	29 679	44 877	48	42 906	146 656
Difference	11 073	6 541	12 703	13	(3 467)	26 864
% growth year on year	**61**	**28**	**39**	**38**	**(7)**	**22**
Note: Figures exclude provision for bad debt						

Table 192: Gross outstanding debtors per service

The following graph indicates the total outstanding debt per type of service for 2020/21:



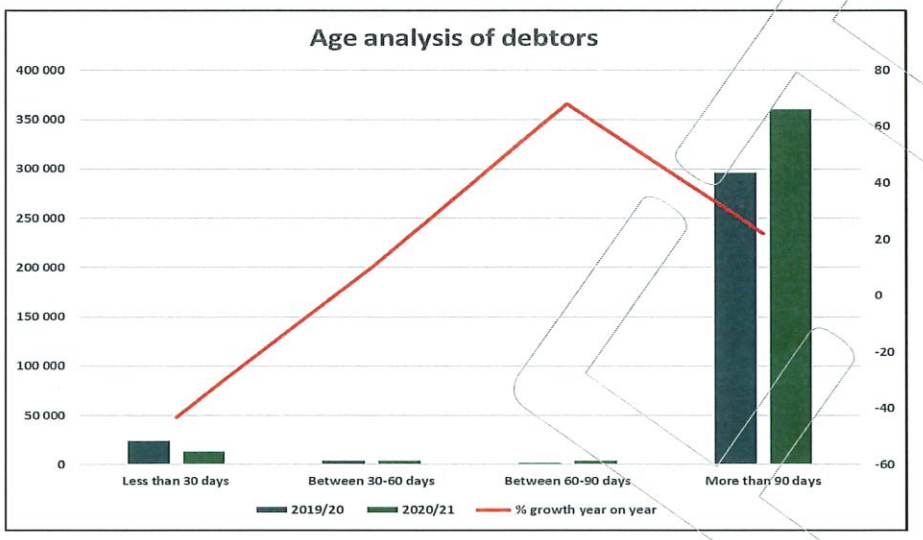
Graph 15.: Debt per type of service

5.9 Total debtors age analysis

The table below reflects the Municipality's debtors age analysis for the past two financial years

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000	R'000	R'000	R'000	R'000
2019/20	24 632	4 214	2 607	296 749	328 202
2020/21	14 033	4 631	4 369	361 088	384 120
Difference	(10 600)	417	1 761	64 339	55 917
% growth year on year	(43)	10	68	22	17
Note: Figures exclude provision for bad debt.					

Table 193: Service debtor age analysis



Graph 16.: Age analysis of debtors

5.10 Borrowing and investments

Infrastructure needs to be replaced and therefore borrowings for periods of 15 years are taken up to lessen the impact on consumers.

5.10.1 Actual borrowings

The table below reflects the municipality's financial positions relating to borrowings:

Actual borrowings R' 000		
Instrument	**2019/20**	**2020/21**
Long-term loans (annuity/reducing balance)	6 687	5 807
Financial leases	1 978	977
Total	**8 665**	**6 785**

Table 194: Actual borrowings

5.10.2 Municipal investments

Actual investments R'000		
Investment type	**2019/20**	**2020/21**
	Actual	**Actual**
Deposits – bank	2 743	6 157
Total	**2 743**	**6 157**

