



2019 / 2020
ANNUAL REPORT
CITY OF MATLOSANA

CONTENTS

CONTENTS	1
CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY	5
COMPONENT A: MAYOR’S FOREWORD	5
COMPONENT B: EXECUTIVE SUMMARY	7
1.1 Municipal Manager’s Overview	7
1.2 Municipal Functions, Population and Environmental Overview	9
1.3 Service Delivery Overview	13
1.4 Financial Health Overview	14
1.5 Organisational Development Overview	15
1.6 Auditor-General’s Report	17
1.7 Statutory Annual Report Process	17
CHAPTER 2 – GOVERNANCE	20
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE	20
2.1 Political Governance	20
2.2 Administrative Governance	23
COMPONENT B: INTERGOVERNMENTAL RELATIONS	26
2.3 Intergovernmental Relations	26
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION	28
2.4 Public Meetings	28
2.5 IDP Participation and Alignment	31
COMPONENT D: CORPORATE GOVERNANCE	31
2.6 Risk Management	31
2.7 Anti-Corruption and Fraud	33
2.8 Supply Chain Management	34
2.9 By-Laws	34
2.10 Website	37
2.11 Public Satisfaction on Municipal Services	38
CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)	40
COMPONENT A: BASIC SERVICES	40
3.1 Water Provision	40
3.2 Waste Water (Sanitation) Provision	46
3.3 Electricity Provision	51
3.4 Waste Management	59
3.5 Housing Provision	62
3.6 Free Basic Services and Indigent Support	68
COMPONENT B: ROAD TRANSPORT	70
3.7 Roads and Storm-Water Drainage	71
3.8 Licensing Services	75
COMPONENT C: PLANNING AND DEVELOPMENT	77
3.9 Planning	78
3.10 Local Economic Development (Including Communications and Marketing)	81
3.11 Fresh Produce Market	85
COMPONENT D: COMMUNITY & SOCIAL SERVICES	87
3.12 Libraries, Museums, Arts and Culture	87
3.13 Cemeteries	93

Preface

COMPONENT E: ENVIRONMENTAL PROTECTION	95
3.14 Parks, Faan Meintjes Nature Reserve and Aerodrome.....	95
COMPONENT F: OCCUPATIONAL HEALTH CENTRE	97
3.15 Occupational Health Centre	97
COMPONENT G: SECURITY AND SAFETY	101
3.16 Traffic, Security and Municipal Court	101
3.17 Fire and Disaster Management.....	104
COMPONENT H: SPORT AND RECREATION	107
3.18 Sport and Recreation	107
COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES	110
3.19 Executive and Council.....	110
3.20 Strategic Planning and Regulatory Matters.....	113
3.21 Financial Services (Including Supply Chain Management)	122
3.22 Human Resource Services	125
3.23 Information and Communication Technology (ICT) Services	133
3.24 Legal and Administration Services.....	135
COMPONENT J: ORGANISATIONAL PERFORMANCE.....	138
CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II) ..	241
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL	243
4.1 Employee Totals, Turnover and Vacancies.....	243
COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE	245
4.2 Policies.....	246
4.3 Injuries, Sickness and Suspensions.....	248
4.4 Performance Rewards	252
COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE	252
4.5 Skills Development And Training	254
COMPONENT D: MANAGING WORKFORCE EXPENDITURE.....	257
4.6 Workforce Expenditure.....	258
COMPONENT E: OVERSIGHT REPORTING.....	259
4.7 Staff Establishment	259
4.8 Appointment of Senior Managers.....	260
4.9 Employment Contracts.....	261
4.10 Performance Agreements	262
4.11 Minimum Competency Requirements	263
CHAPTER 5 – FINANCIAL PERFORMANCE	266
COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE	266
5.1 Statements of Financial Performance	266
5.2 Grants	269
5.3 Asset Management	270
5.4 Financial Ratios Based on Key Performance Indicators	271
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET.....	275
5.5 Capital Expenditure.....	275
5.6 Sources of Finance	276
5.7 Capital Spending On Five Largest Projects	277
5.8 Basic Service and Infrastructure Backlogs – Overview	278

Preface

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS	280
5.9 Cash Flow	280
5.10 Borrowing and Investments	281
5.11 Public Private Partnerships	282
COMPONENT D: OTHER FINANCIAL MATTERS	283
5.12 Supply Chain Management	283
5.13 GRAP Compliance	283
CHAPTER 6 – AUDITOR-GENERAL’S AUDIT FINDINGS	285
COMPONENT A: AUDITOR-GENERAL’S OPINION OF FINANCIAL STATEMENTS 2018/19	285
6.1 Auditor-General Report 2018/19	285
COMPONENT B: AUDITOR-GENERAL’S OPINION 2019/20	288
6.2 Auditor-General’s Report 2019/20	288
GLOSSARY	308
APPENDIX A – COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL - ATTENDANCE	312
APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES	316
APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE.....	318
APPENDIX D – FUNCTIONS OF MUNICIPALITY.....	319
APPENDIX E – WARD REPORTING	320
APPENDIX F – WARD INFORMATION	326
APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2019/20	327
APPENDIX H – LONG TERM CONTRACTS	329
APPENDIX I – MUNICIPAL SERVICE PROVIDER PERFORMANCE SCHEDULE.....	331
APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS.....	333
APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE.....	338
APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE	338
APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE.....	339
APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG	340
APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE / RENEWAL PROGRAMMES	341
APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME	341
APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE / RENEWAL PROGRAMME	341
APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2019/20.....	342
APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2019/20	343
APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS.....	344
APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION	345
APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY.....	346
LIST OF ACRONYMS	348
VOLUME II: ANNUAL FINANCIAL STATEMENTS.....	350

Chapter 1



Chapter 1

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

EXECUTIVE MAYOR’S FOREWORD



I am delighted and honoured to present the 2019/2020 Annual Report of the City of Matlosana.

This Annual Report complies with Section 121 of the Municipal Finance Management Act (MFMA) No. 56 of 2003, as amended, 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 second half of the period under review has witnessed the ravaging coronavirus pandemic, which has affected the entire world, and taken lives of many here at home and abroad.

Our city has also had its share of infections. Although the infection rate has somehow gone down, we are not yet out of the woods as a resurgence of the pandemic is always a possibility. In our quest to intervene meaningfully to ensure that the decimation of the national economy does not cause maximum damage to the livelihoods of the people of the City of Matlosana, we were compelled to make significant changes to how we deliver services and how we conduct our work as government.

Earlier in the year, in an attempt to curb the spread of the virus and ensure the flattening of the curve spread out the rate of infection to not overwhelm the healthcare system and infrastructure, a nationwide lockdown was instituted. The closure of businesses had a devastating impact on an economy that was already fragile, and which had slipped into recession.

This annual report reflects on the efforts to implement our Service Delivery and Budget Implementation Plan (SDBIP) for the year under review. The report serves as a record and accounting mechanism to communities on the municipality’s achievements, challenges, mitigation and remedial measures implemented to address the latter. While it reflects that progress has been made in service delivery, there are undeniable challenges that are still confronting us.

During the year under review, Council worked tirelessly to build on the achievements of our predecessors to accelerate the provision of the much-needed services focusing on the five developmental local government key performance areas:

- i) Municipal Transformation and Organizational Development
- ii) Basic Service Delivery and Infrastructure Development
- iii) Local Economic Development
- iv) Financial Management and Viability, and
- v) Good Governance and Public Participation

Chapter 1

Notwithstanding improvement in terms of access to basic services, there are still communities without access to services in various wards, and therefore there is a need to refocus and redirect the budget towards investing in new infrastructure and maintenance of existing infrastructure where backlogs exist.

For the 2019/20 financial year, the municipality regrettably remained on a qualified audit outcome.

However, as leadership we are resolute to our commitment of turning the situation around. All our efforts during this period were made possible by our collective resolve working together with the Mayoral Committee, Councillors, the entire management team, staff members and all our stakeholders.

Positive and constructive criticism remains a pillar of public participation and a solid foundation for good governance and improved service delivery.

For governance, structures are in place to improve operational efficiencies, accountability, and responsiveness and to strengthen oversight for the municipality's administration to become more responsive, resilient and efficient.

The governance structures include:

- ◆ Council
- ◆ Executive Committee (MAYCO)
- ◆ Audit Committee
- ◆ Municipal Public Accounts Committee (MPAC)
- ◆ Risk Management Committee

I would like to thank all Councillors, MPAC and MAYCO members for their effective oversight of the municipality's operations.

My sincere thanks to the Municipal Manager, Directors and all officials for their contribution to our success rate and diligence to serve this municipality.

I also wish to express my gratitude to the external Audit Committee for their guidance and oversight role.

Better together.



MME KGAILE
EXECUTIVE MAYOR

Chapter 1

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW



The City of Matlosana prepared its Annual Report for the year under review in line with Section 121 of the Local Government Municipal Finance Management Act, No. 56 of 2003 as amended as well as accompanying circulars, templates and guidelines.

This report provides the overview on the performance and progress made by the municipality in fulfilling its strategic objectives and priorities as aligned in the Integrated Development Plan (IDP), Budget as well as Provincial and National strategic directives.

