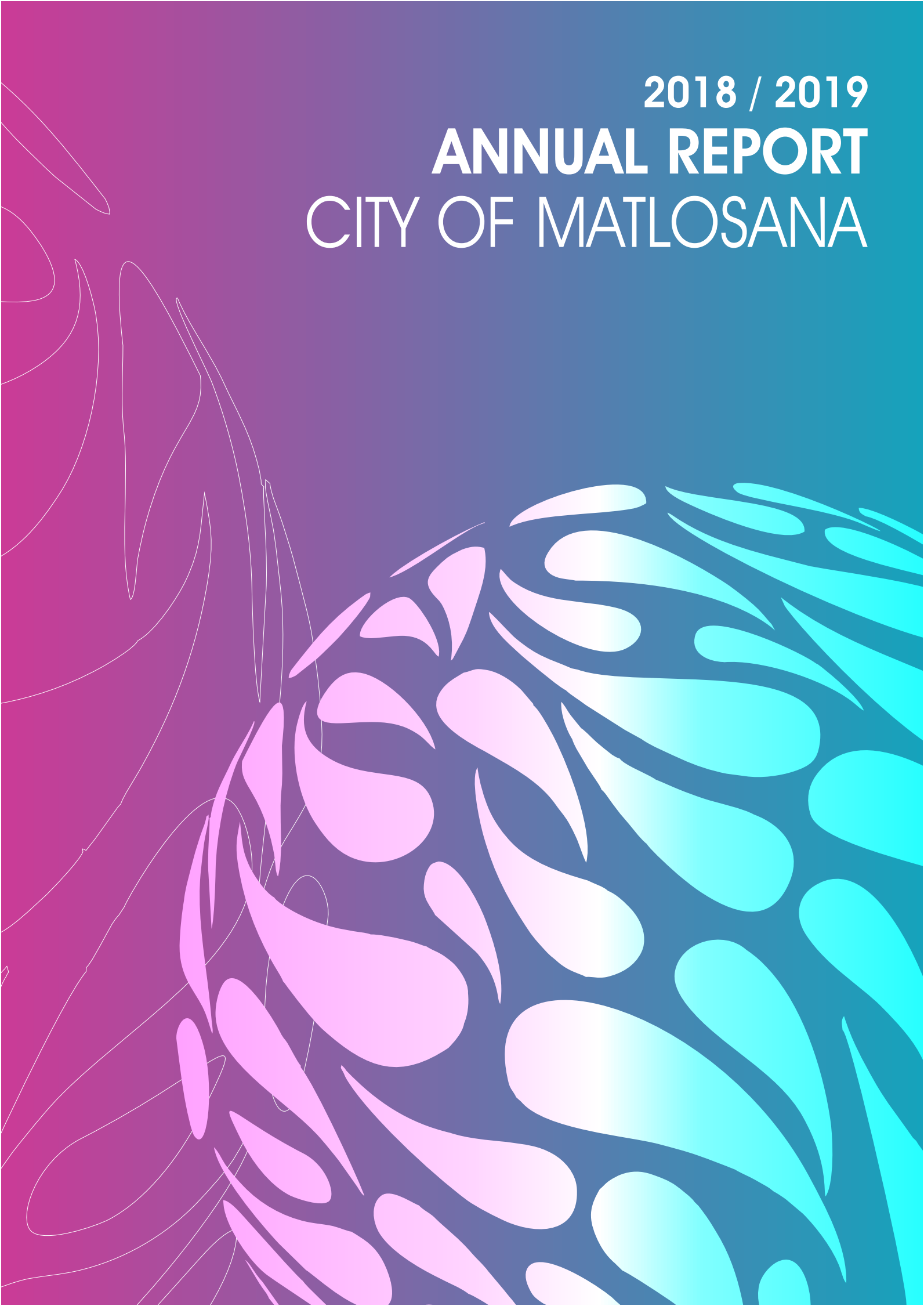


2018 / 2019  
**ANNUAL REPORT**  
CITY OF MATLOSANA



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# Chapter 1

# Chapter 1





# Chapter 1

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

### COMPONENT A: MAYOR’S FOREWORD

#### EXECUTIVE MAYOR’S FOREWORD



It is with utmost pleasure and honour to present the 2018/19 Annual Report of the City of Matlosana.

The presentation of the Annual Report for the year under review on the occurrences of events during the year despite all the challenges experienced fills us, as an organization, with a great sense of pride and for that we applaud the commitment displayed by both the administration and political support and effort in ensuring the City of Matlosana lives by its forward – “Matlosana Pele”.

The compilation of this Annual Report is consistent with Section 121 of the Municipal Finance Management Act 56 of 2003 (MFMA) which stipulates that: “Every municipality and municipal entity must for each year prepare an annual report in accordance with its guidelines as provided for in Chapter 12 of the MFMA”.

#### The purpose of this report is to:

- ✎ Provide a record of the activities of the City of Matlosana Council during the financial year.
- ✎ Provide a report on performance against the budget of the City of Matlosana Council for the financial year reported on.
- ✎ Promote accountability to the local community for the decisions made throughout the year by the Municipality.

#### This report complies with the provisions of the MFMA, which consists of:

- a) The annual financial statements of the Municipality, and consolidated annual financial statements, submitted to the Auditor-General for audit in terms of Section 126 (1) of the MFMA
- b) The Auditor-General’s audit report in terms of section 126 (3) of the MFMA and in accordance with Section 45 (b) of the MSA; on the financial statements in (a) above
- c) The annual performance report of the Municipality as prepared by the Matlosana Municipality in terms of Section 45(b) of the Local Government: Municipal Systems Act 32 of 2000 (MSA);
- d) An assessment of the arrears on municipal taxes and service charges;
- e) An assessment of the Municipality’s performance against the measurable performance objectives referred to in Section 17 (3)(b) of the MFMA for revenue collection from each revenue source and for each vote in the Municipality’s approved budget for the financial year
- f) Corrective action taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d); and
- g) Recommendations of the Municipality’s Audit Committee.

# Chapter 1

This Annual Report of the City of Matlosana further complies consistent with the legislative framework of Local Government Act (Section 83) and covers the financial year starting from 1 July 2018 to 30 July 2019.

The Mayoral Draft Budget Speech emphasised the following amongst others:

- ✎ Working towards an improved audit outcomes
- ✎ Improved performance management and compliance.

The Municipality has implemented systems and processes led by MMC Finance and the Acting CFO to ensure that the above-mentioned objectives are achieved. The financial Server System of the municipality had previously crashed due to server failure and the above-mentioned employees managed to overcome problem, and currently they are in the process of upgrading the system for better outcomes.

The 2018/19 financial year has not been without challenges, the ageing of infrastructure, damages to public property, vandalism of engineering services, equipment, sports facilities and ablution facilities has impacted on high spending of Municipal budget.

It is for this reason that the City of Matlosana is aware that basic services cannot be rendered in a sustainable manner nor can infrastructure such as roads, electricity, and water and sewage network be maintained unless rates and taxes are paid consistently. The Municipality has programs in place to overcome these low collections of rates and taxes.

- ✎ Business 60/40 discount
- ✎ Members of the public 70/30 discount
- ✎ Operation KhoKha

Going forward it is imperative that both the administrative and political wings of the Matlosana Municipality should set the bar higher by complementing the compliance audit achievement with a positive value for money audit outcome.

To achieve a positive value for money audit outcome we have to consistently do the following:

- ✎ Maintain all systems and strategies
- ✎ Strengthen and support the administrative wing to deliver services within shortest turnaround times
- ✎ Political wing actively engaging households and business on servicing their arrears and current rates and taxes accounts
- ✎ Active oversight role by politicians over administration on quality services delivery
- ✎ Review and redress all areas of concern and gaps that the Audit Committees and previous management reports that the Office of the AG has raised.

## Completed Projects

- ✎ Upgrading of sewer outfit line in Alabama/ Jouberton ext. 19: R499 639
- ✎ Paving of taxi routes and storm-water drainage in Kanana (phase 8): R 4 522 125

# Chapter 1

## Incomplete Projects

- ✚ Alabama bulk water supply (Phase 3) 2ml pressure tower
- ✚ Water supply from Midvaal end point to Jouberton and Alabama
- ✚ Paving of taxi routes and storm-water drainage in Jouberton (phase 8)
- ✚ Replacement of Obsolete high must lights in Kanana (Phase 1) (18)
- ✚ Replacements of Obsolete high must lights in Khuma (Phase 1) (15)
- ✚ New sports complex in Khuma

## Partnerships

Our Municipality has closely worked with AGA (AngloGold Ashanti). This partner has broad up partnership at bringing positive result.

The mine has invested in the municipality the projected tabulated here under as part of the mines obligation in the mining charter and the Social & Labour Plans.

Kanana Secondary School Computer Centre: R 0.5 Million  
Tigane Primary School Computer Laboratory: R 1.7 Million  
Gaenthone Secondary School Computer Centre: R 0.5 Million  
Executive Mayors Excellence Awards

The Municipality must extend this kind of partnership to other stakeholders who can contribute proportional to the scale of their operations

## Conclusion

Let me send my sincere gratitude to all Councillors of the city of Matlosana, different directorates and their champion's head of departments on insuring that positive outcomes for the community at large for service delivery. In particularly members of Mayoral Committee as well as Municipal Manager MR. TRS Nkhumise, keep up the good work. Amongst them all to my family with greatest support for being there for me.

We have won the battle, now let us be ready for the war on effective and efficient qualitative service delivery, doing right things the right way consistently. A journey of Thousand Miles has already been started with this first step.



**MME KGAILE**  
**EXECUTIVE MAYOR**

# Chapter 1

## COMPONENT B: EXECUTIVE SUMMARY

### 1.1 MUNICIPAL MANAGER'S OVERVIEW

#### MUNICIPAL MANAGER'S OVERVIEW

The 2018/19 Annual Report is hereby submitted to Council and the broader Matlosana community with a realization that there are a lot of room for service delivery improvement, backlogs to be addressed and new turn around plans to be implemented.

The main challenges of poverty, unemployment and inequality still remains and impact negatively on our revenue streams and together with infrastructure backlogs and financial sustainability remains a serious threat to the rendering of sustainable value- for- money services.



In terms of section 121, Chapter 12 of the Municipal Finance Management Act (MFMA) Act 56 of 2003 the municipality must prepare and adopt the Annual Report.

Sub section 121(2), read with MFMA Circular 32 and Circular 63, gives the purpose of the Annual Report as having:

- ↳ to provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;
- ↳ to provide a report on performance against the budget of the municipality or the municipal entity for that financial year; and
- ↳ to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

This report will attempt to cover the broad view of the City of Matlosana municipal area with information such as the socio-economic profile of the area, institutional capacity, and the achievements relating to the delivery of services to the community as well as the developmental and institutional aspects, including financial performance. The report also covers governance and public participation engaged in by the municipality to ensure involvement of the communities of the City of Matlosana in planning as well as in delivery of services that meet their needs in the period under review.

Furthermore, it ensures that accountability is upheld and clients of the municipality are kept informed on decisions taken by the municipality during the period under review.

Indeed, we did our best to ensure that there is synergy between budget, Integrated Development Plan and the Service Delivery Implementation Plan notwithstanding the challenges we encountered.

Matlosana as in the case of other municipalities is experiencing financial constraints.

The municipality's debtors book has significantly increased during the last 5 years. The municipality has developed the Revenue Enhancement Strategy to ensure financial viability and economic sustainability of the municipality.

# Chapter 1

The 2018/19 year's performance results reflect a 72% success rate calculated on a combined performance result of directorates in implementing the SDBIP.

During the financial year, certain projects were hampered by issues of no responsive bidders, re-advertisement of tenders, delays due to community disruptions and unrests, poor performance of the contractors and revised programme of works due to budget constraints. These non-performing projects are back on track and will be finalized in the 2019/20 financial year.

A total of R153 850 949 or 79% was spent on MIG grants which include NDPG, EEDSM & DME allocated for the City of Matlosana.

Municipality has eight approved posts for Senior Manager. After filling all the Senior Managers positions during 2018, the Chief Financial Officer (Director Budget and Treasury) resigned and we had to appoint the Deputy Director Budget to act as Chief Financial Officer while the recruitment process was unfolding. All directors concluded their performance agreements for the year under review.

It continues to be our primary focus and attention to efficiently and effectively better or improve the lives of our community by finding ways of alleviating poverty and unemployment.

We shall never despair to forge unity and harmonious working relations between officials and political leadership to ensure mutual trust despite challenges we encounter in our day-to-day operations.

We will continue to fight to win trust of our community by listening to them and to find solutions for their unfulfilled needs and problems. This is the commitment we pledge to them.

No amount of words will suffice in expressing my gratitude to all personnel of the City of Matlosana, the political leadership and the entire community of Matlosana for their support during the trying times.

I thank you all.



**TSR NKUMISE**  
**MUNICIPAL MANAGER**



# Chapter 1

## 1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### FUNCTIONS AND OBJECTIVES OF A MUNICIPAL COUNCIL

The primary role of the municipal council is that of political oversight of the municipality's functions, programmes and the management of the administration. All the powers of local government are vested in the municipal council. It has the power to make by-laws (legislative authority) and the powers to put those laws into effect (executive authority). The municipal council has executive and legislative authority over the matters set out in Part B of schedule 4 and Schedule 5 of the Constitution. The municipality may also administer any other matter assigned to it by national or provincial legislation. See **Appendix D** for list of functions performed by the municipality.

In administering the matters assigned to local government, the municipal council must strive within its capacity to achieve the constitutional objects of local government.

#### Roles and Responsibilities within Local Government

These constitutional objectives are:

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

In terms of the Local Government: Municipal Structures Act, No. 117 of 1998, the municipal council must meet at least quarterly. The Act also requires the council to annually review:

- ✎ the needs of the community;
- ✎ its priorities in meeting those needs;
- ✎ its processes aimed at involving the community;
- ✎ its organisational and delivery mechanisms for meeting the needs of the community; and
- ✎ its overall performance in achieving the constitutional objectives outlined above.

The municipal council makes decisions concerning the exercising of all the powers and the performance of all the functions of the municipality. The Constitution confines the performance of certain functions to the municipal council alone. The council under any circumstances may not delegate these functions.

Functions which may not be delegated by the municipal council are:

- ✎ Passing of by-laws;
- ✎ Approval of budgets;
- ✎ Imposition of rates and other taxes, levies and duties; and
- ✎ Raising of loans.

# Chapter 1

## ABOUT THE CITY OF MATLOSANA

The Klerksdorp area was originally established and developed as a regional service centre between the gold mining areas in the Rand and the diamond mining fields in the Cape in the late 1800s. The first inhabitant of Klerksdorp was Hendrik Grobler (probably a hunter) who settled next to Skoonspruit on what was later to become the farm Elandsheuwel. In 1837, a group of 12 Voortrekker families settled on the banks of the Skoonspruit, today known as Oudorp. They established a town and later started calling it "Clercqsdorp" (later to be changed to "Klerksdorp") after the first magistrate north of the Vaal River, Jacob De Clercq.

James A. Taylor opened the first shop in Klerksdorp in 1865. In 1870, he took on a partner, Tomas Leask. Tomas Leask was to become one of the big businesspersons of Klerksdorp.

In 1886, M.G. Janse van Vuuren discovered gold in the Klerksdorp District. Due to the rapid development after the discovery of gold, State President S.P.J. Kruger issued a proclamation on 21 August 1886, according to which Klerksdorp was declared as a town as of 12 September 1888.

The City of Matlosana was previously known as Klerksdorp (Matlosana area) and today tends to refer to itself as the "City of People on the Move".



The Municipal Demarcation Board, in terms of section 4 of the Local Government Municipal Structures Act, 1998 classifies the City of Matlosana Local Municipality (previously City Council of Klerksdorp) as a category B1 municipality. The municipality is situated within the Dr Kenneth Kaunda District in the North West Province. It is bordered by the Ngaka Modiri Molema District in the north, the Free State Province in the south, JB Marks in the east and Maquassi Hills in the west.

It is the smallest of the three municipalities that make up the district, accounting for a quarter of its geographical area.

The main economic sectors are mining, agriculture, manufacturing, services, construction and transport.

Key investment opportunities include airport developments, retail shopping complexes, central business development revitalisation, neighbourhood development and rural economic development.

Places worth mentioning include the following:

- ✦ Bird Sanctuary (in Orkney);
- ✦ Faan Meintjes Nature Reserve;
- ✦ Johan Naser Dam;
- ✦ Klerksdorp Museum;
- ✦ Goudkoppie Heritage Site;
- ✦ Fresh Produce Market; and
- ✦ Old Cemetery.

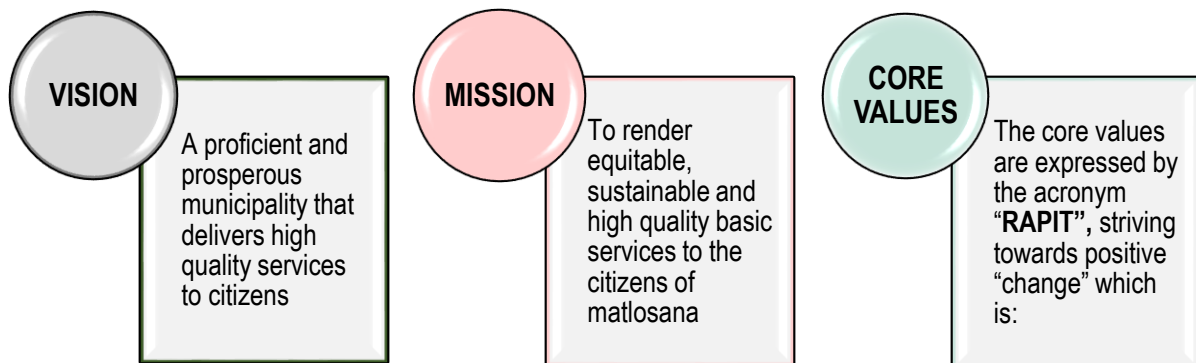
# Chapter 1

The municipality as a flagship project for excellent opportunities in the housing, business, industrial, heritage, mining, tourism and sports and recreation sectors identified the N12 development route.

The city co-ordinates are  [26°52'S 26°40'E / 26.867°S 26.667°E / -26.867; 26.667](#)

## A CITY WITH A VISION

As an organisation with the primary responsibility of ensuring that, the Matlosana area is able to realise its full potential in every aspect, the mission and core values of the City of Matlosana are as follows:



VALUES	OPERATING PRINCIPLE(S)
RESPECT	<ul style="list-style-type: none"> <li>↪ We engage with others in a humane way with politeness and care.</li> <li>↪ We will listen to the communities we serve.</li> <li>↪ We are focused on our stakeholders</li> </ul>
ACCOUNTABILITY	<ul style="list-style-type: none"> <li>↪ We will take full responsibility for the actions we take and give citizens full value for money.</li> <li>↪ We conduct our tasks in a responsible manner and continuously communicate with our beneficiaries and partners.</li> <li>↪ We owe our accountability to each other, the community we serve and our stakeholders who collaborate with us.</li> <li>↪ We are transparent in all our activities and subject ourselves to any form of scrutiny.</li> </ul>
PROFESSIONALISM	<ul style="list-style-type: none"> <li>↪ We execute our roles to the highest standards according to applicable norms and standards.</li> <li>↪ We execute our tasks with unselfish regard for or devotion to the benefit of communities.</li> <li>↪ We ensure that our initiatives have A direct impact on communities</li> </ul>

# Chapter 1

<b>INTEGRITY</b>	<p>↪ We hold our offices with ethical integrity to the benefit of those we serve.</p> <p>↪ We aim to have congruence between our actions and our pronouncements.</p>
<b>TRANSPARENCY</b>	<p>↪ We hold our offices with ethical integrity to the benefit of those we serve.</p> <p>↪ We aim to have congruence between our actions and our pronouncements.</p>

## GEOGRAPHIC PROFILE

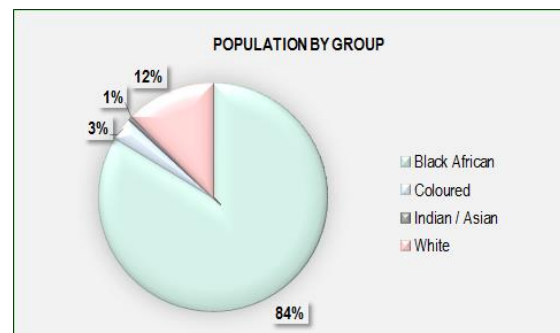
The municipal area of the City of Matlosana covers an area of 3 602km<sup>2</sup>. The main economic sectors are mining, agriculture manufacturing, services, construction and transport. Klerksdorp has a semi-arid climate (*BSh/BSk*, according to the Köppen climate classification), with warm to hot summers and cool, dry winters. The average annual precipitation is 482 mm (19 in), with most rainfall occurring during the summer.

## DEMOGRAPHIC PROFILE

According to estimates based on the population growth rate of SA Statistics (1.14%) and the governmental municipalities website (<https://municipalities.co.za/demographics>) the City of Matlosana has a total population of 438 921 people, of whom 399 418 (91%) are urbanised and 39 503 (9%) are rural (mining villages and farming areas form part of the rural areas). The largest population concentrations are in the Jouberton area (33%). The City of Matlosana has a population density of 122 persons per km<sup>2</sup>.

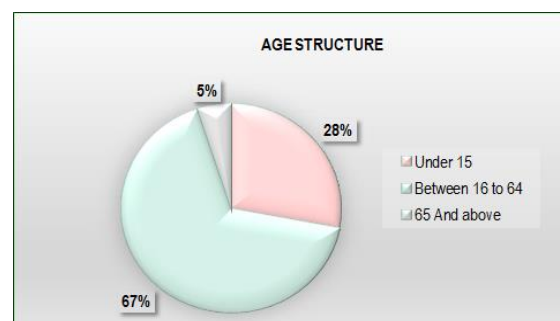
### Distribution of Population by Population Group

DISTRIBUTION OF POPULATION GROUP	
Age Structure	Population
Under 15	122 898
Between 15 to 64	294 077
Over 65	21 946
<b>TOTAL</b>	<b>438 921</b>



### Distribution of Population by Age Structure

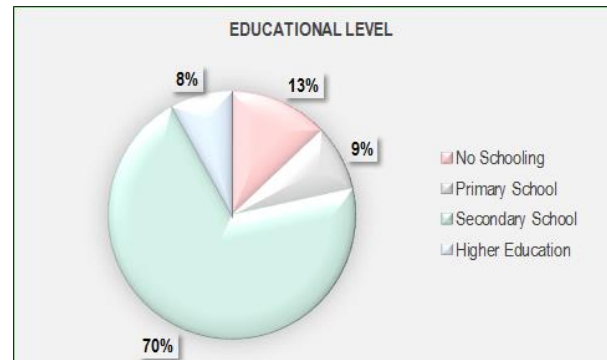
DISTRIBUTION OF POPULATION AGE	
Age Structure	Population
Under 15	122 898
Between 15 to 64	294 077
Over 65	21 946
<b>TOTAL</b>	<b>438 921</b>



# Chapter 1

## Highest level of Education for Population aged 20 Years and Older

DISTRIBUTION OF POPULATION	
Age Structure	Population
No Schooling	56 854
Primary School	37 861
Secondary School	308 784
Higher Education	35 422
<b>TOTAL</b>	<b>438 921</b>



## Households with the basic level of service delivery

PROPORTION OF HOUSEHOLDS WITH BASIC SERVICE DELIVERY			
Basic Service Delivery	Hh with the minimum service level and above	Hh below minimum service level	Hh with no access
Refuse Removal	94.32%	5.68%	0%
Water	97.69%	2.31%	0%
Sanitation	96.40%	3.60%	0%
Electricity	95.25%	4.75%	0%

## Natural Resources within the City of Matlosana jurisdiction

NATURAL RESOURCES	
Major natural resource	Relevance to community
Vaal River	Supplies Matlosana with water
Dry land, cultivated and land under irrigation	Agriculture potential
Dolomite aquifers	Surface mining

## 1.3 SERVICE DELIVERY OVERVIEW

### SERVICE DELIVERY INTRODUCTION

The Directorate contributes to the municipal service delivery objective in the form of water supply, sanitation services, roads and storm water, development of new infrastructure and electrical services. The Directorate endeavours to provide these services in line with the relevant Acts and service delivery guidelines as issued time to time.

Although most of these services are being provided to the community satisfactorily, there is not adequate maintenance and upgrade budget to avoid future demand due to low collection rate experienced by the municipality.

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PROPORTION OF HOUSEHOLDS WITH MINIMUM LEVEL OF BASIC SERVICES				
Basic Service	2015/16	2016/17	2017/18	2018/19
Electricity service connections	164 694	165 743	168 125	168 335
Water - available within 200 m from dwelling	167 430	168 950	170 293	172 647
Sanitation - households with at least VIP service	165 974	168 483	169 723	169 729
Waste collection - kerbside collection once a week	164 644	165 277	166 309	166 685

## COMMENTS ON THE ACCESS TO BASIC SERVICES

The municipality has been able to consistently provide full access to all services to all the proclaimed areas.

Challenges of access is experienced in all informal settlements and farming areas, especially in terms of water, sanitation and electricity services.

All informal settlements and farming areas are serviced by water tankers weekly although this quite expensive. Business plans have been developed to source funds for water and sanitation services for the farming areas.

## 1.4 FINANCIAL HEALTH OVERVIEW

### FINANCIAL OVERVIEW

The City of Matlosana is dependent on rates and services income as well as grants income, which constituted about 84% of the municipal income. The municipality's sustainability is dependent on the effective management of its resources as well as the community's effective contributions to and participation in the budgeting process as well as the payment of rates and services.

Non-payment of rates and services is a national concern and the City of Matlosana is not free from the problem. Collection of outstanding debt remains one of the biggest challenges.

FINANCIAL OVERVIEW: 2018/19			
R' 000			
Details	Original budget	Adjustment budget	Actual
<b>Income:</b>			
Grants	577 998	658 910	567 076
Taxes, levies and tariffs	2 114 286	1 963 469	1 577 773
Other	197 246	309 447	818 485
<b>Sub-total</b>	<b>2 889 160</b>	<b>2 931 453</b>	<b>2 963 334</b>
<b>Less: Expenditure</b>	<b>3 118 709</b>	<b>3 174 462</b>	<b>3 263 289</b>
Net total*	-229 548	-243 008	-299 955
* Note: surplus/(deficit)			

# Chapter 1

OPERATING RATIOS: 2018/19	
Detail	%
Employee cost	20%
Repairs and maintenance	2,9%
Finance charges and impairments	14%

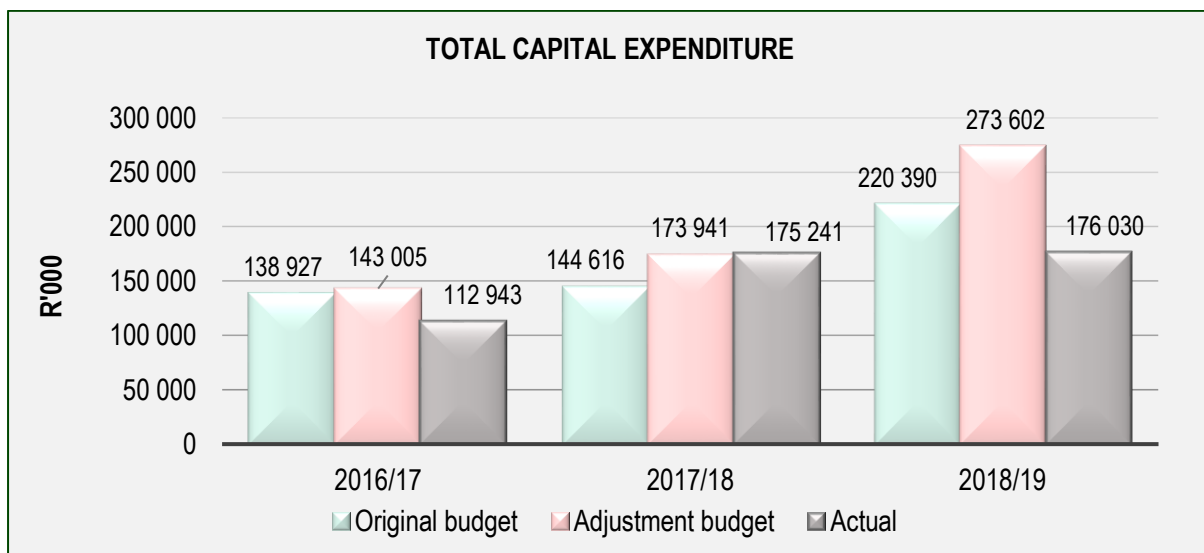
## COMMENTS ON OPERATING RATIOS

The employee cost ratio is within the norms stipulated by National Treasury.

Repairs and maintenance is below the targets mainly due to the current financial constraints. The financial recovery strategy should address the cash-flow with the benefit of approving a more appropriate budget for repairs and maintenance.

The biggest portion of the finance charges relates to ESKOM and Midvaal. The high impairment (biggest contributor to this ratio) is indicative of the challenges faced by the municipality regarding the debtors collection rate and will receive the necessary attention.

TOTAL CAPITAL EXPENDITURE: 2016/17 TO 2018/19			
R'000			
Detail	2016/17	2017/18	2018/19
Original budget	138 927	144 616	220 390
Adjustment budget	143 005	173 941	273 602
Actual	112 943	175 241	176 030



## COMMENTS ON CAPITAL EXPENDITURE

No grants were received from any other sources than the Division of Revenue Act (DORA).

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## 1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

#### Senior Manager Positions

The Minister of CoGTA on 17 January 2014 promulgated the Local Government Regulation on the Appointment and Conditions of Service of employment of Senior Managers (Government Notice 21 in the Government Gazette No 37245). The Regulations on Appointment and Conditions of employment of Senior Managers (as published under Government Notice No. 21 in the Government Gazette No 37245 of 17 January 2014) must be read in conjunction with:

- ✎ Any regulations or guidelines issued in terms of Section 120 of the Act, concerning matters listed in Sections 54A, 56, 57A and 72; and
- ✎ The Local Government: Municipal Regulations on Minimum Competency Level, 2007, issued in terms of the Municipal Finance Management Act, as published under Government Notice No. 493 in the Government Gazette No. 29967 of 15 June 2007.

#### The status in terms of filling senior managers' positions

POST DESIGNATIONS	STATUS
Municipal Manager	Filled
Chief Financial Officer	Vacant (1 February 2019)
Director Corporate Support	Filled
Director Community Development	Filled
Director Public Safety	Filled
Director Technical and Infrastructure	Filled
Director Local Economic Development	Filled
Director Planning and Human Settlements	Filled

Council's overhead structure was revised during April 2017 by an appointed service provider and approved by council on 24 April 2017. The revised structure consists of the following directorates:

- ✎ Directorate Corporate Support
- ✎ Directorate Budget and Treasury
- ✎ Directorate Local Economic Development
- ✎ Directorate Public Safety
- ✎ Directorate Community Development
- ✎ Directorate Technical and Infrastructure
- ✎ Directorate Planning and Human Settlements.

The two vacant positions of the Directors: Local Economic Development and Planning & Human Settlements at the time was advertised in two national newspapers i.e. City Press and Rapport Careers on 10 June 2018 with the closing date 25 June 2018.



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The recruitment, selection and appointment process on the appointment of the Directors: Local Economic Development and Planning & Human Settlements was strictly concluded in terms of the Local Government: Regulation on Appointment and Conditions of Employment of Senior Managers, 2014.

After Council approval and a written report regarding the outcome and appointment, process was received from the MEC in the province the two Directors were appointed with effect 1 March 2019 on a fix-term for a period of 5 years.

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## 1.6 AUDITOR-GENERAL'S REPORT

### AUDITOR-GENERAL'S REPORT: 2017/18

As required by Section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and

Section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), the responsibility of the Auditor-General is to express an opinion on the municipality's financial statements, based on conducting an audit in accordance with International Standards on Auditing.

For the previous financial year (2017/18), the City of Matlosana received an unqualified audit opinion on both the financial statements and the reported performance information.

A report from the Auditor-General for the financial year under review is contained in chapter 6 of this report.

# Chapter 1

## 1.7 STATUTORY ANNUAL REPORT PROCESS

NO	ACTIVITY	TIMEFRAME
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should conform to in-year reporting formats to ensure that reporting and monitoring feed seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (in-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year.	
4	Submit draft 2018/19 Annual Performance Report to Internal Audit	August
6	Audit Committee considers draft Annual Report of municipality	
7	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to the Auditor-General.	
8	Annual Performance Report as submitted to the Auditor-General to be provided as input to the IDP Analysis Phase.	September
9	Mayor tables the unaudited Annual Report	
10	Auditor-General audits Annual Report including consolidated Annual Financial Statements and Performance data.	September - October
11	Municipalities receive and start to address the Auditor-General's comments.	
12	Municipalities receive Auditor-General's opinion	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report.	January
14	Audited Annual Report is made public and representations are invited.	February
15	Oversight Committee assesses Annual Report.	February / March
16	Council adopts Oversight Report.	April
17	Oversight Report is made public.	
18	Oversight Report is submitted to relevant provincial councils.	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	March

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## COMMENT ON THE ANNUAL REPORT PROCESS

It is necessary that the municipality derive maximum benefit from its efforts in submitting reports. Such benefits are typically obtained in the form of being able to compare and benchmark against other municipalities and to learn from the feedback mechanisms.

The annual report process flow provides a framework for the municipality to follow in completing various reports within each financial year cycle. Timely submissions of the process flow and reports is recommended. If the process flow is followed, the municipality should be able to provide an unaudited annual report in August of each year, which is consistent with the requirements of the MFMA.

One of the advantages of compiling an unaudited annual report in August is that it can be used to influence the strategic objectives indicated in the IDP for the next financial year as well as the budgetary requirements related to each vote.

An unaudited annual report submitted in August will further provide the municipality with an opportunity to review the functional areas that received attention during the current financial year and take the necessary corrective actions to align the IDP and budget with other priority areas requiring attention.

The annual report of a municipality must be tabled in the municipal council as soon as possible after financial year-end, namely August. The entire process is concluded in the first or second week of December for all municipalities, the same year in which the financial year ends and not a year later, as is currently the case. It is expected that effective performance management will also result from this change.

The annual report must be aligned with the planning documents and municipal budget for the year reported on. This means that the IDP, budget, SDBIP, in-year reports, annual performance report and annual report should contain similar and consistent information to facilitate understanding and to enable linkage between plans and actual performance.

The above can only occur if the municipality were to set appropriate key performance indicators and performance targets with regard to the development of priorities and objectives in its IDP and outcomes (MSA S41). This requires an approved budget together with a resolution of approving measurable performance objectives for revenue from each source and each vote in the budget (MFMA, S24).

The annual report assists the municipal council with information and progress made on service delivery.

Another key aspect of the reform in combining the relevant information into the new annual report format will assist the municipality in streamlining operations and processes through combined committees and to reduce costs, time and effort. There will be a limited need for the municipality to have different committees to deal with financially and non-financially related matters.

# Chapter 2

## Chapter 2





# Chapter 2

## CHAPTER 2 – GOVERNANCE

### INTRODUCTION TO GOVERNANCE

To govern is to exercise political, economic and administrative authority to manage the nation's affairs. Governance is the complex of mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights and obligations and mediate their differences.

The political and administrative components of Council maintain a sound working relationship by ensuring respect for procedures and protocols. The City Council as a legal entity relates to the other spheres of government and organised local government bodies through the Intergovernmental Policy Framework. Communities as an interest group in municipal affairs participate through public participation mechanisms and processes in the decision-making systems of Council.

This includes interaction with stakeholders in shaping the performance of the municipality to enhance a healthy relationship and minimise conflict.

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Political governance ensures regular communication with the community at large by means of Imbizos and the IDP and budget consultations. This ensures that the community participates in identifying needs and in making inputs on the performance of the municipality. This process ensures healthy relations with the community and minimises conflict.

Administrative governance ensures transparent administration, regular feedback to the community and compliance with the rules, processes and laws by which Council operates and is regulated and controlled.

## 2.1 POLITICAL GOVERNANCE

### INTRODUCTION TO POLITICAL GOVERNANCE

The City of Matlosana consists of 77 Councillors since 6 August 2016, after the election, who are deployed in the current various council committees, namely:

↳ Finance and Debt Normalisation	↳ Housing, Land Affairs and Rural Development
↳ Corporate Services	↳ Community and Health Services
↳ Sport, Arts and Culture	↳ Transversal Issues
↳ Public Safety	↳ Infrastructure
↳ Electrical and Mechanical Engineering	↳ Economic Growth and Market

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The City of Matlosana approved the following new Top Structure during April 2017:

Office of the Municipal Manager	Budget and Treasury
Corporate Support Services	Technical and Infrastructure
Local Economic Development	Public Safety
Planning and Human Settlements	Community Development








The City Council of Matlosana has established an Audit Committee and merged the Audit and Performance Audit Committees, a Municipal Public Accounts Committee (MPAC), comprising non-executive councillors with the purpose of commenting on and making recommendations on the Annual Report and the Auditor-General's Report.

The Oversight Report of the Municipal Public Accounts Committee was published separately in accordance with the requirements of the Municipal Finance Management Act, No.56 of 2003.

The Executive Mayor, Cllr ME Kgaile appointed her Mayoral Committee Members (MMCs) from amongst the ranks of elected councillors, who advise her on municipal affairs as well as other councillors to serve in Section 80 committees for a specific purpose.

POLITICAL STRUCTURE		FUNCTIONS
<b>EXECUTIVE TEAM</b>		
	<b>EXECUTIVE MAYOR</b> Cllr ME Kgaile	The Executive Mayor identifies the needs of the municipality, reviews and evaluates those needs in order of priority. She recommends to the municipal council strategies, programmes and services intended to address priority needs through the Integrated Development IDP and expenditure, taking into account any applicable national and provincial development plans and recommends. She further determines the best way to deliver strategies, programmes and services to the maximum benefit of the community. The Executive Mayor also performs a ceremonial role.
	<b>SPEAKER</b> Cllr RW Ntozini	The Speaker presides at meetings of the Council, maintains order during meetings and ensures that meetings are conducted in accordance with the Rules of Order of the Council.
	<b>SINGLE WHIP</b> Cllr MV Chinga	The Single Whip has to ensure that councillors are accountable to the community and that the code of conduct is respected and adhered to by all councillors. The Single Whip ensures discipline during meetings of Council and committees. He facilitates political debates and workshops for all councillors.

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MAYORAL COMMITTEE MEMBERS				
				
Cllr FI Tagaree MMC Finance and Debt Normalisation	Cllr TG Khoza MMC Economic Growth and Market	Cllr PF Mabeli MMC Sport, Arts and Culture	Cllr ML Mojaki MMC Corporate Services	Cllr SJ Daemane MMC Public Safety
				
Cllr TO Vilakazi MMC Housing, Land Affairs and Rural Development	Cllr NI Matetoane MMC Transversal Issues	Cllr MF Nthaba MMC Infrastructure	Cllr SD Montoedi MMC Electrical and Mechanical Engineering	Cllr NS Mendela MMC Community and Health Services

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) MEMBERS			
MPAC develop its work programme (which must be approved by Council) annually and link such programmes to the overall planning cycle of council and conclude with the evaluation of the annual report and the recommendations to Council when adopting the Oversight Report on the Annual Report			
			
<b>CHAIRPERSON</b> Cllr SPJ Bogatsu	Cllr LM Phakoe	Cllr SP Sesana	Cllr A Combrinck
			
Cllr MN Seitisho	Cllr MC Mahlangu	Cllr JJ Le Grange	Cllr AN Ludidi
			
Cllr S Nongqayi	Cllr SL Moremi	Cllr L Khoza	Cllr PT Horn



# Chapter 2

## COUNCILLORS

Councillors provide a vital link between communities they serve and the City Council. Councillors are elected to represent local communities on municipal councils, to ensure that municipalities have structured mechanisms of accountability to local communities and to meet the priority needs of communities by providing services equitably, effectively and sustainably within the means of the municipality.

In fulfilling this role, councillors must be accountable to local communities and report back at least quarterly to constituencies on council matters, including the performance of the municipality in terms of established indicators. Councillors fulfil their obligations to the community and support the achievements of the municipality in its objectives as set out in Chapter 3 of section 19 of the Local Government: Municipal Structures Act (117 of 1998), as amended and Schedule 1 of the Code of Conduct of the Local Government: Municipal Systems Act (32 of 2000) as amended. Councillors serve a term of five years.

The City of Matlosana comprises 39 ward Councillors and 38 PR (proportional representation) councillors.

Ward Councillors should be fully involved in all community activities in which the ward committee is established and communicate the activities and meeting schedules to the PR councillors. PR means “proportional representation”, where voters vote for a political party and not an individual candidate within a party. The party gets the same share of the number of councillors as the ballot paper just shows the political parties. The party gets the same share of the number of councillors as the share of total PR votes it received. The party decides which members should fill those councillor positions.

A PR councillor is allocated to a ward and provides support to the ward or the ward committee. He or she handles queries and complaints in consultation with the ward councillor, assists in the resolving of disputes and in making referrals, helps with implementation of projects, supports the ward councillors without replacing the ward councillor and attends ward committee meetings, constituency meetings and special meetings.

## POLITICAL DECISION-MAKING

As a municipality with a Mayoral Executive system all matters for consideration by Council in terms of Section 160 (2) of the Constitution are considered by the Mayoral Committee and recommended to Council.

Matters delegated by Council are finalised at the Mayoral Committee and submitted to Council for cognisance, while matters excluded from delegation by law or not delegated by Council are submitted via the Mayoral Committee to Council for finalisation.

Council resolutions implemented against the number of decisions taken by Council are 82.5%.

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## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

In terms of Part 7 Section 82 of the Local Government: Municipal Structures Act 117 of 1998, as amended, the municipality appointed the Municipal Manager, Mr TSR Nkhumise with effect from 01 May 2017, who is the head of administration and therefore the Accounting Officer. In terms of Section 55 of the Local Government: Municipal

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Systems Act 32 of 2000, as amended, the Municipal Manager as head of administration is subject to policy directives of the Municipal Council and is responsible for the formation and development of an efficient, economic, effective and accountable administration. The Accounting Officer must further manage the municipality in accordance with all legislation and policies pertaining to local government. In terms of Section 50 of the Local Government: Municipal Systems Act 32 of 2000, as amended, the Council in consultation with the Municipal Manager must appoint managers who are directly responsible to the Municipal Manager and who must have relevant and requisite skills, expertise and competencies to perform the duties associated with the posts they occupy.

The Municipal Manager is also accountable for all the income and expenditure and all assets, as well as the discharge of liabilities of the municipality, including proper and diligent compliance with the Municipal Finance Management Act, 53 of 2003. Senior managers or directors who report directly to the Municipal Manager are delegated such functions as the Municipal Manager may deem appropriate and are responsible for all those duties delegated to them. This includes financial management as well as discipline and capacitating of officials within their areas of responsibility, together with compliance with all legislation governing local government, its policies and by-laws.

The Municipal Manager and directors form the senior management core and all directors are accountable to the Municipal Manager for the strategic management and oversight of their departments. All budget expenditure in each directorate is managed by the relevant director to ensure that service delivery matters are handled speedily.

The table below indicates the top administrative structure as approved by Council on 21 April 2017, which is in line with its strategic direction.

TOP ADMINISTRATIVE STRUCTURE	
DIRECTORATE	FUNCTIONS
<b>MUNICIPAL MANAGER</b>	As Head of Administration and Accounting Officer of the municipality, the Municipal Manager is subject to the policy directions of the Municipal Council and is responsible and accountable for duties and responsibilities outlined under Section 55 of the Local Government: Municipal Systems Act 32 of 2000, as amended. He is also responsible for any other relevant duties as may be delegated from time to time to the Municipal Manager by the Executive Mayor and Council. The Municipal Manager is also responsible for duties outlined under Sections 60 to 75 of the Municipal Finance Management Act, as amended. The Municipal Manager is further responsible for implementing a monitoring and evaluation methodology in line with legislative requirements and for providing leadership and direction in the operation of the performance management system, IDP, risk management, MPAC and internal audit, its monitoring and evaluation, development of the SDBIP, quarterly performance reports and the annual report.
<b>DIRECTOR: CORPORATE SUPPORT</b>	The director is responsible for establishing and maintaining structures, within the parameters of legality and good governance that will provide administration that is appropriately relevant, timeous and effective for the execution of tasks and that will be transparent as well as to provide an environment that is conducive to stimulating public participation within co-operative governance.

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<b>DIRECTOR: BUDGET AND TREASURY (CFO)</b>	The director is responsible for ensuring effective and efficient strategic management of the finance portfolio, which includes budgetary management, financial accounting management, credit control management, investments and banking, treasury management and supply chain management.
<b>DIRECTOR: LOCAL ECONOMIC DEVELOPMENT</b>	The director is responsible for creating a prosperous city and developing economic strategies that will alleviate poverty and the related socio-economic impacts by stimulating economic growth and development. His responsibilities further includes the operation of the fresh produce market that is effective, efficient and economical and which satisfies consumer needs through effective distribution channels, facility provision and operational services.
<b>DIRECTOR: TECHNICAL AND INFRASTRUCTURE</b>	<p>The director is responsible for providing water, roads, storm-water drainage and sanitation through well-established and well-maintained infrastructure that will stimulate growth, resulting in a broader income base and that will encourage taxpayers to sustain payments because of well-established and well-maintained infrastructure.</p> <p>The director is further responsible for providing an electricity supply service in an effective and efficient manner as well as for providing a cost-effective distribution network and a sustainable electricity supply to all consumers. The director is also responsible for fleet maintenance and mechanical works.</p>
<b>DIRECTOR: PLANNING AND HUMAN SETTLEMENTS</b>	The director aims to accelerate housing delivery through efficient and effective human settlement management and quality service delivery as well as through integrated and collective sustainable human settlements programmes. As well as to eradicate the remaining informal settlements and introduces a rental strategy as an alternative to address housing backlogs.
<b>DIRECTOR: COMMUNITY DEVELOPMENT</b>	<p>Directorate Community Development's mandate is to provide support and maintain community services in the following functional areas: Cleansing (Refuse removal, street cleansing, night soil and vacuum services); Parks &amp; Recreation; Sports Arts and Culture; Libraries; Museums; Health and Environmental &amp; Integrated Waste Management.</p> <p>The director therefore oversees the development and maintenance of a clean and green city. The development and maintenance of cultural heritage and the rendering of a uniform cleansing service to all residents.</p>
<b>DIRECTOR: PUBLIC SAFETY</b>	The Director ensures effective traffic flow and road safety, minimising the risk of fire and disaster incidents and the provision of motor vehicle licensing, registration and testing to residents.

The third tier of posts / positions can be seen in **Appendix C**.

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

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

Promoting Intergovernmental Relations (IGR) helps to make everyone aware that there is one seamless government working together to serve the people. It builds teamwork within the various spheres of government and between government and its agencies as well as other partners in development.

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Intergovernmental Relations activities include:

- ✎ Planning and budgeting;
- ✎ Consultations and meetings as well as information sharing sessions;
- ✎ Dispute resolutions;
- ✎ Reporting; and
- ✎ Monitoring and evaluation

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## 2.3 INTERGOVERNMENTAL RELATIONS

The primary purpose of the intergovernmental relations is to position the municipality to enhance intergovernmental relations by mobilising resources and strategic partnerships, which will ensure co-ordination of service delivery by all departments to the citizens of the city, thus ensuring a better quality of life for all.

Intergovernmental Relations focuses on the following priority programme areas:

- ✎ Co-ordinating and managing all municipal relationships with other spheres of government, including the district municipality.
- ✎ To ensure that there is a strong link between departments internally and the two spheres of government (National and Provincial).
- ✎ To facilitate information and knowledge sharing through inter-municipal cooperation.
- ✎ To build managerial and technical capacity (through study tours, exchange programmes, seminars and conferences).
- ✎ To develop project partnerships with other government departments for mutual benefit.
- ✎ To create employment through the public works programmes (EPWP).
- ✎ To focus on supporting the successful implementation of the strategic priorities of the city by mobilising on-going support from other spheres of government.
- ✎ To ensure a consistently positive image of the city to all other spheres of government.
- ✎ To ensure that there are monitoring and alignment of municipal budgets and IDP implementation with provincial and national government departments.
- ✎ To coordinate and align all events that involve other spheres of government – e.g. national days, Imbizos, etc.
- ✎ To promote effective lines of communication between the municipality and other spheres of government.
- ✎ To ensure effective relations and share models of good practice with other municipalities

### NATIONAL INTERGOVERNMENTAL STRUCTURES

The Municipality participates in various Intergovernmental Relations activities at the national, provincial and district levels. Municipal officials and Councillors are delegated to serve on the various forums.

Service delivery is the core function of the municipality. Co-operative governance is an arrangement entered into by the spheres of government to fast-track service delivery within the constitutional mandate.

Forums have been established to share best practices among municipalities and to ensure compliance. These forums focus mainly on issues of progressive governance and unblocking bottlenecks in certain spheres. Such forums must be attended to check and report on service delivery.

# Chapter 2

Examples of such forums are:

- ↳ Municipal Managers' Forum
- ↳ Mayors' Forum
- ↳ Chief Financial Officers' Forum

The City of Matlosana is a member of and does participate in these forums, including SALGA (South African Local Government Association), both at the national and provincial levels.

## PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The City of Matlosana strives to uphold its legislative authority and co-operative governance as required by the Constitution and other relevant legislation. In doing so, the municipality maintains good co-operative and intergovernmental relations with its provincial authority.

Forums attended to include:

- ↳ Municipal Managers' Forum
- ↳ SALGA Working Groups, NCOP, FFC
- ↳ Performance Management / Monitoring and Evaluation Forum
- ↳ Planning and Development Forum
- ↳ Disaster Management Forum
- ↳ Local Economic Development Forum
- ↳ MPAC Forum
- ↳ Speaker's Forum

## DISTRICT INTERGOVERNMENTAL STRUCTURES

The Dr Kenneth Kaunda District Municipality established various IGR structures such as:

- ↳ District Economic Development Forum.
- ↳ Mining Forum.
- ↳ Rural Economic Development Forum.
- ↳ District IDP Forum.
- ↳ Performance Management Forum.
- ↳ District IGR Forum
- ↳ Community Safety Forum
- ↳ Social Cluster War Room

These forums meet quarterly to discuss planning in consultation with one another to solicit financial assistance from the District Municipality in funding projects of mutual benefit to municipalities within the district.

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The MPAC may engage directly with the public and respond to public comments and concerns that fall within its ambit of responsibility.

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The Council interacts with its stakeholders by means of ward committees, budget and Integrated Development Planning (IDP) meetings. Public and stakeholder engagements are on-going processes throughout the year. Public meetings include Council meetings, Ward Committee meetings, Budget and IDP meetings as well as whistle Blowers.

The Municipality ensures that these meetings are well attended by informing the public and stakeholders on time and considering local languages. Public meeting schedules are made public through being advertised in local newspapers and loud hailing. The Chairperson also engage with the public on the unfolding processes of public participation through local radio stations.

The Municipal Public Accounts Committee (MPAC) conducts public hearing as an oversight mechanism through which officials are called before the committee to give testimony on the key issues, which are specific problem areas. In order to facilitate meaningful public engagement in the procedures, the MPAC may request documents or evidence from the Accounting Officer of the municipality.

When conducting in-field inspections or project site visits, the MPAC has the right to invite interested parties / specialists from the community and to seek their insights and advice.

Public involvement and media coverage play a key role where MPAC holds enquiries in a manner, which allows public participation on the Annual Report. MPAC encourage submissions, receive inputs from various role players, and prepare Oversight Report for consideration of its recommendations to Council.

When the annual report is tabled in Council, the MPAC shall be afforded the opportunity to make a presentation on the Oversight Report, deliberate on the Report and questions from the public for a period of not less than 30 minutes.

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## 2.4 PUBLIC MEETINGS

### COMMUNICATION, PARTICIPATION AND FORUMS

The City of Matlosana values the participation of its community in governance. To this end, the municipality has established ward committees in all 39 wards. Ward committees provide an important vehicle for the municipality to consult with its communities.

One of the main features of the integrated development planning is the involvement of community and stakeholder organisations in the process of developing the IDP. Participation of affected and interested parties is very important to ensure that the IDP addresses the real issues that are experienced by the community.

For purposes of compliance with this legislative requirement, the City of Matlosana has established formal structures for effective participation in the IDP processes. The following is a description of the participatory function of each of the various structures established for the IDP process:

IDP / PMS Representative Forum – constituted of formal representatives of various civic and community organisations as well as other formal structures affected by the developmental efforts of the municipality.

The role of the IDP Forum is to:

- ✎ verify and make additions to data collected through non-formal participatory methods;
- ✎ inform interest groups, communities and organisations of relevant planning activities and their outcomes;

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- ✎ analyse issues, determine priorities, negotiate and effect consensus;
- ✎ participate in the designing of project proposals and / or in assessing of projects;
- ✎ discuss and comment on the draft IDP;
- ✎ ensure that annual business plans and budgets are based on and linked to the IDP; and
- ✎ monitor performance in the implementation of the IDP.

Time arrangements will be made to schedule the workshops at times that will suit the majority of the participants. Representatives will be encouraged to report to their organisations after every session. The effectiveness of these report-backs will be assessed by feedback from these organisations. A period of two weeks will be allowed for feedback. Many of the issues raised by citizens are not of a long-term or strategic nature and would be addressed more specifically in the Service Delivery Budget Implementation Plans (SDBIPs) of specific functional units of the municipality.

In addition to the formal process of representation through the IDP Representative Forum engagement and other council processes, the City of Matlosana consults its communities on an ongoing basis to solicit inputs in as far as the development challenges they face are concerned.

## WARD COMMITTEES

The main objective of a ward committee is to enhance participatory democracy in local government. Ward committees are one way in which one can have a say in government decisions. The key purpose of ward committees is to increase the participation of local residents in municipal decision-making as they are the direct link with the relevant council, they are representative of the local ward and they should be involved in matters such as the integrated development plan, the annual municipal budget, council projects and key policies as all these things impact on local people (see **Appendix E**).

Ward committees can identify and initiate projects to improve the lives of the people in the ward. They can support the councillor in dispute resolutions, providing information about municipal operations. They can monitor the performance of the municipality and raise issues of concern to the local ward, they can assist with community awareness campaigns on issues such as solid waste, water and sanitation, payment of fees, and charges as members know their local communities and what Council needs.

No policy in terms of Sections 72 – 78 of the Local Government: Municipal Structures Act, Act 117 of 1998 has been accepted on ward committees.

## PUBLIC MEETINGS

TOWN	DATE	TIME	VENUE
<b>IMBIZOS</b>			
Klerksdorp	12 September 2018	17:00	Auditorium
Orkney	25 September 2018	17:00	Community Hall
Stilfontein	26 September 2018	17:00	Peoples Hall
Kanana	9 December 2018	14:00	Mpheqeke Stadium
Khuma	17 February 2019	14:00	Khuma Stadium
Jouberton	9 June 2019	14:00	Ext. 16 Stadium



# Chapter 2

BUDGET AND IDP CONSULTATIONS			
Khuma	10 April 2019	16:00	Khuma Community Hall
Stilfontein	10 April 2019	16:00	People's Hall
Alabama	11 April 2019	16:00	Alabama Community Hall
Jouberton	11 April 2019	17:00	Jouberton Community Hall
Kanana	15 April 2019	16:00	Mokati Hall
Orkney	15 April 2019	16:00	Orkney Hall
Tigane	23 April 2019	16:00	Tigane Hall
Klerksdorp	25 April 2019	10:00	Klerksdorp/Ballroom Hall
IDP REPRESENTATIVE FORUM MEETING			
Representative Forum Meeting	4 December 2018	10:00	Council Chamber
Representative Forum Meeting	25 April 2019	10:00	Council Chamber

## COMMENT ON THE EFFECTIVENESS OF PUBLIC MEETINGS HELD

In its preamble, the Freedom Charter (1955) cautions us “no government can justly claim authority unless it is based on the will of the people”. The Charter is the blueprint according to which our democratic future is built, and our municipality ensures that public participation remains the hallmark of all government work.

The City of Matlosana established ward committees in all 39 wards to enhance public participation and accountability. These structures are a mechanism that the municipality uses to disseminate information and address the challenges of the communities in an effective manner. The Ward Mass Meetings held as well as Imbizos also provide a platform for effective interaction and accountability for Council and the community.

The municipality has not lost the connection with communities in relation to projects it implements in their name. Council benefits positively from the above systems in that consultation is done with the broader community of Matlosana on matters of service delivery.

## 2.5 IDP PARTICIPATION AND ALIGNMENT

IDP PARTICIPATION AND ALIGNMENT CRITERIA*	YES/NO
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the section 54A and 56 Managers?	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes?	Yes
Were the indicators communicated to the public?	Yes
Were the four-quarter aligned reports submitted within stipulated periods?	Yes
* Section 26 of the Local Government: Municipal Systems Act 2000, as amended	



### OVERVIEW OF CORPORATE GOVERNANCE

The scope of corporate governance includes political, administrative, inter-governmental governance and public accountability and participation to ensure that the municipality is managed to the desired requirements of the community and within the rules, processes and laws by which the municipality operates and is regulated and controlled.

The national and provincial outcomes for local government can be seen in **Appendix N**.

### 2.6 RISK MANAGEMENT

City of Matlosana has committed to a process of Risk Management that is aligned to the principles of good governance, as supported by the Municipal Finance Management Act (MFMA) No 56 of 2003, thereby ensuring a responsive, accountable and productive administration. The MFMA Section 62(i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

The underlying premise of risk management is that every municipality exist to provide value for its stakeholders as prescribed by the constitution. Such value is based on the quality of service delivery to the citizens. All municipalities face uncertainty, and the challenge for management is to determine how much uncertainty the municipality is prepared to accept as it strives to grow stakeholder value. Uncertainty presents both risk and opportunity, with the potential to erode or enhance value.

The role of risk management in City of Matlosana is to assist the municipality to achieve its objectives. There is an increasingly common understanding in all organisations of the need to manage risks. If the Municipal Council and management are to achieve their objectives, any risks that may impact on the achievement thereof will need to be considered and managed proactively according to the degree of probability or likelihood that they will arise and the possible consequence of such a risks.

Effective risk management assists municipalities to achieve their performance and service delivery targets, and to reduce the potential loss of resources. This is only possible if risk management becomes a part of municipal culture. It should also be a part of everything that a municipality does, its mission, vision, values, strategic planning, business process design and operations. Risk management cannot be viewed or practiced as a separate activity.

During the financial year 2018/19, the Municipality had a functional Risk Management Unit as well as a functional Risk Management Committee, which held four ordinary meetings and one special meeting during the year. The special meeting focused on reviewing the risk management strategic documents including the Strategic and Operational risk registers, risk management implementation plan, risk management framework and risk management committee charter.

The municipality maintains the following approved strategic documents, which are reviewed annually in consultation with the audit committee:

- |                                     |                                       |
|-------------------------------------|---------------------------------------|
| ✍ Risk Management Committee Charter | ✍ Risk Management Policy              |
| ✍ Risk Management Strategy          | ✍ Risk Management Implementation Plan |
| ✍ Anti-fraud and Corruption Plan    |                                       |

# Chapter 2

## Risk Management Committee

The Risk Management Committee provides governance oversight over the entire system of risk management and furnishes the Accounting Officer and the Audit Committee with reports of its findings and recommendations. The Audit Committee provides independent oversight over the system of risk management.

The City of Matlosana established a Risk Management Committee in January 2015 to assist the Accounting Officer and the Audit Committee in executing their respective responsibilities concerned with risk management. The committee operates under a charter reviewed and approved by the Municipal Manager annually.

The Committee comprises external person and directors of City of Matlosana. The membership of the risk committee members are attached to position and not the individual. This is evident in the differences in number of scheduled meetings as some of the members only joined the institution in the third quarter of the financial year. As per approved charter, the Committee should meet at least four (4) times a year. The Committee meetings during the financial year under review were attended as follows:

2018/19 RISK COMMITTEE MEMBERS			
MEMBER	POSITION	SCHEDULED MEETINGS	ATTENDED
*Mr MJ Ramakgolo	Chairperson	5	5
Mr LJ Nkhumane	Member	5	4
Mr R Madimutsa	Member	5	3
Ms L Seametso	Member	5	5
Ms M Molawa	Member	5	4
Mr BB Choche	Member	2	2
Mr G Ramorwesi / Ms TO Sekgala	Member	3	3
Mr L Fourie	Member	2	1
Ms BC More	Administrative Assistant	5	5

\* An external member is a person who is not employed by the City of Matlosana.

## 2.7 ANTI-CORRUPTION AND FRAUD

The City of Matlosana has developed an anti-corruption strategy to give effect to the expressed commitment of the Municipality to fight corruption in the institution. This strategy is aligned with the anti-corruption strategy of 2016, which was developed by the Department of Public Service Administration (DPSA). This strategy therefore serves as a guide with regard to how the municipality must deal with cases of fraud, corruption theft and other financial misconduct. This strategy has been reviewed and workshopped to councillors but the changes were not yet adopted at the end of the financial year.

Over and above the Anti-Corruption Strategy, the Municipality has developed the Fraud Response Plan, the Fraud Prevention Policy and a Fraud Prevention Plan, which were adopted by Council. In these documents, there is guidance regarding the prevention and the detection of fraud and corruption to ensure those issues of conflict of interest, and interference and the conduct of the employees and councillors are managed.

# Chapter 2

The fraud related policies cover among others:

- ✎ Zero-tolerance on fraud and corruption
- ✎ Exhausting all avenues to investigate all incidents of fraud and corruption;
- ✎ Reporting all incidents of fraud and corruption to the South African Police Services for criminal investigation
- ✎ Recovering of losses or damages suffered by the municipality from employees or councillors who are found liable.

## 2.8 SUPPLY CHAIN MANAGEMENT

### OVERVIEW OF SUPPLY CHAIN MANAGEMENT

Supply Chain Management aims to uphold efficient and cost effective managed procurement plan, through intelligent strategic procurement strategies to accelerate quality delivery of services and at the same time contribute to economic growth.

The Municipality is accelerating measures to centralise the SCM Unit and at the same time ensure that it procures what is needed at the right time, the right price, in the correct quantities and delivery to the right location. Central to this objective are the following pertinent themes:

- ✎ Optimising procurement strategies;
- ✎ Supplier relationship management;
- ✎ Performance optimisation inclusive of contract management.

## 2.9 BY-LAWS

### BY-LAWS INTRODUCED DURING 2018/19

BY-LAWS INTRODUCED DURING 2018/19				
BY-LAW	PUBLIC PARTICIPATION CONDUCTED PRIOR TO ADOPTION OF BY-LAWS (YES/NO)	DATES OF PUBLIC PARTICIPATION	BY-LAWS GAZETTED* (YES/NO)	DATE OF PUBLICATION
Customer Care, Credit Control and Debt Collection By-Law	Yes	10 – 25 April 2019	Yes	8050, 20/08/2019
Rates By-Law	Yes		Yes	8002, 30/4/2019
Tariff By-Law	Yes		Yes	8002, 30/4/2019
Billboard and Outdoor advertising By-Law	Yes		Yes	7974, notice 28

### COMMENT ON BY-LAWS

Public participation with regard to a new or amended by-law is dealt with in accordance with Section 12(3) (b) of the Local Government: Municipal Systems Act 32 of 2000, as amended and are to be published for public comment in a manner that allows the public an opportunity to make representations with regard to the proposed by-law.

# Chapter 2

A by-law takes effect when published, or at a future date determined by or in terms of the by-law when published promptly in the Provincial Gazette and, when feasible, also in a local newspaper or in any other practical way to bring the contents of the by-law to the attention of the local community, in terms of Section 13 of the Local Government: Municipal Systems Act 32 of 2000, as amended.

The following list indicates all Council's By-laws with date of promulgation:

BY-LAWS OF THE CITY OF MATLOSANA			
BY-LAW	PROVINCIAL GAZETTE NUMBER	COUNCIL RESOLUTION (ADOPTED)	STATUS
<b>DIRECTORATE: TECHNICAL AND INFRASTRUCTURE</b>			
Drainage and Plumbing By-Law	Nr. 5957 Notice 396	CC 56/2003 dated 30 September 2003	Finalised
Water Supply By-Law	Nr. 5957 Notice 396	CC 56/2003 dated 30 September 2003	Finalised
Electricity By-law	Nr. 7749 Notice 32	CC25/2017 dated 31 January 2017	Finalised
<b>DIRECTORATE: CORPORATE SUPPORT</b>			
Bursary By-Law	Nr. 5957 Notice 400	CC 56/2003 dated 30 September 2003	Finalised
Rules of Order	Nr. 7755 Notice 52	CC47/2017 dated 30 March 2017	Finalised
<b>DIRECTORATE: BUDGET AND TREASURY</b>			
Customer Care, Credit Control and Debt Collection By-Law	Nr. 8050 20/08/2019	CC 59/2019 dated 27 June 2019	Finalised
Rates By-Law	Nr. 8002 30/4/2019	CC 19/2019 dated 28 February 2019	Finalised
Tariff By-Law	Nr. 8002 30/4/2019	CC 19/2019 dated 28 February 2019	Finalised
<b>DIRECTORATE: PUBLIC SAFETY</b>			
Fire Services By-Law	Nr. 5957 Notice 401	CC 56/2003 dated 30 September 2003	Finalised
Licensing of Public Vehicles By-Law	Nr. 5957 Notice 401	CC 56/2003 dated 30 September 2003	Finalised
Parking Ground By-Law	Nr. 5957 Notice 401	CC 56/2003 dated 30 September 2003	Finalised
Parking Meter By-Law	Nr. 5957 Notice 401	CC 56/2003 dated 30 September 2003	Finalised
By-Laws relating to dogs	Nr. 5957 Notice 401	CC 56/2003 dated 30 September 2003	Finalised
Street and Miscellaneous By-Law	Nr. 5957 Notice 401	CC 56/2003 dated 30 September 2003	Finalised
Traffic By-Law	Nr. 5957 Notice 401	CC 56/2003 dated 30 September 2003	Finalised
Regulating, Control and Supervision of Hawkers By-Law	Nr. 5957 Notice 401	CC 56/2003 dated 30 September 2003	Finalised

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BY-LAWS OF THE CITY OF MATLOSANA			
BY-LAW	PROVINCIAL GAZETTE NUMBER	COUNCIL RESOLUTION (ADOPTED)	STATUS
<b>DIRECTORATE: COMMUNITY DEVELOPMENT</b>			
Cemetery By-Law	Nr. 5957 Notice 398	CC 56/2003 dated 30 September 2003	Finalised
Faan Meintjes Nature Reserve By-Law	Nr. 5957 Notice 398	CC 56/2003 dated 30 September 2003	Finalised
Livestock Market By-Law	Nr. 5957 Notice 398	CC 56/2003 dated 30 September 2003	Finalised
PC Pelser Airport: Control and Management By-Law	Nr. 5957 Notice 398	CC 56/2003 dated 30 September 2003	Finalised
Parks and Gardens By-Law	Nr. 5957 Notice 398	CC 56/2003 dated 30 September 2003	Finalised
Public Amenities By-Law	Nr. 5957 Notice 398	CC 56/2003 dated 30 September 2003	Finalised
Solid Waste and Sanitary By-Law	Nr. 5957 Notice 398	CC 56/2003 dated 30 September 2003	Finalised
Library By-Law	Nr. 5957 Notice 398	CC 56/2003 dated 30 September 2003	Finalised
Waste Management By-Law	Nr. 7160 30/8/2013	CC30/2013 dated 26 March 2013.	Finalised
Keeping of animals, birds and poultry and businesses involved in the keeping of animals, birds, poultry and pets By-Law	Nr. 5957 Notice 402	CC 56/2003 dated 30 September 2003	Finalised
Public Health By-Law	Nr. 5957 Notice 402	CC 56/2003 dated 30 September 2003	Finalised
Milk By-Law	Nr. 5957 Notice 402	CC 56/2003 dated 30 September 2003	Finalised
<b>DIRECTORATE: LOCAL ECONOMIC DEVELOPMENT</b>			
Preferential Procurement By-law	Nr. 5957 Notice 403	CC 56/2003 dated 30 September 2003	Finalised
Fresh Produce Market By-Law	Nr. 5957 Notice 397	CC 56/2003 dated 30 September 2003	Finalised
Billboard and Outdoor advertising by-law	Nr. 7974 Notice 28	CC 1372018 dated 27 November 2018	Finalised
<b>DIRECTORATE: PLANNING AND HUMAN SETTLEMENTS</b>			
Building and Outdoor Advertising By-Laws	Nr. 5957 Notice 396	CC 56/2003 dated 30 September 2003	Finalised
SPLUMA	Nr. 7622 Notice 31	ADMIN 365/2015	Finalised

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## 2.10 WEBSITES

Section 75 of the Municipal Finance Management Act, Act 56 of 2003, requires the Accounting Officer of a municipality to develop and maintain a functional website that contains the following documents of the municipality as referred to in Section 21A of the Municipal Systems Act.

DOCUMENTS PUBLISHED ON THE MUNICIPALITY'S WEBSITE	YES / NO
Current Annual and Adjustment Budgets and all Budget-Related Documents	YES
All current Budget-Related Policies	YES
The previous Annual Report (2017/18)	YES
The Annual Report (2018/19)	N/A
All current Performance Agreements required in terms of Section 57(1)(b) of the Municipal Systems Act (2018/19) and resulting scorecards	YES
All Service Delivery Agreements (2018/19)	NO
All Long-Term Borrowing Contracts (2018/19)	N/A
All Supply Chain Management Contracts above a prescribed value (give value) for (2018/19)	NO
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of Section 14 (2) or (4) during (2018/19)	N/A
Contracts agreed in (2018/19) to which Subsection (1) of Section 33 applies, subject to Subsection (3) of that Section	N/A
Public-Private Partnership Agreements referred to in Section 120 entered into (2018/19)	N/A
All quarterly reports tabled in the Council in terms of Section 52 (d) during (2018/19)	YES

### MUNICIPAL WEBSITE COMPLIANCE

This Municipal Website serves as an integral part of the City of Matlosana Local Municipality's Communication Infrastructure and Strategy.

The Municipal Website –

- ✎ Allows easy and convenient access to relevant information;
- ✎ Serves as a communication tool for Public Participation;
- ✎ Improves stakeholder involvement; and
- ✎ Facilitates stakeholder monitoring and evaluation of municipal performance.

### RELEVANT LEGISLATION

The role of the City of Matlosana Local Municipality's website, as platform for information dissemination, participation and disclosure has been significantly catered for in various pieces of legislation, including:

- ✎ The Local Government Municipal Systems Act - No 32 of 2000 (the Systems Act);
- ✎ The Local Government Municipal Financial Management Act - No 56 of 2003 (the MFMA); and
- ✎ The Municipal Property Rates Act - No 6 of 2004 (the MPRA).

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## COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

Easy online access to municipal information is obtained through the official website of the City of Matlosana Local Municipality at [www.matlosana.gov.za](http://www.matlosana.gov.za). A wide range of information that is useful to all the stakeholders are published on this official website.

A dedicated web developer continuously updates the contents of the official website to ensure that the public has access to the latest information.

The wide range of information that is published on the website are the following –

- ✦ Notices, articles and stories by the Communications Section;
- ✦ Bid documents (tenders), quotations adverts, regulation 32 awards, regulation 36 awards and contracts by the Supply Chain Management Section;
- ✦ Annual and adjustment budgets, all budget-related documents, budget-related policies and tariffs, monthly budget reports and quarterly budget reports by the budget section;
- ✦ Service Delivery and Budget Implementation Plan, annual report, performance agreements and contract of employments for section 56 managers, budget and performance assessment report by the performance management section;
- ✦ External advertisements of vacant positions that need to be filled by qualified, skilled and competent applicants by the Human Resource Section,
- ✦ Oversight Report by the MPAC Committee; and
- ✦ Other documents such as policies and by-laws by the Corporate Administration Section.

These documents are published on the official website to reach one of the objects of Local Government, which is to provide a democratic and accountable government for local communities.

During the first quarter of the 2018/19 financial year –

- ✦ The Manual for the Delegation of Powers;
- ✦ Various SCM Registers and the SCM Policy;
- ✦ The Klerksdorp Land Use Management Scheme – 2005 and 30 supporting Sheets;
- ✦ The Provincial Gazette No: 7622 – Notice No: 31 of 2016 - City of Matlosana Draft Spatial Planning and Land Use Management Bylaw;
- ✦ The City of Matlosana Spatial Development Framework – Revision 2009; and
- ✦ Various vacancies were published on the official website.

During the second quarter of the 2018/19 financial year –

- ✦ The Awarded Tenders Register; and
- ✦ The Regulation 36 Awards Register for 2018/19 were published on the official website.

During the third quarter of the 2018/19 financial year –

- ✦ The Awarded Tenders Register and the Regulation 36 Awards Register for 2018/19;
- ✦ The Annual Report for 2017/18;
- ✦ The Mid-Year Budget and Performance Assessment Report for 2018/19;
- ✦ The Provincial Gazette No – 7974 – Notice 28 of 2019 – the Amendment of Billboards and the display of advertisements in public places By-law;
- ✦ Various vacancies;



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- ✎ The Adjustment Budget for 2018/19 and all Budget-Related Documents were published on the official website.

During the fourth quarter of the 2018/19 financial year –

- ✎ The Awarded Tenders Register, the Regulation 32 Awards Register and the Regulation 36 Awards Register for 2018/19;
- ✎ The Final IDP for 2017-2022;
- ✎ The Final Reviewed IDP for 2018/19;
- ✎ The Draft Reviewed IDP for 2019/20;
- ✎ The Revised SDBIP and Performance Agreements for 2018/19;
- ✎ The Proposed Budget for 2019/20 and all Budget-Related Documents;
- ✎ The Oversight Report for 2017/18;
- ✎ The Provincial Gazette No: 8002 – Notice No: 54 of 2019 - the Amendment of the Municipal Tariff By-Law;
- ✎ The Provincial Gazette No: 8002 – Notice No: 55 of 2019 - the Amendment of the Municipal Property Rates By-Law;
- ✎ The Draft SDBIP for 2019/20;
- ✎ The Final Budget for 2019/20 and all Budget-Related Documents;
- ✎ The Final SDBIP and Performance Agreements for 2019/20; and
- ✎ The Monthly Section 71 Budget Reports from July 2018 until February 2019 were published on the official website.

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## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

### PUBLIC SATISFACTION LEVELS

In order to give effect to the provisions of the Local Government: Municipal System Act, Act 32 of 2000 as amended, Chapter 6 Section 42 and Chapter 8 Section 73(2)(e), questionnaires are given to public to evaluate and comment on the services rendered by the municipality.





# Chapter 3

## Chapter 3





# Chapter 3

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

### INTRODUCTION

Service delivery in terms of the Constitution of the Republic of South Africa, Schedule 4, Part B determines the functions of the municipality and therefore its responsibility towards the community. In terms of the IDP and the strategic objectives of the City of Matlosana, certain issues are set out to be achieved during the financial year.

### COMPONENT A: BASIC SERVICES

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

### INTRODUCTION TO BASIC SERVICES

The Constitution requires the Local Government to provide basic services to the local community. The Directorates Technical and Infrastructure; Planning and Human Settlements; Community Development and Budget and Treasury are the central key to the realisation of this legislative imperative. To progress effectively in the provision of essential basic services, the following sections within the various Directorates need to focus on their strategic role such as water, sanitation, electricity, refuse removal, housing and free basic services provision.

### 3.1. WATER PROVISION

#### INTRODUCTION TO WATER PROVISION

The Water Services Act, Act 108 of 1997, Section 5(4) states that in emergency situations, a Water Services Authority (WSA) must take reasonable steps to provide basic water supplies to any person within its area of jurisdiction and may do so at the cost of the authority and to contribute to the enhanced quality of life and prosperity of all the people in the City of Matlosana by providing better quality water services through a well-established and maintained infrastructure to comply with the Constitutional obligations of the Republic of South Africa.

#### Overview

Midvaal Water Company is responsible for the treatment of bulk water and the distribution into the bulk infrastructure of the municipality at a measured unit cost and to ensure water quality compliance up to the bulk infrastructure of the municipality. The City of Matlosana has entered into a 3-year contract with Midvaal Company for the supply of bulk water in the Matlosana area.

#### Description of the activity

City of Matlosana is responsible for the following:

- ↳ monitoring the units of water supplied by the bulk service provider;
- ↳ distribution of water to the consumer through its water infrastructural network, which includes piping systems, pump stations and reservoirs;

# Chapter 3

- ✎ testing and replacement of water meters;
- ✎ water quality testing and post water treatment quality maintenance;
- ✎ on-going assistance to ensure that new developments are expedited and water infrastructure installed in accordance with standards and specifications of the municipality;
- ✎ analysis of all aspects of the existing water supply system to pro-actively identify worn-out infrastructure and problematic areas;
- ✎ continuous management and control to ensure the optimum ability of the water supply infrastructure.

## The strategic objectives

- ✎ Rendering sustainable bulk water service by supplying adequate water of good quality on a continuous basis and at a reasonable cost to the consumer;
- ✎ Providing, operating and maintaining the distribution system to meet the needs of all customers;
- ✎ To reduce water losses from 41% to 15% in the next 5 years;
- ✎ To achieve 95% Compliance on the Blue Drop status.

## Challenges

- ✎ Lack of vehicles within the Section;
- ✎ Delays in reviewing the out dated organogram;
- ✎ Delays in the procurement of services and materials;
- ✎ Inadequate budgeting for maintenance;
- ✎ High levels of vandalism impede a sustainable water supply to the communities;
- ✎ Aging infrastructure;
- ✎ Lack of funding for new infrastructure.

TOTAL USE OF WATER BY SECTOR (KILOLITRE)					
Year	Commercial	Other	Industrial	Domestic	Unaccountable Water Losses
2015/16	600 000	45 174	11 826	23 652 000	8 541 000
2016/17	609 075	36 545	12 100	19 644 780	12 547 500
2017/18	2 672 963	821 653	87 194	14 795 658	12 560 100
2018/19	1 404 612	2 024 358	385 064	16 568 072	15 592 650

\* The figure includes council's own water usage that is not metered yet but council is currently in process of installing bulk water meters to all municipal buildings and parks.

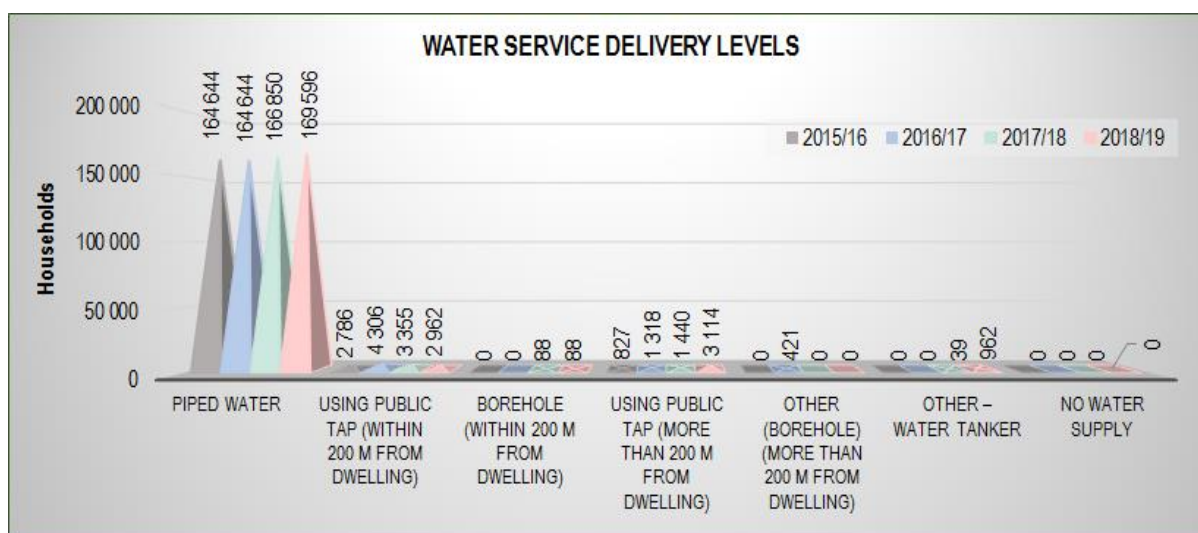
## **COMMENT ON WATER USE BY SECTOR**

It can be noted that there is no established trend from 2015/16 to date on the water consumption per sector. These points to serious problems in the billing process hence the section is putting additional effort in ensuring that the number of non-working meters are reduced to the minimum. In the replacement of these stuck meters, the domestic sector has been targeted and the amount accounted for should improve with full implementation of the programme

Annually the municipality project future water demand to ensure Infrastructure Upgrade Plans are in place to ensure that sufficient capacity is available for the increased demand arising from the growth of the municipality.

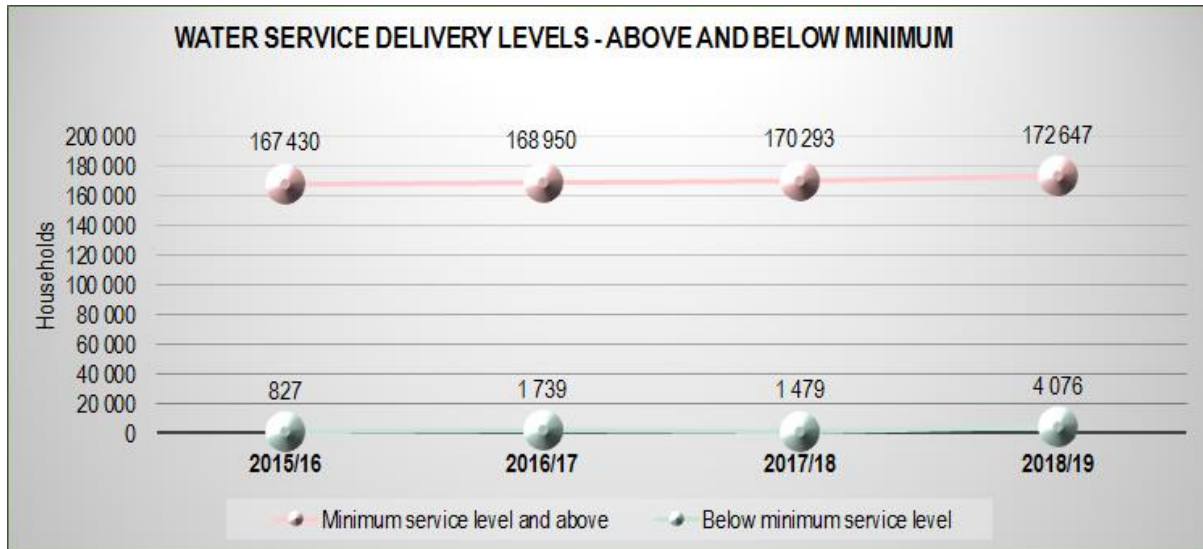
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WATER SERVICE DELIVERY LEVELS				
Households				
Description	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Actual
<b>Water: (above minimum level)</b>				
Piped water	164 644	164 644	166 850	169 596
Using public tap (within 200 m from dwelling )	2 786	4 306	3 355	2 962
Borehole (within 200 m from dwelling )	-	-	88	88
Minimum service level and above – sub-total	<b>167 430</b>	<b>168 950</b>	<b>170 293</b>	<b>172 647</b>
Minimum service level and above – percentage	99%	99%	99%	98%
<b>Water: (minimum and below minimum level)</b>				
Using public tap (more than 200 m from dwelling)	827	1 318	1 440	3 114
Other (Borehole) (more than 200 m from dwelling)	0	421	0	0
Other – Water tanker	-	-	39	962
No water supply	0	0	0	0
Below minimum service level – sub-total	<b>827</b>	<b>1 739</b>	<b>1 479</b>	<b>4 076</b>
Below minimum service level – percentage	1%	1%	1%	2%
<b>TOTAL HOUSEHOLDS*</b>	<b>168 257</b>	<b>170 689</b>	<b>171 772</b>	<b>176 723</b>
* - Total include informal settlements				



WATER SERVICE DELIVERY LEVELS BELOW THE MINIMUM					
Households					
Description	2016/17 Actual	2017/18 Actual	2018/19		
			Original	Adjusted	Actual
<b>Formal settlements</b>					
Total households	164 644	166 938	168 500	171 007	171 007
Households below minimum service level	0	0	1 685	1 410	1 410
<b>Proportion of households below minimum service level</b>	<b>0%</b>	<b>0%</b>	<b>1.00%</b>	<b>0.82%</b>	<b>0.82%</b>
<b>Informal settlements</b>					
Total households	3 613	4 834	6 500	5 716	5 716
Households below minimum service level	827	4 834	975	4 076	4 076
<b>Proportion of households below minimum service level</b>	<b>22.89%</b>	<b>100%</b>	<b>15.00%</b>	<b>71.31%</b>	<b>71.31%</b>

# Chapter 3



ACCESS TO WATER			
Year	Proportion of households with access to water points	Proportion of households with access to piped water	Proportion of households receiving six kl free
2015/16	168 257	167 430	168 257
2016/17	170 689	168 950	170 689
2017/18	171 772	170 293	171 772
2018/19	176 723	172 647	172 647

## EMPLOYEE INFORMATION

EMPLOYEES: WATER SERVICES					
Job level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	0	1	1	0	0%
4 - 6	2	3	3	0	0%
7 - 9	6	7	6	1	14%
10 - 12	15	16	15	1	6%
13 - 15	15	18	17	1	6%
16 - 18	6	18	7	11	61%
19 - 20	62	62	62	0	0%
<b>Total</b>	<b>106</b>	<b>125</b>	<b>111</b>	<b>14</b>	<b>11%</b>

# Chapter 3

FINANCIAL PERFORMANCE 2018/19: WATER SERVICES					
R'000					
Details	2017/18	2018/19			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
<b>Total Operational Revenue</b>	<b>539 848</b>	<b>678 065</b>	<b>767 759</b>	<b>767 959</b>	<b>12%</b>
<b>Expenditure</b>					
Employees	32 968	31 220	31 445	42 638	27%
Repairs and maintenance	11 279	17 231	16 981	9 901	-74%
Other	434 686	587 142	587 942	640 748	8%
<b>Total Operational Expenditure</b>	<b>478 933</b>	<b>635 593</b>	<b>636 368</b>	<b>693 287</b>	<b>8%</b>
<b>Net Operational Expenditure</b>	<b>60 915</b>	<b>42 472</b>	<b>131 391</b>	<b>74 672</b>	

## COMMENTS ON THE PERFORMANCE OF WATER SERVICES OVERALL

The municipality is still experiencing high losses due the aged infrastructure, low maintenance budget, shortage of vehicles to attend to complaints much faster even with the six new vehicles received.

The section has developed a maintenance plan that includes the refurbishment of the pressure reducing valves and gland packing of valves in both the reticulation system as well as pump stations. The municipality refurbished three Pressure Reducing during 2018/19 within Flamwood, Wilkoppies, Irene Park and Adamayview. The impact of the refurbishment of the PRVs was that burst water pipes in the area was reduced by 86%.

## NATIONAL KEY PERFORMANCE INDICATOR

See page 246 for details.



# Chapter 3

**OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on page 159; 160; 163 and 164)**

WATER SERVICES OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2016/17	2017/18	2018/19			2019/20
		Actual	Actual	Target			Budget
				Original	Adjusted	Actual	
To improve bulk water supply in Alabama / Manzilpark (Phase 3B) to ensure basic water services to the community	Bulk water supply improved with a water pressure tower constructed for Alabama / Manzilpark (Phase 3B)	Site established, excavations and foundations completed R6 639 203	Up to shaft 23 completed R7 075 859	Constructing a 29 shaft lift in preparation of one bulk water 2 Mℓ pressure tower in Alabama / Manzilpark (Phase 3B) (Wards 3,4,5 & 8) by June 2019	Constructing a 29 shaft lift in preparation of one bulk water 2 Mℓ pressure tower in Alabama / Manzilpark (Phase 3B) (Wards 3,4,5 & 8) by June 2019 R17 476 603	28th shaft lift and bowl lift 6, as well as the form work for the roof slab (re-enforcing steel and shuttering) is completed R 8 118 194	R8 440 723 and Possible Roll-Over
To improve water supply from Midvaal end point to Jouberton and Alabama to increase the water supply capacity to the community	Water supply from Midvaal end point to Jouberton and Alabama constructed	Contractor appointed and site establishment completed R14 705 738	2.5 km of 800-diameter pipe laid. Project completed R59 769 461	Constructing one 3,5 km of 800mm diameter oPVC pipeline for water supply from Midvaal end point to Jouberton and Alabama (Phase 1A / B) ( Wards 4,5,6) by June 2019 R29 900 919	Constructing one 5,0 km of 800mm diameter oPVC pipeline and 1.5 km of 630mm diameter oPVC pipeline and 18 valve chambers for water supply from Midvaal end point to Jouberton and Alabama (Phase 1A / B) ( Wards 4,5,6) by June 2019 R80 831 013	One 5,0 km of 800mm diameter oPVC pipeline and 1.5 km of 630mm diameter oPVC pipeline and 18 valve chambers for water supply from Midvaal end point to Jouberton and Alabama (Phase 1A / B) completed R58 888 368	R17 615 333

# Chapter 3

## 3.2 WASTE WATER (SANITATION) PROVISION

### INTRODUCTION TO SANITATION PROVISION

The main objectives of the Sanitation section are to:

- ✎ provide sanitation services to all the households in the Matlosana area and enforce the relevant By-laws to the residents, businesses and the industries;
- ✎ maintain a sewer network system and to plan for future upgrades and assist all Project Management Units at Provincial, National and local in giving in-house sewer services expertise on standards used, planning, designing and monitoring compliance to standards of the construction of new sewerage system services, on refurbishments or new sewerage upgrade projects in the area;
- ✎ ensure a clean and a compliant sewage effluent from all the four-(4) wastewater treatment plants and compliant of the plants in terms of legislated requirements in the Matlosana area, therefore curbing the outbreak of waterborne diseases such as Cholera and Typhoid.
- ✎ ensure a proper housekeeping; operation and maintenance of all the sewage pump-stations and waste water treatment plants facilities and components in the jurisdiction of the municipality;

As part of the Green Drop achievement goal, the section has currently made improvements to the refurbishment of the biggest waste water treatment plants in Matlosana, namely Klerksdorp Wastewater treatment, through the Water Services Infrastructure Grant (WSIG) Funding as per the outcome of PAT feedback by DWS (Department: Water and Sanitation).

### OBJECTIVE

To be the best municipality in the North West in terms of Green Drop status achievement which is awarded by the National Department of Water and Sanitation and on rendering uninterrupted service delivery to the community and future developments. To be the best municipality in the North West Province in rendering a reduced interruption of services in terms of sanitation infrastructural service delivery in the City.

However, it should be indicated that despite the fact that the Green Drop Assessments have not been done since 2013, the Sanitation continuous to endeavour to meet the guidelines as this has positive spinoffs for service delivery in the area of jurisdiction.

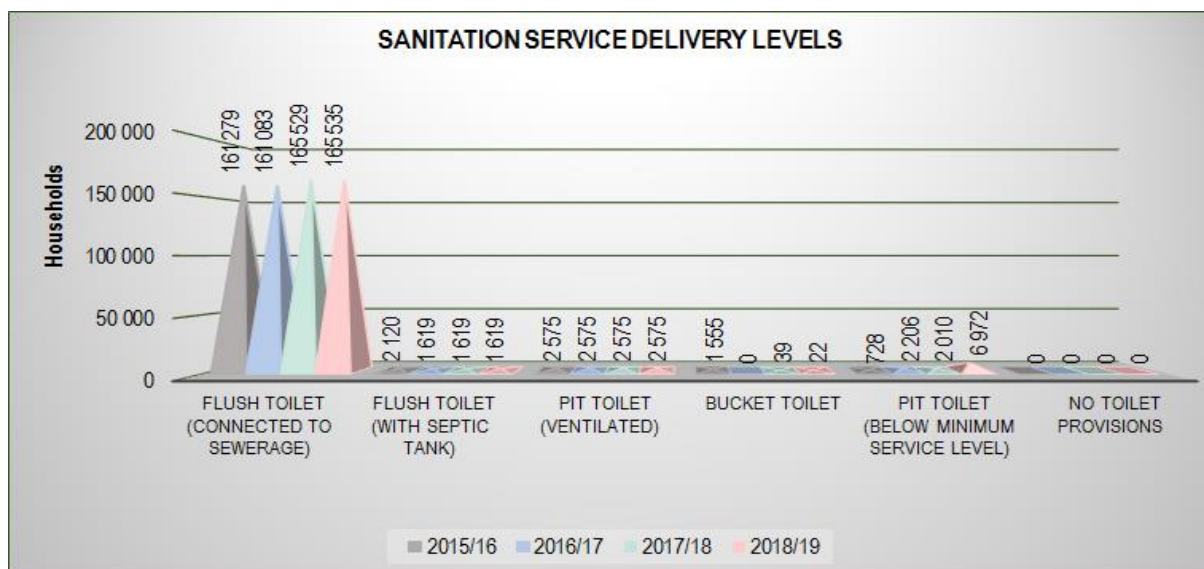
### CHALLENGES

The section is always faced with numerous challenges including but not limited to the following:

- ✎ Lack of competent work force especially on construction and fieldwork.
- ✎ High number of old aged fleet.
- ✎ Aged infrastructure, which needs urgent refurbishment and upgrade.
- ✎ Insufficient equipment such as sewer line jetting machines
- ✎ High level of cable and cast iron thefts giving rise to emergency break down at the sewage pumping stations, waste water treatment plants and the sewer network.
- ✎ High level of unemployment and lack of localised economic development of emerging entrepreneurship Policy giving rise to poverty and interruption of services and projects in the area.
- ✎ Insufficient new township establishments give rise to overload on the current system, hence more sanitation backlogs which last for longer period without eradicating and therefore leading to more attempted land grabs and more backyard dwellers adding high load to the sewerage system.