Table 195: Municipal investments

CHAPTER 6

Component A: Auditor-General Opinion 2019/20

6.1 Auditor-General report 2019/20

6.1.1 Audit report status: Disclaimer

Main issues raised	Corrective steps implemented / to be implemented
Property, plant and equipment	
The AG was unable to obtain sufficient appropriate audit evidence that the Municipality recognised items of property, plant and equipment (PPE) in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) 17, PPE, as the AG was unable to confirm that all items of PPE were recorded due to the status of accounting records. The AG was unable to confirm the completeness of PPE by alternative means. Consequently, the AG was unable to determine whether any adjustments were necessary to PPE, stated at R451 million (2018/19 R537.2 million) in note 2.1 and 2.2 to the financial statements	The Municipality will go out on tender to appoint a consultant to assist with the unbundling of infrastructure consistently. Service provider will be appointed 1 July 2021
Taxes	
The AG was unable to obtain sufficient and appropriate audit evidence that taxes had been properly accounted for due to the status of the accounting records. The AG was unable to confirm the taxes by alternative means. Consequently, the AG was unable to determine whether any adjustment was necessary to the taxes, stated at R9.1 million in note 21 to the financial statements	The Municipality already recalculated and evaluated the VAT to adjust
Receivables from exchange transactions	
The AG was unable to obtain sufficient and appropriate audit evidence that receivables from exchange transactions had been properly accounted for due to the status of the accounting records. The AG was unable to confirm the receivables from exchange transactions by alternative means. Consequently, the AG was unable to determine whether any adjustment was necessary to the receivables from exchange transactions, stated at R21.1 million in note 10 to the financial statements	The Municipality will investigate receivables from exchange transactions and adjust where necessary. The Municipality will implement controls to ensure that receivables will be properly accounted for
Cash and other cash equivalents - liabilities	
The AG was unable to obtain sufficient and appropriate audit evidence that cash and cash equivalents - liabilities had been properly accounted for because the Municipality did not submit the reconciling bank reconciliation. The AG was unable to confirm the bank reconciliation by alternative means. Consequently, the AG was unable to determine whether any adjustment was necessary to the cash and cash equivalents - liabilities, stated at R15.4 million in note 12.2 to the financial statements	The Municipality appointed a consultant to assist with the reconciling of the bank reconciliation without any cost
Revenue from exchange transactions – service charges	
The AG was unable to obtain sufficient and appropriate audit evidence that revenue from exchange transactions – service charges	The Municipality will investigate receivables from exchange transactions and adjust where necessary. The Municipality will

Main issues raised	Corrective steps implemented / to be implemented
had been properly accounted for due to the status of the accounting records. The AG was unable to confirm the revenue from exchange transactions – service charges by alternative means. Consequently, the AG was unable to determine whether any adjustment was necessary to the revenue from exchange transactions – service charges, stated at R125.3 million in note 28 to the financial statements	implement controls to ensure that receivables will be properly accounted for
Reversal of impairment loss/(impairment loss) on receivables	
The AG was unable to obtain sufficient and appropriate audit evidence that impairment loss on receivables had been properly accounted for due to the status of the accounting records. The AG was unable to confirm the impairment loss on receivables by alternative means. Consequently, the AG was unable to determine whether any adjustment was necessary to the impairment loss on receivables, stated at R48.7 million in note 42 to the financial statements	The Municipality will investigate impairment loss on receivables due to the status of accounting records and adjust where necessary. The Municipality will implement controls to ensure that receivables will be properly accounted for
Irregular expenditure	
The AG was unable to obtain sufficient and appropriate audit evidence that the Municipality recognised all items of irregular expenditure, as I was unable to confirm that all items of irregular expenditure were recorded due to status of accounting records. The AG was unable to determine whether any adjustment was necessary to the irregular expenditure – current year, stated at R35.8 million (2018/19: R58.9 million) in note 51.3 to the financial statements	The Municipality will investigate all contracts to determine irregularity and adjust where necessary
Capital commitments	
The AG was unable to obtain sufficient and appropriate audit evidence that capital commitments had been properly accounted for due to the lack of contract management. The AG was unable to confirm the capital commitments by alternative means. Consequently, the AG was unable to determine whether any adjustments were necessary to the capital commitments, stated at R2.4 million (2018/19: R17.2 million) in note 2.11 to the financial statements	The Municipality will investigate all contracts to determine irregularity and adjust where necessary. Capital commitments register will be monitored monthly
Material uncertainty relating to going concern	
Statement of financial position: The statement of financial position, which indicates that the Municipality's current liabilities exceed its current assets by R40.7 million as at 30 June 2020. This event or condition, along with other matters as stated in note 60 to the financial statements, indicates that a material uncertainty exists that may cast significant doubt on the Municipality's ability to continue as a going concern	The Municipality will investigate new revenue streams to increase the revenue and implement strict credit control and debt collection policy
Emphasis of matters	
Restatement of corresponding figures: As disclosed in note 46 to the financial statements, the corresponding figures for 30 June 2019 were restated as a result of errors in the financial statements of the Municipality at, and for the year ended, 30 June 2020	Ensure that prior year errors do not occur again.
Material impairments:	Implement Credit Control and Debt Collection Policy

CHAPTER 6: AUDITOR-GENERAL OPINION

Main issues raised	Corrective steps implemented / to be implemented
As disclosed in note 10 to the financial statements, the Municipality provided for the impairment of receivables from exchange transactions amounting to R71.6 million (2018/19: R65.7 million)	
Material impairments: As disclosed in note 11 to the financial statements, the Municipality provided for the impairment of receivables from non-exchange transactions amounting to R194 million (2018/19: R9.6 million)	Implement Credit Control and Debt Collection Policy
Material losses: As disclosed in note 52.8 to the financial statements, material water losses of 1 598 802 kilolitres (2018/19: 1 131 809 kilolitres) were incurred, which represents distribution losses of 56% (2018/19: 45%)	Repair and replace broken meters to account for all water being purchase or lost

Table 196: Auditor-General report 2019/20

Component B: Auditor-General Opinion 2020/21

6.2 Auditor-General report 2020/21

6.2.1 Audit report status: To be announced

6.2.2 Auditor-General Report on the Financial Statements 2020/21

The AG Report and the Audited Annual Financial Statements is not available at the time of compiling the report.