As part of this report, highlights of all the programmes and projects that were embarked on during this period to enhance service delivery within our area of jurisdiction are also presented here. We also do acknowledge our limitations which requires our concerted efforts in our quest to deliver quality services to our community.

This year has proven to be particularly difficult for the municipality due to a range of issues that transpired. Economic conditions confronting us as the country continued to impact negatively on the collection rate of the municipality. The municipality also experienced financial challenges which have compromised the municipality's ability to perform certain of its deliverables.

How can one fail to mention the devastating effects of the atrocious global pandemic called Corona Virus/COVID – 19, which erupted towards the end of the financial year. The outbreak of the virus brought about overwhelming burden on the economy. Many people lost their jobs, while others experienced decline in their household incomes and as a result, the collection rate of the municipality went down drastically.

The municipality could not function properly there were protocols that we had to observe and comply with in our daily operations. Council could not sit as normal, no portfolio committees' meetings and employees were not allowed to all come to work at the same time in observance of the social distancing and lock down directions. Only employees classified as Essential Workers were allowed to render essential services. The directions were promulgated in government Gazettes, which inhibited normal operation.

Our dysfunctional billing system coupled with the prevalent culture of non-payment for municipal services by some residents served as a major contributing factor to our financial situation.

Chapter 1

In the last few years, there has been unprecedented rise in urbanisation by people who seek better opportunities in the municipal area. Inevitably, many municipalities face challenges of poor infrastructure, urban poverty, pollution, unemployment, congestion, segregation, urban sprawl and other unintended consequences.

It is, therefore, imperative that the City of Matlosana continues to significantly improve service delivery, develop strategies to drive economic growth, human capital development, sustainable human settlements and access to basic services such water, electricity, roads etc.

Access to basic services by all residents remains a priority and this can be only be achieved through accelerated service delivery.

During the year under review, the following key achievements have been recorded in terms of basic service delivery outcomes:

- ◆ percentage of households with access to water is at 98.5%;
- ◆ percentage of households with access to sanitation is at 95%;
- ◆ percentage of households with access to electricity in areas serviced by the city is at 94%, excluding infills and Eskom supplied areas backlogs;
- ◆ percentage of households with access to solid waste removal is at 95%; and
- ◆ sustainable jobs created for at least 3 months in the 2019/20 financial year was 130.

Council approved two hundred and eight (208) Key Performance Indicators including the National Key Performance Indicators. An overall total performance of 71% (147 indicators) was achieved.

The overall organisational performance is covered in Chapter 3 dealing with the Annual Performance Report. In my brief overview I have touched on some of the achievements and challenges facing the municipality. The rest of the Annual Report deals in detail with the departments and individual performance of these departments within Council.

Finally, I wish to thank the Executive Mayor, Members of the Mayoral Committee, Councillors, Heads of Department and all other staff members for their support and commitment.



TSR NKHUMISE
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.

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

Chapter 1

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 business persons 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 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:

- ◆ Faan Meintjes Nature Reserve;
- ◆ Johan Naser Dam;
- ◆ Klerksdorp Museum;
- ◆ Goudkoppie Heritage Site;
- ◆ Old Cemetery.

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

Chapter 1

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"> ◆ We engage with others in a humane way with politeness and care. ◆ We will listen to the communities we serve. ◆ We are focused on our stakeholders
ACCOUNTABILITY	<ul style="list-style-type: none"> ◆ We will take full responsibility for the actions we take and give citizens full value for money. ◆ We conduct our tasks in a responsible manner and continuously communicate with our beneficiaries and partners. ◆ We owe our accountability to each other, the community we serve and our stakeholders who collaborate with us. ◆ We are transparent in all our activities and subject ourselves to any form of scrutiny.
PROFESSIONALISM	<ul style="list-style-type: none"> ◆ We execute our roles to the highest standards according to applicable norms and standards. ◆ We execute our tasks with unselfish regard for or devotion to the benefit of communities. ◆ We ensure that our initiatives have direct impact on communities
INTEGRITY	<ul style="list-style-type: none"> ◆ We hold our offices with ethical integrity to the benefit of those we serve. ◆ We aim to have congruence between our actions and our pronouncements.
TRANSPARENCY	<ul style="list-style-type: none"> ◆ We hold our offices with ethical integrity to the benefit of those we serve. ◆ We aim to have congruence between our actions and our pronouncements.

GEOGRAPHIC PROFILE

The municipal area of the City of Matlosana covers an area of 3 602km². The main economic sectors are mining, agriculture manufacturing, services, construction and transport. Klerksdorp has a semi-arid climate (BSh/BSk,

Chapter 1

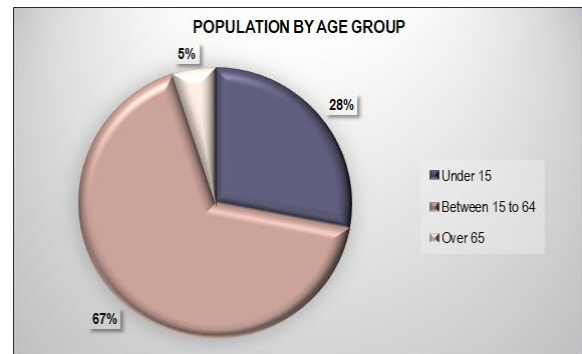
according to the Köppen climate classification), with warm to hot summers and cool, dry winters. The average annual precipitation is 482 mm (19 in), with most rainfall occurring during the summer.

DEMOGRAPHIC PROFILE

According to estimates based on the population growth rate of SA Statistics (1.13%), the governmental municipalities website (<https://municipalities.co.za/demographics>) and the municipality's household count, the City of Matlosana has a total population of 441 053 people, of whom 41 635 (89.6%) are urbanised and 41 635 (9.4%) are rural (mining villages and farming areas form part of the rural areas). The largest population concentrations are in the Jouberton area (34%). The City of Matlosana has a population density of 123 persons per km².

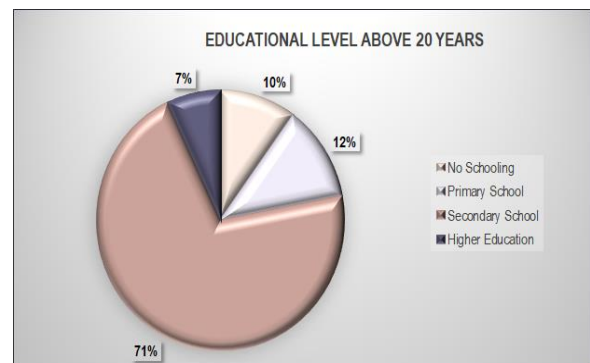
Distribution of Population by Age Group

DISTRIBUTION OF POPULATION GROUP	
Age Structure	Population
Under 15	123 495
Between 15 to 64	295 505
Over 65	22 053
TOTAL	441 053



Highest level of Education for Population aged 20 Years and Older

DISTRIBUTION OF POPULATION	
Age Structure	Population
No Schooling	44 105
Primary School	52 926
Secondary School	313 148
Higher Education	30 874
TOTAL	441 053



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	95%	5%	0%
Water	98.5%	1.5%	0%
Sanitation	95%	5%	0%
Electricity	94%	6%	0%

Chapter 1

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 directorates contribute to the municipal service delivery objective in the form of water supply, sanitation service roads and storm-water, development of new infrastructure, electrical services, waste management, housing provision and indigent support. The directorates 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 ensure future demand is met in all sectors, due to low revenue collection rate experienced by the municipality.

PROPORTION OF HOUSEHOLDS WITH MINIMUM LEVEL OF BASIC SERVICES				
Basic Service	2016/17	2017/18	2018/19	2019/20
Electricity service connections	165 743	168 125	168 335	168 442
Water - available within 200 m from dwelling	168 950	170 293	172 647	176 179
Sanitation - households with at least VIP service	168 483	169 723	169 729	170 695
Waste collection - kerbside collection once a week	165 277	166 309	166 685	170 047

COMMENTS ON THE ACCESS TO BASIC SERVICES

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

Challenges of access is experienced in all informal settlements and farming areas, especially in terms of water, sanitation and electricity services. MIG has supported the municipality by allowing some funds to be redirected to informal settlements water supply as mitigation against COVID-19.

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 however the main challenge is the unwillingness of MIG and other government funding agencies to put infrastructure on private land without the requisite agreements.

Chapter 1

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 65% of the municipal income, whereas 35% is grant from National Treasury. 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.

The 2019/20 financial year has been a difficult year since the broke out of the global COVID-19 pandemic across the globe and the Republic of South Africa at large. The municipality has not been speared on the complexity brought about the COVID-19 pandemic. A number of municipal residents were retrenched as a result left unemployed and become indigents. This phenomenon has presented the municipality with massive decline of revenue collection rate which dropped from 70 % to 54 %.