# Chapter 3

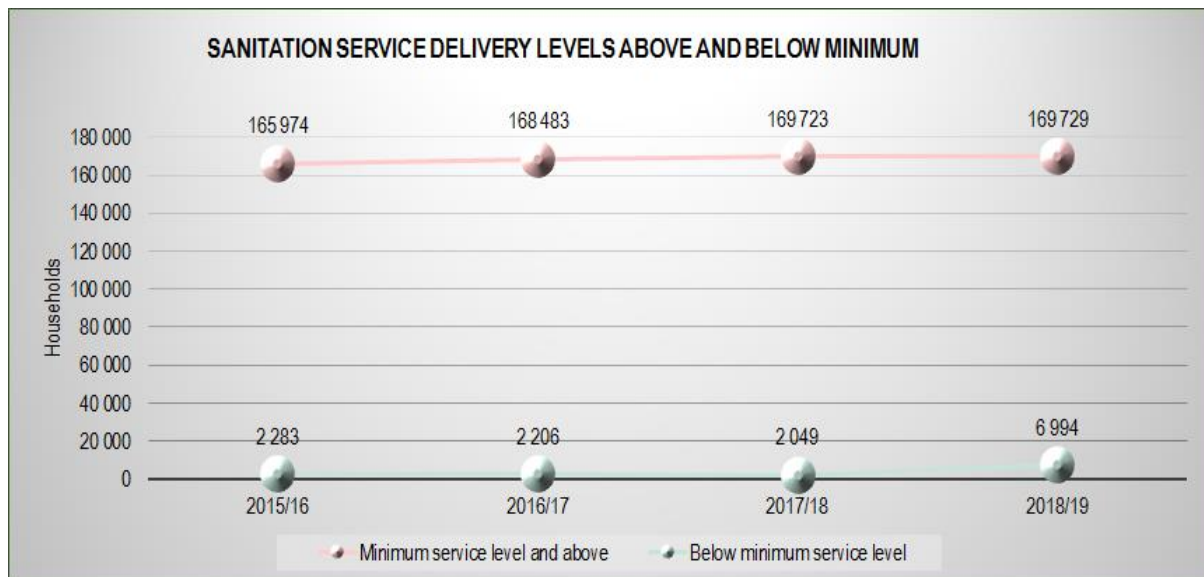
SANITATION SERVICE DELIVERY LEVELS				
Households				
Description	2015/16	2016/17	2017/18	2018/19
	Actual	Actual	Actual	Actual
<b>Sanitation/Sewerage: (above minimum level)</b>				
Flush toilet (connected to sewerage)	161 279	161 083	165 529	165 535
Flush toilet (with septic tank)	2 120	1 619	1 619	1 619
Pit toilet (ventilated)	2 575	2 575	2 575	2 575
Other toilet provisions (above minimum service level)	0	0	0	0
Minimum service level and above – sub-total	165 974	168 483	169 723	169 729
Minimum service level and above – percentage	99%	99%	99%	96.4%
<b>Sanitation/Sewerage: (below minimum level)</b>				
Bucket toilet	1 555	0	39	22
Pit toilet (below minimum service level)	728	2 206	2 010	6 972
No toilet provisions	0	0	0	0
Below minimum service level – sub-total	2 283	2 206	2 049	6 994
Below minimum service level – percentage	1%	1%	1%	3.6%
<b>TOTAL HOUSEHOLDS*</b>	<b>168 257</b>	<b>170 689</b>	<b>171 772</b>	<b>176 723</b>
* - Total include informal settlements				



ACCESS TO SANITATION	
Year	Proportion of households with access to sanitation
2015/16	167 529
2016/17	168 483
2017/18	169 723
2018/19	169 729

# Chapter 3

SANITATION SERVICE DELIVERY LEVELS BELOW THE MINIMUM					
Households					
Description	2016/17	2017/18	2018/19		
	Actual	Actual	Original	Actual	Actual
<b>Formal settlements</b>					
Total households	165 277	167 148	168 500	168 564	168 564
Households below minimum service level	0	0	1 685	1 410	1 410
<i>Proportion of households below minimum service level</i>	<i>0.00%</i>	<i>0.00%</i>	<i>1.00%</i>	<i>0.84%</i>	<i>0.84%</i>
<b>Informal settlements</b>					
Total households	5 412	4 624	6 500	8 159	8 159
Households below minimum service level	2 206	2 049	1 625	5 584	5 584
<i>Proportion of households below minimum service level</i>	<i>40.76%</i>	<i>44.31%</i>	<i>25.00%</i>	<i>68.44%</i>	<i>68.44%</i>



## EMPLOYEE INFORMATION

EMPLOYEES: SANITATION SERVICES					
Job level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	2	3	2	1	33%
7 - 9	6	7	5	2	29%
10 - 12	16	21	19	2	10%
13 - 15	5	11	8	3	27%
16 - 18	35	46	35	11	24%
19 - 20	85	153	128	25	16%
<b>Total</b>	<b>150</b>	<b>242</b>	<b>198</b>	<b>44</b>	<b>18%</b>

# Chapter 3

FINANCIAL PERFORMANCE: SANITATION SERVICES					
R'000					
Details	2017/18	2018/19			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
<b>Total Operational Revenue</b>	<b>116 140</b>	<b>155 937</b>	<b>147 052</b>	<b>137 790</b>	<b>-13%</b>
<b>Expenditure</b>					
Employees	39 958	37 847	38 007	41 805	9%
Repairs and maintenance	12 302	3 688	4 459	3 162	-17%
Other	88 985	96 979	104 193	58 840	-65%
<b>Total Operational Expenditure</b>	<b>141 245</b>	<b>138 514</b>	<b>146 659</b>	<b>148 065</b>	<b>6%</b>
<b>Net Operational Expenditure</b>	<b>-25 105</b>	<b>17 423</b>	<b>393</b>	<b>-10 275</b>	

## COMMENTS ON THE PERFORMANCE OF SANITATION SERVICES OVERALL

The following achievements were made within the contractual period to improve on service delivery:

- ✎ the procurement of at least six maintenance vehicles for the sewer maintenance,
- ✎ the refurbishment of Klerksdorp Wastewater Treatment plant and therefore improving the quality of services to the community,
- ✎ the upgrading of sewer network Khuma Proper (NE) reaches more than 95% without major breakdown in phasing out progressively the existing dilapidated infrastructure.

The section has put in a programme of cleaning outfall sewers to ensure that there is reduction in frequent blockages within the system, but the programme requires financial support and corporation by the end users. This programme has seen a significant reduction in the number of blockages reported especially towards the end of the financial year. The City of Matlosana has also engaged the Dr Kenneth Kaunda District Municipality to carryout regular inspections on the functionality of the fat traps in all business areas as the non-effectiveness of these fat traps has caused fat build-up within the sewer reticulation system hence frequent blockages.

## NATIONAL KEY PERFORMANCE INDICATOR

See page 246 for details.

# Chapter 3

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on pages 159; 160; 163 and 165)

WASTE WATER (SANITATION) SERVICES OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2016/17	2017/18	2018/19			2019/20
		Target	Actual	Target			Budget
				Original	Adjusted	Actual	
To install and upgrade the sewer network in Khuma Proper (North East) to maintain the current infrastructure	Number of km sewer network installed and upgraded	2.2 Km of excavations and pipe installations. 11.032 km of 110 mm diameter pipeline installed. 120 Manholes completed. 14km backfilled. House connections completed R6 837 189	12.275km uPVC sewer network lines; 3.475km of 110mm diameter house connections, 252 manholes. R6 342 635	Installing a 5,353km (160mm diameter) uPVC sewer network lines; 409 house connections, 370 manholes and upgrading of one existing tralie pump station for the sewer network in Khuma Proper (North East) (Wards 34 & 35) by March 2019 R3 251 022	R10 601 985	5,383km (160mm diameter) uPVC sewer network lines; 143 manholes for the sewer network in Khuma Proper (North East) (Wards 34 & 35) installed R8 821 978	Possible Roll-Over

# Chapter 3

## 3.3 ELECTRICITY PROVISION

*Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.*

Service delivery in terms of the Constitution of the Republic of South Africa determines the functions of the municipality and in this case specifically electricity supply to the community of the City of Matlosana (CoM) area.

### ELECTRICAL DISTRIBUTION

The City of Matlosana has two licensed distributors of electricity within its jurisdiction, namely Eskom and the City of Matlosana.

Eskom provides electricity to township households in Kanana, Khuma, Tigane and private farms, whilst the City of Matlosana provides electricity to the towns of Klerksdorp, Orkney, Stilfontein and Hartbeesfontein, as well as the townships Jouberton, Alabama and Manzilpark. The electricity management within the City of Matlosana is currently managed in accordance to the above-mentions Acts and Regulations. In April, the regulator NERSA had a meeting with both electricity distributors whereby the demarcation of the supply areas was finalised and the final areas were issued.

Currently the provision of basic electricity at household level to reduce the service backlog in both licensed areas is done on an annual basis with funding from the Department of Energy (DoE) through the Integrated National Electrification Programme (INEP). Areas identified are formulated into projects that are incorporated into municipal IDP. Households in the advantaged areas are connected as and when application is received from individuals or developers. Currently the municipality has maintained access to 95% of households in formalised human settlements over the years. The percentage of households in urban areas provided with electricity in formal and informal stands at 98% whereas percentage of households in rural areas provided with electricity stands at 17%, the remaining percentage of the households not provided with electricity in both rural and urban areas are provided with free basic alternative energy in a form of liquefied paraffin.

Electrical and Mechanical Engineering is a sub-directorate of Technical and Infrastructure. The vision and mission of Electrical and Mechanical Engineering is to ensure a high quality of electrical supply in its licensed area, including uninterrupted electrical supply and proper public lighting (high masts and streetlights).

The Sub-Directorate faces the following challenges:

- ✚ ageing infrastructure;
- ✚ limited funding to maintain and improve the existing infrastructure;
- ✚ high electricity technical losses due to ageing and saturated infrastructure;
- ✚ high electricity non-technical due to illegal connections and tempering of metering units;
- ✚ high level of vandalism and theft of copper-containing electricity systems such as substations, water and sanitation facilities;
- ✚ mushrooming of informal settlements and settlement on private land
- ✚ non-availability of repair materials; and
- ✚ ageing fleet.



# Chapter 3

## Measures put in place to address the challenges

### Ageing infrastructure

The municipality has developed and adopted the electricity master plan, which has identified critical electrical infrastructure that need to be replaced. The municipality has appointed service providers who are tasked to source funding to address this infrastructure challenge.

### Limited funding to maintain and improve the existing infrastructure

The municipality, National Treasury and Provincial Treasury have been made aware that funds allocated for repair and maintenance is below the 6% required however due to municipal financial constraints the municipality has committed to increase budgeted allocation for repair and maintenance as soon as the collection rate have improved. The municipality has appointed a debt collector with the objectives to increase the municipality debts collection rate. Limited refurbishment and maintenance budget available.

### High electricity technical losses due to ageing and saturated infrastructure

The municipality has appointed the service provider for the servicing of transformers and ring main units. This service aims to improve technical losses. 38 Transformers and ring main units were serviced. The municipality is in the process of appointing a service provider to continue with this project in the 2019/20 financial year.

### High electricity non-technical due to illegal connections and tempering of metering units

The municipality have developed the Electricity Loss Reduction Strategy, which contain strategies to address the high electricity non-technical losses due to illegal connections. During the 2018/19 financial year, inspectors employed by the municipality, conducted 144 inspections on illegal connection and tempering. The municipality has prioritized the procurement of vehicles for the inspectors to increase the number of inspections. Electrical and Mechanical Engineering has developed and submitted the proposal to increase the number of inspectors. The proposal was discussed at the municipal strategic session, which was scheduled from 17-19 June 2019. The municipality have also allocated two snr electricians who are tasked to deal with replacement of non-functional meters and consumer changeover of conventional meter to pre-paid meters for approved indigent's consumers. The municipality is currently performing sealing of meters on as when the meter is found to have been tampered, as well as sealing new meters with a specific seal which contains numbers so that the number of meters sealed can be tracked.

### High level of vandalism and theft of copper-containing electricity systems such as substations, water and sanitation facilities

The municipality, in consultation with the Directorate Public Safety have appointed private security to guard strategic electricity points with priority on bulk electricity sub-stations and water sanitation facilities. The municipality have engaged SAPS on the issue of increasing theft of cable and vandalism of copper containing electricity systems and this issue has been included as a standing item on the SAPS Forum meetings however this challenge still remains the most concerning as it is increasing at an alarming rate. The municipality has also opted to replace copper cables with aluminium cables where is practically possible.



# Chapter 3

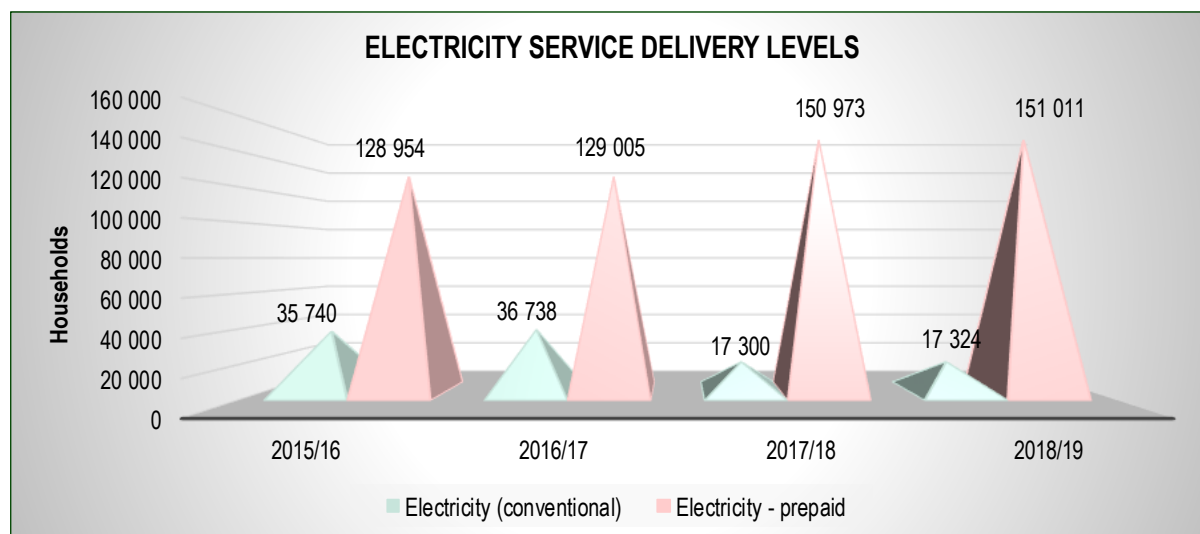
## Mushrooming of informal settlements and settlement on private land

Electrical and Mechanical Engineering have engaged the Directorate: Human Settlement in dealing with this challenge where electricity cannot be installed. The effect of the non-provision of electricity to this informal settlement has led to increased illegal connections, which contribute to electricity losses. The Directorate Human Settlement is in the process of proclamation of some of these informal settlements so that electricity can be provided to those where proclamation has been finalised. Proclamation that has been completed includes Alabama Ext 4 & 5 and Kanana Ext 15.

## Non-availability of repair materials

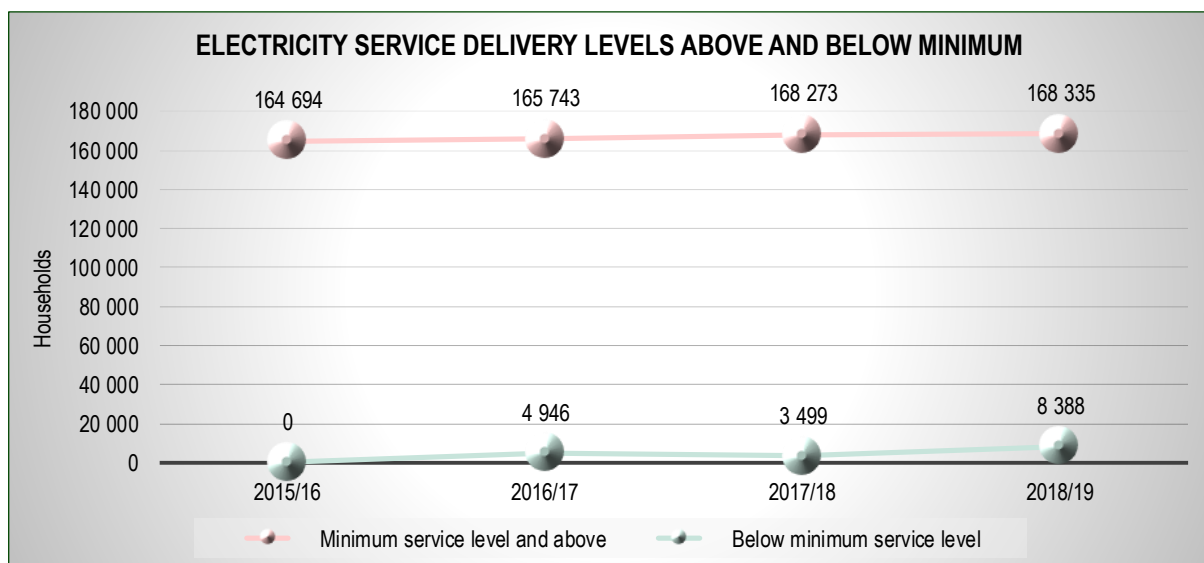
Electrical and Mechanical Engineering has a developed Demand Management Plan, which is approved by the Municipal Manager and submitted to Supply Chain Management for the procurement of the required materials. The section has also developed specification for the required materials to expedite the process of procurement. The tender for procurement of materials was developed and advertised, awaiting finalisation of the appointment of the service providers.

ELECTRICAL AND MECHANICAL ENGINEERING SERVICE DELIVERY LEVELS				
Description	Households			
	2015/16	2016/17	2017/18	2018/19
	Actual	Actual	Actual	Actual
<b>Energy: (above minimum level)</b>				
Electricity (at least minimum service level) (conventional)	35 740	36 738	17 300	17 324
Electricity - prepaid (minimum service level)	128 954	129 005	150 825	151 011
<i>Minimum service level and above subtotal</i>	<i>164 694</i>	<i>165 743</i>	<i>168 125</i>	<i>168 335</i>
<i>Minimum service level and above percentage</i>	<i>98%</i>	<i>97.00%</i>	<i>98.00%</i>	<i>95.25%</i>
<b>Energy: (below minimum level)</b>				
Electricity (< minimum service level)	3 563	4 946	3 647	8 388
<i>Below minimum service level sub-total</i>	<i>3 563</i>	<i>4 946</i>	<i>3 647</i>	<i>8 388</i>
<i>Below minimum service level percentage</i>	<i>2%</i>	<i>3%</i>	<i>2.00%</i>	<i>4.75%</i>
<b>TOTAL HOUSEHOLDS*</b>	<b>168 257</b>	<b>170 689</b>	<b>171 772</b>	<b>176 723</b>
* - Total include informal settlements				



# Chapter 3

ELECTRICAL AND MECHANICAL ENGINEERING LEVELS BELOW THE MINIMUM					
Households					
Description	2016/17	2017/18	2018/19		
	Actual	Actual	Original	Adjusted	Actual
<b>Formal settlements</b>					
Total households	165 743	167 325	170 500	171 013	171 036
Households below minimum service level	0	148	3 410	3 665	3 665
<b>Proportion of households below minimum service level</b>	<b>0%</b>	<b>0.1%</b>	<b>2.0%</b>	<b>2.14%</b>	<b>2.14%</b>
<b>Informal settlements</b>					
Total households	4 946	4 447	4 500	5 710	5 687
Households below minimum service level	4 946	3 499	2 025	4 713	4 723
<b>Proportion of households below minimum service level</b>	<b>100%</b>	<b>79%</b>	<b>45%</b>	<b>82.54%</b>	<b>83.05%</b>



## FLEET SERVICES

### INTRODUCTION TO FLEET SERVICES PROVISION

Electrical and Mechanical Engineering is responsible for the repairs, maintenance, and management of fleet. The management of fleet involve registration and annual licensing of municipal fleet, management of accidents, logbooks, trip authorisation outside the boundary of the municipality and branding of municipal vehicles. Fleet maintenance involves repairs and servicing of municipal fleet and equipment

The following challenges are experienced:

#### Aging Fleet

The municipality dispose of a fleet of 584 in its fleet register, of which 445 are over 10 years old. Although the municipality has appointed four service providers to assist the internal capacity to repair and service the municipal fleet, the challenge of obtaining repair and service parts for the old vehicles makes the turnaround for the repairs of vehicles very slow, as these parts are obsolete. The performance of the repair of vehicles due to the above-mentioned challenges, stood at 38%.

# Chapter 3

Action to develop:

The section has developed a cost benefit analysis on the current fleet and a detail report with recommendations will be submitted to Council by July 2019. The municipality has procured 20 vehicles to replace some of the ageing fleet. The municipality has also disposed of some of the vehicles that are not economically to provide services

## ↳ Centralisation of Fleet Management

The centralisation of the fleet management has resulted in the abuse and unauthorised use of municipal vehicles. The municipality currently does not have a position of Fleet Manager and Fleet Inspector on its organogram. The Fleet Manager has to effectively adopt a Fleet Management Policy.

Action to be developed:

The municipality management has resolved to transfer the Fleet Management Service from Electrical and Mechanical Engineering to the Directorate Corporate Support. The section has developed a proposed Fleet Management structure, which has been submitted to the Directorate Corporate Support as part of the transfer. The structure was presented during the municipal strategic session.

## ↳ Lack of Fleet Management Policy

The Municipality does not have an adopted Fleet Policy.

Action to be developed:

Electrical and Mechanical Engineering has developed a draft Fleet Management Policy which will be submitted for consideration during policy workshops to be adopted.

## MECHANICAL SERVICES

### INTRODUCTION TO MECHANICAL SERVICES PROVISION

Electrical and Mechanical Engineering is responsible for the repair and maintenance of electrical mechanical equipment at water and sanitation facilities as a support service to the Water and Sanitation sections. Maintenance conducted at the mechanical workshops include repairs on pumps, motors, mechanical screens, aerators, clarifiers and electrical panels

## ↳ The performance of electrical and mechanical equipment - Water and Sanitation

The municipality has 22 sanitation pump-stations and four waste treatment plants, as well as five bulk water points and three water pump station. The two of the waste treatment plants at Hartbeesfontein and Klerksdorp respectively are performing at 80% efficient whereas the other two plants in Stilfontein and Orkney are performing at 50%. The water facilities are being performing at an overall 70% as from 2018/19. The optimum performance of the electrical and mechanical equipment at water and sanitation facilities are affected by the following challenges:

## ↳ Ageing Infrastructure

Action to be developed:

The municipality have developed projects to address the challenge of ageing infrastructure at water and sanitation. Business plans have been submitted to MIG for funding. The municipality have received funding to address infrastructure challenge through MIG, MSIG and NDPG to implement upgrading of the infrastructure at Klerksdorp WWTP, Kanana Ext 11 and Lerato Pump station for the next financial year.

# Chapter 3

## Theft and vandalism of copper cables and copper containing

Action to be developed:

The municipality in consultation with the Directorate Public Safety have appointed private security to guard strategic electricity points with priority on bulk water sanitation facilities. The municipality have engaged SAPS on the issue of increasing theft of cable and vandalism of copper containing electricity systems and this issue has been included as a standing item on the SAPS Forum meetings.

## Community throwing foreign objects such as fitters, rocks, cloths, etc.

Action to be developed:

The municipality is busy developing programs to educate community; ward councillors have also been requested to address issues at their respective meetings.

## Lack of preventative maintenance due to human resource constraints

Action to be developed:

The section has developed and submitted the proposal to increase the number of inspectors. The proposal was discussed at the municipal strategic session, which was scheduled from 17-19 June 2019.

## Limited refurbishment and maintenance budget

The municipality, National Treasury and the Provincial National Treasury have been made aware that funds allocated for repair and maintenance is below the 6% required however due to municipal financial constraints the municipality has committed to increase budgeted allocation for repair and maintenance as soon as the collection rate have improved. The municipality has appointed a debt collector with the objectives to increase the municipality debts collection rate. The municipality has appointed service providers who are tasked to source funding to address this infrastructure challenge

## EMPLOYEE INFORMATION

EMPLOYEES: ELECTRICAL AND MECHANICAL ENGINEERING					
Job level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	3	4	4	0	0%
4 - 6	10	11	11	0	0%
7 - 9	40	47	39	8	17%
10 - 12	11	13	11	2	15%
13 - 15	8	9	8	1	11%
16 - 18	21	32	20	12	38%
19 - 20	36	36	36	0	0%
<b>Total</b>	<b>129</b>	<b>152</b>	<b>129</b>	<b>23</b>	<b>15%</b>

# Chapter 3

FINANCIAL PERFORMANCE 2018/19: ELECTRICAL AND MECHANICAL ENGINEERING					
R'000					
Details	2017/18	2018/19			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
<b>Total Operational Revenue</b>	<b>696 540</b>	<b>901 480</b>	<b>933 498</b>	<b>822 146</b>	<b>-14%</b>
Expenditure					
Employees	42 721	48 274	48 953	36 512	-34%
Repairs and maintenance	22 409	36 949	36 949	12 142	-204%
Other	666 570	944 485	964 835	632 712	-52%
<b>Total Operational Expenditure</b>	<b>731 700</b>	<b>1 029 708</b>	<b>1 050 737</b>	<b>1 095 824</b>	<b>4%</b>
<b>Net Operational Expenditure</b>	<b>-35 160</b>	<b>-128 228</b>	<b>-117 239</b>	<b>-273 678</b>	

## COMMENTS ON THE PERFORMANCE OF ELECTRICAL SERVICES OVERALL

Electrical and Mechanical Engineering has been able to:

- ✎ resolved 100% of medium voltage forced interruptions on its licenced area;
- ✎ resolved 96% of low voltage complaints received;
- ✎ resolved 94% of streetlight complaints received;
- ✎ resolved 63% of high mast complaints received;
- ✎ resolved 100% traffic signals complaints received;
- ✎ completed the procurement of check meters to monitor and verify the bulk account received from ESKOM;
- ✎ procured four vehicles for electricity Inspectors to increase inspections on the illegal connections and tempering of electrical metering units;
- ✎ procured three new cherry picker to increase the maintenance of electricity network and resolve medium and low voltage complaints;
- ✎ provide electricity to 73 (council) and 137 (Eskom) new consumers resulting in the overall access of the electricity to 98% of households in formalised areas and 17% of households in rural areas;
- ✎ submit energy efficiency and demand management business plan which has resulted in the municipality being one of five municipalities in North West province to receive an allocation to roll out the EEDSM (Energy Efficiency and Demand and Supply Management Program) in a form of retrofitting high consuming street lights with energy efficiency LED lights as well as being one of the 19 municipality in South Africa to receive allocation of 5 000 solar hot water geysers.

## NATIONAL KEY PERFORMANCE INDICATOR

See page 247 for details.

# Chapter 3

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on pages 163 - 168)

ELECTRICAL AND MECHANICAL ENGINEERING OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2016/17	2017/18	2018/19			2019/20
		Target	Actual	Target			Budget
				Original	Adjusted	Actual	
To install high mast lights at hot spot areas in Jouberton (Phase 2) to better service delivery	Number of high mast lights installed at hot spot areas in Jouberton (Phase 2)	4 High mast light installed - electrical reticulation and commissioned R874 919	12 High mast light installed - electrical reticulation and commission. R 2 781 302	Installing 7 high mast lights in Tigane (Wards 1 & 2) (Phase 4B) by June 2018 R2 254 808	Installing 1 high mast light at hot spot areas in Jouberton (Phase 2) (as per programme) by June 2019 R401 503	1 high mast light at hot spot areas installed - electrical reticulation and commission R175 624	N/A
To construct a loop-in-loop-out new 88 kV medium voltage line, primary and secondary plant at Alabama (Matlosana) substation (Phase 3) to maintain the current infrastructure and to cater for the increased electricity supply demand	Number of loop-in-loop-out new 88 kV medium voltage line, primary and secondary plant at Alabama (Matlosana) substation (Phase 3) constructed	Contractor appointed. Site construction 90 % completed Substation 30 % completed R 4 186 798	4 Steel base structures constructed. R14 513 255	Constructing 2km loop-in-loop-out new 88 kV medium voltage line, primary and secondary plant at Alabama (Matlosana) substation (Phase 3) by June 2019 R22 000 000	-	Contractor not appointed yet. Tender has been re-advertised for the third time and closed on 28 June 2019 R10 613 148	R9 200 000 and Possible Roll-Over

# Chapter 3

## 3.4 WASTE MANAGEMENT

### INTRODUCTION TO WASTE MANAGEMENT

The Cleansing section's function is to provide an acceptable, affordable and sustainable cleaning service to all the residents of Matlosana.

The Refuse Removal service is rendered once a week in residential areas and daily at businesses and hospitals to keep the environment clean. This service is rendered with refuse compaction trucks in both townships and towns. Night soil service is rendered to residential premises in all areas where no waterborne sewerage is available.

Vacuum services are rendered to residential premises and business where no waterborne sewerage or night soil service is available. This service is rendered with a suction tank. Cleaning of Illegal Dumping's in the Matlosana area and the rendering of a Street Cleansing services in all CBD's and all main roads within the Matlosana area.

Strategic objectives are to:

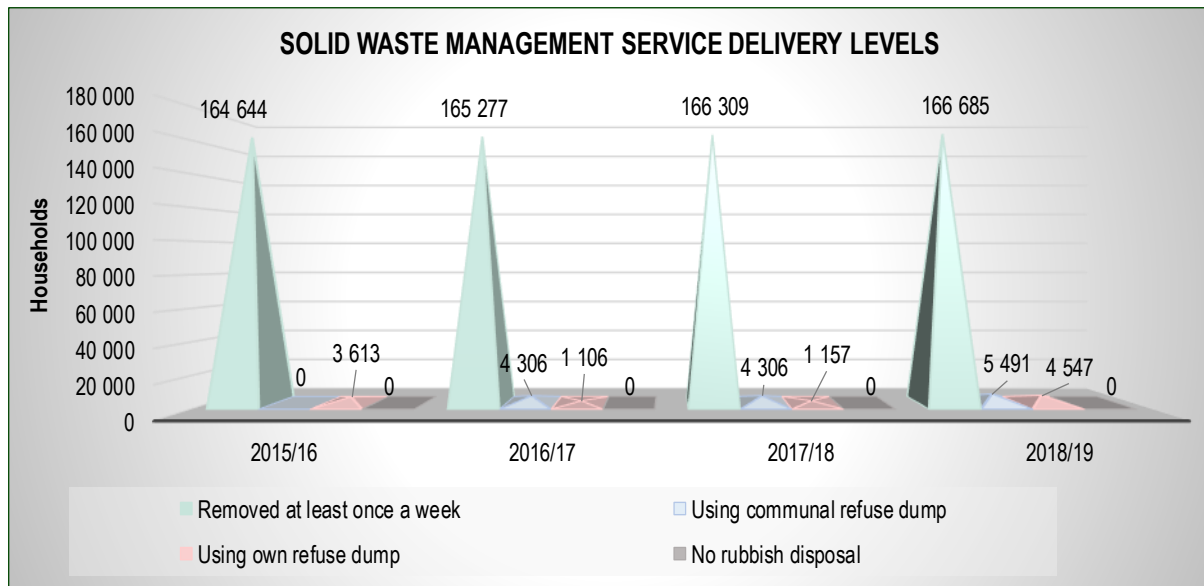
- ✎ render a uniform cleansing service to all communities;
- ✎ ten refuse trucks are leased to render an effective and efficient refuse removal service in the Matlosana area;
- ✎ conduct awareness and clean-up campaigns to eliminate illegal dumping in the Matlosana area; and
- ✎ obtain funds to purchase refuse containers for newly developed and existing areas within Matlosana.

SOLID WASTE COLLECTED AT DUMPING SITES		
2016/17	2017/18	2018/19
103 000 tons	115 000 tons	130 500 tons

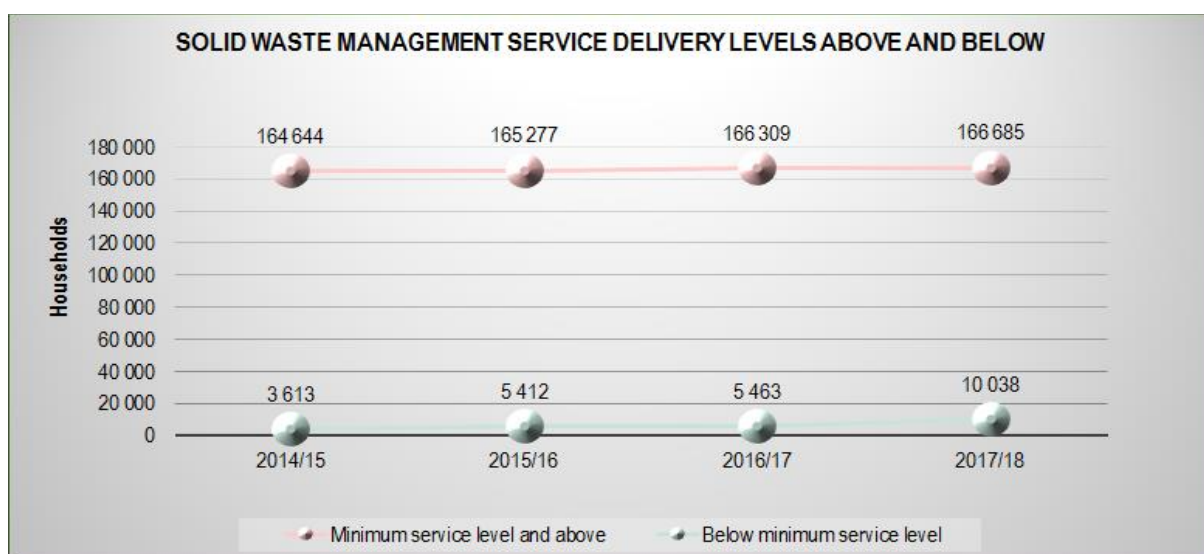
SOLID WASTE MANAGEMENT SERVICE DELIVERY LEVELS				
Description	2015/16	2016/17	2017/18	Households 2018/19
	Actual	Actual	Actual	Actual
<b><u>Solid Waste Removal: (minimum level)</u></b>				
Removed at least once a week	164 644	165 277	166 309	166 685
<i>Minimum service level and above sub-total</i>	164 644	165 277	166 309	166 685
<i>Minimum service level and above percentage</i>	97.84%	97.00%	97%	94.32%
<b><u>Solid Waste Removal: (below minimum level)</u></b>				
Removed less frequently than once a week	-	-	-	-
Using communal refuse dump	0	4 306	4 306	5 491
Using own refuse dump	3 613	1 106	1 157	4 547
No rubbish disposal	0	0	0	0
<i>Below minimum service level – sub-total</i>	3 613	5 412	5 463	10 038
<i>Below minimum service level – percentage</i>	2.2%	3.00%	3.00%	5.68%
<b>TOTAL HOUSEHOLDS*</b>	<b>168 257</b>	<b>170 689</b>	<b>171 772</b>	<b>176 723</b>
* - Total includes informal settlements				



# Chapter 3



SOLID WASTE MANAGEMENT SERVICE DELIVERY LEVELS BELOW THE MINIMUM					
Households					
Description	2016/17	2017/18	2018/19		
	Actual	Actual	Original	Adjusted	Actual
<b>Formal settlements</b>					
Total households	165 277	167 260	169 500	171 007	171 007
Households below minimum service level	0	951	5 085	4 322	4 322
<b>Proportion of households below minimum service level</b>	<b>0%</b>	<b>0.01%</b>	<b>3.0%</b>	<b>2.53%</b>	<b>2.53%</b>
<b>Informal settlements</b>					
Total households	5 412	4 512	5 000	5 716	5 716
Households below minimum service level	5 412	4 512	5 000	5 716	5 716
<b>Proportion of households below minimum service level</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>





# Chapter 3

## EMPLOYEE INFORMATION

EMPLOYEES: SOLID WASTE MANAGEMENT SERVICES (REFUSE REMOVAL AND STREET CLEANING)					
Job level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	2	2	2	0	0%
4 - 6	3	3	3	0	0%
7 - 9	7	8	7	1	13%
10 - 12	20	24	20	4	17%
13 - 15	20	32	17	15	47%
16 - 18	8	11	8	3	27%
19 - 20	252	260	197	63	24%
<b>Total</b>	<b>312</b>	<b>340</b>	<b>254</b>	<b>86</b>	<b>25%</b>

FINANCIAL PERFORMANCE 2018/19: SOLID WASTE MANAGEMENT SERVICES (REFUSE REMOVAL AND STREET CLEANING)					
R'000					
Details	2017/18	2018/19			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
<b>Total Operational Revenue</b>	<b>153 884</b>	<b>213 096</b>	<b>179 799</b>	<b>210 152</b>	<b>14%</b>
Expenditure					
Employees	55 315	67 339	68 724	59 698	-15%
Repairs and maintenance	22 928	-	-	9 236	100%
Other	57 069	87 799	84 212	97 703	14%
<b>Total Operational Expenditure</b>	<b>135 312</b>	<b>155 138</b>	<b>152 936</b>	<b>166 637</b>	<b>8%</b>
<b>Net Operational Expenditure</b>	<b>18 572</b>	<b>57 958</b>	<b>26 863</b>	<b>43 515</b>	

## COMMENTS ON THE PERFORMANCE OF WASTE MANAGEMENT OVERALL

- ✎ Refuse removal: Provides a uniform refuse removal service to all residential sites, business premises and industrial sites. Different types of systems are in use namely black plastic bags, 85 litre containers, 240 litre and 1 100 litre containers.
- ✎ Street cleaning: Rendering a service in the CBD areas, small CBD areas within residential areas, taxi ranks and all main roads by means of litter picking. The service is being rendered during normal working hours.
- ✎ Night soil removal: This service has been transferred to the Sewer section, but the section still assists in rendering the service in all areas (proclaimed) where no waterborne sewerage is available.
- ✎ Vacuum service: This service has also been transferred to the Sewer section, the section only assists with administrative duties.
- ✎ Additional refuse: Rendering a service by removing additional refuse that is dumped illegally in open spaces, corners etc. and it is disposed at the landfill site.

# Chapter 3

- ✎ The draft Integrated Waste Management plan for the City of Matlosana was submitted to Provincial Environmental Affairs Department.

## NATIONAL KEY PERFORMANCE INDICATOR

See page 247 for details.

## 3.5 HOUSING PROVISION

### INTRODUCTION OF HOUSING PROVISION

In terms of Schedule 4: part A of the constitution of the Republic of South Africa, Housing is a functional areas of concurrent national and provincial legislative competence, therefor Matlosana municipality ought to be accredited to perform Human Settlement functions. However, Housing Services Unit is limited to facilitation role to ensure that the state subsidised houses (RDP) are built through various housing programmes as outlined in the national Housing Policy.

The mission of the unit within the Directorate Planning & Human Settlement is to facilitate the delivery of sustainable human settlements, safe, affordable, adequately serviced land, and well-located housing opportunities through:

- ✎ Partnership with the provincial department in conducting consumer education;
- ✎ Mobilisation of well-located land for low income and affordable housing with increased densities;
- ✎ Ensuring higher built densities, appropriate housing forms with a variety of tenure types, and the densification of existing residential areas;
- ✎ Management of informal settlements;
- ✎ Compilation of a credible National Housing Needs Register;
- ✎ Ensure that the City of Matlosana receives the Municipal Accreditation level 1 and 2, to perform Human Settlements functions;
- ✎ To facilitate the eradication of informal settlements through the various housing programmes;
- ✎ Introduce a rental strategy as an alternative to the existing housing backlogs.

### Challenges

- ✎ The proliferation of informal settlements, and urban sprawl;
- ✎ Shortage of well-located land for human settlements.

PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO BASIC HOUSING			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2015/16	168 257	164 644	97.80%
2016/17	170 689	165 743	97.10%
2017/18	171 772	167 260	97.37%
2018/19	176 723	168 255	95.21%

### HOUSING DEVELOPMENT

# Chapter 3

The City of Matlosana has been experiencing sporadic land invasion in the past three to four years. Although the Council do not condone the actions taken by the communities to embark on illegal occupation of land, the municipality is obliged to address this challenge before it gets out of hand.

The City has experience the emergence of illegal informal settlements in Tigane, your Moscow and Nsune informal settlements, Jouberton, your Sunnyside, Graveyard, Jouberton Ext. 19 and 20, and Alabama's Skierlik. Just to name but a few. Kanana and Khuma as well was affected by this illegal land invasion.

In order to deal with this thorny issue, the municipality has embarked on a Township establishment spree. It must be noted that the municipality has not been establishing townships for the past ten (10) years, if not fifteen (15).

The section is also embarking on the installation of civil engineering services projects in existing townships just to increase capacity so that other developments can be unlocked.

Municipal projects embarked on (some are running and others planned):

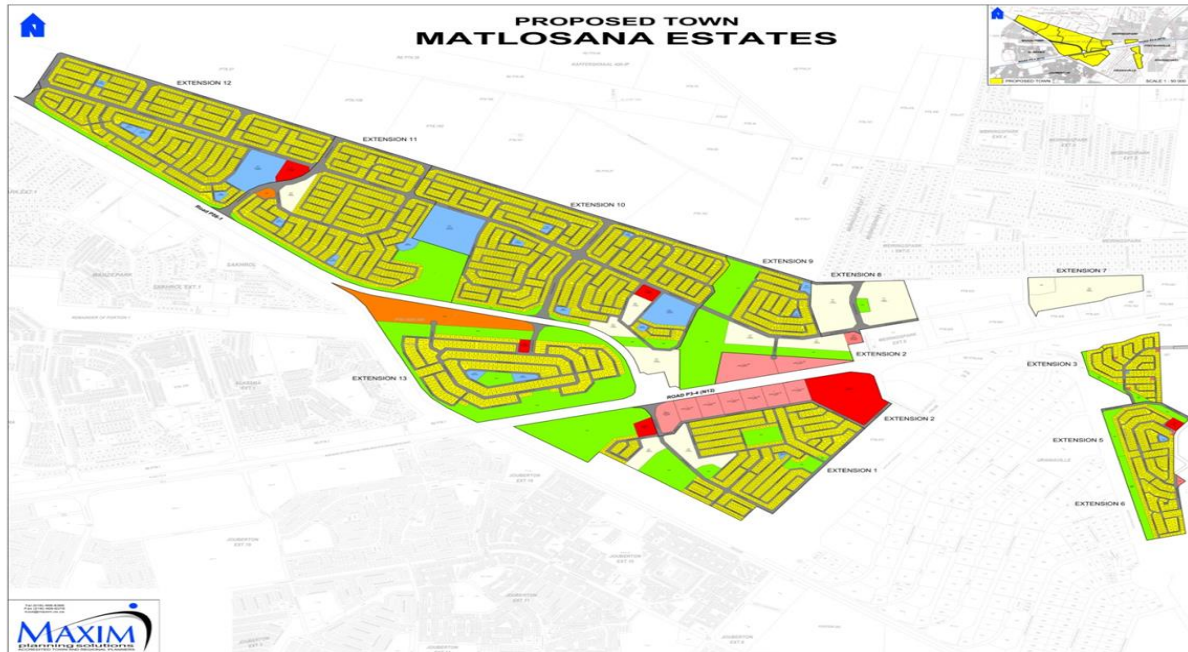
COUNCIL: TOWNSHIP ESTABLISHMENTS AND OTHER SERVICES			
NAME OF AREA	NR OF STANDS	COMMENTS	PROGRESS
Tigane Ext. 7	1 497	Layout completed	Township to be registered
Tigane Ext. 8	1 555	Layout completed	Township to be registered
Kanana Ext. 14	114	Installation of Internal engineering services will resume in January 2020	Contractor appointed
Kanana Ext. 15	1 116	Installation of Internal engineering services underway	Contractor appointed
Kanana Ext. 16	2 271	Layout completed	Township to be registered
Kanana Estate	2 448	Township establishment in process	Planned
Jouberton Ext. 34	2 596	Layout completed	Township to be registered

National Department of Human Settlements funded township establishments:

NDHS: TOWNSHIP ESTABLISHMENTS AND OTHER SERVICES			
NAME OF AREA	NR OF STANDS	COMMENTS	PROGRESS
Matlosana Estate Ext. 3	243	Installation of civil engineering services and electricity	In progress
Matlosana Estate Ext. 5	177	Installation of civil engineering services and electricity	In progress
Matlosana Estate Ext. 6	231	Installation of civil engineering services and electricity	In progress

# Chapter 3

Matlosana Estate Ext. 10	1 667	Installation of civil engineering services: Engineering Designs including Electricity approved	In progress
Matlosana Estate Ext. 12	1 289	Township established	Completed



As the municipality is embarking on this township establishment spree, the sewer and water backlogs were also taken into consideration to avoid future problems for the municipality.

## DEPARTMENT OF HUMAN SETTLEMENTS PROJECTS

ENGINEERING SERVICES			
Project Name	Planned Stands	Achievements	Performance Shortfall
Social Housing Project: Flamwood Ext 24	1 186	Completed	None
Upgrading of Adamayview Sewer Outfall	Increase capacity for 1186	Completed	None
Installation of Pressure tower – Alabama Ext 4 & 5 for housing development	Upgrading capacity for 3 206	In Progress	None
Installation of Internal services – Flamwood Ext 2	200	In Progress	None
Installation of Internal services – Kanana Ext 15	1116	In Progress	None

# Chapter 3

DEPARTMENT OF HUMAN SETTLEMENTS - BREAKING NEW GROUNDS "RDP's"			
Project Name	Planned Stands	Achievements	Performance Shortfall
Alabama Ext 4 - Tigane Developers	951	504 Completed	None
Alabama Ext 5 – Amandla Constr	700	254 Completed	None
Alabama Ext 5 – Drop Dot	700	23 Foundation casted	None – Appointed in June 2019
Alabama Ext 5 – Lekgatlisso Constr	800	198 Completions	None
Jouberton Infill Ext 2, 3 & 7	300	Beneficiary management in progress	None - Appointed June 2019
Kanana Ext 13	285	10 Foundation casted	None -Appointed June 2019
Jouberton Ext 3	40	39 Completed	1 Outstanding – Family dispute

## EMPLOYEE INFORMATION

EMPLOYEES: HOUSING SERVICES					
Job level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	6	6	6	0	0%
7 - 9	3	4	3	1	25%
10 - 12	3	3	3	0	0%
13 - 15	5	7	7	0	0%
16 - 18	0	0	0	0	0%
19 - 20	1	2	1	1	50%
<b>Total</b>	<b>19</b>	<b>23</b>	<b>21</b>	<b>2</b>	<b>9%</b>

FINANCIAL PERFORMANCE: HOUSING SERVICES					
R'000					
Details	2017/18	2018/19			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
<b>Total Operational Revenue</b>	<b>1 502</b>	<b>4 610</b>	<b>3 811</b>	<b>3 809</b>	<b>-21%</b>
<b>Expenditure</b>					
Employees	7 629	10 706	9 600	8 764	-22%
Repairs and maintenance	176	-	-	0	0%
Other	2 909	13 446	12 242	1 347	-898%
<b>Total Operational Expenditure</b>	<b>10 714</b>	<b>24 152</b>	<b>21 842</b>	<b>10 111</b>	<b>-139%</b>
<b>Net Operational Expenditure</b>	<b>-9 212</b>	<b>-19 542</b>	<b>-18 031</b>	<b>-6 302</b>	

# Chapter 3

## COMMENT ON THE PERFORMANCE OF HOUSING SERVICES OVERALL

The Directorate Planning and Human Settlements operates within the Outcome 8 expressed in the National Development Plan which deals with the Sustainable Human Settlement and the improved quality of Human Settlements and covers the upgrade of Human Settlements, the delivery of affordable rental units, land acquisition and improved property management.

Noting the disparities that are occasioned by the past legacy spatial patterns, the NDP Plan 2030 suggest a new approach to the provisioning of human settlements and basic services. The National Planning Commission Diagnostic report proposes that spatial planning must consider the principle of spatial quality where housing and built environment needs to be improved to create liveable, vibrant and sustainable places.

According to National Planning Commission Diagnostic Report, Informal settlements present a particular challenge with most job-seeking migrants moving to cities, first live in informal settlements, which are an affordable entry to the city. Many migrants cannot break into the urban labour market and find it difficult to move out of shacks in to accommodation that is more formal.

Matlosana Municipality is no exception to the aforementioned challenges. Nonetheless, with advent of a new Directorate Planning and Human Settlements which its functions have a bearing in Human Settlements environment, the directorate must consider the constraints posed by the socio political imperatives under review. The directorate therefor requires retooling in order to remain relevant with its planning capacities, its leadership in ensuring compliance with building standards and housing and meeting the ever-growing levels of the city's densification population patterns.

To remain relevant in this discourse the directorate requires strategies that will bring it closer to the implementing institutions by enhancing its stakeholder relationships and strategic partnership that adds value to the Planning and Human Settlements challenges.

In this context, the Directorate will ensure the facilitation of the delivery of some additional subsidized houses through Human settlement programmes, which offers adequate shelter to poor people, and help contribute to an unprecedented productive increase in addressing the housing backlog in the Municipality, strengthen the area of spatial planning and enhanced quality on houses built.

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## 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

### INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The Council accepts that they are responsible for the rendering of services in terms of Schedules 4 and 5 of the Constitution as well as other services, which may be delegated by National and Provincial Government.

The Council will endeavour to render a basic standard and level of services necessary to ensure an acceptable and reasonable quality of life, which takes into account health and environmental considerations.

The basic point of departure is that Council will assist, through funds received from National Government; to provide basic services to "poorer" households within the Council's service provision area, and in this regard, no discrimination on any grounds will be allowed.

# Chapter 3

Only households where the total household income is less than R3 380 per month (which is the maximum old age grant equal to two old-age pensions) may apply for indigent support.

NUMBER OF HOUSEHOLDS									
HOUSEHOLDS EARNING LESS THAN R3 380 PER MONTH									
Year end	Total	Free basic water		Free basic sanitation		Free basic electricity		Free basic refuse removal	
		Access	%	Access	%	Access	%	Access	%
2015/16	16 840	16 840	100%	16 840	100%	16 840	100%	16 840	100%
2016/17	21 284	21 284	100%	21 284	100%	21 284	100%	21 284	100%
2017/18	23 297	23 297	100%	23 297	100%	23 297	100%	23 297	100%
2018/19	15 200	15 200	100%	15 200	100%	15 200	100%	15 200	100%

## NATIONAL KEY PERFORMANCE INDICATOR

See page 248 - 249 for details.

## COMMENTS ON FREE BASIC SERVICES AND INDIGENT SUPPORT

One of the main objectives of the Council is to ensure the provision of basic services to the community in a sustainable manner. This objective will, however, only be attainable within the financial and administrative capacity of the Council. The Council recognizes the fact that the community has a right of access to basic services, but the community also has an obligation to settle their monthly services accounts.

The Council also recognizes the fact that many of the residents can simply not afford the cost of full service provision and for this reason, the Council will endeavour to ensure affordability through:

- ✎ Setting tariffs in terms of the Council's Tariff Policy, which will balance the economic viability of, continued service delivery;
- ✎ Determining appropriate service levels.

The Council will endeavour to render a basic standard and level of services necessary to ensure an acceptable and reasonable quality of life, which takes into account health and environmental considerations. None of the residents should fall below the minimum standard of services as is contemplated in the Council's Financial Policies.

The Council realizes that in certain circumstances and because of past policies, certain services are available to communities, the costs of which are beyond the financial means of such communities, and will through this policy assist those communities within the financial capability of the Council. In each instance, the economic cost to render the services shall be calculated in accordance with the Council's Tariff Policy.

Those indigent consumers who do not have access to electricity qualify for alternative energy sources. According to the National Policy for Indigents, paraffin is being utilized by Council as a source for alternative energy. These consumers will qualify for a once-off annual supply of a double plate paraffin stove, as well as two paraffin lamps. Simultaneously, they qualify for 20 litres of paraffin per month in order to utilize the supplied items and thereby have access to alternative energy.



# Chapter 3

FINANCIAL PERFORMANCE 2018/19: COST TO MUNICIPALITY OF FREE BASIC SERVICES DELIVERED					
R'000					
Services delivered	2017/18	2018/19			
	Actual	Budget	Adjustment	Actual	Variance to Budget
Water	29 306	102 996	53 040	67 556	-14 516
Waste-water (sanitation)	14 207	177 962	86 091	48 544	37 457
Electricity	19 125	26 719	37 481	28 603	6 237
Waste management (solid waste)	29 841	74 966	41 173	11 582	29 592
<b>Total</b>	<b>48 966</b>	<b>382 642</b>	<b>215 145</b>	<b>156 285</b>	<b>58 859</b>

## CRITERIA FOR INDIGENT SUPPORT

The basic point of departure is that Council will assist, through funds received from National Government; to provide basic services to "poorer" households within the Council's service provision area in this regard no discrimination on any grounds will be allowed.

In order to qualify for financial assistance, the following will apply:

- (i) Only registered residential/farm occupied consumers of services delivered by the Council will qualify.
- (ii) No residential consumer conducting a business from the residential property, with or without special consent obtained from the Council or with or without existing usage rights, shall qualify for assistance.
- (iii) Occupants/residents who own more than one property and occupying a house where application is sought will render such application of the owner/occupier invalid.
- (iv) Where a tenant is renting a property, fully motivated applications and proof, together with a sworn affidavit from the owner and verification from the ward councillor must be submitted.
- (v) Where the registered owner or occupant is deceased and underage children of the deceased are residing in the house, the relevant documentation to this effect must be produced.
- (vi) The account holder must apply in person and must present the following documents upon application:
  - ↳ The latest municipal account in his/her possession;
  - ↳ Account holder's identity document;
  - ↳ Pension certificates and/or card /or affidavit;
  - ↳ Proof of income (if any);
  - ↳ Information of other individuals residing with the applicant.
- (vii) Only households where the total household income is less or equal to R3 380.00 (Three thousand three hundred and eighty rand) per month may apply for indigent support.
- (viii) An application agreement must be completed by every applicant. This agreement must include an affidavit and a customer profile of the household.
- (ix) An approved indigent subsidy is valid for a period of two years or until Council decides to cancel all previous applications and indigents will have to renew their applications, or as soon as the circumstances have changed of an indigent debtor, or on an annual basis based from the approval date of the application.
- (x) No pensioner indigents, whose indigent subsidy has been approved from the preceding financial year, need to reapply for the subsidy, as it is automatically approved. Pensioners only need to verify that they are still alive .
- (xi) All indigent applicants must give permission that an ITC check may be done on them to verify their claimed indigent status if needed. Failure thereof will cause the application not to be considered and approved.
- (xii) No debt collection or credit control measures will be instituted against the indigent household for as long as consumption over and above the free use is paid in full.



# Chapter 3

## LEVEL OF INDIGENT SUPPORT

The level of indigent support will be as follows:

- Water:**            Usage: An indigent subsidy amount equal to the value of 6kl water and thereafter normal tariffs will apply which is payable by the indigent consumer.  
                      Basic Fees: A subsidy amount equal to the value of the basic fees as determined by the water tariffs
- Refuse removal:** Removal once (1) a week of 85 or 240 litre container: Free of charge per month
- Sewerage:**        Cost of drainage basic charge plus additional sewerage charge per dwelling house: Free of charge per month.
- Electricity:**      Usage: A maximum indigent subsidy of 50 kWh free of charge and thereafter-normal tariffs will apply which the Indigent consumer must pay  
                      Basic fees: An indigent subsidy amount equal to the value of the basic fees as determined by the electricity tariffs
- Property Rates:** 100% of the rates as subsidized by the Property Rating Policy will be subsidized for indigent residents

## COMPONENT B: ROAD TRANSPORT

This component includes Roads, Storm-Water Drainage and Licensing Services.

### INTRODUCTION TO ROAD TRANSPORT

The City of Matlosana's primary responsibility is to provide road infrastructure that is of an acceptable level of service. The roads transport infrastructure networks and storm-water systems must be reliable, accessible and affordable. They should be able to facilitate seamless mobility of goods and people and promote socio-economic development within the City of Matlosana. Furthermore, the roads should be a priority in the promotion of vehicular and pedestrian safety.

## 3.7 ROADS AND STORM-WATER DRAINAGE

### INTRODUCTION TO ROADS AND STORM-WATER DRAINAGE

The roads and storm-water section adds value to accessibility in Matlosana through the provision of sustainable roads and storm-water service of high quality.

The section's goals are to:

- ☞ ensure effective storm-water and drainage management;
- ☞ provide roads and storm-water infrastructure development and maintenance; and
- ☞ provide safe roads with good quality riding characteristics.

The roads and storm-water section is responsible for planning, providing and maintaining the roads and storm-water infrastructure of City of Matlosana to facilitate economic growth and socio-development, promote traffic safety, improve traffic flow and alleviate traffic congestion.

# Chapter 3

GRAVEL ROAD INFRASTRUCTURE				
Kilometres				
Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2015/16	411	0	0	91.93
2016/17	601	0	5	148.12
2017/18	836	9	10	145.99
2018/19	836	0	4	179.03

TARRED ROAD INFRASTRUCTURE					
Kilometres					
Year	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2015/16	809	0	3	0	134
2016/17	1 058.15	0	0	0	180
2017/18	1 083.45	9	10	0	244
2018/19	1 087.45	0	0	0	250

ROADS COST OF CONSTRUCTION / MAINTENANCE						
R' 000						
Year	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
2015/16	0	0	4 000	0	0	4 200
2016/17	0	21 000	4 000	21 000	0	4 800
2017/18	0	37 000	5 000	37 000	0	5 000
2018/19	0	38 000	7 000	1	7 000	0

STORM-WATER INFRASTRUCTURE			
Kilometres			
Year	New storm-water measures	Storm-water measures upgraded	Storm-water measures maintained
2015/16	0*	5	0
2016/17	0*	1	1
2017/18	3*	3	5
2018/19	5*	0	27

\* Awaiting finalisation of the Roads Master Plan of the City of Matlosana

# Chapter 3

STORM-WATER COST OF CONSTRUCTION / MAINTENANCE			
R' 000			
Year	Storm-Water Measures		
	New	Upgraded	Maintained
2015/16	17	0	4
2016/17	0	1	2
2017/18	0	0	2
2018/19	11	0	3

## EMPLOYEE INFORMATION

EMPLOYEES: ROAD AND STORM-WATER DRAINAGE					
Job level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	0	1	0	1	100%
4 - 6	1	2	1	1	50%
7 - 9	13	14	13	1	7%
10 - 12	22	29	22	7	24%
13 - 15	2	4	3	1	25%
16 - 18	19	26	22	4	15%
19 - 20	100	107	95	12	11%
<b>Total</b>	<b>157</b>	<b>183</b>	<b>156</b>	<b>27</b>	<b>15%</b>

FINANCIAL PERFORMANCE: ROAD AND STORM-WATER DRAINAGE					
R'000					
Details	2017/18	2018/19			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
<b>Total Operational Revenue</b>	<b>2 108</b>	<b>27 412</b>	<b>26 339</b>	<b>22 321</b>	<b>-23%</b>
Expenditure					
Employees	33 914	67 847	65 347	36 988	-83%
Repairs and maintenance	15 382	24 636	32 686	34 890	29%
Other	361 449	129 447	134 857	104 974	-23%
<b>Total Operational Expenditure</b>	<b>410 745</b>	<b>221 930</b>	<b>232 890</b>	<b>176 852</b>	<b>-25%</b>
<b>Net Operational Expenditure</b>	<b>-408 637</b>	<b>-194 518</b>	<b>-206 551</b>	<b>-154 531</b>	

## COMMENTS ON THE PERFORMANCE OF ROADS AND STORM-WATER DRAINAGE OVERALL

The section is performing fairly well with the limited resource. The municipality is working on proving adequate maintenance budget to ensure effective maintenance and rehabilitation of the existing roads as well as the capital budget to upgrade the gravel roads to tar. Most of the roads infrastructure has aged and is deteriorating, therefore there is need to increase the maintenance budget for rehabilitation of those assets and to keep them alive for the next 10 years to 20 years' life cycle.

# Chapter 3

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on pages 161 – 163)

ROADS AND STORM-WATER DRAINAGE OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2016/17	2017/18	2018/19			2019/20
		Target	Actual	Target			Budget
				Original	Adjusted	Actual	
To improve accessibility and mobility and control and direct the flow of storm-water and prevent road erosion	Km of Tigane taxi route paved and km of storm-water drainage constructed (Phase 8B)	Paving of 1.8km taxi route and constructing 1.8km of storm-water drainage achieved R5 439 268	Site establishment, clear and grub and locating existing services. Construction of 1.043km of roadbed, sub base and base. R2 459 903	Paving of 1.03km taxi route and constructing 1.03km of storm-water drainage in Tigane (Phase 8B) at M Angelo, N Nduma, P Kaseeme, A Lembede, M Luther, S Plaatjie, J Dube and Malolo streets by June 2019 R2 389 154	R1 177 128	1.043km Taxi route paved and 1.043 km of storm-water drainage at M Angelo, N Nduma, P Kaseeme, A Lembede, M Luther, S Plaatjie, J Dube and Malolo streets constructed R1 023 590	R15 837 356
To improve accessibility and mobility and control and direct the flow of storm-water and prevent road erosion	Km of Khuma taxi route paved and km of storm-water drainage constructed (Phase 8B)	2.1 km taxi route and constructing 2.1 km of storm-water drainage completed R 7 451 326	Site establishment, clear and grub and locating existing services. Construction of 1.144km of road bed, sub-base, base R 2 357 904	Paving of 1.191 km taxi route and constructing 1.191 km of storm-water drainage in Khuma (Phase 8B) at Mguduza, Bafokeng and Masalele streets by June 2019 R1 590 230	R457 612	1.143 km taxi route paved and 1.143 km of storm-water drainage at Mguduza, Bafokeng and Masalele streets constructed R397 923	N/A

# Chapter 3

## 3.8 LICENSING SERVICES

### INTRODUCTION TO LICENSING SERVICES

The licence department has a link with the provincial department in terms of the grading of the local examiners operating within their jurisdiction.

Acts and Regulations that govern the Licensing Section

- ✚ National Road Traffic Act and Regulations, 1996 (Act 93 of 1996)
- ✚ Road Traffic Management Corporation (Act 20 of 1999)
- ✚ Administrative Adjudication of Road Traffic Offences (Act 46 of 1998)
- ✚ North West Business (Act 6 of 1997)
- ✚ Public Safety Traffic and Security By-Laws – approved 5/12/2003
- ✚ South African National Standards for the Motor Vehicle Testing Centre (SANS)

#### Description of the activity

- ✚ Administrative personnel at the Licensing section assist members of public with information and perform transactions for the registration of vehicles, licensing / deregistration of vehicles, issuing of permits, application and issuing of motor trade plates. They also change particulars of vehicle / owner, renewal of driver licenses, application and issuing of business, hawkers licences and rental of stands and payment on notices/summonses on penalties issued.
- ✚ Application and issuing of certification of roadworthiness certificates of motor vehicles, weighbridge certificates of motor vehicles, application and issuing of learner licenses, application and issuing of driver licenses, application for professional driving permits, application for temporary driving license, collecting of transaction fees for Road Traffic Management Corporation (TRMC).
- ✚ Management personnel reconcile the daily takings, votes, request overpayment of money to province / prodiba (Driving card-licensing facility) / Road Traffic Management Corporation (RTMC), administrative functions on all activities, reconciliation of daily takings and banking. Reconcile the monthly ledgers with Treasury processing and do the statistics of the division.
- ✚ Inspectors of Licences perform inspections on businesses, hawkers, motor dealers and issue penalties when needed.
- ✚ Examiners for Driving Licences perform eye tests for renewal of drivers' licences, professional driving permits and when applicants apply to be tested for learners' licences and driving licences. Examiners for Driving Licences test members of the public for learners and drivers' licences.
- ✚ Examiners for testing of vehicles inspect the vehicles for roadworthiness and weigh vehicles on the weighbridge scale.

#### Challenges

- ✚ Since a pay point was opened at the post office in April 2014 for the renewal of licences, the revenue and statistics on renewal of vehicle licenses decreased.
- ✚ At the Licensing section a total of 8 006 more renewals were performed. Council should consider the opening of a pay point at the finance to ensure smooth service delivery and to discourage public members going to the post office for renewals. A fast pay point for renewals should also be considered, with the consent of the Department of Community Safety & Transport Management.

# Chapter 3

- ✚ The security at the Licensing Departments is a big challenge. Rota doors are needed for more security as well as CCTV cameras. Security measurements for the safety of workers as well as members of public are needed.
- ✚ The shortage of supervisors influences the quality of performances as there is a serious lack of supervision and the daily checking on the source documents cannot be performed. Cognisance should be taken that twenty cashiers were appointed during the financial year, which increase the workload of supervisors.
- ✚ Absenteeism of cashiers remains a problem in this section, as it affects service delivery, which needs to be addressed.
- ✚ The breaking of equipment have an impact on service delivery, as members of public cannot be assisted to renew or register their vehicles. The Road Traffic Management currently experience problems to attend to the equipment (computers and printers) that broke down, as they have a shortage of technicians.
- ✚ The shortage of vehicles have an influence on the collection of revenue, as Inspectors cannot perform their daily duties.
- ✚ A request was submitted that the vehicle testing station at Hartbeesfontein be converted to a driver license section as the space in the current building is too small to accommodate all the personnel and the public.

SERVICE STATISTICS FOR LICENSING SERVICES				
DESCRIPTION	2016/17	2017/18	2018/19	COST (R'000)
Registration of vehicles	35 612	29 969	34 978	R4 286 364
Licensing / renewal of vehicle licences	80 018	78 709	86 715	R66 211 985
Issue of permits	5 983	6 311	5 989	R572 736
Application and renewal of motor trade plates	260	208	258	R166 877
Application and issuing of business licences, hawkers' licences and stands	533	286	199	R101 070
Application and issuing of certification of roadworthiness certificates of motor vehicles	2 436	2 683	2 726	R576 174
Weigh bridge certificates of vehicles	1 000	1 127	1 398	R125 820
Application and issue of learners' licences	14 535	12 273	15 356	R1 934 856
Application and issue of drivers' licences	9 771	7 351	10 385	R2 438 880
Application for professional driving permits	3 612	3 216	3 509	R442 260
Renewal of drivers' licences	13 712	14 502	14 730	R3 270 060
Issuing of temporary drivers' licences	8 749	8 957	11 551	R633 444
Road Traffic Management Corporation	69 899	68 262	74 700	R5 439 096

# Chapter 3

## EMPLOYEE INFORMATION

EMPLOYEES: LICENSING SERVICES					
Job level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	30	43	33	10	23%
10 - 12	25	53	36	17	32%
13 - 15	16	18	16	2	11%
16 - 18	0	3	3	0	0%
19 - 20	2	6	6	0	0%
<b>Total</b>	<b>75</b>	<b>125</b>	<b>96</b>	<b>29</b>	<b>23%</b>

FINANCIAL PERFORMANCE: LICENSING SERVICES					
R'000					
Details	2017/18	2018/19			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
<b>Total Operational Revenue</b>	<b>80 162</b>	<b>9 071</b>	<b>14 245</b>	<b>20 831</b>	<b>56%</b>
<b>Expenditure</b>					
Employees	22 215	34 146	26 874	26 254	-30%
Repairs and maintenance	44	341	341	180	-89%
Other	58 887	3 488	5 893	2 141	-63%
<b>Total Operational Expenditure</b>	<b>81 246</b>	<b>37 975</b>	<b>33 108</b>	<b>28 575</b>	<b>-33%</b>
<b>Net Operational Expenditure</b>	<b>-1 084</b>	<b>-28 904</b>	<b>-18 863</b>	<b>-7 744</b>	

### COMMENTS ON THE PERFORMANCE OF LICENSING SERVICES OVERALL

In general, the duties as require from Licensing are performed effectively, although it can improve if the challenges are addressed, especially on the business licenses and the absenteeism of staff members.

The total renewal of licenses of vehicles at the Licensing section increase compared with the post office, due to putting the customer first – Batho Pele.

The income at the Driving license section also increased due to the appointment of additional Examiners of Driver's Licenses.

## COMPONENT C: PLANNING AND DEVELOPMENT

This component includes Planning (Town-planning, Building Control and Estate Administration & Land Sales), Local Economic Development and The Fresh Produce Market.

# Chapter 3

## 3.9 PLANNING

### TOWN-PLANNING

#### INTRODUCTION TO TOWN-PLANNING

The enactment of the Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013) “SPLUMA” has ushered in a new era for planning in City of Matlosana, and the Country at large. The Act is intended to achieve uniformity in planning processes and systems at all three (3) Spheres of Government. The Act is intended to achieve redress by ensuring that all areas which were previously not included in Spatial Planning processes and instruments, were now incorporated through what has widely been recognised and accepted as wall-to-wall planning. SPLUMA was officially operationalised on the 01 July 2015.

All Municipalities were required to have put in place transitional measures, by developing By-Laws for the regulation of land use activities in their Areas of Jurisdiction. To this end, the Municipality has adopted a By-Law whilst the process for the review of the Land Use Management System (LUMS) has been commenced with. This By-Law has designated land use applications into two main Categories, namely: Category A and B. Category A applications are processed by the Authorised Official, and Category B applications are processed by the Municipal Planning Tribunal. It is worth noting that the Municipality has a functional Municipal Planning Tribunal and an Appeals Authority.

The Municipality is required to formulate and adopt a SPLUMA compliant LUMS within five (5) years of the operationalisation of the Act. The review of the Spatial Development Framework (SDF) is in progress, to ensure that the broad development objectives for each land parcel in the Municipal Area is expressly set out.

#### Land Use Management

Land Use Management activities in the Municipality are regulated by the By-Law and the Scheme Regulations. The Municipality has been actively considering development applications for Rezoning, Subdivision, Consent Use, Consolidation and Removal of Restrictive Title Conditions. Efforts have also been made by the placement of newspaper adverts, calling on land owners to submit applications in instances where they were found to have been transgressing provisions of the By-Law and the Scheme Regulations.

#### Achievements

- ✚ Implementation of SPLUMA (Spatial Planning Land Use Management Act, 2013 (Act No. 16 of 2013) - Ensure compliance and mitigation of risks emanating from illegal land use activities;
- ✚ Approval of medium to large scale development initiatives i.e. Isago N12 Development, Matlosana Estates (Catalytic) – Thereby enhancing Municipal revenue base.

#### Challenges:

- ✚ Sprawling development outside of the approved Urban Edge i.e. Jagspruit;
- ✚ Illegal land use activities;
- ✚ Slow progress in the formalisation of informal settlements.



# Chapter 3

## Service delivery priorities and impact

- ✎ Township establishment – to enhance access to serviced residential stands, thereby broadening the tax base of the Municipality;
- ✎ To ensure compliance with By-Law and Scheme Regulations – For the enhancement of revenue collection from property rates and taxes.

## **BUILDING CONTROL**

DETAIL	2015/16	2016/17	2017/18	2018/19
Detail of building plans				
✎ Number of building plans approved (excluding low cost housing)	804	678	614	507
✎ Value of building plans approved	R530 898 500	R411 862 900	R296 436 700	R 315 952 200
Number of applications received for				
✎ Township establishment	5	3	2	9
✎ Rezoning	79	39	46	74
✎ Special consent	15	11	4	2

APPLICATIONS FOR LAND USE DEVELOPMENT						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	2017/18	2018/19	2016/17	2018/19	2016/17	2018/19
Planning application received	3	9	46	74	614	741
Determination made in year of receipt	0	4	41	41	614	741
Determination made in following year	0	0	5	28	0	0
Applications withdrawn	2	0	0	5	0	0
Applications outstanding at year end	1	5	0	28	0	234

## **ESTATE ADMINISTRATION & LAND SALES**

This section was formerly located at Corporate Support. However, with the restricting of the Organisational Structure it was then properly placed in the Planning and Human Settlements Directorate. The main objective of this section is to manage municipal immovable properties, excluding Municipal Rental Stock.

The section is responsible for the consideration of applications for the acquisition and leasing of municipal land. This includes the reconciliation of all land parcels contained in the immovable property register, to ensure completeness and fullness in the disclosure of Municipal assets.

This section is being restructured to assist in local economic development endeavours, to enhance municipal revenue through the leasing of commonages and invariably promote access to land for redress purposes. Once the restructuring processes are completed, this section will be empowered to execute the mandate of making land available for development by invitation of development proposals for land earmarked for development in terms of the SDF, thereby attracting more investment into the municipality.

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The section is currently engaged in the compilation of a credible land audit of all existing municipal land, including the identification of dormant land parcels not owned by the municipality, which may be acquired for development or human settlement purposes.

## EMPLOYEE INFORMATION

EMPLOYEES: ADMINISTRATION; TOWN-PLANNING; BUILDING CONSTRUCTION and ESTATE ADMINISTRATION & LAND SALES					
Job level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	1	2	2	0	0%
4 - 6	6	16	11	5	31%
7 - 9	12	19	14	5	26%
10 - 12	11	17	13	4	24%
13 - 15	8	10	8	2	20%
16 - 18	12	14	12	2	14%
19 - 20	1	1	1	0	0%
<b>Total</b>	<b>51</b>	<b>79</b>	<b>61</b>	<b>18</b>	<b>23%</b>

FINANCIAL PERFORMANCE: ADMINISTRATION; TOWN-PLANNING; BUILDING CONSTRUCTION and ESTATE ADMINISTRATION & LAND SALES					
R'000					
Details	2017/18	2018/19			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
<b>Total Operational Revenue</b>	<b>1 534</b>	<b>4 705</b>	<b>4 547</b>	<b>3 355</b>	<b>0%</b>
Expenditure					
Employees	18 970	22 011	28 475	22 524	0%
Repairs and maintenance	441	565	565	503	0%
Other	7 701	10 060	9 910	15 659	0%
<b>Total Operational Expenditure</b>	<b>27 112</b>	<b>32 636</b>	<b>38 950</b>	<b>38 686</b>	<b>0%</b>
<b>Net Operational Expenditure</b>	<b>-25 578</b>	<b>-27 931</b>	<b>-34 403</b>	<b>-35 331</b>	

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## 3.10 LOCAL ECONOMIC DEVELOPMENT (INCLUDING COMMUNICATIONS AND MARKETING)

### INTRODUCTION TO LOCAL ECONOMIC DEVELOPMENT

Local Economic Development is an approach towards economic development which allows and encourage local people to work together to achieve sustainable economic growth and development thereby bringing economic benefits and improved quality of life for all residents in a local municipal area.

LED is an outcome based on local initiatives driven by stakeholders. It is community driven through individuals and sectors. The sectors referred to are local government, business and civil sectors. It is a bottom-up socio-economic instrument within a broader IDP, New Growth Path and National Development Plan (NDP), to create conducive business environment to improve their competitiveness.

Tourism has been recognized as having a significant growth potential to economic growth and employment creation and human resource development. Both the new growth path (2010) and the National Development plan (2012) identified the tourism industry as one of the priority sectors for such growth. The North West provincial Department of Tourism and the Office of the Premier has identified Tourism as one of the economic pillars for the province.

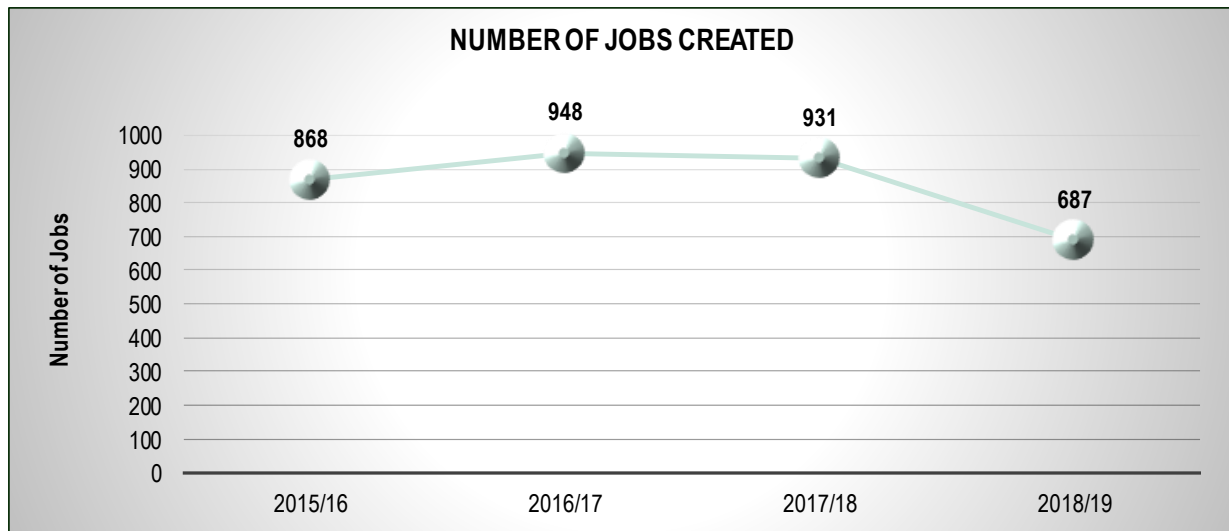
LOCAL ECONOMIC ACTIVITY BY SECTOR				
Sector	No of Jobs			
	2015/16	2016/17	2017/18	2018/19
Agriculture, forestry and fisheries	35	30	32	17
Wholesale and retail trade	52	0	0	67
Infrastructure services	868	948	899	603
<b>Total</b>	<b>955</b>	<b>978</b>	<b>931</b>	<b>687</b>

### COMMENTS ON LOCAL JOB OPPORTUNITIES

JOB CREATION THROUGH EPWP* PROJECTS		
Year	EPWP Projects	Jobs created through EPWP projects
	No	No
2015/16	12	868
2016/17	13	287
2017/18	12	633
2018/19	10	611
*- Extended Public Works Programme		

JOBS CREATED DURING 2018/19 BY LED INITIATIVES				
Year	No of jobs created	No odd jobs lost / displaced by other initiatives	No of net total jobs created in year	Method of validating jobs created/lost
2015/16	868	0	868	In loco inspection
2016/17	948	0	948	In loco inspection
2017/18	266	0	931	In loco inspection
2018/19	687	0	687	In loco inspection

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The continual implementation of the National Government programme on EPWP is generating work opportunities on a short-term basis.

It is envisaged that the following LED anchor projects will create sustainable long-term employment once they are implemented and completed:

- ✚ Extension of Fresh Produce Market
- ✚ Meat Processing Plant
- ✚ Neighbourhood Development Partnership Grant (Township Renewal Project)
- ✚ Airport Development
- ✚ Goudkoppie Heritage Site
- ✚ Agri-Park
- ✚ Kabi-Solar-Alternative Energy
- ✚ Small Town Regeneration Programme
- ✚ Catalytic Projects N12 West

## EMPLOYEE INFORMATION

EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT					
Job level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	2	2	2	0	0%
4 - 6	5	7	6	1	14%
7 - 9	3	4	4	0	0%
10 - 12	3	5	3	2	40%
13 - 15	0	0	0	0	0%
16 - 18	1	1	1	0	0%
19 - 20	1	1	1	0	0%
<b>Total</b>	<b>15</b>	<b>20</b>	<b>17</b>	<b>3</b>	<b>15%</b>

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FINANCIAL PERFORMANCE: LOCAL ECONOMIC DEVELOPMENT					
R'000					
Details	2017/18	2018/19			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
<b>Total Operational Revenue</b>	<b>20 175</b>	<b>31 439</b>	<b>30 014</b>	<b>20 272</b>	<b>55%</b>
<b>Expenditure</b>					
Employees	13 532	21 721	18 892	15 757	38%
Repairs and maintenance	5 425	1 201	1 400	3 557	-66%
Other	14 650	20 235	46 985	10 118	100%
<b>Total Operational Expenditure</b>	<b>33 607</b>	<b>43 157</b>	<b>67 277</b>	<b>29 432</b>	<b>47%</b>
<b>Net Operational Expenditure</b>	<b>-13 432</b>	<b>-11 718</b>	<b>-37 263</b>	<b>-9 154</b>	

## COMMENTS ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL

LED facilitated funding for the following developments:

- ✎ The establishment of the Enterprise Development Centre in Orkney.
- ✎ The implementation of the Neighbourhood Development Partnership Grant (Township Renewal Project) in Jouberton.
- ✎ Small Town Regeneration in Stilfontein

## NATIONAL KEY PERFORMANCE INDICATOR

See page 249 for details.

## INTRODUCTION TO COMMUNICATION AND MARKETING

Communications and Marketing promote democracy and encourage citizens to play a more effective role in how they are governed. The roles and functions of Communications and Marketing support and promote the Municipality's Vision and Mission.

Guided by the Municipal Systems Act 32 of 2000, the Communication and Marketing section seeks to address the communication needs of the municipality by ensuring that information dissemination is encouraged and promoted and the significance of communicating and promoting government programmes to communities in and around Matlosana is highlighted. The District, Provincial, national and international stakeholders all play a role.

### Strategic objective

- ✎ Develop a coherent and co-ordinated approach of communication and marketing
- ✎ Enhance and promote the image of the municipality
- ✎ Promote customer care and *batho pele* principles
- ✎ Promote transparency within the municipality
- ✎ Adopt a proactive and responsive communication approach
- ✎ Maintain good relations with the media
- ✎ Promote programmes and projects of Council
- ✎ Empower communities with information
- ✎ Plan and coordinate council events
- ✎ Build good relations with stakeholders

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- ✎ Ensure compliance with Communication and Marketing Policies

## Description of Communication and Marketing structure

- ✎ Media relations.
- ✎ Communication research.
- ✎ Marketing and branding.
- ✎ Outdoor advertising.
- ✎ Outreach and event co-ordination.

## Communication and Marketing mechanisms

- ✎ Outreach programmes
- ✎ Stakeholder meetings
- ✎ Electronic and print media
- ✎ Posters, brochures, banners and fliers
- ✎ Media information sessions
- ✎ Outdoor advertising
- ✎ Loud hailing
- ✎ Municipal meetings
- ✎ Municipal website and newsletters
- ✎ Local Communicators' Forum

## **SERVICE STATISTICS**

NEWSLETTERS	DISTRIBUTION
✎ Internal newsletters	6
✎ External newsletters	4

## Adopted policies

- ✎ Communication strategy
- ✎ Media relation policy
- ✎ Corporate identity/branding policy
- ✎ Outdoor advertising policy and by-laws

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## **3.11 FRESH PRODUCE MARKET**

### **INTRODUCTION TO THE FRESH PRODUCE MARKET**

The Matlosana Fresh Produce Market (MFPM) is the property of the City of Matlosana and was established in 1980. There are 17 fresh produce markets and Matlosana Fresh Produce Market is ranked eighth according to turnover. Located conveniently close to the N12, this market has excellent potential for future growth.

The Matlosana Fresh Produce Market has several stakeholders namely:

- ✎ Customers - buyers of Matlosana and surrounding towns, as well as customers from as far away as Botswana, Kimberley and Vryburg
- ✎ Market agents - who sell products on behalf of farmers on the market floor;
- ✎ Farmers - including emerging farmers

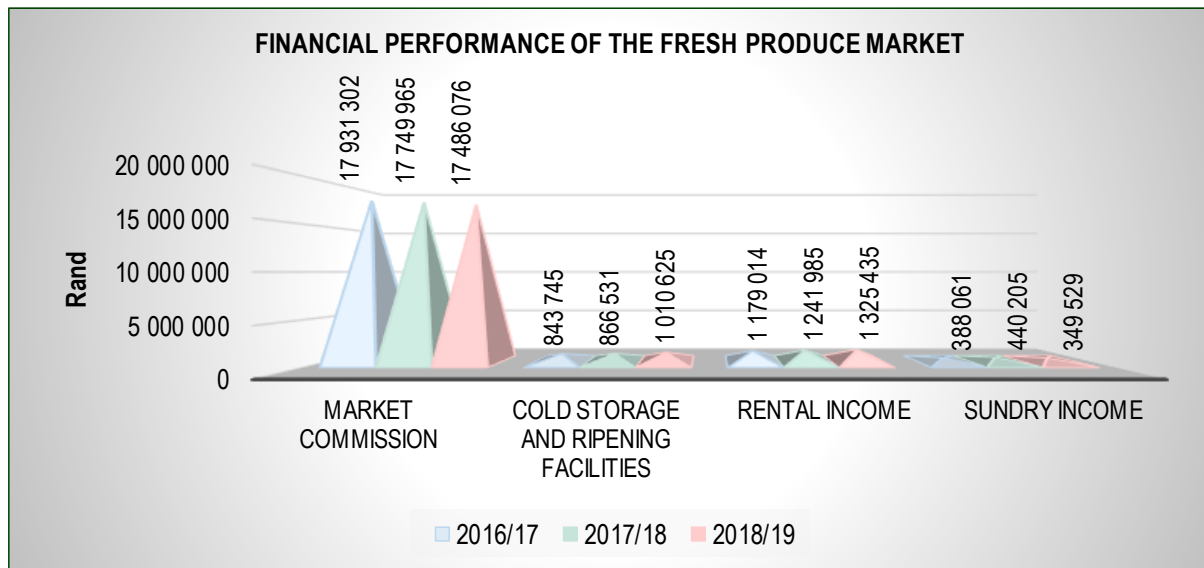
# Chapter 3

☞ Council employees - they provide a management and administrative function to the market.

Job creation:

- ☞ Market Agents - The Matlosana Fresh Produce Market has five (5) market agents trading from the floor with a staff complement of 120 permanent employees among them;
- ☞ Porters - 60 porters operates on the floor. They represent informal / indirect employment as a spin-off from the market activities; and
- ☞ SMMEs - Emerging and Small-scale Farmers - The Matlosana Fresh Produce Market currently has a programme of assisting small-scale farmers within the Matlosana area. They are provided with transport to enable them to deliver their produce to the market.

## SERVICE STATISTICS OF THE FRESH PRODUCE MARKET



INDICATOR	2016/17	2017/18	2018/19
	R	R	R
Market commission	17 931 302	17 749 965	17 486 076
Cold storage and ripening facilities	843 745	866 531	1 010 625
Rental income	1 179 014	1 241 985	1 325 435
Sundry income*	388 061	440 205	349 529

\*Sundry income includes trolley rental, surplus cash, commission on levies, selling transactions, buyer cards and interest banking.

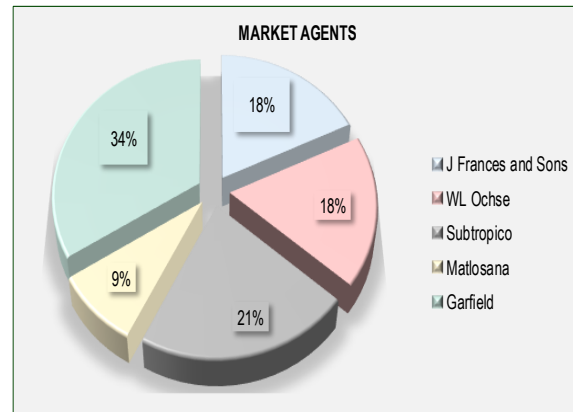
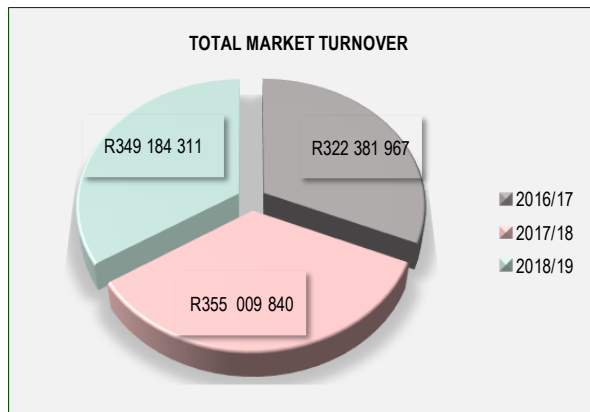
### Total turnover

MONTH	2016/17	2017/18	2018/19	DIFFERENCE
	R	R	R	R
July 2017	25 727 780	24 724 958	26 066 801	1 341 843
August 2017	25 254 934	27 768 956	27 375 526	-393 430
September 2017	25 423 546	29 055 542	25 907 725	-3 147 817
October 2017	28 010 398	35 297 629	33 543 948	-1 753 681
November 2017	30 734 783	33 745 977	35 574 828	1 828 851
December 2017	30 450 763	32 838 092	31 784 839	-1 053 253

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January 2018	25 637 550	28 197 588	30 498 652	2 301 064
February 2018	24 176 190	27 184 655	28 026 705	842 050
March 2018	28 532 348	30 979 166	28 609 931	-2 369 235
April 2018	24 743 317	27 785 320	27 959 382	174 062
May 2018	28 089 183	31 581 180	29 259 876	-2 321 304
June 2018	25 601 176	25 849 775	24 259 099	-1 273 676
<b>TOTAL</b>	<b>322 381 967</b>	<b>355 009 840</b>	<b>349 184 311</b>	<b>-5 824 526</b>

The total turnover for 2018/19 is R349 184 311, a 1.64% decrease compared to the 2017/18 financial year.



## Market agents

MARKET AGENT	2016/17 GROSS SALES R	2017/18 GROSS SALES R	2018/19 GROSS SALES R	% GROSS SALES
J Frances and Sons	62 970 794	62 921 018	63 515 969	18%
WL Ochse	53 068 067	58 855 860	62 244 536	18%
Subtropico	66 459 119	79 245 376	75 468 596	21%
Matlosana	26 738 174	29 727 831	30 222 773	9%
Garfield	110 092 935	124 259 755	117 732 437	34%
<b>TOTAL</b>	<b>319 329 090</b>	<b>355 009 840</b>	<b>349 184 311</b>	<b>100</b>

## EMPLOYEE INFORMATION

EMPLOYEES: FRESH PRODUCE MARKET					
Job Level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	0	1	0	1	100%
4 - 6	4	5	4	1	20%
7 - 9	0	0	0	0	0%
10 - 12	8	11	11	0	0%
13 - 15	8	9	7	2	22%
16 - 18	2	4	4	0	0%
19 - 20	13	14	11	3	21%
<b>Total</b>	<b>35</b>	<b>44</b>	<b>37</b>	<b>7</b>	<b>16%</b>



# Chapter 3

## COMMENT ON PERFORMANCE OF FRESH PRODUCE MARKET OVERALL

- ✎ Turnover: Market turnover decreased by 1.64%. This is in line with the general performance of the fresh produce markets.
- ✎ Cold/ripening rooms: Most of the cold and ripening rooms were operating.
- ✎ Carriage income: This income is derived from the leasing of pallet jacks to the customers. Maintenance and repairs was a challenge but we are expecting better results the coming financial year. A service provider has been appointed and is on site to attend to broken jacks
- ✎ Rental income: Collection was better and we intend to intensify our efforts in this regard.

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes libraries, museums, arts & culture and cemeteries.

### 3.12 LIBRARIES, MUSEUMS, ARTS AND CULTURE

#### INTRODUCTION TO LIBRARIES

The Library Service strives to provide informational and educational support for those who want to better their quality of life. We strive through enhancing their qualifications and skills, to provide a quality library service to those who seek the companionship of books and literature and to cultivate a culture of reading and learning amongst the children of our communities with the ultimate view to establish a vehicle for sustaining lifelong education and enhancing of reading skills.

The libraries provide educational programmes and library awareness programmes for adults and children, book lending services, educational toys lending services and skills development sessions, study facilities, photocopy services, typing and printing facilities and free public internet access at most of the libraries. Library users are assisted to find information they need for assignments, to do research and assimilate general knowledge, type and print documents and do internet researches as part of our reference services. The Library Service strives to provide services to our communities to improve the quality of life for those that are living in poverty.

#### Core functions of libraries are to:

- ✎ provide opportunity to access information and knowledge through libraries;
- ✎ promote the culture of reading, to increase literacy rates and life-long learning;
- ✎ promote and create conditions for the development of a multicultural society and to ensure that previously marginalized communities are given opportunities; and
- ✎ promote social cohesion, moral regeneration and nation building, the deepening of democracy and healthy lifestyles

# Chapter 3

SERVICE STATISTICS FOR THE LIBRARIES			
INDICATOR	2016/17	2017/18	2018/19
<b>Educational programmes</b>			
↳ Library awareness programmes	215	198	160
↳ Library interest events	57	58	57
↳ Programmes attended by youth and adults	8 484	12 681	54
↳ Photocopies made	876 030	768 915	1 003 320
↳ Books and items circulated	246 635	265 339	332 405
↳ Enquiries	28 259	28 448	17 268

The following libraries with the contact details are available in the CoM municipal area:

NAME OF LIBRARY	CONTACT DETAIL	NAME OF LIBRARY	CONTACT DETAIL
Alabama Library	018 4878681	Matlosana Library	018 465 3030
Hartbeesfontein Library	018 4878694	Tigane Library	018 487 8891
Kanana Library	018 487 8970	Orkney Library	018 487 8210
Khuma Library	018 487 8652	Stilfontein Library	018 487 8292
Klerksdorp Library	018 487 8399	Rebecca NkhoeThulo Library (Ext. 8 Khuma)	018 487 8660
Manzilpark Library	018 487 8685	Umuzimuhle Library (Vaal Reefs)	018 487 8237

## COMMENT ON THE PERFORMANCE OF LIBRARIES

The conditional grant amount of R504 921 was spent on three projects, which comprise of CCTV cameras for Khuma, Manzilpark and Jouberton libraries; floor covering for Klerksdorp library; and furniture and equipment for all libraries.

The equitable share grant amount of R173 827 was spent on five projects consist of repair to furniture and equipment; purchase furniture and equipment; stationery and magnetic book strips; awareness projects; and training.

The library services presented 271 programmes, which were in a form of library awareness programmes, library interest events, educational toy sessions, arts and craft, puppet shows and computer literacy sessions. Vast members of the community attended the programmes across all service area in City of Matlosana.

The printing and photocopies demand were high in all libraries. The public internet facilities were not in use due to terminated internet tender by the Provincial Department of Art Culture Sport and Recreation. The study facilities were fully occupied and there is a need to extend Khuma and Kanana libraries to accommodate the rising demand in these areas.

# Chapter 3

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on page 170)

LIBRARY SERVICES OBJECTIVES TAKEN FROM THE IDP							
Service objective	Service indicators	2016/17	2017/18	2018/19			2019/20
		Target	Actual	Target			Budget
				Original	Adjusted	Actual	
To address shortcomings by improving library services and maintenance	Shortcomings at various libraries improved according to the approved project business plan	Various repairs, purchases and projects e.g. Stationery, Awareness projects, etc. R351 307	The grant was utilized for improvements for various library equipment, stationary, awareness and repairs R397 550	Improving library services in terms of operational and capital activities at various libraries according to the approved project business plan by June 2019 R141 074	R218 752	Reparations on furniture and equipment. Purchases of furniture, equipment, stationery and magnetic book stripes. Conducting awareness projects and training All done according to approved project business plan R150 727	R216 000
To address shortcomings by improving library services and maintenance	Supplementary improvements of library services done	Jouberton library renovated - see business plan R645 844	The grant was utilized for improvements for various library equipment, stationary, awareness and repairs R 793 861	Improving shortcoming at various libraries according to the approved project business plan by June 2019 R500 000	-	CCTV cameras installed at Khuma, Manzilpark and Jouberton Libraries. Installation of floor covering for Klerksdorp Library and the purchases of furniture and equipment for all 12 libraries. All done according to approved project business plan R358 158	R564 000

# Chapter 3

## INTRODUCTION TO MUSEUMS AND HERITAGE

The vision of the Museums and Heritage Section is to further nation building through the management, conservation and communication of heritage-related activities in the City Matlosana. We protect, preserve and promote the heritage Resources of the City to depict the heritage of our people and provide destination of heritage tourism.

The section is committed to:

- ✚ contribute to the City of Matlosana mandate to improve the quality of life of all the communities of the city;
- ✚ manage information about tangible and intangible heritage assets;
- ✚ identify, record and preserve heritage resources in the City of Matlosana and the Southern District of the North West Province;
- ✚ create an environment that encourages innovation and creativity and to grow a generation of museum and heritage supporters with an embedded understanding of the importance of culture as the lifeblood of our nation and an essential part of humanity; and
- ✚ foster local pride, social cohesion and enhance nation building.

### Core functions of Museums and Heritage

- ✚ To implement sustainable arts, culture and recreation programmes contributing to safe and healthy communities in the City of Matlosana.
- ✚ To ensure that arts and culture are accessible to all communities, to promote talent in the City of Matlosana.
- ✚ To manage and preserve our heritage resources and collections to benefit all communities.
- ✚ To manage information about intangible heritage assert and provide access to information.
- ✚ To create an environment that encourages innovation and creativity and to grow a generation of museum and Heritage supporters with an embedded understanding of the importance of culture as the lifeblood of our nation and essential part of humanity.
- ✚ To promote social cohesion, moral regeneration and nation building, the deepening of democracy and healthy lifestyle.

### The key performance areas are:

- ✚ Collection management
- ✚ Documentation
- ✚ Conservation
- ✚ Research
- ✚ Education and communication
- ✚ Heritage resource management

### Areas of business

- ✚ Klerksdorp Museum with 15 permanent exhibitions, founded in 1975 and housed in the old Klerksdorp Jail building completed in 1891.
- ✚ Periodic style House Museum depicting six (6) cultural history exhibitions from the previous century.
- ✚ Four Freedom Squares.
- ✚ Goudkoppie Heritage Hill, a Grade II Provincial Heritage Site.
- ✚ The Old Cemetery Complex, a Grade II Provincial Heritage Site.
- ✚ Offender Art Gallery of North West in partnership with Department of Correctional Services.
- ✚ Museum shop.