DRAFT

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ABBREVIATIONS

List of Abbreviations

AG	Auditor-General
CAPEX	Capital Expenditure
CBP	Community Based Planning
CFO	Chief Financial Officer
CWP	Community Work Programme
DMA	Disaster Management Act
DMR	Disaster Management Regulations
DoL	Department of Labour
DPLG	Department of Provincial and Local Government
DWAF	Department of Water Affairs and Forestry
EE	Employment Equity
EPWP	Expanded Public Works Programme
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
ICT	Information and Communication Technology
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
IMFO	Institute for Municipal Finance Officers
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
LJOC	Local Joint Organising Committee
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
MIG	Municipal Infrastructure Grant
MISA	Municipal Infrastructure Support Agent
MM	Municipal Manager
MSA	Municipal Systems Act No. 32 of 2000
MTECH	Medium Term Expenditure Committee
MVA	Mega-Volt Ampere
NGO	Non-governmental organisation
NT	National Treasury
OHS	Occupational Health and Safety
OPEX	Operating expenditure
PMS	Performance Management System
PPE	Personal Protective Equipment
PT	Provincial Treasury
SALGA	South African Local Government Organisation
SAMDI	South African Management Development Institute
SCM	Supply Chain Management
SDA	Skills Development Act
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SPLUMA	Spatial Planning and Land Management Act
WRP	Water Reclamation Plant
WWTW	Waste Water Treatment Works
YCOP	Youth Community Outreach Program

(3) The annual report of a municipality must include—

(a) the annual financial statements of the municipality, and in addition, if section 122(2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(1);

(b) the Auditor-General's audit report in terms of section 126(3) on those financial statements;

(c) the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act;

(d) the Auditor-General's audit report in terms of section 45*(b)* of the Municipal Systems Act;

(e) an assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges;

(f) an assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17(3)*(b)* for revenue collection from each revenue source and for each vote in the municipality's approved budget for the relevant financial year;

(g) particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs *(b)* and *(d)*;

(h) any explanations that may be necessary to clarify issues in connection with the financial statements;

(i) any information as determined by the municipality;

(j) any recommendations of the municipality's audit committee; and

(k) any other information as may be prescribed.

(4) If the Auditor-General is unable to complete an audit within three months of receiving the financial statements from an accounting officer, the Auditor-General must promptly submit a report outlining the reasons for the delay to the relevant municipality or municipal entity and to the relevant provincial legislature and Parliament.

Consequences of non-compliance with certain provisions

133. (1) If the accounting officer of a municipality or municipal entity fails to submit financial statements to the Auditor-General in accordance with section 126(1) or (2), or if the mayor fails to table the annual report of the municipality or a municipal entity in the council in accordance with section 127(2)—

(a) the mayor must promptly table in the council a written explanation setting out the reasons for the failure;

(b) the Auditor-General, in the case of any failure to submit financial statements for auditing, must promptly—

(i) inform the speaker of the council, the National Treasury and the MEC for local government and the MEC for finance in the province of such failure; and

(ii) issue a special report on the failure to the relevant provincial legislature; and

(c) the municipal council—

(i) must request the speaker or any other councillor to investigate the reasons for the failure and report to the council;

(ii) must take appropriate steps to ensure that the financial statements are submitted to the Auditor-General or that the annual report, including the financial statements and the audit report on those statements, is tabled in the council, as the case may be; and

(iii) may order that disciplinary steps be taken against the accounting officer or other person responsible for the failure;

(d) the provincial executive may intervene in the municipality in terms of section 139 of the Constitution;

(e) the National Treasury may take appropriate steps against the municipality in terms of section 5(2)*(e)*; and

(f) the provincial treasury may take appropriate steps against the municipality in terms of section 5(4)*(d)*.

(2) The Auditor-General must submit to Parliament and the provincial legislatures—

(a) 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

(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.