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: 2019/20			
R' 000			
Details	Original budget	Adjustment budget	Actual
Income:			
Grants	589 853	571 866	576 258
Taxes, levies and tariffs	2 256 512	2 429 299	2 387 694
Other	22 891	102 000	9 234
Sub-total	2 869 256	3 103 165	2 973 191
Less: Expenditure	3 217 212	3 123 697	3 514 282
Net total*	-347 956	-20 533	-541 091
* Note: surplus/(deficit)			

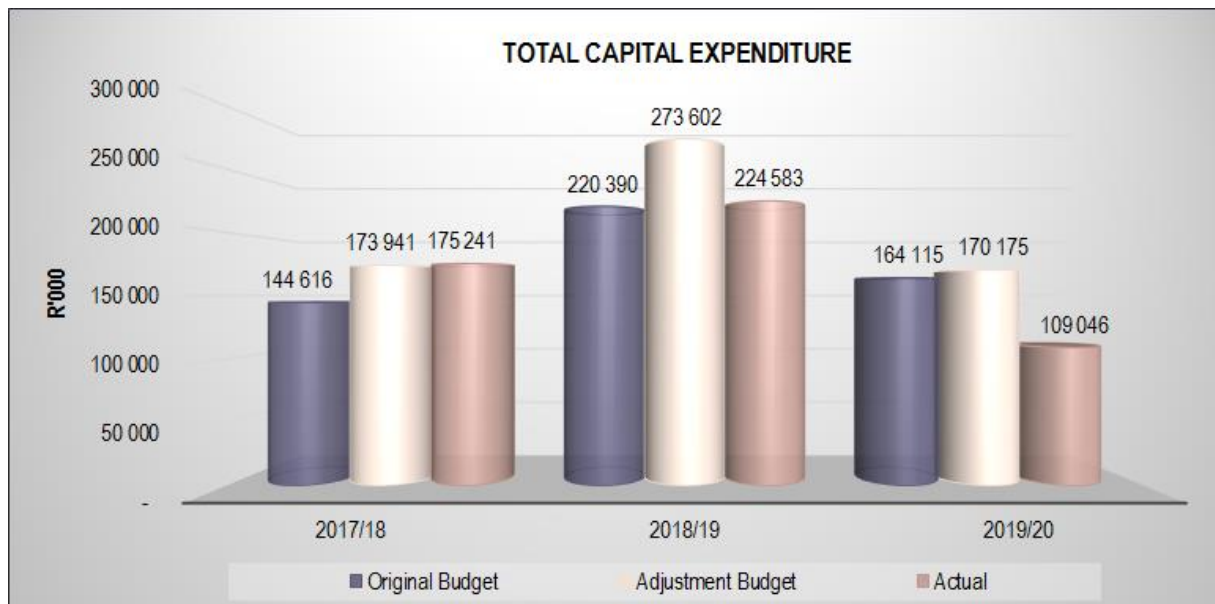
OPERATING RATIOS: 2019/20	
Detail	%
Employee cost	18%
Repairs and maintenance	3,9%
Finance charges and impairments	18%

COMMENTS ON OPERATING RATIOS

Municipal employee cost amount to 18%, which is lower as per the norm of 35%. This is as a result of old organisational structure that does not appeal material condition and demands of the municipality. The municipal repairs and maintenance are all time low given old and dilapidated infrastructure that requires frequent refurbishment

Chapter 1

TOTAL CAPITAL EXPENDITURE: 2017/18 TO 2019/20			
R'000			
Detail	2017/18	2018/19	2019/20
Original budget	144 616	220 390	164 115
Adjustment budget	173 941	273 602	170 175
Actual	175 241	224 583	109 046



COMMENTS ON CAPITAL EXPENDITURE

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

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;
- 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; and
- Municipal Amendment Regulations on Minimum Competency Levels, 2018 as published in Government Notice No. 1146 of 26 October 2018.

Chapter 1

The status in terms of filling senior managers' positions

POST DESIGNATIONS	STATUS
Municipal Manager	Filled
Chief Financial Officer	Filled
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 consists of the Office of the Municipal Manager with 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 previous appointed Chief Financial Officer resigned from service with effect from 1 February 2019.

The vacant position of the Chief Financial Officer was then advertised in the national newspaper, City Press on 3 March 2019 with the closing date 15 March 2019.

After the prescribed recruitment, selection and appointment process on the appointment of the Chief Financial Officer was followed terms of the Local Government: Regulation on Appointment and Conditions of Employment of Senior Managers, 2014, Council at a special meeting held on 27 August 2019 (CC 78/2019) resolved that the position be re-advertised due to the non-competency of the three shortlisted and tested candidates.

The position was again re-advertised in the national newspaper, Rapport Loopbane / City Press Careers on 22 September 2019 with the closing date 11 October 2019.

The recruitment, selection and appointment process on the appointment of the Chief Financial Officer was once again followed and after a written report regarding the outcome and appointment, process was received from the MEC in the province, Council approved the appointment of Chief Financial Officer with effect 1 March 2020 on a fix-term for a period of 5 years.

Chapter 1

1.6 AUDITOR-GENERAL'S REPORT

AUDITOR-GENERAL'S REPORT: 2018/19

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 2018/19 financial year 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.

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.	September
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 2019/20 Annual Performance Report to Internal Audit	October
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.	October
9	Mayor tables the unaudited Annual Report	November
10	Auditor-General audits Annual Report including consolidated Annual Financial Statements and Performance data.	November - February
11	Municipality receive and start to address the Auditor-General's comments.	
12	Municipality receive Auditor-General's opinion	February
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report.	March
14	Audited Annual Report is made public and representations are invited.	April
15	Oversight Committee assesses Annual Report.	April / May
16	Council adopts Oversight Report.	June
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.	May

Chapter 1

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. Timeous 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.

The Minister of Finance issued a Ministerial Exemption in terms of section 177(1)(b) of the MFMA on 5 August 2020, exempting municipalities and municipal entities from submitting their annual financial statements and related reports for auditing at the end of August 2020. The notice allows for a two-month delay in the submission of Annual Financial Statements, Annual Reports, Audit opinions, and oversight reports.

The Annual Performance Report will there for be presented to the Auditor-General for auditing together with the Annual Financial Statements on 30 October 2020.

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:




COUNCIL COMMITTEES	
• 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

Chapter 2

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		
EXECUTIVE TEAM		
		
EXECUTIVE MAYOR Cllr MME Kgaile	SPEAKER Cllr RW Ntozini	SINGLE WHIP Cllr MV Chinga
<p>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 IDP and expenditure, considering 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.</p>	<p>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.</p>	<p>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.</p>

Chapter 2

MAYORAL COMMITTEE MEMBERS				
				
MMC FINANCE AND DEBT NORMALISATION Cllr FI Tagaree	MMC ELECTRICAL AND MECHANICAL ENGINEERING Cllr SD Montoedi	MMC COMMUNITY AND HEALTH SERVICES Cllr NS Mendela	MMC TRANSVERSAL ISSUES Cllr NI Matetoane	MMC HOUSING, LAND AFFAIRS AND RURAL DEVELOPMENT Cllr TO Vilakazi
				
MMC PUBLIC SAFETY Cllr SJ Daemane	MMC SPORT, ARTS AND CULTURE Cllr PF Mabeli	MMC CORPORATE SERVICES Cllr ML Mojaki	MMC INFRASTRUCTURE Cllr MF Nthaba	MMC ECONOMIC GROWTH & MARKET Cllr TG Khoza

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			
			
CHAIRPERSON 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.

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.

Chapter 2

In terms of Section 55 of the Local Government: Municipal 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 Municipal Manager 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, as amended. 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 are responsible for strategic management and oversight of their directorates. 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 STRUCTURE	
• Office of the Municipal Manager	• Budget and Treasury
• Corporate Support	• Technical and Infrastructure
• Local Economic Development	• Public Safety
• Planning and Human Settlements	• Community Development

TOP ADMINISTRATIVE STRUCTURE	
DIRECTORATE	FUNCTIONS
MUNICIPAL MANAGER	<p>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.</p> <p>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.</p>

Chapter 2

DIRECTOR: BUDGET AND TREASURY (CFO)	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.
DIRECTOR: CORPORATE SUPPORT	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.
DIRECTOR: LOCAL ECONOMIC DEVELOPMENT	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 include 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.
DIRECTOR: TECHNICAL AND INFRASTRUCTURE	<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>
DIRECTOR: PLANNING AND HUMAN SETTLEMENTS	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.
DIRECTOR: COMMUNITY DEVELOPMENT	<p>The director'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 & Recreation; Sports Arts and Culture; Libraries; Museums; Health and Environmental & 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>
DIRECTOR: PUBLIC SAFETY	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**.

Chapter 2

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.

Intergovernmental relations activities include:

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

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 focus 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 municipality by mobilising on-going support from other spheres of government.
- ◆ To ensure a consistently positive image of the municipality 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 national, provincial and district levels. Municipal officials and Councillors are delegated to serve on the various forums.

Chapter 2

Service delivery is the core function of the municipality. Cooperative 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.

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 cooperative 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.

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/PMS 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) consults with public members to provide importance of participation on the annual report and encourage them to submit questions and comments based on the Auditor General findings.

The Municipal Public Accounts Committee (MPAC) conducts public hearings 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 findings and recommendations to Council.

When the annual report is tabled in council, the Chairperson of MPAC is afforded the opportunity to make a presentation on the Oversight Report, deliberation then takes place and questions from the public.

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.

Chapter 2

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;
- ◆ 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 the community 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.

During the COVID-19 National Lockdown, meetings were conducted in terms of Circular 6 of 2020: COVID-19 Meetings - social media platforms was used to engage with the community of City of Matlosana.

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 activities 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

Chapter 2

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 by council.