# Chapter 3

## **Goudkoppie Heritage Hill**

Goudkoppie Heritage Hill situated next to the eastern entrance of the N12 is a Grade II Provincial Heritage Site with the following features of significance:

### **Pre-historical heritage assets on Goudkoppie Heritage Hill**

- ✚ Khoesan petroglyphs (rock engravings)
- ✚ Remains of Khoesan stone tools and fire pits dating from the Late Stone Age are evidence of Khoesan utilisation of the site

### **Historical heritage assets on Goudkoppie Heritage Hill**

- ✚ Original foundations of two Second South African Independence War (1899-1902) British Army blockhouses.
- ✚ War Graffiti from Second South African Independence War
- ✚ British Army Regimental Emblem dating from the same War era
- ✚ Exploratory mine shafts bearing evidence of late 19<sup>th</sup> and early 20<sup>th</sup> Century gold mining activities
- ✚ Graffiti applied by local inhabitants on some of the rocks. All of these examples are older than 60 years as they contain the dates on which the inscriptions were made

### **Historical Replicas erected on Goudkoppie Heritage Hill**

- ✚ Replica of an Iron Age village represent dwellings that had actually been on several sites in and around Matlosana in historical times
- ✚ Replica of Second South African Independence War British Army blockhouse, erected on the original foundation

## **Old Klerksdorp Cemetery Complex**

The Old Klerksdorp Cemetery Complex, also a Grade II Provincial Heritage Site consists of the following features of significance:

- ✚ British War Graves dating from the Second South African Independence War. (currently being maintained by the British and Commonwealth War Graves Commission)
- ✚ Graves of victims of Concentration Camp for Whites dating from Second South African Independence War
- ✚ Grave site of victims of Concentration Camp for Blacks dating from Second South African Independence War
- ✚ Monument for Women and Children who died in the Concentration Camps during the Second South African Independence War and Wall of Remembrance with the names of some of the victims of the Klerksdorp White Concentration Camp
- ✚ Graves of the 12 Voortrekker families who founded Klerksdorp
- ✚ Grave of M.G. Jansen Van Vuuren who discovered gold at Klerksdorp and thus father of the gold mining industry of North West Province.
- ✚ Graves of Boers who were found guilty of high treason against the Z.A.R. and executed by Boer firing squad during the Second South African Independence War.
- ✚ Makweteng Cemetery, where initially the victims of the African Concentration camp during the Second South African Independence War and later the deceased from Makweteng Township were buried up to 1954 when the Makweteng residents were forcibly evicted and the township levelled to make room for new white neighbourhoods

# Chapter 3

SERVICE STATISTICS FOR THE MUSEUM			
INDICATOR	2016/17	2017/18	2018/19
<b>MUSEUM EDUCATION</b>			
↳ Education programmes presented	114	120	114
↳ Lifelong learning classes presented	41	42	27
<b>MUSEUM COLLECTIONS</b>			
↳ Maintenance and care of objects	2 740	5 000	3 750
↳ Digitised collection documentation	1 480	1 050	750
<b>MUSEUM EXHIBITIONS</b>			
↳ Temporary exhibitions presented	7	7	6
↳ Existing exhibitions maintained	20	20	20
<b>COMMUNITY PARTICIPATION</b>			
↳ Consultation sessions	135	136	143
<b>HERITAGE AWARENESS</b>			
↳ Heritage awareness events	11	12	13
<b>EXPENDITURE</b>	<b>R128 595</b>	<b>R127 857</b>	<b>R244 652</b>

## EMPLOYEE INFORMATION

EMPLOYEES: LIBRARIES AND MUSEUM					
Job Level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	0	1	1	0	0%
4 - 6	3	3	1	0	0%
7 - 9	9	9	9	0	0%
10 - 12	13	14	13	1	7%
13 - 15	35	41	39	2	5%
16 - 18	14	15	15	0	0%
19 - 20	1	3	3	0	0%
<b>Total</b>	<b>75</b>	<b>86</b>	<b>83</b>	<b>3</b>	<b>3%</b>

FINANCIAL PERFORMANCE: LIBRARIES AND MUSEUM					
R'000					
Details	2017/18	2018/19			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
<b>Total Operational Revenue</b>	<b>1 602</b>	<b>1 315</b>	<b>1 441</b>	<b>1 871</b>	<b>30%</b>
<b>Expenditure</b>					
Employees	17 392	21 949	19 912	19 675	-12%
Repairs and maintenance	168	1 441	1 489	981	-47%
Other	4 603	27 016	28 656	10 281	-163%
<b>Total Operational Expenditure</b>	<b>22 163</b>	<b>50 406</b>	<b>50 057</b>	<b>30 937</b>	<b>-63%</b>
<b>Net Operational Expenditure</b>	<b>-20 561</b>	<b>-49 091</b>	<b>-48 616</b>	<b>-29 066</b>	

# Chapter 3

## COMMENT ON THE PERFORMANCE OF THE MUSEUMS OVERALL

Access to collections, exhibitions, sites and the associated knowledge is encouraged by educational outreach programmes. These programmes are promoting the value of our diverse heritage and adding dimension to curriculum-related topics, were supported by 114 schools and special interest groups during 2018/19.

The total number of visitors to the Museums and Goudkoppie Heritage Hill during 2018/19 was 14 464.

Temporary exhibitions were not only exhibited at the Museum, but also at other museums in North West.

Cultural community events promote heritage awareness and art. Interactive dialogue programmes to youth awaken their interest in their own cultural heritage and that of others with a view to establish cultural co-operation in the spirit of Ubuntu and understanding. The Matlosana Schools Art Festival, where 9 schools competed in traditional dance and poetry, celebrated National Heritage Month 2018.

## 3.13 CEMETERIES

### INTRODUCTION TO CEMETERIES

The City of Matlosana is responsible to manage and maintain 26 cemeteries with a surface footprint of ± 545 hectares. The management includes the administration of burials, as well as the operational aspects dealing with the preparation of graves and cemetery maintenance. The crematorium is owned and managed by private entities.

The top three priorities for the section are:

- Rendering affordable quality burial services;
- Providing for future burial needs of the community by planning and developing new cemeteries; and
- Cemetery maintenance.

SERVICE STATISTICS				
INDICATOR	2015/16	2016/17	2017/18	2018/19
➤ Burials	3 064	2 975	2 839	2 701
▶ Adults	2 253	2 138	2 120	1 980
▶ Children	332	312	237	285
▶ Re-openings	479	525	482	436
➤ Memorials	848	516	519	554
Expenditure	R11 746 350	R 12 135 272	R 15 003 835	R11 500 070
Income	R1 402 620	R 1 521 130	R 1 560 605	R 1 570 401

CHALLENGES	MEASURES TAKEN TO ADDRESS CHALLENGES
Aging of Tlb's to dig the graves	<ul style="list-style-type: none"> <li>➤ Budget requested to purchase new Tlb's</li> <li>➤ Utilizing plant hire tender to hire the Tlb's to dig the graves</li> </ul>
Lack of funding for the development of taxi roads within the cemeteries and fencing of new cemeteries	<ul style="list-style-type: none"> <li>➤ Budget requested for fencing of cemeteries</li> </ul>
Damage to cemetery data, books and vandalizing of cemetery office during community riots and looting at Jouberton	<ul style="list-style-type: none"> <li>➤ Damages reported to insurance</li> <li>➤ Budget requested for Smart Cemetery Management System</li> </ul>

# Chapter 3

## EMPLOYEE INFORMATION

EMPLOYEES: CEMETERIES AND AERODROME					
Job level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	0	0	0	0	0%
4 - 6	0	1	0	1	100%
7 - 9	1	2	1	1	50%
10 - 12	13	13	11	2	15%
13 - 15	4	5	4	1	20%
16 - 18	4	5	4	1	20%
19 - 20	32	37	30	7	19%
<b>Total</b>	<b>54</b>	<b>63</b>	<b>50</b>	<b>13</b>	<b>21%</b>

FINANCIAL PERFORMANCE: CEMETERIES AND AERODROME					
R'000					
Details	2017/18	2018/19			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
<b>Total Operational Revenue</b>	<b>2 370</b>	<b>1 797</b>	<b>1 797</b>	<b>1 613</b>	<b>-11%</b>
<b>Expenditure</b>					
Employees	9 944	12 732	12 519	10 404	-22%
Repairs and maintenance	184	408	408	145	-181%
Other	1 552	2 600	1 700	951	-173%
<b>Total Operational Expenditure</b>	<b>11 680</b>	<b>15 740</b>	<b>14 627</b>	<b>11 500</b>	<b>-37%</b>
<b>Net Operational Expenditure</b>	<b>-9 310</b>	<b>-13 943</b>	<b>-12 830</b>	<b>-9 887</b>	

## COMMENTS ON THE PERFORMANCE OF CEMETERIES OVERALL

- ✎ The section manages to maintain cemeteries through grass cutting and pruning of trees.
- ✎ 2 701 Burials were conducted around Matlosana cemeteries.
- ✎ The Municipality introduced 8ft graves with affordable tariffs to encourage the community to be able to bury second interment.

## COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes Parks, Faan Meintjes Nature Reserve and Aerodrome.



# Chapter 3

## 3.14 PARKS, FAAN MEINTJES NATURE RESERVE AND AERODROME

### INTRODUCTION TO BIODIVERSITY AND LANDSCAPE

#### Parks

The Parks and Development Section aims to manage and develop a pleasing, aesthetic and effective environment to aid in the well-being of the residents in our community.

The annual arbour event benefited Vaal Reefs Technical High School. Grass cutting and bush clearing done around the parks, pavements and open spaces around Matlosana.

The three top priority delivery areas are:

- ▶ to improve the surrounding environment within the community and urban spaces with regard to greening;
- ▶ beautification of Matlosana open spaces, conservation and protection of bio-diversity areas; and
- ▶ promotion of greening and conservation awareness and preservation of biodiversity to create a sustainable environment.

#### Challenges

Aging of the fleet and equipment and no capital budget.

#### Faan Meintjes

The objective of the nature reserve is to render an environmental education service to the community, protect the fauna and flora and to promote local tourism in the region.

Faan Meintjes Nature Reserve with its Environmental Education Centre offers a great opportunity for the youth and learners of Matlosana for exposure to nature conservation, empowerment on taking care of environment i.e. waste, pollution of all media (air, land, and water), wetlands, alien species, climate change adaptation etc.

The Education Environmental Programmes aligned to the current school curriculum can be offered to learners and career guidance in environment & conservation and specific EE Programmes to the youth of Matlosana

#### Challenges

- ▶ Lack of funding for development of mega parks in Matlosana townships;
- ▶ Deforestation of biodiversity;
- ▶ Vandalism of existing and newly planted pavement trees;
- ▶ Non-functionality of Environmental Education Centre structure at Faan Meintjes Nature Reserve.

SERVICE STATISTICS				
INDICATOR	2015/16	2016/17	2017/18	2018/19
<b>AERODROME –</b>				
PC Pelser Annual License	1	1	1	1
<b>Expenditure</b>	R5 000	R 4 640	R4 590	R 4 870

# Chapter 3

<b>NATURE RESERVE</b>				
☞ Day visitors	3 323	3 047	3197	2158
☞ Vehicles / Buses	971	939	853	687
☞ Accommodation and functions	344	222	123	45
<b>Expenditure</b>	R712 380	R1 800 000	R2 083 162	R 1 134 386
<b>Income</b>	R213 759	R187 785	R 172 391	140 233
<b>TREES - Trimmed</b>	4 029	3 546	3 467	3 242
<b>AUCTION KRAALS - Total auctions</b>	48	49	52	51

## EMPLOYEE INFORMATION

EMPLOYEES: PARKS, FAAN MEINTJES NATURE RESERVE AND ORKNEY VAAL					
Job level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	1	2	1	1	50%
7 - 9	7	10	7	3	30%
10 - 12	6	11	5	6	55%
13 - 15	36	40	32	8	20%
16 - 18	20	30	20	10	33%
19 - 20	110	125	101	24	19%
<b>Total</b>	<b>181</b>	<b>219</b>	<b>167</b>	<b>52</b>	<b>24%</b>

FINANCIAL PERFORMANCE: PARKS, FAAN MEINTJES NATURE RESERVE AND ORKNEY VAAL					
R'000					
Details	2017/18	2018/19			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
<b>Total Operational Revenue</b>	<b>2 422</b>	<b>2 573</b>	<b>2 573</b>	<b>3 489</b>	26%
<b>Expenditure</b>					
Employees	35 984	48 081	43 341	38 599	-25%
Repairs and maintenance	2 118	1 121	121	2 267	51%
Other	13 794	49 073	53 472	26 456	-85%
<b>Total Operational Expenditure</b>	<b>51 896</b>	<b>98 275</b>	<b>96 934</b>	<b>67 322</b>	-46%
<b>Net Operational Expenditure</b>	<b>-49 474</b>	<b>-95 702</b>	<b>-94 361</b>	<b>-63 834</b>	

## COMMENTS ON THE PERFORMANCE OF BIODIVERSITY AND LANDSCAPE OVERALL.

The municipality manage to maintain open spaces, parks and pavements through grass cutting. However, ageing of fleet is making less supervision and not rendering adequate services to the community. The municipality have been encouraging the community to green their yard through distribution of indigenous and fruits trees and vegetables seedlings during Arbour month celebration.

# Chapter 3

Vandalisation of existing trees around the parks and pavements is a challenge. The municipality work together with Provincial Department of Environment, Forest and Fisheries on the protection of protected trees around Matlosana. The municipality signed the memorandum of understanding with the National Department of Environmental Affairs for the placement of officials (Youth Graduates) from the Department of Environmental Affairs in the municipality to coordinate the youth community outreach programme and enhance the capacity to execute the environmental management functions.

## COMPONENT F: OCCUPATIONAL HEALTH CENTRE

### 3.15 OCCUPATIONAL HEALTH CENTRE

#### INTRODUCTION TO OCCUPATIONAL HEALTH CENTRE

Occupational Health Nursing (OHN) is a specialist field that provides for and delivers health and safety programmes and services to workers and worker populations in their places of employment. It focuses on the promotion and restoration of health, the prevention of illness and injury and the protection from work related and environmental hazards. OHN has to look at how the disease causation may be related to work exposure and how its management may necessitate an intervention like job relocation.

Indigent burial administration is part the function of the management and processing of indigents' relief for Local Municipalities as per Regulation 636 Sections 11, 30, 32, 34 and 35 of the National Health Act 61 of 1993.

Aims of Occupational Health Services as formulated by the World Health Organisation are to:

- ✎ Protect workers from hazards at work (protection and prevention principle).
- ✎ Adapt work and the work environment to the capabilities of workers (adaptation principle).
- ✎ Enhance the physical, mental and social well-being of workers (health-promotion principle) as well as their ability to conduct a socially and economically productive life.
- ✎ Minimise the consequences of occupational hazards, accidents and injuries and occupational and work-related diseases (the cure and rehabilitation principle).
- ✎ Provide general health-care services for workers and their families, both curative and preventive, at the workplace (the primary health-care principle).

#### KPAs of an Occupational Health Service

- ✎ Health promotion
- ✎ Injury on duty administration
- ✎ Medical surveillance of employees
- ✎ Pre-employment, periodical and exit medical examinations
- ✎ Fitness for work / duty assessments
- ✎ Primary medical care of employees and injuries on duty
- ✎ HIV care / disease management
- ✎ Medical evaluation of employees
- ✎ Work incapacity or disability
- ✎ Recurrent sick leave
- ✎ Re-integration and rehabilitation of sick employees

# Chapter 3

☞ On-the-shop floor occupational health monitoring

## Challenges

- ☞ Occupational Health is still a new concept within the municipality sphere; it was difficult moving into this new concept as employer/employees still take it as Primary Health Care.
- ☞ Lack of capital budget to purchase required equipment and supplies.
- ☞ Vacant posts are not filled given the complexity of the unit, depending on the approval of the organisational structure.

SERVICE STATISTICS			
Service data statistics	2016/17	2017/18	2018/19
Head count to the centre	548	548	755
Head count at the clinics	479	479	2 689
Meetings	26	26	26
Hepatitis vaccinations	224	224	484
Tetanus vaccinations	0	0	559
Health promotions	7	7	116
Flu vaccinations	0	0	0
HIV/AIDS statistics	2016/17	2017/18	2018/19
Screened	41	397	67
Counselled	41	397	67
Tested	41	71	67
Non-reactive	41	67	65
Reactive	0	4	2
Referred for ARV	0	4	2
Blood samples taken	0	1	0
On treatment	0	3	2
TB statistics	2016/17	2017/18	2018/19
Screened	139	340	23
Sputum collected	62	6	23
Negative	62	4	22
Positive	0	2	1
Referred to clinic	0	2	1
Family planning	2016/17	2017/18	2018/19
Injectable	89	177	143
Oral contraceptives	65	27	87
Male condoms (departments)	1 640	6 000	8 000
Female condoms	30	10	0
Pap smears	0	56	12
Implant	0	0	0
CHRONIC DISEASES			
HBP / Diabetes	2016/17	2017/18	2018/19
Total patients seen	171	1 735	3 404
New diagnosis	60	11	15

# Chapter 3

Referred to hospital	3	23	0
Uncontrolled	3	19	266
On treatment	60	29	223
Defaulter	3	7	100
<b>MINOR AILMENTS</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
Total patients seen	376	129	34
New diagnosis	29	13	24
Referred to hospital	1	7	3
On treatment	6	10	16
<b>INJURY ON DUTY</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
Total patients seen	24	41	59
New diagnosis	24	38	59
Referred for treatment	-	41	59
Referred to hospital	20	38	59
Fatalities	0	0	1
Request for file re-opening	-	-	1

## REPORT ON INDIGENT / PAUPER BURIALS

INDICATOR	2016/17	2017/18	2018/19
<b>Indigents</b>			
↳ Adults	33	21	52
↳ Children	1	1	2
↳ Babies	27	30	13
<b>Expenditure</b>	<b>R169 949</b>	<b>R137 103</b>	<b>R214 300</b>

## EMPLOYEE INFORMATION

EMPLOYEES: OCCUPATIONAL HEALTH SERVICES					
Job level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	3	4	2	2	50%
7 - 9	3	3	3	0	0%
10 - 12	1	2	0	2	100%
13 - 15	4	5	4	1	20%
16 - 18	0	0	0	0	0%
19 - 20	1	1	1	0	0%
<b>Total</b>	<b>13</b>	<b>16</b>	<b>11</b>	<b>5</b>	<b>31%</b>

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FINANCIAL PERFORMANCE: OCCUPATIONAL HEALTH SERVICES					
R'000					
Details	2017/18	2018/19			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	5	-	-	0	0%
Expenditure					
Employees	4 887	5 685	6 415	4 895	-16%
Repairs and maintenance	0	21	21	4	100%
Other	6 666	5 152	5 171	4 307	-20%
Total Operational Expenditure	11 553	10 562	10 562	9 206	-15%
Net Operational Expenditure	-11 548	-10 562	-10 562	-9 206	

## COMPONENT G: SECURITY AND SAFETY

This component includes Traffic, Security, Municipal Court, Fire Services and Disaster Management.

### 3.16 TRAFFIC, SECURITY AND MUNICIPAL COURT

#### INTRODUCTION TO TRAFFIC AND MUNICIPAL COURT

The Traffic Division are responsible for the following:

- ✎ creation of safe road environment by reducing road accidents and fatalities;
- ✎ promotion of safer road traffic environment;
- ✎ reduction of road traffic violations;
- ✎ ensuring maximum collection of outstanding fines from offenders;
- ✎ ensuring traffic information management;
- ✎ ensuring road safety education campaigns;
- ✎ investigate all road traffic related matters; and
- ✎ enforcing of the Road Traffic Act and Municipal By-laws.

The key function of the Road Safety sub-section is to conduct campaigns on road safety to the community.

#### Security

To safeguard and protect council property and assets, personnel and to ensure community safety in the CoM municipal area.

#### Technical Section

The technical section are responsible for the road marking and road signs in CoM municipal area.

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## Traffic fines

The core function of this section is the execution of road safety and to attend to road traffic offences.

## Multi-road blocks

The function for multi-road blocks is road safety and to ensure free traffic flow. Fifteen roadblocks were done within the Matlosana area in conjunction with the SAPS and Commandos.

## Administration logistics

An income to the amount of R1 075 864 was generated in the 2018/19 financial year.

TRAFFIC SERVICE DATA			
Details	2016/17	2017/18	2018/19
Number of road traffic accidents during the year	3 858	5 418	3 567
Number of by-law infringements attended to	2 862	4 678	473
Number of traffic officers in the field on an average day	42	38	29
Number of traffic officers on duty on an average day	47	44	36

SERVICE STATISTICS FOR TRAFFIC AND SECURITY SERVICES			
STATISTICS	2016/17	2017/18	2018/19
<b>Traffic violations</b>			
Section 56 summonses			
Other	11 880	10 958	6 743
Section 341 Notices			
Other parking offences	2 862	4 678	473
Cameras: speed and robot	-	-	-
<b>TOTAL</b>	<b>14 933</b>	<b>15 636</b>	<b>7 216</b>
<b>Total income from Traffic Court</b>			
Admission of guilt paid (criminal)	64 500	39 140	35 900
Court fines	535 000	488 600	299 050
Provincial court fines	12 300	17 800	28 550
<b>TOTAL</b>	<b>611 800</b>	<b>543 540</b>	<b>363 500</b>
<b>Summons issued</b>			
Section 56 summonses issued – traffic officers	11 880	10 958	6 743
<b>TOTAL</b>	<b>11 880</b>	<b>10 958</b>	<b>6 743</b>
<b>Cases withdrawn by senior public prosecutor as a result of representations</b>			
Section 56 summonses	368	389	321
Section 341 Notices	170	194	48
Camera cases	112	0	0
<b>TOTAL</b>	<b>650</b>	<b>583</b>	<b>369</b>

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<b>Admission of guilt</b>			
Magistrate's Court	590 050	516 740	301 950
Matlosana Traffic Court			
↗ Contempt of court	146 400	118 800	219 700
↗ Warrants of arrest	447 400	403 600	1 043 570
At Traffic Department			
↗ Section 56 summonses	939 900	977 400	1 075 864
↗ Section 341 Notices	-	-	-
<b>TOTAL</b>	<b>2 123 750</b>	<b>2 016 540</b>	<b>3 716 948</b>
<b>Total income per annum</b>			
Traffic fines	2 123 750	2 016 540	<b>3 716 948</b>
↗ Accident reports	36 294	21 529	28 341
↗ Income from parking grounds	198	0	0
↗ Escort fees: Abnormal loads	73 839	124 669	122 776
↗ Temporary closing of streets	43 643	55 140	35 007
<b>TOTAL INCOME</b>	<b>2 277 724</b>	<b>2 217 878</b>	<b>3 903 072</b>
<b>Arrests</b> (driving while under the influence of intoxicating liquor)			
↗ Males	79	188	216
↗ Females	17	10	2
<b>TOTAL</b>	<b>96</b>	<b>198</b>	<b>218</b>
<b>Escorts / special services rendered</b>			
↗ Abnormal loads	81	138	109
↗ Funerals	201	227	168
↗ Fun runs / road races / cycle races	17	15	18
↗ Street festival	1	1	1
↗ Street braai / street closure	161	218	164
<b>TOTAL</b>	<b>461</b>	<b>599</b>	<b>460</b>

## EMPLOYEE INFORMATION

EMPLOYEES: TRAFFIC, SECURITY, MUNICIPAL COURT AND TECHNICAL SERVICES					
Job level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	1	2	2	0	0%
4 - 6	3	3	3	0	0%
7 - 9	12	16	12	4	25%
10 - 12	54	62	48	14	23%
13 - 15	11	13	9	4	6%
16 - 18	21	27	26	1	4%
19 - 20	40	52	36	16	31%
<b>Total</b>	<b>142</b>	<b>175</b>	<b>136</b>	<b>39</b>	<b>22%</b>



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FINANCIAL PERFORMANCE: TRAFFIC, SECURITY, MUNICIPAL COURT AND TECHNICAL SERVICES					
R'000					
Details	2017/18	2018/19			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
<b>Total Operational Revenue</b>	<b>3 694</b>	<b>8 457</b>	<b>5 789</b>	<b>9 595</b>	<b>12%</b>
Expenditure					
Employees	34 578	50 483	44 693	44 388	-14%
Repairs and maintenance	1 216	1 706	1 706	750	-127%
Other	29 230	49 025	51 914	43 396	-13%
<b>Total Operational Expenditure</b>	<b>65 024</b>	<b>101 214</b>	<b>98 313</b>	<b>88 534</b>	<b>-14%</b>
<b>Net Operational Expenditure</b>	<b>-61 330</b>	<b>-92 757</b>	<b>-92 524</b>	<b>-78 939</b>	

## COMMENTS ON THE PERFORMANCE OF TRAFFIC AND SECURITY SERVICES OVERALL

Law enforcement was done by means of roadblocks and execution warrants of arrest. The Division experienced challenges with Electronic Law Enforcement and Administration System (Back Office). The contact of the appointed service provider who provided the system was terminated in 2016/17 financial year and since then this law enforcement and administration activities were conducted manually.

Above situation presents accounting and reporting challenges as all reports are developed manually.

The other challenge is the lack of sufficient patrol vehicles and modernized equipment. There are no electronic security monitoring systems to complement physical guarding at Council properties, in order to improve safety and security of Councillors, Council Employees, Council Guests, as well as Council Equipment and Machinery.

Under the above prevailing circumstances, Traffic & Security Division performed well during the financial year under review.

## 3.17 FIRE AND DISASTER MANAGEMENT

### INTRODUCTION TO FIRE AND DISASTER MANAGEMENT

The section fully supports and complements the vision and mission of the Council in an attempt to become one of the best and leading sections in our Municipality and the Province.

The section is operating with three fire stations, namely Klerksdorp, Orkney and Hartebeestfontein. Stilfontein Fire Station remains closed.

The Disaster Management competency is getting full political support and Councillors wait to see Disaster Risk Management come to its fullest potential. Currently there is one official doing Disaster Risk Management of which a proposed organogram was submitted to Council for approval. The unit focuses on preventative measures in the form of CBDRA's (Community Based Disaster Risk Assessments) and recommendations to relevant sections and institutions. The section also co-ordinates and liaises with the relevant sections in attempt to assist the community

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in all thirty-nine (39) wards. The section assists with blankets and mattresses, tents and capturing of incidents in the form of reports and photo's as proof of evidence (POE).

## FIRE SERVICES

### Service delivery priorities:

- ✎ To be in a position to respond to all fire and rescue incidents and complement the purpose of the service as per the Fire Brigade Act (act 99 of 1987).
- ✎ To be pro-active in terms of Fire Prevention Inspections.
- ✎ To timeously respond to complaints.

The section really tries to accommodate all areas of responsibility and work closely with the ward councillors and the community with regard to fire safety and general fire information.

### The section's major efficiencies achieved:

- ✎ Twenty-one learner fire fighters were appointed in March 2019 and (five) 5 fire-fighters were promoted to platoon commanders operations in March 2019.
- ✎ Assistant Director Fire & Rescue was appointed during December 2018

FIRE SERVICES DATA				
Details	2016/17	2017/18	2018/19	
	Actual No	Actual No	Estimate No	Actual No
Total fires attended in the year	591	476	701	762
Total of other incidents attended in the year	3807	2292	1550	1076
Average turnout time - urban areas	3 to 5min	3 to 5 min	3 to 5 min	3 to 5 min
Average turnout time - rural areas	7 to 10min	7 to 10 min	7 to 10 min	7 to 10 min
Firefighters in post at year end	55	52	75	72
Total fire appliances at year end	8	8	9	11
Average number of appliances off the road during the year	5	4	1	2

FIRE SERVICES STATISTICS			
DESCRIPTION	2016/17	2017/18	2018/19
Fire suppression	235	246	251
Public education	16	18	19
Building plans	674	681	612
Site inspections – new	7	6	17
Site inspections – re-inspections	0	0	0
Flammable liquid registrations	93	67	91
Fire hydrant maintenance/inspection	474	772	208
Grass fires	356	130	318
Trade licences	125	82	0
Transport permits	87	0	124
Complaints	0	3	0

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Pre-burn inspections	0	1	0
Pre-burns	4	142	2
Rescues	206	812	171
Building inspections	898	425	884
People trained in pier	593	246	225

The disaster management functions of the municipality are administered as follows:

- ✚ assessing risks in the area and determine the vulnerability of the community of City of Matlosana;
- ✚ mitigating these risks and integrating them into the IDP to reduce vulnerability;
- ✚ providing public information education and relations;
- ✚ writing disaster risk management contingency plans;
- ✚ co-ordinating safety at events; and
- ✚ providing disaster response and disaster relief operations.

DISASTER MANAGEMENT SERVICE STATISTICS			
DESCRIPTION	2016/17	2017/18	2018/19
Number of events	21	29	21
Social relief (fire)	156	96	144
Sink hole incidents	0	6	23
Public information, education and relation	16	24	16
Blankets	317	523	517
Mattresses	132	312	346
Tents	12	22	10
Social relief (other incidents) sinkholes, windstorms, floods	108	160	115
Total number of households affected (Fire)	264	355	656
Total number of people affected (other incidents) wind storm, floods	-	139	224

## EMPLOYEE INFORMATION

EMPLOYEES: FIRE AND DISASTER MANAGEMENT					
Job level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	0	1	1	0	0%
4 - 6	4	4	3	1	25%
7 - 9	21	25	22	3	12%
10 - 12	8	23	8	15	65%
13 - 15	32	39	39	0	0%
16 - 18	0	1	0	1	100%
19 - 20	5	5	5	0	0%
<b>Total</b>	<b>70</b>	<b>98</b>	<b>78</b>	<b>20</b>	<b>20%</b>

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FINANCIAL PERFORMANCE: FIRE AND DISASTER MANAGEMENT					
R'000					
Details	2017/18	2018/19			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
<b>Total Operational Revenue</b>	<b>210</b>	<b>308</b>	<b>786</b>	<b>311</b>	<b>1%</b>
<b>Expenditure</b>					
Employees	27 228	29 175	30 787	30 216	3%
Repairs and maintenance	-9 643	992	992	976	-2%
Other	3 714	4 401	3 703	2 297	-92%
<b>Total Operational Expenditure</b>	<b>21 299</b>	<b>34 568</b>	<b>35 482</b>	<b>33 489</b>	<b>-3%</b>
<b>Net Operational Expenditure</b>	<b>-21 089</b>	<b>-34 260</b>	<b>-34 696</b>	<b>-33 178</b>	

## COMMENTS ON THE PERFORMANCE OF FIRE SERVICES AND DISASTER MANAGEMENT OVERALL

The Disaster Management unit was capacitated with three personnel transferred from Fire Department. However the Disaster Management Centre is not fully functional as yet.

The overall performance of the Fire & Rescue and Disaster Management relies on the tools of trade (personnel and equipment to render fire and rescue services).

## COMPONENT H: SPORT AND RECREATION

This component includes parks; sports fields; sports halls; stadiums and swimming pools.

### 3.18 SPORT AND RECREATION

#### INTRODUCTION TO SPORT AND RECREATION

The Sports and Recreation section is responsible for establishing a positive attitude in the community towards sport and recreation. It further tends to encourage greater community involvement and interest in sport and recreation. The Sport and Recreation section is a vital tool to promote social cohesion.

The main service delivery priorities are:

- ✎ maintenance and preparation of all sports facilities (25 stadiums, 5 swimming pools, 1 golf course);
- ✎ talent identification;
- ✎ sport promotion and transformation
- ✎ local economic development;
- ✎ capacity development;
- ✎ national unity;
- ✎ facilitation of 27 lease contracts;
- ✎ club development

**Conducted the following sporting events:**

- ✎ Community Easter Tournaments

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- ↗ 16 June Youth Tournaments
- ↗ Water Safety and Swimming Development Gala
- ↗ Community games
- ↗ Sport against crime tournaments
- ↗ Sports Merit Awards
- ↗ Paraplegic-sport

SERVICE STATISTICS			
INDICATOR	2016/17	2017/18	2018/19
Swimming pools			
↗ Gala events	1	1	1
<b>Expenditure</b>	<b>R 110 000</b>	<b>R200 000</b>	<b>R713 123</b>
<b>Income</b>	<b>R 72 254</b>	<b>R106 973</b>	<b>R80 595</b>
Recreation			
↗ Total Major Events	5	8	8
<b>Expenditure</b>	<b>R 85 740</b>	<b>R306 818</b>	<b>R471 343</b>
<b>Sports Merit Awards Expenditure</b>	<b>R 156 818</b>	<b>R71 663</b>	<b>R81 330</b>

## EMPLOYEE INFORMATION

EMPLOYEES: SPORT AND RECREATION					
Job level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	2	4	3	1	25%
10 - 12	13	24	13	11	46%
13 - 15	12	15	12	3	20%
16 - 18	8	12	12	0	0%
19 - 20	56	76	51	25	33%
<b>Total</b>	<b>93</b>	<b>133</b>	<b>93</b>	<b>40</b>	<b>30%</b>

FINANCIAL PERFORMANCE: SPORT AND RECREATION					
R'000					
Details	2017/18	2018/19			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
<b>Total Operational Revenue</b>	<b>298</b>	<b>10 488</b>	<b>2 558</b>	<b>3183</b>	<b>-230%</b>
<b>Expenditure</b>					
Employees	19 274	20 407	20 394	20 027	-2%
Repairs and maintenance	5104	2 231	4 934	10 521	79%
Other	58 247	14 635	11 932	57 992	75%
<b>Total Operational Expenditure</b>	<b>82 625</b>	<b>37 273</b>	<b>37 260</b>	<b>87 212</b>	<b>57%</b>
<b>Net Operational Expenditure</b>	<b>-82 327</b>	<b>-26 785</b>	<b>-34 702</b>	<b>-84 029</b>	<b>68%</b>

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OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on page 162)

SPORT AND RECREATION OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2015/16	2016/17	2017/18			2018/19
		Target	Actual	Target			Budget
				Original	Adjusted	Actual	
To construct a new sports complex in Khuma Township	Number of new Sports Complex in Khuma constructed	Project location changed. Designs finalized for previous project location. New designs are finalised. Advertisement for contractor not finalised R2 889 474	Appointment of the contractor and site establishment Clear and grub - completed. Relocating services - 60%. Earthwork platforms 65% and foundations 15% completed. Storm water - 65% completed. R 3 180 092	Constructing a multi-purpose hall, sport / athletic track field and total internal services at the Khuma Sports Complex according to the implementation plan by June 2019. R12 000 000	Constructing a Guard House, perimeter fence, sport / athletic track field layer works and storm-water drainage at the Khuma Sports Complex according to the implementation plan by June 2019 R3 403 187	Excavation of 414m³, 3 195m³ of earthworks platforms completed, 320 m of palisade fencing poles planted and 310m of fence erected, Bedding of 98,97m³, 227m of pipe laying and 99m³ of back filling for storm-water drainage completed. Contract terminated R2 657 521	R15 000 000 and Possible Roll-Over

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## COMMENTS ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL

- ↪ Sport facilities compliance: To be graded in accordance in compliance with Sport and Recreation Act of 2010, Only Alabama and Recreation Centre comply with the act.
- ↪ Rudimentary facilities: That the grounds identified in the wards for sport were graded on time for the school holidays programs e.g. June 16 Youth games.
- ↪ Events: The section rendered support to community initiatives such as:
  - ▶ Swimming gala
  - ▶ Golf tournament
  - ▶ Boxing
  - ▶ Youth games
  - ▶ Easter games
- ↪ Six sport council meetings were conducted.
- ↪ The annual sport awards were held in October 2018.
- ↪ Twenty-seven lease agreements were signed with clubs and federations.

### COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes corporate policy offices; strategic planning and regulatory; financial services; human resource services; ICT services and property services.

#### INTRODUCTION TO CORPORATE POLICY OFFICES

Chapter 7 of the Constitution of the Republic of South Africa states that a municipality comprises councillors, officials and the community. In order for the municipality to govern its affairs correctly it must consult with the community to ensure that needs are correctly determined, explained and included in the IDP for service delivery purposes.

Policies must be put in place, which will address the needs of the community in terms of how service delivery matters will be addressed.

In order for the municipality to be able to address service delivery matters, the municipality must within limits approve a budget that will be commensurate with the needs/projects identified for the particular year. This budget must also address staff matters and this can only be achieved through a costed organogram that must be cost-effective but also provides sufficient management and other positions in order for the municipality to be able to render effective and satisfactory services.

Management must ensure that tools of the trade are made available to staff. This includes ICT services and networks, including the necessary licences.

In order for the municipality to finance service delivery, it must ensure that the budgetary expenditure will be redeemed through cash collection that will be generated by payment for services. Payment for services will be covered by payment for rates and taxes and will include proper and adequate municipal service delivery networks such as water pipes and reservoirs as well as sewer and electrical networks and plant and equipment.

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## 3.19 EXECUTIVE AND COUNCIL

This component includes the executive office (mayor, councillors and municipal manager).

### INTRODUCTION TO EXECUTIVE AND COUNCIL

In terms of Chapter 7 Section 151 (2) of the Constitution of the Republic of South Africa, 108 of 1996, the executive and legislative authority of a municipality is vested in its municipal council.

The municipal council of the City of Matlosana was established as a municipality with a mayoral executive system, which is combined with a ward participatory system in terms of Chapter 12 of the Local Government: Municipal Structures Act, 117 of 1998. Section 152 of the Constitution categorically and clearly spells out the objectives of local government and the powers and functions of municipalities are determined in Section 156 of the Constitution.

The executive authority of the Council, with the Executive Mayor, who must, however, report to Council and is assisted by the members of the Mayoral Committee established by the Executive Mayor and who may make decisions.

However, there are certain matters on which the Executive Mayor, as the head of the municipality cannot make decisions, i.e. the approval of the budget, the IDP and by-laws, as these matters cannot be delegated and must be approved by Council.

In terms of delegation of powers, certain matters may be delegated by Council to the Executive Mayor, who will in turn sub-delegate to the Municipal Manager. The municipal manager may also sub-delegate to directors, who may in turn further sub-delegate to other officials.

Section 152 of the Constitution sets among others the following objectives for Local Government to

- (a) provide democratic and accountable government for local communities;
- (b) ensure the provision of services to communities in a sustainable manner; and
- (c) promote social and economic development.

In order to ensure sustainable service delivery to the community, Council sets the top four service delivery priorities as follows in order to achieve good governance levels:

- ↳ performance management;
- ↳ risk management;
- ↳ internal audit; and
- ↳ accounting and auditing.



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## SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

DETAIL	2016/17		2017/18		2018/19	
	Ordinary Meetings	Special Meetings	Ordinary Meetings	Special Meetings	Ordinary Meetings	Special Meetings
Finance and Debt Normalisation	6	3	6	3	5	0
Corporate Services	6	1	6	1	5	0
Transversal Issues	6	0	6	1	5	0
Infrastructure	6	1	6	1	5	0
Public Safety	6	1	6	0	5	0
Community and Health Services	6	0	6	0	5	0
Economic Growth and Market	6	1	6	5	5	0
Electrical Engineering	6	0	6	0	5	0
Housing, Land Affairs and Rural Development	6	4	6	3	5	1
Sport, Arts and Culture	6	0	6	2	5	0

DETAIL	2016/17	2017/18	2018/19
<b>Section 80 Committee Meetings</b>			
↗ Anglo Gold	13	9	7
↗ Project Monitoring	3	1	0
↗ Heritage Committee	0	0	4
↗ Budget Steering	6	4	7
↗ Audit Committee	9	4	7
↗ Matlosana / ISAGO@N12	4	2	0
↗ IDP Steering Committee	4	4	4

## EMPLOYEE INFORMATION

EMPLOYEES: EXECUTIVE, MUNICIPAL MANAGER AND DIRECTORS (EXCL COUNCILLORS)					
Job level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	6	8	7	1	13%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>6</b>	<b>8</b>	<b>7</b>	<b>1</b>	<b>13%</b>

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EMPLOYEES: GOVERNANCE SUPPORT (POLITICAL OFFICES)					
Job Level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 – 3	3	3	3	0	0%
4 – 6	16	16	15	1	16%
7 – 9	2	3	1	2	67%
10 – 12	15	15	14	1	7%
13 – 15	4	4	4	0	0%
16 – 18	2	3	3	0	0%
19 – 20	0	0	0	0	0%
<b>Total</b>	<b>42</b>	<b>44</b>	<b>40</b>	<b>4</b>	<b>9%</b>

FINANCIAL PERFORMANCE: EXECUTIVE, MUNICIPAL MANAGER, DIRECTORS POLITICAL OFFICES (EXCLUDING COUNCILLORS)					
R'000					
Details	2017/18	2018/19			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
<b>Total Operational Revenue</b>	<b>3 109</b>	<b>3 401</b>	<b>3 401</b>	<b>885</b>	<b>-284%</b>
<b>Expenditure</b>					
Employees	64 701	81 484	90 334	54 105	-51%
Repairs and maintenance	93	552	552	170	-225%
Other	67 761	49 884	58 780	71 712	30%
<b>Total Operational Expenditure</b>	<b>132 555</b>	<b>131 920</b>	<b>149 666</b>	<b>125 987</b>	<b>-5%</b>
<b>Net Operational Expenditure</b>	<b>-129 446</b>	<b>-128 519</b>	<b>-146 265</b>	<b>-125 102</b>	

### 3.20 STRATEGIC PLANNING AND REGULATORY MATTERS

Performance information is important for effective management, including planning, budgeting, implementation, reporting, monitoring and evaluation.

As a component of the strategic plan, annual performance plan or IDP the municipality must adopt, monitor and evaluate strategies that describe the approach the institution is to follow to create and operate monitoring and evaluation systems, which will produce credible, accurate information on an on-going basis that gets used to improve service delivery and governance.

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview on the strategic achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP.

The SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents. (IDP, Budget and Performance Agreements)

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Strategic plans therefore identify strategically important outcomes-oriented goals and objectives against which the municipality's medium-term results can be measured and evaluated. Annual performance plans identify the performance indicators and targets that the institution will seek to achieve in the upcoming budget year. This performance information is important for effective management, including planning, budgeting, implementation, reporting monitoring and evaluation.

The Office of the Municipal Manager comprises the following units:

- ↳ Office of the Municipal Manager – Support.
- ↳ Performance Management.
- ↳ Integrated Development Planning.
- ↳ Risk Management.
- ↳ MPAC.
- ↳ Internal Audit.

## **PERFORMANCE MANAGEMENT**

Performance management is a process, which measures the implementation of the organisation's strategy, as set by Council and targets as developed as part of a public participation process. Performance management is the central management tool that assists the Council in improving service delivery by channelling the efforts of its departments and employees to meet performance targets and in so doing ensuring that the municipality achieves its strategic objectives.

The Constitution of SA (1996). Section 152, dealing with the objectives of Local government paves the way for performance management with requirements for an "accountable government". The democratic values and principles in terms of Section 195 (1) are also linked with the concept of performance management. With reference to 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,
- ↳ In addition, to facilitate a culture of public service and accountability amongst staff.

At local government level, performance management is institutionalised through the legislative requirements, most notably the Local Government: Municipal Systems Act 32 of 2000, as amended (MSA), Local Government: Municipal Planning and Performance Management Regulations, 2001 and Local Government: Municipal Finance Management Act, 2003 (MFMA) and related Regulations.

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

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## COMMENTS ON THE PERFORMANCE OF PERFORMANCE MANAGEMENT OVERALL

Performance management is a strategic approach to management, which equips leaders, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure, and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact. This system will therefore ensure that all leaders, managers and individuals in the municipality are held accountable for their actions, which should bring about improved service delivery and value for money.

The PMS serves as primary mechanism to monitor, review and improve the implementation of the municipal IDP and eventually the budget.

The performance management policy and framework as approved by Council provides for performance implementation, monitoring and evaluation at organisational as well as individual levels.

The Auditor-General's report contained the following statement on Performance Management:

1. *"In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected key performance areas presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.*
2. *My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.*
3. *I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected key performance area presented in the annual performance report of the municipality for the year ended 30 June 2018:*

<b>Key performance area</b>	<b>Pages in the annual performance report</b>
KPA 1 – Basic Service Delivery and Infrastructure Development	144 – 152; 154; 164; 175 – 178; 192; 200; 214; 221 – 223; 233-236

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

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5. *I did not identify any material findings on the usefulness and reliability of the reported performance information on the selected key performance area of the municipality.*

### **Other matters**

6. *I draw attention to the matters below.*

### **Achievement of planned targets**

7. *Refer to the annual performance report on pages 144 – 152; 154; 164; 175 – 178; 192; 200; 214; 221 – 223 and 233-236 for information on the achievement of planned targets for the year.*

### **Adjustment of material misstatements**

8. *I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 1 – Basic Service Delivery and Infrastructure Development. As management subsequently corrected the misstatements, I did not report any material findings on the usefulness and reliability of the reported performance information.”*

During the 2018/19 financial year, the municipality complied with legislation concerning the development, operation and maintenance of a performance management system. The following highlights can be reported on:

- ✎ The 2018/19 SDBIP was developed to integrate the IDP and the budget and to ensure effective implementation of the institutional strategies.
- ✎ Performance agreements with performance plans were developed, signed and approved by the Executive Mayor as required by the Municipal Performance Regulations, 2006.
- ✎ Quarterly performance reports with supporting evidence were prepared by managers directly reporting to the Municipal Manager.

A mid-year budget and performance assessment in terms of section 72 of the Municipal Finance Management Act, which informed the adjustment budget and revised Service Delivery and Budget Implementation Plan, was performed

## **INTEGRATED DEVELOPMENT PLANNING**

Integrated development planning is the process through which the municipality prepares a strategic developmental plan, which is the principal instrument guiding all planning, management, investment, development and implementation decisions, taking into account inputs from all stakeholders.

The IDP crosses departmental divisions by linking the physical, social, institutional and economic components of planning and development with management and development structures. It also integrates and aligns planning in different spheres of government and therefore enforces and upholds the spirit of co-operative governance in the public sector.

The Constitution of the Republic of South Africa (1996) commits government to take reasonable measures, within its available resources, to ensure that all South Africans have access to adequate housing, health care, education, food, water and social security. The current goal of municipalities is to establish a planning process, which is aimed at the removal of the imbalances created. Developmental local government can only be realised through integrated development planning and the compilation of an Integrated Development Plan (IDP).

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Therefore, the IDP document of the City of Matlosana outlining its strategies is aimed at addressing the key national and provincial priorities, the National Development Plan as well as the Millennium Development Goals (MDGs). In responding to the skewed economic inequalities, the fifth Administration also came up with the VTSD strategy as the second concrete issue. It seeks to channel resources to the previously ignored communities in the Villages, Townships and Small Dorpies. Aligned to the VTSD strategy is the new planning approach, which represents a fundamental shift from the conventional top-down planning approach to a people-centred bottom-up approach.

The purpose of the integrated development planning is to better the quality of life of the people living within the area of the municipality. It provides the guidelines as to how to use the land within the municipality, which resources to use and how to protect the environment. All strategic planning within the municipality must take place within the framework of the IDP. Through integrated development planning, different plans are integrated, co-ordinated and linked to the use of natural, financial, human and physical resources.

We are focused on developing consensus around strategic developmental priorities and are committed to the challenges of poverty alleviation, local economic development and environmental sustainability.

The IDP review itself is mandatory in terms of Section 34 of the same legislation referred to above and seeks to infuse life into the IDP such that it takes into account the changing priorities and planning outcomes of the City.

This current version represents a fourth-generation IDP for the City of Matlosana and will remain in force until the completion of the term of office of the current municipal council. It seeks to emulate the previous version, a third-generation IDP.

This document is a product of a broad consultative process, which culminated in a successful IDP Representative Forum, held on 20 April 2017 where stakeholders confirmed and approved projects for the City of Matlosana.

In the period under review, the City of Matlosana municipality ensured that the budget, the IDP and the Service Delivery and Budget Implementation Plans were aligned.

Management is focussed on developing consensus around strategic developmental priorities and is committed to the challenges of poverty alleviation, local economic development and environmental sustainability.

### **COMMENT ON THE PERFORMANCE OF INTEGRATED DEVELOPMENT PLAN OVERALL**

Every department has a strategic focus area upon which qualitative and objective performance appraisals and evaluations will be performed. Focused quarterly and annual reviews will conclude the strategic planning process that has been introduced to Matlosana Municipality.

The strategic process ensured that all departments within Matlosana Municipality had a review of functions, staff establishment, mission aligned to the vision of the city and key strategic objectives analysed.

A new dimension to municipal strategic planning was introduced where all levels within the structure of the municipality were engaged, all political parties and trade unions were engaged and external stakeholders were taken on board.

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## **RISK MANAGEMENT**

**Risk management process** - During the period under review, the City of Matlosana assessed its risks relative to its strategic and operational plans. Both internal and external conditions that may impede the achievement of the goals expressed in the strategic and operational plans were identified and evaluated.

### **Impact on institutional performance –**

The Municipality maintains its Strategic Risk Register, as well as departmental Operational Risk Registers. At the end of the 2018/19 financial year, the municipality had implemented remedial actions and mitigated 35% of the total identified risks for the year.

The following were identified as the top ten (10) risks of the municipality in terms of the residual risk values of the risks being the highest at 25;

- ✎ Failure to monitor projects effectively and spend allocated grants within a financial year.
- ✎ Insufficient budget allocation for key service delivery areas
- ✎ Failure to implement mSCOA project effectively e.g. inability to produce legislative reports on time.
- ✎ Failure to deliver basic services due to lack of resources and equipment.
- ✎ Failure to safeguard council assets due to ineffective security measures.
- ✎ Delay in procurement of goods and services
- ✎ Failure to manage municipal fleet due to ineffective control system of fleet management.
- ✎ Poor contract management
- ✎ Failure to provide a safe working environment due to non-compliance with Occupational Health and Safety (OHS) Act.

The Municipality has in terms of the Risk Management Implementation Plan not achieved all its targets as anticipated due to factors such as financial constraints; however, a critical aspect of sustaining management awareness and commitment was achieved through the risk management quarterly meetings with different directorates.

## **MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

The Municipal Public Accounts Committees (MPACs) are partially modelled on the example of the Standing Committee on Public Accounts (SCOPA) used in South Africa by legislatures at the national and provincial government level.

The Municipal Public Accounts Committee (MPAC) scrutinises and evaluates the actions of those entrusted with certain responsibilities or powers to check that they are discharging their responsibilities according to set policies and rules and are delivering expected outputs and outcomes. The Committee does not relate to any party politics and its responsibilities are delegated in terms of the provisions of Section 59 of the Systems Act.

The MPAC may request the support of both the Audit Committee, Internal Unit and Risk Management Unit. The standard rules for the Council apply to MPAC.



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The Committee shall have permanent referral of documents relating to:

- (i) *In-year reports of the municipality;*
- (ii) *financial statements of the municipality as part of the Committee's oversight process;*
- (iii) *audit opinion, other reports and recommendation from the Audit Committee;*
- (iv) *information relating to compliance in terms of sections 32, 128 and 133 of MFMA;*
- (v) *information in respect of any disciplinary action taken in terms of the MFMA where it relates to an item that is currently serving or has served before the Committee;*
- (vi) *any other audit report from the municipality; and*
- (vii) *performance information of the municipality.*

Subsequent to public hearing meetings and *in loco* inspections conducted, MPAC table its findings and recommendation to Council for a Resolution. The MPAC then develop a monitoring and tracking mechanism by recording recommendations and nature of response. Where recommendations are / were not implemented, reasons for non-implementation must be outlined.

MPAC SERVICE STATISTICS		
COMMITTEE	NR OF MEETINGS	UNDERTAKING
Public Participation meeting by MPAC	1	Annual Report 2017/18
In loco Inspection conducted by MPAC	4	Incomplete PMU Projects and On-going Projects
In loco Inspection conducted by Sec 32		
Public Hearings on the Annual Report 2017/18	6	Hold Municipal Executive and Administration accountable for stewardship of municipal / public resources
MPAC - 2017/18	32	Meetings for the financial year 2017/18
Section 32 - 2017/18		Meetings for the financial year 2017/18

## SECTION 32 COMMITTEE

The Section 32 Committee is a sub-committee of MPAC and reports directly to Council via MPAC. The Committee should be seen as the Committee of Council, in its own right, working within the delegation framework of the Municipal Council. The Council refers identified Unauthorised, Irregular, Fruitless and Wasteful Expenditure for verification and recommendation to Council by Section 32 Committee, subsequent to investigation by the Accounting Officer.

Punitive action may be necessary in respect of unauthorized expenditure [32(2) (a)], but is always necessary in terms of irregular or fruitless and wasteful expenditure [32(2) (b)] and it is the responsibility of the Accounting Officer or Council to take punitive steps and not the section 32 committee.

The Committee does not write off expenditure and it would not regularise the expenditure. The expenditure could be regularised only in terms of either the SCM Policy (in line with reg. 36) or section 170 of the MFMA.

The Section 32 committee have a mandate to interview any relevant person and to obtain all relevant documentation from any official or Councillors that may assist with the investigations.



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The Section 32 committee will submit a report on the findings and recommendation of the committee to Council via MPAC after completion of its investigation.

## COMMENTS ON THE PERFORMANCE OF MPAC OVERALL

The MPAC is independent and not partially connected to or influenced by anyone else and MPAC is always thinking about the Society that we serve by trying to be professional when carrying out tasks. We ensure that we comply with the legislations and maintain high standard of trustworthiness and honesty, respect and empathy as well as integrity. MPAC take responsibility in terms of accountability for own actions and decisions.

The overall performance of the Municipal Public Accounts Committee: -

- ✎ Improve compliance with laws and regulations.
- ✎ Maintaining an a-political status and averting conflict of interests.
- ✎ Carrying a full and comprehensive oversight mandate.
- ✎ Interacts and engage with members of the public.
- ✎ Promote good governance, transparency and accountability in the use of Municipal resources.
- ✎ Does not behave in a manner that allows maladministration, inefficiency, waste or corrupt practices.

## INTRODUCTION TO INTERNAL AUDIT

In terms of Section 216(1) (c) of the Constitution of Republic of South Africa (Act 108 of 1996), national legislation must prescribe measures to ensure both transparency and expenditure control in all spheres of government by introducing uniform treasury norms and standards.

Good governance involves how organisation is managed, its organisational culture, policies, strategies and the way it deals with stakeholders. The internal audit and audit committee provide objective, independent advice to improve oversight, governance and help mitigate risk.

Working with internal audit, the audit committee brings different skills and expertise to assist in improving the performance of an institution. The internal audit team and audit committee do not assume any management functions nor should management exert any undue influence over the work of the internal audit team and audit committee.

### Mission of internal audit

The mission of internal audit is to provide accounting officer and the audit committee with independent, objective assurance and consulting services designed to add value and improve the organisation's operations. Furthermore, it helps the organisation accomplish its objective by bringing a systematic disciplined approach to evaluating and improving the effectiveness of risk management, internal control and governance processes.

### Risk management

The risk management section conducts a risk assessment, thereafter compiles a risk assessment report that entails the listing of High, Medium and Low risks based on operational risks and strategic risks and thereafter submits it to internal audit to prepare a three-year rolling plan and one-year risk-based plan and performance operational plan.

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## Internal control

Internal audit reviews the adequacy and effectiveness of internal control that management reported as effective in reducing the impact that inherent risk might have on the operations of Municipality, through operational risk-based plan.

## Governance Issues

Internal audit reviews the effectiveness of the following projects as governance issues:

- ✎ Risk Management
- ✎ Records Management
- ✎ IT environment
- ✎ Performance Management
- ✎ Delegation Processes
- ✎ Training Programmes
- ✎ Policies and Procedures
- ✎ Committees of Council
- ✎ Code of Conduct
- ✎ Strategic Plan
- ✎ Organisational Structure
- ✎ Public Participation

## Audit Committee

Section 166 of the MFMA requires that each municipality and municipal entity must have an audit committee. The audit committee must advise the municipal council, political office bearers, the accounting officer and the management of the municipality of municipal entity on matters relating to:

- ✎ internal financial control and internal audits;
- ✎ risk management;
- ✎ accounting policies;
- ✎ the adequacy, reliability and accuracy of financial reporting information;
- ✎ performance management;
- ✎ effective governance;
- ✎ internal Audit Team and Audit Committee;
- ✎ compliance with the Act, the annual Division of Revenue Act and any other applicable legislation;
- ✎ performance evaluation; and
- ✎ any other issues referred to it by the municipality or municipal entity.

MEMBERS OF AUDIT COMMITTEE	
Member Name	Capacity
Ms Mpho Mathye (IAT)(PIA)	Chairperson
Ms Sijabulile Makhathini CA (SA)	Member
Mr Jack Ramakgolo (CCSA)(CFI)	Member
Mr Thapelo Mocwaledi CA(SA)RA	Member

## Matters that served before the Audit Committee in 2018/19

- ✎ Audit Strategy – AGSA
- ✎ Quarterly Internal Audit Activity Reports
- ✎ Quarterly Internal Audit report on completed audits
- ✎ Quarterly Financial reports

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- ✎ Quarterly Supply Chain Management reports
- ✎ Quarterly Information Technology reports
- ✎ Audit readiness plan
- ✎ Post Audit Action Plan
- ✎ Audit Committee Schedule of Meetings
- ✎ Internal Audit and Audit Committee Charter
- ✎ Internal Audit Three Year Rolling Plan and One Year Plan
- ✎ Quarterly Service Delivery and Budget Implementation Plan
- ✎ Quarterly Litigation Reports

Section 165 of the MFMA requires that each municipality and municipal entity must have internal audit unit. The Municipality has an in-house Internal Audit Activity that consists of seven internal auditors. Below are the functions of the Internal Audit Unit that were performed during the financial year under review:

2018/19 FIRST QUARTER	
Audits	Completed / Not Completed
<ul style="list-style-type: none"> <li>✎ Project Management</li> <li>✎ mSCOA</li> <li>✎ Budget management and control</li> <li>✎ Follow-up</li> <li>✎ Audit of performance Information 1st quarter 2018/19</li> </ul>	All Completed, and tabled to Audit Committee
2018/19 SECOND QUARTER	
Audits	Completed / Not Completed
<ul style="list-style-type: none"> <li>✎ Revenue management</li> <li>✎ Supply Chain Management</li> <li>✎ Follow-up</li> <li>✎ Regulatory reviews Post Audit Action Plan and risk management</li> <li>✎ Audit of performance Information 2<sup>nd</sup> quarter 2018/19</li> </ul>	All Completed, and tabled to Audit Committee
2018/19 THIRD QUARTER	
Audits	Completed / Not Completed
<ul style="list-style-type: none"> <li>✎ Human Resource and Labour Relations</li> <li>✎ Occupational Health and Safety</li> <li>✎ Follow-up</li> <li>✎ Audit of performance Information 3rd quarter 2018/19</li> </ul>	All Completed, and tabled to Audit Committee
2018/19 FOURTH QUARTER	
Audits	Completed / Not Completed
<ul style="list-style-type: none"> <li>✎ Risk Management</li> <li>✎ Follow – up <ul style="list-style-type: none"> <li>▶ Conditional grant</li> <li>▶ Supply Chain Management</li> <li>▶ Revenue management</li> <li>▶ mSCOA</li> <li>▶ Budget</li> <li>▶ Project Management</li> </ul> </li> <li>✎ Review of Interim Annual Financial Statement,</li> <li>✎ Loss Control Audit</li> </ul>	All Completed, and tabled to Audit Committee

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## COMMENTS ON THE PERFORMANCE OF INTERNAL AUDIT OVERALL

- ☞ Completion of approved Internal Audit Plan timeously
- ☞ Performing and completing Ad-Hoc Audit requested by management
  - ▶ Review of procurement through regulation 32 and deviations
  - ▶ Evaluate Controls on cashier management
  - ▶ Review of participation on transversal contract
  - ▶ Review quotations from some departments
  - ▶ Review adequacy of Project Specifications
- ☞ Performed consulting work, advice on development of controls, registers, policies and procedure manuals, and further provide advices through attendance of departmental meetings.
- ☞ Reviewed Audit Action Plan
- ☞ Performing quarterly audits on Predetermined Objectives.
- ☞ Through the efforts of Internal Audit Activity, the new dynamic, energetic and progressive Audit Committee members has been appointed and meetings are held as scheduled and legislated.
- ☞ Providing value-adding recommendations.
- ☞ Commenced with the process of developing combined assurance model.

## EMPLOYEE INFORMATION

EMPLOYEES: OFFICE OF THE MUNICIPAL MANAGER					
Job level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	4	5	4	1	20%
4 - 6	8	10	8	2	20%
7 - 9	3	3	3	0	0%
10 - 12	3	4	3	1	25%
13 - 15	0	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>18</b>	<b>23</b>	<b>19</b>	<b>4</b>	<b>17%</b>

FINANCIAL PERFORMANCE: OFFICE OF THE MUNICIPAL MANAGER					
R'000					
Details	2017/18	2018/19			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
<b>Total Operational Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
Expenditure					
Employees	9 042	0	0	0	0
Repairs and maintenance	5	11 711	12 246	9 086	0
Other	664	14	34	4	-3
<b>Total Operational Expenditure</b>	<b>9 711</b>	<b>2 014</b>	<b>1 960</b>	<b>948</b>	<b>-1</b>
<b>Net Operational Expenditure</b>	<b>-9 711</b>	<b>13 739</b>	<b>14 240</b>	<b>10 038</b>	<b>0</b>

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## 3.21 FINANCIAL SERVICES (INCLUDING SUPPLY CHAIN MANAGEMENT)

Matlosana Local Municipality has been under financial constraints because of the local economic outlook, which has been weaker than anticipated. The mining sector contributes to the local economy and is a substantial employer within Matlosana. Most mines have resorted to retrenching employees because of the current economic situation and this has contributed to our growing debtor's book.

Persistently high unemployment remains one of South Africa's most pressing challenges and many rural people are coming to Matlosana to seek employment. These economic challenges will continue to put pressure on municipal revenue generation and collection.

The Finance directorate deals with the administration of finances of the municipality i.e. own budget as well as the money received from the government fiscus, i.e. allocation by government to the municipality to enhance service delivery as in MIG and equitable shares grants. In order for the municipality to have effective service delivery, budget and IDP processes must be followed in order to ensure public participation to cover all community proposals in terms of projects.

The directorate must develop budget-related policies and by-laws, which will govern consistent charging of moneys for services rendered to the communities. Collection of moneys owed to Council must also be covered in terms of policy. There have been internal and external audits in order to ensure management of risk and curbing of corruption while encouraging effective customer care service.

DEBT RECOVERY						
R' 000						
Details of the types of account raised and recovered	2016/17		2017/18		2018/19	
	Actual for accounts billed in year	Proportion of accounts value billed that was collected %	Actual for accounts billed in year	Proportion of accounts value billed that was collected %	Actual for accounts billed in year	Proportion of accounts value billed that was collected %
Property rates	281 771	84%	290 494	77%	304 401	63%
Electricity – B	-	-	-	-	-	-
Electricity – C	685 958	85%	634 797	82%	623 518	70%
Water – B	-	-	-	-	-	-
Water – C	517 558	48%	497 281	44%	558 644	34%
Sanitation	103 192	55%	106 539	52%	112 410	39%
Refuse	141 789	35%	145 155	35%	154 025	26%
Other	662 892	34%	382 047	58%	230 233	21%

- ✎ Property rates billed annually have a collection rate of between 63%
- ✎ Electricity billed annually has a collection rate of between 70% taking into account electricity losses and theft.
- ✎ Water billed annually has a collection rate of between 34% with huge water losses in the municipal area.
- ✎ Sanitation billed annually has a collection rate of about 39%
- ✎ Refuse billed has a collection rate of about 26%
- ✎ Other income 21% – other income depends on the nature of the income. Example: sale of stands.

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- ✎ The collection rates have decreased since credit control still cannot be effected properly due to the fact that electricity cannot be terminated in areas where Eskom supplies electricity and water restrictions are not effective

### SUPPLY CHAIN MANAGEMENT

The Supply Chain Management functions have moved towards centralisation. Due to capacity within the SCM unit, the unit was not yet fully centralised as at 30th of June 2019. The departments are making requests and compiling preliminary specifications and reports for the bid committee. The unit as it is checks compliance and facilitates the procurement process until the award stage.

Supply chain management is a management of philosophy aimed at integrating a network of upstream linkages (sources of supply), downstream linkages (distribution and ultimate to customers). In performing specific processes and activities that will ultimately create and optimize the value for the customer in the form of products and services which are specifically aimed at satisfying customer demands and provision of service delivery.

All goods and service procured through the process have an impact on service delivery. The committees within the unit, which consist of members from other department, ensure the following:

- ✎ Procurement is done in compliance with the procurement plan.
- ✎ Goods or services are procured at correct times.
- ✎ The right quality and quantity are ensured.
- ✎ The correct service provider or supplier is used.

#### Challenges

- ✎ Insufficient capacity in terms of human capital and tools of trade to full implementation of SCM centralisation.
- ✎ Inadequate training for SCM staff and committees to expose both staff and committees to best practises on the SCM
- ✎ Lack of commitment by both SCM staff and committees
- ✎ Delays in the SCM process on the appointment of service providers / suppliers, interruptions of briefing and closing sessions, which cause unnecessary postponement of other processes.
- ✎ Electronic system turn-around time is still slow.

### EMPLOYEE INFORMATION

EMPLOYEES: FINANCIAL SERVICES AND SUPPLY CHAIN MANAGEMENT					
Job level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	7	7	7	0	0%
4 - 6	17	22	17	5	23%
7 - 9	30	35	32	3	9%
10 - 12	69	91	67	24	26%
13 - 15	34	43	30	13	30%
16 - 18	1	4	1	3	75%
19 - 20	11	14	10	4	29%
<b>Total</b>	<b>169</b>	<b>216</b>	<b>164</b>	<b>52</b>	<b>24%</b>

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FINANCIAL PERFORMANCE: FINANCIAL SERVICES AND SUPPLY CHAIN MANAGEMENT					
R'000					
Details	2017/18	2018/19			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
<b>Total Operational Revenue</b>	<b>963 694</b>	<b>838 630</b>	<b>809 309</b>	<b>836 871</b>	<b>0%</b>
Expenditure					
Employees	56 635	70 784	68 345	97 125	27%
Repairs and maintenance	437	425	925	493	14%
Other	334 855	168 135	157 602	240 545	30%
<b>Total Operational Expenditure</b>	<b>391 927</b>	<b>239 344</b>	<b>226 872</b>	<b>338 167</b>	<b>29%</b>
<b>Net Operational Expenditure</b>	<b>571 767</b>	<b>599 286</b>	<b>582 437</b>	<b>498 704</b>	

## COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL

In the 2018/19 financial year, the municipality obtained a qualified audit opinion. The Auditor General found that all the balances disclosed on the financial statements were representative of the transactions during the year, except for the Market receivable.

Management is still of the opinion that the amount disclosed was correct (no material differences) and this should be confirmed by a forensic audit.

The cash flow position of the municipality is a challenge because of numerous outstanding creditors that have to be dealt with in the coming years. The collection of outstanding debt remains a challenge to the municipality. As a result the municipality struggle to keep the cash flow position positive.

The 2018/19 financial year was the first year on the new mSCOA (municipal Standard Chart of Accounts), as prescribe by National Treasury. This will eventually result in seamless reporting.

## NATIONAL KEY PERFORMANCE INDICATORS

See pages 251 - 252 for more detail.

## 3.22 HUMAN RESOURCE SERVICES

### INTRODUCTION TO HUMAN RESOURCE SERVICES

The Human Resources Services of the City of Matlosana is responsible for:

- ✎ Recruitment, selection and appointment of personnel.
- ✎ The administration and management of leave, pension and medical aid funds.
- ✎ Ensuring the safety and wellness of officials through the Occupational Health and Safety unit as well as the Employee Assistance Programme unit.

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- ✎ Ensuring capacitation of employees through the Training and Development unit.
- ✎ Ensuring the creation of a harmonious relationship between management and officials and the maintenance of disciplined workforce through the Labour Relations unit.

Setting out priorities for the Human Resource Services and the impact during 2018/19 financial year:

- ✎ In process of filling of all critical positions.
- ✎ Capacitate newly appointed finance officials through the municipal finance related skills programs.

By reviewing the organogram, the Human Resource section will, among others, be able to meet the following objectives:

- ✎ Outline clear municipal functions as set out in the strategic plan of the municipality and right-size human capital accordingly.
- ✎ Align the organisational structure with the IDP in order to have municipal posts that support strategic objectives of the municipality as well as respond to changes that emerge from evolutionary developments and proactive initiatives of the municipality.
- ✎ Clarify functions per departments, units and positions needed in order to achieve specific municipal goals.
- ✎ Clarify key performance areas and indicators of all positions on the organogram in order to ensure that they are relevant and serve, as much needed support to the main objectives of the municipality in terms of service delivery.

By developing a Human Resource Plan, the Human Resources section will be able to meet the following objectives:

- ✎ Maintain pleasant industrial relations to the optimum level and structure of human resources.
- ✎ Meet the needs of expansion and diversification programmes.
- ✎ Assess surplus or shortage of human capital over a specified period.
- ✎ Identify trends in terms of service, injury on duty, sick leave to be able to plan remedial programmes to address negative trends.

By capacitation of staff through various training interventions, the Skills Development section will be able to produce a skilled and competent workforce and will comply with the National Treasury's requirements in relation to competency levels as well as related legislation such as MFMA and Skills Development Act.

### SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

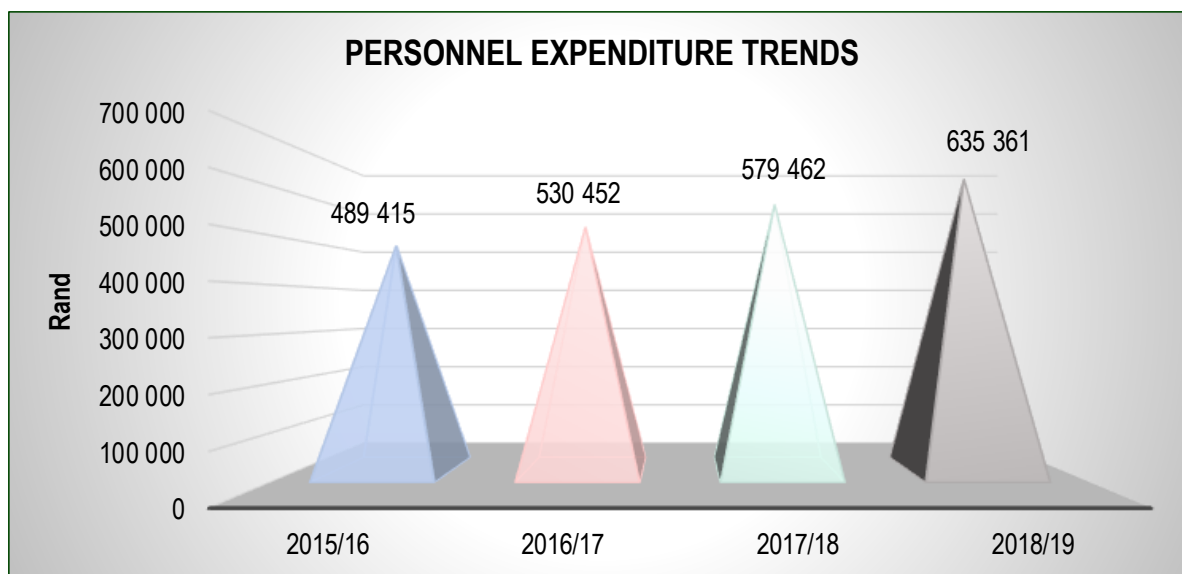
#### Total personnel expenditure trends in the last four years

The following table reflects the total personnel expenditure trends from 2015/16 to 2018/19:

FINANCIAL YEAR	(R'000)	% OF TOTAL BUDGET
2015/16	489 415	19.42%
2016/17	530 452	19.58%
2017/18	579 462	20.07%
2018/19	635 361	20.00%



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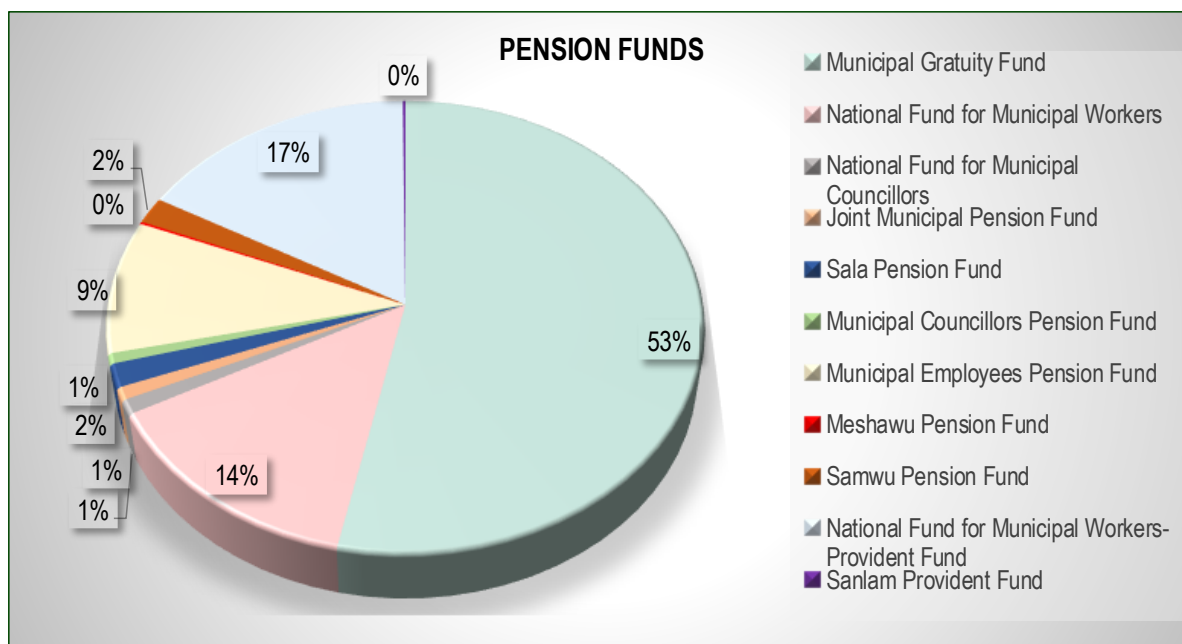
### Pension and Medical Aid Funds

#### Pension Fund

The composition of membership for pension and provident funds was as follows:

PENSION FUND	NUMBER OF MEMBERS		
	2016/17	2017/18	2018/19
Municipal Gratuity Fund	1 318	1 304	1 316
National Fund for Municipal Workers	315	329	344
National Fund for Municipal Councillors	17	22	25
Joint Municipal Pension Fund	26	25	22
Sala Pension Fund	55	49	41
Municipal Councillors Pension Fund	19	20	18
Municipal Employees Pension Fund	267	248	235
Meshawu Pension Fund	4	4	4
Samwu Pension Fund	49	47	47
National Fund for Municipal Workers-Provident Fund	-	356	411
Sanlam Provident Fund	-	5	4
<b>TOTAL</b>	<b>2 070</b>	<b>2 409</b>	<b>2 467</b>

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The Council's actual pension fund expenditure for the 2018/19 financial year towards the employer's contribution was R69 124 734 for 2017/18 and for 2018/19 is R75 533 858.

### Medical Aid Funds

The medical aid funds are accredited by the South African Local Government Bargaining Council (SALGBC).

The Council's actual expenditure for the 2018/19 financial year as the employer's contribution to medical aid funds was R34 782 266, while the medical aid for pensioners and provision for 2018/19 are R11 569 686 which brings the total medical aid fund to R46 351 952.

MEDICAL AID FUND		
Details	Nr of Members	Employer's Contribution (R)
Key Health	82	3 911 489
Hosmed	46	1 884 868
Bonitas	299	9 459 497
LA Health	663	16 936 086
Samwu Med	108	2 590 325
Pensioners and provision for contributions	211	11 569 686
<b>TOTAL</b>	<b>1409</b>	<b>46 351 952</b>

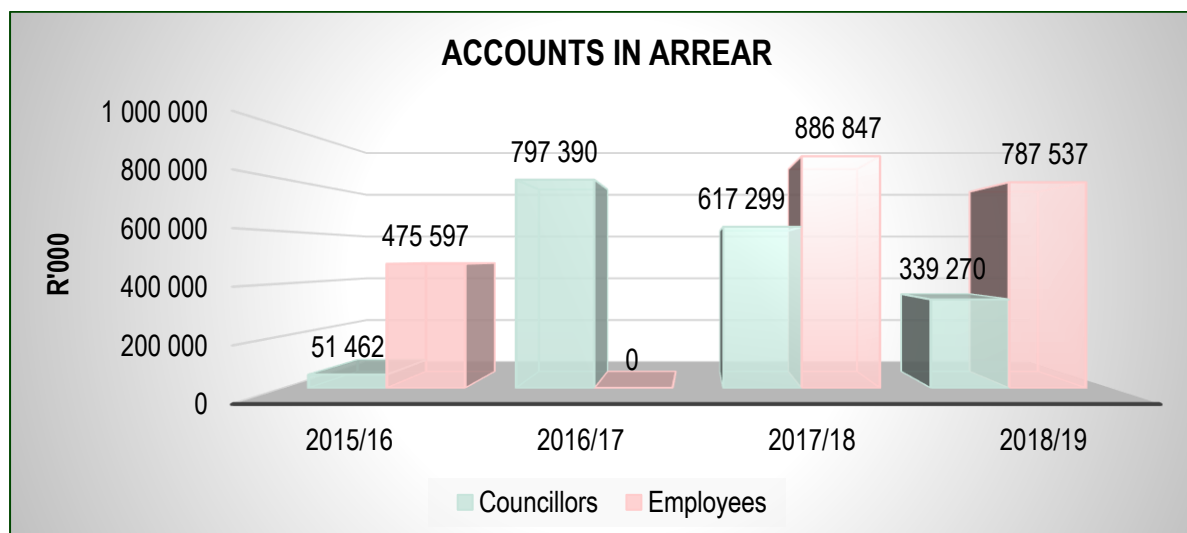
### **Outstanding Monies**

MFMA Circular 11 requires that municipalities disclose arrears (outstanding monies) by councillors / employees for the financial year.

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OUTSTANDING MONIES				
Accounts in Arrear as at	Arrears June 2016	Arrears June 2017	Arrears June 2018	Arrears June 2019
	(R)	(R)	(R)	(R)
Councillors*	51 462	797 390	617 299	339 270
Employees	475 597	1 087 878	886 847	787 537

\* Names of councillors in arrears for more than 90 days can be seen in Note 45 of the financial statements.



The decrease in arrears is attributed to the arrears are being deducted from the councillors and personnel's salaries on a monthly basis.

## Disclosure concerning executive councillors and directors

The following table\* reflects the remuneration for executive councillors and directors:

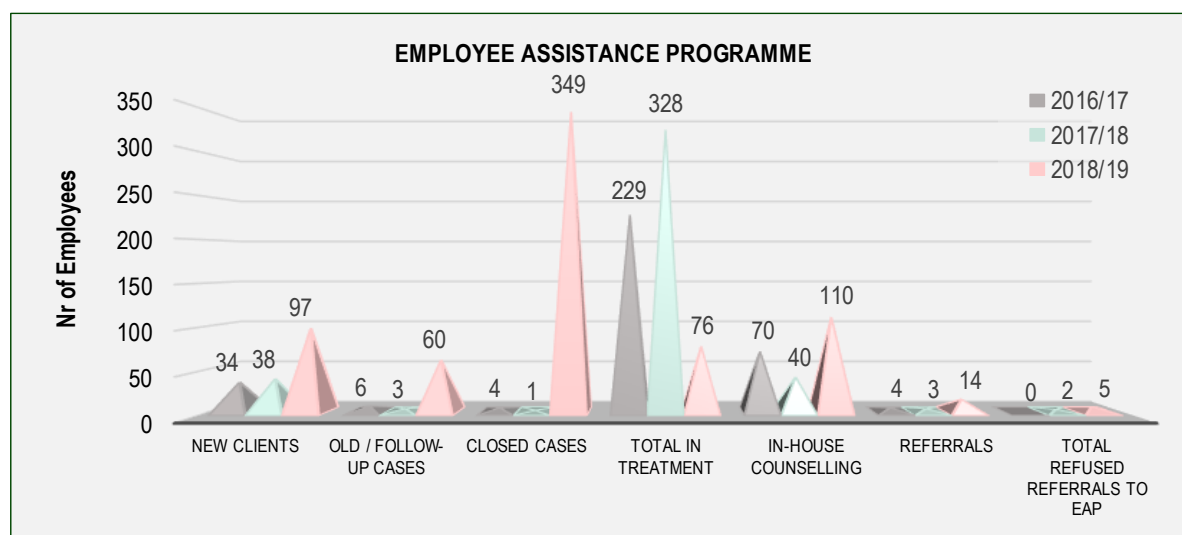
DESIGNATION	REMUNERATION PACKAGE (R)*			
	2015/16	2016/17	2017/18	2018/19
Executive Mayor	816 856	859 856	1 012 408	1 048 541
Speaker	658 915	733 770	828 643	849 523
Mayoral Committee Members (12)	7 311 307	6 450 621	9 190 862	9 541 408
Councillors (63)	15 195 294	20 353 829	22 149 927	23 343 034
Municipal Manager	2 797 856*	1 468 984*	1 351 476	1 429 656
Director Budget and Treasury (CFO)	1 369 66*	1 439 882*	1 097 028	812 455
Director Corporate Support	1 121 343	936 022	1 393 115	1 160 938
Director Infrastructure Services	1 121 343	1 190 868	1 091 629	462 751
Director Electrical and Mechanical Engineering	1 121 343	1 190 868	-	-
Director Technical and Infrastructure	-	-	457 093	1 380 952
Director Local Economic Development	1 121 343	1 190 868	944 000	394 047
Director Municipal and Environmental Services	1 121 343	1 190 868	-	-
Director Community Development	-	-	457 093	1 166 093
Director Public Safety	-	-	457 093	1 160 707

\* See note 25 of Annual Financial Statements for more information regarding remuneration

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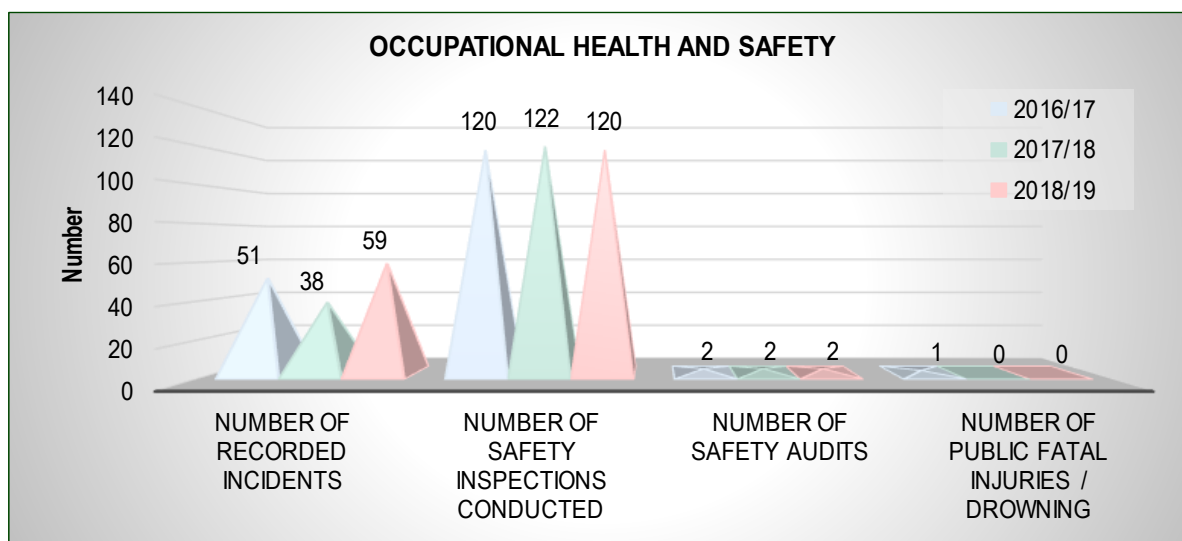
PERSONNEL ADMINISTRATION STATISTICS				
DETAIL	2015/16	2016/17	2017/18	2018/19
Pension	59	46	33	40
Resignations	46	18	35	46
Deaths	39	12	22	19
Other	0	0	0	14
Injuries on duty	06	87	38	59
Medical boarding in process	04	15	11	10
Medical boarding application	07	1	30	21
Death claims	59	15	25	20
Posts in Council	2 482	2 524	2 525	2 530
Posts filled	2 077	2 024	2 018	2026
Posts vacant	405	500	507	504

EMPLOYEE ASSISTANCE PROGRAMME STATISTICS				
DETAIL	2015/16	2016/17	2017/18	2018/19
New clients	30	34	38	97
Old / follow-up cases	10	6	3	60
Closed cases	0	4	1	349
Total in treatment	256	229	328	76
In-house counselling	91	70	40	110
Referrals	0	4	3	14
Total refused referrals to EAP	0	0	2	5



OCCUPATIONAL HEALTH AND SAFETY STATISTICS				
DETAIL	2015/16	2016/17	2017/18	2018/19
Number of recorded incidents	60	51	38	59
Number of fatal incidents reported	0	0	0	0
Number of safety inspections conducted	120	120	122	120
Number of safety audits	2	2	2	2
Number of public fatal injuries / drowning	0	1	0	0

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## EMPLOYEE INFORMATION

EMPLOYEES: HUMAN RESOURCE SERVICES					
Job level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	2	3	2	1	33%
4 - 6	8	11	9	2	18%
7 - 9	4	6	6	0	0%
10 - 12	9	10	10	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>24</b>	<b>31</b>	<b>28</b>	<b>3</b>	<b>10%</b>

FINANCIAL PERFORMANCE: HUMAN RESOURCE SERVICES					
R'000					
Details	2017/18	2018/19			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
<b>Total Operational Revenue</b>	<b>140</b>	<b>500</b>	<b>700</b>	<b>584</b>	<b>14%</b>
<b>Expenditure</b>					
Employees	6 058	10 490	8 246	3 402	-208%
Repairs and maintenance	0	16	17	0	0%
Other	2 286	8 946	9 074	282	-3072%
<b>Total Operational Expenditure</b>	<b>8 344</b>	<b>19 452</b>	<b>17 337</b>	<b>3 684</b>	<b>-428%</b>
<b>Net Operational Expenditure</b>	<b>-8 204</b>	<b>-18 952</b>	<b>-16 637</b>	<b>-3 100</b>	

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## COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL

The Municipality is currently busy with reviewing the organogram as part of Municipality strategy to have capable work in order to address service delivery.

### EAP

A number of wellness events were conducted by the EAP Unit in the 2018/19 financial year to unit.

- ✚ HIV & TB Awareness and Test Campaign, 42 employees attended.
- ✚ Employee Health Screening Event where 385 employees attended.
- ✚ Employee Heart Health screening event 143 employee attended.

We were able to collaborate with various organisation, who conducted workshops with Municipal Employees on;

- ✚ Group Trauma Debriefing conducted by FAMSA Potchefstroom- 48 employees attended.
- ✚ Financial Management Workshop conducted by Absa Bank – 15 employees attended
- ✚ We have seen significant increase in the number of individual counselling conducted by the Unit close to 800 employees were counselled in the 2018/19 financial year.

### RECRUITMENT

- ✚ Municipality, through its recruitment Unit advertised ninety-eight (98) positions during 2018/19 financial year. Some of advertisements were done nationally, locally and through the public notice boards and internally.
- ✚ The Municipality has filled hundred and seventy-six (176) positions during 2018/19 the number includes unfilled positions that from 2017/2018 financial year

### NATIONAL KEY PERFORMANCE INDICATORS

FINANCIAL YEAR	NO. OF APPROVED POSITIONS ON THE THREE HIGHEST LEVELS OF MANAGEMENT	NO. OF MALE POSITIONS FILLED ON THE THREE HIGHEST LEVELS OF MANAGEMENT	NO. OF FEMALE POSITIONS FILLED ON THE THREE HIGHEST LEVELS OF MANAGEMENT
2015/16	45*	26	9
2016/17	45*	25	9
2017/18	45*	26	9
2018/19	46*	31	9

\* (Excluding section 54A and 56 employees)

See page 250 for detail.

## 3.23 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Information Technology, also known as IT, is a comprehensive term that includes all types of technology used to exchange, store, use or create information. Commonly used Information Technology equipment includes Computers, Servers, Peripheral Devices, Internet Connectivity Equipment and Phone Systems. From basic

## Chapter 3

computer terminals to IP-based telephony systems, Information Technology is an integral part of most modern business operations.

ICT makes an organisation more efficient, effective and prompt responses to customers' needs possible.

The strategically use of ICT in a Municipal Service Environment produces the following benefits -

- ✎ Increase the speed or quality of Service Delivery;
- ✎ Increase public access to Municipal Services;
- ✎ Facilitate the use of remote communication and transactions; and
- ✎ Enhance transparency.

The development of a five-year ICT Strategy Plan and an ICT Disaster Recovery Plan has been initiated by brief discussions during March and April 2019. The five-year ICT Strategy Plan will be aligned to the IDP.

Two project teams from SITA are assisting the municipality to develop the two plans simultaneously and the pre-initiation project meeting occurred in May 2019.

An Internal Memo to introduce the ICT Strategy Plan & ICT DRP Projects to municipal employees was drafted in May 2019 and then circulated internally to all the relevant stakeholders. This memo describes the Background, the Who, Why, What, When and How of the two projects.

An initiation meeting between SITA and all level 1 - 3 employees will be arranged to introduce SITA and to inform all employees regarding the projects and processes that will be followed to enable SITA to develop the ICT Strategy Plan and the ICT Disaster Recovery Plan.

A New Proposed ICT Organogram was developed and presented at the Strategic Planning Session that was conducted in June 2019 and it will be tabled in Council for approval.

IT Services are often the part of an organization that is forgotten. However, most employees will need these services to ensure that their job tasks are running smoothly and at peak efficiency.

The ICT Section's functions include -

- ✎ Technical Support, management and maintenance of the IT Infrastructure that includes hardware and software;
- ✎ Upkeep and maintenance of the Local Area Network (LAN) and the Wide Area Network (WAN);
- ✎ Administration of the Financial System (VENUS), the Active Directory System, the Firewall and the Anti-Virus System;
- ✎ Project Management; and
- ✎ Management of Service Providers for outsourced functions.

The access, installation, maintenance and support services that are granted to users on a need to use basis range from E-mail, Internet, Fax-to-email, Voice Over Internet Protocol (VOIP), Venus System, Cash Drawer System, Utilities World System, Payday System, Orbit System, Workflows System, etc.

The devices on the municipal network has grown from 300 devices (computers) to almost 600 devices within 5 years.

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The Province has donated various Information Technology Equipment to the City of Matlosana Libraries.

INFORMATION TECHNOLOGY EQUIPMENT DONATED		
DESKTOPS	LAPTOPS	TABLETS
23	8	22

The Information Technology Equipment have been allocated to the following Libraries –

- ↳ Alabama Library;
- ↳ Hartbeesfontein Library;
- ↳ Kanana Library;
- ↳ Khuma Library;
- ↳ Manzilpark Library;
- ↳ Matlosana Library;
- ↳ Orkney Library;
- ↳ Stilfontein Library; and
- ↳ Tigane Library.

For the 2018/19 financial year, there were 2 259-service requests logged by users at the IT Helpdesk and all were successfully resolved. 99% of these calls were resolved within ten working days.

The following hardware were replaced during the 2018/19 financial year –

HARDWARE	NUMBER	AMOUNT
Printers	12	R 63 647.30
Laptops	46	R 605 976.44
Projectors	2	R 29 352.82
Workstations	24	R 294 923.00
Network Switches	8	R 148 729.11
Server	1	R 120 914.04
Radio's	5	R 11 333.88
<b>Total</b>	<b>98</b>	<b>R 1 274 876.59</b>

As from 1 July 2018, both the Venus Financial System and the Payday System were mSCOA compliant and the data strings accepted by National Treasury.

The TRU Software to generate, Section 71 Reports from the mSCOA Venus Financial System was upgraded to the latest mSCOA release. A Training session was conducted in May 2019 and training was given to the relevant employees including the IDP and Performance Management Sections.



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## EMPLOYEE INFORMATION

EMPLOYEES: ICT SERVICES					
Job level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	0	1	0	1	100%
4 - 6	0	0	0	0	0%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	2	2	2	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>25%</b>

FINANCIAL PERFORMANCE: ICT SERVICES					
R'000					
Details	2017/18	2018/19			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
<b>Total Operational Revenue</b>	<b>122</b>	<b>158</b>	<b>158</b>	<b>210</b>	<b>0%</b>
Expenditure					
Employees	1 827	2 215	2 319	1 748	-4%
Repairs and maintenance	6 470	9 600	9 600	3 611	0%
Other	5 555	17 385	17 385	9 470	0%
<b>Total Operational Expenditure</b>	<b>13 852</b>	<b>29 200</b>	<b>29 304</b>	<b>14 829</b>	<b>0%</b>
<b>Net Operational Expenditure</b>	<b>-13 730</b>	<b>-29 042</b>	<b>-29 146</b>	<b>-14 619</b>	

## COMMENT ON THE PERFORMANCE OF ICT OVERALL

The following projects were successfully completed during the 2018/19 financial year:

- ✎ In February 2019, a new server was purchased for the Library System and installed in the main server room of the municipality. The server has the latest version of the Sirsi Workflows System on and has now the capability to send email notifications to the users. The latest version of the Sirsi Workflows System was installed on all the PC's and laptops at the various libraries.
- ✎ All the network switches in the core network switch bank in the main server room of the municipality were replaced with new level three manageable switches in February 2019.
- ✎ The Kaspersky Anti-Virus Software was upgraded to the latest Kaspersky Anti-Virus Release and the Licence was renewed. Both the latest software and the licence key were distributed to all PC's and laptops connected to the City of Matlosana's network.
- ✎ All the newly purchased laptops as well as the workstations were setup and configured with the necessary software as well as the employee's official email addresses.

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- ✚ An additional office for the Cleansing Section was added to the network at the Orkney Garage Offices. New electrical cables, network cables and an eight port Network Switch were installed.
- ✚ New network points were installed at –
  - ▶ the Finance Billing Section;
  - ▶ the Traffic Admin Section;
  - ▶ the Traffic Road Safety Section;
  - ▶ the SCM Reception in Stilfontein;
  - ▶ the Jouberton Extension 6 Pay Point;
  - ▶ the Matlosana Library; and
  - ▶ the Communications Office in the Klerksdorp Offices.
- ✚ 22 Desktop computers were upgraded. This is necessary, as the older technology is not compatible with the latest versions of the Windows Operating System as well as software in use.

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## 3.24 LEGAL AND ADMINISTRATION SERVICES

### **FUNCTIONS AND OBJECTIVES OF CORPORATE SUPPORT SERVICES**

Corporate Support is responsible for the development and implementation of human resources policies, procedures, strategic HR plan aligned with the Council vision and mission and facilitating the adoption of a competitive service orientated work culture.

The implementation of skills development and maintaining organizational structures, productivity enhancement of the municipality falls within the component of the directorate, as well as facilitating transformation issues in terms of Municipal Structures and Municipal Systems Acts and related HR legislation.

Management of development and management of HR information system and coordinating information management and departmental functions and responsibilities.

Corporate Support as a department rendering support to the whole municipality, in terms of providing legal services, secretariat services, record retention, central printing and council building maintenance services to the Council.

Oversees and monitor implementation of Council resolutions and coordinate with the Mayor's, Speaker's, Single Whip's offices and public participation process on municipality affairs and municipal functions.

### **INTRODUCTION TO LEGAL SERVICES**

Rendering of legal services and support to council, the municipal manager and to all council's directorates and ensuring that compliance requirements are adhered to by council.

Legal Services provides legal comments on items to council submitted by directorates as well as liaising with attorneys on matters that require referral for litigations, opinions and reports. Receives, responds and distributes legal documents served to council, consults with departments and prepares litigation documents before referral to attorneys. Conducting inspection in conjunction with town-planning.

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Responsible for drafting service level agreements, memorandum of understanding and lease agreements and to keep and update the contract register.

### Description of the activity

- ✎ Ensures that compliance requirements are adhered to by Council
- ✎ Provides legal comments on items to Council submitted by Directorates.
- ✎ Provide support during disciplinary hearings by acting as the employer representative or alternative as a presiding officer
- ✎ Submission of monthly litigation report and updates on cases handled by our panel of attorneys to council on monthly basis.