PUBLIC MEETINGS

Budget Consultations:

As per the COGTA guidelines, Circular 6 of 2020: COVID-19 Meetings, municipalities were encourage to get comments on the draft budget using social media, as movement and meetings were restricted in Alert levels 5 and 4. Only 1 virtual meeting with Provincial Treasury, that was held on 11 June 2020. The 2020/21 Draft Budget & IDP Assessment meeting.

Written comments were received from the public.

IDP Consultations:

TOWN	DATE	TIME	VENUE
IDP CONSULTATIONS			
Public meeting	7 October 2019	10:00	Matlosana Council Chamber
Public meeting	March 2020 – May 2020	Various time slots	Social Media
IDP REPRESENTATIVE FORUM MEETING			
Representative Forum Meeting	5 December 2019	10:00	Council Chamber
Representative Forum Meeting	March 2020 – May 2020	Various time slots	Social Media

The documents were placed on the municipal website for inspection and comments and a summary of the Budget and IDP on Facebook and Twitter. The Executive Mayor and Municipal Manager had two 1-hour interviews on Star FM and LIVE FM to create budget awareness.

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 meeting held as well as Imbizos also provide a platform for effective interaction and accountability for Council and the community.

Due to COVID-19 regulations no community meetings and IDP representative forum meeting could be conducted from March 2020, but communities were consulted via social media e.g. Council’s Facebook page and website,

Chapter 2

newspaper articles, radio interviews, notices placed on all council's notice boards and emails to stakeholders. All inputs received from the above-mentioned platforms were considered whilst amending the IDP for the next financial year.

The municipality has not lost the connection with communities in relation to projects it implements in their name. Council benefits positively from the above system, 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	

COMPONENT D: CORPORATE GOVERNANCE

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, as amended, 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.

Chapter 2

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 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 risk.

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 2019/20, the Municipality had a functional Risk Management Unit as well as a functional Risk Management Committee, which held three ordinary meetings and one special meeting during the year. The committee usually hold four ordinary meetings. However, due to the pandemic of coronavirus, the committee did not have an ordinary third quarter meeting.

The special meeting held in June 2020 focused on reviewing the risk management strategic documents including the Operational risk registers, risk management implementation plan, 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 Strategy
- ◆ Risk Management Policy
- ◆ Risk Management Implementation Plan
- ◆ Anti-fraud and Corruption Plan

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 management committee members is attached to the position and not the individual.

Chapter 2

As per approved charter, the committee should meet at least four (4) times a year. Committee meetings during the financial year under review were attended as follows:

2019/20 RISK COMMITTEE MEMBERS			
MEMBER	POSITION	SCHEDULED MEETINGS	ATTENDED
Mr MJ Ramakgolo	Chairperson	4	4
Mr LJ Nkhumane	Member	4	4
Mr R Madimutsa	Member	4	3
Ms L Seametso	Member	4	3
Ms M Molawa	Member	4	3
Mr BB Choche	Member	4	3
Mr NM Grond	Member	2	2
Mr L Fourie	Member	4	3
Ms BC More	Administrative Assistant	4	4

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.

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.

Chapter 2

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 2019/20

BY-LAWS INTRODUCED DURING 2019/20				
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
Draft Customer Care, Credit control and Debt collection by-law	Yes	20 August 2019	No	-
Draft Parking Meter by-law	Yes	29 June 2018	No	-
Amendment to Rules of Order	Yes	N/A	No	-

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.

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:

Chapter 2

BY-LAWS OF THE CITY OF MATLOSANA			
BY-LAW	PROVINCIAL GAZETTE NUMBER	COUNCIL RESOLUTION (ADOPTED)	STATUS
DIRECTORATE: TECHNICAL AND INFRASTRUCTURE			
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
DIRECTORATE: CORPORATE SUPPORT			
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 Amendment in process
DIRECTORATE: BUDGET AND TREASURY			
Customer Care, Credit Control and Debt Collection By-Law	Nr. 8050 20/08/2019	CC 59/2019 dated 27 June 2019	Finalised Review in process
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
DIRECTORATE: PUBLIC SAFETY			
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 Review in process
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

Chapter 2

BY-LAWS OF THE CITY OF MATLOSANA			
BY-LAW	PROVINCIAL GAZETTE NUMBER	COUNCIL RESOLUTION (ADOPTED)	STATUS
DIRECTORATE: COMMUNITY DEVELOPMENT			
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
DIRECTORATE: LOCAL ECONOMIC DEVELOPMENT			
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
DIRECTORATE: PLANNING AND HUMAN SETTLEMENTS			
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

Chapter 2

2.10 WEBSITES

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the Local Government: Municipal Finance Management Act, 56 of 2003 (MFMA), as amended.

The website must contain the following documents of the municipality as referred to in Section 21A of the Local Government Municipal Systems Act 32 of 2000, as amended.

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 (2018/19)	Yes
The Annual Report (2019/20)	N/A
All current Performance Agreements required in terms of Section 57(1)(b) of the Municipal Systems Act (2019/20) and resulting scorecards, as well as 2020/21 Performance Agreements	Yes
All Service Delivery Agreements (2019/20)	No
All Long-Term Borrowing Contracts (2019/20)	N/A
All Supply Chain Management Contracts above a prescribed value (give value) for (2019/20)	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 (2019/20)	N/A
Contracts agreed in (2019/20) 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 (2019/20)	N/A
All quarterly reports tabled in the Council in terms of Section 52 (d) during (2019/20)	Yes

Municipal Website Compliance

The website should serve as a mechanism to promote accountability and transparency to communities and therefore information posted should be accurate and timeously updated.

The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation.

It is a communication tool that should allow easy and convenient access to relevant information. The municipal website should serve as an integral part of the municipality's communication strategy.

Relevant Legislation

The role of the City of Matlosana'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, 32 of 2000, as amended (the Systems Act);
- ◆ The Local Government Municipal Financial Management Act, 56 of 2003, as amended (the MFMA); and
- ◆ The Municipal Property Rates Act, 6 of 2004 (the MPRA).

Chapter 2

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. 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.

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, 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.

During the 2019/20 financial year, the public satisfaction survey forms results obtained were as follows:

PUBLIC SATISFACTION SURVEY			
	GOOD (%)	FAIR (%)	BAD (%)
Mayor/Speaker/Single Whip/Councillor treated everyone with courtesy and respect	34%	12.79%	52.79%
I was treated with courtesy and respect by the municipal staff	32.64%	19.91%	47.45%

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 central 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 been supplied with an average of 91 Mℓ/day during 2019/20 Financial Year compared to 99 Mℓ/day in 2018/19.

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.
- support the finance department in ensuring revenue collection is sustainable and consistent
- reduce water losses within the water infrastructure system

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 (2018 – 2023);
- To maintain 95% Compliance on the Blue Drop status
- To improve Revenue collection

Challenges

- Inadequate 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
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
2019/20	2 111 072	1 920 929	472 244	17 056 920	11 746 655

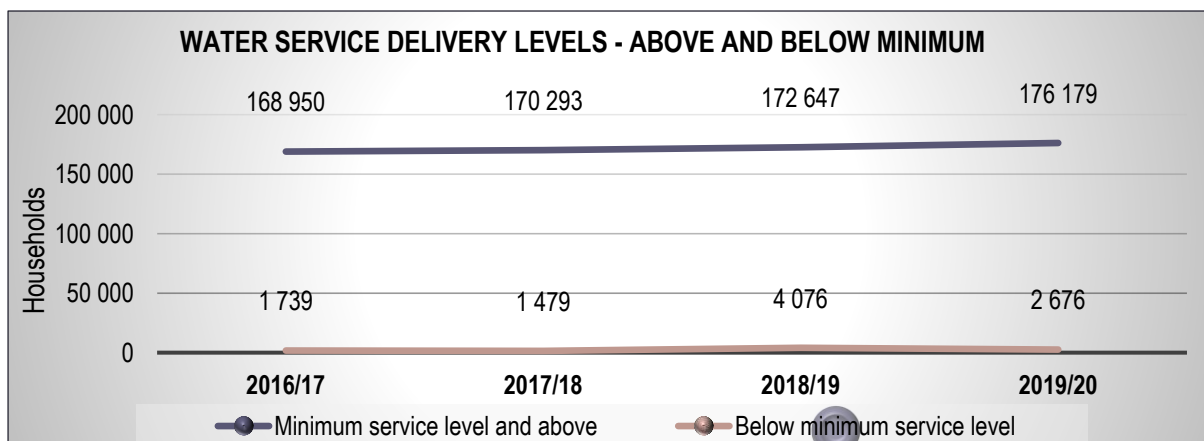
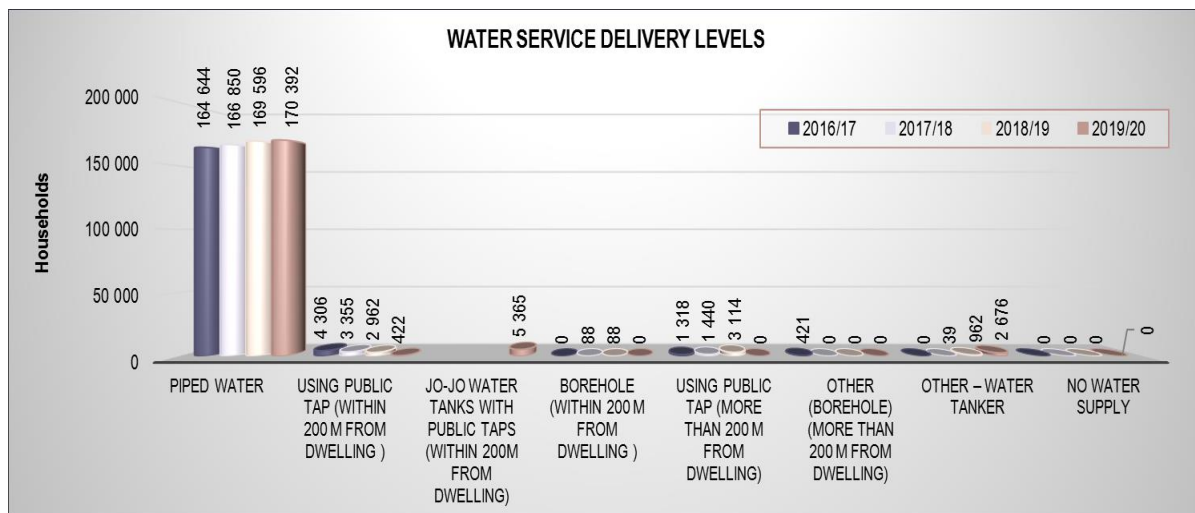
COMMENT ON WATER USE BY SECTOR

It can be noted that there is no established trend from 2016/17 to date on the water consumption per sector. This 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 by implementing infrastructure upgrade plans and thereby ensures that sufficient capacity is available for the increased demand arising from the growth of the community.

Chapter 3

WATER SERVICE DELIVERY LEVELS				
Description	Households			
	2016/17	2017/18	2018/19	2019/20
	Actual	Actual	Actual	Actual
Water: (above minimum level)				
Piped water	164 644	166 850	169 596	170 392
Using public tap (within 200m from dwelling)	4 306	3 355	2 962	422
Jo-Jo water tanks with public taps (within 200m from dwelling)				5 365
Borehole (within 200m from dwelling)	-	88	88	0
<i>Minimum service level and above – sub-total</i>	168 950	170 293	172 647	176 179
<i>Minimum service level and above – percentage</i>	99%	99%	98%	98.5%
Water: (minimum and below minimum level)				
Using public tap (more than 200m from dwelling)	1 318	1 440	3 114	0
Other (Borehole) (more than 200m from dwelling)	421	0	0	0
Other – Water tanker	-	39	962	2 676
No water supply	0	0	0	
<i>Below minimum service level – sub-total</i>	1 739	1 479	4 076	2 676
<i>Below minimum service level – percentage</i>	1%	1%	2%	1.5%
TOTAL HOUSEHOLDS*	170 689	171 772	176 723	178 855
* - Total include informal settlements				



Chapter 3

WATER SERVICE DELIVERY LEVELS BELOW THE MINIMUM					
Description	Households				
	2017/18	2018/19	2019/20		
	Actual	Actual	Original	Adjusted	Actual
Formal settlements					
Total households	168 500	171 007	171 207	-	171 207
Households below minimum service level	1 685	1 410	0	-	0
Proportion of households below minimum service level	1.00%	0.82%	0%	-	0%
Informal settlements					
Total households	6 500	5 716	7 648	-	7 648
Households below minimum service level	975	4 076	2 676	-	2 676
Proportion of households below minimum service level	15.00%	71.31%	35%	-	35%

ACCESS TO WATER			
Year	Proportion of households with access to water points	Proportion of households with access to piped water	Proportion of households receiving 6 kℓ free
2016/17	170 689	168 950	170 689
2017/18	171 772	170 293	171 772
2018/19	176 723	172 647	172 647
2019/20	178 855	176 179	176 179

EMPLOYEE INFORMATION

EMPLOYEES: WATER SERVICES					
Job level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	7	6	1	14%
10 - 12	15	16	15	1	6%
13 - 15	17	18	16	2	11%
16 - 18	7	18	6	12	67%
19 - 20	62	62	62	0	0%
Total	111	125	109	16	13%

Chapter 3

FINANCIAL PERFORMANCE 2019/20: WATER SERVICES					
R'000					
Details	2018/19	2019/20			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	767 959	656 598	760 879	789 206	15%
Expenditure					
Employees	42 638	33 580	36 029	39 175	21%
Repairs and maintenance	9 901	3 730	11 850	11 277	62%
Other	640 748	647 482	693 610	739 815	-1%
Total Operational Expenditure	693 287	684 792	741 489	790 267	1%
Net Operational Expenditure	74 672	-28 194	19 390	-1 061	

COMMENTS ON THE PERFORMANCE OF WATER SECTION

The municipality is still experiencing high losses due the aged infrastructure, a low maintenance budget, shortage of vehicles to attend to complaints to speed up attentions to claims. Six new vehicles were received in 2018/19

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. Reporting on IWA Water Balance to DWS has assisted the reporting of correct water losses within the system. Responding to burst pipes within a short period has had an impact in reducing water losses. The municipality refurbished two pressure reducing valves during 2019/20 together with other activities. Timeous response to burst pipes and leaks and improved the billing process. A combined 6% water losses reduction for the financial year from 41% (2018/19) to 35% (2019/20) was achieved.

Reservoirs are cleaned annually to ensure that our water quality remain at 96% compliance in the 2019/20 financial year.

During the COVID-19 Lockdown, twenty (20) 5000 litre Jo-Jo tanks were installed within the Matlosana area through the assistant of Department of Water and Sanitation that benefited more than 2 400 households to have access in both rural and urban areas.

NATIONAL KEY PERFORMANCE INDICATOR

See page 228 for details.

Chapter 3

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on page 157-158; 162-163 and 168)

WATER SERVICES OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2017/18	2018/19	2019/20			2020/21
		Actual	Actual	Target			Budget
				Original	Adjusted	Actual	
To improve and construct water supply from Midvaal end point to Jouberton and Alabama (Phase 1B) (Wards 4,5,6) to increase the water supply capacity to the community	Number of kilometres of water supply pipe line from Midvaal end point to Jouberton and Alabama (Phase 1B) (Wards 4,5,6) improved and constructed	2.5 km of 800-diameter pipe laid. Project completed R59 769 461	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	Improving the water supply from Midvaal end point to Jouberton and Alabama (Phase 1B) (Wards 4, 5 & 6) by constructing: - 0.882 km pipeline; - 5 valve chambers; - 1 connection box by June 2020 R17 615 333	R18 100 000	The water supply from Midvaal end point to Jouberton and Alabama (Phase 1B) (Wards 4, 5 & 6) was improved by constructing 0.882 km pipeline and 5 valve chambers. The pressure testing and commissioning is still in progress. The 1 connection box not constructed R15 739 130	N/A
To install communal stand pipes in the informal settlements of the Matlosana area (Wards 1 - 7, 14 and 23) in order to provide basic services	Number of new communal stand pipes in informal settlements to be installed in the Matlosana area (Wards 1 - 7, 14 and 23)	New project	New project	Installing 30 new communal stand pipes in informal settlements in the Matlosana area (Wards 1 - 7, 14 and 23) by advertising for the appointment of a contractor by June 2020 R5 000 000	-	The tender was advertised on the 29 May 2020 and closed on 23 June 2020 R0	R3 597 547

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) waste water treatment plants and compliance of the plants in terms of legislated requirements in the Matlosana area, therefore curbing the outbreak of waterborne diseases such as Cholera and Typhoid; and
- ◆ 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.

Objective

To be the best municipality in the North West in terms of IRIS system on Waste Water Status achievement which is awarded by the National Department of Water and Sanitation and the rendering of 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. To render sanitation services proactively, without having community service delivery protests prompting our reactions. However, it should be indicated that despite the fact that the IRIS on Waste Water Assessments have not been as done since 2013, the Sanitation section continuous to endeavour to meet the guidelines as this has positive spinoffs for service delivery in the area of jurisdiction.