### Key performance objective

- ✎ Ensuring effective legal services provision for Council.
- ✎ Ensuring re-alignment of constraints to improve contract management.
- ✎ Provide legal support in reviewing, revision and development of by-laws for Council Directorates

### Strategic objectives

- ✎ Rendering legal advice on matters relating to Council and its staff in a manner that permits timely and appropriate action.
- ✎ Advising and representing Council on litigation matters in a complete and timely fashion.
- ✎ Reviewing all resolutions, as well as contracts/agreements.
- ✎ Endeavouring to cut down on legal costs
- ✎ Provide legal support to directorates in revising Council policies and procedures to comply with statutory and legal requirements.
- ✎ Providing professional legal advice to the Council and its top management.

### Key issues

- ✎ To settle cases and effective outcome of actions with minimal negative impact for Council.
- ✎ To effectively protect Council's interest.
- ✎ To give effective legal support to all departments.
- ✎ To effectively regulate relationships between Council and clients.
- ✎ To effectively promote knowledge on legal matters.
- ✎ To ensure compliance with the Town Planning Scheme

### **SERVICE STATISTICS FOR LEGAL SERVICES**

INFORMATION	2015/16	2016/17	2017/18	2018/19
Cases against Council	13	38	36	6
Cases for Council	68	102	68	6
Cases won	0	12	11	0
Cases settled	2	5	19	0
Cases outstanding	66	123	66	12
Cases referred to the High Court	14	21	15	6
<b>TOTAL EXPENDITURE</b>	<b>R12 445 583</b>	<b>R13 222 657</b>	<b>R10 374 285</b>	<b>R10 236 309</b>

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## EMPLOYEE INFORMATION

EMPLOYEES: LEGAL AND ADMINISTRATION SERVICES					
Job level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	3	4	3	1	25%
4 - 6	10	8	8	0	0%
7 - 9	3	4	2	2	50%
10 - 12	8	12	8	4	33%
13 - 15	12	14	11	3	21%
16 - 18	4	6	8	1	17%
19 - 20	31	33	30	3	9%
<b>Total</b>	<b>71</b>	<b>81</b>	<b>67</b>	<b>14</b>	<b>17%</b>

FINANCIAL PERFORMANCE: LEGAL AND ADMINISTRATION SERVICES					
R'000					
Details	2017/18	2018/19			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
<b>Total Operational Revenue</b>	<b>409</b>	<b>518</b>	<b>485</b>	<b>102 668</b>	<b>99%</b>
Expenditure					
Employees	28 966	32 514	33 712	45 223	28%
Repairs and maintenance	351	609	609	433	0%
Other	11 010	17 773	16 793	4 726	-276%
<b>Total Operational Expenditure</b>	<b>40 327</b>	<b>50 896</b>	<b>51 114</b>	<b>50 382</b>	<b>-1%</b>
<b>Net Operational Expenditure</b>	<b>-39 918</b>	<b>-50 378</b>	<b>-50 629</b>	<b>52 286</b>	

## COMMENT ON THE PERFORMANCE OF LEGAL AND ADMINISTRATIVE SERVICES OVERALL

- ☞ Legal services has managed to draft hundred percent of service level agreements for tenders awarded and documents received from Supply Chain Management unit.
- ☞ Legal services implemented contract register to record, keep information that relates to the awarded projects, updates the register and monitor the register on monthly basis.
- ☞ In order to avoid more legal costs, some matters are resolved internally with third parties.
- ☞ Legal services ensures that there is a smooth legal and administration by providing legal support to various Departments in the Municipality.
- ☞ Liaising with attorneys for matters that requires litigations.

# 2018/19 Annual Performance Report



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# Chapter 3

## 1. INTRODUCTION

The 2018/19 Annual Performance report is hereby submitted to Council in terms of section 121 of the Municipal Finance Management Act, (56 of 2003) as amended, read with the Municipal Systems Act, (32 of 2000) as amended, Section 46(1) and (2) as well as the Municipal Finance Management Act, Circular 11 and 63 on annual reporting.

The Municipal Planning and Performance Management Regulations (2001), Chapter 3, Section 7, stipulates 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”.

The Municipal Systems Act, (Act 32 of 2000) as amended, stipulates the following:

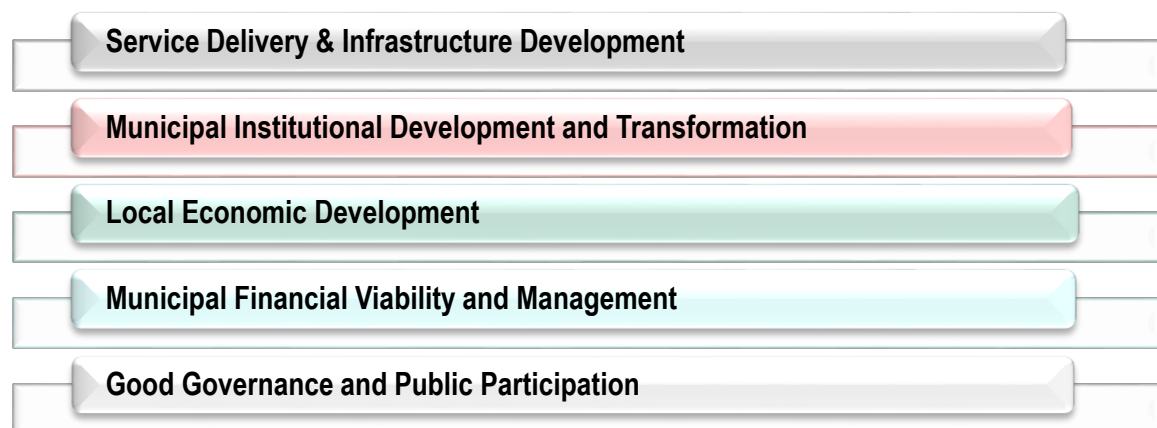
### ***Annual performance reports***

46. (1) *A municipality must prepare for each financial year a performance report reflecting –*
- (a) the performance of the municipality and of each external service provider during that financial year;*
  - (b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and*
  - (c) measures taken to improve performance.*
- (2) An annual performance report must form part of the municipality's annual report in terms of*
- Chapter 12 of the Municipal Finance Management Act.”*

This report covers the performance information from 1 July 2018 to 30 June 2019 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the Integrated Development and Plan (IDP).

The SDBIP and Annual Performance Report 2018/19 is arranged in terms of the five National Key Performance Areas of Local Government, which are:

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The Municipality had eight directorates, including the Office of the Municipal Manager, during the period under review. These directorates are:

- ↗ Office of the Municipal Manager
- ↗ Directorate Technical and Infrastructure
- ↗ Directorate Public Safety
- ↗ Directorate Community Development
- ↗ Directorate Corporate Support
- ↗ Directorate Local Economic Development
- ↗ Directorate Budget and Treasury
- ↗ Directorate Planning and Human Settlements

The municipality operated with acting arrangements in respect of the positions of Director Local Economic Development and Director Planning and Human Settlements, which were ultimately filled on 1 March 2019 of the financial year.

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## 2. PERFORMANCE MANAGEMENT PROCESS OVERVIEW

During the 2018/19 financial year, the City of Matlosana has continued to maintain effective performance management operations of the following processes:

- ↗ The Executive Mayor approved the 2018/19 Service Delivery and Budget Implementation Plan on 26 June 2018.
- ↗ Annual Performance Agreements with performance plans were developed, signed by the senior managers from 24 - 26 June 2019 and approved by the Executive Mayor on 26 June 2019, as required by the Municipal Performance Regulations, 2006.
- ↗ Departmental operational plans were developed for monitoring and reporting.
- ↗ Quarterly performance reports with supporting evidence were prepared by various directorates.
- ↗ A Mid-year Budget and Performance Assessment in terms of section 72 of the Municipal Finance Management Act, which informed the adjustment budget and revised Service Delivery and Budget Implementation Plan, was performed.
- ↗ Implementation of Performance Management by creating an organisational culture of performance monitoring and evaluation.



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- ✎ Setting Key Performance Indicators (KPI's) that are Reliable, Well-defined, Verifiable, Cost-effective, Appropriate and Relevant.
- ✎ The developing and setting of targets that comply with the SMART principle by being Specific, Measurable, Achievable, Relevant as well as being Time-bound.
- ✎ Clear linkage between IDP, Budget, SDBIP and Annual Report.
- ✎ Regular reporting on organisational performance, to aid in the monitoring of performance and to identify instances where corrective actions may be needed.

## 3. PERFORMANCE ASSESSMENTS

### 3.1 Performance assessments 2017/18

Performance Evaluation Panels have initially been established by Council on 27 November 2018, CC133/2018 for the assessment of performance of the Municipal Manager, as well as Managers directly accountable to the Municipal Manager which completed a full 2017/18 financial year. The Annual Assessments of the Municipal Manager, the Acting Director Local Economic Development and the Acting Director Planning and Human Settlements were conducted. The completion of the annual assessments was due to a finding raised by the Auditor-General during the 2017/18 audit.

### 3.2 Performance assessments 2018/19

Council on 27 June 2019, CC64/2019, appointed the Performance Evaluation Panels for the assessment of Section 57 employees, which were established as follows:

- A) For purposes of evaluating the annual performance of the Municipal Manager (section 54A), an Evaluation Panel constituting of the following persons was established –
- (i) Executive Mayor or Mayor;
  - (ii) Chairperson of the Audit Committee;
  - (iii) Member of the Mayoral Committee or in respect of a plenary type Municipality, another member of Council;
  - (iv) Mayor and / or Municipal Manager from another Municipality; and
  - (v) Member of a Ward Committee as nominated by the Executive Mayor or Mayor.

Cllr ME Kgaile	Mayor/Chairperson
Cllr NM Mandela	Member of the Mayoral Committee
Ms MG Mathye	Chairperson of the Audit Committee
Ms S Leshupi	Municipal Manager from another Municipality
Mr TC Ntsizi	Ward Committee member

- B) For purposes of evaluating the annual performance of Managers directly accountable to the Municipal Manager, an Evaluation Panel constituted of the following persons was established:
- (i) Municipal Manager;
  - (ii) Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a Performance Audit Committee;

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- (iii) Member of the Mayoral or Executive Committee or in respect of a plenary type Municipality, another member of Council; and
- (iv) Mayor and / or Municipal Manager from another Municipality; and

Mr TSR Nkhumise	Municipal Manager
Cllr NM Mendela	Member of the Mayoral Committee
Ms MG Mathye	Chairperson of the Audit Committee
Mr L Ralekgetho	Municipal Manager from another Municipality

Performance evaluation sessions are conducted quarterly. The first and the third quarter assessment are informal assessments and formal assessments are conducted in the second and fourth quarter.

The final and formal performance evaluation sessions of the Municipal Manager and managers directly accountable to the Municipal Manager will be performed in November 2019 to allow sufficient time for validation and auditing of information reported on for the completed financial year. The minutes of all meetings are electronically stored.

The final performance evaluation results and scores will be reported via the Audit Committee to the Council for consideration of performance bonuses in terms of the Regulations.

The Municipal Systems Act, 2000 as amended, section 45 requires that the results of performance measurements in terms of section 41 (1) (c), must be audited as part of the internal auditing process and annually by the Auditor-General. All auditing must comply with section 14 of the Municipal Planning and Performance Management Regulations, 2001.

## 4. AUDITING OF PERFORMANCE INFORMATION

The Municipal Systems Act, 2000 as amended, section 45 requires that the results of performance measurements in terms of section 41 (1) (c), must be audited as part of the internal auditing process and annually by the Auditor-General. All auditing must comply with section 14 of the Municipal Planning and Performance Management Regulations, 2001.

Council's Internal Audit section is responsible to perform this function. As part of their scope, auditing of the Performance Management was performed and reports received for each quarter in terms of the following:

- ✎ Identify non-compliance with the relevant laws and regulations in the overall performance management system, processes and procedures.
- ✎ Document the understanding obtained of the performance information system, processes and procedures.
- ✎ Document the understanding of risks that exists in the detailed performance management process per selected development priority.
- ✎ Assess, review, test and verify the consistency, measurability, relevance and presentation of planned and reported performance information.
- ✎ Review scorecards on a test basis to supporting evidence on a sample basis.

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- ✍ Record the system that is used to generate the performance information.
- ✍ Ensure compliance with the requirements of the PMS Regulations.
- ✍ Ensure the accuracy and validity of the information included in the annual report based on the evidence inspected, on a sample basis.

On 21 October 2014 Council approved the merger of the Audit and the Performance Audit Committees in line with section 166 (b) of the MFMA (CC 122/2014 dated 21 October 2014).

The primary objective of the Audit Committee is to advise the municipal council, political office-bearers and assist the Accounting Officer and management staff of the municipality in the effective discharge of their responsibilities with regard to performance management, risk management, internal control and governance, and the ultimate aim of the achievement of the organization's objectives.

The Audit Committee is an independent advisory body that performs its functions in terms of section 166 of the Municipal Financial Management Act (MFMA) 56 of 2003, as amended and King IV Report on Corporate Governance.

Audit Committee members were appointed during the Council meeting held on 28 February 2018 (CC 13/2018). The members were as follows:

✍ Ms Mpho Mathye (IAT)(PIA)	-	Chairperson
✍ Mr Jack Ramakgolo (CCSA)(CFI)	-	Member
✍ Mr Joseph Mokwena CA(SA)RA	-	Member
✍ Ms Margret Nkomo	-	Member
✍ Mr Thapelo Mocwaledi CA(SA)RA	-	Member

Audit Committee members, Mr J Mokwena and Ms M Nkomo resigned during the financial year.

On 1 December 2018, the one vacant position was filled with Ms SFS Makhathini CA (SA) as member, whilst the other position was re-advertised and still to be filled.

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## 5. REMEDIAL ACTIONS FOR PERFORMANCE MANAGEMENT

In order to ensure that performance planning, implementation and reporting is effective; it is recommended that the following remedial actions be implemented and maintained during the 2018/19 financial year:

- ✍ The Project Management Unit (PMU) to consult with the IDP and Performance Management sections, as well as the community when changes are made to projects of council;
- ✍ Internal Audit to follow up and ensure quality assurance;
- ✍ Management to monitor and review monthly progress of the SDBIP as a standing agenda item at their top management meetings and that portfolio of evidence of each meeting be kept;
- ✍ The SDBIP to be discussed as standing agenda item to gauge performance at each directorate on their monthly meetings to identify and address challenges when it is reported;
- ✍ That the quarterly reports submitted without portfolio of evidence not be accepted and that the relevant director be informed to comply;
- ✍ That quarterly performance reports be submitted to Internal Audit and the Audit Committee; and

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- ✎ That the prescribed quarterly performance assessments of the Municipal Manager and managers directly reporting to the Municipal Manager be conducted as required by the Performance Regulations.

### 6. ISSUES RAISED IN THE 2017/18 AUDITOR-GENERAL'S REPORT

1. *"In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected key performance areas presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.*
2. *My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.*
3. *I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected key performance area presented in the annual performance report of the municipality for the year ended 30 June 2018:*

4.

Key performance area	Pages in the annual performance report
KPA 1 – Basic Service Delivery and Infrastructure Development	144 – 152; 154; 164; 175 – 178; 192; 200; 214; 221 – 223; 233 - 236

5. *I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.*
6. *I did not identify any material findings on the usefulness and reliability of the reported performance information on the selected key performance area of the municipality.*

#### Other matters

7. *I draw attention to the matters below.*

#### Achievement of planned targets

8. *Refer to the annual performance report on pages 144 – 152; 154; 164; 175 – 178; 192; 200; 214; 221 – 223 and 233-236 for information on the achievement of planned targets for the year.*

#### Adjustment of material misstatements

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9. *I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 1 – Basic Service Delivery and Infrastructure Development. As management subsequently corrected the misstatements,*

*I did not report any material findings on the usefulness and reliability of the reported performance information.”*

### 7. ANNUAL PERFORMANCE INFORMATION

The Annual Performance Report must be presented to the Auditor-General for auditing together with the Annual Financial Statements on 31 August 2019.

The following are reported on:

- ↗ IDP and Capital Projects
- ↗ Operational and Compliance Indicators
- ↗ Outcome 9 Indicators of National Government
- ↗ National Key Performance Indicators

The Annual Performance Report for the 2018/19 financial year reflects the performance of the municipality and directorates in a table format, measured on the approved KPI's and targets, as contained the IDP and SDBIP. The respective directorates report the achievements, reasons for deviation and planned remedial action on a quarterly basis.

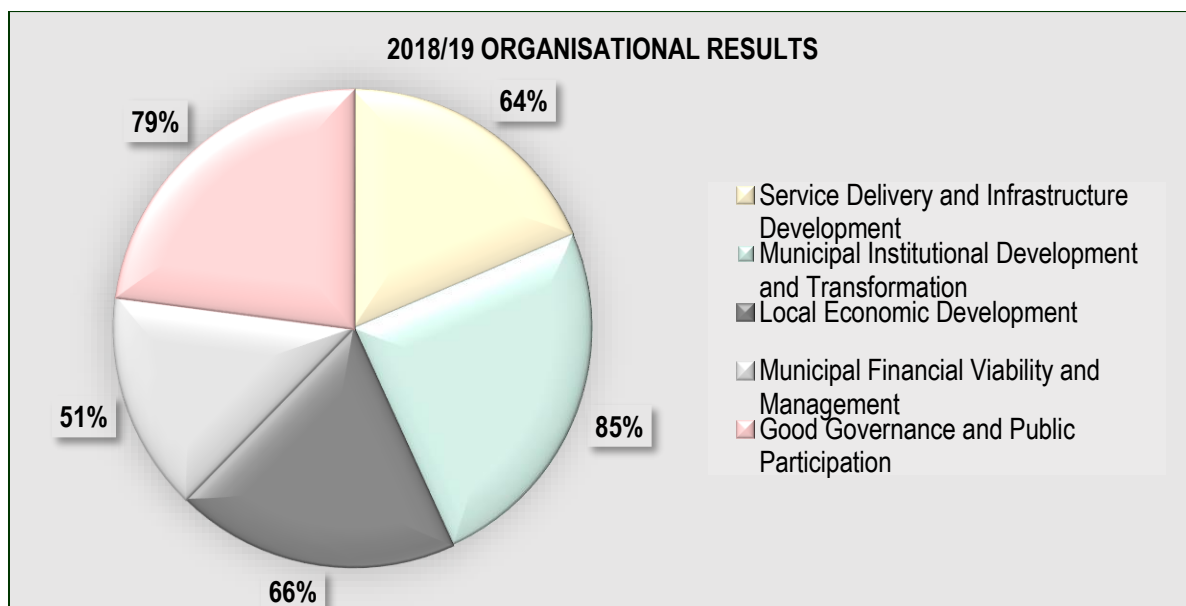
Data provided on the SDBIP is supported by relevant evidence captured and maintained by the directorate's proof of evidence files – (POE's).

#### 7.1 Organisational Performance Results

The table below encapsulates the summary of the municipality's 2018/19 performance results with regard to each of the development priorities:

2018/19 ORGANISATIONAL RESULTS				
Key Performance Indicators	Total No of KPI's	Targets		Annual % Met
		Achieved	Not Achieved	
<i>Service Delivery and Infrastructure Development</i>	74	47	27	64%
<i>Municipal Institutional Development and Transformation</i>	34	29	6	85%
<i>Local Economic Development</i>	6	4	2	66%
<i>Municipal Financial Viability and Management</i>	37	19	18	51%
<i>Good Governance and Public Participation</i>	146	115	30	79%
<b>TOTAL</b>	<b>297</b>	<b>214</b>	<b>83</b>	<b>72%</b>

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2018/19 DIRECTORATE RESULTS				
Key Performance Indicators	Total No of KPI's	Targets		Annual % Met
		Achieved	Not Achieved	
Office of the Municipal Manager	43	33	10	77%
Directorate Technical and Infrastructure	65	44	21	68%
Directorate Budget and Treasury	52	30	22	58%
Directorate Corporate Support	38	30	8	79%
Directorate Community Development	34	31	3	91%
Directorate Public Safety	24	18	6	75%
Directorate Planning and Human Settlements	16	9	7	56%
Directorate Local Economic Development	25	19	6	76%
<b>TOTAL</b>	<b>297</b>	<b>214</b>	<b>83</b>	<b>72%</b>

The 2018/19 year's performance results reflect a 72% success rate caused by combined performance results of directorates in implementing the SDBIP.

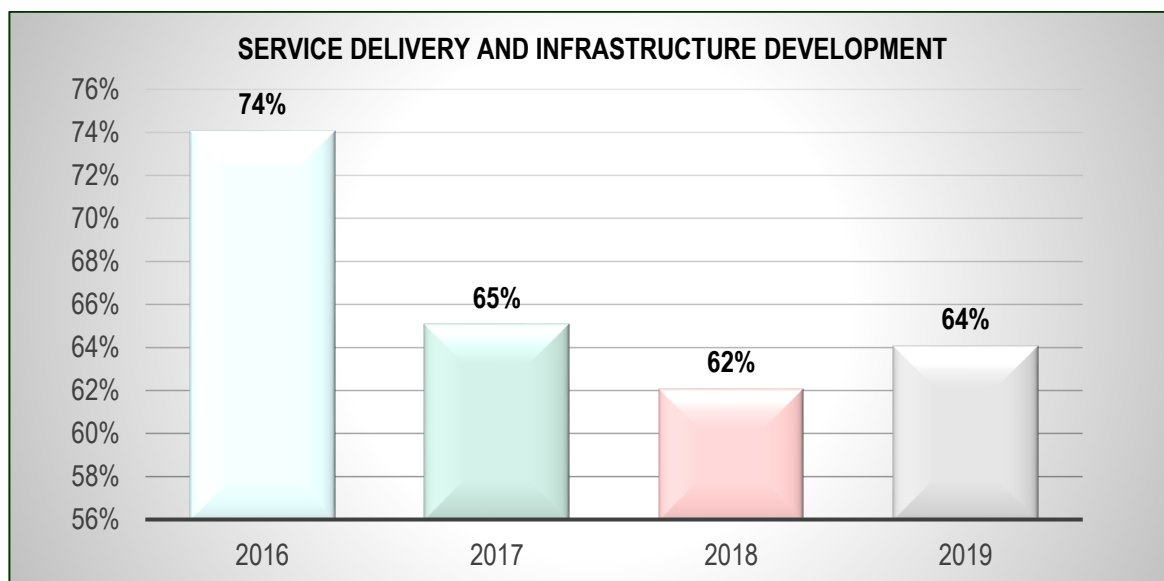
The 2018/19 SDBIP includes the performance comments and corrective measures indicated for targets not achieved.

The following achievements contribute to the overall 2018/19 annual performance of the City of Matlosana:

### **Basic Service Delivery and Infrastructure Development**

The core function of the municipality is to ensure sustainable services to the community, to improve access and thereby reducing backlogs. This component includes water; sanitation; roads; electricity; waste management; and housing services and free basic services.

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The Auditor-General has highlighted high water and electricity distribution losses. The following rectifying steps were taken to limit further losses:

- ↳ Strategy has been developed to reduce both technical and non-technical losses over the next 3 years;
- ↳ Support is required from the Municipality in terms of funding the activities planned;
- ↳ Record accurately the water production from all sources;
- ↳ Execute the Project Plan for Billing and Revenue Plan (in conjunction with CFO);
- ↳ Pressure Control;
- ↳ Replacement of old pipes and lines;
- ↳ Provision of equipment to maintenance teams;
- ↳ Metering of unmetered municipal consumption points;
- ↳ Replacing consumer stuck water meters;
- ↳ Servicing transformers and ring main units (RMU); and
- ↳ Carrying out schedule inspection on suspected inspections on suspected tempering and illegal connections

From the planned 20km of storm-water channels and 266 storm-water catch pits to be cleaned a total of 26.75km storm-water channels and 365 storm-water catch pits was achieved.

The table below indicated the percentage of households with the level of basic service delivery in the CoM area:

PROPORTION OF HOUSEHOLDS WITH BASIC SERVICE DELIVERY		
Basic Service Delivery	Hh with the minimum service level and above	Hh below minimum service level
Refuse Removal	94%	6%
Water	98%	2%
Sanitation	96%	4%
Electricity	95%	5%

Some of the civil and electrical projects that were completed during the financial year are as follows:



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- ✚ 1.043km Taxi route was paved and 1.043km of storm-water drainage completed in Tigane (Phase 8B) at M Angelo, N Nduma, P Kaseeme, A Lembede, M Luther, S Plaatjie, J Dube and Malolo streets) at a cost of R1 023 590;
- ✚ R397 923 was spent on 1.143 km taxi route paved and 1.143 km of storm-water drainage constructed in Khuma (Phase 8B) at Mguduza, Bafokeng and Masalele streets;
- ✚ 1,8 Km of Monare and Leopelwane street (density test of sub-base layer included) paved with 80mm DDZ interlocking paving blocks in Kanana (ward 20, 25 & 27) (Phase 8B) at a cost of R4 522 125;
- ✚ Two additional high masts lights were installed in Alabama (Wards 3 & 4) (Phase 2B) and Tigane (Ward 1 & 2) (Phase 4B) at a cost of R487 053;
- ✚ The concept and viability for the design of a New Youth Development Centre and SAFA Safe Hub in Jouberton was developed and approved at a cost of R 772 593;
- ✚ The concept and viability for the design of Municipal Service Centre, Park Development and Open Air Amphitheatre in Jouberton precinct was developed and approved at a cost of R691 036;
- ✚ The waste water treatment plant in Alabama /Jouberton (Ext 19) (Wards 5 & 11) upgraded and connected at an expenditure of R499 639;
- ✚ 5,5 km of 800mm diameter oPVC pipeline and 1.5 km of 630mm diameter oPVC pipeline and 18 valve chambers for water supply from Midvaal end point to Jouberton and Alabama (Phase 1A / B) (Wards 4,5,6) constructed at an expenditure of R58 888 368.

During the financial year, certain projects were hampered by issues of no responsive bidders, re-advertisement of tenders, delays due to community disruptions and unrests, poor performance of the contractors and revised programme of works due to budget constraints.

These non-performing projects are back on track and will be finalized in the 2019/20 financial year.

In order to promote fire safety, nine fire prevention information sessions were conducted in identified wards. Five fire safety campaigns for schools in the municipal area were also conducted. Due to the unavailability of fire vehicles during the financial year, only 889 general fire inspections out of the planned 900 general fire inspections could be achieved.

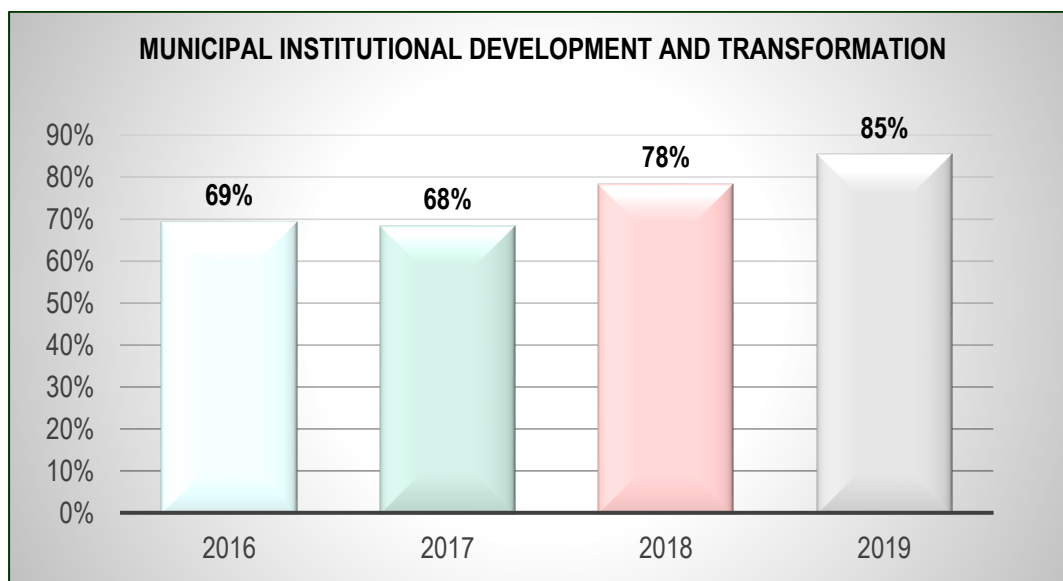
For road safety, 15 (K78) multi roadblocks with all law enforcement agencies in the Matlosana municipal area was successfully conducted, as well as 33 traffic and road safety campaigns at schools and crèches.

### **Municipal Institutional Development and Transformation**

Municipal Institutional Development and Transformation relates on how the institution is capacitated to exercise its duties. Skills development is implemented in accordance with the workplace skills plan, which assists in improving the capacity for staff to deliver services.



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To advance aviation facilities to the community / businesses and to comply with legislation the annual PC Pelser Airport license was renewed during the financial year and 12 inspections were carried out at PC Pelser Airport to ensure aviation safety.

For health promotion of our employees, eight health promotions were conducted and included programmes such as oral hygiene, kidney care, healthy life style, blood pressure and sugar tests. The Health services also ensured that the administration of the annual Compensation of Occupational and Injuries Deceases Act (COIDA) assessment process was completed by June 2019 in order to ensure compliance with the said Act.

Four risk assessments within Council departments on emerging risks was also conducted to ensure that inherent risks of Council are addressed effectively and timeously.

Communications compiled and distributed six internal and four external newsletters to Council officials and informed the broader community on issues relating to the municipality.

The rand value of the budget spent on the Workplace Skills Plan was under achieved by R2 174 982 due to delays in appointing Skills Service providers.

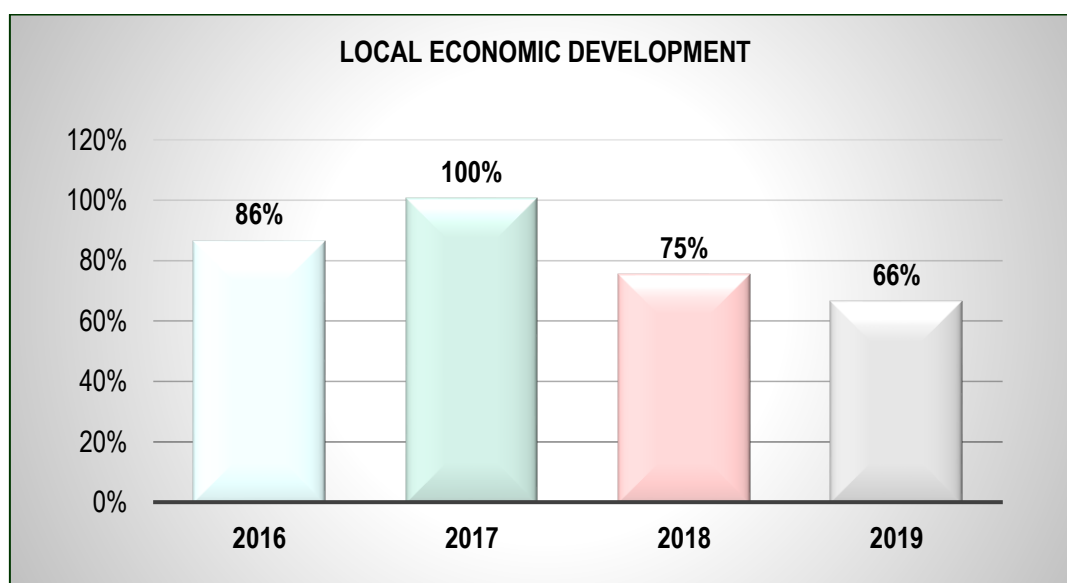
The target of 120 occupational health and safety inspections were conducted on council premise to ensure a safe working environment.

The 2019/20 Employment Equity Report and Workplace Skills Plan was submitted electronically to the Department of Labour and LGSETA within the required timeframes.

### **Local Economic Development**

Essentially the municipality aims to identify the competitive advantage of the municipal area and develop strategic initiatives to facilitate the optimisation of investment opportunities to promote sustainable economic growth and employment creation.

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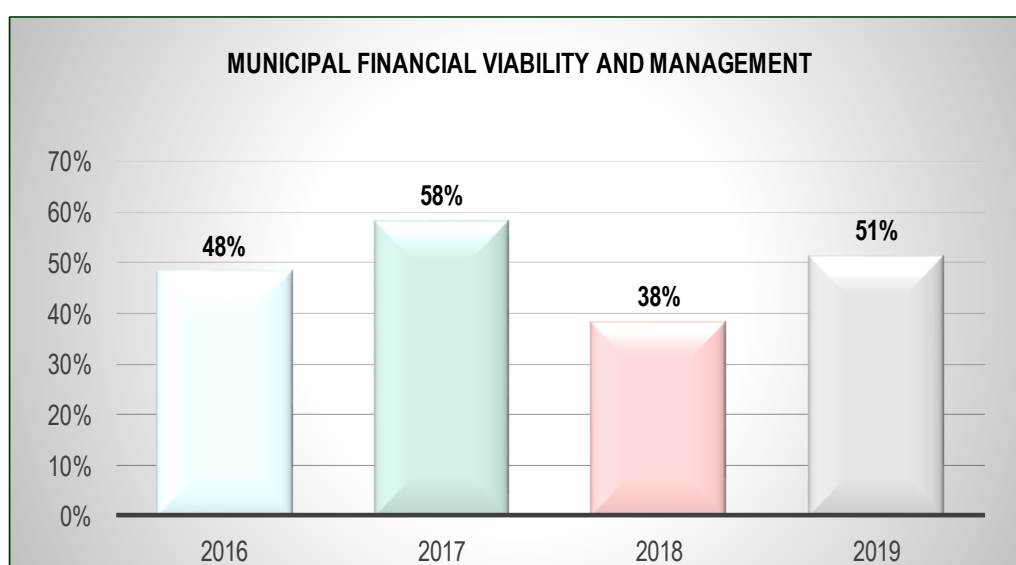


Because more MIG projects were implemented during the financial year 670 permanent jobs, which exceed 3 months, were created through the Municipality's local economic development initiatives including capital projects in urban areas. Job creation in rural areas were not so successful with only 17 permanent / sustainable jobs created which exceed 3 months through the Municipality's local economic development initiatives.

The Local Economic Development directorate manage to establish / resuscitated 4 co-operatives and 16 SMME's, which are functional.

### **Municipal Financial Viability and Management**

Municipal Financial Viability and Management focuses on the internal financial management processes. As such, this would focus on matters relating to budget development, supply chain management issues, asset management as well as income and expenditure management.



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The municipality is facing serious financial constraints, adding to the problems is the fact that the municipality's debtors book has significantly increased during the last 5 years, and as such a manageable progressive solution to address the problem is being sought.

A key area that have been identified in order to address the shortcomings is the billing of the consumers as the metering system of the municipality is not up to standard. A further key area is the collection of the arrears owed by debtors of the municipality, as this will prevent cash shortages for the funding of the Council's planned activities, which mainly consist of services delivery and maintenance.

At least R 88 381 075 or 74% of all MIG grants was spent that was allocated to the municipality for approved projects.

At the Licencing Division an amount of R12 459 642 was collected from Vehicle Registration and Licensing / renewals which is 20% on all vehicle income, minus 15% VAT and an amount of R758 628 was collected from Motor Vehicle Testing.

Collecting income from traffic fines was still a challenge this financial year but will improve with the appointment of a Fully Operational Traffic Management System with equipment. Due to the low income of traffic fines, efforts were concentrated on the execution of Warrants of Arrests to generate income and a total of R1 021 600 was collected.

The income collected from market commission for the financial year totaled R17 486 076 and are exceeding the projected target of R13 133 030. Certain areas of the market did not perform well, for example, the rental of carriages and spending on fresh produce market programmes.

Collecting income from building plan applications also did not perform adequately with a drop in revenue for Council due to the poor economic situation and only R707 108 against the set target of R730 000.

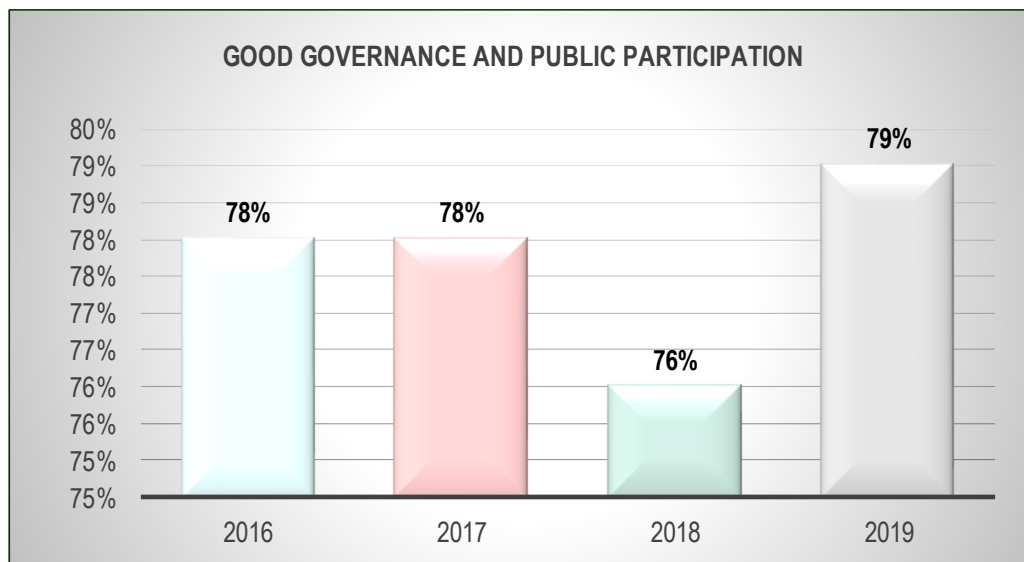
The 2019/20 final budget and budget related policies were approved by Council in terms of CC 47/2019 dated 31/05/2019. Twelve section 71 reports have been submitted to the National Treasury database to comply with MFMA legislation.

The 2017/18 asset register was 100% reconciled to the financial statements during August 2018 and the 2018/19 asset count was completed and a report submitted to municipal manager at the end of June 2019

## **Good Governance and Public Participation**

Good Governance focuses on the good governance matters such as public participation, performance management, and the effectiveness of oversight structures, internal audit matters, risk management and communications

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A Community Safety Forum (CSF) was launched on 28 September 2018 for the City of Matlosana and two safety campaigns were arranged during the financial year to promote community safety.

The municipality excelled in the area of library awareness amongst adults, learners and youth in the city 159 awareness campaigns were presented with great success and the Museum presented 104 educational programs to learners and adults to expand their knowledge of SA history and cultural heritage in general focusing on the Matlosana area.

For the promotion of sport, eight sport events were co-ordinated with the various sport clubs in the city and included inter alia the Easter Soccer Tournament, boxing championship, annual mayoral youth games and the 8<sup>th</sup> Matlosana Karate Tournament.

IDP and budget road shows ward committee, stakeholder liaison and council meetings were successfully scheduled and convened in accordance with Council's Standing Rules of Order to ensure ongoing community involvement in municipal decision-making. A total of 19 Council meetings and 17 Mayoral Committee meetings were conducted.

Council's contract management system was effectively managed and the relevant departments informed within 3 months of the expiry of contracts. This ensured proper control and record keeping of contracts.

Unfortunately, Legal service could only manage to finalise 96% (78 SLA's received and drafted / 75 signed) of all tenders / projects document received from SCM.

To comply with section 121 of the MFMA the 2017/18 Audited Annual Report was tabled in Council on 30 January 2019. The Oversight Report dealing with the 2017/18 Annual Report was also tabled in Council on 30 March 2019 in Council.

Senior Managers signed their 2019/20 Performance Agreements on 24 - 26 June 2019 and copies was submitted to Province, Provincial and National Treasury.

Council resolutions implemented against the number of decisions taken by Council are 82.5%.

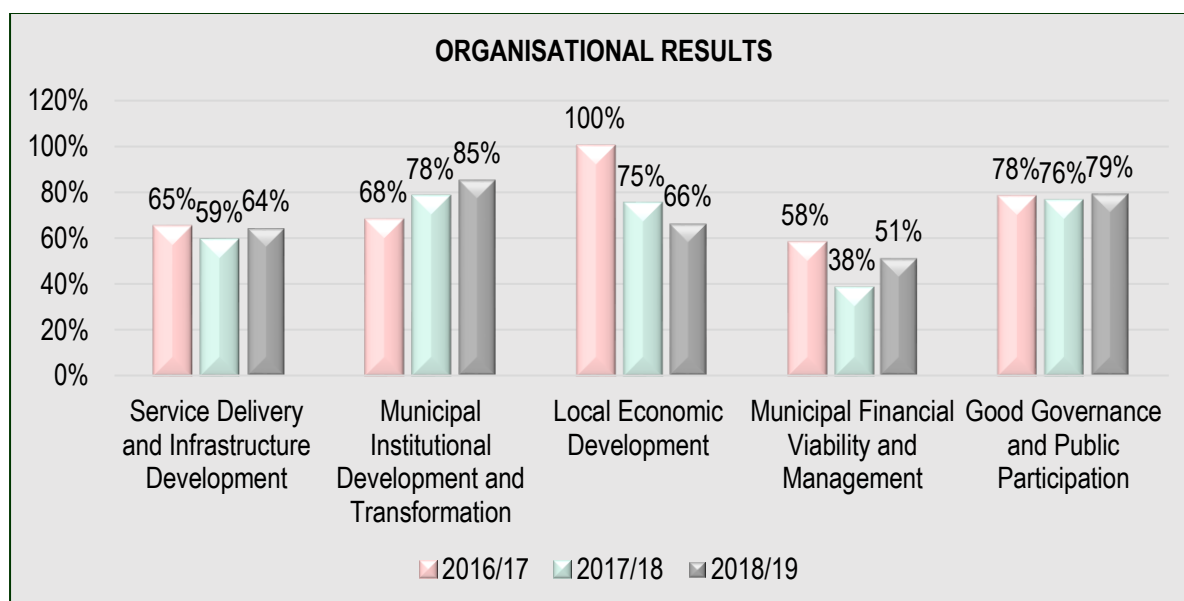
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## 7.2 Four Year Comparison on Organisational Performance Results

The annual performance comparison for the last four financial years can be seen in the table below:

ORGANISATIONAL RESULTS				
	2015/16	2016/17	2017/18	2018/19
<b>Annual Overall Performance</b>	<b>70%</b>	<b>71%</b>	<b>67%</b>	<b>72%</b>
<b>Key Performance Areas</b>				
<i>Service Delivery and Infrastructure Development</i>	74%	65%	59%	64%
<i>Municipal Institutional Development and Transformation</i>	69%	68%	78%	85%
<i>Local Economic Development</i>	86%	100%	75%	66%
<i>Municipal Financial Viability and Management</i>	48%	58%	38%	51%
<i>Good Governance and Public Participation</i>	78%	78%	76%	79%

The 2018/19 percentage is 5% higher (72%) compared to 67% achieved during the 2017/18 financial period.



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## 8. CONCLUSION AND APPROVAL OF BY THE MUNICIPAL MANAGER

During the 2018/19 financial year, the overall performance results currently reflect a 72% success rate caused by mixed performance results of departments in implementing the SDBIP. The 2018/19 percentage is 5% higher compared to 2017/18 financial period.

The municipality will continue improving on its performance management system, particularly, in the application of the SMART principle. Challenges still exist on accurate and timeously performance information as well as reporting meaningful deviations and remedial actions for all the targets not met on a quarterly basis.

The continuous support rendered by Performance Management to the various directorates quarterly, will improve the organisational culture towards performance management to eliminate the hindrances to proper planning and to enhance accurate and credible monitoring and reporting on performance.



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

**T.S.R. NHKUMISE**  
**MUNICIPAL MANAGER**

Date: 13 September 2019

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### 9. CONCLUSION AND APPROVAL OF BY THE CHAIRPERSON OF THE AUDIT COMMITTEE

The Audit Committee reports that it has complied with its responsibilities arising from Section 166 of the Municipal Finance Management Act and Circular 65 issued by National Treasury. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter 2018/2019, and it has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

AC wishes to acknowledge the commitment from Council, Municipal Manager, Management and Staff of the Municipality. We would also like to thank the Speaker and Executive Mayor for their support, Councillors, Senior Management for their efforts and Internal Audit for their contributions towards good governance of the municipality.



**MS M.G.MATHYE (IAT)(PIA)**  
**CHAIRPERSON: AUDIT COMMITTEE**

Date: 13 September 2019



# 10

## IDP and Council Projects



(Grant & Council Funded)





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DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: PROJECT MANAGEMENT UNIT									
IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve water supply from Midvaal end point to Jouberton and Alabama to increase the water supply capacity to the community					
PMU1	Water supply from Midvaal end point to Jouberton and Alabama constructed	Contractor appointed and site establishment completed R14 705 738	2.5 km of 800-diameter pipe laid. Project completed R59 769 461	Constructing one 5,0 km of 800mm diameter oPVC pipeline and 1.5 km of 630mm diameter oPVC pipeline and 18 valve chambers for water supply from Midvaal end point to Jouberton and Alabama (Phase 1A / B) ( Wards 4,5,6) by June 2019 R80 831 013	One 5,0 km of 800mm diameter oPVC pipeline and 1.5 km of 630mm diameter oPVC pipeline and 18 valve chambers for water supply from Midvaal end point to Jouberton and Alabama (Phase 1A / B) completed R58 888 368		-	-	R17 615 333
NR	INDICATOR	MEASURABLE OBJECTIVE :		To install and upgrade the sewer network in Khuma Proper (North East) to maintain the current infrastructure					
PMU2	Number of km sewer network installed and upgraded	2.2 Km of excavations and pipe installations. 11.032 km of 110 mm diameter pipeline installed. 120 Manholes completed. 14km backfilled. House connections completed R6 837 189	12.275km uPVC sewer network lines; 3.475km of 110mm diameter house connections, 252 manholes. R6 342 635	Installing a 5,353km (160mm diameter) uPVC sewer network lines; 409 house connections, 370 manholes and upgrading of one existing tralie pump station for the sewer network in Khuma Proper (North East) (Wards 34 & 35) by March 2019 R10 601 985	5,383 Km (160mm diameter) uPVC sewer network lines; 143 manholes for the sewer network in Khuma Proper (North East) (Wards 34 & 35) installed R8 821 978		Local labourer's strikes and community disruptions are delaying progress. Contractor's poor performance	Project to be completed by 22 August 2019 based on the revised schedule. Contractor is on penalties for late completion.	Possible Roll-Over



# Chapter 3

DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: PROJECT MANAGEMENT UNIT									
IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve bulk water supply in Alabama / Manzilpark (Phase 3B) to ensure basic water services to the community					
PMU3	Bulk water supply improved with a water pressure tower constructed for Alabama / Manzilpark (Phase 3B)	Site established, excavations and foundations completed R6 639 203	Up to shaft 23 completed R7 075 859	Constructing a 29 shaft lift in preparation of one bulk water 2 Ml pressure tower in Alabama / Manzilpark (Phase 3B) (Wards 3,4,5 & 8) by June 2019 R17 476 603	28th shaft lift and bowl lift 6, as well as the form work for the roof slab (re-enforcing steel and shuttering) is completed R8 118 194		Delays due to community and labour disruptions and unrests. Poor performance of the contractor also affected achievement of target.	The disruptions and unrests have been resolved and the contractor has committed to complete the works by 31 August 2019. The contractor is on penalties for late completion of the project. Casting is scheduled for 9 July 2019.	R8 440 723 and Possible Roll-Over
NR	INDICATOR	MEASURABLE OBJECTIVE :		To upgrade the sewer outfall line in order to handle the load during pick hours and the discharge from Jouberton and surrounding areas before the effluent is discharged and treated at the Klerksdorp Treatment Plant.					
PMU4	Sewer outfall line in Alabama /Jouberton (Ext 19) upgraded	Technical report submitted to DWS and project approval and recommendation letter received. The project was advertised. The project was advertised for the procurement of the contractor R216 540	Excavation, laying and back filling of 0.4km of 600 mm diameter uPVC pipeline, construction of 4 x 1 000 mm concrete manholes, nine 1 250mm manholes and connection to the wastewater treatment plant. R 2 826 682	Upgrading and connection to the waste water treatment plant in Alabama /Jouberton (Ext 19) (Wards 5 & 11) by March 2019 R 540 509	The waste water treatment plant in Alabama /Jouberton (Ext 19) (Wards 5 & 11) upgraded and connected R 499 639		-	-	N/A



# Chapter 3

DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: PROJECT MANAGEMENT UNIT									
IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve accessibility and mobility and control and direct the flow of storm-water and prevent road erosion					
PMU5	Km of Tigane taxi route paved and km of storm-water drainage constructed (Phase 8B)	Paving of 1.8km taxi route and constructing 1.8km of storm-water drainage achieved R5 439 268	Site establishment, clear and grub and locating existing services. Construction of 1.043km of roadbed, sub base and base. R2 459 903	Paving of 1.03km taxi route and constructing 1.03km of storm-water drainage in Tigane (Phase 8B) at M Angelo, N Nduma, P Kaseeme, A Lembede, M Luther, S Plaatjie, J Dube and Malolo streets by June 2019 R1 177 128	1.043 km Taxi route paved and 1.043 km of storm-water drainage at M Angelo, N Nduma, P Kaseeme, A Lembede, M Luther, S Plaatjie, J Dube and Malolo streets constructed R1 023 590		-	-	R15 837 356
PMU6	Km of Khuma taxi route paved and km of storm-water drainage constructed (Phase 8B)	2.1 km taxi route and constructing 2.1 km of storm-water drainage completed R 7 451 326	Site establishment, clear and grub and locating existing services. Construction of 1.144km of road bed, sub-base, base R 2 357 904	Paving of 1.191 km taxi route and constructing 1.191 km of storm-water drainage in Khuma (Phase 8B) at Mguduza, Bafokeng and Masalele streets by June 2019 R457 612	1.143 km taxi route paved and 1.143 km of storm-water drainage at Mguduza, Bafokeng and Masalele streets constructed R397 923		-	-	N/A



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DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: PROJECT MANAGEMENT UNIT									
IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To construct a new sports complex in Khuma Township					
PMU7	Number of new Sports Complex in Khuma constructed	Project location changed. Designs finalized for previous project location. New designs are finalised. Advertisement for contractor not finalised R2 889 474	Appointment of the contractor and site establishment Clear and grub - completed. Relocating services - 60%. Earthwork platforms 65% and foundations 15% completed. Storm water - 65% completed. R 3 180 092	Constructing a Guard House, perimeter fence, sport / athletic track field layer works and storm-water drainage at the Khuma Sports Complex according to the implementation plan by June 2019 R3 403 187	Excavation of 414m³, 3 195m³ of earthworks platforms completed, 320 m of palisade fencing poles planted and 310m of fence erected, Bedding of 98,97m³, 227m of pipe laying and 99m³ of back filling for storm-water drainage completed. Contract terminated R2 618 736		Poor performance of the contractor led to the termination of the contract	The consultant was instructed to commence with the tender document to procure the new contractor. Project to be re-advertised in 2019/20 financial year	R15 000 000 and Possible Roll-Over
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve accessibility and mobility for road users					
PMU8	Km of Kanana taxi route paved (Phase 8B)	Close out report submitted R223 868	Constructed 1.798 km of roadbed and subbase R3 248 732	Paving of 1,8 Km of Monare and Leopelwane street (density test of sub-base layer included) with 80mm DDZ interlocking paving blocks in Kanana (ward 20, 25 & 27) (Phase 8B) by June 2019 R5 236 032	1,8 Km of Monare and Leopelwane street (density test of sub-base layer included) paved with 80mm DDZ interlocking paving blocks R4 522 125		-	-	N/A



# Chapter 3

DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: PROJECT MANAGEMENT UNIT									
IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve accessibility and mobility and control and direct the flow of storm-water and prevent road erosion					
PMU9	Km of Jouberton taxi route paved and km of storm-water drainage constructed (Phase 8)	New project	New project	Construction of 2,93 km paved road (1.75km of Lebaleng road and 1,18 km of Mpiseka road) and 2.751 km sub surface storm-water drainage system in Jouberton Ext 24 (Phase 8)(Ward 12 ) by June 2019 R7 098 802	Construction of 1.16 km sub layer and 1.1 km of storm-water drainage completed. 0.26 Km of kerbing and 0.228 km of edge beams installed R4 787 515		Poor performance of the contractor	Contractor submitted catch plan and committed to complete the project by 28 August 2019 as per the revised programme. The penalties are being applied for late completion of the project.	R7 000 000 and Possible Roll-Over
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide internal infrastructure services for the proposed Jouberton / Alabama precinct development to improve the social and economic environment					
PMU10	Number of Jouberton / Alabama precinct internal services infrastructure plans developed and constructed	New project	Detailed designs submitted and approved. Site establishment. Project completed as per scope R 1 018 925	Construction of 4 internal services infrastructure plans (1,85 km internal services – roads and storm-water drainage, water reticulation, sewer network and street lighting) for the proposed Jouberton / Alabama precinct development by June 2019 R4 272 372	Construction of 353 m of 600 mm diameter storm-water drainage installed, 670 m of road bed for Masianoke street completed R3 352 744		Delays due to community disruptions and unrests. There was budget constraint hence the contractor could not put adequate resources. The additional funds were received late in the financial year	Continuous engagement with the community through the office of the Municipal Manager, Speaker's Office and Ward Councillors to address community concerns as and when they arise.	R12 874 379 and Possible Roll-Over

# Chapter 3




DIRECTORATE: TECHNICAL AND INFRASTRUCTURE										
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT										
SECTION: PROJECT MANAGEMENT UNIT										
IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year	
		2016/17	2017/18	Annual Target	Actual Performance					
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide bulk services for the proposed Jouberton / Alabama precinct development to improve the social and economic environment						
PMU11	Number of Jouberton / Alabama Precinct Bulk Services (1 x 2Mℓ pressure tower, 1 x switching station and km of cables) constructed	New project	Detailed designs submitted and approved. Site establishment. Project completed as per scope R 6 923 430	Installation of 6 km 11 KV underground electrical cable from the Manzilpark (1) substation to the precinct electrical switching substation in Jouberton Supply and laying of 765m of 355mm diameter uPVC pipe and construction lift shafts 1 - 14 of one2 Mℓ pressure tower (new bulk service) for the proposed Jouberton / Alabama precinct development (wards 3, 4, 5 & 37) by June 2019 R52 726 879	Supply and laying of 765m of 355mm diameter uPVC pipe, casting of footing and lift 1 to 7 of a 2Mℓ pressure tower completed R31 126 793		Delays due to community disruptions and unrests. The footings was flooded and the Contractor had to redo the work. There was budget constraint hence the contractor could not put adequate resources	Continuous engagements with stakeholders, especially the affected community to resolve issues. Extension of time was granted to the contractor due the flooding and contractor was advised to expedite progress to meet the set target. Additional funds were received late in the financial year	R36 425 278 and Possible Roll-Over	
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce electricity losses associated with municipal own consumption						
PMU13	Number of retrofit street lighting with LED lights	New project	New project	Retrofitting 1 555 conventional street lights with LED lights by June 2019 R7 000 000	The project was re-advertised and the service provider is not yet appointed. R91 043 (Advertisement cost)		Project was re-advertised due to non-responsiveness of bidders	Requested the municipal manager to assist to expedite procurement processes for future projects	R6 908 763 and Possible Roll-Over	

# Chapter 3

DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: PROJECT MANAGEMENT UNIT									
IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To refurbish the waste water treatment plants to comply with effluent sewer standards					
PMU12	Number of units at the Klerksdorp Waste Water Treatment Plant refurbished	New project	New project	Refurbishing of inlet works, primary settling tanks, aeration basin, clarifiers, dislodge pump-station, chlorination equipment of the Klerksdorp Waste Water Treatment Plant according to programme by June 2019 R17 000 000	Inlet works, primary settling tanks, aeration basin, clarifiers, dislodge pump-station, chlorination equipment refurbished R14 782 609		-	-	N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :		To replace obsolete high mast lights to enhance a safe social economic environment					
PMU14	Number of Khuma high mast lights (Phase 1) replaced	Erection of steel structures completed. 8 High mast light installed - electrical reticulation and commission R1 534 304	-	Replacing 5 obsolete high mast lights in Khuma Proper (Wards 31, 34 & 39) (Phase 1) by June 2019 R1 500 000	Service Provider appointed on 30 April 2019. Site handover and establishment completed R57 500		Delayed appointment of a service provider due to re-advertisement of tender.	Requested the municipal manager to assist to expedite procurement processes for future projects. Requested the contractor to put additional resources in place to fast track the progress	R1 920 000 and Possible Roll-Over





# Chapter 3




DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: PROJECT MANAGEMENT UNIT									
IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To replace obsolete high mast lights to enhance a safe social economic environment					
PMU15	Number of Kanana High Mast Lights (Phase 1) replaced	16 High mast light installed - electrical reticulation and commission R3 433 166	-	Replacing 8 obsolete high mast lights in Kanana (Wards 23 - 27)(Phase 1) by June 2019 R2 400 000	Service Provider appointed on 30 April 2019. Site handover and establishment completed R185 000		Delayed appointment of a service provider due to re-advertisement of tender.	Requested the municipal manager to assist to expedite procurement processes for future projects. Requested the contractor to put additional resources in place to fast track the progress	R2 400 000 and Possible Roll-Over
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce electricity losses associated with municipal own consumption and improve revenue					
PMU18	Number of capacitor bank at the munic substation in Klerksdorp replaced	New project	New project	Replacing 1 capacitor bank at the munic substation in Klerksdorp by June 2019 R1 000 000	No service provider appointed yet R0		The delay in finalisation of specifications and resulted in the delay with the appointment of service provider	Engaged with the MM to finalise the deviation request in order to appoint the contractor through section 32	Possible Roll-Over
NR	INDICATOR	MEASURABLE OBJECTIVE :		To install high mast lights at hot spot areas in Jouberton (Phase 2) to better service delivery					
PMU19	Number of high mast lights installed at hot spot areas in Jouberton (Phase 2)	4 High mast light installed - electrical reticulation and commissioned R874 919	12 High mast light installed - electrical reticulation and commission. R 2 781 302	Installing 1 high mast light at hot spot areas in Jouberton (Phase 2) (as per programme) by June 2019 R401 503	1 high mast light at hot spot areas installed - electrical reticulation and commission R175 624				N/A






# Chapter 3

DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: PROJECT MANAGEMENT UNIT									
IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To construct a loop-in-loop-out new 88 kV medium voltage line, primary and secondary plant at Alabama (Matlosana) substation (Phase 3) to maintain the current infrastructure and to cater for the increased electricity supply demand					
PMU16	Number of loop-in-loop-out new 88 kV medium voltage line, primary and secondary plant at Alabama (Matlosana) substation (Phase 3) constructed	Contractor appointed. Site construction 90 % completed Substation 30 % completed R 4 186 798	4 Steel base structures constructed. R14 513 255	Constructing 2km loop-in-loop-out new 88 kV medium voltage line, primary and secondary plant at Alabama (Matlosana) substation (Phase 3) by June 2019 R22 000 000	Contractor not appointed yet. Tender has been re-advertised for the third time and closed on 28 June 2019 R10 613 148		Tender advertised three times with no responsive bidders	Tender has been advertised three times and the last one closed on 28 June 2019	R9 200 000 and Possible Roll-Over
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce electricity losses associated with municipal own consumption and improve revenue					
PMU17	Number of anti-tampering of pillar boxes supplied	New project	New project	Supplying and installing of 65 anti-tampering pillar boxes by June 2019 R2 000 000	No service provider appointed yet R0		The delay in finalisation of specifications and resulted in the delay of the appointment of the service provider. The tender was advertised on 08 February 2019 with the closing date 22 February 2019	Memo submitted to finance on 06 May 2019 to fast track the finalisation of appointment of service provider	R2 000 000 and Possible Roll-Over



# Chapter 3

DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: PROJECT MANAGEMENT UNIT									
IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To install high mast lights in Alabama (Phase 2B) and Tigane (Phase 4B) to better service delivery					
PMU20	Number of high mast lights installed at Alabama (Phase 2B) & Tigane (Phase 4B)	16 High mast lights installed - electrical reticulation and commission R3 433 166	6 High mast lights installed - electrical reticulation and commission. R 1 245 725	Installing 2 additional high masts lights in Alabama (Wards 3 & 4) (Phase 2B) and Tigane (Ward 1 & 2) (Phase 4B) by March 2019 R685 084	2 Additional high masts lights installed - electrical reticulation and commission R487 053		-	-	N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :		To construct a taxi facility for the community to ensure accessibility in Jouberton ext. 19					
PMU21	Number of Jouberton Taxi Ranks designed	New project	New project	Finalising the designs for the construction of one taxi rank Jouberton by June 2019 R393 347	Preliminary Design Report approved R0		The consultant has not submitted detail design report due to the unresolved fees issues	The report has been submitted to Council for review	R10 700 342 and Possible Roll-Over
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the social and economic environment of the community of Jouberton					
PMU22	Number of Youth Development Centre concepts developed and designed	New project	New project	Developing and approving the concept and viability for the design of New Youth Development Centre and SAFA Safe Hub in Jouberton Precinct by June 2019 R 2 136 353	The concept and viability for the design for a New Youth Development Centre and SAFA Safe Hub in Jouberton precinct developed and approved R772 593		-	-	N/A

# Chapter 3

DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: PROJECT MANAGEMENT UNIT									
IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the social and economic environment of the community of Jouberton					
PMU23	Number of Municipal Service Centre concepts developed and designed	New project	New project	Developing and approving the concept and viability for the design of Municipal Service Centre in Jouberton Precinct by June 2019 R2 136 353	The concept and viability for the design for a Municipal Service Centre in Jouberton precinct developed and approved R1 837 738		-	-	N/A
PMU24	Number of Park Development concepts developed and designed	New project	New project	Developing and approving the concept and viability for the design of Park Development in Jouberton Precinct by June 2019 R214 114	The concept and viability for the design for a Park Development in Jouberton precinct developed and approved R172 088		-	-	N/A
PMU25	Number of Open Air Amphitheatre concepts developed and designed	New project	New project	Developing and approving the concept and viability for the design of Open Air Amphitheatre in Jouberton Precinct by June 2019 R607 001	The concept and viability for the design for an Open Air Amphitheatre in Jouberton precinct developed and approved R518 948		-	-	N/A




# Chapter 3

DIRECTORATE: COMMUNITY DEVELOPMENT									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: LIBRARY SERVICES									
IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To address shortcomings by improve library services and maintenance					
LIB1	Shortcomings at various libraries improved according to the approved project business plan	Various repairs, purchases and projects e.g. Stationery, Awareness projects, etc. R351 307	The grant was utilized for improvements for various library equipment, stationary, awareness and repairs R397 550	Improving library services in terms of operational and capital activities at all 12 libraries according to the approved project business plan by June 2019 R218 752	Reparations on furniture and equipment. Purchases of furniture, equipment, stationery and magnetic book stripes. Conducting awareness projects and training All done according to approved project business plan R150 727		-	-	R216 000
LIB2	Supplementary improvements of library services done	Jouberton library renovated - see business plan R645 844	The grant was utilized for improvements for various library equipment, stationary, awareness and repairs R 793 861	Improving shortcoming at various libraries according to the approved project business plan by June 2019 R500 000	CCTV cameras installed at Khuma, Manzilpark and Jouberton Libraries. Installation of floor covering for Klerksdorp Library and the purchases of furniture and equipment for all 12 libraries. All done according to approved project business plan R358 158		-	-	R564 000




# 11

## Operational & Compliance Indicators





# Chapter 3

DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: MUNICIPAL MANAGER									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		MIG (NDPG, EEDSM & DME included) funding spent to ensure the upgrading and maintenance of infrastructure in the KOSH					
MM1	Rand value spent on MIG grants (NDPG, EEDSM & DME included) allocated for the City of Matlosana spent	R83 195 915 spent	91% R177 899 965 spent	Spending at least 75% of MIG grants (NDPG, WMIG, EEDSM; DME & roll-overs included) allocated to the City of Matlosana by June 2019 R194 033 187	79% R153 850 949 spent		-	-	90% of R216 864 745 spent
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: MUNICIPAL MANAGER									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
MM10	Number of LLF meetings attended	New indicator	8 LLF meetings attended	Attending 12 LLF meetings by June 2019	11 LLF meetings attended		Could not attend one meeting due to organizational commitments	Ensure to appoint an acting person to attend on the municipal manager's behalf	11 LLF meetings attended
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct risk assessments on strategic and operational risks to ensure good governance and to comply with legislation					
RIS2	Number of Risk Assessment conducted on strategic and operational risks	4 Risk Assessments conducted	4 Operational risk assessments conducted	Conducting 4 risk assessments with Council departments on emerging risks by June 2019	4 Risk Assessments conducted		-	-	4 Risk Assessments conducted

# Chapter 3




DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: MUNICIPAL MANAGER									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure good governance by executing the mandate of council					
MM4	Percentage of resolutions implemented within required timeframe	New indicator	98% 44 Received / 43 implemented	Implementing at least 85% of the office's MM / EM / MayCo / Council resolutions by June 2019	100% 54 Received / 54 implemented		-	-	87% Implemented
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce risk areas and protect the municipality against legal actions					
MM5	Percentage of all identified high / maximum / extreme risks mitigated by implementing corrective measures	New indicator	0% 1 High risks received / 0 Mitigated	Mitigating at least 80% of the office's identified high / maximum / extreme risks by implementing corrective measures by June 2019	33% 3 High risks received / 1 Mitigated		PMU changes the projects without consulting the IDP and without public participation. NT has not conducted quality assurance yet. Top management has not consistently discussed Occupational Health and Safety, as most meetings were special meetings.	PMU to consult with IDP and community when changes were made. ACAE to make follow up to ensure that quality assurance. Council must comply with the standing schedule of top management irrespective of the number of special meeting.	50% Mitigated
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure the that the quality of the information is on an acceptable standard					
MM6	Office of the MM's 2017/18 Annual Report input provided before its tabled	New indicator	Credible 2016/17 Annual Report input provided	Providing the office's 2017/18 Annual Report input before the draft annual report is tabled by October 2018	Credible 2017/18 Annual Report input provided		-	-	Credible 2018/19 Annual Report input provided

# Chapter 3




DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: MUNICIPAL MANAGER									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the programmes and projects of the directorate are incorporated					
MM7	Office of the MM's IDP inputs provided before the 2019/20 IDP is tabled	New indicator	Credible 2018/19 IDP inputs provided	Providing the office's IDP inputs before the 2019/20 IDP is tabled by 31 May 2019	Credible 2019/20 IDP inputs provided		-	-	Credible 2020/21 IDP inputs provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the all the directorates KPI's are catered for					
MM8	Office of the MM's SDBIP inputs before the draft 2019/20 SDBIP is tabled	New indicator	Credible 2018/19 SDBIP inputs provided	Providing the office's SDBIP inputs before the draft 2019/20 SDBIP is submitted by 31 May 2019	Credible 2019/20 SDBIP inputs provided		-	-	Credible 2020/21 SDBIP inputs provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MFMA)					
MM9	Percentage of SLA / lease agreements which are commented on in terms of all allocated contracts, as received from legal section	New indicator	100% No SLA's received for comments	Ensuring that 100% of SLA / lease agreements received director's comments within 3 working days of receipt in terms of all allocated contracts as received from the legal section by June 2019	100% No SLA's received for comments		-	-	100% Commented within 3 working days
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the audit outcome from the AG					
MM12	Number of Audit Steering Committee meetings conducted	New indicator	6 Audit Steering Committee meetings conducted	Conducting 12 Audit Steering Committee meetings (directors) to improve the audit outcome by June 2019	15 Audit Steering Committee meetings conducted		More meetings were arranged, because the municipality worked towards an unqualified audit opinion		N/A







# Chapter 3

DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: MUNICIPAL MANAGER									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the mandate of Audit Committee is executed					
MM11	Percentage of the Audit Committee resolutions implemented within required timeframe	New indicator	20% 5 Received / 1 Implemented	Implementing at least 90% of all the office's Audit Committee resolutions by June 2019	73% 15 Received / 11 Implemented		Ethics training for IA not arranged yet. Feedback on investigations not finalized yet. Compliance management policy not done	Ethics training for IA arranged for 29 - 30 August 2019. Feedback on investigations to be submitted in August 2019. Compliance management policy to be done as soon as possible	90% Implemented
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the internal control environment					
MM13	Number of Internal Audit recommendations implemented	New indicator	New indicator	Implementing at least 80% of the directorates Internal Audit recommendations by June 2019	29% 7 Received / 2 Mitigated		Contract Register not reconciled, updated or reviewed. Assessments of SLA's not in place	Contract Register to be corrected. Assessments of SLA's to be done in the next financial year	N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the set goals of council are achieved					
MM14	Number of SDBIP meetings with senior personnel in own directorate conducted	New indicator	0 SDBIP meetings conducted	Conducting 12 SDBIP meetings between MM and directors (leading to quarterly performance assessments) by June 2019	1 SDBIP meeting conducted		SDBIP was discussed during top management meetings but not minuted	To ensure it is a standing item on top management meetings and minuted	12 SDBIP meetings conducted




# Chapter 3

DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: PERFORMANCE MANAGEMENT									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the 2017/18 Annual Performance Report (Unaudited Annual Report) to comply with section 46 of the MSA					
PMS1	Number of 2017/18 Annual Performance Reports (Unaudited Annual Report) approved by Municipal Manager	2015/16 Annual Performance Report approved by Municipal Manager on 29 August 2016 MM 234/2016	2016/17 Annual Performance Report (Unaudited Annual Report) approved by the MM – 31/08/2017. CC153/2017 dated 26/09/2017	Approving one 2017/18 Annual Performance Report (Unaudited Annual Report) by Municipal Manager by August 2018	2017/18 Annual Performance Report (Unaudited Annual Report) approved by Municipal Manager on 28 August 2018		-	-	2019/20 Annual Performance Report approved by Municipal Manager
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the 2017/18 Annual Performance Report (Unaudited Annual Report) to comply with section 121 and Circular 63 of MFMA					
PMS2	Number of 2017/18 Annual Performance Report (Unaudited Annual Report) tabled before Council	2015/16 Annual Performance Report (Draft / Unaudited Annual Report) tabled - CC 60/2016 date 30/08/2016	2016/17 Annual Performance Report (Unaudited Annual Report) tabled - CC154/2017 dated 26/09/2017	Tabling one 2017/18 Annual Performance Report (Unaudited Annual Report) before Council by 30 September 2018	2017/18 Annual Performance Report (Unaudited Annual Report) tabled - CC100/2018 dated 28 August 2018		-	-	Draft 2019/20 Annual Performance Report tabled in Council
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the 2018/19 Mid-Year Assessment Report to comply with section 72 of the MFMA					
PMS4	Number of 2018/19 Mid-Year Assessment Report approved by the Executive Mayor	2016/17 Mid-Year Assessment Report approved. EM 02/2017 dated 23/01/2017 C16/2017 dated 31/01/2017	2017/18 Mid-Year Assessment Report approved. MM 6/2018 dated 22/01/2018 Executive Mayor on 26/01/2018	Approving one 2018/19 Mid-Year Assessment Report by the Executive Mayor by 23 January 2019	2018/19 Mid-Year Assessment Report approved. MM 18/2019 dated 23 January 2019, MayCo Item 3.1 dated 29/01/2019 and CC 8/2019 dated 30 January 2019.		-	-	2018/19 Mid-Year Assessment Report approved




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DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: PERFORMANCE MANAGEMENT									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the draft 2019/20 SDBIP to comply with legislation					
PMS5	Number of Draft 2019/20 SDBIP tabled by Council	Draft 2017/18 SDBIP tabled. CC103/2017 dated 31/05/2017	Draft 2018/19 SDBIP tabled. CC49/2018 dated 30/05/2018	Tabling one draft 2019/20 SDBIP by Council by May 2019	Draft 2019/20 SDBIP tabled. CC48/2019 dated 31 May 2019		-	-	Draft 2020/21 SDBIP tabled
SECTION: INTEGRATED DEVELOPMENT PLAN									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To enhance public participation to comply with legislation and obtain inputs from local community for prioritization of projects					
IDP2	Number of community consultations meetings conducted	2 Community consultations meetings conducted	2 Community consultations meetings conducted	Conducting 2 community consultations meetings by May 2019	2 Community consultations meetings conducted		-	-	2 Community consultations meetings conducted
NR	INDICATOR	MEASURABLE OBJECTIVE :		To enhance public participation to comply with legislation and obtain inputs from external sector departments					
IDP3	Number of Rep Forum meetings conducted	2 Rep Forum meetings conducted	2 Rep Forum meetings conducted	Conducting 2 Rep Forum meetings by June 2019	2 Rep Forum meetings conducted		-	-	2 Rep Forum meetings conducted
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the draft 2019/20 IDP Amendments to comply with legislation					
IDP4	Number of draft 2019/20 IDP Amendments tabled in Council	Draft 2017/22 IDP tabled on 30 March 2017 CC 54/2017	Draft 2018/19 Reviewed IDP tabled. CC35/2018 dated 20 April 2018	Tabling one draft 2019/20 IDP Amendments in Council by March 2019	Draft 2019/20 IDP Amendments tabled. CC 36/2019 dated 29 March 2019		-	-	Draft 2020/21 IDP Amendments tabled




# Chapter 3

DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: RISK MANAGEMENT									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To submit a Risk management report to the Risk Management Committee to ensure good governance					
RIS1	Number of Risk management report submitted to the Risk Management Committee	4 Risk management reports submitted	4 Risk management reports submitted	Submitting 4 Risk management reports to ensure an effective risk management process to the Risk Management Committee by June 2019	4 Risk management reports submitted		-	-	4 Risk management reports submitted
NR	INDICATOR	MEASURABLE OBJECTIVE :		To revise the Risk Register to determine the linkage between departmental objectives and risk activity					
RIS3	Number of Risk Register revised and approved to determine the linkage between departmental objectives and risk activity	2016/17 Risk Register revised and 2017/18 Risk Register but not approved by council	Revised Risk Register submitted to Risk Management & Audit Committee approved by Municipal Manager	Revising one 2018/19 Risk Register to determine the linkage between departmental objectives and risk activity and approving one 2019/20 Risk Register by June 2019	2018/19 Risk Register revised and 2019/20 Risk Register not approved		RM Committee meeting was held at year-end. The AC meeting was postponed to 2 <sup>nd</sup> week of July and the risk register can only be sent to council after review by the AC	Risk register to be sent to council after the AC meeting in the first quarter	2019/20 Risk Register revised and 2020/21 Risk Register approved
NR	INDICATOR	MEASURABLE OBJECTIVE :		To develop strategic documents to ensure good governance and to comply with legislation					
RIS4	Number of Risk management strategic documents reviewed and approved by the municipal manager and council	New indicator	Risk Management Committee Charter approved by Risk Committee. RMIP approved by Municipal Manager	Approving one risk management strategic documents (2018/19 Charter and 2019/20 Risk Management Implementation Plan) by the municipal manager and council by June 2019	2018/19 Risk Management Committee Charter approved by Risk Committee and 2019/20 RMIP approved municipal manager		-	-	2019/20 Risk Management Committee Charter approved by Risk Committee

# Chapter 3




DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To monitor the municipality's performance and financial situation by conducting regular MPAC meetings					
MPAC1	Number of MPAC (s 79) meetings to monitor the performance and financial situation in the CoM conducted	15 Public participation meetings conducted	30 Public participation meetings conducted	Conducting 35 public participation (s 79) meetings to monitor the performance and financial situation in the City of Matlosana by June 2019	29 Public participation meetings conducted		MPAC Councillors were on recess due to elections campaigns	To accommodate future elections in the calendar	30 Public participation (s 79) meetings conducted
NR	INDICATOR	MEASURABLE OBJECTIVE :		To investigate unauthorised, irregular, fruitless and wasteful expenditure of the municipality's performance and financial situation by conducting (s32) meetings					
MPAC2	Number of (s 32) meetings conducted to investigate unauthorised, irregular, fruitless and wasteful expenditure of the municipality's performance and financial situation	10 Section 32 meetings conducted	10 Section 32 meetings conducted	Conducting 22 section 32 meetings to investigate unauthorised, irregular, fruitless and wasteful expenditure of the municipality's performance and financial situation by June 2019	22 Section 32 meetings conducted		-	-	22 Section 32 meetings conducted
NR	INDICATOR	MEASURABLE OBJECTIVE :		To issue MPAC progress reports to ensure compliance with legislation					
MPAC3	Number of MPAC progress reports issued to council which assess the efficiency and effectiveness of performance and finances of council	6 MPAC progress reports issued	8 MPAC progress reports issued	Issuing 10 MPAC reports (including progress reports) to council which assess the efficiency and effectiveness of performance and finances achieved by Council by June 2019	10 MPAC progress reports issued		-	-	10 MPAC progress reports issued

## Chapter 3




DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To enhance public participation on the results of the Annual Report to comply with legislation					
MPAC4	Number of public participation meetings conducted on the results of the Annual Report	2 Public Participation Preparatory meetings and 1 Public Participation Meeting	1 Public participation meeting conducted	Conducting 1 public participation meeting on the results of the Annual Report by March 2019	1 Public participation meeting conducted		-	-	1 Public participation meeting conducted
SECTION: INTERNAL AUDIT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct Audit Committee Meetings to ensure good governance					
IA1	Number Audit Committee meetings held to ensure an effective discharging of responsibilities	8 Audit Committee meetings held	4 Audit Committee and 2 Special Audit Committee meetings held	Holding 4 Audit Committee meetings to ensure an effective discharging of responsibilities by June 2019	5 Audit Committee and 2 Special Audit Committee meetings held		-	-	4 Audit Committee meetings held
NR	INDICATOR	MEASURABLE OBJECTIVE :		To issue audit of performance information reports to ensure compliance with legislation					
IA2	Number of audit of performance information reports issued to assess the efficiency and effectiveness of performance achieved	4 Audit of performance information reports issued	4 Audit of performance information reports issued	Issuing 4 audit of performance information reports to the Audit Committee to assess the efficiency and effectiveness of performance achieved by Council by June 2019	3 Audit of performance information reports issued		Due to challenges within Internal Audit regarding salary disparity, and regular sick leave taken audits were delayed and submitted late to Audit Committee	The report will be submitted to Audit Committee during meeting scheduled for 19 July 2019. AC held an in-committee meeting with MM to discuss challenges within Internal Audit	4 Audit of performance information reports issued



# Chapter 3





DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: INTERNAL AUDIT									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To report on recommendations raised by internal audit and AG to ensure sound financial and administrative management					
IA3	Number of action plan register and progress reports on the Auditor General's report and Internal Auditor's findings submitted to the Audit Committee	4 Internal audit progress reports submitted	4 Internal audit progress reports submitted	Submitting 4 progress reports on the updated action plan register to the Audit Committee on findings raised by the Auditor General and Internal Audit by June 2019	5 Progress reports submitted		-	-	4 Progress reports submitted
NR	INDICATOR	MEASURABLE OBJECTIVE :		To issue activity reports to ensure good governance					
IA4	Number of activity reports issued to the AC and AO on the progress of rolling out the audit plans	4 Activity reports issued	4 Activity reports issued	Issuing 4 activity reports to the Audit Committee and Accounting Officer on the progress of rolling out the audit plans by June 2019	5 Activity reports issued		-	-	4 Activity reports issued
NR	INDICATOR	MEASURABLE OBJECTIVE :		To adopt the Internal Audit Charter to comply with legislation					
IA5	Number of Reviewed IA Charter adopted in accordance with IIA standards	Reviewed 2017/18 Audit Charter adopted	IA Charter (2018/19) reviewed and adopted by Audit Committee during meeting held on the 26 June 2018	Adopting one reviewed IA Charter (2019/20) in accordance with IIA standards by June 2019	Internal Audit Charter (2019/20) not yet submitted to Audit Committee		The AC meeting of 7 June 2019 was rescheduled 19 July 2019, in order for BTO to submit draft AFS	The IA Charter will be submitted and approved in the meeting scheduled for the 19th July 2019	Internal Audit Charter (2020/21) submitted

# Chapter 3



DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: INTERNAL AUDIT									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To submit a Risk Based Audit Plan to comply with legislative requirements					
IA6	Number of 3-Year Risk Based Audit Plan 2019/20 submitted to the Audit Committee for approval	3-Year Risk Based Audit Plan 2017/18 submitted to Audit Committee	3-Year Risk Based plan submitted to Audit Committee during meeting held on the 26 June 2018 approved with amendments	Submitting a 3-Year Risk Based Audit Plan 2019/20 to the Audit Committee for approval by June 2019	3-Year Risk Based Audit Plan 2019/20 not submitted yet		The AC meeting of 7 June 2019 was rescheduled 19 July 2019, in order for BTO to submit draft AFS	The IA Charter will be submitted and approved in the meeting scheduled for the 19th July 2019	3-Year Risk Based Audit Plan 2020/21 approved
DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: ROADS SECTION									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To address cleaned blockages to ensure reactive maintenance of cleaned throughout the year					
ROA2	Km of open storm-water channels cleaned	New indicator	New indicator	Cleaning 20 km of storm-water channels as per program in the CoM municipal area by June 2019	26.75 Km storm-water channels cleaned		-	-	30 Km of storm-water channels cleaned
NR	INDICATOR	MEASURABLE OBJECTIVE :		To address main sewer blockages to ensure reactive maintenance of main sewers throughout the year					
ROA3	Number of storm-water catch pits cleaned	New indicator	New indicator	Cleaning 266 of storm-water catch pits as per program in the CoM municipal area by June 2019	365 Catch storm-water pits cleaned		-	-	300 Catch storm-water pits cleaned



# Chapter 3

DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: WATER									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To eliminate water backlogs and provide basic municipal services					
WAT2	Number of water backlogs eliminated - Urban Settlements	0 Water backlogs to eliminate	951 Water backlogs eliminated	Eliminating zero water backlogs according to maintenance budget by June 2019 - Urban Settlements (Squatters on un-promulgated land)	N/A		No service delivery backlogs could be eliminated due to a lack of a maintenance budget for backlogs		0 Water backlogs eliminated
WAT4	Number of water backlogs eliminated - Rural Settlements	4 306 Backlogs eliminated (Alabama 4 & 5 and Kanana 15 connected (previously rural)	0 Water backlogs eliminated	Eliminating zero water backlogs according to maintenance budget by June 2019 - Rural Settlements	N/A		No service delivery backlogs could be eliminated due to a lack of a maintenance budget for backlogs		0 Water backlogs eliminated
NR	INDICATOR	MEASURABLE OBJECTIVE :		To clean reservoirs to comply with legislation					
WAT5	Number of reservoirs cleaned	1 Reservoirs cleaned	2 Reservoirs cleaned R761 305	Cleaning 25 reservoirs according to the programme in the Matlosana area by June 2019 - R1 537 380	25 Reservoirs cleaned R131 671		-	-	28 Reservoirs cleaned
NR	INDICATOR	MEASURABLE OBJECTIVE :		To obtain at least 95% of the Blue Drop status to improve water quality and water management and to comply with legislation					
WAT6	A percentage of the minimum standard of the Blue Drop status obtained	94.62% Monthly compliance documentation submitted to DWA	Monthly compliance documentation submitted to DWS. Blue drop status (%) not announced since 2013	Obtaining a minimum score of 95% on the Department of Water and Sanitation and IRIS water compliance system by June 2019.	95% Obtained on the Department of Water and Sanitation and IRIS water compliance system		-	-	95% Compliance

# Chapter 3

DIRECTORATE: TECHNICAL AND INFRASTRUCTURE										
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT										
SECTION: WATER										
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year	
		2016/17	2017/18	Annual Target	Actual Performance					
NR	INDICATOR	MEASURABLE OBJECTIVE :		To maintain existing infrastructure						
WAT7	Percentage of water losses reduced	New indicator	New indicator	Reducing water losses from 35% to 30% by installing of (3) pressure control valves in Klerksdorp; developing a business plan to replacement of old pipe lines in the CoM municipal area; developing a business plan for bulk meters; metering of unmetered municipal consumption points and replacing consumer stuck water meters by June 2019	41% Water losses. - 3 PRV was installed, 4 Municipal buildings metered and 113 Stuck consumer water meters replaced Business plan developed for the replacement of asbestos cement pipes in Klerksdorp and Jouberton		The Business Plan for bulk meters still not yet submitted by the Consultant. The new vehicle allocated for meter replacement was also used for operational challenges hence the target could not be achieved.	Allocate additional vehicle for replacement of meters from the new vehicles coming in July 2019.		
SECTION: SANITATION (WASTE WATER MANAGEMENT)										
NR	INDICATOR	MEASURABLE OBJECTIVE :		To eliminate sanitation backlogs and provide basic municipal services						
SAN2	Number of sanitation backlogs eliminated - Urban Settlements	1 555 Sanitation backlogs eliminated All buckets eradicated	1 123 Sanitation backlogs eliminated	Eliminating zero sanitation backlogs according to maintenance budget by June 2019 (bucket eradication) - Urban Settlements	N/A		No service delivery backlogs could be eliminated due to a lack of a maintenance budget for backlogs		214 Sanitation backlogs eliminated	





# Chapter 3

DIRECTORATE: TECHNICAL AND INFRASTRUCTURE										
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT										
SECTION: SANITATION (WASTE WATER MANAGEMENT)										
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year	
		2016/17	2017/18	Annual Target	Actual Performance					
NR	INDICATOR	MEASURABLE OBJECTIVE :		To eliminate sanitation backlogs and provide basic municipal services						
SAN4	Number of sanitation backlogs eliminated - Rural Settlements	3 206 Sanitation backlogs eliminated Alabama 4 & 5 connected	0 Sanitation backlogs eliminated	Eliminating zero sanitation backlogs according to maintenance budget by June 2019 - Rural Settlements	N/A	😐	No service delivery backlogs could be eliminated due to a lack of a maintenance budget for backlogs		Zero Sanitation backlogs eliminated	
NR	INDICATOR	MEASURABLE OBJECTIVE :		To address main / outfall sewer blockages to ensure a healthy environment for the community						
SAN5	Kilometre of main / outfall sewers cleaned	20.1 Km of main sewers cleaned	30.60 Km of main sewers cleaned	Cleaning 64 km of main / outfall sewers as per program in the CoM municipal area by June 2019	9.46 Km of main sewers cleaned	😞	Insufficient fleet and equipment. Due to frequent breakdown of the Jetting Truck. Tender for cleaning of the sewer lines lapsed prior to appointment	Re-submit to SCM for re-advert the cleaning of sewer lines Tender by 31 July 2019. Council to procure 2 new vehicles by 31 July 2019	120 Km of main / outfall sewers cleaned	
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the Green Drop score for improved waste water quality management						
SAN6	A percentage of the minimum standard of the Green Drop score obtained	49.26% Monthly compliance documentation submitted	Monthly compliance documentation submitted to DWS. Green drop status (%) not announced since 2013	Obtaining a minimum score of 45% on the Department of Water and Sanitation and IRIS water compliance system by June 2019	47% Obtained on the Department of Water and Sanitation and IRIS water compliance system	😊	-	-	50% Compliance	




# Chapter 3

DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: ELECTRICAL ENGINEERING AND MECHANICAL									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To eliminate electricity backlogs and provide basic municipal services					
ELE2	Number of electricity backlogs eliminated - Urban Settlements	0 Electricity backlogs eliminated	951 Electricity backlogs eliminated	Eliminating zero electricity backlogs according to capital budget by June 2019 - Urban Settlement	N/A	😐	No service delivery backlogs could be eliminated due to a lack of a maintenance budget for backlogs		0 Electricity backlogs eliminated
ELE4	Number of electricity backlogs eliminated - Rural Settlements	0 Electricity backlogs eliminated. Letter submitted to Eskom	0 Electricity backlogs eliminated. Letter submitted to Eskom	Eliminating zero electricity backlogs according to capital budget by June 2019 - Rural Settlement (Jurisdiction of Eskom)	N/A	😐	No service delivery backlogs could be eliminated due to a lack of a maintenance budget for backlogs		0 Electricity backlogs eliminated
NR	INDICATOR	MEASURABLE OBJECTIVE :		To maintain existing infrastructure					
ELE5	Percentage of electricity losses eliminated	24% Electricity losses eliminated	16% Electricity losses eliminated	Eliminating electrical losses from 16% to 15% by servicing 532 transformers and RMU's in CoM municipal area and carrying out schedule inspection on suspected inspections on suspected tempering and illegal connections municipal supplied areas by June 2019	26% Electricity losses. - 138 RMU's and transformers serviced and 144 inspections conducted. Tender documents to procure pillar boxes to prevent tampering and LED streetlights to reduce own consumption were compiled	😞	Unavailability of vehicles, only one vehicle available to attend to complaints / inspections. None appointment of service providers for repairs and servicing of transformers and ring main units	Receiving 3 new vehicles to address shortage of vehicles by 31 July 2019 and request SCM to fast track appointment of the service providers by 15 July 2019	% reduced




# Chapter 3

DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: ELECTRICAL ENGINEERING AND MECHANICAL									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To maintain existing infrastructure					
ELE6	Percentage of low voltage complaints resolved	96% Low voltage complaints resolved. (7 123 received/ 6 852 resolved)	95.58% Low voltage complaints resolved (4 791 Received / 4 579 resolved)	Resolving at least 95% of all low voltage complaints in the CoM licensed area (telephonic, written and verbal) received by June 2019	95.58% Low voltage complaints resolved (4 423 Received / 4 395 resolved)		-	-	100% Low voltage complaints resolved
ELE7	Percentage of medium voltage forced interruptions complaints resolved	100% Medium voltage forced interruptions resolved. (332 received/ 332 resolved)	100% Medium voltage forced interruptions resolved (381 Received / 381 resolved)	Resolving at least 100% of all medium voltage forced interruptions in the CoM licensed area by June 2019	100% Medium voltage forced interruptions resolved (1 476 Received / 1 476 resolved)		-	-	100% Medium voltage forced interruptions resolved
ELE8	Percentage of street lights complaints resolved	67% Street lights complaints resolved. (2 384 received/ 1 589 resolved)	45% Street lights complaints resolved (1 766 Received / 789 resolved)	Resolving at least 75% of all street lights complaints in the Matlosana licensed area (telephonic, written and verbal) received by June 2019	94% Street lights complaints resolved (6 093 Received / 5 777 resolved)		-	-	85% Street lights complaints resolved
ELE9	Percentage of high mast light complaints resolved	80% High mast lights complaints resolved. (188 received/ 150 resolved)	86.1% High mast lights complaints resolved (345 Received / 297 resolved)	Resolving at least 55% of all high mast lights complaints in the CoM licensed area (telephonic, written and verbal) received by June 2019	63% High mast lights complaints resolved (188 Received / 118 resolved)		-	-	70% High mast lights complaints resolved

# Chapter 3





DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: ELECTRICAL ENGINEERING AND MECHANICAL									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To maintain existing infrastructure					
ELE10	Percentage of traffic control signals complaints resolved	100% Traffic control signal complaints resolved (175 received/ 175 resolved)	100% Traffic control signal complaints resolved (135 Received / 135 resolved)	Resolving 100% of all traffic control signals complaints in the CoM licensed area (telephonic, written and verbal) received by June 2019	100% Traffic control signal complaints resolved (199 Received / 199 resolved)		-	-	100% Traffic control signal complaints resolved
NR	INDICATOR	MEASURABLE OBJECTIVE :		To investigate possible fraud and illegal tampering to Council's assets					
ELE11	Percentage of electricity meter tampering investigations complaints resolved	49% Electricity meter tampering investigations resolved. (255 received/ 125 resolved)	71.54% Electricity meter tampering investigations resolved (123 Received / 88 resolved )	Resolving at least 60% of all electricity meter tampering investigations, as received from finance by June 2019	77% Electricity meter tampering investigations resolved (282 Received / 217 resolved)		-	-	60% Electricity meter tampering investigations resolved
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure effective fleet operations					
ELE12	Percentage of all vehicles complaints received resolved	73% Vehicle complaints resolved. (1 773 received/ 1 290 resolved)	16.93 % Vehicle complaints resolved (1 985 Received / 336 resolved)	Resolving 50% of all vehicles complaints received by June 2019	70% Vehicle complaints resolved (698 Received / 487 resolved)		-	-	50% Vehicle complaints resolved

# Chapter 3

DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: DIRECTOR TECHNICAL AND INFRASTRUCTURE									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
DT18	Number of LLF meetings attended	New indicator	6 Meetings attended	Attending 12 LLF meetings by June 2019	12 LLF meetings attended		-	-	12 LLF meetings attended
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR TECHNICAL AND INFRASTRUCTURE									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure good governance by executing the mandate of council					
DT12	Percentage of resolutions implemented within required timeframe	93% (28 Received / 26 implemented)	96% 100 Received / 96 implemented	Implementing at least 85% of the directorate's MM / EM / MayCo / Council resolutions by June 2019	97% 93 Received / 88 Implemented		-	-	87% Implemented
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce risk areas and protect the municipality against legal actions					
DT13	Percentage of all identified high / maximum / extreme risks mitigated by implementing corrective measures	36% 11 Received / 4 mitigated	17% 12 Received / 2 mitigated	Mitigating at least 80% of the directorate's identified high / maximum / extreme risks by implementing corrective measures by June 2019	69% 16 Received / 11 Mitigated		None availability of funds to increase the security at the pump-stations and sub-stations. Delay in appointment in SCM process in the procurement of contractor for rehabilitation of sewers, electrical cables and service delivery vehicles	Request to Finance to expedite the appointment of procurement of contractor for rehabilitation of sewers, electrical cables and service delivery vehicles	50% Mitigated






# Chapter 3





DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR TECHNICAL AND INFRASTRUCTURE									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure the that the quality of the information is on an acceptable standard					
DT14	Directorate's 2017/18 Annual Report input provided before its tabled	Credible 2015/16 Annual Report input provided	Credible 2016/17 Annual Report inputs provided	Providing the directorate's 2017/18 Annual Report input before the draft annual report is tabled by October 2018	Credible 2017/18 Annual Report input provided		-	-	Credible 2018/19 Annual Report input provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the programmes and projects of the directorate are incorporated					
DT15	Directorate's IDP inputs provided before the 2019/20 IDP is tabled	Credible 2017/18 IDP inputs provided	Credible 2018/19 IDP inputs provided	Providing the directorate's IDP inputs before the 2019/20 IDP is tabled by 31 May 2019	Credible 2019/20 IDP inputs provided		-	-	Credible 2020/21 IDP inputs provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the all the directorates KPI's are catered for					
DT16	Directorate's SDBIP inputs before the draft 2019/20 SDBIP is tabled	Credible 2017/18 SDBIP inputs provided	Credible 2018/19 SDBIP inputs provided on 4 and 5 April 2018	Providing the directorate's SDBIP inputs before the draft 2019/20 SDBIP is submitted by 31 May 2019	Credible 2019/20 SDBIP inputs provided		-	-	Credible 2020/21 SDBIP inputs provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MFMA)					
DT17	Percentage of SLA / lease agreements which are commented on in terms of all allocated contracts, as received from legal section	New indicator	100% 26 Received / 26 Commented	Ensuring that 100% of SLA / lease agreements received director comments within 3 working days of receipt in terms of all allocated contracts as received from the legal section by June 2019	100% 16 SLA's received / 16 SLA's commented on within 3 working days		-	-	N/A







# Chapter 3

DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR TECHNICAL AND INFRASTRUCTURE									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the mandate of Audit Committee is executed					
DT19	Percentage of the Audit Committee resolutions implemented within required timeframe	New indicator	0% 1 Received / 0 implemented	Implementing at least 90% of all directorate' s Audit Committee resolutions by June 2019	No Audit Committee resolutions received		-	-	90% Implemented
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the audit outcome from the AG					
DT10	Number of Audit Steering Committee meetings attended	New indicator	7 Audit Steering Committee meetings attended	Attending 12 Audit Steering Committee meetings (directors) to improve the audit outcome by June 2019	18 Audit Steering Committee meetings attended		More meetings were arranged, because the municipality worked towards an unqualified audit opinion		N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the internal control environment					
DT11	Number of Internal Audit recommendations implemented	New indicator	New indicator	Implementing 80% of the directorate's Internal Audit recommendations by June 2019	71% 7 Received / 5 Implemented		Service provider has not been appointed. The Strategic Planning Session was delayed to June 2019 hence that the transfer of Fleet Management could not occur.	Fast tract with Finance with the appointment of Service Provider. To request Top Management to finalize the Strategic Planning Session resolutions	N/A