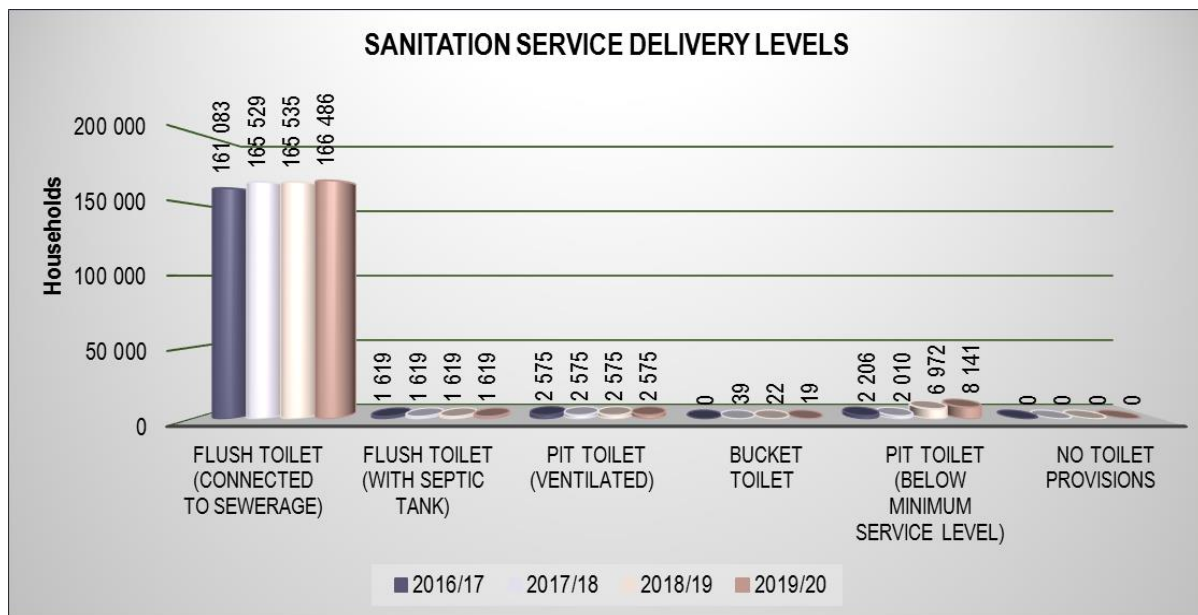
Challenges

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

- ◆ Lack of skilled and certified plumbers in the locality.
- ◆ High number of aged fleets.
- ◆ 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
- ◆ 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, therefore adding to sewer spillages.
- ◆ Misuse of sewer system by the public especially in township areas remain a challenge.
- ◆ The COVID-19 Pandemic also posed a challenge and teams had to be rotated in order to comply with the regulations on lockdown

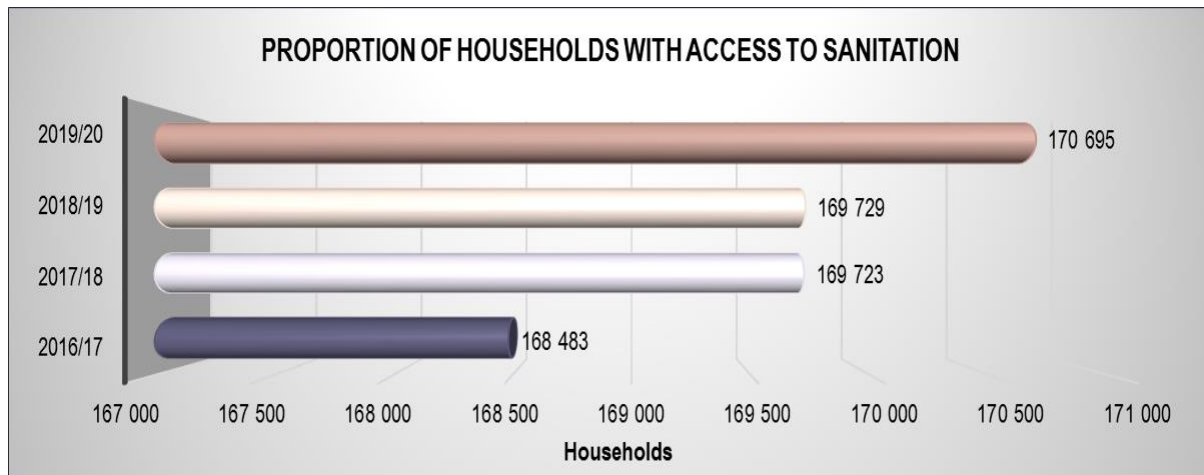
Chapter 3

SANITATION SERVICE DELIVERY LEVELS				
Households				
Description	2016/17	2017/18	2018/19	2019/20
	Actual	Actual	Actual	Actual
<u>Sanitation/Sewerage: (above minimum level)</u>				
Flush toilet (connected to sewerage)	161 083	165 529	165 535	166 486
Flush toilet (with septic tank)	1 619	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
<i>Minimum service level and above – sub-total</i>	<i>168 483</i>	<i>169 723</i>	<i>169 729</i>	<i>170 695</i>
<i>Minimum service level and above – percentage</i>	<i>99%</i>	<i>99%</i>	<i>96.4%</i>	<i>95%</i>
<u>Sanitation/Sewerage: (below minimum level)</u>				
Bucket toilet	0	39	22	19
Pit toilet (below minimum service level)	2 206	2 010	6 972	8 141
No toilet provisions	0	0	0	0
<i>Below minimum service level – sub-total</i>	<i>2 206</i>	<i>2 049</i>	<i>6 994</i>	<i>8 160</i>
<i>Below minimum service level – percentage</i>	<i>1%</i>	<i>1%</i>	<i>3.6%</i>	<i>5%</i>
TOTAL HOUSEHOLDS*	170 689	171 772	176 723	178 855
* - Total include informal settlements				

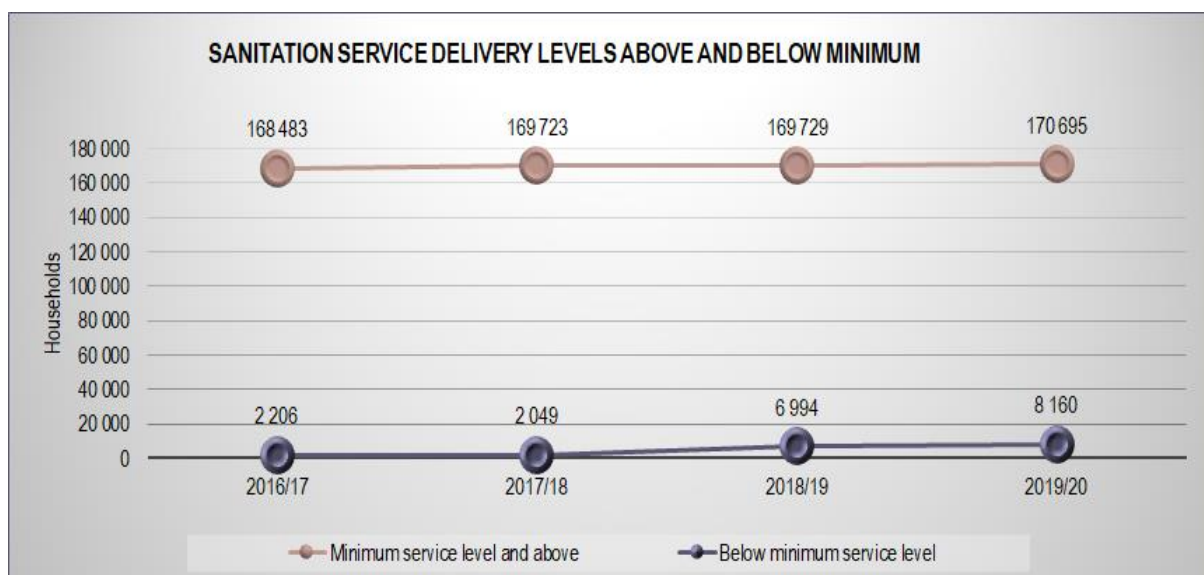


ACCESS TO SANITATION	
Year	Proportion of households with access to sanitation
2016/17	168 483
2017/18	169 723
2018/19	169 729
2019/20	170 695

Chapter 3



SANITATION SERVICE DELIVERY LEVELS BELOW THE MINIMUM					
Households					
Description	2017/18	2018/19	2019/20		
	Actual	Actual	Original	Actual	Actual
Formal settlements					
Total households	167 148	168 564	168 120	-	169 677
Households below minimum service level	0	1 410	1 557	-	1 557
Proportion of households below minimum service level	0.00%	0.84%	1%	-	1%
Informal settlements					
Total households	4 624	8 159	9 178	-	9 178
Households below minimum service level	2 049	5 584	6 603	-	6 603
Proportion of households below minimum service level	44.31%	68.44%	72%	-	72%



Chapter 3

EMPLOYEE INFORMATION

EMPLOYEES: SANITATION SERVICES					
Job Level	2018/19	2019/20			
	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	5	7	5	2	29%
10 - 12	19	21	18	3	14%
13 - 15	8	11	7	4	36%
16 - 18	35	46	40	6	13%
19 - 20	128	153	122	31	20%
Total	198	242	195	47	19%

FINANCIAL PERFORMANCE: SANITATION SERVICES					
R'000					
Details	2018/19	2019/20			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	132 790	133 193	135 709	122 421	0%
Employees	41 805	42 466	46 172	44 832	-2%
Repairs and maintenance	2 901	3 411	3 862	3 221	-18%
Other	58 840	132 298	154 784	187 403	-125%
Total Operational Expenditure	143 065	178 175	204 818	235 456	-25%
Net Operational Expenditure	-10 275	-44 982	-69 109	-113 035	

COMMENTS ON THE PERFORMANCE OF SANITATION SERVICES OVERALL

The following achievements were made within the financial year to improve on service delivery:

- the procurement of at least six rodding machines for the maintenance teams;
- by the end of the financial year, the section managed to resolve more than 97% of the lodged complaints on sewer blockages;
- the emptying of 187 Ventilated Improved Pit (VIP) toilets at Brakspruit was also a success;
- the internal repairs of the Stilfontein Waste Water treatment plant and the general housekeeping of all four plants; and
- the assistance of province in addressing the backlogs on sanitation to the total of 1 116 households was also noted.

The section has implemented a programme of cleaning outfall sewers to ensure that there is reduction in frequent blockages within the system, but the programme requires financial support.

NATIONAL KEY PERFORMANCE INDICATOR

See page 228 for details.

Chapter 3

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on pages 159; 162 and 163)

WASTE WATER (SANITATION) SERVICES OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2017/18	2018/19	2019/20			2020/21
		Actual	Actual	Target			Budget
				Original	Adjusted	Actual	
To upgrade the electrical and mechanical equipment at the Kanana Pump-station (Phase 1)(Ward 27) to maintain the current infrastructure	Number of Kanana Pump-stations electrical and mechanical equipment (Phase 1)(Ward 27) upgraded	New project	New project	Upgrading 2 pump-stations (Kanana Ext 11 and Circle pump-station) in Kanana (Phase 1)(Ward 27) with replacing 4 existing centrifugal pumps and associated 4 motors, 2 existing screens and conveyors as well as all pipework and the installation of 2 inline macerators, electrical wiring and control panels by June 2020 R523 119	R523 119	No contractor appointed R454 886	R7 206 546
To refurbish electrical and mechanical equipment at several sewer pump stations in the Matlosana area (Wards 1 - 39) to maintain the existing infrastructure	Number of sewer pump-stations refurbished with electrical and mechanical equipment material at the Matlosana area (Wards 1 - 39)	New project	New project	Refurbishing 5 sewer pump-stations with electrical and mechanical equipment in the Matlosana area (Wards 1 - 39) by advertising for the appointment of a contractor by June 2020 R19 970 341	N/A	The tender was advertised on the 29 May 2020 and closed on 23 June 2020 R888 524	R10 441 185

Chapter 3

3.3 ELECTRICITY PROVISION

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

The Electrical and Mechanical Engineering section is a sub-directorate of the Directorate: Technical and Infrastructure. The vision and mission of the sub-directorate 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) as well as to provide mechanical and fleet support to other directorate and sections.

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 Matlosana community.

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 Mineral Resources and Energy (DMRE) through the Integrated National Electrification Programme (INEP). Areas identified during IDP consultation process are formulated into projects that are incorporated into municipal IDP. Households in the advantaged areas are connected as and when applications are received from individuals or developers. Currently the municipality has maintained access to 96% 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 96% whereas percentage of households in rural areas provided with electricity stands at 18%, 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.

The sub-directorate has the following structure components to ensure quality electricity provision and safe electricity installations:

- ◆ electricity distribution network maintenance section;
- ◆ electricity distribution projects and network planning section;
- ◆ electricity installation inspectorate section; and
- ◆ electricity quality of supply and metering section .

The sub-directorate faces the following challenges to provide electricity and public lighting to the community of City of Matlosana:

- ◆ ageing infrastructure;
- ◆ limited funding to maintain and improve the existing infrastructure;

Chapter 3

- ◆ high electricity technical losses due to ageing and saturated infrastructure;
- ◆ high electricity non-technical losses due to illegal connections and tampering 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.

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 due to municipal financial constraints however 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 objective to increase the municipality debt collection rate.

High electricity technical losses due to ageing and saturated infrastructure

The municipality has deferred the appointment of the service provider for the servicing of transformers and ring main units due to financial constraints. This service will be executed in the next financial year. The service is aimed at improving the efficiency of these equipment, thereby decreasing technical losses. It is important to note that this deferment has a negative impact on the efforts to reduce the distribution losses

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, non-functional meters and tampering of metering units.

During the 2019/20 financial year, inspectors employed by the municipality, conducted 690 inspections on illegal connection and tampering.

Electrical and Mechanical Engineering section has developed and submitted the proposal to increase the number of inspectors. The proposal was discussed at the municipal strategic session, and is awaiting final implementation. The municipality have also allocated two senior electricians who are tasked to deal with replacement of non-functional meters and consumer changeover of conventional meters to pre-paid meters for approved indigent's consumers. The municipality is continuously 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.

Chapter 3

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 and sanitation facilities. The municipality have engaged the 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.

Mushrooming of informal settlements and settlement on private land

The Electrical and Mechanical Engineering section have engaged the Directorate Planning and Human Settlements in dealing with this challenge where electricity cannot be installed. The effect of the non-provision of electricity to the informal settlement has led to increased illegal connections, which contribute to electricity system losses. The Directorate Planning and Human Settlements 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.

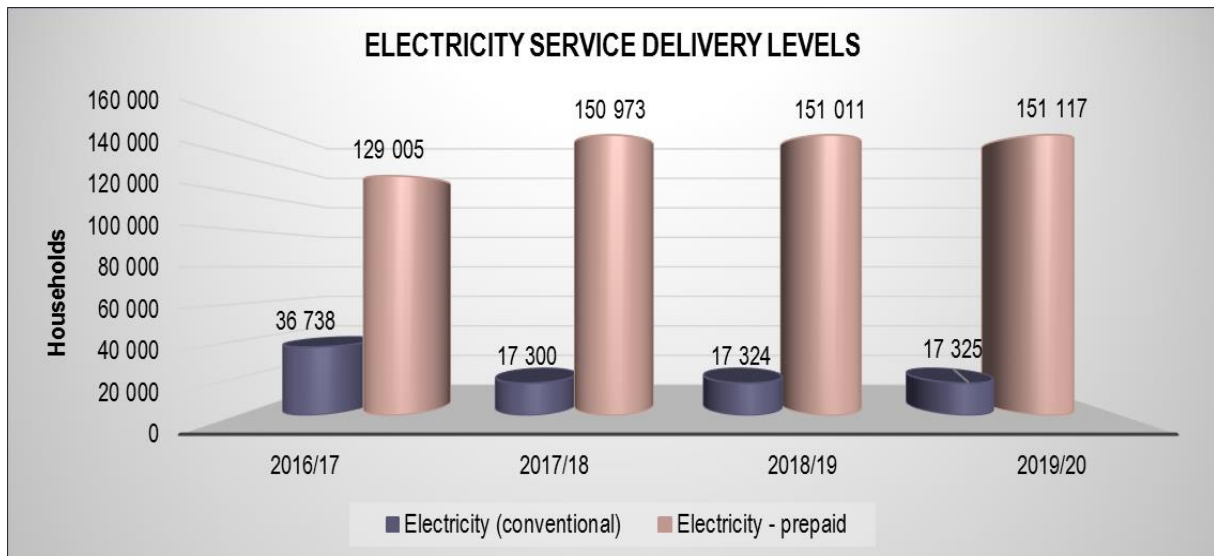
Proclamation that has been completed includes Alabama ext. 4 & 5. and Kanana ext. 15. Electricity is already provided to Alabama ext. 4 and in process of providing electricity to Alabama ext. 4 and Kanana ext. 15.

Non-availability of repair and maintenance materials

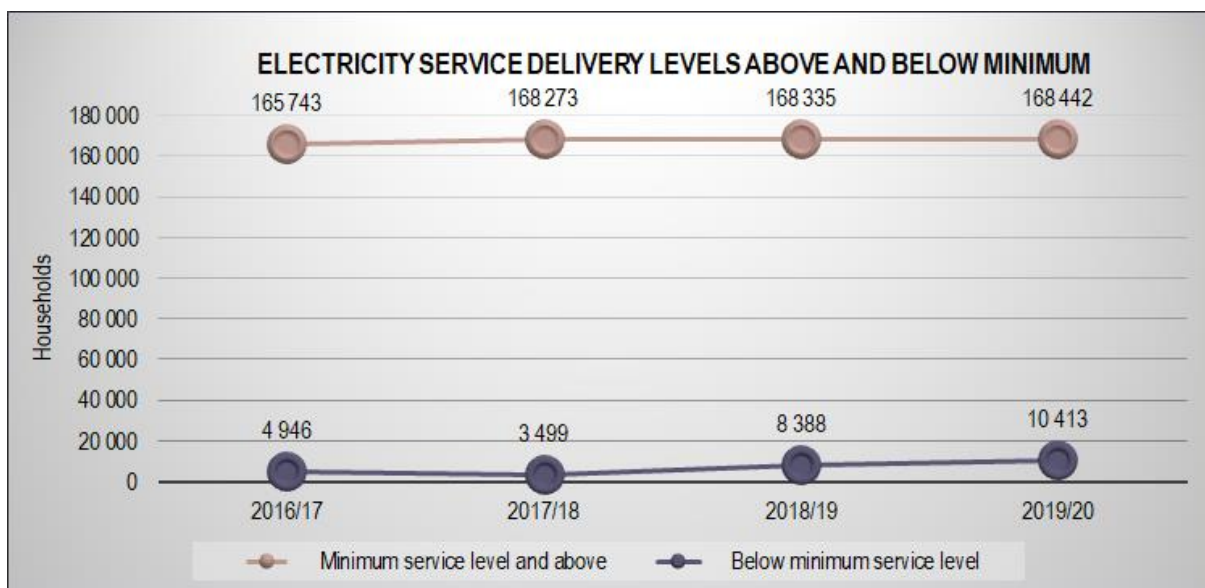
The Electrical and Mechanical Engineering section have developed a Demand Management Plan, which was approved by the Municipal Manager and submitted to Supply Chain Management for the procurement of the required materials. The section has also developed specifications for the required materials to expedite the process of procurement. The tender for procurement of materials was finalised however the capacity of the appointed service providers has not alleviated the challenge of non-availability of repair and maintenance materials.