# Chapter 3

DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR TECHNICAL AND INFRASTRUCTURE									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the set goals of council are achieved					
DT12	Number of SDBIP meetings with senior personnel in own directorate conducted	New indicator	3 SDBIP meetings conducted	Conducting 22 SDBIP meetings with senior personnel in own directorate by June 2019	23 SDBIP meetings attended		-	-	22 SDBIP meetings attended
DIRECTORATE: CORPORATE SUPPORT									
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: DIRECTOR CORPORATE SUPPORT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
DCS8	Number of LLF meetings attended	New indicator	8 Meetings attended	Attending 12 LLF meetings by June 2019	13 LLF meetings attended		-	-	11 LLF meetings attended
SECTION: OCCUPATIONAL HEALTH AND SAFETY									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct OHS inspections to ensure legal compliance and a safe working environment					
OHS1	Number of OHS inspections in Council departments conducted	120 OHS inspections conducted	122 OHS inspections conducted	Conducting 120 OHS inspections in Council departments by June 2019	120 OHS inspections conducted		-	-	120 OHS inspections conducted
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct OHS audits to ensure that all deviations be corrected according to the Act					
OHS2	Number OHS audits conducted	2 OHS audits conducted	2 OHS audits conducted	Conducting 2 OHS Audits by June 2019	2 OHS audits conducted		-	-	2 OHS audits conducted

# Chapter 3

DIRECTORATE: CORPORATE SUPPORT									
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: SKILLS DEVELOPMENT									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with WSP legislation					
SKIL4	Annual WSP / ATR submitted to LGSETA	2017/18 WSP / 2016/17 ATR submitted electronically	2018/19 WSP / 2017/18 ATR to LGSETA submitted	Submitting 2019/20 WSP / 2018/19 ATR to LGSETA by April 2019	2019/20 WSP&ATR document submitted on 30 April 2019		-	-	2020/21 WSP / 2019/20 ATR submitted
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with EE legislation					
SKIL5	Employment Equity Report submitted to the Department of Labour	2016/2017 EE report was submitted electronically to the DoL	2018/19 EE Report was electronic submitted to DoL on 14/01/2018	Electronically submitting the 2019/20 Employment Equity Report to the Department of Labour by 15 January 2019	2019/20 EE report submitted electronically to the Department of Labour		-	-	2020/21 EE report submitted to DoL
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct Employment Equity Consultative Forum meetings to comply with legislation and implementation of EE plan					
SKIL6	Number of EECF meetings conducted	1 EECF consultative meetings conducted	5 EECF consultative meetings conducted	Conducting 11 EECF consultative meetings by June 2019	11 EECF consultative meetings conducted		-	-	4 EECF consultative meetings conducted
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure effective human resource management					
SKIL7	Number of skills gap audit of all level 1 - 6 personnel identified	Skills Audit was conducted to all Municipal Employees	Skills gaps identified for one Directorate (Finance Services and SCM)	Identifying the skills gap audit of all council employees in five directorates by June 2019	Skills gap audit of all council employees in four directorates		Skills audit was scheduled for the Office of the MM, but not attend	The Skills audit will be performed in the 1 <sup>st</sup> quarter of the 2019/20 financial year	4 Directorates

# Chapter 3


DIRECTORATE: CORPORATE SUPPORT									
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: EMPLOYEE ASSISTANCE PROGRAMME									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct training to create life skills awareness amongst employees					
EAP1	Number of training sessions conducted	4 Life skills training sessions conducted	4 Life skills training sessions conducted	Conducting 4 life skills training session for council employees by June 2019	4 Life skills training sessions conducted		-	-	4 Life skills training sessions conducted
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct wellness events to create awareness amongst employees					
EAP2	Number of wellness events conducted	2 Wellness events conducted	2 Wellness events conducted	Conducting 2 wellness events for council employees by June 2019	2 Wellness events conducted R18 000		-	-	2 Wellness events conducted
SECTION: LABOUR RELATIONS									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To hold LLF meetings to ensure industrial harmony					
LR1	Number of LLF meetings conducted	8 LLF meetings convened	8 LLF meetings convened	Convening 12 LLF meetings by June 2019	13 LLF meetings convened		-	-	11 LLF meetings convened
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct training sessions on institution of disciplinary action to ensure effective conclusion of disciplinary matters					
LR2	Number of training sessions for post level 1 - 5 employees on institution of disciplinary action conducted	2 Training in Disciplinary hearing and procedure were conducted	2 Training sessions conducted	Conducting 2 training sessions for post level 1 - 5 employees on the new Collective Agreement on disciplinary procedures by June 2019	1 Training session for post level 1 - 5 employees and 1 training session for post level 6 - 19 employees conducted		The training was conducted for employees from level 6 – 19 due to large numbers of disciplinary matters emanating from level 6-19	That training / workshops for level 6 - 19 employees be planned for	2 Training sessions conducted

# Chapter 3

## DIRECTORATE: CORPORATE SUPPORT


### KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

#### SECTION: OFFICE OF THE SPEAKER

Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with MSA 32 of 2000 Chapter 6 sec 42 to evaluate on service delivery rendered by council					
SPE2	Number of public satisfaction reports submitted to council	1 Public satisfaction report submitted	4 Public satisfaction reports submitted	Submitting 4 public satisfaction reports to council to identify and evaluate service delivery within CoM municipal area by June 2019	3 Public satisfaction reports submitted - 63% satisfaction level		Reports submitted to portfolio committee, but the meetings for June 2019 were postponed	Third and fourth quarter report to be submitted to serve in first quarter of the 2019/20 financial year	4 Public satisfaction reports submitted


### KEY PERFORMANCE AREA 3: LOCAL ECONOMIC DEVELOPMENT

#### SECTION: OFFICE OF THE EXECUTIVE MAYOR




NR	INDICATOR	MEASURABLE OBJECTIVE :		To award matric excellency awards to students in CoM municipal area to assist with education					
EM2	Number of matric excellency awarded to students in CoM municipal area to assist with education	27 Awards awarded R485 000	22 Learners awarded with bursaries R445 000	Awarding 22 matric excellency awards to students in CoM municipal area to further their studies by March 2019 R500 000	20 Awards awarded R380 000		2 beneficiaries not awarded as 1 is not registered and 1 did not attend to receive the award	2 beneficiaries forfeited the award	25 Awards awarded R450 000

### KEY PERFORMANCE AREA 2: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT





#### SECTION: ADMINISTRATION

NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect revenue to ensure sound financial matters					
ADM4	R value income collected from rental of council halls	R446 539 collected	R344 421 collected	Collecting income on the rental of council halls by June 2019 R344 000	R347 266 collected		-	-	R398 066 collected

# Chapter 3





DIRECTORATE: CORPORATE SUPPORT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR CORPORATE SUPPORT									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure good governance by executing the mandate of council					
DCS2	Percentage of resolutions implemented within required timeframe	92% 39 Received / 36 Implemented	78% 85 Received / 65 implemented	Implementing at least 85% of the directorate's MM / EM / MayCo / Council resolutions by June 2019	84% 97 Received / 81 Implemented		5 Lease agreements awaiting valuations; Telephone policy subject to budget provision; Resolutions of 5 reports from June 2019 and will only serve in next financial year	Lease agreement matter to be taken up with the valuer. Reports to serve in 1st quarter of next financial year	87% Implemented
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce risk areas and protect the municipality against legal actions					
DCS3	Percentage of all identified high / maximum / extreme risks mitigated by implementing corrective measures	0% 2 Received / 0 mitigated	33% 3 Received / 1 mitigated	Mitigating at least 80% of the directorate's identified high / maximum / extreme risks by implementing corrective measures by June 2019	0% 1 Received / 0 mitigated		Skills audit currently being conducted and not completed	Skills audit to be completed in the next financial year	50% Mitigated
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure the that the quality of the information is on an acceptable standard					
DCS4	Directorate's 2017/18 Annual Report input provided before its tabled	Credible 2015/16 Annual Report input provided	Credible 2016/17 Annual Report inputs provided	Providing the directorate's 2017/18 Annual Report input before the draft annual report is tabled by October 2018	Credible 2017/18 Annual Report input provided		-	-	Credible 2018/19 Annual Report input provided

# Chapter 3

DIRECTORATE: CORPORATE SUPPORT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR CORPORATE SUPPORT									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the programmes and projects of the directorate are incorporated					
DCS5	Directorate's IDP inputs provided before the 2019/20 IDP is tabled	Credible 2017/18 IDP inputs provided	Credible 2018/19 IDP inputs provided	Providing the directorate's IDP inputs before the 2019/20 IDP is tabled by 31 May 2019	Credible 2019/20 IDP inputs provided		-	-	Credible 2020/21 IDP inputs provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the all the directorates KPI's are catered for					
DCS6	Directorate's SDBIP inputs before the draft 2019/20 SDBIP is tabled	Credible 2017/18 SDBIP inputs provided	Credible 2018/19 SDBIP inputs provided on 3 April 2018	Providing the directorate's SDBIP inputs before the draft 2019/20 SDBIP is submitted by 31 May 2019	Credible 2019/20 IDP inputs provided		-	-	Credible 2020/21 SDBIP inputs provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MFMA)					
DCS7	Percentage of SLA / lease agreements which are commented on in terms of all allocated contracts, as received from legal section	New indicator	100% 1 received / 1 commented	Ensuring that 100% of SLA / lease agreements received director comments within 3 working days of receipt in terms of all allocated contracts as received from the legal section by June 2019	100% 1 SLA received / 1 SLA commented on within 3 working days		-	-	100% SLA commented on within 3 working days
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the mandate of Audit Committee is executed					
DCS9	Percentage of the Audit Committee resolutions implemented within required timeframe	New indicator	0% 4 Received / 0 implemented	Implementing at least 90% of all directorate's Audit Committee resolutions by June 2019	100% 2 Received / 2 implemented		-	-	90% Implemented







# Chapter 3




DIRECTORATE: CORPORATE SUPPORT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR CORPORATE SUPPORT									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the audit outcome from the AG					
DCS10	Number of Audit Steering Committee meetings attended	New indicator	6 Audit Steering Committee meetings attended	Attending 12 Audit Steering Committee meetings (directors) to improve the audit outcome by June 2019	19 Audit Steering Committee meetings attended		More meetings were arranged, because the municipality worked towards an unqualified audit opinion		N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the internal control environment					
DCS11	Number of Internal Audit recommendations implemented	New indicator	New indicator	Implementing at least 80% of the directorate's Internal Audit recommendations by June 2019	86% 44 received / 38 implemented		-	-	N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the set goals of council are achieved					
DCS12	Number of SDBIP meetings with senior personnel in own directorate conducted	New indicator	3 SDBIP meetings conducted	Conducting 12 SDBIP meetings with senior personnel in own directorate by June 2019	12 SDBIP meetings conducted		-	-	12 SDBIP meetings conducted
SECTION: ADMINISTRATION									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct section 50 committees meetings to ensure comply with legislation to take informed decisions					
ADM1	Number of sec.50 committees meetings (portfolio meetings) conducted	60 (sec. 80 ) committees meetings and 10 special meetings conducted	75 (sec.80) committee meetings conducted	Conducting 56 (sec.80) committees meetings (portfolio meetings) (special meetings included) by June 2019	56 (sec.80) committee meetings conducted		-	-	56 (sec.80) committee meetings conducted



# Chapter 3

DIRECTORATE: CORPORATE SUPPORT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: ADMINISTRATION									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct Mayoral Committee meetings to comply with legislation to align with political mandate					
ADM2	Number of Mayoral Committee meetings conducted	18 Mayoral Committee meetings conducted	22 Mayoral Committee meetings conducted	Conducting 17 Mayoral Committee meetings (special meetings included) by June 2019	18 Mayoral Committee meetings conducted		-	-	18 Mayoral Committee meetings conducted
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure effective Council administration and compliance with legislation in order to convey feedback after considering political and community mandate					
ADM3	Number of ordinary council meetings conducted	7 Council meetings and 17 Special Council meetings conducted	19 Council meetings conducted	Conducting 19 Council meetings (special meetings included) by June 2019	19 Council meetings conducted		-	-	19 Council meetings conducted
SECTION: LEGAL									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To manage the Council's Contract Register to ensure proper control and keeping of record of contracts					
LEG1	Contract management system managed and relevant departments informed within 3 months of expiry of contracts	4 Notices issued. Updated Register. Progress report to Council.	25 Notices and 5 reminders issued. Updated contract register	Managing the Contract Register of Council and informing relevant departments of expiry dates of contracts within 3 months of expiry of the contract by June 2019	21 Notices issued and Contract Register updated		-	-	Notices issued and Contract Register updated
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MFMA)					
LEG2	Percentage of SLA are signed to all allocated tenders, as received from SCM	94% 16 Documents received / 15 SLA's signed	100% 94 Received / 94 signed	Ensuring 100% SLA are signed to all allocated tenders / projects as received from SCM by June 2019	96% 78 SLA's received and drafted / 75 signed		User department failed to submit the comments timeously	Forward reminder to user department to comply with time frames	100% SLA's drafted and signed




# Chapter 3

DIRECTORATE: CORPORATE SUPPORT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: INFORMATION COMMUNICATION TECHNOLOGY									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure effective IT systems for municipal processes					
ICT1	Percentage of queries responded to within 10 working days	97% (1 719 received / 1 665 resolved)	98.57% 1 962 Received / 1 934 responded	Resolving 97% of all IT queries received within 10 working days by June 2019	99% 2 258 Received / 2 242 responded		-	-	98.5% Resolved
SECTION: OFFICE OF THE EXECUTIVE MAYOR									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To host a Youth Day event to enhance youth public participation					
EM5	Number of Youth Days event hosted	New indicator	1 Youth Day event - 16 June 2018. R69 880 1 Youth Summit - 23 June 2018	Hosting 1 Youth Day event by June 2019 R100 036	Youth Day was hosted on 15 & 16 June 2019 at Khuma Stadium R70 000		-	-	Youth Day event hosted R143 142
SECTION: OFFICE OF THE SINGLE WHIP									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct / facilitate RHR (Reconciliation, Healing and Renewal) workshops as per national legislation to promote social development within communities					
WH1	Number of RHR (Reconciliation, Healing and Renewal) workshops and events in CoM municipal area conducted / facilitated	2 Workshops and 2 community events conducted. R267 275	3 Workshops and 4 events conducted R134 500	Conducting / facilitating 2 RHR (Reconciliation, Healing and Renewal) workshops and 4 community events (as per programme) in CoM municipal area by June 2019 R136 890	2 RHR (Reconciliation, Healing and Renewal) workshops and 4 community events conducted / facilitated R130 600		-	-	2 RHR workshops and 4 community events conducted / facilitated R381 924





# Chapter 3

DIRECTORATE: COMMUNITY DEVELOPMENT									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: REFUSE REMOVAL SECTION (WASTE MANAGEMENT)									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To eliminate refuse removal backlogs and provide basic municipal services					
REF2	Number of refuse removal backlogs eliminated - Urban Settlements	0 Refuse removal backlogs eliminated	0 Refuse removal backlogs eliminated	Eliminating zero refuse removal backlogs according to maintenance budget by June 2019 - Urban area	N/A	😐	No service delivery backlogs could be eliminated due to a lack of a maintenance budget for backlogs		0 Refuse removal backlogs eliminated
REF4	Number of refuse removal backlogs eliminated - Rural Settlements	0 Refuse removal backlogs eliminated (Cannot eliminate backlogs on un-proclaimed land)	0 Refuse removal backlogs eliminated (Cannot eliminate backlogs on un-proclaimed land)	Eliminating zero refuse removal backlogs according to maintenance budget by June 2019 - Rural area (Unproclaim land)	N/A	😐	No service delivery backlogs could be eliminated due to a lack of a maintenance budget for backlogs		0 Refuse removal backlogs eliminated
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: DIRECTOR COMMUNITY DEVELOPMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
DCD8	Number of LLF meetings attended	New indicator	7 Meetings attended	Attending 12 LLF meetings by June 2019	13 LLF meetings attended	😊	-	-	11 LLF meetings attended
SECTION: PARKS AND CEMETERIES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To advance aviation facilities to the community and to comply with legislation					
PAR1	Number of annual airport licenses renewed	PC Pelser Airport license renewed R4 640	1 PC Pelser Airport license renewed R4 590	Renewing 1 annual PC Pelser Airport license to obtain authority to operate an airport by June 2019	1 PC Pelser Airport License renewed R4 870	😊	-	-	1 PC Pelser Airport License renewed





# Chapter 3

DIRECTORATE: COMMUNITY DEVELOPMENT									
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: OCCUPATIONAL HEALTH SERVICES									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To enhance healthy lifestyles and improve health of employees					
HEA1	Number of health promotions programmes conducted	New indicator	8 Health promotions programmes conducted	Conducting 8 health promotions programmes as identified by June 2019	8 Health promotions programmes conducted		-	-	8 Health promotions programmes conducted
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure compliance with Compensation of Occupational and Injuries Deases Act (COIDA) to prevent legal litigations					
HEA2	Annual COIDA assessment process administrated	New indicator	The annual COIDA assessment process administered R5 359 222	Adminstrating the annual COIDA assessment process by June 2019 R3 321 699	Annual COIDA assessment process completed R2 621 246		-	-	Annual COIDA assessment process completed
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: SPORT AND RECREATION									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
SPO4	Rand value income collected from rental agreements sport grounds	R155 725 collected	R 266 216 collected	Collecting income from rental agreements of sport grounds by June 2019 R210 600	R137 046 collected		Sports Clubs have started paying but there is slow progress	Reminder to be written to all outstanding stakeholders	R234 404 collected





# Chapter 3

DIRECTORATE: COMMUNITY DEVELOPMENT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR COMMUNITY DEVELOPMENT									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure good governance by executing the mandate of council					
DCD2	Percentage of resolutions implemented within required timeframe	75% 57 Received / 43 Implemented	87% 90 Received / 78 implemented	Implementing at least 85% of the directorate's MM / EM / MayCo / Council resolutions by June 2019	98% 93 Received / 91 Implemented		-	-	87% Implemented
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce risk areas and protect the municipality against legal actions					
DCD3	Percentage of all identified high / maximum / extreme risks mitigated by implementing corrective measures	27% 15 Received / 4 mitigated	50% 4 Received / 2 mitigated	Mitigating at least 80% of the directorate's identified high / maximum / extreme risks by implementing corrective measures by June 2019	75% 4 Received / 3 Mitigated		Environmental Section not yet established. Item was referred back for organogram	Strategic Planning Session was held on 19 to 21 June 2019, awaiting Council to approve Strat Plan recommendations	50% Mitigated
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure the that the quality of the information is on an acceptable standard					
DCD4	Directorate's 2017/18 Annual Report input provided before its tabled	Credible 2015/16 Annual Report input provided	Credible 2016/17 Annual Report inputs provided	Providing the directorate's 2017/18 Annual Report input before the draft annual report is tabled by October 2018	Credible 2017/18 Annual Report input provided		-	-	Credible 2018/19 Annual Report input provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the programmes and projects of the directorate are incorporated					
DCD5	Directorate's IDP inputs provided before the 2019/20 IDP is tabled	Credible 2017/18 IDP inputs provided	Credible 2018/19 IDP inputs provided	Providing the directorate's IDP inputs before the 2019/20 IDP is tabled by 31 May 2019	Credible 2019/20 IDP inputs provided		-	-	Credible 2020/21 IDP inputs provided

# Chapter 3





DIRECTORATE: COMMUNITY DEVELOPMENT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR COMMUNITY DEVELOPMENT									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the all the directorates KPI's are catered for					
DCD6	Directorate's SDBIP inputs before the draft 2019/20 SDBIP is tabled	Credible 2017/18 SDBIP inputs provided	Credible 2018/19 SDBIP inputs provided on 6 April 2018	Providing the directorate's SDBIP inputs before the draft 2019/20 SDBIP is submitted by 31 May 2019	Credible 2019/20 SDBIP inputs provided		-	-	Credible 2020/21 SDBIP inputs provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MFMA)					
DCD7	Percentage of SLA / lease agreements which are commented on in terms of all allocated contracts, as received from legal section	New indicator	100% 4 received/ 4 commented	Ensuring that 100% of SLA / lease agreements received director comments within 3 working days of receipt in terms of all allocated contracts as received from the legal section by June 2019	100% 2 SLA's received / 2 SLA's commented on within 3 working days		-	-	100% SLA's commented on within 3 working days
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the mandate of Audit Committee is executed					
DCD9	Percentage of the Audit Committee resolutions implemented within required timeframe	New indicator	No Audit Committee resolutions received	Implementing at least 90% of all directorate' s Audit Committee resolutions by June 2019	No Audit Committee resolutions received		-	-	90% Implemented
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the audit outcome from the AG					
DCD10	Number of Audit Steering Committee meetings attended	New indicator	6 Audit Steering Committee meetings attended	Attending 12 Audit Steering Committee meetings (directors) to improve the audit outcome by June 2019	14 Audit Steering Committee meetings attended		More meetings were arranged, because the municipality worked towards an unqualified audit opinion		N/A

# Chapter 3

DIRECTORATE: COMMUNITY DEVELOPMENT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR COMMUNITY DEVELOPMENT									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the internal control environment					
DCD11	Number of Internal Audit recommendations implemented	New indicator	New indicator	Implementing at least 80% of the directorate's Internal Audit recommendations by June 2019	66% 3 received / 2 implemented		Due to lack of capacity within Environmental Management	Directorate is currently busy developing the draft monitoring tool	50% Implemented
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the set goals of council are achieved					
DCD12	Number of SDBIP meetings with senior personnel in own directorate conducted	New indicator	3 SDBIP meetings conducted	Conducting 12 SDBIP meetings with senior personnel in own directorate by June 2019	12 SDBIP meetings conducted		-	-	12 SDBIP meetings conducted
SECTION: PARKS AND CEMETERIES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To manage the airport effectively to comply with legislation					
PAR2	Number of inspections conducted at airport	12 Inspections conducted	12 Inspections conducted	Conducting 12 inspections at PC Pelsers Airport to ensure aviation safety by June 2019	12 Inspections conducted		-	-	12 Inspections conducted
NR	INDICATOR	MEASURABLE OBJECTIVE :		To host annual harbour event for the community of Matlosana (educational project) to promote a sustainable environment					
PAR3	Number of harbour events hosted	1 Harbour Day event hosted on 23 September 2016	1 Harbour day Event hosted on 8 September 2017	Hosting 1 Harbour Day event (educational project) by September 2018	1 Harbour Event Hosted		-	-	1 Harbour Event Hosted






# Chapter 3




DIRECTORATE: COMMUNITY DEVELOPMENT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: LIBRARY SERVICES									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To present awareness programmes to promote library awareness amongst adults, learners and youth					
LIB3	Number of awareness programmes presented at schools in all CoM municipal area	36 Awareness programmes presented	37 Awareness programmes presented	Presenting 52 awareness programmes at schools and other venues in the CoM municipal area by June 2019	54 Awareness programmes presented		More requests were received	-	275 Programmes presented
LIB4	Number of awareness programmes presented at libraries in the CoM municipal area	179 Awareness programmes presented	161 Awareness programmes presented	Presenting 160 awareness programmes at all CoM municipal area libraries by June 2019	197 Awareness programmes presented		More requests were received	-	
LIB5	Number of library interest events presented	57 Library interest events presented	58 Library interest events presented	Presenting 59 library interest events in the CoM municipal area by June 2019	59 Library interest events presented		-	-	
SECTION: MUSEUM AND HERITAGE SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To manage heritage resources by promoting heritage awareness					
MUS4	Number of heritage awareness projects convened	13 Heritage awareness projects convened	13 Heritage awareness projects convened	Convening 12 heritage awareness projects to disseminate knowledge regarding heritage and promote cultural heritage and national unity by June 2019	13 Heritage awareness projects convened		-	-	8 Heritage awareness projects convened







# Chapter 3

DIRECTORATE: COMMUNITY DEVELOPMENT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR COMMUNITY DEVELOPMENT									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide an educational services to ensure community participation, empower communities and to capacitate students					
MUS1	Number of consultation sessions conducted	143 Consultation sessions conducted	136 Consultation sessions convened	Conducting at least 135 consultation sessions with educators, students, researchers and general public upon request to promote heritage awareness and disseminate educational content by June 2019	143 Consultation sessions conducted		More requests were received	-	135 Consultation sessions conducted
MUS2	Number of lifelong skills development programs presented	27 Lifelong skills development programs presented	42 Lifelong skills development programs presented	Presenting / facilitating at least 24 lifelong skills development programs to adults and youth to empower them to develop entrepreneurial and life skills by June 2019	27 Lifelong skills development programs presented		More requests were received	-	24 Lifelong skills development programs presented
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide an educational services to ensure community participation, empower unemployed youth, women and disabled persons and to capacitate learners					
MUS3	Number of educational programs presented	114 Educational programs presented	120 Educational programs presented	Presenting at least 104 educational programs to learners and adults to expand their knowledge of SA history and cultural heritage in general and that of the CoM municipal area in particular by June 2019	127 Educational programs presented		More requests were received	-	110 Educational programs presented





# Chapter 3

DIRECTORATE: COMMUNITY DEVELOPMENT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: SPORT AND RECREATION									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure sound sport administration					
SPO1	Number of sport council meetings held	5 Sport council meetings conducted	6 Sport council meetings conducted	Conducting 6 sport council meetings to ensure the smooth running of sport clubs by June 2019	6 Sport council meetings conducted		-	-	4 Sport council meetings conducted
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct sport awards to develop sport in the CoM municipal area					
SPO2	Number of sport awards conducted	New indicator	New indicator	Conducting one sport awards to ensure the promotion of sport in the CoM municipal area by June 2019 R52 650	1 Sports Awards R26 426		-	-	1 Sport Awards R95 000
NR	INDICATOR	MEASURABLE OBJECTIVE :		To co-ordinating sport events in collaboration with sport clubs to develop sport in the CoM municipal area					
SPO3	Number of sport events in collaboration with sport clubs co-ordinated	4 Sport events conducted R99 722	8 Sport events conducted R307 045	Co-ordinating 8 sport events in collaboration with sport clubs to ensure the promotion of sport in the CoM municipal area by June 2019 R501 200	8 Sport events co-ordinated R471 343		-	-	8 Sport events co-ordinated R404 872





# Chapter 3

DIRECTORATE: PUBLIC SAFETY									
KEY PERFORMANCE AREA 1: SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT									
SECTION: FIRE AND DISASTER MANAGEMENT									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To adhere to Fire Codes and Regulations and comply with fire codes (SANS) and regulations					
FIR1	Number of fire inspections conducted	900 General fire inspections conducted	900 General fire inspections conducted	Conducting 900 general fire inspections according to programme in the CoM municipal area by June 2019	889 General fire inspections conducted		Shortage of Fire & Rescue vehicles	To engaged with mechanical workshop to speed up the repairing of Fire & Rescue vehicles	900 General fire inspections conducted
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote fire safety					
FIR2	Number of ward sessions conducted	12 Fire prevention information sessions conducted	8 Fire prevention information sessions conducted	Conducting 8 fire prevention information sessions according to programme in identified wards by June 2019	9 Fire prevention information sessions conducted		-	-	8 Fire prevention information sessions conducted
FIR3	Number of fire safety campaigns conducted at schools	4 Fire safety campaigns conducted	4 Fire safety campaigns conducted	Conducting 4 fire safety campaigns for schools in the CoM municipal area according to programme by June 2019	5 Fire safety campaigns conducted		-	-	8 Fire safety campaigns conducted
SECTION: TRAFFIC AND SECURITY									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote road safety					
TRA2	Number of traffic and road safety campaigns conducted at schools and crèches	48 Traffic and road safety campaigns conducted	48 Traffic and road safety campaigns conducted	Conducting 36 traffic and road safety campaigns at schools and crèches in the CoM municipal area according to programme by June 2019	33 Traffic and road safety campaigns conducted		Campaigns suspended due to training facilities at schools / crèches stolen	-	44 Traffic and road safety campaigns conducted





# Chapter 3

DIRECTORATE: PUBLIC SAFETY									
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: DIRECTOR PUBLIC SAFETY									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
DPS8	Number of LLF meetings attended	New indicator	6 LLF meetings attended	Attending 12 LLF meetings by June 2019	12 LLF meetings attended		-	-	11 LLF meetings attended
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: LICENSING									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
LIS1	Rand value income collected from driver's licenses	R6 621 367 collected	R5 352 996 collected	Collecting income from driver's licenses (excluding Prodiba fees) by June 2019 R 7 055 100	R6 317 302 collected		Income depends on the community's needs	Department to embark on media information to encourage applicants to make use of our service stations	R5 600 000 collected
LIS2	Rand value income collected from vehicle registration and licensing / renewals	R 10 717 594 collected	R10 743 584 collected	Collecting commission from Vehicle Registration and Licensing / renewals which is 20% on all vehicle income, minus 14% VAT by June 2019 R 1 053 939	R12 459 642 collected		Amount was incorrectly budgeted comparing to previous years		R500 0000 collected
LIS3	Rand value income collected from motor vehicle testing	R 585 760 collected	R579 724 collected	Collecting income from Motor Vehicle Testing by June 2019 R460 000	R758 628 collected		-	-	R 460 000 collected




# Chapter 3

DIRECTORATE: PUBLIC SAFETY									
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: LICENSING									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
LIS4	Rand value income collected from businesses, hawkers and stands	R375 969 collected	R259 447 collected	Collecting income from businesses, hawkers and stands by June 2019 R70 000	R108 320 collected		-	-	R70 000 collected
SECTION: TRAFFIC AND SECURITY									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
TRA3	Rand value income collected from outstanding traffic fines	R 1 017 961 collected	R10 935 715 collected	Collecting income on traffic fines by June 2019 R2 700 000	R660 580 collected		No fully operational traffic management system to process all traffic offences and lack of equipment	To appoint a service provider with a fully operational traffic management system and equipment	R1 000 000 collected
TRA4	Rand value income collected from warrants of arrest	R339 400 collected	R408 950 collected	Collecting income on warrant of arrests by June 2019 R1 000 000	R1 021 600 collected		-	-	R621 755 collected
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR PUBLIC SAFETY									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure good governance by executing the mandate of council					
DPS2	Percentage of resolutions implemented within required timeframe	New indicator	76% 59 Received / 45 Implemented	Implementing at least 85% of the directorate's MM / EM / MayCo / Council resolutions by June 2019	95 % 40 Received / 38 Implemented		-	-	87% Implemented

# Chapter 3





DIRECTORATE: PUBLIC SAFETY										
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
SECTION: DIRECTOR PUBLIC SAFETY										
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year	
		2016/17	2017/18	Annual Target	Actual Performance					
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce risk areas and protect the municipality against legal actions						
DPS3	Percentage of all identified high / maximum / extreme risks mitigated by implementing corrective measures	New indicator	0% 4 Received / 0 mitigated	Mitigating at least 80% of the directorate's identified high / maximum / extreme risks by implementing corrective measures by June 2019	33% 3 Received / 1 Mitigated		Lack of a vehicle testing machine in Klerksdorp and 1 vehicle testing machine in Orkney	To communicate with finance to request R4 million procure 2 vehicle testing machines	50% Implemented	
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure the that the quality of the information is on an acceptable standard						
DPS4	Directorate's 2017/18 Annual Report input provided before its tabled	New indicator	Credible 2016/17 Annual Report inputs provided	Providing the directorate's 2017/18 Annual Report input before the draft annual report is tabled by October 2018	Credible 2017/18 Annual Report input provided		-	-	Credible 2018/19 Annual Report input provided	
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the programmes and projects of the directorate are incorporated						
DPS5	Directorate's IDP inputs provided before the 2019/20 IDP is tabled	New indicator	Credible 2018/19 IDP inputs provided	Providing the directorate's IDP inputs before the 2019/20 IDP is tabled by 31 May 2019	Credible 2019/20 IDP inputs provided		-	-	Credible 2020/21 IDP inputs provided	
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the all the directorates KPI's are catered for						
DPS6	Directorate's SDBIP inputs before the draft 2019/20 SDBIP is tabled	New indicator	Credible 2018/19 SDBIP inputs provided on 7 April 2018	Providing the directorate's SDBIP inputs before the draft 2019/20 SDBIP is submitted by 31 May 2019	Credible 2019/20 SDBIP inputs provided		-	-	Credible 2020/21 SDBIP inputs provided	

# Chapter 3

DIRECTORATE: PUBLIC SAFETY									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR PUBLIC SAFETY									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MFMA)					
DPS7	Percentage of SLA / lease agreements which are commented on in terms of all allocated contracts, as received from legal section	New indicator	100% 5 received/ 5 commented	Ensuring that 100% of SLA / lease agreements received director comments within 3 working days of receipt in terms of all allocated contracts as received from the legal section by June 2019	100% 2 SLA's received / 2 SLA's comments within 3 working days		-	-	100% SLA's comments within 3 working days
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the mandate of Audit Committee is executed					
DPS9	Percentage of the Audit Committee resolutions implemented within required timeframe	New indicator	No Audit Committee resolutions received	Implementing at least 90% of all directorate' s Audit Committee resolutions by June 2019	100% 2 Received / 2 Implemented		-	-	100% Implemented
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the audit outcome from the AG					
DPS10	Number of Audit Steering Committee meetings attended	New indicator	6 Audit Steering Committee meetings attended	Attending 12 Audit Steering Committee meetings (directors) to improve the audit outcome by June 2019	12 Audit Steering Committee meetings attended		-	-	N/A






# Chapter 3





DIRECTORATE: PUBLIC SAFETY									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR PUBLIC SAFETY									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the internal control environment					
DPS11	Number of Internal Audit recommendations implemented	New indicator	New indicator	Implementing at least 80% of the directorate's Internal Audit recommendations by June 2019	No Audit Committee resolutions received		-	-	90% Implemented
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the set goals of council are achieved					
DPS12	Number of SDBIP meetings with senior personnel in own directorate conducted	New indicator	0 SDBIP meetings conducted	Conducting 12 SDBIP meetings with senior personnel in own directorate by June 2019	12 SDBIP meetings conducted		-	-	12 SDBIP meetings conducted
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote community safety					
DPS13	Number of Community Safety Forums established and number of community safety campaigns conducted	New indicator	New indicator	Establishing a Community Safety Forum and conducting 3 community safety campaigns in the CoM municipal area according to programme by June 2019	Community Safety Forum established and 2 campaigns conducted		Due to other events (elections in May 2019) campaigns could not be conducted	1 Campaign to be conducted in July 2019	Multi-sectoral municipal by-law unit and enforcing municipal by-laws
SECTION: TRAFFIC AND SECURITY									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote road safety					
TRA1	Number of (K78) multi road blocks	15 (K78) multi road blocks conducted	15 (K78) multi road blocks conducted	Conducting 15 (K78) multi road blocks with all law enforcement agencies in the CoM municipal area by June 2019	15 (K78) multi road blocks conducted		-	-	15 (K78) multi road blocks conducted






# Chapter 3

DIRECTORATE: PLANNING AND HUMAN SETTLEMENTS									
KEY PERFORMANCE AREA 1: SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT									
SECTION: HUMAN SETTLEMENTS									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To transfer old stock houses to ensure secure tenure / ownership of houses					
HOU1	Number of houses transferred	0 Registrations done	207 Verification forms compiled	Transferring 500 houses in Khuma, Kanana, Alabama and Jouberton (as per register) by compiling the verification forms for submission to conveyancers for transfer by June 2019 R257 377	236 Verification forms completed and 178 transfers done R 272 668		Officials cannot hold meetings or summon applicants without doing it by approval or involvement of councillors. No consensus among families on who to become the Heir / Title Holder	The department to draw a plan of action to address the remaining applications, further that it be advertised in the Local newspaper and radio station	N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal housing services and to curb financial losses					
HOU2	Percentage of housing disputes resolved	29%	0% 28 Received / 0 resolved	Resolving 30% of all housing disputes in the KOSH area by June 2019	23% 13 received / 3 resolved		Meetings were not convened	Meetings will be convened in the next quarter. The first sitting is scheduled for 05/07/2019	N/A
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
DPHS8	Number of LLF meetings attended	New indicator	6 Meetings attended	Attending 12 LLF meetings by June 2019	10 LLF meetings attended		Meetings clashed with a provincial meeting	In absence of the director a delegate will be appointed in writing	11 LLF meetings attended




# Chapter 3

DIRECTORATE: PLANNING AND HUMAN SETTLEMENTS									
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: TOWN-PLANNING									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect revenue to ensure sound financial matters					
TP1	Rand value income collected from building plan application	R787 246 collected	R751 783 collected	Collecting income from building plan applications by June 2019 R730 000	R707 108 collected		Application received is not within the control of the section. No payments for RDP building plans	Advertisement in local newspaper for first week in July 2019 to raise awareness	R600 000 collected
TP2	Rand value income collected from land use / development applications	R84 217 collected	R34 140 collected	Collecting income from land use / development applications by June 2019 R70 000	R 170 858 collected		-	-	R73 640 collected
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR PLANNING AND HUMAN SETTLEMENTS									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure good governance by executing the mandate of council					
DPHS2	Percentage of resolutions implemented within required timeframe	New indicator	54% 90 Received / 49 Implemented	Implementing at least 85% of the directorate's MM / EM / MayCo / Council resolutions by June 2019	86% 93 Received / 80 Implemented		-	-	87% Implemented
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure the that the quality of the information is on an acceptable standard					
DPHS4	Directorate's 2017/18 Annual Report input provided before its tabled	New indicator	Credible 2016/17 Annual Report inputs provided	Providing the directorate's 2017/18 Annual Report input before the draft annual report is tabled by October 2018	Credible 2017/18 Annual Report input provided		-	-	Credible 2018/19 Annual Report input provided



# Chapter 3

DIRECTORATE: PLANNING AND HUMAN SETTLEMENTS									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR PLANNING AND HUMAN SETTLEMENTS									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce risk areas and protect the municipality against legal actions					
DPHS3	Percentage of all identified high / maximum / extreme risks mitigated by implementing corrective measures	New indicator	33% 3 Received / 1 mitigated	Mitigating at least 80% of the directorate's identified high / maximum / extreme risks by implementing corrective measures by June 2019	0% 3 Received / 0 Mitigated		The directorate does not have the expertise to do the land audit and land register. CoM municipal area currently experience decrease in development, due to restraints	A service provider has been appointed to do credible land audit. Advert will be placed in local newspaper to inform public of process to be followed when developing	50% Mitigated
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the programmes and projects of the directorate are incorporated					
DPHS5	Directorate's IDP inputs provided before the 2019/20 IDP is tabled	New indicator	Credible 2018/19 IDP inputs provided	Providing the directorate's IDP inputs before the 2019/20 IDP is tabled by 31 May 2019	Credible 2019/20 IDP inputs provided		-	-	Credible 2020/21 IDP inputs provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the all the directorates KPI's are catered for					
DPHS6	Directorate's SDBIP inputs before the draft 2019/20 SDBIP is tabled	New indicator	Credible 2018/19 SDBIP inputs provided on 5 April 2018	Providing the directorate's SDBIP inputs before the draft 2019/20 SDBIP is submitted by 31 May 2019	Credible 2019/20 SDBIP inputs provided		-	-	Credible 2020/21 SDBIP inputs provided




# Chapter 3

DIRECTORATE: PLANNING AND HUMAN SETTLEMENTS									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR PLANNING AND HUMAN SETTLEMENTS									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MFMA)					
DPHS7	Percentage of SLA / lease agreements which are commented on in terms of all allocated contracts, as received from legal section	New indicator	No SLA's received for comments	Ensuring that 100% of SLA / lease agreements received director comments within 3 working days of receipt in terms of all allocated contracts as received from the legal section by June 2019	No SLA's received for comments		-	-	100% SLA's received for commented on
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the mandate of Audit Committee is executed					
DPHS9	Percentage of Audit Committee resolutions implemented within required timeframe	New indicator	No Audit Committee resolutions received	Implementing at least 90% of all directorate' s Audit Committee resolutions by June 2019	No Audit Committee resolutions received		-	-	90% Implemented
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the audit outcome from the AG					
DPHS10	Number of Audit Steering Committee meetings attended	New indicator	4 Audit Steering Committee meetings attended	Attending 12 Audit Steering Committee meetings (directors) to improve the audit outcome by June 2019	13 Audit Steering Committee meetings attended		-	-	N/A




# Chapter 3

DIRECTORATE: PLANNING AND HUMAN SETTLEMENTS									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR PLANNING AND HUMAN SETTLEMENTS									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the internal control environment					
DPS11	Number of Internal Audit recommendations implemented	New indicator	New indicator	Implementing at least 80% of the directorate's Internal Audit recommendations by June 2019	10% 10 Received / 1 Implemented		Budget not approved for land audit. Policies to be developed and workshopped. All information not updated	Director will engaged with Internal Audit to provide updated reports containing all information submitted	80% Implemented
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the set goals of council are achieved					
DPS12	Number of SDBIP meetings with senior personnel in own directorate conducted	New indicator	0 Meetings conducted	Conducting 12 SDBIP meetings with senior personnel in own directorate by June 2019	11 SDBIP meetings conducted		Acting director was responsible for 2 directorates and it was not always possible to hold monthly meetings	New Director is appointed for Planning and Human Settlements new plan will be developed	12 SDBIP meetings conducted

# Chapter 3

DIRECTORATE: LOCAL ECONOMIC DEVELOPMENT									
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: DIRECTOR LOCAL ECONOMIC DEVELOPMENT									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
LED8	Number of LLF meetings attended	New indicator	6 LLF meetings attended	Attending 12 LLF meetings by June 2019	12 LLF meetings attended		-	-	11 LLF meetings attended
SECTION: MARKETING AND COMMUNICATION									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote the city and communicate programmes to ensure a well-informed community					
COM2	Number of external newsletters compiled and distributed regarding Council affairs to the community	4 External newsletters compiled and distributed	5 External newsletters compiled and distributed	Compiling and distributing 4 external newsletter regarding Council affairs to the community by June 2019	4 External newsletters compiled and distributed		-	-	4 External newsletters compiled and distributed
NR	INDICATOR	MEASURABLE OBJECTIVE :		To distribute internal & external newsletters to ensure transparency with Council affairs					
COM3	Number of internal newsletters compiled & distributed to all employees of Council	6 Internal newsletters compiled and distributed	6 Internal newsletters compiled and distributed	Compiling & distributing 6 internal newsletters to all employees of Council by June 2019	6 Internal newsletters compiled and distributed		-	-	6 Internal newsletters compiled and distributed

# Chapter 3






DIRECTORATE: LOCAL ECONOMIC DEVELOPMENT									
KEY PERFORMANCE AREA 3: LOCAL ECONOMIC DEVELOPMENT									
SECTION: LOCAL ECONOMIC DEVELOPMENT									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct consultations meeting to share information with all relevant stakeholders					
LED16	Number of LED consultation meetings conducted with stakeholders	12 LED consultation meetings conducted	12 LED consultation meetings conducted	Conducting 12 LED consultation meetings with stakeholders by June 2019	12 LED consultation meetings conducted		-	-	12 LED consultation meetings conducted
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct workshops to capacitate SMME's and cooperatives					
LED17	Number of SMME workshops conducted to capacitate SMME's and cooperatives	4 SMME workshops conducted	4 SMME workshops conducted	Conducting 4 SMME workshops to capacitate SMME's and cooperatives by June 2019	4 SMME workshops conducted		-	-	4 SMME workshops conducted
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: MARKETING AND COMMUNICATION									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote the city and communicate programmes to ensure a well-informed community					
COM1	Rand value spent on marketing activities	Branding material purchased. R134 124	Branding material purchased. R 78 700	Spending on marketing activities according to Marketing Plan by June 2019 R1 210 600	Branding material purchased. R565 310		R600 000 set aside for a removal of illegal sign tender. Tender process still in progress	Tender will serve in the 2019/20 financial year a new budget	R1 600 000 spent

# Chapter 3

## DIRECTORATE: LOCAL ECONOMIC DEVELOPMENT





### KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT

#### SECTION: FRESH PRODUCE MARKET





Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote the fresh produce market to ensure a well-informed community					
FPM1	Rand value spent on fresh produce market programmes	R198 405 spent	R372 913 spent	Spending on fresh produce market programmes by June 2019 R315 900	R271 534 spent		One service provider not yet appointed	SCM process to be finalised in 2019/20 FY	R 316 800 spent
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect income to ensure financial sustainability					
FPM2	Rand value income collected from rental estate	R1 096 318 collected	R1 241 985 collected	Collecting income from rental estate by June 2019 R1 427 672	R1 325 435 collected		Some tenants are behind on their rental payments	Follow up on all outstanding accounts	R74 239 collected
FPM3	Rand value income collected from ripening and cooling rooms	R783 877 collected	R866 531 collected	Collecting income from ripening & cooling rooms by June 2019 R1 000 000	R1 010 625 collected		-	-	R78 037 collected
FPM4	Rand value income collected from market commission (dues)	R16 616 277 collected	R17 749 965 collected	Collecting income from market commission (dues) by June 2019 R13 133 030	R17 486 076 collected		-	-	R18 204 478 collected
FPM5	Rand value income collected from rental of carriages	R150 670 collected	R136 093 collected	Collecting income from rental of carriages by June 2019 R210 600	R139 290 collected		Most of the carriages are broken	Service provider appointed	R10 951 collected





# Chapter 3

DIRECTORATE: LOCAL ECONOMIC DEVELOPMENT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR LOCAL ECONOMIC DEVELOPMENT									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure good governance by executing the mandate of council					
LED2	Percentage of resolutions implemented within required timeframe	91% 43 Received / 39 Implementation	76% 72 Received / 55 implemented	Implementing at least 85% of the directorate's MM / EM / MayCo / Council resolutions by June 2019	88% 59 Received / 52 Implemented		-	-	87% Implemented
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce risk areas and protect the municipality against legal actions					
LED3	Percentage of all identified high / maximum / extreme risks mitigated by implementing corrective measures	50% 6 Received / 3 mitigated	33% 3 Received / 1 mitigated	Mitigating at least 80% of the directorate's identified high / maximum / extreme risks by implementing corrective measures by June 2019	50% 4 Received / 2 mitigated		Position of Market Master still vacant. Lack of armed security at the Fresh Produce Market	Position of Market Master has been re-advertised. To be filled in the next financial year. The possibility of armed security at the FPM be investigated	50% Mitigated
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure the that the quality of the information is on an acceptable standard					
LED4	Directorate's 2017/18 Annual Report input provided before its tabled	Credible 2015/16 Annual Report input provided	Credible 2016/17 Annual Report Inputs provided	Providing the directorate's 2017/18 Annual Report input before the draft annual report is tabled by October 2018	Credible 2017/18 Annual Report input provided		-	-	Credible 2018/19 Annual Report input provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the programmes and projects of the directorate are incorporated					
LED5	Directorate's IDP inputs provided before the 2019/20 IDP is tabled	Credible 2017/18 IDP inputs provided	Credible 2018/19 IDP inputs provided	Providing the directorate's IDP inputs before the 2019/20 IDP is tabled by 31 May 2019	Credible 2019/20 IDP inputs provided		-	-	Credible 2020/21 IDP inputs provided





# Chapter 3

DIRECTORATE: LOCAL ECONOMIC DEVELOPMENT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR LOCAL ECONOMIC DEVELOPMENT									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the all the directorates KPI's are catered for					
LED6	Directorate's SDBIP inputs before the draft 2019/20 SDBIP is tabled	Credible 2017/18 SDBIP inputs provided	Credible 2018/19 SDBIP inputs provided on 4 April 2018	Providing the directorate's SDBIP inputs before the draft 2019/20 SDBIP is submitted by 31 May 2019	Credible 2019/20 SDBIP inputs provided		-	-	Credible 2020/21 SDBIP inputs provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MFMA)					
LED7	Percentage of SLA / lease agreements which are commented on in terms of all allocated contracts, as received from legal section	New indicator	100% 3 received/ 3 commented	Ensuring that 100% of SLA / lease agreements received director comments within 3 working days of receipt in terms of all allocated contracts as received from the legal section by June 2019	No SLA's received for comments		-	-	100% SLA's commented within 3 working days
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the mandate of Audit Committee is executed					
LED9	Percentage of Audit Committee resolutions implemented within required timeframe	New indicator	100% 1 received/ 1 implemented	Implementing at least 90% of all directorate's Audit Committee resolutions by June 2019	No Audit Committee resolutions received		-	-	90% Implemented
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the internal control environment					
LED11	Number of Internal Audit recommendations implemented	New indicator	New indicator	Implementing at least 80% of the directorate's Internal Audit recommendations by June 2019	No Internal Audit Recommendations received		-	-	N/A





## Chapter 3

DIRECTORATE: LOCAL ECONOMIC DEVELOPMENT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR LOCAL ECONOMIC DEVELOPMENT									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the audit outcome from the AG					
LED10	Number of Audit Steering Committee meetings attended	New indicator	6 Audit Steering Committee meetings attended	Attending 12 Audit Steering Committee meetings (directors) to improve the audit outcome by June 2019	12 Audit Steering Committee meetings		-	-	N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the set goals of council are achieved					
LED12	Number of SDBIP meetings with senior personnel in own directorate conducted	New indicator	1 SDBIP meeting conducted	Conducting 12 SDBIP meetings with senior personnel in own directorate by June 2019	12 SDBIP meeting conducted		-	-	12 SDBIP meeting conducted




# Chapter 3

DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 1: SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT									
SECTION: REVENUE MANAGEMENT									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure effective service delivery					
RM3	Rand value income collected from electricity sales	R471 401 979 collected	R529 611 642 collected	Collecting income from electricity sales (conventional meters) by June 2019 R325 000 000	R541 799 988 collected		-	-	R365 000 000 collected
RM4	Rand value income collected from pre-paid electricity sales	R0 collected	R10 368 410 collected	Collecting income from pre-paid electricity sales by June 2019 R16 176 000	R122 970 048 collected		-	-	R16 176 000 collected
RM5	Rand value income collected from water sales	R279 167 006 collected	R272 759 791 collected	Collecting income from water sales (conventional meters) by June 2019 R356 960 392	R257 100 558 collected		Water distribution losses	Replacement of stuck and damaged meters and registration of new developments meters	R429 663 271 collected
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: CHIEF FINANCIAL OFFICER									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
CFO9	Number of LLF meetings attended	New indicator	8 LLF meetings attended	Attending 12 LLF meetings by June 2019	11 LLF meetings attended		During the audit it was not always possible to attend the meetings	A delegated official will be sent in order to comply	11 LLF meetings attended





# Chapter 3

DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: BUDGET AND TREASURY OFFICE									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		Ensure that all applicable budget related documents are published on the municipal website as required by the MFMA					
BUD15	Percentage of budget related documents published on the municipal website published	100% 4 Approved / 4 published on website	100% 4 Approved / 4 published on website	Publishing 100% of all approved budget related documents on the municipal website by June 2019	100% 5 Received / 5 published		-	-	9 Approved budget related documents
SECTION: ASSES MANAGEMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that all municipal assets are accounted for					
ASS1	2018/19 Asset count completed and reported	Asset count completed and report to municipal manager	2017/18 Asset count completed and report to municipal manager	Completing the 2018/19 asset count and submitting report to municipal manager by June 2019	2018/19 Asset count completed and report to municipal manager		-	-	2019/20 Asset count completed
NR	INDICATOR	MEASURABLE OBJECTIVE :		To enhance a clean audit					
ASS2	2017/18 Asset register 100% reconciled	2015/16 Asset Register 100% reconciled.	100% Reconciled and submitted to AG	Reconciling the 2017/18 asset register 100% to the financial statements by August 2018	2017/18 Asset Register 100% reconciled		-	-	2018/19 Asset Register 100% reconciled
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with GRAP17					
ASS3	Percentage of all identified assets on register	100%	100%	Ensuring that 100% of all identified assets are registered in the asset register (2017/18) by July 2018	100%		-	-	100%

# Chapter 3




DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: REVENUE MANAGEMENT									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To update the current valuation roll to comply with legislation					
RM2	Percentage of the existing valuation roll updated with supplementary entries	Updating of categories and tariffs are completed R45 150	Updating of supplementary categories and tariffs completed for 2017/18 financial year	90% Updating the existing valuation roll with supplementary entries (categories and tariffs) by June 2019	100% Updated 310 Received / 310 updated		-	-	95% Updating the existing valuation roll
SECTION: EXPENDITURE MANAGEMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To control credit management to ensure timeous payment of creditors and service providers					
EXP1	Percentage of payments within 30 days from date of invoice/statement	70%	50%	Settling 65% of all payments (creditors) done within 30 days of receipt of invoice / statement by June 2019	21%		The decline in collection affect the speed rate of payment of suppliers	Debt need to be collected to increase cash flow, new debt collectors were appointed	25% of all payments (creditors) done within 30 days
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: CHIEF FINANCIAL OFFICER									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure good governance by executing the mandate of council					
CFO3	Percentage of resolutions implemented within required timeframe	100% 19 Received / 19 Implemented	91% 23 Received / 21 Implemented	Implementing at least 85% of the directorate's MM / EM / MayCo / Council resolutions by June 2019	100% 64 Received / 64 Implemented		-	-	87% Implemented

# Chapter 3

DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: CHIEF FINANCIAL OFFICER									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce risk areas and protect the municipality against legal actions					
CF04	Percentage of all identified high / maximum / extreme risks mitigated by implementing corrective measures	100% 3 Received / 3 mitigated	0% 3 Received / 0 mitigated	Mitigating at least 80% of the directorate's identified high / maximum / extreme risks by implementing corrective measures by June 2019	75% 4 Received / 3 Mitigated		The addressing of the organogram will assist with the filling of staff shortages in the department which will then assist with the use of less consultants	Organogram addressed during Strategic Planning session in June 2019. Resolutions to be implemented in 2019/20 financial year	50% Mitigated
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure the that the quality of the information is on an acceptable standard					
CF05	Directorate's 2017/18 Annual Report input provided before its tabled	Credible 2015/16 Annual Report input provided	Credible 2016/17 Annual Report inputs provided	Providing the directorate's 2017/18 Annual Report input before the draft annual report is tabled by October 2018	Credible 2017/18 Annual Report input provided		-	-	Credible 2018/19 Annual Report input provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the programmes and projects of the directorate are incorporated					
CF06	Directorate's IDP inputs provided before the 2019/20 IDP is tabled	Credible 2017/18 IDP inputs provided	Credible 2018/19 IDP inputs provided	Providing the directorate's IDP inputs before the 2019/20 IDP is tabled by 31 May 2019	Credible 2019/20 IDP inputs provided		-	-	Credible 2020/21 IDP inputs provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the all the directorates KPI's are catered for					
CF07	Directorate's SDBIP inputs before the draft 2019/20 SDBIP is tabled	Credible 2017/18 SDBIP inputs provided	Credible 2018/19 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the draft 2019/20 SDBIP is submitted by 31 May 2019	Credible 2019/20 SDBIP inputs provided		-	-	Credible 2020/21 SDBIP inputs provided





# Chapter 3





DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: CHIEF FINANCIAL OFFICER									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MFMA)					
CFO8	Percentage of SLA / lease agreements which are commented on in terms of all allocated contracts, as received from legal section	New indicator	100% 1 Received / 1 commented	Ensuring that 100% of SLA / lease agreements received director comments within 3 working days of receipt in terms of all allocated contracts as received from the legal section by June 2019	No SLA's received		-	-	100% SLA's commented on within 3 working days
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the mandate of Audit Committee is executed					
CFO10	Percentage of Audit Committee resolutions implemented within required timeframe	New indicator	33% 6 Received / 2 implemented	Implementing at least 90% of all directorate's Audit Committee resolutions by June 2019	60% 15 Received / 9 Implemented		Capacity is a challenge within the section. There is only one person responsible for the preparation of the AFS	A proposed organogram has been drafted and presented at the strategic planning session. The UIF&W register will be submitted at the next meeting	90% Implemented
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the audit outcome from the AG					
CFO11	Number of Audit Steering Committee meetings attended	New indicator	6 Audit Steering Committee meetings attended	Attending 12 Audit Steering Committee meetings (directors) to improve the audit outcome by June 2019	9 Meetings attended		During the audit it was not always possible to attend the meetings	A delegated official will be sent in order to comply	N/A








# Chapter 3

DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: CHIEF FINANCIAL OFFICER									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the internal control environment					
CFO12	Number of Internal Audit recommendations implemented	New indicator	New indicator	Implementing at least 80% of the directorate's Internal Audit recommendations by June 2019	0 % 9 Received / 0 implemented		Various factors have prohibited finance to implement all of internal audits resolutions. Some recommendations run through all directorates	A list of all outstanding recommendations has been drawn up and will be sent to all finance managers to ensure that they are aware of the outstanding recommendations and that they proceed with the process of implementation	N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the set goals of council are achieved					
CFO13	Number of SDBIP meetings with senior personnel in own directorate conducted	New indicator	0 Meetings conducted	Conducting 12 SDBIP meetings with senior personnel in own directorate by June 2019	7 SDBIP meetings conducted		No meetings were held due to the fact that unplanned top management , adjudication meetings and others were called during the time allocated for the SDBIP meetings	Meetings to be scheduled after hours if it cannot be held during office hours	12 SDBIP meetings conducted

# Chapter 3

DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: BUDGET AND TREASURY OFFICE									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the budget in order to comply with legislation					
BUD5	2019/20 Budget planning process time table tabled	2017/18 Budget Process Plan tabled. CC 55/2016 dated 30 August 2016	2018/19 Budget Process Plan tabled. CC 140/2017 dated 29/08/2017	Tabling the 2019/20 budget planning process time table by 31 August 2018	2019/20 Budget Process Plan tabled. CC 96/2018 dated 2018/08/28		-	-	2020/21 Budget Process Plan tabled
BUD6	2019/20 Draft budget approved	2017/18 Draft budget approved. CC 14/2017 dated 30/3/2017	2018/19 Draft budget approved. CC34/2018 dated 20 April 2018	Approving the 2019/20 draft budget by 31 March 2019	2019/20 Draft budget approved. CC33/2019 dated 29/03/2019		-	-	2020/21 Draft budget approved
SECTION: SUPPLY CHAIN MANAGEMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MFMA)					
SCM1	Percentage of SLA are signed to all allocated tenders	89.3% 28 Received / 25 signed	100% 27 Tenders awarded / 27 forwarded	Ensuring 100% of all allocated tenders / projects are forwarded to Legal for SLA to be signed by June 2019	76% 17 Received / 13 forwarded		-	-	100% Allocated tenders forwarded to Legal
NR	INDICATOR	MEASURABLE OBJECTIVE :		Ensure that all supply chain management awards are published on the municipal website as required by the MFMA					
SCM2	Percentage of supply chain management awarded contracts published on municipal website	0 % contracts published on municipal website only tenders were placed on municipal website	100% 27 Approved / 27 forwarded	Forwarding 100% of all supply chain management contracts in terms of Section 75(1)(g) of the MFMA to the ICT section for publishing on the municipal website by June 2019	100% 17 Approved / 17 forwarded		-	-	100% SCM contracts published on municipal website



# Chapter 3

DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: SUPPLY CHAIN MANAGEMENT									
Operational and Compliance		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To implement Internal Co-operation and Controls to ensure compliance with legislation					
SCM3	Percentage of service requests documents at the Specification Committee approved	10 Specification committee meetings conducted	100% 37 Tenders received / 37 successfully completed	Completing at least 90% of all service requests specifications documents successful by June 2019	80% 41 Request received / 33 successfully completed		Service requests specifications documents referred back to user departments for clarification	Documents to be resubmitted by user departments	100%
SCM4	Percentage of tender documents at the Evaluation Committee approved	13 Evaluation committee meetings conducted	100% 29 Tenders received/ 29 evaluated	Evaluating at least 90% of all received tender documents successful by June 2019.	97% 32 Tenders received / 31 successfully completed		-	-	100%
SCM5	Percentage of evaluated tenders at the Adjudication Committee approved	13 Adjudication committee meetings conducted	100% 31 Tenders received / 31 adjudicated	Adjudicating at least 90% of all evaluated tenders successful by June 2019	96% 25 Evaluation tenders received / 24 successfully completed		-	-	100%
SCM6	Number of SCM capacity building workshops for council employees conducted	5 SCM capacity building workshops conducted	6 SCM capacity building workshops conducted	Conducting 4 SCM capacity building workshops for council employees by June 2019	3 SCM capacity building workshops conducted		Amendments to the Policy submitted to Council for approval in 4 <sup>th</sup> quarter	Workshop to be conducted in 1 <sup>st</sup> quarter on approval of amended policy	4 SCM capacity building workshops conducted
NR	INDICATOR	MEASURABLE OBJECTIVE :		To implement a Supply Chain Management policy to comply with legislation					
SCM7	Number of implementation reports of the Supply Chain Management policy submitted	3 Quarterly reports submitted	4 Quarterly reports submitted and made public	Submitting 4 quarterly reports on the implementation of SCM policy to council and make public by June 2019	4 Quarterly reports submitted and made public		-	-	4 Quarterly reports submitted and made public

**12**

**Outcome 9**  
**Indicators from**  
**National Government**









# Chapter 3

SERVICE DELIVERY									
DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
Outcome 9		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
Roads and Storm-Water Drainage (KPA 1: Service Delivery & Infrastructure Development)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To grade roads to maintain the existing road infrastructure					
ROA1	Km roads graded in the CoM municipal area	148.12 km roads graded R4 080 969	145.99 Km roads graded R5 278 628	Grading of 150 km roads in the CoM municipal area as per programme by June 2019 R10 000 000	179.03 Km roads graded R 9 070 744		-	-	200 Km roads graded R10 520 000
FINANCIAL, ADMINISTRATIVE AND CAPACITY									
DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER AND ALL DIRECTORATES									
Financial Management (KPA 2: Municipal Institutional Development and Transformation)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To resolve prior year's audit qualification from the audit report (Audit Action Plan)					
CF02	Number of 2016/17 audit qualifications resolved from the Auditor-General	2 Qualifications 100% resolved	Qualification number 6 resolved by adjustment of the IE register	Resolving one (1) qualification (irregular expenditure) on the 2016/17 Auditor-General's report by November 2018	Audit Action Plan compiled. 1 Qualification resolved. Received an unqualified audit opinion from the AG		-	-	Unqualified audit opinion received

# Chapter 3

## FINANCIAL, ADMINISTRATIVE AND CAPACITY




### DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER AND ALL DIRECTORATES

Outcome 9		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
Financial Management (KPA 2: Municipal Institutional Development and Transformation)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure an effective external audit process (Exception report)					
MM3	Percentage of external audit queries answered within required time frame	New indicator	100% 3 Received / 3 answered	Answering 100% of all audit queries (exception report) received from the Auditor-General within the required time frame by November 2018	100% 4 Received / 4 answered		-	-	100% Answered
DT11		New indicator	100% 10 Received / 10 answered		100% 15 Received / 15 answered		-	-	100% Answered
DCS1		New indicator	100% 3 Received / 3 answered		100% 11 Received / 11 answered		-	-	100% Answered
CFO1		New indicator	100% 115 Received / 115 answered		100% 150 Received / 150 answered		-	-	100% Answered
LED1		New indicator	100% 3 Received / 3 answered		No AG enquiries received		-	-	100% Answered
DPS1		New indicator	100% 3 Received / 3 answered		100% 1 Received / 1 Answered		-	-	100% Answered
DCD1		New indicator	100% 1 Received / 1 answered		100% 3 Received / 3 answered		-	-	100% Answered
DPHS1		New indicator	100% 3 Received / 3 answered		No AG enquiries received		-	-	100% Answered

# Chapter 3

## FINANCIAL, ADMINISTRATIVE AND CAPACITY



### DIRECTORATE: BUDGET AND TREASURY

Outcome 9		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
Revenue Management (KPA 4: Municipal Financial Viability & Management)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect revenue for property rates to comply with legislation (Implementation of the Municipal Property Rates Act, 2004 (Act no. 6 of 2004))					
RM1	Rand value income collected from budgeted revenue for property rates	96%	93%	Collecting at least 81% of budgeted revenue for property rates collected by June 2019 81% of R364 386 337	72% R262 197 811 collected		Collection of levies and arrears is dependent on the credit control and debt collections actions being taken which was not sufficient as can be seen in the other items	Intensify credit control and debt collections controls	81% of R400 836 191
NR	INDICATOR	MEASURABLE OBJECTIVE :		To identify the grants received as revenue to better service delivery					
BUD11	Grants as a percentage of revenue received	100%	100%	Receiving 100% of grants as revenue received per DORA by March 2019 R638 147 000	100% R638 147 000 received		-	-	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To control debt management to ensure financial sustainability					
REV1	Rand value debtors outstanding as percentage of own revenue	77.85% R2 269 560 103	75.6%	Having at the most 75% of debtors outstanding of own revenue by June 2019	55% R1 979 307 069 outstanding		Credit Control actions limited due to the fact that there was no service provider to implement the credit control, Credit control was implemented internally by personnel and Civil, but due to limited capacity of Civil, actions were limited	External service provider to be appointed urgently by SCM and the MM	15%

# Chapter 3

## FINANCIAL, ADMINISTRATIVE AND CAPACITY

### DIRECTORATE: BUDGET AND TREASURY




Outcome 9		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
Revenue Management (KPA 4: Municipal Financial Viability & Management)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To control debt management to ensure financial sustainability					
REV2	Percentage of debt collected as a percentage of money owed to the municipality	85.24%	96.59%	Collecting at least 25% of debt of money owed to the municipality by June 2019	40% R1 431 390 818 collected		-	-	25%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To increase Payments Received vs. Monthly Levies (Collection rate of billings)					
REV3	Percentage increase in annual debtors collection rate	0% (from previous 80% to 80.49%)	-16% (from previous 80% to 64%)	11% Increase (64% to 75%) in annual service debtors collection rate by June 2019	8% Increase (from previous 64% to 75%)		Credit Control actions limited due to the fact that there was no service provider to implement the credit control, Credit control was implemented internally by personnel and Civil, but due to limited capacity of Civil, actions were limited	External service provider to be appointed urgently by SCM and the MM	11%







# Chapter 3

## FINANCIAL, ADMINISTRATIVE AND CAPACITY




### DIRECTORATE: BUDGET AND TREASURY

Outcome 9		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
Expenditure Management (KPA 4: Municipal Financial Viability & Management)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To control expenditure management to ensure financial sustainability					
BUD1	Rand value of capital expenditure as a % of planned capital spent	95.52% R138 140 555	82% R175 241 380	Spending at least 85% of planned capital expenditure by June 2019 R220 547 000	70.69% R176 029 683		Low expenditure due to additional grant funding received after adjustment budget	Accelerate capital spending on additional grant funding	85%
BUD2	Percentage of operational budget spent on repairs and maintenance	4% R92 064 921	3% R97 429 013	Spending at least 3% of operational budget on repairs and maintenance by June 2019 3% of R3 147 469 326 (R94 424 080)	2.91% R92 597 460		Slow expenditure on certain repairs and maintenance votes due to lack of planning as cash flow constrains	All departments must implement maintenance and demand management plans and SCM processes to be streamlined. The collection rate must be increased to make cash available for maintenance expenditure	3%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To submit sec 71 reports to NT in order to comply with legislation					
BUD14	Number of section 71 report submitted to NT	12 Electronic version of the section 71 report submitted	12 Electronic version of the section 71 report submitted	Submitting 12 electronic version of the section 71 report to the NT database by June 2019	12 Electronic version of the section 71 report submitted		-	-	12 Electronic version of the section 71 report submitted




# Chapter 3

FINANCIAL, ADMINISTRATIVE AND CAPACITY									
DIRECTORATE: BUDGET AND TREASURY									
Outcome 9		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
Financial Management (KPA 5: Good Governance and Public Participation)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the budget in order to comply with legislation					
BUD7	Final 2019/20 budget approved	2017/18 Budget approved. CC 99/2017 dated 31/05/2017	2018/19 Budget approved CC47/2018 dated 30/05/2018	Approving the final 2019/20 budget by 31 May 2019	Final 2019/20 Budget approved. CC47/2019 dated 31/05/2019		-	-	2020/21 Budget approved
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the budget related policies and tariffs in order to comply with legislation					
BUD8	2019/20 Budget related policies approved	2017/18 Budget policies & tariffs approved. CC 99/2017 dated 31/05/2017	2018/19 Budget policies & tariffs approved CC47/2018 dated 30/05/2018	Approving the final 2019/20 budget related policies and tariffs by 31 May 2019	Final 2019/20 Budget policies & tariffs approved. CC47/2019 dated 31/05/2019		-	-	2020/21 Budget policies & tariffs approved
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the Adjustment Budget to comply with legislation					
BUD9	2018/19 Adjustment budget approved	2016/17 Adjustment Budget approved. CC 37/2017 dated 28/02/2017	2017/18 Adjustment Budget Approved CC 59/2018 dated 28 June 2018	Approving the 2018/19 adjustment budget by 28 February 2019	2018/19 Adjustment Budget approved. CC24/2019 dated 28/02/2019		-	-	2018/19 Adjustment Budget approved
NR	INDICATOR	MEASURABLE OBJECTIVE :		To submit the 2017/18 Financial Statements on time to comply with legislation					
BUD10	2017/18 Financial statements submitted to the Auditor-General	2015/16 Financial Statements submitted on 31 August 2016	2016/17 Financial Statements submitted on 31 August 2017	Submitting the 2017/18 financial statements to the Auditor-General by 31 August 2018	2017/18 Financial Statements submitted on 28 September 2018		Financial system challenges due to mSCOA implementation	Submit AFS on mSCOA compliant system link to NT reporting	2018/19 Financial Statements submitted




# Chapter 3

PERFORMANCE MANAGEMENT AND INTEGRATED DEVELOPMENT PLANNING									
DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
Outcome 9		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
Performance Management ( KPA 5: Good Governance and Public Participation)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the 2017/18 Audited Annual Report to comply with section 121 of MFMA					
PMS3	Number of Audited 2017/18 Annual Report tabled before Council	Audited 2015/16 Annual Report tabled CC15/2017 dated 31/01/2017	2016/17 Audited Annual Report tabled CC2/2018 dated 30/01/2018	Tabling one Audited 2017/18 Annual Report before Council by 31 January 2019	2017/18 Audited Annual Report tabled before Council - CC11/2019 dated 30 January 2019		-	-	2019/20 Audited Annual Report tabled
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the final 2019/20 SDBIP to ensure compliance with legislation					
PMS6	Number of Final 2019/20 SDBIP approved by Executive Mayor	Final 2017/18 SDBIP approved. MM 125/2017 dated 16/06/2017. EM 07/2017 dated 27/06/2017	Final 2018/19 SDBIP approved. MM120/2018 dated 14/06/2018. EM6/2018 dated 26/06/2018	Approving one final 2019/20 SDBIP by Executive Mayor (28 days after approval of budget) by June 2019	Final 2019/20 SDBIP approved. MM160/2019 dated 14 June 2018. EM7/2019 dated 26 June 2019		-	-	Final 2020/21 SDBIP approved
Integrated Development Planning ( KPA 5: Good Governance and Public Participation)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To give effect to the 2019/20 IDP Process Plan					
IDP1	Number of 2019/20 IDP Process Plan tabled in Council	2017/22 IDP Process Plan tabled on 30 August 2016 CC 55/2016	2018/19 Reviewed IDP process plan tabled on CC140/2017 dated 29 August 2017	Tabling one 2019/20 IDP Process Plan in Council by August 201	2019/20 IDP Process Plan tabled. CC96/2018 dated 28/08/2018		-	-	2020/21 IDP Process Plan tabled


# Chapter 3

PERFORMANCE MANAGEMENT AND INTEGRATED DEVELOPMENT PLANNING									
DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
Outcome 9		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
Integrated Development Planning ( KPA 5: Good Governance and Public Participation)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To invite public comments after the tabling of the draft IDP to comply with legislation and to obtain inputs from the community					
IDP5	Public comments invited by Council after tabling of the draft 2019/20 IDP Amendments	Public comments invited in the Lentswe and Klerksdorp Record on 4/5/2017	Public comments invited in Klerksdorp Record and Lentswe on 20 April 2018	Inviting public comments after the tabling of the draft 2019/20 IDP Amendments for inputs from the community by April 2019	Public comments invited in Klerksdorp Record and Lentswe on 11 April 2019		-	-	Public comments invited
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the 2019/20 IDP Amendments to comply with legislation					
IDP6	Number of Final 2019/20 IDP Amendments approved by Council	Final IDP approved on CC102/2017 dated 31/5/2017	Final Reviewed IDP Amendments for 2018/19 approved by Council. CC50/2018 dated 30 May 2018	Approving one final 2019/20 IDP Amendments by Council by May 2019	Final 2019/20 IDP amendments approved. CC49/2019 dated 31/05/2019		-	-	Final 2020/21 IDP Amendments approved
ADMINISTRATION									
Reduce Corruption ( KPA 5: Good Governance and Public Participation)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the 2017/18 Oversight Report to comply with s.129(1) of the MFMA					
MPAC5	Number of 2017/18 Oversight Report tabled before Council	2015/16 Oversight Report tabled. CC58/2017 dated 31/03/2017	2016/17 Oversight Report tabled - CC20/2018 dated 27/03/2018	Tabling one 2017/18 Oversight Report before Council by 31 March 2019	2017/2018 Oversight Report tabled. CC30/2019 dated 27/03/2019		-	-	2018/19 Oversight Report tabled

# Chapter 3

LABOUR RELATIONS									
DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
Outcome 9	Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year	
	2016/17	2017/18	Annual Target	Actual Performance					
Governance (KPA 5: Good Governance and Public Participation)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To sign the 2019/20 Performance Agreements to comply with legislation					
PMS7	Number of 2019/20 Performance Agreements with section 54A and 56 employees signed	100% 2017/18 Performance Agreements signed on 27 June 2017	100% 2018/19 Performance Agreements signed dated 19/06/2018	Signing eight 2019/20 performance agreements with section 54A & 56 employees by June 2019	8 x 2019/20 Performance Agreements signed on 24 - 26 June 2019		-	-	8 x 2020/21 Performance Agreements signed
GOVERNANCE / PUBLIC PARTICIPATION									
DIRECTORATE: CORPORATE SUPPORT (POLITICAL OFFICES)									
Governance (KPA 5: Good Governance and Public Participation)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To enhance public participation as per legislation to identify community needs and concerns and to inform the community of programmes of Council					
EM1	Number of Imbizos conducted	4 Imbizos conducted R275 693	3 Imbizos conducted R88 973	Conducting 4 Imbizos in the KOSH area by June 2019 R136 890	6 Imbizos conducted R101 630		-	-	4 Imbizos conducted
NR	INDICATOR	MEASURABLE OBJECTIVE :		To implement a Community Development Plan to identify community needs, challenges and to comply with legislation					
SPE1	Number of Community Based Plan (CBP) submitted	CBP appointment date 01/06/2017. R536 010	1 Progress report submitted to Council MAYCO395/2017 dated 13/09/2017 R4 438 820	Submitting 4 Community Based Plan (CBP) reports to Council by June 2019	4 Community Based Plan (CBP) reports submitted		-	-	4 Community Based Plan (CBP) reports submitted

# Chapter 3

LED / ENABLING ENVIRONMENT									
DIRECTORATE: LOCAL ECONOMIC DEVELOPMENT									
Outcome 9		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
Local Economic Development (KPA 3: Local Economic Development )									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure alignment between LED strategies and VTSD to synergize the communication between the three spheres of government					
LED15	Number of cooperatives (SMME's) established and functional	4 Co-operatives established – Tirisano Agric Primary; Re ya ipetla Primary; Never Say Never Primary; and Lekholo Primary R99 355	3 Cooperatives and 6 SMME's established / resuscitated R2 304 873	4 Cooperatives and 16 SMME's in the Matlosana area established / resuscitated and functional by June 2019	4 Cooperatives and 16 SMME's established / resuscitated and functional		-	-	4 Cooperatives and 16 SMME's

# 13



## National Key Performance Indicators

# Chapter 3



## DIRECTORATE: TECHNICAL AND INFRASTRUCTURE

### KEY PERFORMANCE AREA 1: SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT

#### SECTION: WATER

National Key Performance Indicator		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services (National Key Performance Indicator)					
WAT1	Percentage of households with access to basic level of water - Urban Settlements	100% 168 950 Hh with access / 0 Hh below minimum level	99.99% 170 205 Hh with access / 39 Hh below minimum level	99% of Households with access to basic level of water by June 2019 - Urban Settlements	99% 169 597 Hh with access / 1 410 Hh below minimum level		-	-	99% of Households with access
WAT3	Percentage of households with access to basic level of water - Rural Settlements	100% 1 739 Hh with access / 0 Hh below minimum level	100% 1 528 Hh with access / 0 Hh below minimum level	85% of Households with access to basic level of water by June 2019 – Rural Settlements	29% 1 640 Hh with access / 4 076 Hh below minimum level		Influx of informal settlements established in rural areas	Request Department of Human Settlements to assist with infrastructure	45% of Households with access

#### SECTION: SANITATION (WASTE WATER MANAGEMENT)

NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services (National Key Performance Indicator)					
SAN1	Percentage of households with access to basic level of sanitation - Urban Settlements	99% 165 908 Hh with access / 1 100 Hh below minimum level	99% 167 148 Hh with access / 1 139 Hh below minimum level	99% of Households with access to basic level of sanitation by June 2019 - Urban Settlements	99% 167 154 Hh with access / 1 410 Hh below minimum level		-	-	99% of Households with access
SAN3	Percentage of households with access to basic level of sanitation - Rural Settlements	70% (2 575 Hh with access / 1 106 Hh below minimum level	74% 2 575 Hh with access / 910 Hh below minimum level	75% Households with access to basic level of sanitation by June 2019 - Rural Settlements	32% 2 575 Hh with access / 5 584 Hh below minimum level		Influx of informal settlements established in rural areas	Request Department of Human Settlements to assist with infrastructure	75% of Households with access





# Chapter 3

## DIRECTORATE: TECHNICAL AND INFRASTRUCTURE



### KEY PERFORMANCE AREA 1: SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT

#### SECTION: ELECTRICAL ENGINEERING AND MECHANICAL





National Key Performance Indicator		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services (National Key Performance Indicator)					
ELE1	Percentage of households with access to basic level of electricity - Urban Settlement	98% 164 844 Hh with access / 3 840 Hh below minimum level	98% 167 177 Hh with access / 2 889 Hh below minimum level	98% of Households with access to basic level of electricity by June 2019 - Urban Settlement	98% 167 371 Hh with access / 3 665 Hh below minimum level		-	-	98% of Households with access
ELE3	Percentage of households with access to basic level of electricity - Rural Settlement	45% 899 Hh with access / 1 106 Hh below minimum level - No control over Eskom area	56% 948 Hh with access / 758 Hh below minimum level - No control over Eskom area	55% of Households with access to basic level of electricity by June 2019 - Rural Settlement	17% 964 Hh with access / 4 723 Hh below minimum level		Influx of informal settlements established in rural areas	Request Eskom to assist with infrastructure	55% of Households with access

## DIRECTORATE: COMMUNITY DEVELOPMENT




### SECTION: REFUSE REMOVAL (WASTE MANAGEMENT)

NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services (National Key Performance Indicator)					
REF1	Percentage of households with access to basic level of refuse removal - Urban Settlement	97% 165 277 Hh with access / 4 306 Hh below minimum level	97.48% 166 309 Hh with access / 4 306 Hh below minimum level	97% of Households with access to basic level of refuse removal by June 2019 - Urban Settlement	97% 166 685 Hh with access / 4 322 Hh below minimum level		-	-	97% of Households with access
REF3	Percentage of households with access to basic level of refuse removal - Rural settlement	0% 0 Hh with access / 1 106 Hh below minimum level	0% 0 Hh with access / 1 157 Hh below minimum level	0% of Households with access to basic level of refuse removal by June 2019 - Rural Settlement (Unproclaim land)	0% 0 Hh with access / 5 716 Hh below minimum level		-	-	0% of Households with access

# Chapter 3

DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 1: SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT									
SECTION: REVENUE MANAGEMENT									
National Key Performance Indicator		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		Indigent Subsidy for Free Basic Services allocations to comply with legislation					
REV4	Rand value spend on free basic services	R59 748 502 spent	R98 842 669 spent	Spending on free basic services by June 2019 - (Account Holders) R144 837 425	R122 031 772 spent		Indigent consumers are not coming forward and not being motivated by Ward Councillors	Ward councillors to encourage indigent persons to apply, as arrears consumers have been handed over	R212 942 225 spent
REV5	Number of approved households with free basic services (indigents)	New indicator	New indicator	Approving 15 000 households for free basic services (indigents) by June 2019	15 199 Approved households with free basic services		More indigents were identified, as compared to the initial assumption		20 000 Approved households
REV6	Percentage of households registered earning less than R3 380 per month	20%	18.6%	Registering at least 15 % of households earning less than R3 380 per month by June 2019 - (vs. total active accounts)	16%		More indigents were identified, as compared to the initial assumption		18 % of households registered
NR	INDICATOR	MEASURABLE OBJECTIVE :		Indigent Subsidy for Free Basic Alternative Services allocations to comply with legislation					
REV7	Rand value spend on free basic alternative services	R6 639 731 spent	R13 225 645 spent	Spending on free basic alternative services by June 2019 R37 500 000	R 17 874 781 spent		The tender was not awarded for paraffin, stoves, lamps, fire extinguishers and pumps. Therefore the under achievement as it could have realized the set target	External service provider to be appointed urgently by SCM and the MM	R46 740 000 spent

# Chapter 3




DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 1: SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT									
SECTION: REVENUE MANAGEMENT									
National Key Performance Indicator		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		Indigent Subsidy for Free Basic Alternative Services allocations to comply with legislation					
REV8	Number of rural households with free basic alternative energy (indigents) approved	New indicator	New indicator	Approving 5 000 rural households with free basic alternative energy (indigents) by June 2019	8 657 Approved rural households with free basic alternative energy		More rural indigents were identified, as compared to the initial assumption		8 500 Approved rural households
DIRECTORATE: LOCAL ECONOMIC DEVELOPMENT									
KEY PERFORMANCE AREA 3: LOCAL ECONOMIC DEVELOPMENT									
SECTION: LOCAL ECONOMIC DEVELOPMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To create jobs to reduce unemployment and enhance local economic development activities					
LED13	Number of permanent jobs which exceed 3 months - Urban Area	948 Jobs created	899 Jobs created	Creating 600 permanent / sustainable jobs which exceed 3 months through the Municipality's local economic development initiatives including capital projects by June 2019 - Urban Area	670 Jobs created		-	-	800 permanent / sustainable jobs created
LED14	Number of permanent jobs which exceed 3 months - Rural Area	30 Jobs created	32 Jobs created	Creating 30 permanent / sustainable jobs which exceed 3 months through the Municipality's local economic development initiatives including capital projects by June 2019 - Rural Area	17 Jobs created		Extreme weather condition, prolonged heatwave and drought the farmers could not plant	-	30 permanent / sustainable jobs created

# Chapter 3



## DIRECTORATE: CORPORATE SUPPORT

### KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT



#### SECTION: SKILLS DEVELOPMENT

National Key Performance Indicator		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To spend a percentage of municipality's budget on implementing its workplace skill plan (National Key Performance Indicator)					
SKIL1	Rand value of Skills Development (Training) expenditure for 2018/19	R1 799 123 spent	R2 814 587 spent	Rand value spent on Skills Development (Training) expenditure for 2018/19 R4 212 000	R 2 174 982 spent 60%		Delay in the SCM process. Awaiting the finalization of SCM process to appoint skills development providers	To speed up process of appointing skills development providers	R4512 883 spent
NR	INDICATOR	MEASURABLE OBJECTIVE :		To spend a percentage of municipality's budget on implementing its workplace skill plan (National Key Performance Indicator)					
SKIL2	Rand value of SETA Training expenditure for 2018/19	R4 349 515 paid	R4 764 013 paid	Rand value paid to SARS as Skills Development Levy for 2018/19 R4 730 530	R5 032 468 paid 106%		Increase in number of new recruits resulted in overspending when paying SDL contrary to the initial plan		R4761 191 paid
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect income from SETA to implement the workplace skill plan					
SKIL3	Rand value income from SETA Training Income/Rec for 2018/19 collected	R0 collected	R139 958 collected	Collecting income from SETA Training Income/Rec for 2018/19 by June 2019 R700 000	R994 843 collected		Income from LGSETA is discretion of LGSETA based on the compliance of the Municipality in terms of the SDL payments and the submission of WSP & ATR		R528 000 collected



# Chapter 3

DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: BUDGET AND TREASURY OFFICE									
National Key Performance Indicator		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To control expenditure management to ensure financial sustainability					
BUD3	Rand value of MIG expenditure a percentage of annual allocation	99.8% R83 195 915	82% R109 843 782	Spending at least 95% of the annual MIG expenditure allocation by June 2019 (excluding roll-overs) R119 689 000	74% R88 381 075		Low expenditure due to additional grant funding received after adjustment budget	Debt need to be collected to increase cash flow, new debt collectors were appointed	R147 074 550
NR	INDICATOR	MEASURABLE OBJECTIVE :		Financial Viability expressed (National Key Performance Indicators)					
BUD12	Ratio for Debt coverage for 2018/19	24.91%	81.7%	Annual Debt coverage ratio for 2018/19 by June 2019 - 50-150% A=(B-C) / D Where: “A” represents debt coverage “B” represents total operating revenue received “C” represents operating grants “D” represents debt service payments (i.e. interest + redemption) due within the financial year	112.88%		-	-	80-150%

# Chapter 3

DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: BUDGET AND TREASURY OFFICE									
National Key Performance Indicator		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		Financial Viability expressed (National Key Performance Indicators)					
BUD4	Ratio for Cost coverage for 2018/19	0.47	2.01	Annual Cost coverage ratio for 2018/19 by June 2019 - 1:3 A=(B+C)/D Where: “A” represents cost coverage “B” represents all available cash at a particular time “C” represents investments “D” represents monthly fixed operating expenditure	1:2.14		Due to cash constraints	Debt need to be collected to increase cash flow. New debt collectors were appointed	2:1
BUD13	Percentage of Outstanding Service Debtors to Revenue ratio for 2018/19	5%	1.63%	Annual Outstanding Service Debtors to Revenue ratio for 2018/19 by June 2019 - 0.8 A=B/C Where: “A” represents outstanding service debtors to revenue “B” represents total outstanding service debtors “C” represents annual revenue actually received for services	1.89		Low collection rate and the increase debtors book	Need to increase collection rate and the uncollectable debt need to be written off	150%

# Chapter 3

DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 1: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: PERFORMANCE MANAGEMENT									
National Key Performance Indicator		Previous Financial Years Actual Performance		2018/19 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2019/20 Financial Year
		2016/17	2017/18	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		The number of people from employment equity target groups employed in the first three highest levels of management (National Key Performance Indicator)					
PMS8	Number of male employees on the first three highest levels of management	25 Male employees Black - 21 White - 3 Coloured - 1 Indian - 0	26 Male employees Black - 22 White - 3 Coloured - 1 Indian - 0	Employing 29 male employees on the first three highest levels of management by June 2019 (Excluding section 54A and 56 employees)	31 Male employees Black - 27 White - 3 Coloured - 1 Indian - 0		-	-	33 Male employees
NR	INDICATOR	MEASURABLE OBJECTIVE :		The number of people from employment equity target groups employed in the first three highest levels of management (National Key Performance Indicator)					
PMS9	Number of female employees on the first three highest levels of management	9 Female employees Black - 7 White - 2 Coloured - 0 Indian - 0	9 Female employees Black - 8 White - 1 Coloured - 0 Indian - 0	Employing 9 female employees on the first three highest levels of management by June 2019 (Excluding section 54A and 56 employees)	9 Female employees Black - 8 White - 1 Coloured - 0 Indian - 0		-	-	10 Female employees

# Chapter 3

## 14. REPORT OF THE AUDIT COMMITTEE OF MATLOSANA LOCAL MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2019

### CITY OF MATLOSANA LOCAL MUNICIPALITY AUDIT COMMITTEE (AC) ANNUAL REPORT TO COUNCIL AND PROVINCIAL LEGISLATURE FOR PERIOD ENDED 30 JUNE 2019

#### 1. AUDIT COMMITTEE FIDUCIARY DUTIES

We are pleased to present our report for the financial year ended 30 June 2019 In terms of Section 166 of the Municipal Finance Management Act (No. 56 of 2003), the Audit Committee must:

- (a) advise the Municipal Council, the political office-bearers, the Accounting Officer and the management staff of the municipality on matters relating to:-
  - (i) Internal financial controls and internal audit;
  - (ii) Risk management;
  - (iii) Accounting policies;
  - (iv) The adequacy, reliability and accuracy of financial reporting and information;
  - (v) Performance management;
  - (vi) Effective governance;
  - (vii) Compliance with the MFMA, the DORA and any other applicable legislation;
  - (viii) Performance evaluation; and
  - (ix) Any other issues referred to it by the municipality
- (b) review the annual financial statements to provide the council of the municipality with an authoritative and credible view of the financial position of the municipality, its effectiveness and its overall level of compliance with the MFMA, the DORA and any other applicable legislation;
- (c) respond to the Council on any issues raised by the Auditor-General in the audit report;
- (d) carry out such investigations into the financial affairs of the municipality as the council of the municipality may request;
- (e) perform such other functions as may be prescribed

The principles of King IV Report, customised to municipal environment also advise that the Audit Committee should:

- 3.5 ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities;
- 3.6 satisfy itself of the expertise, resources and experience of the municipality's finance function;
- 3.7 be responsible for overseeing of internal audit; and
- 3.8 be an integral component of the risk management process

#### 2. PURPOSE

The Audit Committee reports that it has complied with its responsibilities arising from Section 166 of the Municipal Finance Management Act and Circular 65 issued by National Treasury. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter 2018/2019, and it has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.



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## 3. ATTENDANCE OF AC MEETING

The Audit Committee, consisting of independent outside members, meets at least four times per annum as per its approved terms of reference, although additional special meetings may be called as the need arises. The AC is satisfied with the attendance and participation of management and stakeholder departments during the meeting.

The following 02 resignations occurred during the financial year, Mr J Mokwena and Ms M Nkomo. One post was filled with Ms SFS Makhathini as a member and the second post still vacant. AC requires a legal expert member as a matter of urgency.

## 4. EFFECTIVENESS OF INTERNAL CONTROL

Our review of the internal control environment revealed that there has been a room for improvement in the system of internal control of the municipality and reducing qualification issues of previous year. Furthermore, there are several deficiencies in the system of internal control and/or deviations there were reported by the internal auditors and the Auditor-General.

However, the Audit Committee notes management's commitment and action plan to correct deficiencies

## 5. IN-YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORT

The municipality has monthly and quarterly reporting system to the Council as required by the Municipal Finance Management Act (MFMA). Monitoring and reviews of performance information were periodically in the year under review. The Internal Audit quality assurance review and auditing of performance information were performed throughout the year.

## 6. RISK MANAGEMENT

The AC is of the opinion that municipality's risk management appears to be ineffective for the better of the year and material respect, and the municipality did implement a comprehensive risk management strategy and related policies. Management has however established Risk Management Committee to assist in the strengthening of sound and effective approach in developing strategic risk management plans and there is a sense of appreciation of the impact of the municipality's risk management framework on the control environment. There is a room for improvement in so far as risk monitoring and fraud prevention.

## 7. COMPLIANCE WITH LAWS AND REGULATIONS

Audit Committee, AGSA, and Internal Audit revealed a number of non-compliance with the enabling laws and regulations during the year. Thus far, there is a room for improvement as far as establishing an effective system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

The AC recommended that Management should develop a compliance management system that includes the following amongst others:

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- ✍ development of compliance management policy and compile the compliance universe.
- ✍ consider using the internal resources to coordinate the activities of the compliance officer i.e. Risk Manager to be considered to assist Management

## 8. INTERNAL FINANCIAL CONTROLS AND INTERNAL AUDIT

The AC is satisfied with the effectiveness of Internal Audit, and recommend that Management and Council should capacitate this unit. The above conclusion is based on:

- ✍ Timeous approval the internal audit charter, strategic and operational plans, internal audit activities, staffing (including competence and qualifications), and organizational structure of the Internal Audit Unit;
- ✍ Satisfactorily implementation of the approved the annual internal audit plan and all major changes to the plan.
- ✍ There were no unjustified restrictions or limitations on work of the internal audit.
- ✍ Compliance with the IIA's international standards for the professional practice by Internal Auditing unit
- ✍ Partial implementation of remedial action plan on internal audit findings by management.
- ✍ The Internal Auditors to be provided training on Ethics as that has now become compulsory for all registered members of the Institute of Internal Auditors South Africa.

## 9. EXTERNAL AUDIT

- 9.1 The AC did review the Auditor-General 's proposed audit scope and approach, including coordination of audit effort with internal audit in respect of 2018/19 financial year; and on a regular basis, met separately with the Auditor-General to discuss any matters that the committee or auditors believe should be discussed privately.
- 9.2 The AC evaluated management responses to the reports or findings of the Auditor-General (Action plan to address prior year findings) on quarterly basis and gave inputs and advice on how best to address the findings raised by the AGSA.
- 9.3 At the time of submission of the annual financial statements and performance report to AGSA for audit, not all the AGSA findings were resolved as at 31 August 2018.
- 9.4 AC interacted with Final Audit and Management Letter issued by AGSA and concurs with AGSA's observations and subsequently AC responded to Council on matters raised by AGSA on its audit report for 2018/2019

## 10. FINANCIAL PERFORMANCE

The AC reviewed the quality, accuracy, usefulness, reliability and appropriateness of monthly, quarterly and annual financial reporting and observed that there is a serious room for improvement in so far as compliance with section 122 of the MFMA and management's review and monitoring of financial reports. The AC considered the quarterly finance report during the financial year recommended as follows:

- ✍ Management should develop an audit action plan to address the under-performance (revenue collection and creditors payments) /overall implementation of revenue enhancement strategy.
- ✍ Data cleansing should be conducted.
- ✍ Appointment of the substantive CFO by Council.
- ✍ Disciplinary board to be established in order to start dealing with matters of financial misconduct.

# Chapter 3

- ⇒ Accounting Officer Investigations on the prohibited expenditures be shared with the Audit Committee that includes the deviations incurred that could end up being irregular expenditures and be presented to relevant stakeholders including AGSA.
- ⇒ Finance reports to should be audited on a monthly basis by risk and internal audit.

## 11. PERFORMANCE MANAGEMENT

The AC reviewed functionality of the performance management system and it appears to be functional, however there is a room for improvement in so far as achievement of planned targets is concerned and submission of portfolio of evidence timeously i.e.

- ⇒ Number of targets were not achieved thus service delivery may have been adversely affected.
- ⇒ Targets reported not complete
- ⇒ POE does not align with KPI
- ⇒ Not well defined remedial actions
- ⇒ No measures to improve targets
- ⇒ Management should develop an audit action plan to address the under-performance.
- ⇒ Performance evaluation of Senior Managers for 2018/2018 and midyear 2018/2019 were conducted in line with the PMS framework/policy.

## 12. LITIGATIONS

AC interacted with the quarterly Litigation report prepared by Management. AC noted that the municipality is a defendant in a number of claims, and they are opposing some of these claims. The ultimate outcome of these matters cannot be presently be determined due to the nature of these litigations, However, there is room for improvement in so far as monitoring and evaluations of legal service providers.

## 13. CONSEQUENCE MANAGEMENT FRAMEWORK

Council to foster and integrate the culture of accountability in the municipality, The AC recommends development and implementation of consequence management framework.

## 14. IMPLEMENTATION OF AUDIT COMMITTEE RECOMMENDATIONS BY MANAGEMENT

A material number of Audit committee recommendations to Management were implemented. There is a room for improvement in this regard and thus, AC recommended to municipality to fast track the implementation of recommendations by Audit Committee.

## 15. LEADERSHIP

Municipality Council did provide somewhat effective leadership based on a culture of honesty and good governance. However, there is a room for improvement in so far as Management's oversight on the Financial Statements, Performance Reporting and Compliance with Laws and Regulations governing the Municipality.

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## 16. CONCLUSION

AC wishes to acknowledge the commitment from Council, Municipal Manager, Management and Staff of the Municipality. We would also like to thank the Speaker and Executive Mayor for their support, Councillors, Senior Management for their efforts and Internal Audit and Performance Management for their contributions towards good governance of the municipality.



**Ms M.G.Mathye**

**CHAIRPERSON: CITY OF MATLOSANA LOCAL MUNICIPALITY AUDIT COMMITTEE**

**31 August 2019**



## Chapter 4





# Chapter 4

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

### **INTRODUCTION**

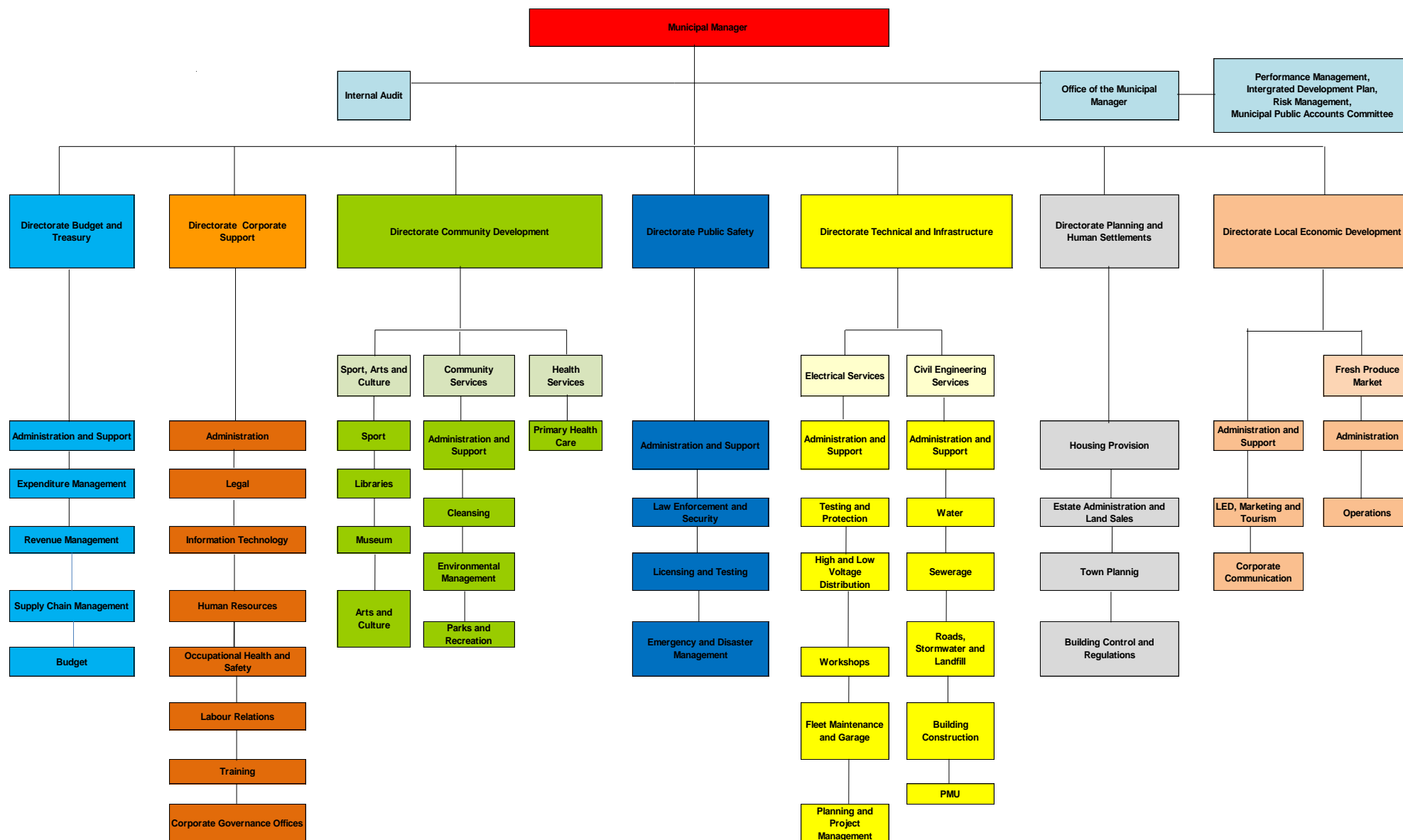
In terms of the approved top structure (CC64/2017 dated 21 April 2017), the municipality consists of the Office of the Municipal Manager and seven directorates, namely Corporate Support, Budget and Treasury, Community Development, Public Safety, Local Economic Development, Technical and Infrastructure and Planning and Human Settlements.

The City of Matlosana has an approved personnel complement of 2 530 posts of which 2 026 were filled at 31 June 2019

The municipality's top structure is as follows:



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# Chapter 4

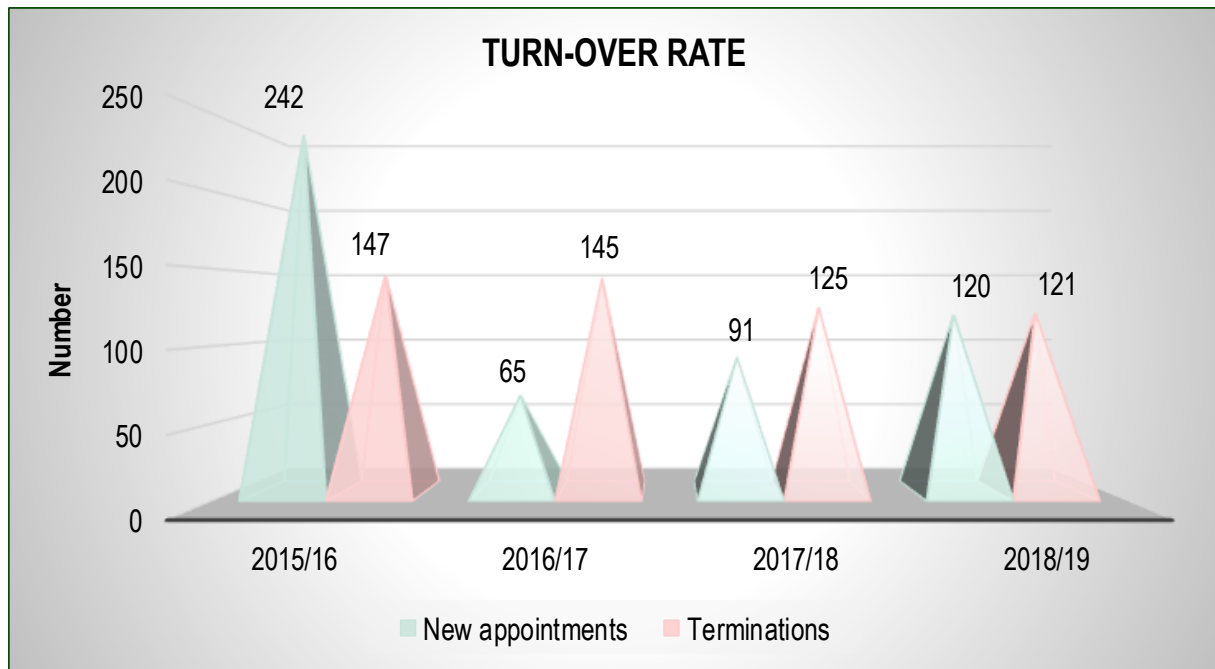
## COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

EMPLOYEES					
DESCRIPTION	2017/18	2018/19			
	Employees	Approved Posts	Employees	Number of Vacancies	% of Vacancies
	No	No	No	No	No
Water Services	106	125	111	14	11%
Sanitation Services	150	242	198	44	18%
Electrical and Mechanical Engineering	129	152	129	23	15%
Solid Waste Management Services	303	340	254	86	25%
Human Settlements	17	23	21	2	9%
Roads and Storm-Water Drainage	157	183	156	27	15%
Licensing Services	75	125	96	29	23%
Administration Town-Planning, Building Survey, Building Construction and PMU	56	79	61	18	23%
Local Economic Development	15	20	17	3	11%
Fresh Produce Market	35	44	37	7	16%
Libraries and Museum	77	86	83	3	3%
Cemeteries and Aerodrome	54	63	50	13	21%
Parks, Open Spaces, Faan Meintjes and Orkney Vaal	181	219	167	52	24%
Sport and Recreation	93	133	93	40	30%
Health Services	13	16	11	5	31%
Traffic, Security, Fire and Disaster Management	212	273	214	59	22%
Strategic and Regulatory (PMS, IDP, IA, MPAC and Risk Management)	26	31	36	5	16%
Corporate Policy Offices and Other	319	376	302	74	20%
<b>TOTAL</b>	<b>2018</b>	<b>2530</b>	<b>2026</b>	<b>504</b>	<b>20%</b>

TURN-OVER RATE: 2018/19				
Year	Total approved posts	New appointments*	Terminations during the financial year**	Turnover rate
2015/16	2 077	242	147	7.00%
2016/17	2 024	65	145	7.00%
2017/18	2 018	91	125	6.00%
<b>2018/19</b>	<b>2 026</b>	<b>120</b>	<b>121</b>	<b>6.00%</b>

# Chapter 4

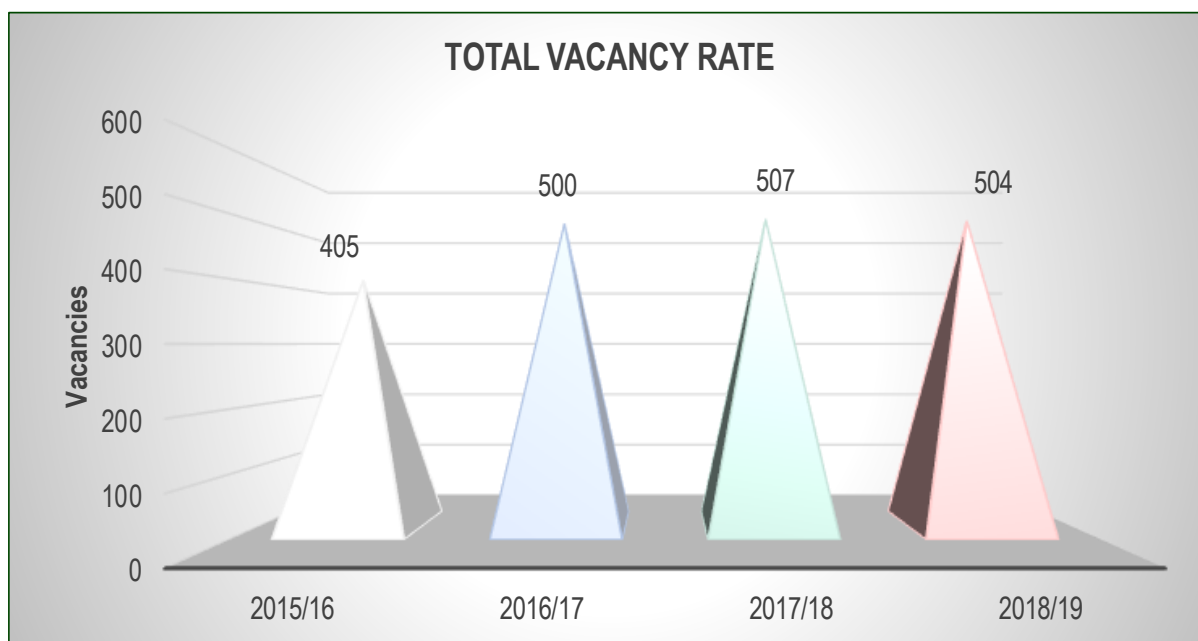


VACANCY RATE: 2018/19			
Designations	Total approved posts	Vacancies (total time that vacancies exist using full-time equivalents)	Vacancies (as a proportion of total posts in each category)
Municipal Manager	1	0	0%
CFO	1	1	100%
Other s56 Managers (excluding Finance posts)	6	0	0%
Other s56 Managers (Finance posts)	0	0	0%
Safety and Security	69	10	14%
Fire fighters	39	0	0%
Senior management: Levels 1 - 3 (excluding Finance posts)	38	6	16%
Senior management: Levels 1 - 3 (Finance posts)	7	0	0%
Highly skilled supervision: levels 4 - 6 (excluding Finance posts)	117	17	15%
Highly skilled supervision: levels 4 - 6 (Finance posts)	20	5	25%
<b>TOTAL</b>	<b>298</b>	<b>39</b>	<b>13%</b>

## COMMENTS ON VACANCIES AND TURNOVER

The filling of vacancies remains a challenge due to the financial situation of the municipality.

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## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The City of Matlosana acknowledges that its most important assets are its employees. The onus therefore is on the municipality to ensure that these assets are developed, maintained and motivated to ensure that the municipal workforce services are sustained.

This is achieved through proper human resource processes and procedures aligned to Section 67 of the Municipal Systems Act (Act 32 of 2000) as amended which ensure compliance with the development and adoption of appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration.

Municipal workforce management is achieved through the HR Strategy, adherence to and compliance with applicable legislation and reviewing policies, procedures and processes aimed at regulating the workplace.

#### Policy review and development

The municipality regularly reviews its policies, process and procedures. This is aimed at ensuring that all processes are followed and implemented. Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

#### Employee Assistance Programme (EAP)

In the striving to sustain a healthy workforce the municipality has, an Employee Assistance Programme, which is a workplace-based programme, designed to assist in the identification and resolution of productivity and psychosocial problems, which may negatively affect the work performance of employees.

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Services rendered under it are:

- ✦ Work-related issues such as absenteeism;
- ✦ Stress management;
- ✦ Alcohol and substance abuse;
- ✦ Ill-health management;
- ✦ Psycho-social problems;
- ✦ Financial life skills;
- ✦ Trauma debriefing;
- ✦ Bereavement counselling;
- ✦ Marital and family distress;
- ✦ Child care;
- ✦ HIV/AIDS support and counselling.

## **Labour relations**

Workforce management is almost impossible in the absence of sound discipline within the workplace. The municipality's labour relations section, which is contained in the Human Resources Department, is effective and well recognised. In essence, the objectives of this particular function are as follows in order to:

- ✦ Ensure compliance with applicable relevant legislative requirements e.g. Labour Relations, Basic Conditions of Employment Act, Employment Equity, Collective Agreement etc.;
- ✦ Maintain good work relations with recognised Unions within the workplace;
- ✦ Ensure a fully functional Local Labour Forum and its operational systems. It consists of sub-committees dealing with Human Resources Development, Workplace and Services Restructuring and Basic Conditions;
- ✦ Ensure adherence to collective agreements applicable to municipalities as agreed to at the Local Government Bargaining Council;
- ✦ Ensure that discipline is corrective and progressive and not merely punitive;
- ✦ Ensure that processes and procedures are in place for the internal resolution of grievances which have the potential for litigation against Council in the form of disputes; and
- ✦ Ensure that processes and procedures are in place for the effective administration of disciplinary procedures in accordance with the Disciplinary Code.

## **Occupational Health and Safety**

To ensure a healthy and safe working environment, the City of Matlosana complies with the Occupational Health and Safety Act and has a fully functional Health and Safety Committee, which meets quarterly to address health and safety issues facing the municipality.

# Chapter 4

## 4.2 POLICIES

HR POLICIES AND PLANS				
NAME OF POLICY		COMPLETED	REVIEWED	DATE ADOPTED BY COUNCIL
		%	%	
1	Affirmative Action			
2	Attraction and Retention	100%	100%	04 September 2012
3	Code of Conduct for employees	100%	100%	25 September 2013
4	Delegations, Authorisation and Responsibility	100%	100%	05 February 2009
5	Disciplinary Code and Procedures	100%	100%	04 September 2012
6	Essential Services			
7	Employee Assistance / Wellness	100%	100%	25 September 2013
8	Employment Equity	100%	100%	25 September 2013
9	Exit Management			
10	Grievance Procedures	100%	100%	29 November 2012
11	HIV/Aids	100%	100%	04 September 2012
12	Human Resource and Development			
13	Information Technology	100%	100%	29 January 2016
14	Job Evaluation	100%	N/A	05 July 2016
15	Leave	100%	100%	29 November 2012
16	Occupational Health and Safety	100%	100%	4 September 2012
17	Official Housing			
18	Official Journeys	100%	100%	29 November 2012
19	Official Transport to attend Funerals	100%	100%	04 September 2012
20	Official Working Hours and Overtime	100%	100%	30 May 2018
21	Organisational Rights	100%	100%	25 September 2013
22	Payroll Deductions			
23	Performance Management and Development	100%	100%	25 July 2017
24	Recruitment, Selection and Appointments	100%	90%	05 July 2016
25	Remuneration Scales and Allowances			
26	Resettlement			
27	Sexual Harassment	100%	100%	04 September 2012
28	Skills Development	100%	100%	25 September 2013
29	Smoking	100%	100%	04 September 2012
30	Special Skills			
31	Work Organisation			
32	Uniforms and Protective Clothing	100%	100%	04 September 2012
	<b>Other:</b>			
33	Telephone (In process of review)	100%	80%	04 September 2012
34	Retirement Planning	100%	100%	04 September 2012
35	Records Management	100%	100%	25 November 2014
36	Legal Services	100%	100%	29 November 2012
37	National Fresh Produce Market	100%	100%	29 November 2012

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HR POLICIES AND PLANS				
NAME OF POLICY		COMPLETED	REVIEWED	DATE ADOPTED BY COUNCIL
		%	%	
38	Billboards	100%	100%	29 November 2012
39	Internet	100%	100%	29 November 2012
40	Server Security	100%	100%	29 November 2012
41	Workstation Security	100%	100%	29 November 2012
42	E-mail Use	100%	100%	29 November 2012
43	Study and Bursary	100%	100%	25 September 2013
44	Web Content Management	100%	100%	25 September 2013
45	Project Management Framework Policy	100%	100%	25 September 2013
46	Corporate Identity	100%	100%	25 September 2013
47	Risk Management	100%	100%	25 September 2013
48	Risk Management Strategy	100%	100%	25 September 2013
49	Fraud and Corruption Prevention Strategy	100%	100%	25 September 2013
50	Investigation Policy	100%	100%	25 September 2013
51	Use of Council Vehicle Policy	100%	100%	25 September 2013
52	Media Policy	100%	100%	25 September 2013
53	Administration of Immovable Property	100%	100%	25 November 2014
54	Induction	100%	100%	04 September 2012
55	Investors	100%	100%	29 November 2012
56	Public Private Partnerships	100%	100%	29 November 2012
57	Expanded Public Works Programme	100%	100%	29 November 2012
58	Software Installation Services	100%	100%	29 January 2016
59	Password Protection	100%	100%	29 January 2016
60	Back-up Management	100%	100%	29 January 2016
61	User Account Management	100%	100%	29 January 2016
62	Co-operative	100%	100%	29 January 2016
63	Informal Trading	100%	100%	29 January 2016
64	Vehicle Replacement Policy	100%	100%	30 May 2017
65	Leave of absence for Councillors	100%	100%	28 November 2017
66	Admission of Public to meetings of Council	100%	100%	28 November 2017
67	Uniform standing disciplinary procedure for Councillors	100%	100%	28 November 2017
68	Leasing of Council Halls Policy	100%	100%	31 July 2018
69	Overtime Policy	100%	100%	30 July 2017

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## COMMENT ON WORKFORCE POLICY DEVELOPMENT

The municipality has developed a draft Integrated Human Resources Management Strategy (IHRMS) has been developed with a focus on the importance of all CoM's Employees.

It is directly linked to our 2018/19 Integrated Development Plan (2018/19 IDP) priorities and will act as the blueprint to build on CoM's many strengths and skills, plus anticipate and develop new ones. The Municipality want to ensure that employees are motivated, safe, well informed, well rewarded, and proud of where they work.

The IHRMS will be continually evolving and regularly updated; and it will position the municipality to meet future workforce needs and serve the community better as well as provide a more integrated approach to leadership and people management.

The strategy features initiatives such as Business Leadership, Motivate and Engage, Attraction Management, the further development of the Employee Assistance Programs, HR Policies and Practices, which are industry competitive, and the provision of opportunities for career and personal development.

Through a commitment to encouraging innovation, developing and recognizing staff, communication as well as shared leadership, we aim to grow the future leaders of our organization.

## 4.3 INJURIES, SICKNESS AND SUSPENSIONS

NUMBER OF INJURIES ON DUTY DURING 2018/19				
Type of injury	Injury leave taken	Employees using injury leave	Proportion employees using sick leave	Average Injury leave per employee
	Days	No	%	Days
Required basic medical attention only	114	43	63	2.6
Temporary total disablement	207	4	5.8	51.7
Permanent disablement	0	0	0	0
Fatal	0	0	0	0
<b>TOTAL</b>	<b>321</b>	<b>47</b>	<b>68.8%</b>	<b>54.3</b>

- ✎ Fatal = 1 employee died the same day of accident
- ✎ Short periods of sick leave taken by 43 employees = 114 days
- ✎ Longer periods of sick leave taken by 4 employees = 207 days
- ✎ Required basic medical attention without leave taken by 20 employees = 0 days

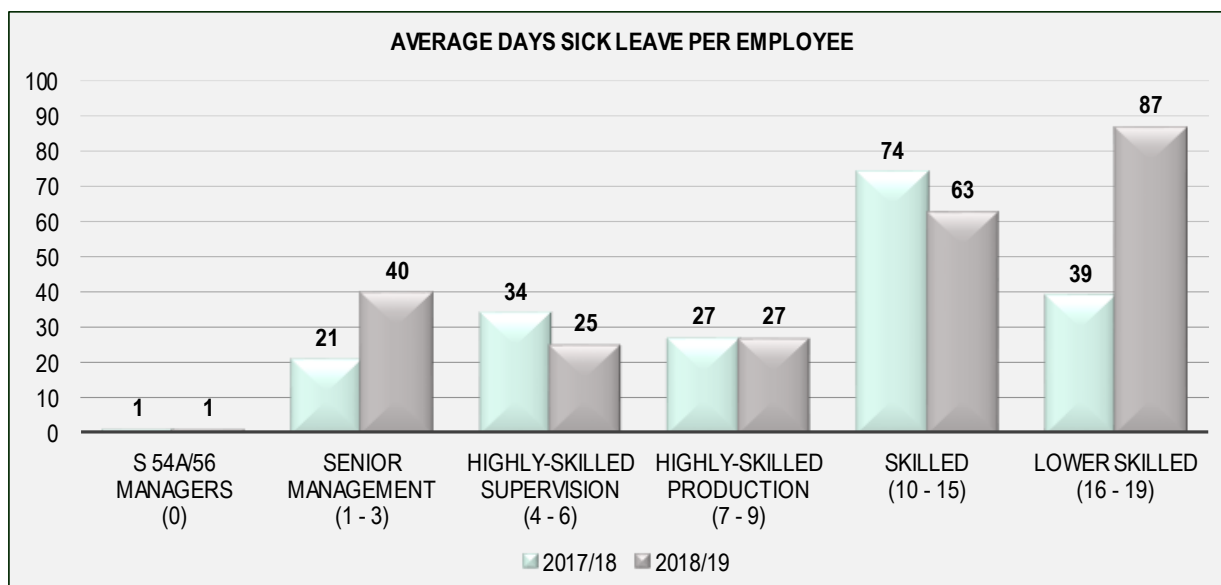
Total injuries on duties = 68 employees



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NUMBER OF DAYS OF SICK LEAVE (EXCLUDING INJURIES ON DUTY) DURING 2018/19								
Job Level	Salary Band	Total Number Of Sick Leave Days Per Post Level	Portion Of Sick Leave Without Medical Certification	Number Of No Sick Notes Received	Number of Employees Using Sick Leave	Total Employees In Post taken	Average Days Sick Leave Per Employee	Estimated Cost
		DAYS	%	DAYS	NO	NO	DAYS	R' 000
S 54/56 Managers		4	50.00	2	3	7	1	13
1	Senior management	24	12.50	21	1	1	24	41
2		37	32.43	25	7	10	5	55
3		155	13.55	134	14	29	11	207
4	Highly skilled supervision	47	10.64	42	7	14	7	55
5		182	20.88	144	27	51	7	189
6		383	18.02	314	36	53	11	362
7	Highly skilled production	247	9.31	224	28	48	9	211
8		323	16.41	270	41	63	8	244
9		948	16.35	793	94	115	10	602
10	Skilled	1 045	20.77	828	85	110	12	557
11		1 384	15.82	1 165	114	131	12	632
12		586	10.92	522	59	111	10	245
13		441	27.66	319	42	101	11	166
14		421	17.10	349	48	73	9	144
15		470	27.45	341	52	104	9	147
16	Lower skilled	259	12.74	226	31	74	8	78
17		490	14.69	418	42	101	12	146
18		220	17.27	182	22	23	55	66
19		5 025	17.11	4 166	426	807	12	1 497
TOTAL		12 691	16.59	10 485	1 179	2 026	11	5 657

# Chapter 4



## COMMENTS ON INJURY AND SICK LEAVE

The Human Resource unit deals with sick leave efficiently and the capturing of sick leave days has improved a lot. However, the general sick leave pattern is seasonal especially in winter and December, when it reaches a peak. Monitoring of sick leave is done through EAP and user departments, and where necessary the individual is subjected to a second opinion.

Employees understand the urgency of now reporting injuries even minor ones that can be attended to at the OHC. Unfortunately, a fatality was reported and the Compensation Fund assisted with the burial. The latter was investigated to mitigate the repeat thereof. The number of injuries is still minimal. No major new injuries have been reported.

The COIDA sick leave days are calculated separately from the normal sick leave, thus making it difficult for the unit to capture, as the PAYDAY does not cater for such days, which is still not effective due to logistical problems identified.

## NUMBER AND PERIOD OF SUSPENSIONS

NUMBER AND PERIOD OF SUSPENSIONS 2018/19				
Position	Nature of alleged misconduct	Date of Suspension	Details of disciplinary action taken or status of case	Date Finalised
General Worker	Assault and intimidation	16 October 2018	Finalised	2019/04/05
Traffic Officer	Gross dishonesty, bribery & corruption	01 November 2018	Awaiting verdict from the Presiding Officer	Not yet
Traffic Officer	Gross dishonesty, bribery & corruption	23 April 2019	Disciplinary hearing in process	Not yet
PA to MMC	Assault and intimidation	07 June 2019	Investigation in process	Not yet
General Worker	Assault and intimidation	07 June 2019	Investigation in process	Not yet
General Worker	Assault and intimidation	07 June 2019	Investigation in process	Not yet

# Chapter 4

## DISCIPLINARY ACTION TAKEN ON CASES OF FINANCIAL MISCONDUCT

No cases for disciplinary action to be taken on financial misconduct during the 2018/19 financial year.

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### 4.4 PERFORMANCE REWARDS

#### PERFORMANCE REWARDS BY GENDER

In accordance with regulation 32, a performance bonus, based on affordability, may be paid to an employee, after –

- (1) the annual report for the financial year under review has been tabled and adopted by the municipal council;*
- (2) an evaluation of performance in accordance with the provisions of regulation 23; and*
- (3) approval of such evaluation by the municipal council as a reward for outstanding performance.*

The evaluation of the performance of Section 54A and 56 managers forms the basis for rewarding outstanding performance.

No performance bonus was awarded to Section 54A and 56 managers due to no quarterly assessments being performed.

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The City of Matlosana develops its workforce by facilitating skills programmes aimed at capacitating employees. The Skills Development Strategy is also aimed at providing career guidance and support to employees and coordinating their development through structured learning.

The Skills Development Act and Municipal Systems Act require employers to supply employees with the necessary training in order to develop their human resource capacity.

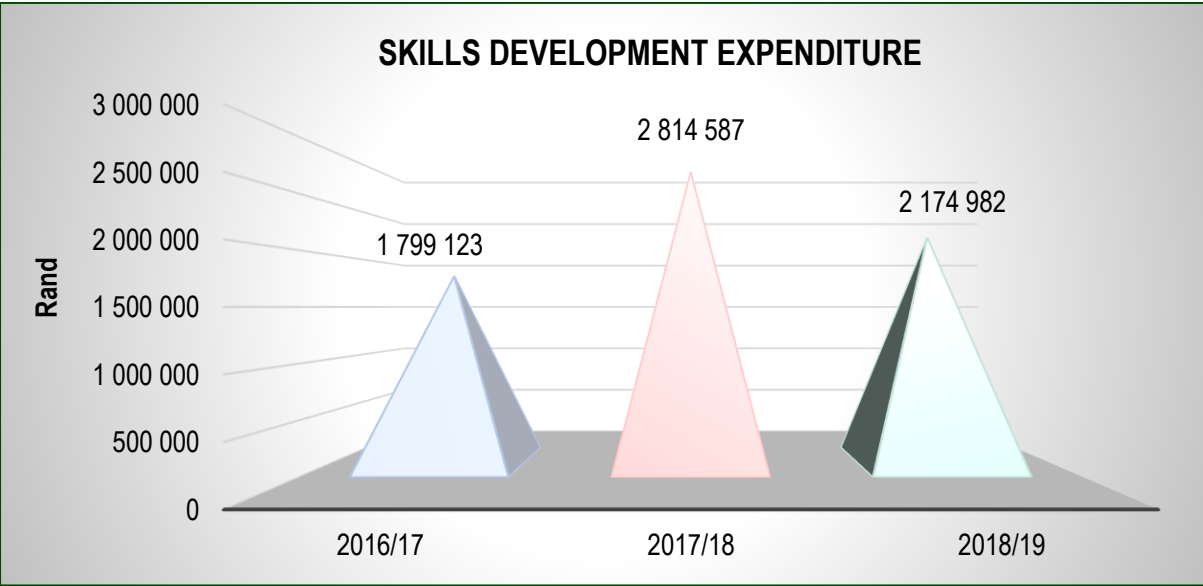
Training programmes and interventions are therefore undertaken on a regular and in an orderly way as planned in the Workplace Skills Plan.

Capacity Development is linked to the annual Workplace Skills Plan (WSP). All training needs that have been identified through the Council's Skills Audit and found to be a priority for the financial year were addressed through formal, informal training- and skills programmes.

The City of Matlosana annually submits a Workplace Skills Plan (WSP) and an Annual Training Report (ATR) as required by the Skills Development Act, to the Local Government Sector Education and Training Authority (LGSETA).

# Chapter 4

During the 2018/19 financial year, these documents were submitted to LGSETA and received the necessary mandatory grants to further skills development initiatives within the municipality.



## NATIONAL KEY PERFORMANCE INDICATOR

See page 250 for details.

# Chapter 4

## 4.5 SKILLS DEVELOPMENT AND TRAINING

SKILLS MATRIX – 2018/19										
Management level	Gender	Employees in post as at 30 June 2019	Number of skilled employees required and actual as at 30 June 2019							
			Learnership		Skills programmes and other short courses		Other forms of training (Internship)		Total	
		No	Actual: End of 2017/18	Actual: End of 2018/19	Actual: End of 2017/18	Actual: End of 2018/19	Actual: End of 2017/18	Actual: End of 2018/19	Actual: End of 2017/18	Actual: End of 2018/19
MM and s 56	Female	2	0	1	0	0	0	0	0	1
	Male	5	0	1	0	0	0	0	0	1
Councillors, senior officials and managers	Female	37	7	9	5	10	0	0	12	19
	Male	83	10	20	3	15	0	0	13	35
Technicians and associate professionals	Female	67	24	17	32	20	2	2	61	39
	Male	118	100	82	73	84	2	3	177	169
Professionals	Female	21	50	28	44	60	18	2	112	90
	Male	21	69	42	116	86	3	2	188	130
Sub total	Female	127	81	55	81	90	20	4	182	149
	Male	227	179	145	192	185	5	5	375	335
<b>TOTAL</b>		<b>354</b>	<b>260</b>	<b>200</b>	<b>274</b>	<b>275</b>	<b>25</b>	<b>9</b>	<b>557</b>	<b>484</b>

# Chapter 4

FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT FOR 2018/19				
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))
<b>Financial Officials</b>				
<i>Accounting Officer</i>	1	1	1	1
<i>Chief Financial Officer</i>	1	1	1	1
<i>Senior managers</i>	6	6	6	6
<i>Any other financial officials</i>	154	0	0	66
<b>Supply Chain Management Officials</b>				
<i>Heads of Supply Chain Management units</i>	0	0	0	0
<i>Supply Chain Management senior managers</i>	1	0	0	0
<b>TOTAL</b>	<b>163</b>	<b>8</b>	<b>8</b>	<b>74</b>

# Chapter 4

SKILLS DEVELOPMENT EXPENDITURE – 2018/19										
R'000										
Management level	Gender	Employees as at 1 July 2019	Original Budget and Actual Expenditure on skills development 2017/18							
			Learnership		Skills programmes and other short courses		Other forms of training		Total	
		No	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and s56	Female	2	39	39	0	0	0	0	39	39
	Male	5	39	39	0	0	0	0	39	39
Legislators, senior officials and managers	Female	37	50	50	0	0	0	0	50	50
	Male	83	75	75	0	0	0	0	75	75
Professionals	Female	21	100	100	200	180	0	0	300	280
	Male	21	100	100	290	100	0	0	390	200
Technicians and associate professionals	Female	67	0	0	200	11	0	0	200	11
	Male	124	0	0	300	87	0	0	300	87
Clerks	Female	285	0	0	700	220	0	0	700	220
	Male	104	0	0	500	291	0	0	500	294
Service and sales workers	Female	43	0	0	250	63	0	0	250	63
	Male	97	0	0	350	27	0	0	350	27
Plant and machine operators and assemblers	Female	10	0	0	300	41	0	0	300	41
	Male	230	0	0	500	230	0	0	500	230
Elementary occupations	Female	235	0	0	800	308	0	0	800	308
	Male	746	0	0	1 000	385	0	0	1 000	385
Subtotal	Female	700	189	189	2 450	823	0	0	2 639	1 012
	Male	1 326	214	214	2 940	1 119	0	0	3 153	1 332
TOTAL		2 026	403	403	5 390	1 942	0	0	5 791	2 344

# Chapter 4

## COMMENTS ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS

During the 2018/19 Financial Year, the Training and Development Unit conducted Skills Audit process with number of departments within the municipality. i.e. Civil Administration, Finance, Water, Sewer, Building construction, Town Planning; Electrical and Mechanical Engineering and Corporate Support . The process assisted in determining individual and department Training needs. Municipal training plan for 2019/20 is developed based on the outcomes of the process.

The City of Matlosana annually submits a Workplace Skills and an Annual Training Report (Plan (WSP & ATR) as required by the Skills Development Act of 1998, to the Local Government Sector Education and Training Authority (LGSETA). Training / Skills programmes are implemented on regular basis in an orderly way as planned in the Workplace Skills Plan (WSP). During the 2018/19 Financial Year, Training and Development populated and submitted the document to LGSETA on 30 April 2019 in order to comply with the legislation.

During the 2018/19 Financial year, a total of R2 344 306 on Skills Development; implementation of skills programmes and legislative trainings required as per legislation by various departments. The Unit is awaiting the SCM process to unfold to the latter to can utilize the balance of the budget.

In terms of the regulation, Financial Competency; Regulation 14, Municipalities are required to train BTO officials on prescribed finance competency skills in order to meet prescribed competency levels : Regulation 14:(4)(e).

During the 2018/19 Financial Year, fifty percent (50) % of BTO officials and managers were trained through Municipal Financial Management Programme (MFMP) to meet the prescribed finance competency level.

### COMPONENT D: MANAGING WORKFORCE EXPENDITURE

#### INTRODUCTION TO WORKFORCE EXPENDITURE

Workforce expenditure is a major part of the operational expenditure of the City of Matlosana. As it is mostly a fixed cost, proper planning and assessment of post requirements are necessary to make sure that the best available personnel are employed to meet the mandate of the municipality in service delivery to the community as well as obtain its objectives.

There is a strong national drive for creating employment and municipalities are one arm of government that normally feel the pressure to create new jobs in its sphere. Although we support the creation of employment and we understand the expectation of the communities in this regard, the financial viability of the City of Matlosana must be recognised. The creation and filling of posts are budgeted for and measured against the approved budget and operational requirements.

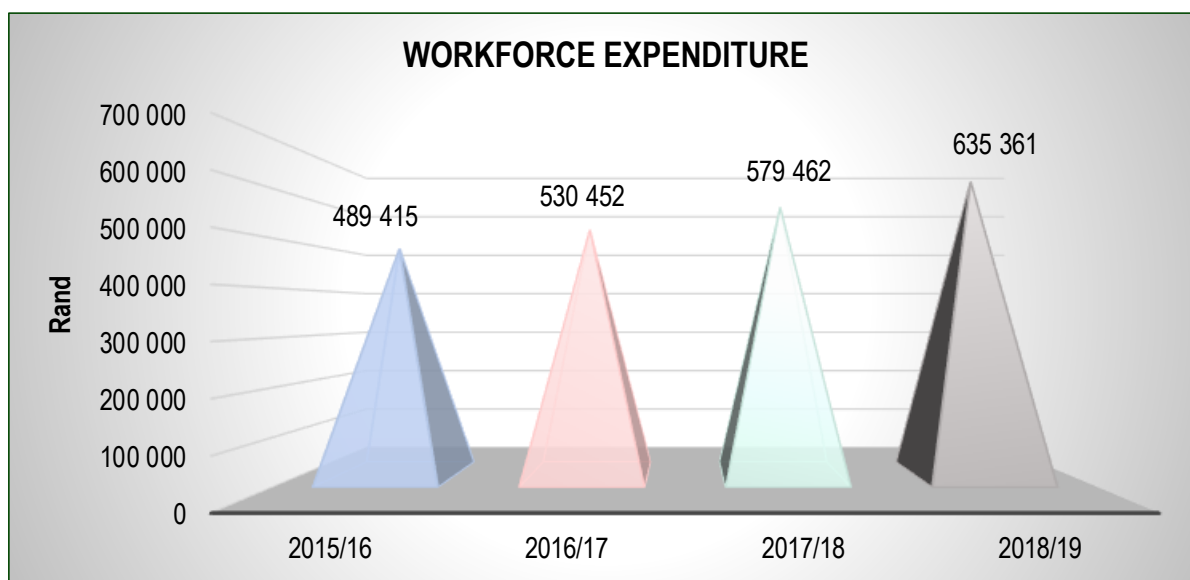
The remuneration part of the employment costs is determined through the bargaining council and therefore out of our hands. Three variables that we have to keep monitoring and control are the vacancy rate, employee performance and overtime paid. We have put a lot of emphasis on the monitoring and control of overtime worked, as we believe that overtime is only necessary in specific circumstances and can indicate inefficiency or staff shortages (including high absenteeism).



# Chapter 4

Performance management is of the utmost importance to increase the efficiency and thus output out of the workforce. There is still a way to go to implement the necessary measures and controls with the necessary buy-in of employees.

## 4.6 WORKFORCE EXPENDITURE



### COMMENT ON WORKFORCE EXPENDITURE

Levels of municipal employment have declined, while vacancy rates and the average cost of employment have risen. However, there exist divergent employment and personnel expenditure trends within and between the different categories of municipalities that are masked by the aggregate figures.

Municipal employees and the skills they bring to the workplace are a critical input in the delivery of all services a municipality delivers.

The objective of managing municipal personnel is therefore not necessarily to minimise the “wage bill”, but rather to ensure that people with the required skills are recruited, retained and appropriately deployed. The proper management of personnel is therefore critical to the effective and efficient functioning of the municipality and must be prioritised across all municipal functions.

Municipal expenditure on personnel should comprise 30 per cent of aggregated operational expenditure as guided by National Treasury.

Matlosana’s workforce expenditure R635 361 accounted for 20% of the total operating budget expenditure for the 2018/2019 financial year.

# Chapter 4

## UPGRADED POSTS 2018/19

Number of employees whose salaries were increased due to their positions being upgraded	None
Employees whose salary levels exceed the grade determined by job evaluation	None
Employees appointed to posts not approved	None

## DISCLOSURES OF FINANCIAL INTERESTS

In terms of the requirements of the Local Government: Municipal Performance Regulations for Municipal Managers and managers directly accountable to Municipal Managers, 2006 disclosures were made by Councillors and senior managers concerning their financial interests (see **Appendix J**).

## COMPONENT E: OVERSIGHT REPORTING

### 4.7 STAFF ESTABLISHMENT

STAFF ESTABLISHMENT – 2018/19	
Does the City of Matlosana have an approved staff establishment?	Yes, it was approved in terms of CC 66/2012 dated 31 July 2012. A new top structure was approved on 21 April 2017 (CC64/2017)
Does the staff establishment provide for permanent and fixed posts?	Yes All senior manager positions are for a fixed term
If yes, provide details of the approved senior manager posts (permanent and fixed posts).	Municipal Manager Chief Financial Officer Director Corporate Support Director Community Development Director Public Safety Director Local Economic Development Director Technical and Infrastructure Director Planning and Human Settlement
Was the staff establishment consulted with the MEC before approval by Council?	N/A
If no, provide reasons	The Municipal Systems Amendment Act, 7 of 2011, stipulates that the posts provided for on the organogram must be approved by the Municipal Council
Were the recommendations of the MEC incorporated into the approved structure?	N/A
If no, provide reasons	N/A

## 4.8 APPOINTMENT OF SENIOR MANAGERS

APPOINTMENT OF MUNICIPAL MANAGER AND SENIOR MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER – 2018/19							
Post Title	Annual Salary	Term of Employment		Highest Qualifications	Was the senior manager subject to competence assessment?	Does the senior manager hold political office?	Does the senior manager have a misconduct / criminal record?
		From	To				
Municipal Manager	R1 424 447	01/05/2017	30/04/2022	B Juris	Yes	No	No
Chief Financial Officer	Vacant	01/03/2019		N/A	N/A	N/A	N/A
Director Corporate Support	R1 156 263	01/02/2018	31/01/2023	B Legum	Yes	No	No
Director Community Development	R1 156 263	01/02/2018	31/01/2023	BA Hons Nursing Science MBA	Yes	No	No
Director Public Safety	R1 156 263	01/02/2018	31/01/2023	B Tech Transport Management	Yes	No	No
Director Technical and Infrastructure	R1 376 505	01/02/2018	31/01/2023	MSc Engineering	Yes	No	No
Director Local Economic Development	R1 156 263	01/03/2019	28/02/2024	B Com	Yes	No	No
Director Planning and Human Settlements	R1 376 505	01/03/2019	28/02/2024	B Tech Town and Regional Planning	Yes	No	No

## 4.9 EMPLOYMENT CONTRACTS

EMPLOYMENT CONTRACTS FOR MUNICIPAL MANAGERS AND SENIOR MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER - 2018/19		
Post title	Has the senior manager signed the employment contract with the municipality before commencement of duty?	Has the contract been submitted to the MEC within the prescribed period?
Municipal Manager	Yes, 26 April 2017	Yes
Chief Financial Officer	Vacant from 1 February 2019	N/A
Director Corporate Support	Yes, 22 January 2018	Yes
Director Community Development	Yes, 2 January 2018	Yes
Director Public Safety	Yes, 2 January 2018	Yes
Director Technical and Infrastructure	Yes, 24 January 2018	Yes
Director Local Economic Development	Yes, 26 February 2019	Yes
Director Planning and Human Settlements	Yes, 26 February 2019	Yes

## 4.10 PERFORMANCE AGREEMENTS

STAFF ESTABLISHMENT (SECTION 54A AND 56 EMPLOYEES) 2018/19					
Post Title	Has the senior manager concluded a performance agreement with the municipality within the stipulated timeframe?	Has the performance agreement been submitted to the MEC within the prescribed period?	Is the performance agreement aligned to the SDBIP of the municipality?	Is the SDBIP aligned to the IDP of the municipality?	Did the senior manager receive a performance bonus for the previous year?
Municipal Manager	Yes	Yes	Yes	Yes	No
Chief Financial Officer	Vacant	Vacant	Vacant	Vacant	Vacant
Director Corporate Support	Yes	Yes	Yes	Yes	No
Director Community Development	Yes	Yes	Yes	Yes	No
Director Public Safety	Yes	Yes	Yes	Yes	No
Director Technical and Infrastructure	Yes	Yes	Yes	Yes	No
Director Local Economic Development	Yes	Yes	Yes	Yes	No
Director Planning and Human Settlement	Yes	Yes	Yes	Yes	No

## 4.11 MINIMUM COMPETENCY REQUIREMENTS

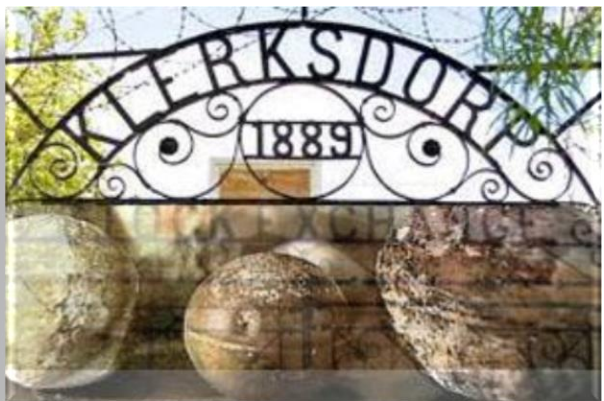
### MUNICIPAL MANAGER AND DIRECTORS (SECTION 54A AND 56 MANAGERS)

DESCRIPTION	REQUIREMENTS	MUNICIPAL MANAGER TSR NKHUMISE	CHIEF FINANCIAL OFFICER	DIRECTOR CORPORAT SUPPORT L SEAMETSO	DIRECTOR COMMUNITY DEVELOPMENT MM MOLAWA
Higher Education Qualification	At least NQF Level 7 in fields of senior management position	B Juris	Vacant	B Legum	BA Hons Nursing Science MBA
Work-Related Experience	Minimum of two years at senior and five years at middle management level	Eleven Years in senior and two years in middle management		Three years in senior and five years in middle management	Fifteen years in senior and eighteen years in middle management
Core Managerial and Occupational Competencies	As described in the Performance Regulations	Yes		Yes	Yes
Financial and Supply Chain Management Competency Areas:	Required Minimum Competency Level in Unit Standards = CPMF	Yes		Awaiting results	Yes
<ul style="list-style-type: none"> <li>✎ Strategic Capability and Leadership</li> <li>✎ Operational financial management</li> <li>✎ Governance, ethics and values in financial management</li> <li>✎ Financial and performance reporting</li> <li>✎ Risk and change management</li> <li>✎ Legislation, policy and implementation</li> <li>✎ Stakeholder relations</li> <li>✎ Supply Chain Management</li> <li>✎ Project management</li> <li>✎ Audit and assurance</li> </ul>					

DESCRIPTION	REQUIREMENTS	DIRECTOR TECHNICAL AND INFRASTRUCTURE R MADIMUTSA	DIRECTOR PUBLIC SAFETY LJ NKHUMANE	DIRECTOR PLANNING AND HUMAN SETTLEMENTS BB CHOCHÉ	DIRECTOR LOCAL ECONOMIC DEVELOPMENT LL FOURIE
Higher Education Qualification	At least NQF Level 7 in fields of senior management position	MSc Engineering	B Tech Transportation Management	B Tech Town and Regional Planning	B Comm
Work-Related Experience	Minimum of two years at senior and five years at middle management level	Twenty years in senior and five years in middle management	Thirteen years in senior and seventeen years in middle management	Nine years in senior and three months in middle management	Twelve years in senior and eight years in middle management
Core Managerial and Occupational Competencies	As described in the Performance Regulations	Yes	Yes	Yes	Yes
Financial and Supply Chain Management Competency Areas:	Required Minimum Competency Level in Unit Standards = CPMF	Awaiting results	Yes	Yes	Awaiting results
<ul style="list-style-type: none"> <li>↗ Strategic Capability and Leadership</li> <li>↗ Operational financial management</li> <li>↗ Governance, ethics and values in financial management</li> <li>↗ Financial and performance reporting</li> <li>↗ Risk and change management</li> <li>↗ Legislation, policy and implementation</li> <li>↗ Stakeholder relations</li> <li>↗ Supply Chain Management</li> <li>↗ Project management</li> <li>↗ Audit and assurance</li> </ul>					

# Chapter 5

## Chapter 5







# Chapter 5

## CHAPTER 5 – FINANCIAL PERFORMANCE

### INTRODUCTION

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

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

### COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

#### INTRODUCTION TO FINANCIAL STATEMENT

The City of Matlosana posted a net deficit of R299 954 683 (2018: R299 667 430) which compares to the budgeted deficit of R243 008 435 as per the financial summary. This was mainly due to the debt impairment that was finalized after year-end and which exceeded the budgeted amount.

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

#### 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

FINANCIAL SUMMARY						
						R' 000
Description	2017/18	2018/19			2018/19 Variance	
	Actual	Original	Adjusted	Actual	Original	Adjustments
<b>Financial performance</b>						
Property rates	294 055	413 697	364 386	325 128	0.27	0.12
Service charges	1 430 645	1 681 500	1 588 263	1 577 773	0.08	0.01
Investment revenue	10 588	4 039	4 039	–	0	0
Transfers recognised operational	359 817	409 108	409 308	396 885	0.03	0.03
Other own revenue	315 307	193 206	305 407	493 357	(0.61)	(0.38)
<b>Total revenue (excl. capital transfers and contributions)</b>	<b>2 410 411</b>	<b>2 720 640</b>	<b>2 682 221</b>	<b>2 793 143</b>	<b>(0.03)</b>	<b>(0.04)</b>
Employee costs	579 462	656 414	649 725	635 361	0.03	0.01
Remuneration of councillors	33 182	33 907	34 511	34 473	(0.02)	0.00
Depreciation & asset impairment	434 791	428 189	428 189	402 816	0.06	0.06
Finance charges	45 826	11 000	11 000	72 736	(0.85)	(0.85)
Materials and bulk purchases	841 183	10 327 485	10 407 97	1 086 808	(0.08)	(0.07)
Transfers and grants	–			–		
Other expenditure	952 014	996 413	1 046 525	1 031 095	(0.03)	0.01
<b>Total expenditure</b>	<b>2 886 458</b>	<b>3 118 709</b>	<b>3 174 462</b>	<b>3 263 289</b>	<b>(0.04)</b>	<b>(0.03)</b>
<b>Surplus/(Deficit)</b>	<b>(476 047)</b>	<b>(229 549)</b>	<b>(243 008)</b>	<b>(299 955)</b>	<b>(0.15)</b>	<b>0.05</b>

# Chapter 5

FINANCIAL SUMMARY (Continued)						
R' 000						
Description	2017/18	2018/19			2018/19 Variance	
	Actual	Original	Adjusted	Actual	Original	Adjustments
Transfers recognised - capital	178 023	168 890	249 602	170 191	(0.01)	0.47
Contributions recognised - capital and contributed assets	–	–	–	–	0%	0%
<b>Surplus/(Deficit) after capital transfers and contributions</b>	(298 024)	(229 549)	(243 008)	(299 955)	(0.23)	(0.19)
Share of surplus/ (deficit) of associate	–	–	–	–	0%	0%
<b>Surplus/(Deficit) for the year</b>	(298 024)	(229 549)	(243 008)	(299 955)	(0.23)	(0.19)
<b>Capital expenditure and funding sources</b>						
<b>Capital expenditure</b>	<b>173 502</b>	<b>168 890</b>	<b>249 602</b>	<b>170 191</b>		
Transfers recognised - capital	173 502	168 890	249 602	170 191	-1%	47%
Public contributions and donations	–	–	–	–	0%	0%
Borrowing	–	30 000			0%	
Internally generated funds	1 739	21 500	24 000	53 827	-60%	-55%
<b>Total sources of capital funds</b>	<b>175 241</b>	<b>220 390</b>	<b>273 602</b>	<b>224 018</b>	<b>-2%</b>	<b>22%</b>
<b>Financial position</b>						
Total current assets	679 718	656 280	656 280	1 011 474	-35%	-35%
Total non-current assets	5 363 986	5 155 543	5 208 755	5 281 276	-2%	-1%
Total current liabilities	996 348	732 746	798 023	1 457 416	-50%	-45%
Total non-current liabilities	494 049	104 000	104 000	540 562	-81%	-81%
Community wealth / Equity	4 553 307	5 204 625	4 963 012	4 294 872	21%	16%
<b>Cash flows</b>						
Net cash from (used) operating	215 993	199 461	500 110	359 973	-45%	39%
Net cash from (used) investing	(160 383)	(220 390)	(273 602)	(228 426)	-4%	20%
Net cash from (used) financing	(9 988)	53 000	13 941	21 369	148%	-35%
<b>Cash/cash equivalents at the year end</b>	<b>136 154</b>	<b>32 071</b>	<b>240 450</b>	<b>289 021</b>	<b>-89%</b>	<b>-17%</b>
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	159 254	110 000	110 000	110 000	0%	0%
Application of cash and investments	658 392	95 115	110 888	110 888	-14%	0%
<b>Balance - surplus (shortfall)</b>	<b>(499 138)</b>	<b>14 885</b>	<b>(888)</b>	<b>(888)</b>	<b>-1776%</b>	<b>0%</b>
<b>Asset management</b>						
Asset register summary (WDV)	5 323 927	5 055 543	5 108 755	5 155 700	-2%	-1%
Depreciation and asset impairment	434 791	428 189	428 189	722 372	-41%	-41%
Renewal of existing assets	–	39 000	39 685	–	0%	0%
Repairs and maintenance	85 571	153 815	169 469	92 597	66%	83%

# Chapter 5

FINANCIAL SUMMARY (Continued)						
R' 000						
Description	2017/18	2018/19			2018/19 Variance	
	Actual	Original	Adjusted	Actual	Original	Adjustments
<b>Free services</b>						
Cost of free basic services provided	368 398	300 111	178 316	178 316	68%	0%
Revenue cost of free services provided	59 317	59 317	62 580	62 580	-5%	0%

FINANCIAL PERFORMANCE OF OPERATIONAL SERVICES						
R '000						
Description	2017/18	2018/19			2018/19 Variance	
	Actual	Original	Adjusted	Actual	Original	Adjustment
<b>Operating cost</b>						
Water	490 859	50 735	50 952	693 287	92.68%	9.00%
Waste-water (Sanitation)	114 970	138 514	146 659	148 065	6.45%	0.95%
Electricity	637 642	1 029 708	1 050 737	1 095 824	6.03%	4.11%
Waste management	161 494	155 138	152 936	166 637	6.90%	8.22%
Housing	12 529	24 166	22 022	10 111	-139.01%	-117.81%
Component A: sub-total	1 417 495	1 398 261	1 423 307	2 113 924	33.85%	32.67%
Storm-water drainage	–	–	–	–	–	–
Roads	180 366	221 930	232 890	176 852	-25.49%	-31.69%
Transport	–	–	–	–	–	–
Component B: sub-total	180 366	221 930	232 890	176 852	-25.49%	-31.69%
Planning	–	–	–	–	–	–
Local Economic Development	33 625	–	67 277	29 432	100.00%	-128.58%
Component B: sub-total	33 625	–	67 277	29 432	100.00%	-128.58%
Planning (Strategic and regulatory)	–	–	–	10 038	–	–
Local Economic Development	–	43 156	–	–	–	–
Component C: sub-total	–	43 156	–	10 038	–	–
Community and Social Services	34 478	114 015	111 561	67 322	-69.36%	-65.71%
Environmental Protection	–	–	–	–	–	–
Health	10 053	10 858	11 614	9 206	-17.94%	-26.15%
Security and Safety	133 763	173 756	166 904	122 023	-42.40%	-36.78%
Sport and Recreation	145 945	87 694	87 331	118 149	25.78%	26.08%
Corporate Policy Offices and Other	930 734	1 069 409	1 073 948	526 346	-103.18%	-104.04%
Component D: sub-total	1 254 973	1 455 731	1 451 358	933 043	-56.02%	-55.55%
<b>TOTAL EXPENDITURE</b>	<b>2 886 458</b>	<b>3 119 078</b>	<b>3 174 831</b>	<b>3 263 289</b>	<b>4.42%</b>	<b>2.71%</b>

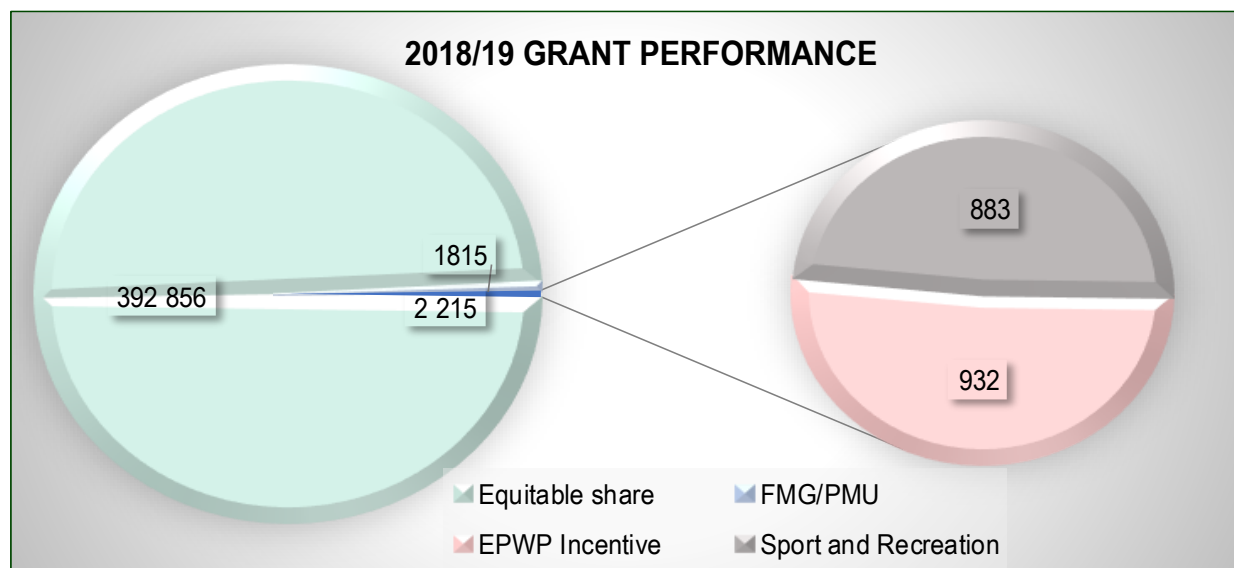
# Chapter 5

## COMMENT ON FINANCIAL PERFORMANCE

The City of Matlosana expect to post a deficit because of the budgeted deficit as per the financial summary. This is mainly due to the provision for the non-cash item of debt impairment.

## 5.2 GRANTS

GRANT PERFORMANCE						
R' 000						
Description	2017/18	2018/19			2018/19 Variance	
	Actual	Budget	Adjusted	Actual	Original (%)	Adjustment (%)
<b>Operating Transfers and Grants</b>						
<b>National Government</b>	<b>358 630</b>	<b>401 392</b>	<b>401 392</b>	<b>396 003</b>	<b>0%</b>	<b>0%</b>
Equitable share	354 377	392 856	392 856	392 856	0%	0%
Municipal Systems Improvement	–				0%	0%
FMG/PMU	2 145	6 499	6 499	2 215	0%	0%
EPWP Incentive	2 145	2 037	2 037	932	0%	0%
<b>Provincial Government</b>	<b>1 187</b>	<b>716</b>	<b>1 394</b>	<b>883</b>		
Sport and Recreation	1 187	716	1 394	883	1%	1%
<b>Total</b>	<b>359 817</b>	<b>402 108</b>	<b>402 786</b>	<b>396 886</b>		



## COMMENT ON OPERATING TRANSFERS AND GRANTS

Grants were reported as per the DORA and the payment schedule received from National Treasury and the national and provincial departments. Additional conditional grant funding in the third quarter of the financial year resulted in unspent grants for which the municipality had to apply for rollovers.

# Chapter 5

## 5.3 ASSET MANAGEMENT

### INTRODUCTION TO ASSET MANAGEMENT

Vodacom assists council with the unbundling of new project and the verification of existing assets. As a result, thereof, Council obtained an unqualified audit opinion on assets.

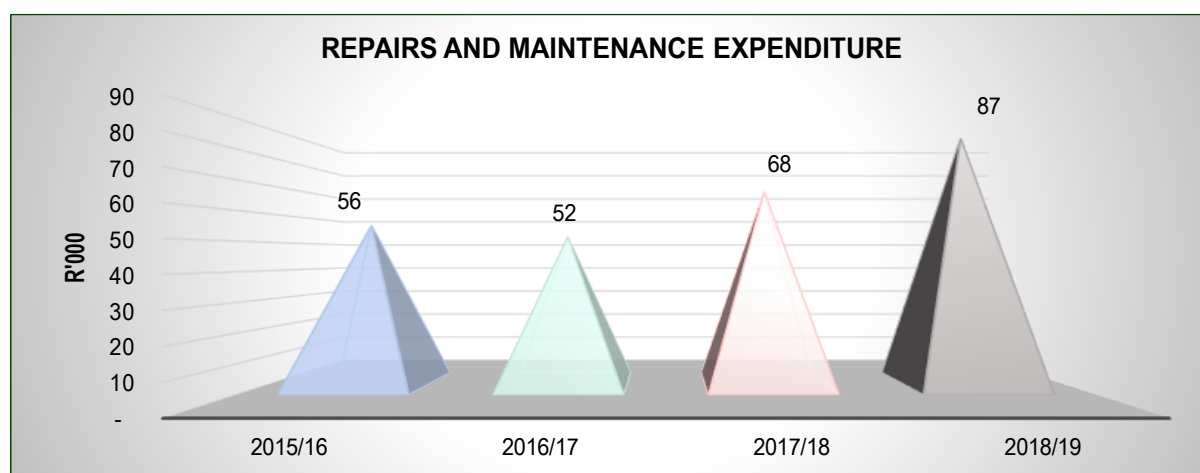
TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2018/19				
Asset 1				
Name	WATER SUPPLY MIDVAAL END POINT			
Description	Water Supply Midvaal End Point			
Asset Type	Infrastructure			
Key Staff Involved	Water section			
Staff Responsibilities	Water section			
Asset Value	2015/16	2016/17	2017/18	2018/19
		R1 4705 738	R59 769 145	R58 888 368
Capital Implications	Supply of new water pipeline to various areas			
Future Purpose of Asset	Supply of water			
Describe Key Issues	Maintenance			
Policies in Place to Manage Asset	Yes			
Asset 2				
Name	ACCESS ROAD MATLOSANA MALL			
Description	Access Road Matlosana Mall			
Asset Type	Infrastructure			
Key Staff Involved	Roads and Electrical section			
Staff Responsibilities	Roads and Electrical section			
Asset Value	2015/16	2016/17	2017/18	2018/19
				R51 987 916
Capital Implications	Roads access from Doringkruin to Matlosana Mall			
Future Purpose of Asset	Access road to Matlosana Mall			
Describe Key Issues	Maintenance			
Policies in Place to Manage Asset	Yes			
Asset 3				
Name	JOUBERTON ACTIVITY SPINE			
Description	Jouberton Activity Spine			
Asset Type	Infrastructure			
Key Staff Involved	Roads section			
Staff Responsibilities	Roads section			
Asset Value	2015/16	2016/17	2017/18	2018/19
	R1 548 793	R15 222 340	R31 055 054	R5 757 274
Capital Implications	New roads for public use			
Future Purpose of Asset	Access road			
Describe Key Issues	Maintenance			
Policies in Place to Manage Asset	Yes			

# Chapter 5

## COMMENTS ON ASSET MANAGEMENT

The PMU unit manages the above projects. The assets are grant-funded and the budget was approved for these capital projects. The assets were signed off with completion certificates obtained from the various contractors before these projects could be signed off for completeness.

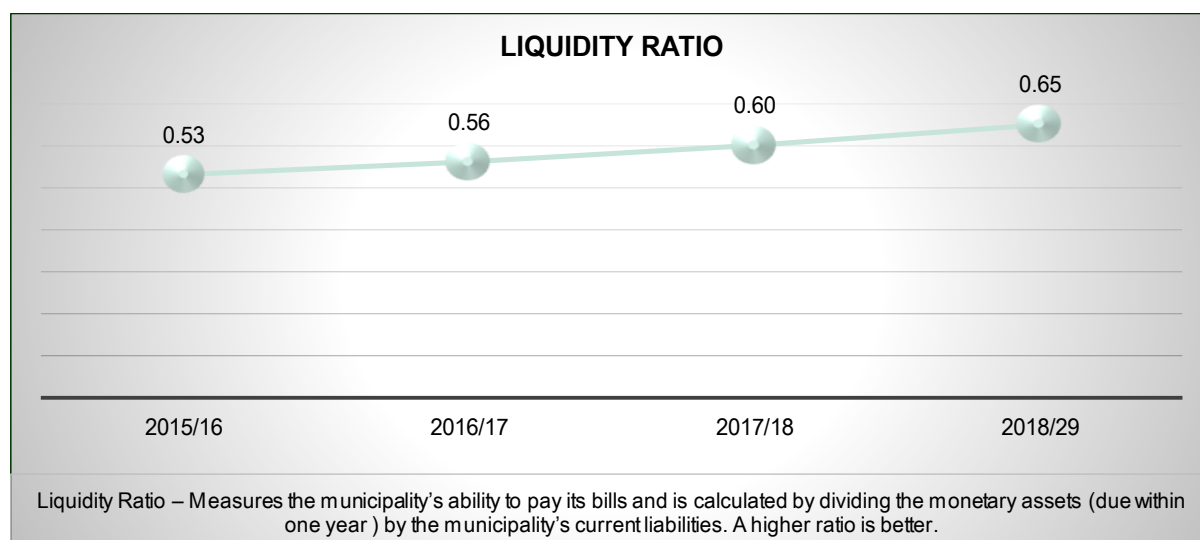
REPAIR AND MAINTENANCE EXPENDITURE: 2018/19				
				R' 000
Description	Original	Adjusted	Actual	Budget variance
Repairs and Maintenance Expenditure	153 815	169 469	92 597	40%



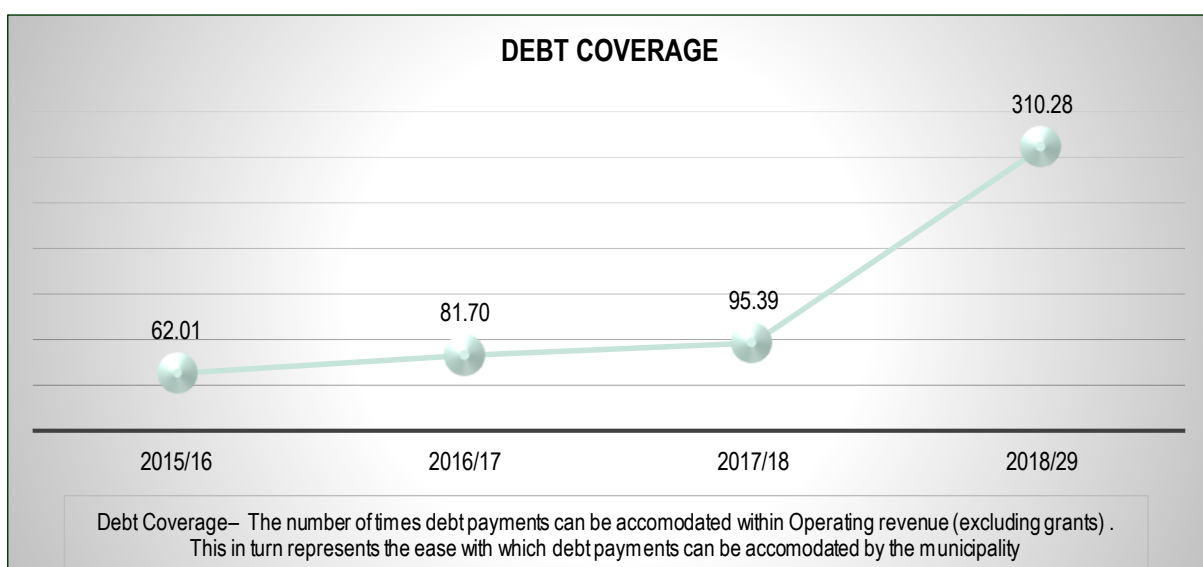
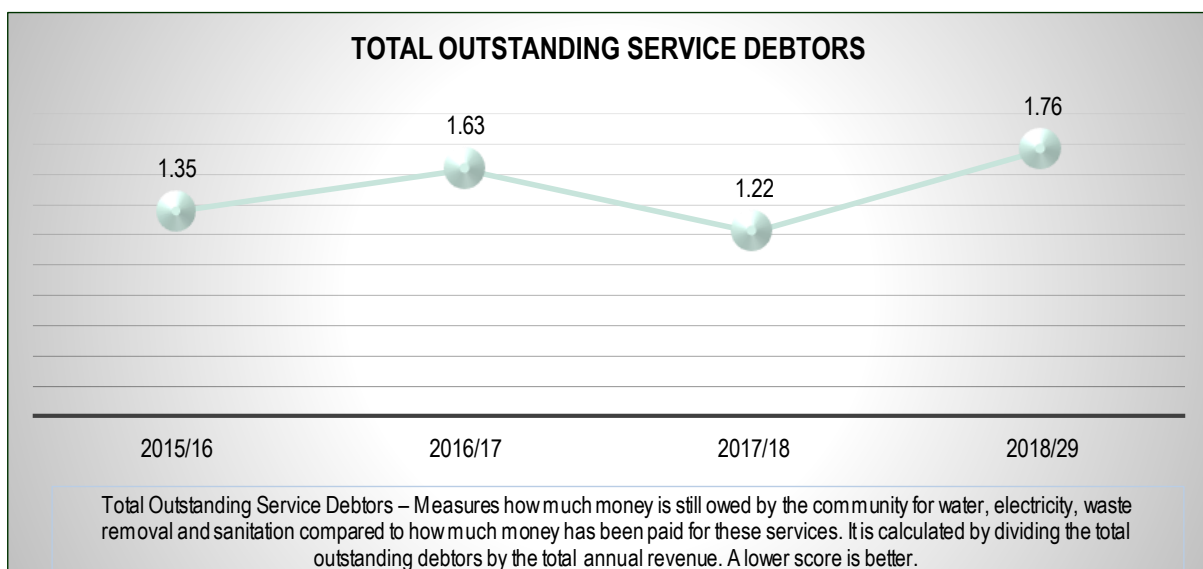
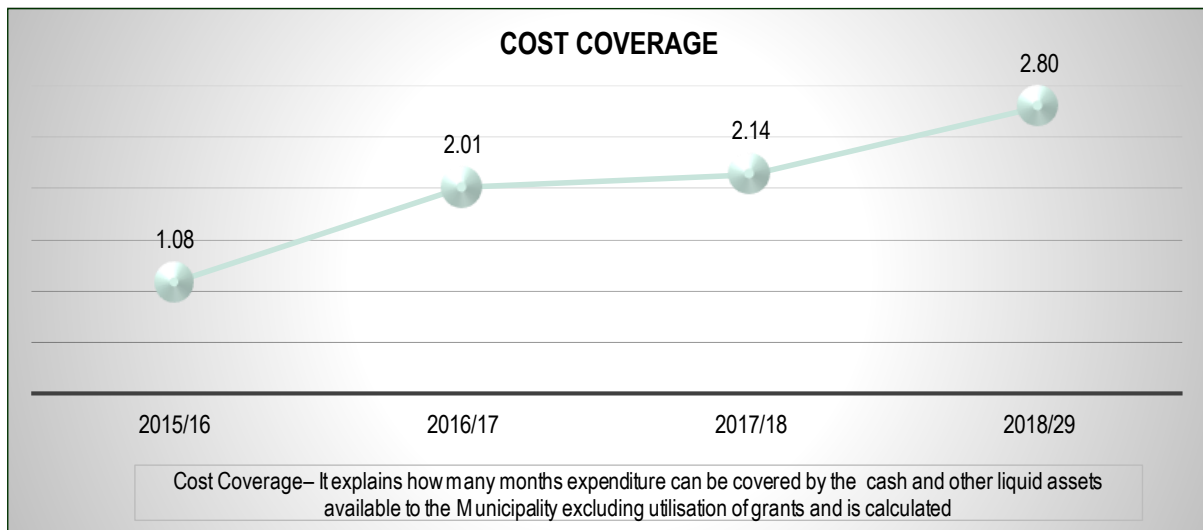
## COMMENTS ON REPAIR AND MAINTENANCE EXPENDITURE

Expenditure on repair and maintenance was very low at 3% of the total expenditure budget compared to the National Treasury norm of 8% of the municipality's operational budget. It must be noted that the salary cost of repair and maintenance is excluded from the 8%. Going forward the municipality need to increase the budget and expenditure to prevent further deterioration of our infrastructure assets.

## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

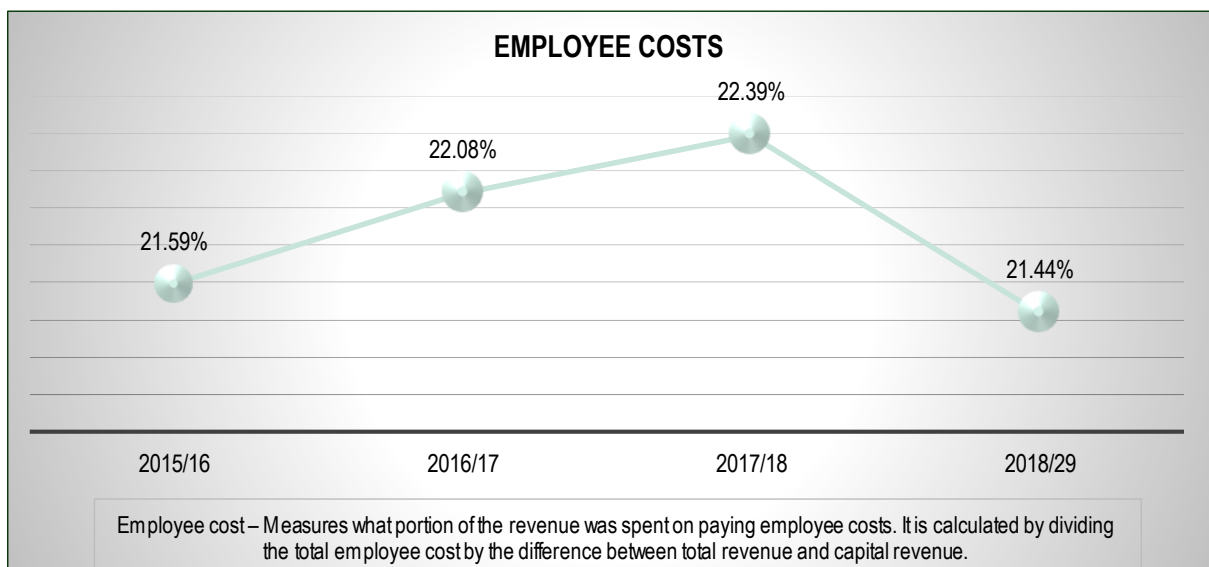
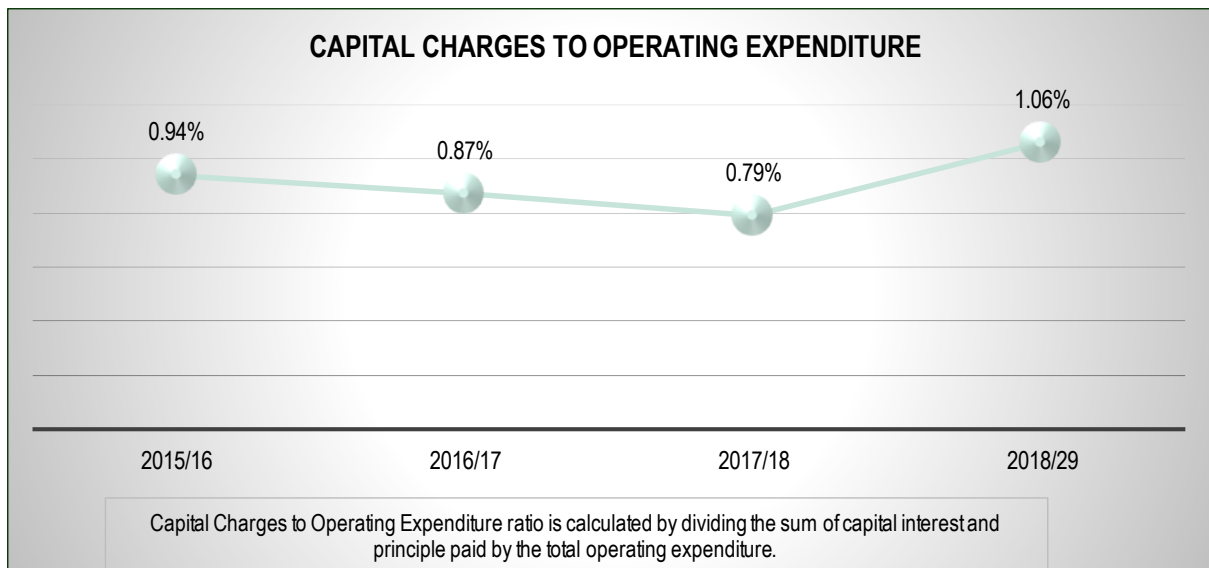
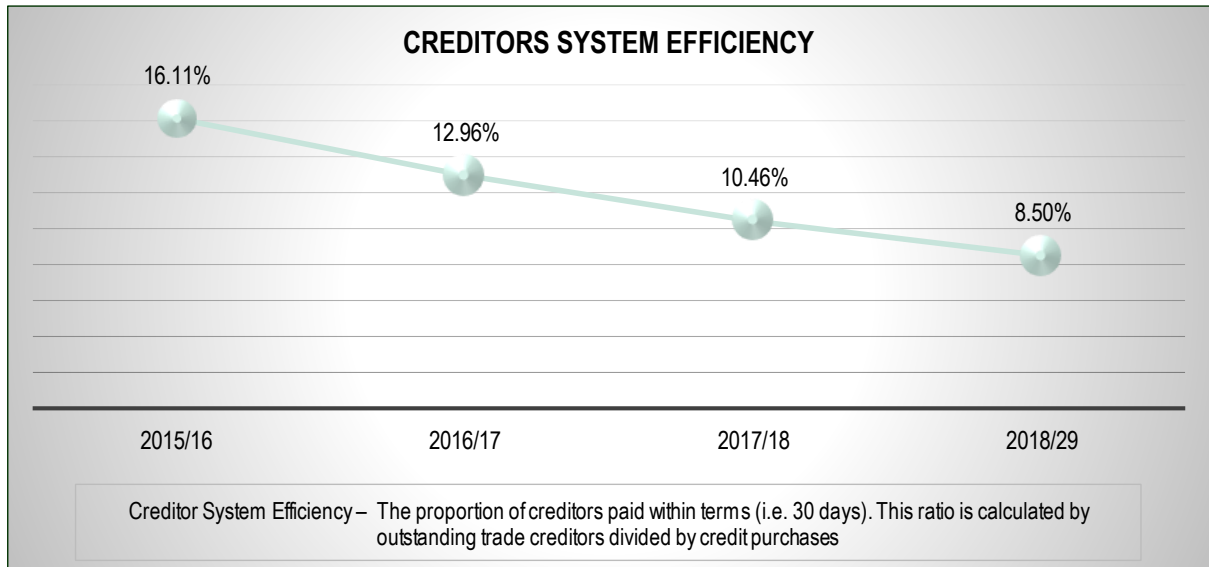


# Chapter 5

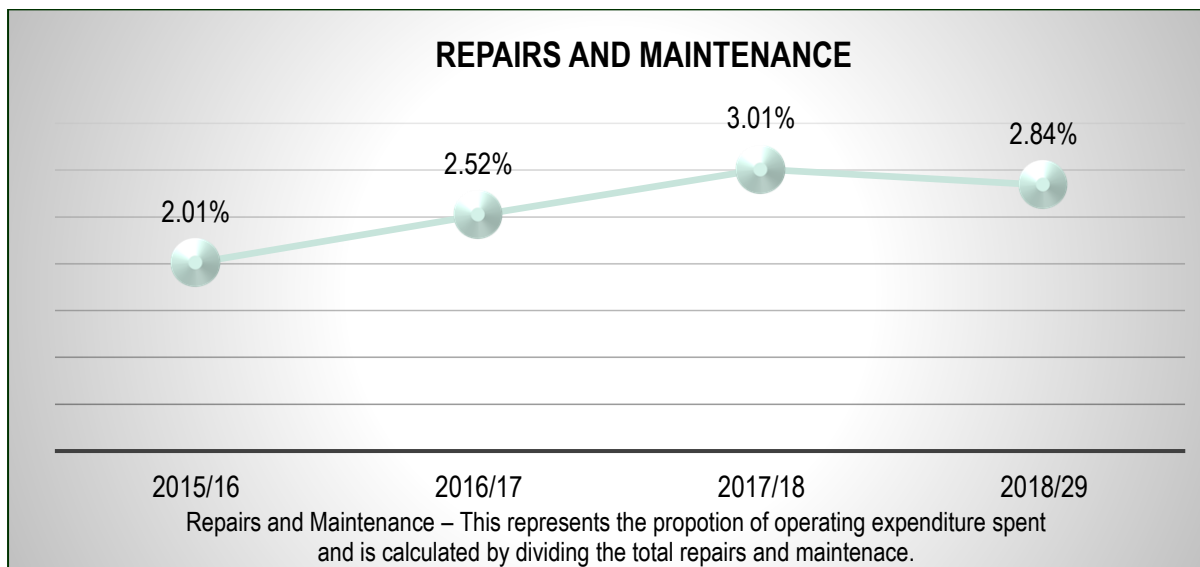




# Chapter 5



# Chapter 5



## COMMENTS ON THE FINANCIAL RATIO

The liquidity ratio is still unfavourable and is a continuation of the previous period's movements. The low liquidity ratio does require a major improvement in the bottom line as reflected on the statement of financial performance to rectify and bring the ratio in line with the norm. The recovery is dependent on the budget constraints and the higher debtors' impairment realised.

A high cost coverage ratio is necessary in a highly fluctuating income environment as it indicates the ability to cover monthly fixed expenditure costs if there is a sudden loss of income. The higher ratio is reflective of the higher cash held at year-end than in the previous year.

The total outstanding services debtors' ratio remains unfavourable in the last period and it can be attributed to the low collection rate. Bad debts should also be written off to keep the ratio comparable between years.

The debt coverage ratio has improved due to more income billed while at the same time there were no new liabilities that needed financing. A large portion of the liabilities was also closed during the year.

Of the 3%, movement in creditors' efficiency a half percentage point is attributable to cash in bank that is earmarked for creditors. The municipality must work towards a cash positive budget to ensure that creditors can be serviced.

The low reliance on capital funding is reflected in the ratio of capital charges to operational expenditure.

The ratio of employee cost to revenue is relatively constant and falls in the ranges that are experienced in the local government sector.

The low ratio of repair and maintenance remains a concern, as it is lower than what is expected of a municipality. It must be noted that the salary cost of repair and maintenance is not included and will increase the percentage if included.

Management must implement revenue enhancement and recovery strategies while ensuring that other non-essential costs are reduced and managed to enable the municipality to recover and improve the ratios and improve service delivery.

# Chapter 5

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

The Municipal Infrastructure Grant (MIG) and the Neighbourhood Development Partnership Grant (NDPG) mainly fund capital. Council's own funded capital is limited. For the year under review, the MIG-funded capital budget was well spent, and not all of the NDPG and Council-funded capital budgets were spent due to additional funding late in the reporting period.

Please note that the outlines of capital expenditure relating to the new works and renewal programmes, the full programme of capital projects and alignment of projects in wards are in **Appendices M, N and O** respectively.

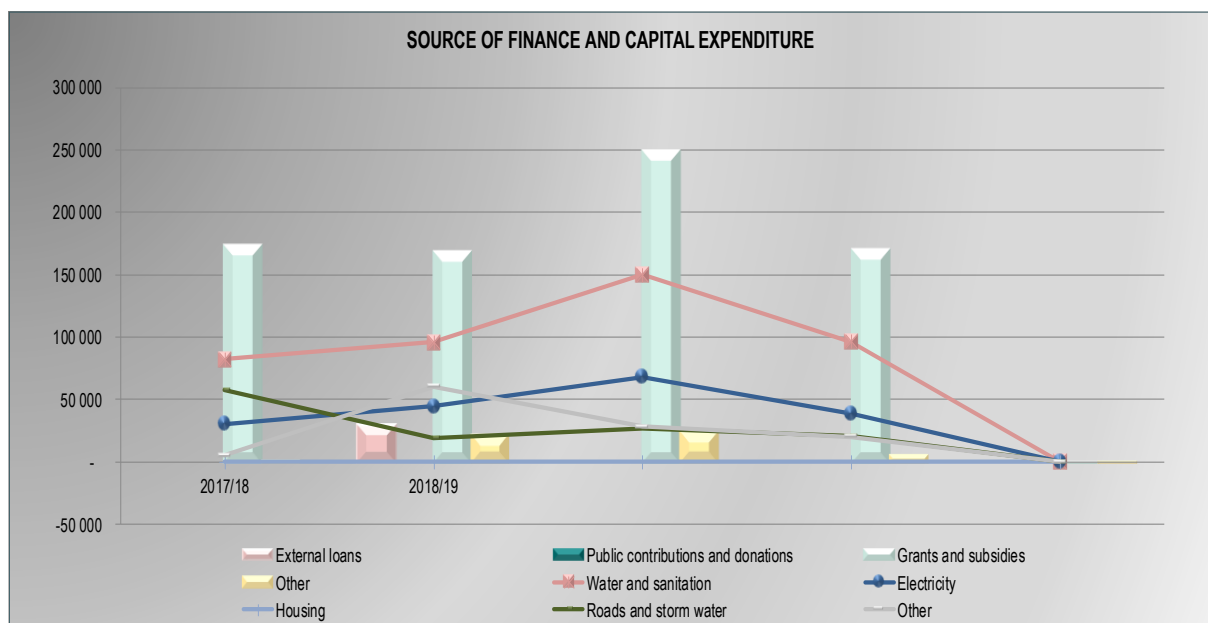
### 5.5 CAPITAL EXPENDITURE

CAPITAL EXPENDITURE 2018/19					
					R'000
R million	Original	Adjustment	Audited	Original Budget variance	Adjusted Budget Variance
Capital expenditure	220	274	224	-1.6%	18.1%
Operating expenditure	3 119	3 175	3 263	-4.6%	-2.8%
<b>Total expenditure</b>	<b>3 119</b>	<b>3 175</b>	<b>3 263</b>	<b>-4.6%</b>	<b>-2.8%</b>
Water and sanitation	774	782	491	100.0%	100.0%
Electricity	1 030	1 051	649	37.0%	38.2%
Housing	24	22	11	55.6%	51.3%
Roads, pavements, bridges and storm-water	222	233	175	20.9%	24.6%
Other	1 069	1 087	2 428	-127.1%	-123.4%
	<b>3 119</b>	<b>3 175</b>	<b>3 263</b>	<b>-4.6%</b>	<b>-2.8%</b>
External Loans	–	–	–		
Internal contributions	–	–	–		
Grants and subsidies	220	274	176	20.1%	35.7%
Salaries, wages and allowances	687	679	670	2.4%	1.4%
Cash and creditor payments					
Capital payments	220	274	176	20.1%	35.7%
Property rates	414	364	325	21.4%	10.8%
Service charges	1 701	1 599	1 599	6.0%	0.0%
Other own revenue	606	719	664	-9.5%	7.6%
	<b>2 721</b>	<b>2 682</b>	<b>2 588</b>	<b>4.9%</b>	<b>3.5%</b>
Employee related costs	686 575	679 383	669 834	2.4%	1.4%
Provision for working capital	–	–	–		
Repairs and maintenance	154	169	93	39.8%	45.4%
Bulk purchases	897 900	897 900	994 211	-10.7%	-10.7%
Other expenditure	1 381	1 428	1 507	-9.1%	-5.5%
	<b>3 119</b>	<b>3 175</b>	<b>3 263</b>		<b>-2.8%</b>

# Chapter 5

## 5.6 SOURCES OF FINANCE

CAPITAL EXPENDITURE - FUNDING SOURCES: 2017/18 TO 2018/19						
R' 000						
Details	2017/18	2018/19				
	Actual	Original (OB)	Adjustment	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
<b>Source of finance</b>						
External loans	-	30 000	-			
Public contributions and donations						
Grants and subsidies	173 502	168 890	249 602	170 191	47.79%	0.77%
Other	1 739	21 500	24 000	5 839	11.63%	-72.84%
<b>Total</b>	<b>175 241</b>	<b>220 390</b>	<b>273 602</b>	<b>176 030</b>	<b>59.42%</b>	<b>-72.07%</b>
<b>Percentage of finance</b>						
External loans	-	0	-	-	0.0%	0.0%
Grants and subsidies	1	1	1	1	80.4%	-1.1%
Other	0	0	0	0	19.6%	101.1%
<b>Capital expenditure</b>						
Water and sanitation	82 362	96 130	149 997	96 639	56.04%	0.53%
Electricity	30 346	44 821	68 268	38 435	52.31%	-14.25%
Housing	-	-	-	-	0.00%	0.00%
Roads and storm-water	57 506	18 938	27 060	20 530	42.89%	8.41%
Other	5 027	60 500	28 277	20 426	-53.26%	-66.24%
<b>Total</b>	<b>175 241</b>	<b>220 389</b>	<b>273 602</b>	<b>176 030</b>	<b>97.97%</b>	<b>-71.55%</b>



# Chapter 5

## COMMENT ON SOURCES OF FUNDING

Capital is mainly funded by the Municipal Infrastructure Grant (MIG) and the Neighbourhood Development Partnership Grant (NDPG). Council's own funded capital is limited. Additional grant allocations were received in the second half of the financial year.

## 5.7 CAPITAL SPENDING ON FIVE LARGEST PROJECTS

CAPITAL EXPENDITURE OF FIVE LARGEST PROJECTS*					
R' 000					
Name of Project	2018/19			Variance: 2018/19	
	Original	Adjusted	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Upgrade Sewer Network Khuma Proper	10 601		9 017	15%	100%
Alabama 88 / 11kv 20 Mva Substation	22 000		10 613	52%	100%
Refurbishment of Klerksdorp Wwt Plant	17 000		14 782	13%	100%
Jouberton / Alabama Precinct Bulk Services	30 397	38 945	28 428	6%	-28%
Water Supply Midvaal End	29 909	80 831	55 403	-85%	-170%
* Projects with the highest capital expenditure in 2018/19					
<b>NAME OF PROJECT - A</b>	<b>UPGRADE SEWER NETWORK KHUMA PROPER</b>				
Objective of project	To provide sewer network at new Khuma extension				
Delays	None				
Future challenges	Maintenance				
Anticipated benefits	Sewer lines for toilets				
<b>NAME OF PROJECT - B</b>	<b>ALABAMA 88/11kV 20 MVA SUBSTATION</b>				
Objective of project	Provide electricity for new extensions				
Delays	None				
Future challenges	Maintenance				
Anticipated benefits	Provide electricity for new extensions				
<b>NAME OF PROJECT - C</b>	<b>REFURBISHMENT OF KLERKSDORP WWT PLANT</b>				
Objective of project	Upgrade sewer plant for better sanitation process				
Delays	None				
Future Challenges	Maintenance				
Anticipated benefits	Keep sewer plant in good running condition for health safety				
<b>NAME OF PROJECT - D</b>	<b>JOUBERTON / ALABAMA PRECINCT BULK SERVICES</b>				
Objective of project	Provide sewer and water for new extensions				
Delays	None				
Future challenges	Maintenance				
Anticipated benefits	Service delivery				

# Chapter 5

NAME OF PROJECT - E	WATER SUPPLY MIDVAAL END POINT
Objective of project	Provide water to new extensions
Delays	None
Future challenges	Maintenance
Anticipated benefits	Provide water for new extensions

## COMMENTS ON CAPITAL PROJECTS

The abovementioned major projects were implemented within the approved budget. On these large projects, adjustments were made accordingly to ensure completion of the projects. The key to timeous implementation of projects revolve around forward planning and the timeous approval of the implementation plan by Council.

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

### INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The closure of mines and migration of families from farming settlements put pressure on the upgrading of bulk infrastructure and increased settlement on unproclaim areas.

The backlog will affect the municipality negatively. The development of Master Plans for Water, Sewer, Roads and Electricity will assist in assessment of backlogs as well as submission of reports for counter funding. The repeated seismic incidents put more stress on the existing and old infrastructure in all areas of the City.

SERVICE BACKLOGS AS AT 30 JUNE 2019				
Services	Households (Hhs)			
	*Service level above minimum standard		**Service level below minimum standard	
	No Hhs	% Hhs	No Hhs	% Hhs
Water	172 647	98%	4 076	2%
Sanitation	169 729	96%	6 994	4%
Electricity	168 345	95%	8 378	5%
Waste management	166 685	94%	10 038	6%
<i>% Hhs are the service above / below minimum standard as a proportion of total Hhs.</i>				

The above backlog will soon affect the municipality in a negative way; however, with the current efforts of submitting requests for funding through the development of Master Plans and Feasibility Reports some of the challenges will be addressed in the near future.

# Chapter 5

MUNICIPAL INFRASTRUCTURE GRANT (MIG)* EXPENDITURE 2018/19 ON SERVICE BACKLOGS					
R' 000					
Details	Budget	Adjusted	Actual	Variance	
				Budget	Adjustment
<b>Infrastructure - Road Transport</b>	<b>11 217</b>	<b>11 217</b>	<b>9 638</b>	<b>-16%</b>	<b>16%</b>
<i>Roads, Pavements &amp; Bridges</i>	<i>11 217</i>	<i>11 217</i>	<i>9 638</i>	<i>-16%</i>	<i>16%</i>
<b>Infrastructure - Electricity</b>	<b>3 900</b>	<b>3 900</b>	<b>279</b>	<b>1 298%</b>	<b>1 298%</b>
<i>Generation</i>	<i>3 900</i>	<i>3 900</i>	<i>279</i>	<i>1 298%</i>	<i>1 298%</i>
<b>Infrastructure - Water</b>	<b>63 680</b>	<b>97 680</b>	<b>72 702</b>	<b>-12%</b>	<b>34%</b>
<i>Alabama Bulk Water ph3</i>	<i>16 848</i>	<i>16 848</i>	<i>8 823</i>	<i>91%</i>	<i>91%</i>
<i>Water Supply Midvaal</i>	<i>46 831</i>	<i>80 831</i>	<i>63 880</i>	<i>-27%</i>	<i>27%</i>
<b>Infrastructure - Sanitation</b>	<b>542</b>	<b>542</b>	<b>542</b>	<b>0%</b>	<b>0%</b>
<i>Upgrade Sewer Network Khuma</i>	<i>542</i>	<i>542</i>	<i>542</i>	<i>0%</i>	<i>0%</i>
<b>Infrastructure - Other</b>	<b>4 284</b>	<b>4 284</b>	<b>3 154</b>	<b>0%</b>	<b>0%</b>
<i>PMU</i>	<i>4 284</i>	<i>4 284</i>	<i>3 154</i>	<i>0%</i>	<i>0%</i>
<b>Other Specify: Sport</b>	<b>2 070</b>	<b>2 070</b>	<b>2 070</b>	<b>0%</b>	<b>0%</b>
<i>New Complex Khuma</i>	<i>2 070</i>	<i>2 070</i>	<i>2 070</i>	<i>0%</i>	<i>0%</i>
<b>Total</b>	<b>85 693</b>	<b>119 693</b>	<b>88 386</b>	<b>-3%</b>	<b>35%</b>

\*MIG is a government grant programme designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

## COMMENTS ON BACKLOGS

The City of Matlosana has to further implement two major projects for water supply to strengthen the existing supply to various communities and to unlock further development which already eminent. The implementation of a further bulk sanitation project will unlock among others the development on the east of Klerksdorp.

Lack of funding on capital projects by the Municipality and the ageing infrastructure remains a challenge

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The municipality's cash flow is monitored on a daily basis and is a major challenge as indicated by the various ratios. The municipality's investments consist mainly of government grants of which the MIG is the main contributor and some securities. During each month, investments are made and withdrawn as part of the cash flow management process.

# Chapter 5

## 5.9 CASH FLOW

CASH FLOW OUTCOMES				
R'000				
Description	2017/18	2018/19		
	Audited Outcome	Original	Adjusted	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	1 089 609	1 748 493	1 941 076	1 081 672
Government - operating	379 000	409 108	409 108	468 632
Government - capital	178 023	168 890	160 293	170 191
Interest	231 828	40 271	40 271	305 480
Other Receipts	–	–	–	76 999
<b>Payments</b>				
Suppliers and employees	(1 616 641)	(2 156 301)	(2 039 637)	(1 670 265)
Finance charges	(45 826)	(11 000)	(11 000)	(72 736)
Transfers and Grants	–	–	–	–
<b>NET CASH FROM / (USED) OPERATING ACTIVITIES</b>	<b>215 993</b>	<b>199 461</b>	<b>500 110</b>	<b>359 973</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	2 297			
Decrease (increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments	(2 107)			(2 509)
<b>Payments</b>				
Capital assets	(160 573)	(220 390)	(273 602)	(225 917)
<b>NET CASH FROM / (USED) INVESTING ACTIVITIES</b>	<b>(160 383)</b>	<b>(220 390)</b>	<b>(273 602)</b>	<b>(228 426)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans				
Borrowing long-term / refinancing		30 000	–	–
Increase (decrease) in consumer deposits	5 817	3 000	(59)	3 404
<b>Payments</b>				
Repayment of borrowing / NT liabilities	(15 805)	20 000	14 000	17 965
<b>NET CASH FROM / (USED) FINANCING ACTIVITIES</b>	<b>(9 988)</b>	<b>53 000</b>	<b>13 941</b>	<b>21 369</b>
<b>NET INCREASE / (DECREASE) IN CASH HELD</b>	<b>45 622</b>	<b>32 071</b>	<b>240 450</b>	<b>152 916</b>
Cash / cash equivalents at the year beginning	90 532	136 154	168 225	136 106
Cash / cash equivalents at the year ending	136 154	168 225	408 675	289 021



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## COMMENT ON CASH FLOW OUTCOMES

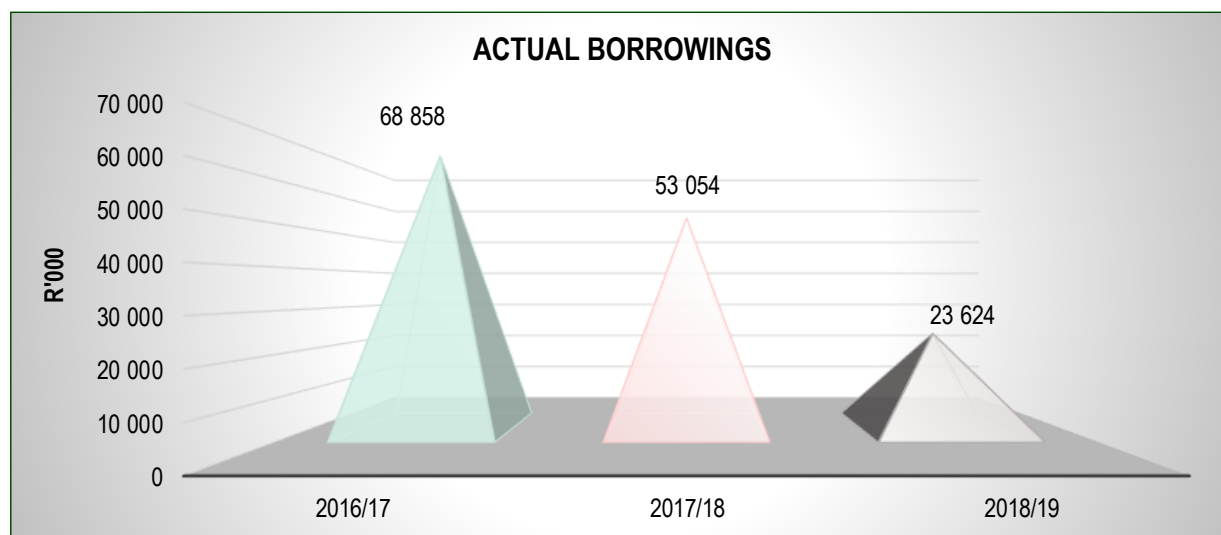
The municipality's cash flow remains under pressure due to low collection rate in areas where Eskom supplies electricity. The current economic climate is also a contributing factor. The available cash is actively managed on a daily basis to ensure that the necessary basic services delivery objectives are achieved.

## 5.10 BORROWING AND INVESTMENTS

### INTRODUCTION TO BORROWING AND INVESTMENTS

No new loans were taken up in the past financial year. The loan book is reducing constantly as loans are serviced. The municipality's investments consist mainly of government grants of which the MIG and NDPG grants is the main contributor and some securities.

ACTUAL BORROWINGS: 2016/17 TO 2018/19			
	R' 000		
Instrument	2016/17	2017/18	2018/19
<b>Municipality</b>			
Long-Term Loans (annuity/reducing balance)	68 858	53 054	23 624
<b>MUNICIPALITY TOTAL</b>	<b>68 858</b>	<b>53 054</b>	<b>23 624</b>



MUNICIPAL INVESTMENTS			
	R' 000		
Investment type	2016/17 Actual	2017/18 Actual	2018/19 Actual
Deposits – Bank	79 137	83 094	312 403
Guaranteed Endowment Policies (sinking)	8 361	8 780	9 675
<b>TOTAL</b>	<b>87 498</b>	<b>91 874</b>	<b>322 078</b>

# Chapter 5

## COMMENTS ON BORROWING AND INVESTMENTS

No new loans were taken up in the past financial year. The current loan book is reducing as loans are serviced. The municipality's investments consist mainly of government grants of which the MIG, NDPG and Equitable Share grants are the main contributor.

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### 5.11 PUBLIC PRIVATE PARTNERSHIPS

#### PUBLIC PRIVATE PARTNERSHIPS

Council does not have any Public Private Partnerships.

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## COMPONENT D: OTHER FINANCIAL MATTERS

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### 5.12 SUPPLY CHAIN MANAGEMENT

#### SUPPLY CHAIN MANAGEMENT

The council developed a Supply Chain Management Policy and practices in compliance with the guidelines set down by the Supply Chain Management Regulations, 2005, which was approved with effect from 1 March 2006.

The council also adopted the new Preferential Procurement Regulations, 2011. A new SCM Policy, incorporating the above-mentioned regulations as well as all other relevant legislation, regulations and circulars, has been developed and approved by the council.

In terms of the municipal Supply Chain Management Policy, no councillors are members of any committee handling Supply Chain Management processes.

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### 5.13 GRAP COMPLIANCE

#### GRAP COMPLIANCE

The City of Matlosana applies General Recognised Accounting Practices (GRAP) in the compilation of its financial statements.



# Chapter 6

## Chapter 6





### INTRODUCTION

The audited 2018/19 Annual Report, including the Annual Financial Statements and Annual Performance Report was submitted to the Auditor-General on 22 January 2020 for auditing.

### COMPONENT A: AUDITOR-GENERAL'S OPINION ON FINANCIAL STATEMENTS 2017/18

#### 6.1 AUDITOR-GENERAL REPORT 2017/18

##### AUDITOR-GENERAL'S OPINION ON FINANCIAL PERFORMANCE - 2017/18

###### Unqualified opinion – Financial Performance

*"In my opinion, the financial statements present fairly, in all material respects, the financial position of the City of Matlosana as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP), the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (DoRA)."*

###### Unqualified opinion - Predetermined objectives

*"I did not identify any material findings on the usefulness and reliability of the reported performance information on the selected key performance area of the municipality."*

##### COMMENTS ON AUDITOR-GENERAL'S OPINION ON FINANCIAL PERFORMANCE - 2017/18

The 2017/18 period under review was still part of a period of change. There were several new appointments of section 56 managers with only two directorate's post still vacant. The posts of Deputy Director Revenue and Expenditure, as well as Deputy Director Budget and Treasury were also filled.

It was also a very difficult year taking into account the disruption caused by the failed Phoenix system and the subsequent conversion back to Venus. An improved result could only be accomplished with the dedication of all the sections involved as well as the commitment of the office of the Municipal Manager to ensure that we make a success of this audit.

We have managed this with the available resources, the municipality had a dedicated team that put in a lot of hard work, and effort into delivering a set of AFS that is credible. The Municipal Manager also took great responsibility in making sure that all departments attended the regular audit readiness and audit steering committee meetings to ensure that the best possible audit outcome could be achieved.

# Chapter 6

As always, it is important for the municipality to have a mutual benefitting relationship with the Auditor- General. This year we again had a good working relationship with the AG and we believe we have used all our available resources to address their requests and findings in a timeous manner.

The City of Matlosana received an unqualified audit opinion for the annual financial statements. This must be seen against the backdrop of 12 consecutive disclaimer of opinions from 2002 and followed by 4 qualified opinions from 2014.

We therefore wish to thank and congratulate all of the people involved for their hard work and dedication and would like to encourage them to continue the good service.

The AG raised a matter of concern relating to the material uncertainty relating to going concern and cited the deficit of R298 024 136 and the fact that the current liabilities exceeded current assets by R316 630 088. Management is confident that it can operate as a going concern despite these concerns. The City of Matlosana have entered into payment arrangements with the major creditors (Eskom and Midvaal). This will reduce the finance costs related to these creditors, which contributed to the deficit. Management have also appointed debt collectors as part of its financial recovery strategy with the aim to increase the debt recovery rate, which in turn will reduce the debt impairment and deficit. If this is implemented effectively, the City of Matlosana should be able to operate sustainably.

Other issues raised by the Auditor-General as matters of emphasis has been analysed to establish its root causes and to come up with corrective action plans. Determined correctives are both short and medium term in nature. Increased effort will ensure that the intended objectives are achieved through regular and continuous progress reporting mechanisms.

It is the opinion of management that an unqualified audit opinion for 2018/19 is again attainable with the continued support of all management and staff.

## **COMMENTS ON AUDITOR-GENERAL'S OPINION ON PERFORMANCE MANAGEMENT - 2017/18**

Performance Management once again received an unqualified audit opinion from the Auditor-General.

### 6.2 AUDITOR-GENERAL'S REPORT 2018/19



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

#### Report of the auditor-general to the North West provincial legislature and the council on the City of Matlosana

##### Report on the audit of the financial statements

#### Qualified opinion

1. I have audited the financial statements of the City of Matlosana set out on pages 363 to 430 which comprise the statement of financial position as at 30 June 2019, and the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effect of the matter described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the City of Matlosana as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2018 (Act No. 1 of 2018) (DoRA).

#### Basis for qualified opinion

##### Receivables from exchange transactions

3. I was unable to obtain sufficient appropriate audit evidence that all monies due to the municipality from the fresh produce market were accounted for as the municipality did not have adequate systems to reconcile and monitor all transactions related to the fresh produce market. I was unable to confirm this receivable by alternative means. Consequently, I was unable to determine whether any adjustment to the market receivable of R21 913 544 (2018: R10 221 337) included in receivables from exchange transactions disclosed in note 9 to the financial statements was necessary.





# Chapter 6

## Context for the opinion

4. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
5. I am independent of the municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants*, parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA codes) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## Material uncertainty relating to going concern

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.
8. The statement of financial performance indicates that the municipality incurred a deficit of R299 954 683 for the year ended 30 June 2019 and, as of that date, the municipality's current liabilities exceeded its current assets by R467 559 074. These conditions, along with other matters as set forth in note 41, indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern.

## Emphasis of matters

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

## Material losses and impairments

10. As disclosed in note 12 to the financial statements, the consumer debtors' balance has been significantly impaired. The allowance for impairment of consumer debtors amounts to R3 232 827 255 (2017: R2 573 678 319) which represents 87% (2018: 87%) of total consumer debtors. In addition, as disclosed in note 28 to the financial statements, contributions of R721 875 992 (2018: R616 751 192) to the debt impairment provision were incurred as a result of significant impairment of debtors.
11. As disclosed in note 29 to the financial statements, the municipality suffered electricity losses of 148 210 722 units:26% (2018: 79 382 975 units:16%) and water losses of 14 083 954 units:41% (2018: 12 560 100 units:39%).

## Unauthorised, irregular and fruitless and wasteful expenditure

12. As disclosed in note 43 to the financial statements, unauthorised expenditure of R223 705 443 was incurred in the current year and unauthorised expenditure of R1 823 191 643 in respect of prior years have not yet been dealt with in accordance with section 32 of the MFMA.



# Chapter 6

13. As disclosed in note 44 to the financial statements, fruitless and wasteful expenditure of R68 344 353 was incurred in the current year and fruitless and wasteful expenditure of R204 328 425 from prior years have not yet been dealt with in accordance with section 32 of the MFMA.
14. As disclosed in note 45 to the financial statements, irregular expenditure of R242 400 340 was incurred in the current year and irregular expenditure of R2 754 400 577 from prior years have not yet been dealt with in accordance with section 32 of the MFMA.

## Restatement of corresponding figures

15. As disclosed in note 38 to the financial statements, a number of corresponding figures have been restated as a result of errors discovered during the year ended 30 June 2019.

## Material underspending of the budget

16. As disclosed in the statement of comparison of budget and actual amounts the municipality underspent on capital expenditure by R97 572 079 and on repairs and maintenance by R50 491 709 due to cash flow shortages. As a consequence, the municipality was unable to adequately fulfil its mandate regarding service delivery.

## Other matters

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

## Unaudited disclosure notes

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

## Unaudited supplementary schedules

19. The supplementary information set out on page 431 does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

## Responsibilities of the accounting officer for the financial statements

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



# Chapter 6

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

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

### Report on the audit of the annual performance report

#### Introduction and scope

24. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected key performance areas presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
25. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance areas included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
26. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected key performance area (KPA) presented in the annual performance report of the municipality for the year ended 30 June 2019:

Key performance area	Pages in the annual performance report
KPA 1 – Basic service delivery and infrastructure development	159 – 249

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



# Chapter 6

28. The material findings in respect of the usefulness of the selected performance areas are as follows:

## KPA 1 – Basic service delivery and infrastructure development

### Various targets

29. The planned targets for the following indicators were not specific in clearly identifying the nature and required level of performance and were not measurable:

Indicator	Target
Percentage of households with access to basic level of refuse removal - Rural settlement	0% of Households with access to basic level of refuse removal by June 2019 - Rural Settlement (Unproclaim land)
Number of new Sports Complex in Khuma constructed	Constructing a Guard House, perimeter fence, sport / athletic track field layer works and storm-water drainage at the Khuma Sports Complex according to the implementation plan by June 2019: R3 403 187

### Various indicators

30. The following performance indicators were not well-defined as they do not have clear unambiguous definitions to ensure that data is collected consistently:

Indicator	Target
Number of Jouberton / Alabama Precinct Bulk Services (2Ml pressure tower, switching station and cables) constructed	Installation of 6 km 11 KV underground electrical cable from the Manzilpark (1) substation to the precinct electrical switching substation in Jouberton Supply and laying of 765m of 355mm diameter uPVC pipe and construction lift shafts 1 - 14 of one 2 Ml pressure tower (new bulk service) for the proposed Jouberton / Alabama precinct development (wards 3, 4, 5 & 37) by June 2019: R52 726 879
Number of Jouberton / Alabama precinct internal services infrastructure plans developed	Construction of 4 internal services infrastructure plans (1,85 km internal services – roads and storm-water drainage, water reticulation, sewer network and street lighting) for the proposed Jouberton / Alabama precinct development by June 2019: R4 272 372

### Other matters

31. I draw attention to the matters below.



# Chapter 6

## Achievement of planned targets

32. Refer to the annual performance report on pages 159 to 249 for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness of the reported performance information in paragraphs 29 and 30 of this report.

## Adjustment of material misstatements

33. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 1: Basic service delivery and infrastructure development. As management subsequently corrected only some of the misstatements, I reported material findings on the usefulness of the reported performance information. Those that were not corrected are reported above.

## Report on the audit of compliance with legislation

### Introduction and scope

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

### Annual financial statements

36. The financial statements were not submitted to the Auditor-General, for auditing, within two months after the end of the financial year, as required by section 126(1)(a) of the MFMA.
37. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current assets, current liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

### Expenditure management

38. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
39. Reasonable steps were not taken to prevent unauthorised expenditure disclosed in note 43 to the financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by insufficient budget for the impairment on the consumer and other debtors.
40. Reasonable steps were not taken to prevent irregular expenditure disclosed in note 45 to the financial statements, as required by section 62(1)(d) of the MFMA. The majority of the disclosed irregular expenditure was caused by the municipality not following the correct competitive bidding process and the bid adjudication committee not being properly constituted.



# Chapter 6

41. Reasonable steps were not taken to prevent fruitless and wasteful expenditure disclosed in note 44 to the financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest and penalties charged on late payment to creditors.

## Procurement and contract management

42. Some of the goods and services with a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).
43. Some of the invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of SCM regulations 22(1) and 22(2).
44. Some of the contracts were awarded to providers whose tax matters had not been declared to be in order by the South African Revenue Service, in contravention of SCM regulation 43.
45. Awards were made to providers who were in the service of other state institutions or whose directors or principal shareholders were in the service of other state institutions, in contravention of section 112(j) of the MFMA and SCM regulation 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the SCM process, as required by SCM regulation 38(1).

## Consequence management

46. Unauthorised, irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32 of the MFMA.
47. Allegations of financial misconduct laid against officials of the municipality were not investigated, as required by section 171(4)(a) of the MFMA.

## Other information

48. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected key performance areas presented in the annual performance report that have been specifically reported on in this auditor's report.
49. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
50. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected key performance areas presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.



# Chapter 6

51. I did not receive the other information prior to the date of this auditor's report. After I receive and read this information, and if I conclude that there is a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

## Internal control deficiencies

52. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

- Leadership did not ensure that adequate policies and procedures were implemented to enable and support the understanding and execution of internal control objectives, processes, and responsibilities resulting in misstatements identified in the financial statements and annual performance report and material deviations from legislation.
- Management's internal controls and processes over the preparation and presentation of financial statements and performance report were not adequate to ensure that they were free from material misstatements. In addition, there was no adequate systems to reconcile and monitor all transactions relating to the market. Non-compliance with laws and regulations could have been prevented had compliance been properly reviewed, monitored and control measures implemented. Furthermore, the action plans to address prior year audit findings were not adequately implemented and monitored.
- Management do not have an adequate risk strategy that addresses identified risks in supply chain management, as well as non-compliance with laws and regulations.
- The effectiveness of the audit committee and internal audit's role as an assurance provider was compromised by management's inability to adequately address and react to internal audit's findings and recommendations.

## Other reports

53. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

## Investigations

54. The South African Police Service are conducting several investigations into the awarding of tenders by the municipality, prompted by the municipal manager. These investigations were still on-going at the date of this report.





# Chapter 6

55. The South African Police Service is conducting an investigation into alleged irregularities at the fresh produce market, prompted by the municipal manager. The investigation was still on-going at the date of this report.
56. During 2015 a consulting firm was requested by the North West Office of the Premier, to conduct an investigation into allegations of financial misconduct at the municipality. The investigation was completed and a report with recommendations issued to the Office of the Premier, but to date of this report was not tabled in the council or referred for further action by the accounting officer.

*Auditor-General*

Rustenburg

13 December 2019



AUDITOR - GENERAL  
SOUTH AFRICA

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# Chapter 6

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

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

### Financial statements

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

### Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and where applicable, related safeguards.



# Chapter 6

## COMMENTS ON AUDITOR-GENERAL'S OPINION ON FINANCIAL PERFORMANCE - 2018/19

The City of Matlosana received a qualified audit opinion for the annual financial statements. This must be seen against the backdrop of 12 consecutive disclaimer of opinions from 2002 until 2013, followed by four qualified opinions from 2014 to 2017 and an unqualified opinion for 2018.

The reason for this opinion is due to issues experienced at the Fresh Produce Market. These issues were deemed by the AG to be of concern and therefore they felt compelled to note this in the audit report and noted in their issue raised as follows: "The matter is deemed qualitatively material due to possible irregularities at the market. The matter will be reported in the audit report"

This qualifying item is currently being attended to as discussed with the AG. After the necessary investigations, the disclosure will then again be discussed with them to finalize the matter. Management will also finalize corrective actions regarding internal control and consequence management to ensure that the necessary steps are taken to minimize similar risks.

The 2018/19 period under review is our first period reporting under the mSCOA framework. This new framework was implemented and although it had its challenges, we believe that we succeeded in providing credible financial information as per the new vote structure. This is also supported by the audit opinion.

During the audit preparation period, we did have hardware failure on the server as well as a separate incident where the offices was flooded due to a burst pipe. These issues delayed our preparation process and we therefore subsequently informed the stakeholders that we would only submit the AFS on 16/09/2019. The server was successfully rebuilt and we kept to our new deadline.

We have managed this with the available resources, the municipality had a dedicated team that put in a lot of hard work, and effort into delivering a set of AFS that is credible. The MM also took great responsibility in making sure that all departments attended the regular audit readiness and audit steering committee meetings to ensure that the best possible audit outcome could be achieved.

As always, it is important for the municipality to have a mutual benefitting relationship with the Auditor- General. This year we again had a good working relationship with the AG and we believe we have used all our available resources to address their requests and findings in a timeous manner.

Other issues raised by the Auditor-General as matters of emphasis has been analysed to establish its root causes and to come up with corrective action plans. Determined correctives are both short and medium term in nature. Increased effort will ensure that the intended objectives are achieved through regular and continuous progress reporting mechanisms.

It is the opinion of management that an unqualified audit opinion for 2019/20 is attainable with the continued support of all management and staff.

# Chapter 6

## COMMENTS ON AUDITOR-GENERAL'S OPINION ON PERFORMANCE MANAGEMENT - 2018/19

For the year under review, the Auditor-General identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 1: Basic service delivery and infrastructure development.

Management were granted to correct some of the misstatements. The following reported material findings on the usefulness of the reported performance information lead to a qualification on the audited performance report for the first time in five years.

The following material findings in respect of the usefulness of the selected performance areas are made:

The planned targets for the following indicators were not specific in clearly identifying the nature, required level of performance, and were not measurable:

Indicator	Target
Percentage of households with access to basic level of refuse removal - Rural settlement	0% of Households with access to basic level of refuse removal by June 2019 - Rural Settlement (Unproclaim land)
Number of new Sports Complex in Khuma constructed	Constructing a Guard House, perimeter fence, sport / athletic track field layer works and storm-water drainage at the Khuma Sports Complex according to the implementation plan by June 2019: R3 403 187

The following performance indicators were not well-defined as they do not have clear unambiguous definitions to ensure that data is collected consistently:

Indicator	Target
Number of Jouberton / Alabama Precinct Bulk Services (2Mf pressure tower, switching station and cables) constructed	Installation of 6 km 11 KV underground electrical cable from the Manzilpark (1) substation to the precinct electrical switching substation in Jouberton Supply and laying of 765m of 355mm diameter uPVC pipe and construction lift shafts 1 - 14 of one 2 Mf pressure tower (new bulk service) for the proposed Jouberton / Alabama precinct development (wards 3, 4, 5 & 37) by June 2019: R52 726 879
Number of Jouberton / Alabama precinct internal services infrastructure plans developed	Construction of 4 internal services infrastructure plans (1,85 km internal services - roads and storm-water drainage, water reticulation, sewer network and street lighting) for the proposed Jouberton / Alabama precinct development by June 2019: R4 272 372

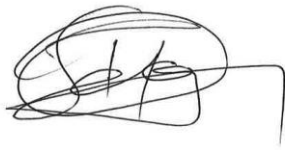
# Chapter 6

Proposed changes to the SDBIP's Key Performance Indicators and Targets, were finding were raised by the Auditor-General is in the process of review and will be changed with the 2019/20 Mid-Term Budget and Performance Assessment.

Management is of the opinion that an unqualified/clean audit on predetermined objectives is possible for 2019/2020 financial year with the continued support of all staff.

## **COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES**

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



**TO SEKGALA**  
**ACTING CHIEF FINANCIAL OFFICER**

**21 JANUARY 2020**



## Glossary





## GLOSSARY

GLOSSARY	
<b>ACCESSIBILITY INDICATORS</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>ACCOUNTABILITY DOCUMENTS</b>	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>ACTIVITIES</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe, “ <i>what we do</i> ”.
<b>ADEQUACY INDICATORS</b>	The quantity of input or output relative to the need or demand.
<b>ANNUAL REPORT</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>APPROVED BUDGET</b>	The annual financial statements of a municipality as audited by the Auditor-General and approved by council or a provincial or national executive.
<b>BASELINE</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>BASIC MUNICIPAL SERVICE</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided, it may endanger the public health and safety or the environment.
<b>BUDGET YEAR</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>COST INDICATORS</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>DISTRIBUTION INDICATORS</b>	The distribution of capacity to deliver services.
<b>FINANCIAL STATEMENTS</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>GENERAL KEY PERFORMANCE INDICATORS</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>IMPACT</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>INPUTS</b>	All the resources that contribute to the production and delivery of outputs. Inputs are “ <i>what we use to do the work</i> ”. They include finances, personnel, equipment and buildings.
<b>INTEGRATED DEVELOPMENT PLAN (IDP)</b>	Set out municipal goals and development plans.
<b>NATIONAL KEY PERFORMANCE AREAS</b>	<ul style="list-style-type: none"> <li>↳ Service Delivery &amp; Infrastructure</li> <li>↳ Economic Development</li> <li>↳ Municipal Transformation and Institutional Development</li> <li>↳ Financial Viability and Management</li> <li>↳ Good governance and Public Participation</li> </ul>



# Glossary

<b>OUTCOMES</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>OUTPUTS</b>	The final products or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunisation or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>PERFORMANCE INDICATOR</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered).
<b>PERFORMANCE INFORMATION</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>PERFORMANCE STANDARDS</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance, standards are divided into indicators and the time factor.
<b>PERFORMANCE TARGETS</b>	The level of performance that municipalities and its employees strive to achieve. Performance targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>VOTE</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.</i></p>

# Appendices

## Appendices





# Appendices

## APPENDIX A – COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL - ATTENDANCE

COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE					
Council Members	Full Time / Part Time	Committees Allocated	* Ward and / or Party Represented	% of Council Meetings Attended	% Apologies for non-attendance
	FT/PT				
Cllr M Babuile	PT	Sport, Arts & Culture Electrical Engineering Infrastructure	EFF	50%	50%
Cllr SOC Barrends	PT	Community & Health Services	ANC	78%	22%
Cllr CJ Bester	PT	Electrical Engineering Finance & Debt Normalization	DA	83%	17%
Cllr SPJ Bogatsu	PT	MPAC Chairperson	ANC	89%	11%
Cllr PZM Burrel	PT	Economic Affairs & Market	DA	83%	17%
Cllr MM Chao	PT	Sport, Arts & Culture Community & Health Services	ANC	94%	6%
Cllr MV Chinga	FT	Single Whip	ANC	67%	33%
Cllr M Coetzee	PT	Infrastructure	DA	61%	39%
Cllr A Combrinck	PT	MPAC	DA	83%	17%
Cllr GLJ Cromhout	PT	Public Safety	DA	83%	17%
Cllr LL Cutswa	PT	Transversal Issues	ANC	83%	17%
Cllr SJ Daemane	FT	MMC Public Safety	ANC	89%	11%
Cllr KP Dibe	PT	MPAC	F4SD	25%	75%
Cllr IM Groenewald	PT	Finance & Debt Normalization	FF+	40%	60%
Cllr PA Hlekiso	PT	Sport, Arts & Culture Public Safety Infrastructure Transversal Issues	EFF	56%	44%
Cllr PT Horn	PT	MPAC	FF+	83%	17%
Cllr HFC Jordaan	PT	Infrastructure Public Safety	FF+	100%	0%
Cllr KB Kali	PT	Public Safety Transversal Issues	EFF	50%	50%
Cllr ME Kamati	PT	Transversal Issues	ANC	89%	11%
Cllr MME Kgaile	FT	Executive Mayor	ANC	78%	22%
Cllr L Khoza	PT	MPAC	EFF	61%	39%
Cllr TG Khoza	FT	MMC Economic Growth & Market	ANC	89%	11%
Cllr EL Kleynhans	PT	Infrastructure Economic Growth & Market	FF+	80%	20%
Cllr M Koekemoer	PT	Corporate Services Sport, Arts & Culture	DA	78%	22%

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COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE					
Council Members	Full Time / Part Time	Committees Allocated	* Ward and / or Party Represented	% of Council Meetings Attended	% Apologies for non-attendance
	FT/PT				
Cllr LM Lebenya-Kortjaas	PT	Finance & Debt Normalization	ANC	78%	22%
Cllr JJ le Grange	PT	MPAC	DA	89%	11%
Cllr WJJ Louwrens	PT	Electrical Engineering	DA	60%	40%
Cllr NA Ludidi	PT	MPAC	ANC	95%	5%
Cllr PF Mabeli	FT	MMC Sport, Arts & Culture	ANC	89%	11%
Cllr TM Mabulela	PT	Infrastructure	ANC	83%	17%
Cllr PC Magwaca	PT	MPAC	COPE	39%	61%
Cllr MC Mahlangu	PT	MPAC	ANC	89%	11%
Cllr NG Malete	PT	Transversal Issues Public Safety	DA	83%	17%
Cllr MI Mangesi	PT	Infrastructure	ANC	89%	11%
Cllr IN Matetoane	FT	MMC Transversal Issues	ANC	100%	0%
Cllr A Meiring	PT	Finance & Debt Normalization Economic Growth & Market Electrical Engineering	IRASA	89%	11%
Cllr NS Mandela	FT	MMC Community & Health Services	ANC	83%	17%
Cllr LH Methi	PT	Community & Health Services Housing, Land Affairs & Rural Development Infrastructure Finance & Debt Normalization	EFF	50%	50%
Cllr PN Moeng	PT	Housing, Land Affairs & Rural Development	ANC	89%	11%
Cllr GA Mohoemang	PT	MPAC	ANC	89%	11%
Cllr ML Mojaki	FT	MMC Corporate Services	ANC	61%	39%
Cllr LD Molefi	PT	Corporate Services	ANC	67%	33%
CllrPM Molutsi	PT	Sport, Arts & Culture Infrastructure	DA	78%	22%
Cllr SL Mondlane	PT	Economic Growth & Market	ANC	78%	22%
Cllr SD Mongale	PT	Electrical Engineering	ANC	89%	11%
Cllr SD Montoedi	FT	MMC Electrical Engineering	ANC	83%	17%
Cllr SL Moremi	PT	MPAC	ANC	89%	11%
Cllr G Mqikela	PT	Infrastructure	ANC	78%	22%

# Appendices

COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE					
Council Members	Full Time / Part Time	Committees Allocated	* Ward and / or Party Represented	% of Council Meetings Attended	% Apologies for non-attendance
	FT/PT				
Cllr ME Mosweu	PT	Sport, Arts & Culture Housing, Land Affairs & Rural Development	EFF	44%	56%
Cllr M Motitimi	PT	MPAC	F4SD	80%	20%
Cllr SH Nani	PT	Corporate Services	ANC	89%	11%
Cllr K Ndincede	PT	Economic Affairs & Market	ANC	67%	33%
Cllr GS Nkebe	PT	Finance & Debt Normalization	ANC	61%	39%
Cllr S Nongqayi	PT	MPAC	ANC	100%	0%
Cllr NB Ntaopane	PT	Transversal Issues Economic Growth & Market	ANC	78%	22%
Cllr MF Nthaba	FT	MMC Infrastructure	ANC	94%	6%
Cllr MJ Ntiane	PT	Public Safety	ANC	83%	17%
Cllr RW Ntozini	FT	Speaker	ANC	94%	6%
Cllr GC Oosthuizen	PT	Community & Health Services	DA	100%	0%
Cllr LM Phakoe	PT	MPAC	ANC	89%	11%
Cllr EM Postma	PT	Corporate Services	DA	83%	17%
Cllr RK Ponisi	PT	Housing, Land Affairs & Rural Development	ANC	94%	6%
Cllr J Qankase	PT	Community & Health Services	ANC	67%	33%
Cllr KL Ross	PT	Housing, Land Affairs & Rural Development Transversal Issues	DA	94%	6%
Cllr HF Saudi	PT	Sport, Arts & Culture	ANC	72%	28%
Cllr L Scott	PT	Finance & Debt Normalization Community & Health Services	FF+	100%	0%
Cllr TS Seabeng	PT	Housing, Land Affairs & Rural Development Sport, Arts & Culture	ANC	94%	6%
Cllr TL Sekgothe	PT	Corporate Services	ANC	94%	6%
Cllr MN Seitisho	PT	MPAC	ANC	83%	17%
Cllr IM Semonyo	PT	Electrical Engineering	ANC	94%	6%
Cllr SP Sesana	PT	MPAC	DA	89%	11%
Cllr LK Shuping	PT	Public Safety Transversal Issues Corporate Services	EFF	61%	39%
Cllr SL Sithole	PT	Transversal Issues Electrical Engineering	ANC	61%	39%

# Appendices

COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE					
Council Members	Full Time / Part Time	Committees Allocated	* Ward and / or Party Represented	% of Council Meetings Attended	% Apologies for non-attendance
	FT/PT				
Cllr LG Solomon	PT	Corporate Services Transversal Issues	F4SD	89%	11%
Cllr SM Steyn	PT	Economic Growth & Market	DA	56%	44%
Cllr PJ Swart	PT	Finance & Debt Normalization	DA	67%	33%
Cllr FI Tagaree	FT	MMC Finance	ANC	83%	17%
Cllr B Tsabedze	PT	Public Safety	ANC	72%	28%
Cllr TO Vilakazi	FT	MMC Land Housing, Land Affairs & Rural Development	ANC	83%	17%
Cllr W Wallhorn	PT	Finance & Debt Normalization Community & Health Services Housing, Land Affairs & Rural Development	DA	83%	17%

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

MAYORAL AND OTHER COMMITTEES AND PURPOSES OF COMMITTEES	
COMMITTEE	PURPOSE OF COMMITTEE
Finance Committee	Regulated by the LG: MFMA
Housing, Land Affairs and Rural Development	<ul style="list-style-type: none"> <li>Building Regulations</li> <li>Municipal Planning</li> <li>Pontoons, ferries, jetties, piers and harbours</li> <li>Billboards and the display of advertisements in public places</li> </ul>
Economic Growth and Market	<ul style="list-style-type: none"> <li>Local Tourism</li> <li>Markets</li> <li>Street trading</li> </ul>
Community and Health Services	<ul style="list-style-type: none"> <li>Child care facilities</li> <li>Municipal Health services – not executed by the Provincial department of Health</li> <li>Municipal airports</li> <li>Amusement facilities</li> <li>Cemeteries, funeral parlours and crematoria</li> <li>Cleansing</li> <li>Facilities for the accommodation, care and burial of animals</li> <li>Local amenities</li> <li>Municipal abattoirs</li> <li>Municipal parks and recreation</li> <li>Pounds</li> <li>Public places</li> <li>Refuse removal, refuse dumps and solid waste disposal</li> </ul>
Corporate Services	<ul style="list-style-type: none"> <li>Records Management</li> <li>Legal Services</li> <li>Communication</li> <li>HR Administration</li> <li>HR Development and Training</li> <li>Labour Relations</li> <li>Administration of staff benefit schemes</li> <li>Administration of employment equity policy</li> <li>Keeping of personnel records</li> <li>Disciplinary procedures administration</li> <li>Administration of SETA</li> <li>Committee to develop system and procedures providing for fair, efficient, effective and transparent personnel administration including: <ul style="list-style-type: none"> <li>Conduct of disciplinary hearings</li> <li>Representation of Council on the Local Bargaining Committee</li> <li>System for the monitoring, measuring and evaluating staff performance</li> <li>System for capacity building and training</li> <li>Recruitment, selection, transfer and appointment of personnel</li> <li>Promotion and demotion</li> </ul> </li> </ul>



# Appendices

MAYORAL AND OTHER COMMITTEES AND PURPOSES OF COMMITTEES	
COMMITTEE	PURPOSE OF COMMITTEE
Public Safety	<ul style="list-style-type: none"> <li>↪ Firefighting services</li> <li>↪ Municipal public transport</li> <li>↪ Trading regulations</li> <li>↪ Control of public nuisances</li> <li>↪ Licensing of dogs</li> <li>↪ Licensing and control of enterprises that sell food to the public</li> <li>↪ Noise pollution</li> <li>↪ Traffic and parking</li> <li>↪ Control of enterprises that sell liquor to the public</li> </ul>
Sport, Arts and Culture	<ul style="list-style-type: none"> <li>↪ Sports stadia and recreational activities</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>↪ Municipal public works</li> <li>↪ Storm-water management systems</li> <li>↪ Water and sanitation services</li> <li>↪ Fencing and fences</li> <li>↪ Municipal roads</li> </ul>
Electrical Engineering	<ul style="list-style-type: none"> <li>↪ Electricity and gas reticulation</li> <li>↪ Street lighting</li> </ul>
Transversal Issues	<ul style="list-style-type: none"> <li>↪ Deal with all Transversal Issues in the Office of the Executive Mayor</li> <li>↪ Administer women, youth, disabled and elderly matters</li> </ul>
Anglo Gold Ashanti Committee	<ul style="list-style-type: none"> <li>↪ To facilitate, intervene and assess progress, developments, challenges and based on reports to chart a way forward to achieve the sustainable development of communities in the Matlosana Council jurisdiction area aligned with Mining Houses sustainable development objectives</li> <li>↪ To discuss the transfer of certain properties of Mining Houses to the Council</li> <li>↪ To mandate the Implementation Committee to proceed on a strategic drive, e.g. the incorporation of assets</li> <li>↪ To make recommendations to Council with regard to joint LED projects</li> </ul>
Midvaal Water Committee	<ul style="list-style-type: none"> <li>↪ To represent Council on the Midvaal Water Companies Management Structure</li> </ul>
Orkney Vaal Committee	<ul style="list-style-type: none"> <li>↪ Recommend to Council to:</li> <li>↪ convert the entire resort into several sectional title units</li> <li>↪ release Council from the administrative and financial burden that Orkney Vaal has imposed on Council</li> <li>↪ ensure that the resort as a residential area has the infrastructure and ability to be an area of high quality and therefore an asset to the City of Matlosana</li> <li>↪ implement the turnaround strategy at Orkney Vaal</li> </ul>
Heritage Committee	<ul style="list-style-type: none"> <li>↪ To assist in the requirements of the National Heritage Resources Act, Act 25 of 1999, inter alia for:</li> <li>↪ Protection and management of heritage resources</li> <li>↪ Identification and protection of the heritage sites</li> <li>↪ Documentation and registration thereof</li> <li>↪ Management of Heritage site</li> <li>↪ Presentation, protection, and that the municipality has to formulate/maintain, appropriate by-laws for the protection of the heritage sites.</li> </ul>

## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

THIRD TIER STRUCTURE	
TITLE	NAME
Chief Audit Executive	Seero MV
Security Manager Vacant	Vacant
Deputy Director : Office of the Municipal Manager	Marumo ME
Chief Risk Officer	Moabelo NM
Deputy Director : Mechanical Services	Rannona KD
Deputy Director : Public Safety	Marais AJ
Deputy Director : Community Services	Masilo MJ
Deputy Director : Sport, Arts and Culture	Morebodi MG
Deputy Director : Corporate Services	Ciya DN
Deputy Director : Human Resource and Labour Relations	Vacant
Deputy Director : Office of the Executive Mayor	Marumo SE
Deputy Director : ICT	Vacant
Deputy Director : Income and Expenditure	Kgoete BO
Deputy Director : Budget and Treasury Office	Sekgala TO
Assistant Manager : Internal Audit	Molelekwa PT
Assistant Director : LED	Khuzwayo MA
Assistant Director : Corporate Communication	Makgetha ND
Market Master	Vacant
Assistant Director : Water	Tholo M
Assistant Director : Sewerage	Pilusa JJ
Assistant Director : Roads, Storm-water and Landfill	Vacant
Assistant Director : Development Planning And Building	Selemoseng LD
Assistant Director : Housing Services	Phala SP
Assistant Director : Planning and Project Management	Ndzukula WG
Assistant Director : High and Low Voltage Distribution	Mabaso SA
Assistant Director : Municipal Services, Garage and Mechanical Workshop	Matsaola PO
Assistant Director : Traffic and Security	Nkgapele MA
Assistant Director : Licensing	Muntu SP
Assistant Director : Fire and Rescue	Mapato PS
Assistant Director : Primary Health Care	Motsoenyane NM
Assistant Director : Refuse Removal and Cleansing	Du Plessis TW
Assistant Director : Parks and Cemeteries	Rambuwani LD
Assistant Director : Library Services	Mampana NS
Assistant Director : Administration	Jansen Van Rensburg JE
Assistant Director : Legal Services	Mokansi MG
Assistant Director : Human Resource Management and Development	Mbotshane AT
Assistant Director : Labour Relations	Sebetlele AJ
Assistant Director : Office of the Speaker	Masibi GKB
Assistant Director : Office of the Whip	Matyana AV
Assistant Director : Expenditure Management	Letlhoo JG
Assistant Director : Supply Chain Management	Motileni TB
Assistant Director : Debt Management	Weitsz K
Assistant Director : Revenue Management	Kegakilwe TN
Assistant Director : Budgeting and Planning	Rossouw HS

## APPENDIX D – FUNCTIONS OF MUNICIPALITY

MUNICIPAL FUNCTIONS	
CONSTITUTION SCHEDULE 4, PART B FUNCTIONS:	(YES / NO)
Air pollution	Yes
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	Yes
Municipal planning	Yes
Municipal health services	Yes
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes
Storm-water management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Beaches and amusement facilities	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	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	Yes
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

## APPENDIX E – WARD REPORTING

FUNCTIONALITY OF WARD COMMITTEES					
Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speaker's Office on time	Number of quarterly public ward meetings held during year
Ward 01	<b>CLLR MQIKELA G</b> ANK Mabusa NE Fihla MA Machakela LJM Ntsie MS Modutwane A Mokgothu LM Sepele MR Mokhati DM Seshabela KJ Mokoto	Yes	12	18	6
Ward 02	<b>CLLR MOENG PN</b> MM Mkoma KG Boko DM Nombewu ET Mokobe KC Mokopanele BS Sinda NM Madithapa TS Sekutle SP Mokhoethe MI Mogomotsi	Yes	12	14	2
Ward 03	<b>CLLR TAGAREE FI</b> LA Botes MS Otimile CP Le Ray CST Jacobs HJ Holyoake KJ Ditshaba CRR Magardie D Bothma SM Magontse H Jumar	Yes	12	13	1
Ward 04	<b>CLLR BARREND S SOC</b> SL Madito MS Mogapi SR Abrahams NM Sebetlela CR Radebe DM Moseme MT Melamu MA Matlhatshi TM Mogolegeng RK Moloto	Yes	12	21	9
Ward 05	<b>CLLR MOLEFI LD</b> O Mokonyane ZM Bonga ME Mokwena N Taunyana MH Gayiya OB Dihemo DD Mokopanele GL Motlaliile MM Letshabo MN Molapisi	Yes	12	15	3
Ward 06	<b>CLLR MONTLEDI SD</b> KA Leketho Z Mnisi MP Ntwanngwe M Soldati KS Mabogole KM Soko MJ Kelositswe RS Maluleke SI Mlingwane KI Mahlatsi	Yes	12	17	5
Ward 07	<b>CLLR SAUDI HF</b> OJ Motebe LI Piga TM Phepeng TP Mohlanke ST Matsetela DE Nkuke VS Mphambaniso MG Harmse KE Gaborone SH Masiu	Yes	12	16	4

# Appendices

FUNCTIONALITY OF WARD COMMITTEES					
Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speaker's Office on time	Number of quarterly public ward meetings held during year
Ward 08	<b>CLLR NTHABA MF</b> DO Maruping KA Nteo WM Goshupeloahg KE Mei AC Rens MC Moloji KL Dire PM Sekwati KM Lerefolo OJ shwalane	Yes	12	14	2
Ward 09	<b>CLLR NTIANE MJ</b> R Pitso ET Kalaote NE Siwisa M Sizalupheli KV Maropolo TA Hlubi SJ Mothibakgomo HD Mabitse TJ Maarohanye J Gama	Yes	12	19	7
Ward 10	<b>CLLR MOJAKI ML</b> ZC Bekezulu N Mxaku MM Taunyane MS Banda SM Bothomo MD Mokae RM Rathabe ML Mokgosi ME Gabaratiwe LN Faku	Yes	12	15	3
Ward 11	<b>CLLR MANGESI MI</b> 1 x Vacant S Bobelo NA Ngoqoto M Mahoko MM Mogoera JV Dube ES Molaolwa LI Mosime NF Mazule JV Gazi	Yes	12	21	9
Ward 12	<b>CLLR CHAO MM</b> ZJ Nxamgeni SI Mokeki NL Bonde GM Gouws MM Kgare K Gaeje J Makeka TN Qingana GE Kaudi RK Koki	Yes	12	14	2
Ward 13	<b>CLLR VILAKAZI TO</b> N Mkhontwana FS Mosete AM Rantshonyane SQ Rayi MP Khauwe SM Sebopelo T Mtyhuda SM Parafin NN Seokamo EK Kgajane	Yes	12	18	6
Ward 14	<b>CLLR SEMONYO IM</b> NR Moloto TS Medupe KP Montshonyana MC Nonca MK Seabo KR Thobedi P Makhalanyane JL Molefe MP Tlali MP Leshomo	Yes	12	13	1

# Appendices

FUNCTIONALITY OF WARD COMMITTEES					
Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speaker's Office on time	Number of quarterly public ward meetings held during year
Ward 15	<b>CLLR SWART PJ</b> PB Moagi DS Baepi DDM Serfontein TJ Marumo CE Scholtz P Smit HM Strydom PJ Celliers NG Brenkman LE Lekoko	Yes	12	12	0
Ward 16	<b>CLLR COMBRINCK A</b> KTR Lenong S Postma KOA Nelson HJP Knoetze SM Maleka TD Sathege PJJ Scheepers JFF Ras SCB Symington OF Sekete	Yes	12	12	0
Ward 17	<b>CLLR POSTMA EM</b> S Foley TC Ntsizi AJ van Tonder JJC Smit F Kasonkomona E Rheeder CJP Steyn HE Strydom S Warren JL Muller	Yes	12	12	0
Ward 18	<b>CLLR SEITISHO MN</b> MM Moeng SL Moroke NN Gaeadingwe J Mathe TA Makhetha TG Kopakae OK Molo SD Chacha IM Motebang DJ Seeland	Yes	12	14	2
Ward 19	<b>CLLR LE GRANGE JJ</b> MCJ Le Grange A Bester AME Rossouw PF Roux MCJ Scholtz ACJ Visagie HJ Lubbe R Havenga BT Fourie AL Brophy	Yes	12	12	0
Ward 20	<b>CLLR KAMATI ME</b> TC Oageng DB Tolomo TS Kunene ND Siwiza KV Mekgwe LR Lomo SK Modiakgotla RT Mohanoe MA Motsiri FL Mahogen	Yes	12	24	12
Ward 21	<b>CLLR NDINCEDE K</b> NB Pinga (Dyobo) S Gasa Z Thwala S Fetman N Mqwebevu NM Mzeku NN Mngqaneni D Welishi NE Mabindisa G Maswabi	Yes	12	17	5

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FUNCTIONALITY OF WARD COMMITTEES					
Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speaker's Office on time	Number of quarterly public ward meetings held during year
Ward 22	<b>CLLR SEABENG TS</b> M Sebekedi L Tloti MF Tsoaeli ND Sikwana N Paul PP Leshomo SM Matlale PB Mgoqi KV Tatisi NL Quthu	Yes	12	19	7
Ward 23	<b>CLLR NANI SH</b> LM Motsusi P Tjeko EL Semamola LC Ntai NM Magwaza M Abednigo MI Molelekeng MJ Nyathela V Dlobela KI Mosielele (Majake)	Yes	12	17	5
Ward 24	<b>CLLR MABULELA TM</b> TI Ntsuku ME Mtuze MR Montshing DA Morake SD Bulwane JT Mpotle FM Mojanaga AK Moepi DJ Mhlungu JT Grabie	Yes	12	18	6
Ward 25	<b>CLLR PHAKOE LM</b> KF Letlole GN Tiyo LS Gadinabokawo RM Fusa MT Moroe MS Botsielo BL Marera TIZV Kraai EN Magagula RJ Masita	Yes	12	16	4
Ward 26	<b>CLLR MONGALE SD</b> MT Maferoka HN Gciva SF Hlahaswane S Ntakana BM Johnson VN Gooster MJ Ntekiso JM Ngo MM Moeketsi MD Konyana	Yes	12	16	4
Ward 27	<b>CLLR CUTSWA LL</b> MP Mtolo MA Ndonga NI Tshabalala PV Dlamini GS Mdiza NS Thom MM Maloka AS Matebese PB Sedikane CN Lomo	Yes	12	23	11
Ward 28	<b>CLLR BESTER CJ</b> MM Tlhatlasi LC Gallant MC Booth NO Marumo JGR Bornman O Taljaard O Thabana ST Kubeka CJ Funnel SB Namola	Yes	12	12	0

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FUNCTIONALITY OF WARD COMMITTEES					
Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speaker's Office on time	Number of quarterly public ward meetings held during year
Ward 29	<b>CLLR STEYN SM</b> MM Cross TRS Moleme CJ Potgieter PI Baas R van Zyl BV Zikhali MHG Jacobsz J Lethena K Lehela CPS Fourie	Yes	12	12	0
Ward 30	<b>CLLR LOUWRENS WJJ</b> Y Erasmus I Essaney JLM Heuer PN Fibiger PJ Koekemoer AE Meyer WJ Swanepoel CL Fibiger JL Forssman JF Kleyhans	Yes	12	12	0
Ward 31	<b>CLLR MABELI PF</b> MC Wykaart SJ Majiji MM Mathabela MF Sompane PD Koloane JM Ntsie SZ Motsapi MJ Tsibolane JN Kgwedieaphuku TN Metshe	Yes	12	14	2
Ward 32	<b>CLLR NTAOPANE NB</b> OE Mokgoro Z Tinga KD Molelekoa NM Funani KL Maletise KL Mokgoro MP Sodlemba M Moletsane KE Modukanele MT le Roux	Yes	12	13	1
Ward 33	<b>CLLR QANKASE J</b> TP Kondlo MD Sereko PP Motaung KR Latha M Mparwana N Khalipa SI Mazantsana DM Mothupi JT Moroka M Gumata	Yes	12	16	4
Ward 34	<b>CLLR PONISI RK</b> JR Makgale CN Nyathi TI Phalamahashi GB Xolo IM Matlanye ME Zita NN Lethea ML Motete 2 x Vacancies	Yes	12	12	0
Ward 35	<b>CLLR DAEMANE SJ</b> ZJ Ziyane NS Njobe OM Tlhomelang AF Mdleleni NS Njobe MD Rabase NS Makhubalo AI Mkathini SM Moletsane TE Msikinya DO Sekhakhane	Yes	12	13	1



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FUNCTIONALITY OF WARD COMMITTEES					
Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speaker's Office on time	Number of quarterly public ward meetings held during year
Ward 36	<b>CLLR LUDIDI NA</b> ST Maetoa SN Tokoane RD Mohale MA Chabedi NS Tshabalala MJ Nguye ME Mohale NJ Makoe DS Nteso 1 X Vacant	Yes	12	16	4
Ward 37	<b>CLLR SEKGOTHE TL</b> KS Tsamai MA Letsoku TD Motlathedi MB Sebolao TM Mothibedi DE Tabe BJ Matlapeng MF Tladi GI Mofundlela CM Kgalapa	Yes	12	15	3
Ward 38	<b>CLLR SITHOLE SL</b> JP Masunyane K Maguba MA Lekitlane BA Mahlophe NS Moleleki CN Ntloko DP Twala VL Masango Z Jijingubo 1 x Vacant	Yes	12	15	3
Ward 39	<b>CLLR WALLHORN W</b> JA Botha JH Coetzee AS Diedericks TJ Smith WE Diedericks A de Klerk LSD van Deventer E Cronje T Cilliers I Olivier	Yes	12	12	0

## APPENDIX F – WARD INFORMATION

WARD TITLE: WARD NAME (NUMBER)				
CAPITAL PROJECTS: SEVEN LARGEST IN 2018/19 (FULL LIST AT APPENDIX O)				
				R' 000
N0	Project Name and detail	Start Date	End Date	Total Value
1	Alabama 88/11Kv 20 MVA Substation_	2016/03/30	2019/06/30	34 251
2	Jouberton/Alabama Precinct Bulk Services	2017/07/01	2019/06/30	39 069
3	Upgrade Sewer Khuma Proper Ext 21	2014/07/01	2019/06/30	38 831
4	Jouberton Activity Spine	2015/07/01	2019/04/30	53 583
5	Alabama Bulk Water Supply 2Mℓ Pressure Tower	2014/07/01	2019/06/30	38 913
6	Water Supply Midvaal End Point	2016/07/01	2019/02/28	133 363
7	Access Road Matlosana Mall	2018/07/01	2019/06/30	51 988

BASIC SERVICE PROVISION 2018/19				
DETAIL	WATER	SANITATION	ELECTRICITY	REFUSE
Households with minimum service delivery	172 647	169 729	168 335	166 685
Households below minimum service delivery	4 076	6 994	8 388	10 038
<b>Total Households*</b>	<b>176 723</b>	<b>176 723</b>	<b>176 723</b>	<b>176 723</b>
*Including informal settlements				

## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2018/19

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS		
DATE OF COMMITTEE	COMMITTEE RECOMMENDATIONS DURING 2018/19	RECOMMENDATIONS ADOPTED
11 September 2018	That a detailed comprehensive report on UIF & W expenditure as well as awarded emergency tenders and Eskom payments be submitted in the next meeting.	Yes
	That the IA training plan/schedule be submitted in the next meeting.	
	That Provincial department should be requested to submit report in the next meeting.	
24 January 2019	Dashboard including first and second quarter be developed and discussed in the next meeting	Yes
	Feedback be provided to AC on follow-up performed	
	AG's advice be sourced in reviewing the PAAP before and after preparation, PAAP communicated to the AC members in a round robin basis	
	Interim QFS (6 months interim QFS) will be compiled and submitted in the next meeting	
	UIF & W Register be submitted in the next meeting	
	Reviewed Audit Plan be submitted in the next meeting	
	Chairperson of Audit Committee be part of performance evaluation committee	
	Revised annual report on Municipal controls be submitted in the next meeting	
	Risk Management Second quarter report be submitted in the next meeting	
	Report on benefits of using external service providers for debt collection as well as the costs involved, further the report should include assessment report of internal capacity to do debt collection be submitted in the next meeting	
	IT Report including back-up plan of information be submitted in the next AC meeting	
7 March 2019	a) That a crafted plan towards preparation of Interim AFS be submitted to AC for inputs by Friday, 8 March 2019.	Yes
	b) That audit files and computed assets be submitted together with interim AFS on 31 March 2019.	
	a) Data cleansing be prioritized in order to maximize the effectiveness of external debt collection service providers and a report on progress be submitted in the next meeting.	
	b) A report on benefit of using debt collectors, including the following: <ul style="list-style-type: none"> <li>- categorizing of debt collection per service type and per category (business, residential and government) and further compare own municipality collection and service provider collection.</li> <li>- control mechanism that have been put in place to ensure that only debt above 90 days are collected by Debt collectors</li> <li>- Total debt collected and ageing.</li> </ul>	
	a) Irregular Expenditure register be updated by inclusion of deviations that were not approved by the MM.	

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	<p>b) Investigation be conducted around deviations not approved by the MM and relevant action be taken.</p> <p>The issue relating to employee, who withdrew resignation in Internal Audit Activity as reported by ACAE, be discussed in in-committee.</p> <p>a) That more details be provided with regard cancellation of irrecoverable debt and if any corrections are made, it should be done within the current financial year.</p> <p>b) Provide progress on finding raised by Internal Audit relating to debts written off without following all procedures. Feedback should be provided feedback on 14 March 2019.</p> <p>c) That the CFO provide a comprehensive report on implementation of credit control policy in the next meeting.</p> <p>d) That finance department need to also consider sending sms's to the consumers to inform them about municipal services statements.</p>	
<b>23 May 2019</b>	<p>Progress on AC resolutions that were tabled in Council meeting.</p> <p>Internal Auditors must attend ethics training.</p> <p>a) Risk Management Unit test back-up that municipality keep with Dr. Kenneth Kaunda Disaster Unit</p> <p>b) Risk management unit should determine Municipal risk appetite by end of May 2019</p> <p>a) Report on progress relating to Revenue Enhancement Strategy be submitted in the next meeting.</p> <p>b) Management provide feedback regarding data cleansing in the next meeting.</p> <p>c) Report on Disciplinary board be provided in the next meeting.</p> <p>d) Feedback on investigations done be submitted in the next meeting</p> <p>a) Municipality consider appointing compliance officer or utilize the resources in Risk Management Unit to compile compliance universe.</p> <p>b) Management should develop compliance management policy.</p>	Yes
<b>7 June 2019</b>	<p>That a progress report on the way forward regarding Strategic session be submitted in the next meeting.</p> <p>a) That a GRAP Compliant first draft of AFS together with the audit file be submitted to the Audit Committee in the next meeting (2nd week of July).</p> <p>b) The preparation plans must be submitted to AC during the weekend or Monday, 10 June 2019 for comments.</p> <p>c) Arrange a special meeting to deal with financial statement.</p> <p>a) That the shortcomings highlighted on the Performance Management report be addressed at the Management meeting and progress be submitted in the next meeting.</p> <p>b) That a separate refined document/manual from SDBIP indicating processes and outcomes including technical indicators be submitted together with the SDBIP in the next meeting.</p> <p>c) That a budget column in line with the approved budget indicating actual expenditure (contract and employee costs, etc.) be included on the SDBIP.</p> <p>d) Further, that reconciliation of financial and non-financial performance information be reported to the AC on quarterly basis.</p>	Yes




























## APPENDIX H – LONG TERM CONTRACTS

LONG TERM CONTRACTS (LARGEST CONTRACTS ENTERED INTO DURING 2018/19)				
Name of service Provider	Description of services rendered by the service provider	Starting date of contract	Expiry date of contract	Project manager
<ul style="list-style-type: none"> <li>↗ Khethuthula Holdings (Pty) Ltd</li> <li>↗ Moagi Le Bana Trading and Projects</li> <li>↗ Diseko Holdings Enterprise</li> <li>↗ Thabo Mphene</li> <li>↗ Mcmajeng</li> <li>↗ Glenpops 335I Trading</li> <li>↗ 2so J Life JV Aapie Construction Cleaning</li> <li>↗ Dira Mmogo Business Enterprise</li> <li>↗ Rapidus 325 Enterprise</li> <li>↗ Alfamega Construction</li> <li>↗ TSK Resources</li> <li>↗ Gautemi Communications Lebang</li> <li>↗ Cleaning and Other</li> <li>↗ Blackish Life</li> <li>↗ Verigated</li> <li>↗ Kaomo Wa Tshiamo Trading</li> <li>↗ Elegant Line Trading</li> <li>↗ Druven Trading Enterprise</li> <li>↗ Bolekano Building</li> <li>↗ EK Construction</li> <li>↗ Mtshepana Trading</li> <li>↗ Somila Corporate</li> <li>↗ Mavisto Trading</li> <li>↗ Creative Warfare</li> </ul>	Provision of grass cutting and bush cleaning services on as and when required for the period of 24 month	01 June 2018	31 May 2020	W Matsi
<ul style="list-style-type: none"> <li>↗ BSure Versekerings Makelaars J/V</li> <li>↗ Dreamfinder Trading &amp; Projects 115 CC</li> </ul>	Provision of risk management and insurance services	01 July 2018	30 June 2021	T Morweng
<ul style="list-style-type: none"> <li>↗ Transaction Capital Recoveries</li> <li>↗ Revenue Consulting (Pty) Ltd</li> <li>↗ Pisces Outsourcing J/V Dreamfinder</li> </ul>	Debt collection services for a period thirty-six (36) months	29 August 2018	29 August 2021	K Weitsz
<ul style="list-style-type: none"> <li>↗ DM111 (Pty) Ltd / Godracias Trading Enterprise JV</li> <li>↗ GMHM Construction and Projects 47 CC</li> </ul>	Supply, delivery of paraffin lanterns and paraffin pumps for a period of three (03) years	20 March 2019	19 March 2022	K Weitsz
<ul style="list-style-type: none"> <li>↗ Dichabe Funeral Home</li> <li>↗ Sehaole Funeral Parlour</li> <li>↗ Majalefa Phiifolo Funeral Home</li> <li>↗ Cathen Trading Enterprise T/A Mentoro Funeral Parlour</li> </ul>	Panel of undertakers to provide burials as and when required for a period of twelve (12) months	03 September 2018	02 September 2019	M Motswenyane

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LONG TERM CONTRACTS (LARGEST CONTRACTS ENTERED INTO DURING 2018/19) Cont.				
Name of service Provider	Description of services rendered by the service provider	Starting date of contract	Expiry date of contract	Project manager
<ul style="list-style-type: none"> <li>EK Construction and All General Trading CC</li> <li>Auralia Trading and Projects</li> <li>Bolekano Building Constructors T/A</li> <li>Matlosana Plant Hire</li> <li>M Ebersohn</li> <li>Truck and Diesel CC</li> <li>Variegated Pty Ltd</li> <li>Mohaumolotsi Civil Works Pty Ltd</li> <li>Aqua Transport and Plant Hire Pty Ltd</li> <li>Amandla Building and Construction Pty Ltd</li> <li>Ekene Investments CC</li> </ul>	Suppliers for hire of the plant and equipment on as when required basis for a period of twenty four months (24)	September 2018	September 2020	W Matsi
<ul style="list-style-type: none"> <li>Rendeals Four Consulting</li> <li>Luvhengo Consulting Engineers</li> <li>Mhiduvhe Pty Ltd</li> <li>Calliper Consulting Engineers</li> <li>EKS Consulting Engineers</li> <li>Mont Consulting Engineers</li> <li>Mapoxe Consulting Engineers</li> <li>Likhanyile Consulting Engineers and Project Managers</li> <li>Pule Ramasimong Development Consultant and Project Managers</li> <li>F &amp; A Consulting</li> <li>Makhaotse Narasimulu and Associates</li> <li>Sogika Consulting</li> <li>T Maboka and Associates</li> <li>Moedi Consulting Engineers</li> <li>Risimoti Consulting Engineers</li> <li>Greyhorn Engineering</li> <li>Tm Africa Engineering Services</li> <li>Morad Consulting and Sibongile Mashiya JV</li> <li>Korone Engineers</li> <li>BMK Consulting Engineers</li> <li>Tsela Tsweu Consulting Engineers</li> <li>JvVReteng Civil Projects</li> <li>MVE Consulting Engineers</li> <li>Bigen Africa Services</li> </ul>	Appointment of panel of consultants for professional engineering related services for a period of thirty six months (36)	7 August 2018	7 August 2021	D Rannona
<ul style="list-style-type: none"> <li>Dikopane Project Management CC</li> </ul>	Supply and delivery of fuel, maintenance of fuel dispensing pumps and tanks	14 March 2019	13 March 2022	W Matsi

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LONG TERM CONTRACTS (LARGEST CONTRACTS ENTERED INTO DURING 2018/19) Cont.				
Name of service Provider	Description of services rendered by the service provider	Starting date of contract	Expiry date of contract	Project manager
 Shb2y Contractors CC  Lide Construction / Alfamega Construction & Projects JV  These Construction & Minathi Projects JV  Khomanani Construction CC  Iceburg Group (Pty) Ltd  Lebogang-Lerato Trading and Projects (Pty) Ltd  Kd Civils & Mbulazi Solutions JV  Tjtk Trading Enterprise & Leburu Fetsi Construction JV  Makali Plant and Construction (Pty) Ltd  Lc Ramarou Construction  Mopicon Construction (Pty) Ltd  Marabe Projects (Pty) Ltd  Roadmac Surfacing (Pty) Ltd  Mvuno Geo-Environmental & Raphoto's Construction JV  Rembu Construction & Spring Bear Misani JV  Excellence Business Academy CC  Sibongile Mashiye & Kgantsa Developers Projects JV  Stimer Construction & Entle Tash JV  Aqua Transport and Plant Hire (Pty) Ltd  Amandla Building and Construction (Pty) Ltd  Khoisan Roads / Macjun Trading Enterprise JV  Magage Holdings / Sante Engineering JV  Botlhabatsatsi Trading Projects 71 CC  Mpij Nice Road Construction / Thuto Holdings/ Vw Sienkos Trading JV  Pace Setters Construction & Supply of Goods And Services CC  Thaw Construction (Pty) Ltd  Outdoor Sensations & Bokao Amahle Holdings JV  Tribal Zone Trading 370 CC  Mohaumolutsi Civil Works & Bravura Trading JV	Rehabilitation and resealing roads, emergency pothole patching within the City of Matlosana jurisdiction	10 April 2019	09 April 2021	W Matsi

## APPENDIX I – MUNICIPAL SERVICE PROVIDER PERFORMANCE SCHEDULE

Service Provider Performance Schedule									
Purpose	(a) Service Indicators	2018/19		2019/20		2020/21		2021/22	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
		*Previous Year		*Previous Year	*Current Year			*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	
<b>To improve water supply services</b>	<b>Water</b> Construction of 13,2 km of bulk water supply from Midvaal end point to Jouberton and Alabama and Construction of two 2ML Elevated Pressure Towers in Jouberton and Alabama	1. Construction of up to shaft lift 29 of 2ML pressure tower, 2. 2,5km of 800mm diameter pipe. 3. Appointment of the Consultant and Contractor for NDPG bulk services	Construction of 23 shaft lifts for the pressure tower and 2,5km of 800mm diameter pipe completed. Consultant and Contractor for Bulk and internal Services appointed	1. Construction of up to shaft lift 29 of 2ML pressure tower, 2. 2,5km of 800mm diameter pipe. 3. Appointment of the Consultant and Contractor for NDPG bulk services	1. Construction of 14 shaft lifts of two different 2ML pressure tower, Pressure tower bowl and water tightness testing 2. 5,5km of 800mm diameter pipe and 1,5 km of 630mm pipe.	1. Construction of 12 shaft lifts of two different 2ML pressure tower, Pressure tower bowl and water tightness testing 2. 5,5km of 800mm diameter pipe and 1,5 km of 630mm pipe.	1. Construction of 14 shaft lifts of two different 2ML pressure tower, Pressure tower bowl and water tightness testing 2. 5,5km of 800mm diameter pipe and 1,5 km of 630mm pipe.	1. Construction of 14 shaft lifts of two different 2ML pressure tower, Pressure tower bowl and water tightness testing 2. 5,5km of 800mm diameter pipe and 1,5 km of 630mm pipe.	1. 1km of 800mm diameter and 0,28km of 630mm diameter, 2. Water tightness testing of 2ML pressure tower 3. Construction of 6 to 23 shaft lifts of 2ML pressure tower
<b>To upgrade the sewer outfall and network</b>	<b>Sanitation</b> Construction of 12,6 km of sewer network pipe in Khuma proper and outfall sewer in Jouberton and Alabama, upgrade Klerksdorp Wastewater Treatment Works	Laying of 0,4km of 600mm outfall sewer, 6,618 km of 160mm to 250mm diameter pipe	Laying of 0,4km of 600mm outfall sewer completed, 6,618 km of 160mm to 250mm diameter pipe completed	Laying of 0,4km of 600mm outfall sewer, 6,618 km of 160mm to 250mm diameter pipe	Testing of 0,4km of 600mm outfall sewer, 2,68km of 160 to 250mm diameter pipe and upgrading of Klerksdorp wastewater treatment works	Testing of 0,4km of 600mm outfall sewer and connection to WWTW completed, 1,973 km of 160 to 250mm diameter pipe completed and upgrading of Klerksdorp wastewater treatment works completed	Testing of 0,4km of 600mm outfall sewer, 2,68km of 160 to 250mm diameter pipe and upgrading of Klerksdorp wastewater treatment works	Testing of 0,4km of 600mm outfall sewer, 2,68km of 160 to 250mm diameter pipe and upgrading of Klerksdorp wastewater treatment works	Upgrading of 2 sewer pumpstations, upgrading of 1,4km of 250mm diameter sewer pumpline and 0,16km of 160mm diameter sewer network for Turnkey internal services
<b>To improve mobility within the municipal and control and direct stormwater</b>	<b>Roads</b> Construction of 8,811km of taxi routes and stormwater in Kanana, Tigane and Khuma	Construction of 2,528 of paving of taxi routes and stormwater in Kanana, Tigane and Khuma	Construction of base and subbase of paving of taxi routes and stormwater in Kanana, Tigane and Khuma	Construction of 2,528 of paving of taxi routes and stormwater in Kanana, Tigane and Khuma	Construction of 8,811 km of taxi routes and stormwater in Jouberton, Kanana, Tigane and Khuma	Construction of 4,031km of taxi routes and stormwater in Kanana, Tigane and Khuma	Construction of 8,811 km of taxi routes and stormwater in Jouberton, Kanana, Tigane and Khuma	Construction of 8,811 km of taxi routes and stormwater in Jouberton, Kanana, Tigane and Khuma	Construction of 5,33km of taxi routes and stormwater in Tigane and Jouberton
<b>To replace obsolete high masts and enhance a safe social environment</b>	<b>Electricity</b> 25 high masts in Kanana	Replacing 25 obsolete high masts lights in Jouberton, Alabama and Tigane	25 obsolete high mast replaced	Replacing 25 obsolete high masts lights in Jouberton, Alabama and Tigane	Replacing 13 obsolete high masts in Khuma and Kanana	0 High masts lights replaced	Replacing 13 obsolete high masts in Khuma and Kanana	Replacing 13 obsolete high masts in Khuma and Kanana	Replacing 26 obsolete high masts in Khuma and Kanana



## APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

DISCLOSURES OF FINANCIAL INTERESTS		
PERIOD 1 JULY 2018 TO 30 JUNE OF 2019		
Position	Name	Description of Financial interests* (None or details)
<b>Executive Mayor</b>	ClIr MME Kgaile	My 2 and Son's Trading and Projects (Pty) Ltd -100% 2013/226649/07 – Director Property: Portion 21 of Erf 3657 –Stilfontein Property: No 5 Hobson Street La Hoff
<b>Speaker of Council</b>	ClIr RW Ntozini	Nomdimba and Tutuse Road Construction - 100% Nomdimba Mineral Resources – 50% Nomdimba Civil Projects – 100% NWV Contracting – 26% WGH Mining – 26% Member of NFMW
<b>Single Whip of Council</b>	ClIr MV Chinga	Emang Sechaba Enterprise Pty (Ltd) – Member NWMF
<b>MEMBERS OF MAYORAL COMMITTEE</b>		
Corporate Services	ClIr ML Mojaki	Member of NFMW
Transversal Issues	ClIr IN Matetoane	None
Housing, Land and Rural Development	ClIr TO Vilakazi	Yimani Bafazi Trading Pty Ltd – 31%
Sport, Arts and Culture	ClIr PF Mabeli	None
Finance and Debt Normalization	ClIr FI Tagaree	Old Mutual
Economic Growth and Market	ClIr TG Khoza	None
Public Safety	ClIr SJ Daemane	J Cliff – 33% Mokasisipho – 25%
Community and Health Services	ClIr NS Mendela	Membotla Projects – 50% Sunken Construction – 50% Member of the MCPF
Infrastructure and Utilities	ClIr MF Nthaba	Member of the NWMF
Electrical and Mechanical Engineering	ClIr SD Montoedi	Kgothammoho Agric Close Corporation Member of the MCPF
<b>Chairperson of MPAC</b>	ClIr SPJ Bogatsu	Member of the MCPF
<b>COUNCILLORS</b>		
PR Councillor	Babuile M	None
Ward Councillor W4	Barrends SOC	Ya Rona Karona Trading Enterprise LTD PTY -100%
Ward Councillor W28	Bester CJ	CJ Construction Member of Councillors Pension Fund
PR Councillor	Burrell PZM	Chartered Property Empire – Estate Agent– Strictly Commission GEPP Widows Pension
Ward Councillor W12	Chao MM	LuluCho Pty Ltd – 100%
Ward Councillor W27	Cutswa LL	Member of the NWMF
PR Councillor	Coetzee M	Philip Coetzee Familietrust Member of the MCPF

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DISCLOSURES OF FINANCIAL INTERESTS		
PERIOD 1 JULY 2018 TO 30 JUNE OF 2019		
Position	Name	Description of Financial interests* (None or details)
Ward Councillor W16	Combrinck A	Anumelmig Vullisverwydering CC – 50% Member of the MCPF
PR Councillor	Cromhout GLJ	Wholesale Manager at Daly Wholesale - ±R480 000.00 Member of the MIBCO Pension Fund
PR Councillor	*Dibe KP	None
PR Councillor	**Groenewald IM	MG Development (Pty) Ltd – 100% Alt Director Midvaal Water Company Member of the MCPF
PR Councillor	Hlekiso PA	Member of Municipal Pension Fund
PR Councillor	Horn PT	Steinhof – 12 000 (Shares) Member of MCPF Property: 10 Lily Ave, Adamayview, Klerksdorp
PR Councillor	***Jordaan HFC	Rigging of Outdoor Signs: R50,00-R3 000,00 per month
PR Councillor	Kali KB	Dogs of the Road Cabs (Taxi Industry) – Owner Partnership: Portia Kali (Taxi Industry)
Ward Councillor W20	Kamati ME	None
PR Councillor	Khoza L	Member of Ordinary Councillors Pension Fund
PR Councillor	***Kleynhans EL	SA Imuno Foods (Pty) Ltd –2015/318914/07 Company Director Nature force (Pty) Ltd –2017/168827/07 Company Director
PR Councillor	Koekemoer M	None
PR Councillor	Lebenya-Kortjaas LM	Member of the MCPF
Ward Councillor W19	Le Grange JJ	Mitchell & Le Grange Property – 40% Mitchell & Le Grange Property – 50% JJ Le Grange Financial Services – Accounting Member of the MCPF
Ward Councillor W30	Louwrens WJJ	Member of MCPF
Ward Councillor W36	Ludidi NA	None
Ward Councillor W24	Mabulela TM	None
PR Councillor	Magwaca PC	None
PR Councillor	Mahlangu MC	None
PR Councillor	Malete NG	Member of the MPF
Ward Councillor W11	Mangesi MI	Thamalalang Close Corporation-80%-2009/119906/23
PR Councillor	Meiring A	Member of Old Mutual Pension Fund Member of the MCPF
PR Councillor	Methi LH	Member of MCPF
Ward Councillor W2	Moeng PN	Titanic Funeral Services – 50%
PR Councillor	Mohoemang GA	Southern North Pty Ltd – 25% Member of the MCPF

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DISCLOSURES OF FINANCIAL INTERESTS		
PERIOD 1 JULY 2018 TO 30 JUNE OF 2019		
Position	Name	Description of Financial interests* (None or details)
Ward Councillor W5	Molefi LD	Daniel M Consulting (Pty) Ltd – 100% Wood Kings Enterprise – 100%
PR Councillor	Molutsi PM	Member of the Old Mutual Pension Fund
PR Councillor	Mondlane SL	Multi-Phase Pty (Ltd) – 50%
Ward Councillor W26	Mongale SD	None
PR Councillor	Moremi SL	None
Ward Councillor W1	Mqikela G	None
PR Councillor	Mosweu ME	Close Corporation – Mosweu Catering and Transport Services (Pty) Ltd
PR Councillor	*Motitimi M	Motitimi Solution – 100% Social Grant – R400,00
Ward Councillor W23	Nani SH	Tenting Tuck Shop +R3 300 per month Member of Metropolitan Pension Fund Member of Old Mutual Pension Fund
Ward Councillor W20	Ndincede K	None
PR Councillor	Nkebe SN	Member of MCPF
PR Councillor	Nongqayi S	None
Ward Councillor W32	Ntaopane NB	Aganang (Pty) Ltd – 60% Vry Ntaoza – 20%
Ward Councillor W9	Ntiane MJ	None
PR Councillor	Oosthuizen G C	None
Ward Councillor W25	Phakoe L M	None
Ward Councillor W34	Ponisi R K	CEO – HCP Construction
Ward Councillor W17	Postma E M	Property: Farm Drogekraal-District Wolmaransstad Property: 24 Heide Street-Klerksdorp
Ward Councillor W33	Qankase J	None
PR Councillor	Ross K L	None
Ward Councillor W7	Saudi H F	None
PR Councillor	**Scott L	None
Ward Councillor W22	Seabeng T S	None
Ward Councillor W37	Sekgothe T L	None
Ward Councillor W18	Seitisho M N	Member of NWN
Ward Councillor W14	Semonyo I M	None
PR Councillor	Sesana S P	None
PR Councillor	Shuping L K	None
Ward Councillor W38	Sithole S L	None
PR Councillor	Solomon LG	Bosa Boya Pele Pty Ltd – 100% - 2016/402950/07 Partnership: ↳ Obakeng W Solomon – 33% ↳ Serite Ditiro Solomon – 33% ↳ Gladys L Solomon – 34%

# Appendices

DISCLOSURES OF FINANCIAL INTERESTS		
PERIOD 1 JULY 2018 TO 30 JUNE OF 2019		
Position	Name	Description of Financial interests* (None or details)
Ward Councillor W29	Steyn S M	Member of GEPF Councillors Pension Fund
Ward Councillor W15	Swart P J	Member of the Sanlam Pension Fund
PR Councillor	Tsabedze B	None
Ward Councillor W39	Wallhorn W	Choje Enviro – 2010/119456/23 – 50% (please note that CC is being deregistered) Member of NFMW Property: 2 Saffier Str, Wilkoppies (home registered in mother's name)
* Cllr KP Dibe replaced by Cllr C Motitimi - 01/03/2019 ** Cllr IM Groenewald replaced by Cllr L Scott - 28/05/2019 *** Cllr EL Kleynhans replaced by Cllr HFC Jordaan - 28/05/2019		
<b>SENIOR MANAGERS</b>		
Municipal Manager	Nkhumise TSR	Nkhura Liquor and Butchery – R 10 000 A100 Mining and Building – Nil Bakone Family Trust – Dormant MTM Zakhile Shares – R20 000 Nkhura Property Development – R 14 000 Bakone Guest House - R 20 000 Houses erf 4011 Thabazimbi – R 650 000 House Erf 4116 Thabazimbi – R 850 000 Villa 2 Thabazimbi – R 790 000 9 Schoeman Modimole - R 1.4 m 49 Koro Creek Modimole R 2.1 m House Erf 247 Pretoria – R 580 000 Booyesen Modimole –R 680 000
Director Budget and Treasury	Ramorwesi MKG	Baile Violet Trust House in Ifafa – R1.8 m Houses in Cashan Rustenburg – R500 000 Houses in Cashan Rustenburg – R500 000 House in Tlhabane Wes – R 600 000
Director Corporate Support	Seametso L	None
Director Technical and Infrastructure	Madimutsa R	House Polokwane – R 750 000
Director Community Development	Molawa MM	Hiring of furniture (Husband) – R 2 000 House Greenhills – R 2.0 m Flat – R 500 000
Director Public Safety	Nkhumane LJ	Nkhumane Funeral and Transport Services - R 30 000
Director Local Economic Development	Fourie LL	House in Rustenburg – R2 000 000
Director Planning and Human Settlements	Choche BB	BBC Planning Concepts Erf 5236 in Kuruman - R1.0 m Erf 6225 in Mothibistat - R 600 000 Erf 4613 in Kuruman – R 230 000

## APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

### APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

REVENUE COLLECTION PERFORMANCE BY VOTE						
						R' 000
Vote description	2017/18	2018/19		2018/19 Variance		
	Actual	Original	Adjusted	Actual	Original	Adjustments
1.1 - Executive and Council	4 651	3 401	3 401	885	2.84	2.84
1.2 - Budget and Treasury Office	889 095	838 788	809 467	825 325	0.02	-0.02
1.3 - Corporate Services	122	1 018	1 185	103 252	-0.99	-0.99
2.1 – Roads	85 438	27 412	26 339	25 676	0.07	0.03
2.2 – Water	615 033	678 065	767 759	767 959	-0.12	-0.00
2.3 - Sewer	2 371	155 937	147 052	137 790	0.13	0.07
2.4 - Electricity	749 007	901 480	933 498	821 581	0.10	0.14
2.5 - Housing	1 957	4 883	4 118	3 980	0.23	0.03
3.1 – LED	-	0	8 671	570		-
3.2 - Market	20 174	31 439	21 343	20 272	0.55	0.05
4.1 - Community and Environmental Services	23 699	4 370	4 370	5 101	-0.14	-0.14
4.2 - Sport and Recreation	3 924	11 803	3 999	5 054	1.34	-0.21
4.3 - Public Safety	92 604	17 837	20 820	30 737	-0.42	-0.32
4.4 – Health	-	0	0	-	-	-
4.5 – Cleaning	121 688	213 096	179 799	215 152	-0.01	-0.16
<b>TOTAL REVENUE BY VOTE</b>	<b>2 609 763</b>	<b>2 889 529</b>	<b>2 931 821</b>	<b>2 963 334</b>	<b>3.59</b>	<b>1.31</b>

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

REVENUE COLLECTION PERFORMANCE BY SOURCE						
						R '000
Description	2017/18	2018/19			2018/19 Variance	
	Actual	Original	Adjusted	Actual	Original	Adjustments
Property rates	294 055	413 697	364 386	325 128	-27%	-12%
Property rates - penalties and collection charges						
Service charges - electricity revenue	701 219	804 516	806 899	751 771	-7%	-7%
Service charges - water revenue	510 685	591 844	527 561	572 665	-3%	8%
Service charges - sanitation revenue	98 497	119 074	112 787	112 025	-6%	-1%
Service charges - refuse revenue	120 243	185 156	151 833	141 313	-31%	-7%
Service charges - other	–	–	–	–	0%	0%
Rentals of facilities and equipment	5 485	6 793	6 721	5 216	-30%	-29%
Interest earned – ext. investments	11 658	4 039	4 039	–	0%	0%
Interest earned - outstanding debtors	220 170	134 143	256 210	305 480	56%	16%
Dividends received	–	–	–	–	0%	0%
Fines	11 247	8 640	4 832	9 470	9%	49%
Licences and permits	–	1 279	5 992	7 675	83%	22%
Agency services	–	7 055	7 055	12 460	43%	43%
Transfers recognised - operational	359 817	409 108	409 308	396 885	-3%	-3%
Other revenue	77 335	35 296	24 597	153 056	77%	84%
Gains on disposal of PPE	–	–	–	–	0%	0%
Environmental Protection	–	–	–	–	0%	0%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2 410 411</b>	<b>2 720 640</b>	<b>2 682 221</b>	<b>2 793 144</b>	<b>2.60%</b>	<b>3.97%</b>

# Appendices

## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

CONDITIONAL GRANTS: EXCLUDING MIG 2018/19						
						R' 000
Details	Budget	Adjusted	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments	
Neighbourhood Development Partnership Grant	48 485	75 000	52 457	-0.08	0.43	Radiating spatial inequality towards the creation of liveable, sustainable, resilient, efficient and integrated towns and cities
Fire	-	477	52	-1.00	-	
<b>Other (specify):</b>						
Sport & Recreation	716	916	882	-0.19	0.04	To facilitate sport and creation participation and empowerment in partnership with relevant stakeholders
INEP	22 000	17 000	12 205	0.80	0.39	To reduce the backlogs of un-electrified households and to fund infrastructure to ensure constant supply of electricity
EPWP	2 037	22 000	932	0.80	0.80	To provide funding to expand job creation efforts in specific focus areas, where labour intensive delivery methods can be maximised
WSIG	17 000	17 000	17 000	73.22	-	
EEDS	7 000	7 000	94	1.19	1.19	To provide funding to expand job creation efforts in specific focus areas, where labour intensive delivery methods can be maximised
FMG	2 215	2 215	2 215	-	-	To promote and support financial management reform by building capacity in municipalities to implement the Municipal Finance Management Act
<b>TOTAL</b>	<b>99 453</b>	<b>141 608</b>	<b>85 837</b>	<b>0.16</b>	<b>0.65</b>	

### COMMENTS ON CONDITIONAL GRANTS AND GRANTS RECEIVED FROM OTHER SOURCES

Grants were reported as per the DORA and the payment schedule received from National Treasury and the national and provincial departments.

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

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

CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME - 2018/19						
						R '000
Description	2017/18	2018/19			Planned Capital Expenditure	
	Actual	Original	Adjusted	Actual	2019/20	2020/21
<b>Capital expenditure by Asset Class</b>						
<b><u>Infrastructure - Total</u></b>	175	220	274	224	141	127
<b>Infrastructure: Road transport - Total</b>	132	19	27	21	13	27
<i>Roads, pavements and bridges</i>	58 237	18 937	27 059	20 514	13 417	27 347
<i>Storm water</i>	73 779	-	-	-	-	-
<b>Infrastructure: Electricity – Total</b>	27	45	68	24	21	11
<i>Transmission and reticulation</i>	27 003	44 821	68 268	24 064	21 302	11 487
<b>Infrastructure: Water - Total</b>	–	63	110	75	50	31
<i>Reticulation</i>	-	-	-	-	50 450	30 845
<i>Water purification</i>	-	62 669	110 314	75 041	-	-
<b>Infrastructure: Sanitation - Total</b>	10	33	40	24	26	23
<i>Sewerage purification</i>	10 478	33 461	39 683	24 104	25 822	23 187
<b>Infrastructure: Other - Total</b>	–	–	–	–	10	7
<i>Waste Management</i>	-	-	-	-	10 000	7 410
<b><u>Community – Total</u></b>	6	61	28	80	20	27
<i>Sports fields and stadia</i>	3 626	-	-	3 391	10 000	16 969
<i>Fire, safety and emergency</i>	123	-	-	-	-	-
<i>Social rental housing</i>	-	-	-	-	10 000	10 000
<i>Other</i>	1 999	60 500	28 276	76 904	-	-
<b>Total Capital Expenditure on new assets</b>	175	220	274	224	141	127



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

CAPITAL EXPENDITURE - UPGRADE/RENEWAL PROGRAMME*							
							R '000
Description	2017/18	2018/19			Planned Capital Expenditure		
	Actual	Original	Adjusted	Actual	Original	Adjusted	Actual
<b>Capital expenditure by Asset Class</b>							
<b><u>Infrastructure - Total</u></b>	<b>29 800</b>	<b>39 000</b>	<b>39 685</b>	<b>29 205</b>	<b>25 000</b>	<b>67 000</b>	<b>60 845</b>
<b>Infrastructure: Road transport -Total</b>	–	–	–	–	–	40 000	40 000
<i>Roads, pavements and bridges</i>	–	–	–	–	–	40 000	40 000
<b><i>Electricity - Total</i></b>	<b>875</b>	<b>22 000</b>	<b>22 685</b>	<b>12 205</b>	<b>7 000</b>	<b>2 000</b>	<b>2 000</b>
<i>Generations</i>	875	22 000	22 685	12 205	–	–	–
<i>Efficiency Demand Side</i>	–	–	–	–	7 000	2 000	2 000
<b><i>Water - Total</i></b>	<b>6 820</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>15 000</b>	<b>8 849</b>
<i>Reticulation</i>	6 820	–	–	–	–	15 000	8 849
<b><i>Sanitation - Total</i></b>	<b>22 105</b>	<b>17 000</b>	<b>17 000</b>	<b>17 000</b>	<b>17 000</b>	<b>10 000</b>	<b>10 000</b>
<i>Sewerage purification</i>	22 105	17 000	17 000	17 000	17 000	10 000	10 000
<b><u>Community – Total</u></b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 500</b>	<b>–</b>	<b>–</b>
<i>Swimming pools</i>	–	–	–	–	–	–	–
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>29 800</b>	<b>39 000</b>	<b>39 685</b>	<b>29 205</b>	<b>25 500</b>	<b>67 000</b>	<b>60 849</b>

## APPENDIX N – CAPITAL PROGRAMME BY PROJECT

CAPITAL PROGRAMME BY PROJECT: 2018/19					
					R' 000
Capital Project	Original	Adjustment	Actual	Variance (Act – Adj.) %	Variance (Act - OB) %
<b>WATER</b>					
Water Supply Midvaal Endpoint to Jouberton and Alabama	29 910	80 831	55 403	-46%	46%
<b>SANITATION / SEWERAGE</b>					
Refurbishment of Klerksdorp WWT Plant	17 000	–	14 783	–	–
Upgrade sewer net Khuma Proper NE	10 602	–	9 018	–	–
<b>ELECTRICITY</b>					
Alabama 88/11kV 20 MVA Substation	22 000		10 613		
<b>ROADS AND STORM-WATER DRAINAGE</b>					
Jouberton / Alabama Bulk Services	30 397	38 945	28 429	–	–
<b>TOTAL</b>	<b>109 909</b>	<b>119 776</b>	<b>118 246</b>	<b>-1%</b>	<b>7%</b>

## APPENDIX D – CAPITAL PROGRAMME BY PROJECT BY WARD

CAPITAL PROGRAMME BY PROJECT BY WARD: 2018/19		
R'000		
Capital Projects	Ward(s) affected	Works completed (Yes/No)
<b>Water</b>		
Water Supply Midvaal Endpoint to Jouberton and Alabama	3 to 5 and 8	Yes
Alabama Bulk Water Supply 2 Ml Pressure Tower	3 to 5	No
<b>Sanitation / Sewer</b>		
Upgrade sewer network installed and upgraded in Khuma Proper (North East)	34 and 35	No
<b>Electricity</b>		
Matlosana (Alabama) Substation ( INEP)	1 to 39	No
Jouberton / Alabama Precinct Bulk Services	8; 10 and 37	No
<b>Roads and Storm-Water Drainage</b>		
Access Road to Matlosana Road	1 to 39	Yes
Jouberton Central Activity Spine	8; 10 and 37	Yes

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

ALL SCHOOLS ARE COVERED BY PUBLIC WORKS

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

NOT APPLICABLE

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

DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY: 2018/19			
Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Rand
10 learners in the Province (Focus in Matlosana) – R20 000 each	Matric Excellence Award	None	200 000
10 best learners in their area – R15 000 each	Matric Excellence Award	None	150 000
2 best learners from farm schools – R15 000 each	Matric Excellence Award	None	30 000
Pauper funerals	52 Funerals	None	214 300
<i>* Loans/Grants - whether in cash or in kind</i>			



## List of Acronyms







# Appendices

## LIST OF ACRONYMS

AC	:	Audit Committee
AG	:	Auditor-General
AGSA	:	Auditor-General of South Africa
CBD	:	Central Business District
CBP	:	Community Based Plan
CC	:	Council Committee resolution
CoM	:	City of Matlosana
CPA	:	Community Property Association
CRU	:	Community Residential Unit
DoRA	:	Division of Revenue Act
DRM	:	District Risk Management
DWA	:	Department of Water Affairs
EECF	:	Employment Equity Consultative Forum
EPWP	:	Extended Public Works Programme
GIS	:	Geographical Information System
IDP	:	Integrated Development Plan
IHRMS	:	Integrated Human Resources Management Strategy
INEP	:	Integrated National Electrification Program
LLF	:	Local Labour Forum
MATLOSANA	:	Klerksdorp, Orkney, Stilfontein and Hartbeesfontein
KPA	:	Key Performance Areas
KPI	:	Key Performance Indicators
LED	:	Local Economic Development
LGSETA	:	Local Government: Sector Education and Training Authority
MCPF	:	Municipal Councillors Pension Fund
MDG	:	Millennium Development Goals
MIG	:	Municipal Infrastructure Grant
MFMA	:	Municipal Financial Management Act
MSA	:	Municipal Systems Act, as Amended
OHS	:	Occupational Health and Safety
PAC	:	Performance Audit Committee
PGDS	:	Provincial Government Development Sector
PMS	:	Performance Management System
POE	:	Portfolio of Evidence
RMU	:	Ring Main Unit
ROI	:	Return on Investment
RTMC	:	Road Traffic Management Committee
SALGA	:	South African Local Government Association
SCM	:	Supply Chain Management
SDBIP	:	Service Delivery and Budget Implementation Plan
SETA	:	Sector Education and Training Authority
SMME	:	Small, Medium and Micro Enterprises
WSP	:	Workplace Skills Plan
WWTP	:	Waste Water Treatment Plant



# **Annual Financial Statements**

## **VOLUME II**

### **Annual Financial Statements for the year ended 30 June 2019**





# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

General Information

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## LEGAL FORM OF ENTITY

Municipality in terms of section 1 of the Local Government: Municipal Structures Act (Act 117 of 1998) read with section 155 (1) of the Constitution of the republic of South Africa (Act 108 of 1996)

## NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES

To within its financial and administrative capacity :  
-provide democratic and accountable government for the community of Matlosana;  
-to ensure the provision of services to the community in a sustainable manner;-to promote social and economic development;  
-to promote a safe and healthy environment; and  
-to encourage the involvement of the community and community organisations in the matters of the municipality.  
Legislation governing the operations of the municipality includes but are not limited to the following:-  
Municipal Structures Act 117 of 1998-Local Government:  
Municipal Systems Act 32 of 2000-Local Government:  
Municipal Finance Management Act 56 of 2003

## MAYORAL COMMITTEE

Executive Mayor

Maetu Kgaile.

Speaker

Washington Ntozini.

Councillors

M.V Chinga. (Chief Whip)  
M.F Nthaba.  
T.O Vilakazi.  
T.G Khoza.  
F.I Tagaree.  
M.L Mojaki.  
S.D Montoedi.  
N.S Mendela.  
N.A Matetoane.  
P.F Mabeli.  
S.J Daemane.

## ACTING CHIEF FINANCE OFFICER (CFO)

T.O Sekgala.

## ACCOUNTING OFFICER

T.S.R Nkhumise.

## REGISTERED OFFICE

Bram Fischer Street  
Klerksdorp  
2571

## BUSINESS ADDRESS

Bram Fischer Street  
Klerksdorp  
2571

## POSTAL ADDRESS

P.O. Box 99  
Klerksdorp  
2570

## BANKERS

ABSA Bank Limited  
Investec Bank Limited  
First National Bank  
Nedbank Limited

## AUDITORS

Auditor General of South Africa

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

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The reports and statements set out below comprise the annual financial statements presented to the provincial legislature and municipal council.:

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COIDA	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Local Government: Municipal Finance Management Act, Act No 56 of 2003
MIG	Municipal Infrastructure Grant (Previously CMIP)
INEP	Integrated National Electrification Programme
DWAF	Department of Water Affairs
EPWP	Expanded Public Works Programme

## Accounting Officer's Responsibilities and Approval

---

The accounting officer is required by the MFMA, to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the MFMA including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.


The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to June 30, 2020 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the accounting officer are primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements are still to be examined by the municipality's external auditors.

The annual financial statements set out on pages 363 to 429, which have been prepared on the going concern basis, were approved by the accounting officer on September 13, 2019 and were signed on its behalf by:

  
T.S.R Nkhumise.  
Accounting Officer



# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Statement of Financial Position as at June 30, 2019

Figures in Rand	Note(s)	2019	2018 Restated*
<b>Assets</b>			
Current Assets			
Inventories	8	50,279,282	45,468,334
Investments	6	25,606,047	9,066,499
Receivables from exchange transactions	9	28,703,105	32,743,259
VAT receivable	11	138,693,678	101,015,567
Consumer debtors	12	465,447,696	358,590,204
Other receivables	7	28,139	26,987
Cash and cash equivalents	13	289,021,364	136,105,876
		<b>997,779,311</b>	<b>683,016,726</b>
Non-Current Assets			
Investment property	2	256,452,695	156,053,942
Property, plant and equipment	3	4,984,541,202	5,171,304,673
Intangible assets	4	657,949	648,654
Heritage assets	5	10,652,211	10,652,211
Investments	6	9,068,846	23,099,799
Security Deposit		17,572,207	15,000,002
Other receivables	7	56,276	84,415
Nature reserve - Wild stock		2,274,800	1,874,765
		<b>5,281,276,186</b>	<b>5,378,718,461</b>
<b>Total Assets</b>		<b>6,279,055,497</b>	<b>6,061,735,187</b>
<b>Liabilities</b>			
Current Liabilities			
Other financial liabilities	15	4,452,438	14,431,893
Payables from exchange transactions	17	1,307,151,441	902,979,479
Consumer deposits	18	33,345,165	29,941,387
Unspent conditional grants and receipts	14	99,517,072	27,770,139
Provisions	16	20,872,268	19,353,982
		<b>1,465,338,384</b>	<b>994,476,880</b>
Non-Current Liabilities			
Other financial liabilities	15	98,975,503	71,031,317
Provisions	16	441,486,708	423,017,406
		<b>540,462,211</b>	<b>494,048,723</b>
<b>Total Liabilities</b>		<b>2,005,800,595</b>	<b>1,488,525,603</b>
<b>Net Assets</b>		<b>4,273,254,902</b>	<b>4,573,209,584</b>
Accumulated surplus		4,273,254,898	4,573,209,585

\* See Note 39 & 38

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Statement of Financial Performance

Figures in Rand	Note(s)	2019	2018 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Market Dues		17,486,076	17,749,965
Service charges	19	1,577,773,369	1,407,815,109
Rendering of services		2,096	3,169
Rental of facilities and equipment		5,215,527	5,096,872
Licence fees		7,675,366	12,653,595
Miscellaneous other revenue		-	246,300
Agency Fees		12,459,649	10,743,585
Connections and Reconnections		16,325,153	2,235,249
Rental income		1,465,315	387,906
Insurance Fees		929,939	297,101
Recoveries		-	261,127
Other income		14,784,552	17,004,487
Interest received	21	305,480,397	231,828,446
<b>Total revenue from exchange transactions</b>		<b>1,959,597,439</b>	<b>1,706,322,911</b>
<b>Revenue from non-exchange transactions</b>			
Property rates	22	325,127,764	294,054,715
Donations received		102,062,838	14,932,787
<b>Transfer revenue</b>			
Government grants & subsidies	23	567,076,288	537,839,816
Levies		-	1,207,710
Fines, Penalties and Forfeits		9,469,950	11,246,582
<b>Total revenue from non-exchange transactions</b>		<b>1,003,736,840</b>	<b>859,281,610</b>
<b>Total revenue</b>		<b>2,963,334,279</b>	<b>2,565,604,521</b>
<b>Expenditure</b>			
Employee related costs	24	(635,360,612)	(579,462,125)
Remuneration of councillors	25	(34,472,923)	(33,181,839)
Depreciation and amortisation	26	(402,816,346)	(435,408,303)
Finance costs	27	(72,736,371)	(45,826,281)
Lease rentals on operating lease		(60,993,533)	(40,897,251)
Debt Impairment	28	(722,372,071)	(617,011,527)
Repairs and maintenance		(92,597,460)	(86,920,200)
Bulk purchases	29	(994,210,619)	(754,262,620)
Contracted services	30	(46,004,790)	(39,175,016)
General Expenses	31	(201,724,237)	(233,126,789)
<b>Total expenditure</b>		<b>(3,263,288,962)</b>	<b>(2,865,271,951)</b>
<b>Deficit for the year</b>		<b>(299,954,683)</b>	<b>(299,667,430)</b>

\* See Note 39 & 38

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
<b>Balance at July 1, 2017 as previously reported</b>	<b>4,851,331,177</b>	<b>4,851,331,177</b>
Changes in net assets		
Prior period error	21,545,838	21,545,838
Net income (losses) recognised directly in net assets	21,545,838	21,545,838
Deficit for the year	(299,667,430)	(299,667,430)
Total recognised income and expenses for the year	(278,121,592)	(278,121,592)
Total changes	(278,121,592)	(278,121,592)
<b>Restated* Balance at July 1, 2018</b>	<b>4,573,209,581</b>	<b>4,573,209,581</b>
Changes in net assets		
Deficit for the year	(299,954,683)	(299,954,683)
Total changes	(299,954,683)	(299,954,683)
<b>Balance at June 30, 2019</b>	<b>4,273,254,898</b>	<b>4,273,254,898</b>
Note(s)		

\* See Note 39 & 38

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Cash Flow Statement

Figures in Rand	Note(s)	2019	2018 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sale of goods and services		1,081,671,522	1,011,589,312
Grants		638,823,220	557,022,999
Interest income		305,480,397	231,828,446
Other receipts		76,599,179	55,189,992
		<u>2,102,574,318</u>	<u>1,855,630,749</u>
<b>Payments</b>			
Employee costs		(646,547,625)	(595,517,054)
Suppliers		(985,639,618)	(944,590,551)
Finance costs		(72,736,371)	(45,826,281)
VAT paid		(37,678,111)	(55,659,406)
		<u>(1,742,601,725)</u>	<u>(1,641,593,292)</u>
<b>Net cash flows from operating activities</b>	33	<b>359,972,593</b>	<b>214,037,457</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	3	(223,335,520)	(158,593,064)
Proceeds from sale of property plant and equipment	2	-	2,297,126
Purchase of other intangible assets	4	(9,295)	-
Purchases of heritage assets	5	-	(24,000)
Movement in financial assets		(2,508,595)	(2,107,269)
Security Deposit paid to Eskom movement		(2,572,205)	-
<b>Net cash flows from investing activities</b>		<b>(228,425,615)</b>	<b>(158,427,207)</b>
<b>Cash flows from financing activities</b>			
Movement of other financial liabilities		17,964,731	(15,804,904)
Movement in consumer deposits		3,403,779	5,816,639
<b>Net cash flows from financing activities</b>		<b>21,368,510</b>	<b>(9,988,265)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>152,915,488</b>	<b>45,621,985</b>
Cash and cash equivalents at the beginning of the year		136,105,876	90,483,891
<b>Cash and cash equivalents at the end of the year</b>	13	<b>289,021,364</b>	<b>136,105,876</b>

\* See Note 39 & 38

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Market Dues	19,133,028	(5,999,998)	<b>13,133,030</b>	17,486,076	<b>4,353,046</b>	48
Service charges	1,681,499,971	(93,237,426)	<b>1,588,262,545</b>	1,577,773,369	<b>(10,489,176)</b>	48
Rendering of services	-	-	-	2,096	<b>2,096</b>	
Rental of facilities and equipment	3,186,199	427,888	<b>3,614,087</b>	5,215,527	<b>1,601,440</b>	48
Licences and permits	1,279,265	4,713,173	<b>5,992,438</b>	7,675,366	<b>1,682,928</b>	48
Commissions received	8,109,039	-	<b>8,109,039</b>	12,459,649	<b>4,350,610</b>	48
Connections and Reconnections	18,907,581	(8,148,387)	<b>10,759,194</b>	16,325,153	<b>5,565,959</b>	48
Rental income	1,640,494	(2,222)	<b>1,638,272</b>	1,465,315	<b>(172,957)</b>	48
Insurance Fees	610,424	-	<b>610,424</b>	929,939	<b>319,515</b>	48
Other income	16,043,514	(5,322,786)	<b>10,720,728</b>	14,784,552	<b>4,063,824</b>	48
Interest received - investment	138,182,061	122,067,530	<b>260,249,591</b>	305,480,397	<b>45,230,806</b>	48
<b>Total revenue from exchange transactions</b>	<b>1,888,591,576</b>	<b>14,497,772</b>	<b>1,903,089,348</b>	<b>1,959,597,439</b>	<b>56,508,091</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Taxation revenue</b>						
Property rates	413,697,037	(49,310,700)	<b>364,386,337</b>	325,127,764	<b>(39,258,573)</b>	48
Donations received	236,089	-	<b>236,089</b>	102,062,838	<b>101,826,749</b>	48
<b>Transfer revenue</b>						
Government grants & subsidies	577,997,550	80,912,040	<b>658,909,590</b>	567,076,288	<b>(91,833,302)</b>	48
Fines, Penalties and Forfeits	8,638,162	(3,806,302)	<b>4,831,860</b>	9,469,950	<b>4,638,090</b>	48
<b>Total revenue from non-exchange transactions</b>	<b>1,000,568,838</b>	<b>27,795,038</b>	<b>1,028,363,876</b>	<b>1,003,736,840</b>	<b>(24,627,036)</b>	
<b>Total revenue</b>	<b>2,889,160,414</b>	<b>42,292,810</b>	<b>2,931,453,224</b>	<b>2,963,334,279</b>	<b>31,881,055</b>	
<b>Expenditure</b>						
Personnel	(656,414,021)	6,688,613	<b>(649,725,408)</b>	(635,360,612)	<b>14,364,796</b>	48
Remuneration of councillors	(33,907,256)	(604,215)	<b>(34,511,471)</b>	(34,472,923)	<b>38,548</b>	48
Depreciation and amortisation	(428,189,005)	-	<b>(428,189,005)</b>	(402,816,346)	<b>25,372,659</b>	48
Finance costs	(11,000,000)	-	<b>(11,000,000)</b>	(72,736,371)	<b>(61,736,371)</b>	48
Lease rentals on operating lease	(55,539,966)	(36,787,462)	<b>(92,327,428)</b>	(60,993,533)	<b>31,333,895</b>	48
Debt Impairment	(551,000,000)	-	<b>(551,000,000)</b>	(722,372,071)	<b>(171,372,071)</b>	48
Repairs and maintenance	(134,884,479)	(8,204,690)	<b>(143,089,169)</b>	(92,597,460)	<b>50,491,709</b>	48
Bulk purchases	(897,899,615)	-	<b>(897,899,615)</b>	(994,210,619)	<b>(96,311,004)</b>	48
Contracted Services	(51,713,136)	(3,170,162)	<b>(54,883,298)</b>	(46,004,790)	<b>8,878,508</b>	48
General Expenses	(298,161,684)	(13,674,581)	<b>(311,836,265)</b>	(201,724,237)	<b>110,112,028</b>	48
<b>Total expenditure</b>	<b>(3,118,709,162)</b>	<b>(55,752,497)</b>	<b>(3,174,461,659)</b>	<b>(3,263,288,962)</b>	<b>(88,827,303)</b>	
<b>Deficit before taxation</b>	<b>(229,548,748)</b>	<b>(13,459,687)</b>	<b>(243,008,435)</b>	<b>(299,954,683)</b>	<b>(56,946,248)</b>	
<b>Deficit for the year from continuing operations</b>	<b>(229,548,748)</b>	<b>(13,459,687)</b>	<b>(243,008,435)</b>	<b>(299,954,683)</b>	<b>(56,946,248)</b>	
Capital Expenditure	(220,389,550)	(53,212,212)	<b>(273,601,762)</b>	(176,029,683)	<b>97,572,079</b>	48

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>(449,938,298)</b>	<b>(66,671,899)</b>	<b>(516,610,197)</b>	<b>(475,984,366)</b>	<b>40,625,831</b>	
<b>Reconciliation</b>						

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the MFMA.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

#### 1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

#### 1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

#### 1.3 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

#### Cost model

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:

Item	Useful life
Property - land	indefinite

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

## Accounting Policies

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### 1.3 Investment property (continued)

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

### 1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Buildings and Community Facilities	5 to 60 years
Furniture and fixtures	4 to 15 years



# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Accounting Policies

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### 1.4 Property, plant and equipment (continued)

#### Infrastructure

• Roads and paving	5 to 80 years
• Electricity	5 to 80 years
• Airports	5 to 80 years
• Wastewater network	5 to 80 years
• Water	5 to 80 years

Plant and equipment 4 to 20 years

Vehicles 4 to 20 years

Emergency equipment 4 to 20 years

Office equipment 4 to 10 years

Library Books 5 to 10 years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

### 1.5 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

## Accounting Policies

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### 1.5 Intangible assets (continued)

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated goodwill is not recognised as an intangible asset.

### 1.6 Heritage assets

Assets are resources controlled by an municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Heritage assets are shown at cost and are not depreciated owing to uncertainty regarding to their estimated useful lives.

#### Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

#### Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

#### Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

#### Impairment

The municipality assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

#### Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

### 1.7 Financial instruments

#### Classification

The municipality classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through surplus or deficit - designated.

## Accounting Policies

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### 1.7 Financial instruments (continued)

- Held-to-maturity investment.
- Loans and receivables.
- Financial liabilities measured at amortised cost.

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.

#### Initial recognition and measurement

Financial instruments are recognised initially when the municipality becomes a party to the contractual provisions of the instruments.

The municipality classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through surplus or deficit are recognised in surplus or deficit.

#### Subsequent measurement

Financial instruments at fair value through surplus or deficit are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in surplus or deficit for the period.

Net gains or losses on the financial instruments at fair value through surplus or deficit exclude dividends and interest.

Dividend income is recognised in surplus or deficit as part of other income when the municipality's right to receive payment is established.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

## Accounting Policies

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### 1.7 Financial instruments (continued)

#### Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the municipality establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

#### Impairment of financial assets

At each end of the reporting period the municipality assesses all financial assets, other than those at fair value through surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the municipality, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in surplus or deficit - is removed from equity as a reclassification adjustment and recognised in surplus or deficit.

Impairment losses are recognised in surplus or deficit.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in surplus or deficit except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

#### Receivables from exchange transactions

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and receivables.

#### Payables from exchange transactions

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

## Accounting Policies

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### 1.7 Financial instruments (continued)

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

#### Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the municipality's accounting policy for borrowing costs.

#### Derivatives

Derivative financial instruments, which are not designated as hedging instruments, consisting of foreign exchange contracts and interest rate swaps, are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in surplus or deficit.

Changes in the fair value of derivative financial instruments are recognised in surplus or deficit as they arise.

Derivatives are classified as financial assets at fair value through surplus or deficit - held for trading.

#### Held to maturity

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in surplus or deficit when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets that the municipality has the positive intention and ability to hold to maturity are classified as held to maturity.

#### Financial liabilities and equity instruments

Financial liabilities are classified according to the substance of contractual agreements entered into. Trade and other payables are stated at their nominal value. Equity instruments are recorded at the amount received, net of direct issue costs.

#### Gains and losses

A gain or loss arising from a change in a financial asset or financial liability is recognised as follows:

- A gain or loss on a financial asset or financial liability classified as at fair value through surplus or deficit is recognised in surplus or deficit;
- a gain or loss on an available-for-sale financial asset is recognised directly in net assets, through the statement of changes in net assets, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in net assets is recognised in surplus or deficit; and
- for financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, and through the amortisation process.

## Accounting Policies

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### 1.7 Financial instruments (continued)

#### Derecognition

##### Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the municipality retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the municipality has transferred its rights to receive cash flows from the asset and either
  - has transferred substantially all the risks and rewards of the asset, or
  - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the municipality has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the municipality's continuing involvement in the asset.

##### Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in surplus or deficit.

### 1.8 VAT

The City of Matlosana accounts for value-added tax (VAT) on the payment basis.

### 1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

#### Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability. The lease assets are depreciated at appropriate rates as per the relevant policy.

Any contingent rents are expensed in the period in which they are incurred.

#### Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

Income for leases is disclosed under revenue in statement of financial performance.

## Accounting Policies

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### 1.9 Leases (continued)

#### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the expense to the municipality.

### 1.10 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

#### Water Inventory

Water is regarded as inventory when the Municipality purchases water in bulk with the intention to resell it to the consumers or to use it internally, or where the Municipality has incurred purification costs on water obtained from natural resources (rain, rivers, springs, boreholes etc.). However, water in dams, that are filled by natural resources and that has not yet been treated, and is under the control of the Municipality but cannot be measured reliably as there is no cost attached to the water, and it is therefore not recognised in the Statement of Financial Position.

The basis of determining the cost of water purchased and not yet sold at Statement of Financial Position date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventory to its present location and condition, net of trade discounts and rebates. Water is valued by using the weighted average method, at the lowest of purified cost and net realisable value, insofar as it is stored and controlled in reservoirs at year-end.

### 1.11 Impairment of cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

## Accounting Policies

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### 1.11 Impairment of cash-generating assets (continued)

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

### 1.12 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an municipality after deducting all of its liabilities.

### 1.13 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

#### Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

#### Other post retirement obligations

The entity provides post-retirement health care benefit to retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.



## Accounting Policies

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### 1.14 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Leave and bonus accruals :

- liabilities for annual leave and bonus are recognised as they accrue to employees. The liability is based on the total accrued leave days at year end for the leave accrual and the bonus accrual based on the initial inception of the service month.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of a activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

## Accounting Policies

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### 1.14 Provisions and contingencies (continued)

A contingent liability is:

- (a) a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality; or
- (b) a present obligation that arises from past events but is not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
  - the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note .

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, an municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

### 1.15 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

### 1.16 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

## Accounting Policies

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### 1.16 Revenue from exchange transactions (continued)

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

#### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

#### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

#### Interest

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends, or their equivalents are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

## Accounting Policies

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### 1.17 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

#### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

#### Rates, including collection charges and penalties interest

Revenue from rates, including collection charges and penalty interest, is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- there has been compliance with the relevant legal requirements.

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognised are processed or additional rates revenue is recognised.

#### Fines

Revenue from the issuing of fines is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

The municipality has two types of fines: spot fines and summonses. There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. An estimate is made for the revenue amount collected from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses is recognised when the public prosecutor pays over to the entity the cash actually collected on summonses issued.

#### Levies

Levies are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

Levies are based on declarations completed by levy payers. The estimate of levies revenue when a levy payer has not submitted a declaration are based on the following factors:

- the extent and success of procedures to investigate the non-submission of a declaration by defaulting levy payers;
- internal records maintained of historical comparisons of estimated levies with actual levies received from individual levy payers;
- historical information on declarations previously submitted by defaulting levy payers; and
- the accuracy of the database of levy payers as well as the frequency by which it is updated for changes.

Changes to estimates made when more reliable information becomes available are processed as an adjustment to levies revenue.

#### Government grants

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## Accounting Policies

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### 1.17 Revenue from non-exchange transactions (continued)

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality,
- the amount of the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed program may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a reimbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

### Other grants and donations

Other grants and donations are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

### 1.18 Turnover

Turnover comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added taxation.

### 1.19 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

### 1.20 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use of sale.

Borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.21 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

### 1.22 Unauthorised expenditure

Unauthorised expenditure means any expenditure incurred otherwise than in accordance with section 15 or 11(3) of the MFMA and includes :

- overspending of the total amount appropriated in the approved budget;
- overspending of the total amount appropriated for a vote in the approved budget;
- expenditure from a vote unrelated to the department or functional area covered by the vote;
- expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or

## Accounting Policies

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### 1.22 Unauthorised expenditure (continued)

- a grant by the municipality otherwise than in accordance with the act.

### 1.23 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.24 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.25 Use of estimates

The preparation of annual financial statements in conformity with Standards of GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the municipality's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in the relevant sections of the annual financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.

### 1.26 Gratuities

The municipality provides gratuities for qualifying staff members in terms of the relevant conditions of employment. The expenditure is recognised in the statement of financial performance when the gratuity is paid.

### 1.27 Investments

Where the carrying amount of an investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the statement of financial performance.

#### Investments in derivative financial instruments

Derivative financial instruments are initially recorded at cost and are remeasured to fair value at subsequent reporting dates.

Changes in the fair value of derivative financial instruments that are designated and effective as cash flow hedges are recognised directly in accumulated surpluses/(deficits). Amounts deferred in net assets are recognised in the statement of financial performance in the same period in which the hedged firm commitment or forecasted transaction affects net surplus/(deficit).

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the statement of financial performance as they arise.

### 1.28 Segmental information

Segmental information on property, plant and equipment, as well as income and expenditure, is set out in Appendices C and D, based on the International Government Financial Statistics classifications and the budget formats prescribed by National Treasury. The municipality operates solely in its area of jurisdiction as determined by the Demarcation Board.

Segment information is prepared in conformity with the accounting policies applied for preparing and presenting the financial statements.

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Accounting Policies

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### 1.29 Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

### 1.30 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

### 1.31 Retirement benefits

Councillors and employees as well as Council contribute to the following pension and provident funds, which provide retirement benefits to such Councillors and employees:

- Municipal Employees Gratuity Fund.
- Pension Fund for Municipal Councillors.
- National Fund for Municipal Workers.
- SALA Pension Fund.
- SAMWU Provident Fund.
- Municipal Employees Pension Fund.

Council does not operate or are not involved in a guaranteed benefit pension scheme. The above schemes are only based on guaranteed contributions from the side of the employer.

### 1.32 Going concern

These annual financial statements have been prepared on a going concern basis.

### 1.33 Comparative information

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are also reclassified.

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Accounting Policies

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### 1.34 New Standards and Interpretations

Application of all of the GRAP standards listed below will be effective from a date to be announced by the Minister of Finance.

Management has considered all the of the listed GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

- GRAP 18 Segment Reporting.
- GRAP 105 Transfers between entities under common control.
- GRAP 106 Transfers between entities not under common control.
- GRAP 107 Mergers.

## Notes to the Annual Financial Statements

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Figures in Rand

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# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand

### 2. Investment property

	2019			2018		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	256,452,695	-	256,452,695	156,053,942	-	156,053,942

#### Reconciliation of investment property - 2019

	Opening balance	Additions	Disposals	Total
Investment property	156,053,942	101,380,707	(981,954)	256,452,695

#### Reconciliation of investment property - 2018

	Opening balance	Additions	Disposals	Transfers	Total
Investment property	160,179,313	240,000	(3,359,323)	(1,006,048)	156,053,942

#### Pledged as security

No assets have have been pledged as security.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand

### 3. Property, plant and equipment

	2019			2018		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	105,628,204	-	105,628,204	107,267,973	-	107,267,973
Buildings	476,719,913	(229,961,749)	246,758,164	476,707,655	(204,095,736)	272,611,919
Infrastructure	0,614,411,296	(6,524,447,193)	4,089,964,103	0,427,533,891	(6,219,353,907)	4,208,179,984
Community	1,033,772,088	(549,146,343)	484,625,745	1,027,364,992	(497,019,530)	530,345,462
Other property, plant and equipment	179,345,707	(121,780,721)	57,564,986	168,374,774	(115,475,439)	52,899,335
<b>Total</b>	<b>2,409,877,208</b>	<b>(7,425,336,006)</b>	<b>4,984,541,202</b>	<b>2,207,249,285</b>	<b>(7,035,944,612)</b>	<b>5,171,304,673</b>

### Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Depreciation and Impairment	Total
Land	107,267,973	-	(1,639,769)	-	105,628,204
Buildings	272,611,919	29,000	(7,334)	(25,875,421)	246,758,164
Infrastructure	4,208,179,984	205,558,365	(6,048,782)	(317,725,464)	4,089,964,103
Community	530,345,462	7,051,955	(202,343)	(52,569,329)	484,625,745
Other property, plant and equipment	52,899,335	11,378,330	(66,547)	(6,646,132)	57,564,986
	<b>5,171,304,673</b>	<b>224,017,650</b>	<b>(7,964,775)</b>	<b>(402,816,346)</b>	<b>4,984,541,202</b>

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand

### 3. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Depreciation and Impairment	Total
Land	113,870,736	78,085	(6,680,848)	-	107,267,973
Buildings	295,032,073	1,481,166	-	(23,901,320)	272,611,919
Infrastructure	4,391,612,826	162,651,687	(5,556,953)	(340,527,576)	4,208,179,984
Community	588,523,780	6,447,842	(4,931,645)	(59,694,515)	530,345,462
Other property, plant and equipment	58,272,098	3,124,103	(1,142,092)	(7,354,774)	52,899,335
	<b>5,447,311,513</b>	<b>173,782,883</b>	<b>(18,311,538)</b>	<b>(431,478,185)</b>	<b>5,171,304,673</b>

#### Pledged as security

No assets are pledged as security.

#### Reconciliation of Work-in-Progress 2019

	Included within Infrastructure	Included within Buildings	Total
Opening balance	241,546,104	16,678,186	258,224,290
Additions/capital expenditure	206,856,158	2,618,736	209,474,894
Transferred to completed items	(270,740,564)	(601,120)	(271,341,684)
	<b>177,661,698</b>	<b>18,695,802</b>	<b>196,357,500</b>

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
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### 3. Property, plant and equipment (continued)

#### Reconciliation of Work-in-Progress 2018

	Included within Infrastructure	Included within Building	Total
Opening balance	97,727,266	12,225,550	109,952,816
Additions/capital expenditure	162,651,225	8,007,095	170,658,320
Transferred to completed items	(18,832,386)	(3,554,457)	(22,386,843)
	<b>241,546,105</b>	<b>16,678,188</b>	<b>258,224,293</b>

#### Expenditure incurred to repair and maintain property, plant and equipment

##### Repairs and maintenance

The Entity's amount is R 92,597,460 (2017-18 R 86,920,200) for the financial reporting year. In determining the repairs and maintenance amount, the entity has exclusively disclosed amounts charged by service providers.

### 4. Intangible assets

	2019			2018		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	657,949	-	657,949	4,578,555	(3,929,901)	648,654

#### Reconciliation of intangible assets - 2019

	Opening balance	Additions	Total
Computer software	648,654	9,295	657,949

#### Reconciliation of intangible assets - 2018

	Opening balance	Impairment loss	Total
Computer software	4,578,555	(3,929,901)	648,654

#### Other information

### 5. Heritage assets

	2019			2018		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Museum collectable, Monuments and Heritage sites	10,652,211	-	10,652,211	10,652,211	-	10,652,211

#### Reconciliation of heritage assets 2019

	Opening balance	Total
Museum collectable, Monuments and Heritage sites	10,652,211	10,652,211

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
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### 5. Heritage assets (continued)

#### Reconciliation of heritage assets 2018

	Opening balance	Additions	Disposals	Total
Museum collectable, Monuments and Heritage sites	12,698,696	24,000	(2,070,485)	10,652,211

#### Heritage assets which fair values cannot be reliably measured

The following heritage assets cannot be reliably measured: 15 Grave stones/graves, 6 Monuments, 1 railway line bridge, 1 old mine shaft, 1 rock engraving, 1 foundation and 1 rock wall. Fair value cannot be determined reliably due to the uniqueness of the asset and no market exists for the assets to establish a reasonable value.

### 6. Investments

#### At amortised cost

Investments	34,674,893	32,166,298
The municipality has not reclassified any financial assets from amortised cost to fair value or from fair value to amortised during the current or prior year.		

#### Non-current assets

At amortised cost	9,068,846	23,099,799
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#### Current assets

At amortised cost	25,606,047	9,066,499
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#### Financial assets at amortised cost

#### Nominal value of financial assets at cost

Nedcor FK183349	25,000,000	23,099,799
The Nedcor investment is encumbered by a pledge of R3 700 000.		
Sanlam Capital guaranteed fund - 040710409X0	606,047	568,102
Sanlam Capital guaranteed fund - 040644725X0	9,068,846	8,498,397
	<b>34,674,893</b>	<b>32,166,298</b>

### 7. Other receivables

#### Loan to Klerksdorp Rolbalklub

Short term portion of loan	28,139	26,987
Long term portion of loan	56,276	84,415
	<b>84,415</b>	<b>111,402</b>

An existing loan to the Klerksdorp Rolbalklub is being repaid with an interest rate of 5% applicable.

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>8. Inventories</b>		
Consumable stores	47,238,954	42,358,195
Water	2,762,510	2,665,210
Museum stores - at authorised value	85,958	83,196
Unsold properties held for resale at council resolution or municipal valuation	191,860	361,733
	<b>50,279,282</b>	<b>45,468,334</b>
<b>Inventory pledged as security</b>		
No inventory is pledged as security.		
<b>9. Receivables from exchange transactions</b>		
Deposits	-	818,117
Receivables	11,983,242	26,415,780
Market	21,913,544	10,221,337
Housing and housing rentals	1,322,167	1,307,794
Impairment of other receivables	(6,515,848)	(6,019,769)
	<b>28,703,105</b>	<b>32,743,259</b>
<b>Reconciliation of provision for impairment of trade and other receivables</b>		
Opening balance	(6,019,769)	(5,759,435)
Provision for impairment	(496,079)	(260,334)
	<b>(6,515,848)</b>	<b>(6,019,769)</b>
<b>10. Receivables from non-exchange transactions</b>		
Fines	39,350,922	31,847,049
Impairment of fines	(39,350,922)	(31,847,049)
	-	-
<b>Receivables from non-exchange transactions impaired</b>		
As of June 30, 2019, other receivables from non-exchange transactions of R 39,350,922 - (2018: R 31,847,049) were impaired and provided for.		
The amount of the provision was R (39,350,922) as of June 30, 2019 (2018: R 31,847,049).		
<b>Reconciliation of provision for impairment of receivables from non-exchange transactions</b>		
Opening balance	(31,847,049)	(23,037,643)
Provision for impairment	(7,503,873)	(8,809,406)
	<b>(39,350,922)</b>	<b>(31,847,049)</b>
<b>11. VAT receivable</b>		
Value Added Tax	138,693,678	101,015,567

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>12. Consumer debtors</b>		
<b>Gross balances</b>		
Rates	235,144,827	193,366,909
Electricity	337,140,623	324,696,294
Water	1,263,086,181	993,771,795
Sewerage	180,928,774	164,486,795
Refuse	347,686,160	278,217,633
Other Service Charges	116,454,236	51,282,789
Interest on overdue accounts	915,190,848	687,788,374
Value added tax on consumer debtors	302,643,302	238,657,934
	<b>3,698,274,951</b>	<b>2,932,268,523</b>
<b>Less: Allowance for impairment</b>		
Rates	(211,613,758)	(175,195,770)
Electricity	(247,341,509)	(247,510,112)
Water	(1,097,390,407)	(864,020,368)
Sewerage	(162,823,134)	(149,029,587)
Refuse	(312,893,019)	(252,072,872)
Other Service Charges	(104,800,597)	(46,463,625)
Interest on overdue accounts	(823,607,207)	(623,155,294)
Value added tax on consumer debtors	(272,357,624)	(216,230,691)
	<b>(3,232,827,255)</b>	<b>(2,573,678,319)</b>
<b>Net balance</b>		
Rates	23,531,069	18,171,139
Electricity	89,799,114	77,186,182
Water	165,695,774	129,751,427
Sewerage	18,105,640	15,457,208
Refuse	34,793,141	26,144,761
Other Service Charges	11,653,639	4,819,164
Interest on overdue accounts	91,583,641	64,633,080
Value added tax on consumer debtors	30,285,678	22,427,243
	<b>465,447,696</b>	<b>358,590,204</b>
<b>Rates</b>		
Current (0 -30 days)	21,723,029	21,612,275
31 - 60 days	6,812,035	9,019,372
61 - 90 days	4,611,153	6,300,560
91 + days	201,998,610	156,434,702
Provision for bad debts	(211,613,758)	(175,195,769)
	<b>23,531,069</b>	<b>18,171,140</b>
<b>Electricity</b>		
Current (0 -30 days)	105,049,750	97,514,017
31 - 60 days	15,453,166	15,756,745
61 - 90 days	7,868,074	11,515,535
91 + days	208,769,633	199,909,997
Provision for bad debts	(247,341,509)	(247,510,112)
	<b>89,799,114</b>	<b>77,186,182</b>

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>12. Consumer debtors (continued)</b>		
<b>Water</b>		
Current (0 -30 days)	90,726,074	80,599,027
31 - 60 days	30,511,028	33,022,635
61 - 90 days	26,660,006	26,330,963
91 - 120 days	1,115,189,073	853,819,169
Provision for bad debts	(1,097,390,407)	(864,020,368)
	<b>165,695,774</b>	<b>129,751,426</b>
<b>Sewerage</b>		
Current (0 -30 days)	6,161,072	8,403,236
31 - 60 days	4,102,342	4,706,873
61 - 90 days	3,819,202	4,016,928
91 + days	166,846,158	147,359,759
Provision for bad debts	(162,823,134)	(149,029,587)
	<b>18,105,640</b>	<b>15,457,209</b>
<b>Refuse</b>		
Current (0 -30 days)	10,651,699	9,759,750
31 - 60 days	7,885,646	6,964,294
61 - 90 days	7,412,610	6,532,498
91 + days	321,736,205	254,961,091
Provision for bad debts	(312,893,019)	(252,072,872)
	<b>34,793,141</b>	<b>26,144,761</b>
<b>Other Service Charges</b>		
Current (0 -30 days)	10,373,904	6,152,181
31 - 60 days	2,489,929	1,218,124
61 - 90 days	884,043	487,239
91 + days	102,706,360	43,425,158
Provision for bad debts	(104,800,597)	(46,463,625)
	<b>11,653,639</b>	<b>4,819,077</b>
<b>Interest on overdue accounts</b>		
Current (0 -30 days)	26,798,242	22,950,911
31 - 60 days	26,388,584	20,136,173
61 - 90 days	25,707,742	20,362,870
91 - 120 days	836,296,280	624,339,050
Provision for bad debts	(823,607,207)	(623,155,918)
	<b>91,583,641</b>	<b>64,633,086</b>
<b>Value added Tax on consumer</b>		
Current (0 -30 days)	17,424,195	15,765,796
31 - 60 days	8,874,996	8,952,056
61 - 90 days	6,960,707	7,025,014
91 + days	269,383,404	206,915,154
Provision for bad debts	(272,357,624)	(216,230,691)
	<b>30,285,678</b>	<b>22,427,329</b>



# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>12. Consumer debtors (continued)</b>		
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(2,573,678,317)	(2,594,131,809)
Contributions to allowance	(782,432,065)	(663,481,377)
Debt impairment written off against allowance	123,283,127	195,707,900
Reversal of allowance	-	488,226,967
	<b>(3,232,827,255)</b>	<b>(2,573,678,319)</b>

### 13. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	68,500	68,500
Bank balances	1,549,641	30,191,892
Short-term deposits	287,403,223	105,845,484
	<b>289,021,364</b>	<b>136,105,876</b>

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2019	June 30, 2018	June 30, 2017
ABSA Bank - cheque account - 4060008684	389,625	332,392	339,485	389,625	225,880	260,942
ABSA Bank - cheque account - 01000100176	15,862,478	1,112,405	26,404,536	1,266,222	17,545,389	31,863,888
ABSA Bank - cheque account - 950164379 (Council water)	720,680	693,861	1,472,047	(1,786,726)	12,180,244	653,812
ABSA Bank - cheque account - 950000090 (Market)	1,532,203	2,151,346	864,395	1,532,203	92,062	92,062
ABSA Bank - 407826177 - Call Account	36,414,174	37,588,880	400,026	36,414,174	37,982,810	400,026
ABSA Bank - 4081494682 - Call Account	26,647,514	22,930,572	18,704,344	26,647,514	22,930,572	18,704,344
ABSA Bank - 4086111223 - Call Account	54,190,524	25,041,583	24,827,783	54,190,524	25,165,152	24,833,009
ABSA Bank - 4073033854 - Call Account	9,870,223	12,046	1,741,484	9,870,223	12,078	1,741,484
ABSA Bank - 9056825047 - Call Account	9,959,650	8,818,737	46,068	9,959,650	8,860,684	46,068
ABSA Bank - 9074204063 - Call Account	5,220,459	174,519	172,478	5,220,459	174,645	172,478
ABSA Bank - 9090072264 - Call Account	18,173,936	4,693,510	5,865,914	18,173,936	4,704,312	5,865,914
Investec Bank - 30000123771 - Call Account	6,354,116	5,958,203	5,584,257	6,354,116	5,958,203	5,584,257
FNB - 71037411669 - Collateral	45,750	42,797	39,748	45,750	42,797	34,778
NedBank - 03/7881151374 - Call Account	120,512,876	-	-	120,512,876	-	-
FNB - 70379020873 - Collateral	14,000	14,000	14,000	14,000	14,000	14,000
ABSA Bank - call account - 4071085841 (Housing)	147,323	143,968	139,558	148,317	148,317	148,317
<b>Total</b>	<b>306,055,531</b>	<b>109,708,819</b>	<b>86,616,123</b>	<b>288,952,863</b>	<b>136,037,145</b>	<b>90,415,379</b>

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>14. Unspent conditional grants and receipts</b>		
<b>Unspent conditional grants and receipts comprises of:</b>		
<b>Unspent conditional grants and receipts</b>		
Municipal Infrastructure Grant	51,505,143	20,197,218
INEP	9,794,880	183,948
DWAF	276,464	276,464
EPWP	1,105,112	140,567
Fire Grant	557,326	131,963
Library grant	1,828,100	1,795,151
NDPG Grant	22,542,680	43,016
Dr Kenneth Kaunda District Municipality	213,176	213,176
Disaster Assessment Management Grant	200,000	200,000
District Grant	4,581,284	4,581,284
Museum Grant	7,885	7,352
EEDSM	6,905,022	-
	<b>99,517,072</b>	<b>27,770,139</b>
See note 23 for reconciliation of grants from National or Provincial Government.		
<b>15. Other financial liabilities</b>		
<b>At amortised cost</b>		
Shiva Uranium	32,409,664	32,409,664
The loan is interest free and repayable by selling potable water to the company at R0.50 per kilolitre discount to the regular price of potable water pumped.		
Annuity loans	23,623,528	53,053,546
Refer to appendix A for more detail on long-term liabilities.		
Redifine	47,394,749	-
The loan is interest free and is repayable as Redifine is a municipality debtor.		
	<b>103,427,941</b>	<b>85,463,210</b>
<b>Total other financial liabilities</b>	<b>103,427,941</b>	<b>85,463,210</b>
<b>Non-current liabilities</b>		
At amortised cost	98,975,503	71,031,317
<b>Current liabilities</b>		
At amortised cost	4,452,438	14,431,893

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
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### 16. Provisions

#### Reconciliation of provisions - 2019

	Opening Balance	Additions	Utilised during the year	Total
Environmental rehabilitation	116,279,931	7,143,519	-	123,423,450
Continuous medical aid contribution	265,301,348	21,600,991	-	286,902,339
Long service awards	60,790,109	-	(8,756,922)	52,033,187
	<b>442,371,388</b>	<b>28,744,510</b>	<b>(8,756,922)</b>	<b>462,358,976</b>

#### Reconciliation of provisions - 2018

	Opening Balance	Utilised during the year	Total
Environmental rehabilitation	110,498,252	5,781,679	116,279,931
Continuous medical aid contribution	262,713,356	2,587,992	265,301,348
Long service awards	54,680,233	6,109,876	60,790,109
	<b>427,891,841</b>	<b>14,479,547</b>	<b>442,371,388</b>
Non-current liabilities		441,486,708	423,017,406
Current liabilities		20,872,268	19,353,982
		<b>462,358,976</b>	<b>442,371,388</b>

There are uncertainties about timing of the outflows of economic benefits as a result of the provisions above.

There are no expected reimbursement in respect of this provision.

#### Environmental rehabilitation provision

In terms of the licensing of the landfill refuse sites, the municipality will incur rehabilitation costs to restore the site at the end of its useful life. Provision has been made for the net present value of this cost.

#### Assumption used

- The discount rate used of 6.24% is the weighted average cost of capital (WACC) calculated for both the Klerksdorp and Hartbeesfontein landfill sites.
- The annual inflation rate : 4.08%
- The scheduled dates of total closure and rehabilitation are anticipated to be between 2025 and 2028.

#### Employee benefit cost provision

	Year ending 30/06/2020	2019	2018
Opening defined benefit obligation	287,022,505	265,301,348	262,713,356
Plus Service Cost	9,321,683	10,145,842	10,659,447
Plus Interest / Finance Cost	26,152,900	24,626,564	24,597,964
Actuarial (Gain)/Loss	-	(1,179,823)	(21,591,657)
Expected Employer Benefit Payments	(12,499,277)	(11,871,426)	(11,077,762)
	<b>309,997,811</b>	<b>287,022,505</b>	<b>265,301,348</b>

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
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### 16. Provisions (continued)

#### General description of the type of plan

The Municipality offers employees and continuation members the opportunity of belonging to one of several medical schemes, most of which offer a range of options pertaining to levels of cover. Upon retirement, an employee may continue membership of the medical scheme. Upon a member's death-in-service or death-in-retirement, the surviving dependants may continue membership of the medical scheme.

#### The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) are as follows:

Discount rate : 9.31% (2018 :9.56%)

Health care cost inflation rate: 6.79% ( 2018 : 7.86%)

Net effective discount rate: 2.36% (2018 : 1.58%)

Take-up by retired employees : 72% (2018 : 100%)

Retirement age : 62 (2018 : 65)

Proportion assumed married at retirement: 55% (2018: 45%)

Proportion of eligible current non-member employees joining the scheme by retirement 15% (2018: 25%)

Pre retirement mortality : SA85-90 Light (2018 : SA85-90 Light)

Post retirement mortality : PA[90] (2018 : PA[90])

#### Sensitivity Analysis

The table below indicates, for example, that if medical inflation is 1% greater than the long-term assumption made, the liability will be 16% higher than that shown.  
(R millions)

Assumption	Change	Eligible Employees	Continuation members	Total	% change
<b>Central assumptions</b>		141.188	145.835	287.023	
<b>Health care inflation rate</b>	+1%	171.848	160.076	331.924	16%
	- 1%	117.156	133.503	250.660	-13%
<b>Discount rate</b>	+1%	117.839	133.871	251.709	-12%
	-1%	171.363	159.861	331.224	15%
<b>Post-employment mortality</b>	-1 yr	145.373	151.457	296.830	3%

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

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### 16. Provisions (continued)

<b>Average retirement age</b>	-1 yr	152.456	145.835	298.290	4%
<b>Continuation of membership at retirement</b>	-10%	113.039	145.835	258.874	-10%

### Sensitivity Analysis Continued

The table below summarises the results of this analysis on the Current-service and Interest Costs for the year ending 30 June 2019.  
(R millions)

<b>Assumption</b>	<b>Change</b>	<b>Current-Svc. Cost</b>	<b>Interest Cost</b>	<b>Total</b>	<b>% change</b>
<b>Central assumptions</b>		10,145,800	24,626,600	34,772,400	
<b>Health care inflation rate</b>	+1%	12,708,600	28,643,400	41,352,000	19%
	- 1%	8,166,800	21,366,600	29,533,400	-15%
<b>Discount rate</b>	+1%	8,291,500	23,709,300	32,000,800	-8%
	-1%	12,562,200	25,584,400	38,146,600	10%
<b>Post-employment mortality</b>	-1 yr	10,505,800	25,583,100	36,088,900	4%
<b>Average retirement age</b>	-1 yr	10,932,300	25,878,300	36,810,600	6%
<b>Continuation of membership at retirement</b>	-10%	8,804,200	22,919,400	31,723,600	-9%

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

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### 16. Provisions (continued)

#### History of Liabilities, Assets and Experience Adjustments

The table below summarises the accrued liabilities and the plan assets for the current period and the previous four periods

History of liabilities and assets (R millions)

Liability history	30/06/2016	30/06/2017	30/06/2018	30/06/2019
Accrued liability	273.032	262.713	265.301	287.023
Fair value of plan asset	0.000	0.000	0.000	0.000
<b>Surplus / (Deficit)</b>	<b>(273.032)</b>	<b>(262.713)</b>	<b>(265.301)</b>	<b>(287.023)</b>

The table below summarises the experience adjustments for the current period and the previous four periods. Experience adjustments are the effects of differences between the previous actuarial assumptions and what has actually occurred.

History of experience adjustments: Gains and Losses (R millions)

Experience adjustments	Year ending 30/06/2017	Year ending 30/06/2018	Year ending 30/06/2019
Liabilities: (Gain) / Loss	(4.244)	(4.015)	(6.904)
Assets: Gain / (Loss)	0.000	0.000	0.000

#### Provision for Long Service Awards

	Year ending 30/06/2020	2019	2018
Opening defined benefit obligation	52,033,187	60,790,109	54,680,233
Plus Service Cost	4,382,262	5,022,754	4,714,850
Plus Interest / Finance Cost	3,886,985	4,912,835	4,465,584
Actuarial (Gain)/Loss	-	(11,209,955)	1,579,823
Expected Employer Benefit Payments	(8,372,991)	(7,482,556)	(4,650,381)
	<b>51,929,443</b>	<b>52,033,187</b>	<b>60,790,109</b>

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

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### 16. Provisions (continued)

#### General description of the type of plan

The Municipality operates an unfunded defined benefit plan for all its employees whereby the Municipality offers employees Long Service Awards for every five years of service completed, from ten years of service to 45 years of service. Under the plan, a Long-service Award is payable after 10 years of continuous service,

#### Principal assumptions used as at the balance sheet date

Discount Rate: 8.11% (2018: 8.60%)

Cost Inflation Rate: 5.53% (2018: 6.20%)

Net Effective Discount Rate: 2.44% (2018 :2.26%)

Expected Retirement Age: 62 (2018:65)

Mortality during employment: SA85-90 Light (2018 : SA85-90 Light)

#### Sensitivity Analysis

The table below summarises the results of the sensitivity analysis.

Sensitivity Analysis on the Unfunded Accrued Liability (in R Millions)

Assumption	Change	Liability	% change
<b>Central assumptions</b>		52.033	
<b>General earnings inflation</b>	+1%	55.177	6%
	-1%	49.170	-6%
<b>Discount rate</b>	+1%	49.037	-6%
	-1 yr	55.383	6%
<b>Average retirement age</b>	-2 yrs	46.346	-11%
	+2 yrs	57.073	10%

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

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### 16. Provisions (continued)

<b>Withdrawal rates</b>	-50%	58.774	13%
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The table below summarises the results of this analysis on the Current-service and Interest Costs for the year ending 30 June 2019.

<b>Assumption</b>	<b>Change</b>	<b>Current-Svc. Cost</b>	<b>Interest Cost</b>	<b>Total</b>	<b>% change</b>
<b>Central assumptions</b>		5,022,800	4,912,800	9,935,600	
<b>General earnings inflation rate</b>	+1%	5,443,700	5,264,800	10,708,500	8%
	- 1%	4,647,700	4,595,400	9,243,100	-7%
<b>Discount rate</b>	+1%	4,679,000	5,116,300	9,795,300	-1%
	-1%	5,414,200	4,670,300	10,084,500	1%
<b>Average retirement age</b>	-2 yrs	4,627,600	4,464,000	9,091,600	-8%
	+2 yrs	5,396,400	5,370,900	10,767,300	8%
<b>Withdrawal rates</b>	-50%	5,952,900	5,516,600	11,469,500	15%

### History of Liabilities, Assets and Experience Adjustments.

The table below summarises the accrued liabilities and the plan assets for the current period and the previous periods.

<b>Liability history</b>	<b>30/06/2015</b>	<b>30/06/2016</b>	<b>30/06/2017</b>	<b>30/06/2018</b>	<b>30/06/2019</b>
Accrued liability	50,676,361	52,050,287	54,680,233	60,790,109	52,033,187
Plan asset	0	0	0	0	0



# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand 2019 2018

### 16. Provisions (continued)

<b>Surplus / (Deficit)</b>	<b>(50,676,361)</b>	<b>(52,050,287)</b>	<b>(54,680,233)</b>	<b>(60,790,109)</b>	<b>(52,033,187)</b>
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History of experience adjustments: Gains and Losses (R millions)

	<b>Year ending 30/06/2015</b>	<b>Year ending 30/06/2016</b>	<b>Year ending 30/06/2017</b>	<b>Year ending 30/06/2018</b>	<b>Year ending 30/06/2019</b>
Liabilities: (Gain) / Loss	1,926,986	(1,279,435)	1,255,495	2,467,601	(1,902,266)
Assets: Gain / (Loss)	0	0	0	0	0

### 17. Payables from exchange transactions

Trade payables	824,622,176	725,774,642
Payments received in advanced	58,864,842	50,203,353
Accrued leave pay	98,079,989	83,361,810
Long service leave	-	4,276,338
Sundry creditors	146,081,081	39,212,949
Housing : Absa bank account	148,317	148,317
Other Creditors	-	2,070
Department of Local Government and Human Settlements	179,355,036	-
	<b>1,307,151,441</b>	<b>902,979,479</b>

The amount payable to the Department of Local Government and Human Settlements relate to monies received for housing projects for which City of Matlosana is an implementing agent.

### 18. Consumer deposits

Water and Electricity	33,345,165	29,941,387
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### 19. Service charges

Sale of electricity	751,770,651	678,389,771
Sale of water	572,664,917	510,685,223
Sewerage and sanitation charges	112,025,166	98,497,155
Refuse removal	141,312,635	120,242,960
	<b>1,577,773,369</b>	<b>1,407,815,109</b>

### 20. Other revenue

Agency Fees	12,459,649	10,743,585
Connections and Reconnection fees	16,325,153	2,235,249
Rental income	1,465,315	387,906
Insurance Fees	929,939	297,101
Recoveries	-	261,127
Other income	14,784,552	17,004,487
	<b>45,964,608</b>	<b>30,929,455</b>

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>21. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	21,171,044	1,070,335
Interest charged on trade and other receivables	284,309,353	220,169,996
Interest on investments	-	10,588,115
	<b>305,480,397</b>	<b>231,828,446</b>
<b>22. Property rates</b>		
<b>Rates received</b>		
Residential	157,734,249	285,066,730
State	167,393,515	19,205,915
Indigent	-	(10,255,985)
Sundry debtors	-	38,055
	<b>325,127,764</b>	<b>294,054,715</b>
<b>Valuations</b>		
Residential	16,826,761,591	16,405,784,527
State	970,593,203	755,388,200
Municipal	673,655,590	878,951,293
Agricultural	1,504,967,900	1,489,815,300
Business	4,737,567,224	4,911,868,544
	<b>14,713,545,508</b>	<b>14,441,807,864</b>

Valuations on land and buildings are performed every 4 years however council sought an extension to 7years. The last general valuation came into effect on 1 July 2014. The valuations were done by DDP Valuers on behalf of the Municipality.

The new general valuation will be implemented on 01 July 2020.

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
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### 23. Government grants and subsidies

#### Operating grants

Equitable share	392,856,000	354,377,071
National: Expanded Public Works Program Grant (EPWP)	931,888	2,107,899
Financial Management Grant (FMG)	2,215,000	2,145,000
Library Grant	683,051	1,186,658
Museum Grant	199,467	-
	<b>396,885,406</b>	<b>359,816,628</b>

#### Capital grants

Municipal Infrastructure Grant (MIG)	88,381,075	108,795,860
Integrated National Electrification Programme Grant (INEP)	12,205,120	20,363,974
Neighbourhood Development Partnership Grant (NDPG)	52,457,320	48,740,134
Fire Grant	52,389	123,220
Water Services Infrastructure Grant	17,000,000	-
Energy Efficiency Demand Side Grant (EEDS)	94,978	-
	<b>170,190,882</b>	<b>178,023,188</b>
	<b>567,076,288</b>	<b>537,839,816</b>

#### Municipal Infrastructure Grant

Balance unspent at beginning of year	20,197,218	166,085
Current-year receipts	119,689,000	130,041,000
Conditions met - transferred to revenue	(88,381,075)	(109,843,782)
Other	-	(166,085)
	<b>51,505,143</b>	<b>20,197,218</b>

Conditions still to be met - remain liabilities (see note 14).

The purpose of this grant is to provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor house holds, micro enterprise and social institutions servicing poor communities.

#### Integrated National Electrification Programme Grant (INEP)

Balance unspent at beginning of year	183,948	1,068,976
Current-year receipts	22,000,000	19,500,000
Conditions met - transferred to revenue	(12,205,120)	(19,316,052)
Roll over denied	(183,948)	(1,068,976)
	<b>9,794,880</b>	<b>183,948</b>

Conditions still to be met - remain liabilities (see note 14).

The purpose of the grant it to implement the Integrated National Electrification Programme by providing capital subsidies to municipalities to address the electrification backlog of all existing and planned residential dwellings and the installation of relevant bulk infrastructure.

#### Financial Management Grant

Balance unspent at beginning of year	-	6,010
Current-year receipts	2,215,000	2,145,000
Conditions met - transferred to revenue	(2,215,000)	(2,145,000)
Other	-	(6,010)
	<b>-</b>	<b>-</b>

Conditions still to be met - remain liabilities (see note 14).

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
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### 23. Government grants and subsidies (continued)

The purpose of the grant is to promote and support reforms in financial management by building capacity in municipalities to implement the municipal finance management act.

#### DWAF

Balance unspent at beginning of year	276,464	276,464
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Conditions still to be met - remain liabilities (see note 14).

The purpose of the grant is to provide water to support economical, social and environmental sectors.

#### EPWP

Balance unspent at beginning of year	140,567	2,466
Current-year receipts	2,037,000	2,246,000
Conditions met - transferred to revenue	(931,888)	(2,107,899)
Roll over denied	(140,567)	-
	<b>1,105,112</b>	<b>140,567</b>

Conditions still to be met - remain liabilities (see note 14).

Provide explanations of conditions still to be met and other relevant information.

#### Fire

Balance unspent at beginning of year	131,963	255,183
Current-year receipts	477,752	-
Conditions met - transferred to revenue	(52,389)	(123,220)
	<b>557,326</b>	<b>131,963</b>

Conditions still to be met - remain liabilities (see note 14).

Provide explanations of conditions still to be met and other relevant information.

#### Library

Balance unspent at beginning of year	1,795,151	1,781,810
Current-year receipts	716,000	1,200,000
Conditions met - transferred to revenue	(683,051)	(1,186,659)
	<b>1,828,100</b>	<b>1,795,151</b>

Conditions still to be met - remain liabilities (see note 14).

Provide explanations of conditions still to be met and other relevant information.

#### NDPG Grant

Balance unspent at beginning of year	43,016	28,150
Current-year receipts	75,000,000	48,755,000
Conditions met - transferred to revenue	(52,457,320)	(48,740,134)
Roll over denied	(43,016)	-
	<b>22,542,680</b>	<b>43,016</b>

Conditions still to be met - remain liabilities (see note 14).

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>23. Government grants and subsidies (continued)</b>		
Provide explanations of conditions still to be met and other relevant information.		
<b>District MEYMP</b>		
Balance unspent at beginning of year	213,176	213,176
Conditions still to be met - remain liabilities (see note 14).		
The purpose of the grant is to fund small-scale, short-term activities that address needs in your community and communities abroad. Each district chooses which activities it will fund with these grants.		
<b>Disaster Assessment Management Grant</b>		
Balance unspent at beginning of year	200,000	200,000
Conditions still to be met - remain liabilities (see note 14).		
The purpose the grant is to ensure that sufficient funds are available in the event of disasters.		
<b>District Grant</b>		
Balance unspent at beginning of year	4,581,284	4,581,284
Conditions still to be met - remain liabilities (see note 14).		
The purpose of the grant is to fund small-scale, short-term activities that address needs in your community and communities abroad. Each district chooses which activities it will fund with these grants.		
<b>Museum Grant</b>		
Balance unspent at beginning of year	7,352	7,352
Current-year receipts	200,000	-
Conditions met - transferred to revenue	(199,467)	-
	<b>7,885</b>	<b>7,352</b>
Conditions still to be met - remain liabilities (see note 14).		
The purpose of the grant is to enable museums to focus on excellence in their programs and operations and to contribute to the understanding of the world and our place in it - our past, our present, and our future.		
<b>WSIG</b>		
Current-year receipts	17,000,000	-
Conditions met - transferred to revenue	(17,000,000)	-
	<b>-</b>	<b>-</b>
Conditions still to be met - remain liabilities (see note 14).		
Provide explanations of conditions still to be met and other relevant information.		
<b>EEDSM</b>		
Current-year receipts	7,000,000	-
Conditions met - transferred to revenue	(94,978)	-
	<b>6,905,022</b>	<b>-</b>

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
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### 23. Government grants and subsidies (continued)

Conditions still to be met - remain liabilities (see note 14).

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# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>24. Employee related costs</b>		
Basic	375,526,939	352,403,141
Medical aid - company contributions	46,587,675	44,750,182
UIF	3,435,476	3,425,012
WCA	2,621,246	2,572,648
Other payroll levies	4,760,235	4,764,013
Leave pay provision charge	10,441,841	8,429,038
Defined contribution plans	21,600,991	2,587,992
Travel, motor car, accommodation, subsistence and other allowances	11,600,059	10,033,657
Overtime payments	47,872,425	39,481,305
Long-service awards	(8,756,922)	6,109,876
13th Cheques	29,132,318	27,284,170
Housing benefits and allowances	6,524,054	2,254,028
Group Insurance	-	1,498,359
Pension Fund	75,533,858	69,124,734
Leave	7,494,842	4,080,354
Cellphone allowance	985,575	638,869
Share-based payment	-	24,747
	<b>635,360,612</b>	<b>579,462,125</b>

### Remuneration of municipal manager

Annual Remuneration	1,097,883	1,017,666
Car and other allowances	326,564	272,160
Contributions to UIF, Medical and Pension Funds	3,569	61,650
	<b>1,428,016</b>	<b>1,351,476</b>

TSR Nkhumise acted as a Municipal Manager from October 2016 to April 2017, he was then appointed as a Municipal Manager from May 2017 to date.

### Remuneration of chief finance officer

Annual Remuneration	565,805	922,467
Car and other allowance	115,614	144,000
Leave pay out	64,796	-
Contributions to UIF, Medical and Pension Funds	2,082	30,561
	<b>748,297</b>	<b>1,097,028</b>

The Chief Finance Officer MKG Ramorwesi was appointed in March 2017 and resigned on 31 January 2019.

### Remuneration of acting chief finance officer

Annual Remuneration	221,451	-
Car Allowance and other allowances	122,803	-
Contributions to UIF, Medical and Pension Funds	70,457	-
	<b>414,711</b>	<b>-</b>

MS TO Sekgala was the acting chief financial officer from February 2019.

### Remuneration of director public safety

Annual Remuneration	1,107,680	445,987
Contributions to UIF, Medical and Pension Funds	105,832	11,106
	<b>1,213,512</b>	<b>457,093</b>

LJ Nkhumane was appointed as Director Public Safety from February 2018 to date.

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
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### 24. Employee related costs (continued)

#### Remuneration of acting director of local economic development

Annual Remuneration/ Annual equivalent remuneration	436,464	537,043
Car Allowance and other allowance	175,243	238,791
Contributions to UIF, Medical and Pension Funds	210,211	168,166
	<b>821,918</b>	<b>944,000</b>

AK Khuzwayo have been acting as the director of local economic development.

#### Remuneration of director of local economic development

Annual Remuneration	325,088	-
Car Allowance	53,357	-
Contributions to UIF, Medical and Pension Funds	13,521	-
	<b>391,966</b>	<b>-</b>

LL Fourie was appointed as the director of local economic development from the 1st of March 2019 to date.

#### Remuneration of acting director strategic planning and human settlement

Annual Remuneration	396,883	542,541
Car and other allowances	245,694	326,710
Contributions to UIF, Medical and Pension Funds	188,753	154,101
	<b>831,330</b>	<b>1,023,352</b>

P Phala has been acting as the director of strategic planning and human settlement.

#### Remuneration of director strategic planning and human settlement

Annual Remuneration	378,835	-
Car Allowance	80,000	-
Contributions to UIF, Medical and Pension Funds	1,190	-
	<b>460,025</b>	<b>-</b>

BB Choche has been appointed as the director of strategic planning and human settlement from the 1st of March 2019..

#### Remuneration of director infrastructure

Annual Remuneration	1,214,221	397,093
Car and other allowance	161,560	60,000
Contributions to UIF, Medical and Pension Funds	3,569	-
	<b>1,379,350</b>	<b>457,093</b>

R Madimutsa has been appointed as director infrastructure from February 2018 to date.

#### Remuneration of director community services

Annual Remuneration	934,811	370,926
Car and other allowance	147,805	60,000
Contributions to UIF, Medical and Pension Funds	184,699	26,168
	<b>1,267,315</b>	<b>457,094</b>

MM Molawa was appointed as director community development from February 2018 to date.



# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>25. Remuneration of councillors</b>		
Executive Mayor	1,048,918	1,012,408
Mayoral Committee Members	9,203,798	9,190,862
Speaker	846,700	828,643
Councillors	23,373,507	22,149,926
	<b>34,472,923</b>	<b>33,181,839</b>

### In-kind benefits

The Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Mayor has the use of a Council owned vehicle for official duties.

The Executive Mayor has one full-time bodyguard\driver.

### Remuneration of Executive Mayor - ME Kgaile

Annual Remuneration	656,561	638,825
Councillors pension contributions	96,274	69,895
Cellphone Allowance	44,400	38,400
Other allowances	-	29,048
Travel Allowance	251,682	236,240
	<b>1,048,917</b>	<b>1,012,408</b>

ME Kgaile became a mayor from August 2016 to date.

### Remuneration of Speaker - RW Ntozini

Annual Remuneration	507,969	477,387
Councillors pension contributions	75,704	71,308
Cellphone Allowance	44,400	38,400
Medical aid contributions	17,280	17,280
Travel allowance	201,345	188,992
Other allowances	-	35,276
	<b>846,698</b>	<b>828,643</b>

### Remuneration of the Cheif Whip - MV Chinga

Annual Remuneration	492,420	-
Councillors pension contributions	72,205	-
Cellphone Allowance	44,400	-
Travel allowance	188,761	-
	<b>797,786</b>	<b>-</b>

RW Ntozini became a speaker from August 2016 to date

### Remuneration of Councillors and Mayoral Committee Members

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>25. Remuneration of councillors (continued)</b>		
Annual Remuneration	19,268,301	18,752,329
Councillors pension contributions	1,568,090	1,373,362
Cellphone allowance	3,274,500	2,655,000
Medical aid contributions	326,922	302,005
Travel allowance	7,068,732	6,809,231
Other allowances	-	1,448,862
	<b>31,506,545</b>	<b>31,340,789</b>
<b>26. Depreciation and amortisation</b>		
Property, plant and equipment	402,816,346	435,408,303
<b>27. Finance costs</b>		
Non-current borrowings	5,200,945	7,064,268
Other interest paid	67,535,426	38,762,013
	<b>72,736,371</b>	<b>45,826,281</b>
<b>28. Debt impairment</b>		
Debt impairment	496,079	260,335
Contributions to debt impairment provision	721,875,992	616,751,192
	<b>722,372,071</b>	<b>617,011,527</b>
<b>29. Bulk purchases</b>		
Electricity	673,365,154	467,670,362
Water	320,845,465	286,592,258
	<b>994,210,619</b>	<b>754,262,620</b>
Electricity (losses in units)	148,210,722	79,382,975
Electricity (losses as %)	26%	16%
Water (losses in units)	14,038,954	12,560,100
Water (losses) in %	41%	39%
Electricity and water are supplied by Eskom and Midvaal Water Company.		
The municipality is in the process of installing meters at all its premises to enable us to accurately measure and manage own use. A strategy has been developed to minimise distribution losses and it will be implemented over time due to budget constraints.		
<b>30. Contracted services</b>		
Security Services	28,275,372	25,433,793
Other Contractors	17,729,418	13,741,223
	<b>46,004,790</b>	<b>39,175,016</b>

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>31. General expenses</b>		
Advertising	1,205,487	810,351
Auditors remuneration	6,016,853	3,537,187
Bank charges	14,411,888	8,021,250
Chemicals	-	485,363
Cleaning	55,348	217,182
Commission paid	12,670,397	15,905,992
Community development and training	1,532,211	281,034
Conferences and seminars	-	1,102,146
Consulting and professional fees	13,128,297	17,984,009
Consumables	17,809,896	1,748,890
Discount allowed	1,146,683	751,772
Entertainment	4,562,625	316,760
Gifts	-	53,126
Hire	-	9,151,751
Inventory write downs	305,428	1,574,739
Indigent costs	17,389,389	15,262,287
Insurance	6,256,176	8,381,879
Landfill site provision	-	5,781,679
Magazines, books and periodicals	-	100,926
Marketing	1,414,573	268,116
Medical expenses	219,258	1,181
Meter readings	8,071,423	8,344,793
Motor vehicle expenses	21,870,750	41,202,715
Other miscellaneous	19,347,414	27,485,126
Profit and Loss on Disposal	9,116,606	23,675,403
Pest control	-	828,000
Postage and courier	4,042,327	4,496,762
Printing and stationery	3,845,653	2,382,571
Professional Fees	13,160,163	11,032,727
Promotions	-	122,547
Promotions and sponsorships	-	78,700
Protective clothing	3,429,760	2,659,871
Refuse	7,143,519	6,667,061
Revenue enhancement	-	99,482
Royalties and license fees	1,240,810	3,815
Subscriptions and membership fees	2,563,815	2,449,547
Telephone and fax	6,203,262	6,251,237
Title deed search fees	337,504	377,678
Training	2,816,238	2,895,889
Transport and freight	410,484	-
Travel - local	-	335,245
	<b>201,724,237</b>	<b>233,126,789</b>
<b>32. Auditors' remuneration</b>		
Fees	6,016,853	3,537,187

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>33. Cash generated from operations</b>		
Deficit	(299,954,683)	(299,667,430)
<b>Adjustments for:</b>		
Depreciation and amortisation	402,816,346	435,408,303
Non cash donations	(102,062,838)	-
Debt impairment	722,372,071	617,011,527
Profit on Disposal of Assets	-	(1,314,526)
Loss on disposal of assets	9,116,604	23,675,403
Movements in provisions	19,987,584	14,479,547
Movement in leave accrual	10,441,841	(14,932,787)
Leave provision	-	8,429,038
Stock Adjustment	(4,576,170)	1,574,739
Wild stock adjustment	(400,035)	(275,653)
<b>Changes in working capital:</b>		
Inventories	(404,650)	(8,974,619)
Receivables from exchange transactions	(3,959,797)	(22,639,873)
Consumer debtors	(821,229,611)	(690,020,178)
Other receivables	26,987	26,062
Payables from exchange transactions	393,730,122	187,734,127
VAT	(37,678,111)	(55,659,406)
Unspent conditional grants and receipts	71,746,933	19,183,183
	<b>359,972,593</b>	<b>214,037,457</b>

## 34. Financial instruments disclosure

### Categories of financial instruments

#### 2019

#### Financial assets

	At amortised cost	Total
Other financial assets	34,674,893	34,674,893
Trade and other receivables from exchange transactions	28,703,105	28,703,105
Consumer debtors	465,447,696	465,447,696
Cash and cash equivalents	289,021,364	289,021,364
Deposits	17,572,207	17,572,207
Other receivables	85,415	85,415
	<b>835,504,680</b>	<b>835,504,680</b>

#### Financial liabilities

	At amortised cost	At cost	Total
Other financial liabilities	103,427,941	-	103,427,941
Trade and other payables from exchange transactions	-	1,307,151,442	1,307,151,442
Consumer deposits	-	33,345,165	33,345,165
Unspent conditional grants and receipts	-	99,517,072	99,517,072
	<b>103,427,941</b>	<b>1,440,013,679</b>	<b>1,543,441,620</b>

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
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### 34. Financial instruments disclosure (continued)

#### 2018

##### Financial assets

	At amortised cost	Total
Other financial assets	32,166,298	32,166,298
Trade and other receivables from exchange transactions	32,743,259	32,743,259
Consumer debtors	358,590,205	358,590,205
Cash and cash equivalents	136,154,315	136,154,315
Deposits	15,000,000	15,000,000
Other receivables	111,402	111,402
	<b>574,765,479</b>	<b>574,765,479</b>

##### Financial liabilities

	At amortised cost	At cost	Total
Other financial liabilities	85,463,210	-	85,463,210
Trade and other payables from exchange transactions	-	904,850,933	904,850,933
Consumer deposits	-	29,941,387	29,941,387
Unspent conditional grants and receipts	-	27,770,139	27,770,139
	<b>85,463,210</b>	<b>962,562,459</b>	<b>1,048,025,669</b>

### 35. Commitments

#### Authorised capital expenditure

##### Already contracted for but not provided for

• Infrastructure	507,001,739	292,835,001
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##### This expenditure will be financed from :

Government grants	507,001,739	292,835,001
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#### Authorised operational expenditure

This committed expenditure relates to property, plant and equipment and will be financed by grants from National Treasury.

#### Operating leases - as lessee (expense)

##### Minimum lease payments due

- within one year	4,100,275	8,780,498
- in second to fifth year inclusive	32,802,203	-
	<b>36,902,478</b>	<b>8,780,498</b>

Operating lease payments represent rentals payable by the municipality for photocopiers and refuse trucks. Leases are negotiated for an average term of three years. No contingent rent is payable.

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
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### 36. Related parties

#### Relationships

Accounting Officer	Refer to accounting officer's report note
Members of key management	Refer to note 24 and 25
Councillor PN Moeng	Titanic Funeral Services
Councillor SOC Barends	Neo Ya Rona Trading Enterprise
Councillor MI Groenewald	Midvaal Water Company

Councillor Groenewald is a member of the board of directors of the Midvaal Water Company ( a section 21 company ) who supply bulk water to the City of Matlosana. Water purchased from Midvaal Water Company amounted to R 320 189 333 (2017-18:R286 592 258), amount paid amounted to R 269 537 152 (2017-18: 176 122 137) and the balance due as at year ended amounted to R407 909 991 (2017-18:309 545 991). Midvaal Water Company is a supplier and the transactions are at arm's length.

Councillors Moeng is a member of Titanic Funeral Services and the amount contracted for the year amounted to R0 ( R13 250).

Councillor Barends is a related party of Ya Rona Karona Trading Enterprise and the amount contracted for the year amounted to R0 (2018:R24 200).

#### Remuneration of Mayoral Committee members and councillors

	Total (R)
Executive Mayor	1,048,918
Mayoral Committee Members	9,203,798
Speaker	846,700
Councillors	23,373,507
	<b>34,472,923</b>

#### Remuneration of key management

Key management title	Official name	Total
Municipal Manager	TSR Nkhumise	R 1,428,016
Chief finance officer	MKG Ramorwesi resigned on 31 January 2019	R 748,297
	TO Sekgala actin from February 2019 to date	R 414,711
Director Public Safety	LJ Nkhumane	R 1,213,512
Director Economic Development	AK Khuzwayo acting term ended February 2019	R 821,918
	LL Fourie appointed March 2019	R 391,966
Director Strategic planning and human settlement	P Phala acting term ended February 2019	R 831,330
	BB Choche appointed March 2019	R 460,025
Director Infrastructure	R Madimutsa	R 1,379,350
Director community services	MM Molawa	R 1,267,315

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
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### 37. Change in estimate

#### Property, plant and equipment

The municipality did not receive any new information or notice of new developments during the financial year that need to be disclosed in terms of GRAP 3.

#### 37.1 Depreciation Expenditure:

The residual values, estimated useful lives were reviewed at 30 June 2019. Adjustments to the residual values and useful lives affect the amount of provision for the current year and is expected to affect future periods as well. The adjustments are as follows:

#### Statement of financial performance

Increase / (Decrease) in Depreciation due to adjustments to Useful Lives of PPE	(757,778)	-
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Increase / (Decrease) in Depreciation of PPE	<u>(757,778)</u>	-
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#### Statement of Financial Performance

Depreciation as previously stated	816,321	-
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Adjustment due to Change in Accounting Estimate	58,543	-
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Depreciation as per note 3	<u>(757,778)</u>	-
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### 38. Prior period errors

Error 1: In the prior year the opening balance for the following assets was discovered to have been misstated due to omissions and additions made on the fixed asset register: Infrastructure was understated by R5 951 456, Building was overstated by R 895 736, Community Assets were overstated by R19 745 715, Other assets (Movables) were overstated by R 2 113 557, Heritage Assets were overstated by R2 070 485.

Error 2: In 2017 the Value Added Tax was understated by R 2 302 491 due to errors in processing the supplier invoices in prior periods, and in 2018 General expenses were overstated by R1 044 426 while VAT receivable was understated by the same due to processing errors.

Error 3: In the prior year retentions were overstated by R 1 871 454 due to incorrect accounting as they were not accounted for properly.

Error 4: In the prior year cash and cash equivalent was overstated by R 48 439 as a result of an FNB bank account recorded and accounted as a municipality bank account and the bank account did not belong to the municipality.

Error 5: In the prior year depreciation, impairment and amortisation was understated by R 617 228 due to errors identified in property, plant and equipment.

Error 6: In the prior year general expenditure was understated by R 2 070 490 as a result of incorrect calculation of profit or (loss) on disposal of Heritage assets.

Error 7: In the 2016/17 financial year, the amount disclosed as Irregular expenditure was overstated by R1 267 841 due to duplication of transactions. In the 2017/18 financial year the irregular expenditure was understated by R7 563 050 as a result of procurements which were not approved by the correctly delegated official, non declaration of interest or false declarations by other service providers, and a transversal tender (Vodacom) that was deemed irregular during the audit.

Error 8: In 2018, the amount disclosed as Fruitless and wasteful expenditure was understated by R262 594 due to non disclosure of avoidable expenditure and acting allowance paid during 2017/18 to SCM officials.

Error 9: In the prior years the free basic services for electricity was classified under general expenditure and after management's review it was decided that it would be more appropriate to classify this amount under the service charges. Consequently general expenditure was overstated by R22 829 668 while revenue was overstated by the same.

The correction of the error(s) results in adjustments as follows:

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>38. Prior period errors (continued)</b>		
<b>Effect of errors on Accumulated Surplus</b>		
Increase in Accumulated Surplus due to error 1	-	19,745,715
Increase in Accumulated Surplus due to error 2	-	2,218,334
Decrease in Accumulated Surplus due to error 4	-	(48,439)
<b>Cash flow statement</b>		
<b>Cash flow from operating activities</b>		
Increase in amount paid to suppliers due to errors 2 and 3	-	(827,041)
Increase in VAT paid due to error 2	-	(1,128,583)
	-	<b>(1,955,624)</b>
<b>Cash flow from investing activities</b>		
Decrease on purchase of property plant and equipment due to error 1	-	1,955,624

### 39. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:



# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018		
<b>39. Prior-year adjustments (continued)</b>				
<b>Statement of financial position</b>				
<b>2018</b>				
	<b>Note</b>	<b>As previously reported</b>	<b>Correction of error</b>	<b>Restated</b>
Property Plant and Equipment Error 1		5,154,501,581	16,803,336	5,171,304,917
Heritage assets Error 1		12,722,696	(2,070,485)	10,652,211
Value Added Tax Error 2		97,668,650	3,346,917	101,015,567
Payables from exchange transactions Error 3		(904,850,933)	1,871,454	(902,979,479)
Cash and cash equivalents Error 4		136,154,315	(48,439)	136,105,876
		<b>4,496,196,309</b>	<b>19,902,783</b>	<b>4,516,099,092</b>

### Statement of financial performance

**2018**

	<b>Note</b>	<b>As previously reported</b>	<b>Correction of error</b>	<b>Restated</b>
Depreciation and Impairment Error 5		(434,791,075)	(617,288)	(435,408,363)
General expenditure Error 6 & 9		(254,930,393)	21,803,604	(233,126,789)
Services Charges		1,430,644,777	(22,829,668)	1,407,815,109
<b>Surplus for the year</b>		<b>740,923,309</b>	<b>(1,643,352)</b>	<b>739,279,957</b>

### Reclassifications

The following reclassifications adjustment occurred:

#### Reclassification

Donations received were reclassified in the current year from Revenue from exchange transactions to Revenue from non - exchange transactions.

### 40. Risk management

#### Capital risk management

The municipality's objectives when managing capital are to safeguard the municipality's ability to continue as a going concern in order to provide services for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the municipality consists of debt, which includes the borrowings disclosed in notes 15, cash and cash equivalents disclosed in note 13, and equity as disclosed in the statement of financial position.

Consistent with others in the industry, the municipality monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The municipality's strategy is to maintain a gearing ratio of between 10% to 35%.

There are no externally imposed capital requirements.

There have been no changes to what the municipality manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand

### 40. Risk management (continued)

The gearing ratio at 2019 and 2018 respectively were as follows:

<b>Total borrowings</b>		
Current Liabilities		1,465,338,385 994,476,880
Non-current liabilities		540,462,211 1,488,525,603
		<b>2,005,800,596 2,483,002,483</b>
Less: Cash and cash equivalents	13	289,021,364 136,105,876
Net debt		1,716,779,232 2,346,896,607
Total equity		4,273,254,898 4,573,209,585
<b>Total capital</b>		<b>5,990,034,130 6,920,106,192</b>

### Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. Risk management is carried out by a central treasury department under policies approved by the accounting officer. Municipality treasury identifies, evaluates and hedges financial risks in close co-operation with the municipality's operating units.

### Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, municipality treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

### Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk. During 2019 and 2018, the municipality's borrowings at variable rate were denominated in Rand.

### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

<b>Financial instrument</b>	<b>2019</b>	<b>2018</b>
Other financial assets	34,674,893	23,099,799
Consumer debtors	465,447,696	358,590,205
Other receivables	84,415	111,402

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand

### 40. Risk management (continued)

Cash and cash equivalents	289,021,364	136,105,876
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The municipality is exposed by a guarantee for a loan at DBSA and is secured by the Nedbank investment as disclosed in note 12.

### 41. Going concern

We draw attention to the fact that at June 30, 2019, the municipality reported a deficit of R 299 954 683 and has an accumulated surplus of R 4,273,254,898 and that the municipality's total assets exceed its liabilities by R 4,273,254,898.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The municipality is experiencing cash flow challenges as a result of low debtors collection rate which has an impact on our ability to pay our creditors timeously. Our ability to continue as a going concern is highly dependant on improvement of collections and management of costs. As a result of the above financial indicators, some uncertainty exists regarding the Municipality to continue as a going concern.

### 42. Events after the reporting date

There were no material events that required an adjustment to the annual financial statements after the reporting date.

### 43. Unauthorised expenditure

Opening balance	1,823,191,643	1,682,312,273
Unauthorised expenditure current year	223,705,443	140,879,370
	<b>2,046,897,086</b>	<b>1,823,191,643</b>

The over expenditure for the 2019 financial year is primarily due to the impairment on the consumer debtors and other debtors. The total balance including the opening balance will be dealt with in accordance with the MFMA requirements.

### 44. Fruitless and wasteful expenditure

Opening balance	204,065,831	152,812,922
Prior period error - AG Finding 2017/18	-	262,594
Fruitless and wasteful expenditure current year	68,344,353	51,252,909
	<b>272,410,184</b>	<b>204,328,425</b>

The Municipality incurred interest as a result of late payment of the Eskom, SARS, Midvaal and Auditor General accounts. Fines and penalties were also incurred for non payment of the amounts due. No disciplinary action has been taken as the expenses are a result of cashflow constraints.

### 45. Irregular expenditure

Opening balance	2,754,400,577	2,427,364,305
Prior period error	-	7,563,051
Add: Irregular Expenditure - current year	227,579,791	297,924,650
Deviations	14,820,549	21,548,571
	<b>2,996,800,917</b>	<b>2,754,400,577</b>

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand

### 45. Irregular expenditure (continued)

#### Analysis of expenditure awaiting condonation per age classification

Bid composition not constituted	106,106,778	160,065,025
Order splitting	8,586,853	12,349,940
Three quotes not attached	259,851	906,038
Non disclosure of interest	15,373,567	11,414,298
No seven days advertisement	2,399,444	2,360,375
Regulation 32 appointment	36,388,777	54,878,106
Contravention of SCM Regulation 36	20,107,141	16,811,625
Contravention of SCM Policy	12,874,105	39,139,243
Contracts expired	25,483,275	-
	<b>227,579,791</b>	<b>297,924,650</b>

### 46. Additional disclosure in terms of Municipal Finance Management Act

#### Supply chain management regulations

In terms of regulation 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the City Manager and noted by Council. The expenses incurred as listed hereunder have been approved by the accounting officer. The municipality has referred the transgressions to the legal advisors and further investigations are underway for irregular expenditure.

Incident	Actual expenditure incurred	Award Value
Deviations below 200 000	887,831	887,831
Water and sewer	720,272	1,530,981
Plant, Equipment & Machinery	2,555,887	3,775,009
Electricity	137,382	246,672
Software and Technology	1,207,810	1,375,866
Fuels (Paraffin and Chlorine Gas)	8,513,262	8,925,875
Security	798,105	20,000,000
	<b>14,820,549</b>	<b>36,742,234</b>

#### Contributions to organised local government

Opening balance	523,754	23,754
Current year subscription / fee	1,976,246	2,260,000
Amount paid - current year	(2,500,000)	(1,760,000)
	<b>-</b>	<b>523,754</b>

#### Audit fees

Opening balance	2,424,937	1,342,243
Current year subscription / fee	4,787,732	4,821,180
Amount paid - current year	(5,872,288)	(3,738,486)
	<b>1,340,381</b>	<b>2,424,937</b>

#### PAYE,SDL and UIF

Opening balance	6,120,842	5,190,280
Current year subscription / fee	76,977,233	73,459,921
Amount paid - current year	(76,165,471)	(72,529,359)
	<b>6,932,604</b>	<b>6,120,842</b>

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand

### 46. Additional disclosure in terms of Municipal Finance Management Act (continued)

#### Pension and Medical Aid Deductions

Opening balance	11,116,899	10,487,037
Current year subscription / fee	205,961,324	207,463,942
Amount paid - current year	(205,235,962)	(206,834,080)
	<b>11,842,261</b>	<b>11,116,899</b>

#### VAT

VAT receivable	138,693,678	101,015,567
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# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand

### 46. Additional disclosure in terms of Municipal Finance Management Act (continued)

#### Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at June 30, 2019:

June 30, 2019	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Councillor ME Molete	2,730	2,021	4,751
Councillor M Coetzee	-	20,754	20,754
Councillor SL Sithole	-	32,715	32,715
Councillor G Mqikela	-	29,249	29,249
Councillor JS Tsabedze	3,364	1,282	4,646
Councillor Shuping	-	3,125	3,125
Councillor HL Methi	-	21,556	21,556
Councillor HL Methi	-	11,712	11,712
Councillor PA Hlekiso	-	1,377	1,377
Councillor M Babuile	-	9,029	9,029
Councillor SPJ Bogatsu	-	6,344	6,344
Councillor SH Nani	-	63,324	63,324
Councillor PM Molotsi	-	79,909	79,909
Councillor RK Ponisi	-	28,100	28,100
Councillor ME Mosweu	2,373	21,680	24,053
Councillor NI Matetoane	-	447	447
Councillor PN Moeng	-	658	658
Councillor JP Mongale	-	918	918
	<b>8,467</b>	<b>334,200</b>	<b>342,667</b>

June 30, 2018	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Councillor M Coetzee	6,857	47,616	54,473
Councillor MF Nthaba	10,691	14,130	24,821
Councillor M Dumzela	1,910	1,262	3,172
Councillor MI Mangesi	3,129	702	3,831
Councillor JS Tsabedze	601	13,814	14,415
Councillor R Thejane	994	83,527	84,521
Councillor HL Methi	2,585	18,950	21,535
Councillor SH Nani	1,737	68,423	70,160
Councillor DM Makinani	624	11,114	11,738
Councillor RK Ponisi	912	43,979	44,891
Councillor TG Khoza	1,840	8,114	9,954
Councillor SPJ MM Bogatsu	5,863	9,098	14,961
Councillor M Ntaopane	1,751	4,232	5,983
Councillor B Mvelase	1,161	14,887	16,048
Councillor GL Moeng	7,679	3,897	11,576
Councillor SD Mongale	1,839	4,628	6,467
Councillor MJ Moloko	3,190	48,649	51,839
Councillor G Mqikela	1,084	44,871	45,955
Councillor LE/MV Mophethe	5,535	23,720	29,255
Councillor N Ndela	3,393	83,523	86,916
Councillor ME Kgaile	2,788	2,000	4,788
	<b>66,163</b>	<b>551,136</b>	<b>617,299</b>

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand

### 46. Additional disclosure in terms of Municipal Finance Management Act (continued) June 30, 2019

	Highest outstanding amount	
Councillor SH Nani	63,323	70,160
Councillor HL Methi	33,268	21,534
Councillor RK Ponisi	28,100	44,891
Councillor M Coetzee	20,754	54,472
Councillor G Mqikela	29,249	45,955
Councillor NI Matetoane	447	-
Councillor JS Tsabedze	1,282	14,415
Councillor SD Mongale	918	6,468
Councillor GL Moeng	658	11,576
Councillor ME Mosweu	21,680	-
Councillor MM Bogatsu	6,344	14,960
Councillor PA Hlekiso	1,377	-
Councillor Shuping	3,125	-
Councillor ME Molete	2,021	-
Councillor M Babuile	9,029	-
Councillor SL Sithole	32,716	-
Councillor PM Molotsi	79,909	-
Councillor R Thejane	-	84,522
Councillor MJ Moloko	-	51,839
Councillor MF Nthaba	-	24,821
Councillor TG Khoza	-	9,954
Councillor M Ntaopane	-	5,983
Councillor ME Kgaile	-	4,788
Councillor M Dumzela	-	3,172
Councillor MI Mangesi	-	3,831
Councillor DM Makinani	-	11,738
Councillor B Mvelase	-	16,047
Councillor LE/MV Mophete	-	29,255
Councillor N Ndela	-	86,916
	<b>334,200</b>	<b>617,297</b>

### 47. Contingent assets and liabilities

The certainty and timing of the of the outflow of economic resources related the contingent liabilities listed below is uncertain. The amounts listed below have been provided by the legal experts handling the respective cases and it was deemed impracticable to include the legal costs to be incurred due to the complicated nature of the cases they are handling and uncertainty of the time frames required to conclude these cases.

There is no possibility of any reimbursement for the cases listed below.

#### Contingent assets:

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>47. Contingent assets and liabilities (continued)</b>		
<b>Owamajola / City of Matlosana</b> The plaintiff sued the City of Matlosana for service rendered and a counterclaim was instituted	3,709,727	-
<b>ERF 1124, Orkney (Springbok Furniture)/ City of Matlosana</b> Council instituted claims against the defendant for contravention of a servitude registered in the favour of the City of Matlosana.	-	150,000
<b>City of Matlosana / Munmap (Pty) Ltd Maximum Profit Recovery (Pty) Ltd</b> Council obtained judgement against respondent.	650,000	650,000
<b>Isago at N12 Development / City of Matlosana, Abacus Asset Management And Sanral</b> Isago owes the Municipality 3,6million for the value to street lights that should have been installed.	19,315,132	3,600,000
<b>City of Matlosana / Great Champs Trading</b> GCT have an outstanding debt arising from occupancy of rental space from by the municipality,	76,693	76,693
<b>City of Matlosana / Badiboa</b> Tender paving of taxi routes and storm water drainage contract cancelled by Matlosana due to Badiboa failing to progress with the contract	1,500,000	1,500,000
<b>City of Matlosana / Mr Masisi</b> City of Matlosana sued Mr Masisi for fruitless and wasteful expenditure	2,657,462	2,657,462
<b>COM // ISAGO AT N12 DEVELOPMENT</b> This matter relates to the account and rebate of profits gained as the result of the sales of land in Ext 38 next to Matlosana Mall	24,000,000	-
<b>City of Matlosana / Isago at N12 Development</b> Failure to repay security fee to the City of Matlosana which was paid to Eskom on the start up of the Gumtress electrical substation.	10,000,000	10,000,000
<b>Contingent liabilities</b>	-	-
<b>City of Matlosana / Munmap (Pty) Ltd</b> The plaintiff is suing the Municipality for a tender dispute.	-	7,822,100
<b>MORATHI &amp; MATAKA ATTORNEYS / MATLOSANA LOCAL MUNICIPALITY – CASE NO: 2334/15</b> Litigation and claims between the plaintiff and the municipality	84,200	-
<b>Owamajola / City of Matlosana</b> The plaintiff sued the City of Matlosana for service rendered of R3 396 512.43	3,396,512	3,396,512



# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>47. Contingent assets and liabilities (continued)</b>		
<b>CITY OF MATLOSANA LOCAL MUNICIPALITY / CARPET WORX C.C. – CASE NO: 5578/2018</b>		
Attorneys have received expert notice and summary in terms of rule 24(9) (9) and (b). Attorneys are looking to settle the matter out of court should the client give the go ahead.	26,041	-
<b>City of Matlosana / Balemi</b>		
Service provider did not deliver on services as awarded by the tender	-	16,000,000
<b>City of Matlosana / Bakgeni Civils &amp; Construction</b>		
Arbitration award for non monetary claim to supplier	171,000	151,000
<b>Van Niekerk / City of Matlosana</b>		
This matter relates to two respective issues. The first is a high court application launched by Van Niekerk against a Mr Coetzee in respect of a Land Use rights dispute wherein the COM has also been added as a respondent to defend certain decisions taken by it to approve the said Land Use Rights to Coetzee. The second part is an appeal to the COM against the decision by the COM to have approved the application of Coetzee for the acquired Land Use rights. The appeal process will undoubtedly result in a review application to the High Court once completed internally by the COM.	-	100,000
<b>P&amp;S Basson / City of Matlosana</b>		
A summons was brought against the Council for psychological shock and emotional shock by the Plaintiffs.	283,200	283,200
<b>HIGH COURT - OPPOSING MATTER</b>		
<b>CITY OF MATLOSANA // TSHIRELETSO PROFESSIONAL SERVICES CC (LITIGATION MATTER- MAHIKENG- CASE NUMBER : KP 87/18 )</b>		
Tshireletso sue the Municipality an amount stated.Possible settlement proposals were discussed. Written settlement proposals were received from the Plaintiff. A consultation will be scheduled with the Municipal Manager to discuss same and to obtain further instructions.	1,518,858	-
<b>Ke A Dira Construction CC / City of Matlosana</b>		
Council is defending summons brought against the Council by the plaintiff for losses alleged to have been experienced due to the revision of tender FS 1/2011.	17,391,228	17,391,228
<b>HL MATLALA T\ A GOROGANG PLANT HIRE / City of Matlosana</b>		
Goragang terminated its agreement with the city of matlosana and issued summons claiming the amount stipulated.	1,572,713	1,572,713
<b>Itumre Building Supply CC / City of Matlosana</b>		
The City of Matlosana is defending the matter. The case of action started during 2011	563,816	563,816
<b>OWAMAJOLA TRADING // CITY OF MATLOSANA</b>		
Alleged unlawful termination of a Service Level Agreement.	110,587,932	-
<b>City of Matlosana / S.J Khabu</b>		
The city of Matlosana is sued for the death of a contractor on site.The contractor was engulfed by the top soil while repairing a pipe and died as a result.	1,500,000	1,212,000

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>47. Contingent assets and liabilities (continued)</b>		
<b>City of Matlosana / Bonang Trading Developments</b> Breach of contract on training contract of ward members, The company has been liquidated, the owner of the company has passed on, rescission of the liquidation has not been filed	1,015,000	1,015,000
<b>Invula Roads and Civil / City of Matlosana</b> The claimant instituted legal action against the City of Matlosana for services rendered	268,383	268,383
<b>Nicolaas Johannes Myburg / City of Matlosana</b> Damages to his property due to fire outbreak after the fire brigade reacted to his call and arrived after their equipment malfunctioned	1,007,879	1,007,879
<b>Tshireletso professional services/City of Matlosana</b> Tshireletso instituted a legal proceeding claiming that the appointment of White Leopard Security services was unlawful	-	27,339,437
<b>Vesta Technical Services (Pty) Ltd / City of Matlosana</b> The claimant instituted legal action against the City of Matlosana for a cancelled service level agreement which the City is defending due to non functionality of the system the service provider had implemented.	15,080,630	15,080,630
<b>City of Matlosana / Solid Base Trading CC</b> Claim against City of Matlosana due to expropriation of land.	-	350,000
<b>IMIC Investments (Pty) Ltd / City of Matlosana</b> The claimant instituted legal action against the City of Matlosana.	329,536	329,536
<b>City of Matlosana // M Muianga</b> Eviction and cancellation of lease agreement. Case number: 3468/2018	19,565	-

## 48. Budget differences

### Material differences between budget and actual amounts

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
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### 48. Budget differences (continued)

#### **Market Dues**

Under estimated income during adjustment, based on mid year performance. Budget adjusted the figure downwards due to no income received as receipts journals from the market were processed late.

#### **Service Charges**

The consumption is based on environmental factors e.g draught weather resulting in more or less consumption and the consumer is the final factor that decides purchases. Therefore we under estimated the demand on consumption of service charges.

#### **Rental of facilities and equipment**

We did not budget for annual escalations resulting in under estimated income during adjustment, based on mid year performance.

#### **Licences and permits**

We did not budget for the tariff increases resulting in under estimated commission to be received from Province.

#### **Commissions received**

Province Tariff increase.

#### **Connections and Reconnections**

There was a service provider appointed for debt collection resulting in budgeted income being less than actual income collected. We also under estimated income during adjustment, based on mid year performance.

#### **Rental income**

Slightly over estimated.

#### **Insurance Fees**

The admin fees charged on garnish orders and outside insurers for some officials increased in 2018. This revenue was not anticipated.

#### **Other Income**

Under estimated income during adjustment.

#### **Donations received**

Property donations that CoM did not anticipate to receive from Human Settlement department.

#### **Interest received**

As a result of increasing debtors book.

#### **Property rates**

The rebates were not correctly budgeted for and this resulted in the significant variance.

#### **Government grants and subsidies**

The expenditure targets were not achieved and hence the variance which is represented by the unspent conditional grants.

#### **Fines , penalties and forfeits**

Under-estimated traffic fines.

#### **Personnel**

Due to positions that were not filled.

#### **Remuneration of councillors**

Slight saving.

#### **Depreciation and amortisation**

Budgeted for work in progress that could not be capitalised as yet.

#### **Finance costs**

Interest for late payments of bulk creditors not budgeted for. (Mainly Eskom & Midvaal).

# City of Matlosana

Annual Financial Statements for the year ended June 30, 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
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### 48. Budget differences (continued)

#### Lease rentals on operating lease

As and when required rental.

#### Debt Impairment

Lower collection rate than anticipated.

#### Repairs and maintenance

Cost Containment and Cashflow challenges.

#### Bulk purchases

Eskom indicated that they under-billed the municipality and brought additional bill from previous years.

#### Contracted Services

Cost Containment and Cashflow challenge.

#### General Expenses

Cost Containment and Cashflow challenge

#### Capital Expenditure

Under spending on own funding is due to cash flow limitations & on grants it is due poor performance of contractor and community disruptions.

**City of Matlosana**  
**Appendix A**

**Schedule of external loans as at 30 June 2019**

<b>Loan Number</b>	<b>Redeemable</b>	<b>Balance at June 30, 2018</b>	<b>Received during the period</b>	<b>Redeemed written off during the period</b>	<b>Balance at June 30, 2019</b>	<b>Carrying Value of Property, Plant &amp; Equip Rand</b>	<b>Other Costs in accordance with the MFMA Rand</b>
		<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>		

**Development Bank of South Africa**

DBSA @ 15%	NW10959	30-Sep-2017	-	-	-	-	-
DBSA @ 15,25%	NW11182	30-Sep-2018	577,560	-	577,560	-	-
DBSA @ 15,60%	NW13637	30-Sep-2020	1,347,506	-	479,037	868,469	-
DBSA @ 15%	NW13874/1	30-Sep-2019	555,556	-	555,556	-	-
DBSA @ 15%	NW13874/2	30-Jun-2019	14,998,125	-	14,998,125	-	-
DBSA @ 11,20%	NW101297/1	30-Jun-2019	3,601,051	-	3,601,051	-	-
DBSA @ 11,20%	NW101297/2	30-Jun-2019	4,506,047	-	4,506,047	-	-
DBSA @ 14.75%	103677/1	1-Nov-2025	23,710,128	-	2,300,991	21,409,137	-
DBSA @ 15,00%	10556	31-Mar-2018	-	-	-	-	-
DBSA @ 15,25%	10906	30-Sep-2019	1,037,785	-	666,062	371,723	-
DBSA @ 15,25%	10912	30-Sep-2019	1,536,914	-	986,408	550,506	-
DBSA @ 15,25%	10913	30-Sep-2019	1,182,875	-	759,182	423,693	-
			<b>53,053,547</b>	<b>-</b>	<b>29,430,019</b>	<b>23,623,528</b>	<b>-</b>

**Government loans**

**Total external loans**

Development Bank of South Africa	53,053,547	-	29,430,019	23,623,528	-	-
	<b>53,053,547</b>	<b>-</b>	<b>29,430,019</b>	<b>23,623,528</b>	<b>-</b>	<b>-</b>



**Final consolidation of this report was done  
by the Performance Management Unit**

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