ELECTRICAL AND MECHANICAL ENGINEERING SERVICE DELIVERY LEVELS				
Households				
Description	2016/17	2017/18	2018/19	2019/20
	Actual	Actual	Actual	Actual
<u>Energy: (above minimum level)</u>				
Electricity (at least minimum service level) (conventional)	36 738	17 300	17 324	17 325
Electricity - prepaid (minimum service level)	129 005	150 825	151 011	151 117
<i>Minimum service level and above subtotal</i>	<i>165 743</i>	<i>168 125</i>	<i>168 335</i>	<i>168 442</i>
<i>Minimum service level and above percentage</i>	<i>97.00%</i>	<i>98.00%</i>	<i>95.25%</i>	<i>94%</i>
<u>Energy: (below minimum level)</u>				
Electricity (< minimum service level)	4 946	3 647	8 388	10 413
<i>Below minimum service level sub-total</i>	<i>4 946</i>	<i>3 647</i>	<i>8 388</i>	<i>10 413</i>
<i>Below minimum service level percentage</i>	<i>3%</i>	<i>2.00%</i>	<i>4.75%</i>	<i>6%</i>
TOTAL HOUSEHOLDS*	170 689	171 772	176 723	178 855
* - Total include informal settlements				

Chapter 3



ELECTRICAL AND MECHANICAL ENGINEERING LEVELS BELOW THE MINIMUM					
Households					
Description	2017/18	2018/19	2019/20		
	Actual	Actual	Original	Adjusted	Actual
Formal settlements					
Total households	167 325	171 036	171 290	-	171 290
Households below minimum service level	148	3 665	3 812	-	3 812
<i>Proportion of households below minimum service level</i>	<i>0.1%</i>	<i>2.14%</i>	<i>2%</i>	<i>-</i>	<i>2%</i>
Informal settlements					
Total households	4 447	5 687	7 565	-	7 565
Households below minimum service level	3 499	4 723	6 601	-	6 601
<i>Proportion of households below minimum service level</i>	<i>79%</i>	<i>83.05%</i>	<i>87%</i>	<i>-</i>	<i>87%</i>



Chapter 3

FLEET SERVICES

INTRODUCTION TO FLEET SERVICES PROVISION

The Electrical and Mechanical Engineering section 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. Currently, the municipality have 584 items on its fleet, of which 445 are over 10 years old.

Fleet Maintenance

For maintenance of fleet, the municipality have appointed four service providers to assist the internal capacity of technicians to repair and service its fleet.

The following challenge is experienced:

- ◆ Aging Fleet

Due to ageing fleet, the challenge of obtaining repair and service parts for the old vehicles make the turnaround time for the repair of vehicles very slow, as these parts are obsolete. The performance of the repair of vehicles due to the above-mentioned challenges, stood at 71% at the end of the financial year.

The section has developed a cost benefit analysis on the current fleet and a detail report with recommendations were submitted to council for approval. Council has adopted the report and resolved to explore the option of lease to buy as a solution to address the ageing fleet.

Fleet Management

The management of fleet is de-centralised. This means every section of the municipality is responsible for the management of its own fleet. The fleet management section is only responsible for licence registrations, outside the City of Matlosana trips authorisations, certificate of fitness registration and receiving of log sheets at the end of the month.

The following challenge is experienced:

- ◆ Decentralisation of fleet management

The de-centralisation of the fleet management has resulted in the abuse and unauthorised use of municipal vehicles. The positions of Fleet Manager and Fleet inspector has been abolished and they are no longer on the organogram. The Municipality has no approved Fleet Management Policy.

The municipality management has resolved to transfer the Fleet Management Service from the Electrical and Mechanical Engineering section to the Directorate Corporate Support.

The Electrical and Mechanical Engineering section has developed a proposed Fleet Management structure, which has been submitted to the Directorate Corporate Support as part of municipal structure review and is awaiting council approval. The structure was presented during the municipal strategic session. The municipality has drafted the Fleet Management Policy which will be submitted to council for approval.

Chapter 3

MECHANICAL SERVICES

INTRODUCTION TO MECHANICAL SERVICES PROVISION

The Electrical and Mechanical Engineering section is responsible for the repair and maintenance of electrical and 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 gearboxes.

- ◆ The maintenance performance of mechanical services section

The municipality has 22 sanitation pump-stations and 4 waste treatment plants, as well as 5 bulk water points and 3 water pump station. The 2 of the waste treatment plants at Hartbeesfontein and Klerksdorp respectively are performing at 80% efficient whereas the other 2 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

The municipality have developed projects to address the challenge of ageing infrastructure at water and sanitation facilities. Business plans have been submitted to MIG for funding.

The municipality have received funding to address infrastructure challenge through MIG and NDPG to implement upgrading of the infrastructure at Jagspruit pump station.

Kanana ext. 11 and Circle Pump stations will be implemented in the next financial year.

- ◆ Community throwing foreign objects such as fitters, rocks, cloths, etc. in the sewer system.

This result in damage to pumps hence a high maintenance bill especially at pump stations that do not have screens

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

- ◆ Lack of preventative maintenance due to human resource constraints

This reduces the life span of equipment hence the need of frequent recapitalising projects.

The Electrical and Mechanical Engineering 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 and is awaiting Council approval.

NATIONAL KEY PERFORMANCE INDICATOR

See page 229 for details.

Chapter 3

EMPLOYEE INFORMATION

EMPLOYEES: ELECTRICAL AND MECHANICAL ENGINEERING					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 – 3	4	4	4	0	0%
4 – 6	11	11	11	0	0%
7 – 9	39	47	40	7	15%
10 - 12	11	12	11	1	8%
13 - 15	8	10	8	2	20%
16 - 18	20	32	18	14	44%
19 - 20	36	36	34	2	6%
Total	129	152	126	26	17%

FINANCIAL PERFORMANCE 2018/19: ELECTRICAL AND MECHANICAL ENGINEERING					
R'000					
Details	2018/19	2019/20			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	822 146	907 733	949 326	952 666	0%
Expenditure					
Employees	36 512	50 370	51 126	49 849	-3%
Repairs and maintenance	12 142	16 002	14 676	13 610	-8%
Other	632 712	920 384	935 792	935 340	0%
Total Operational Expenditure	1 095 824	986 756	1 001 594	998 799	0%
Net Operational Expenditure	-273 678	-79 023	-52 268	-46 133	-13%

COMMENTS ON THE PERFORMANCE OF ELECTRICAL, FLEET AND MECHANICAL SERVICES OVERALL

The Electrical and Mechanical Engineering section has been able to:

- 107 new electricity household's connections consisting of 88 in municipal licensed area and 19 in Eskom licensed area;
- completed the installation of check meters at all bulk points to monitor and verify the bulk accounts received from ESKOM;
- developed key policies relating to small scale embedded generation and electricity resellers to monitor illegal solar systems and to protect consumers that are not buying electricity directly from the municipality; and
- submit Energy Efficiency and Demand Management Business Plan which has resulted in the municipality receiving an allocation of R3 million to roll out the EEDSM (Energy Efficiency and Demand and Supply Management Program) in a form of retrofitting 704 high consuming street lights with energy efficiency LED lights, as well as being one of the 19 municipalities in South Africa to receive allocation of 5 000 solar hot water geysers with a targeted 152 unemployed community members to be trained as installer assistants.

Chapter 3

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on pages 158; 163 - 167)

ELECTRICAL AND MECHANICAL ENGINEERING OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2017/18	2018/19	2019/20			2020/21
		Target	Actual	Target			Budget
				Original	Adjusted	Actual	
To replace obsolete high mast lights to enhance a safe social economic environment in Khuma (Phase 1)(Wards 31, 34 & 39)	Number of obsolete high mast lights in Khuma (Phase 1)(Wards 31, 34 & 39) replaced	New project	Service Provider appointed on 30 April 2019. Site handover and establishment completed R57 500	Replacing 5 obsolete high mast lights in Khuma (Phase 1)(Wards 31, 34 and 39) by March 2020 R1 433 875	R1 400 000	5 Obsolete high mast lights in Khuma (Phase 1)(Wards 31, 34 and 39) replaced R1 251 800	N/A
To reduce electricity losses associated with municipal own consumption (Phase 1)	Number of street lighting retrofitted with LED lights (Phase 1)	New project	The project was re-advertised and the service provider is not yet appointed. R91 043 (Advertisement cost)	Retrofitting of 248 conventional street lights with LED lights (Phase 1) by June 2020 R6 908 763	R1 000 000	248 Conventional street lights retrofitted with LED lights (Phase 1) R866 797	N/A
To reduce electricity losses associated with municipal own consumption in Klerksdorp (Phase 2)(Wards 16, 17 and 19)	Number of street lighting with LED lights in Klerksdorp (Phase 2) (Wards 16, 17 and 19) retrofitted	New project	New project	Retrofitting 456 conventional street lights with LED lights in Klerksdorp (Phase 2)(Wards 16, 17 and 19) by June 2020 R2 000 000	N/A	456 Conventional street lights retrofitted with LED lights in Klerksdorp (Phase 2)(Wards 16, 17 and 19) R1 649 369	R4 000 000

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 the Matlosana area.

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. Night soil service will be transfer to Sewer Section from 1 July 2021.

The Cleansing Section took over the land fill sites as from 1 March 2019. Services includes the cleaning of illegal dumping, 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 in the Matlosana area;
- ✎ 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.

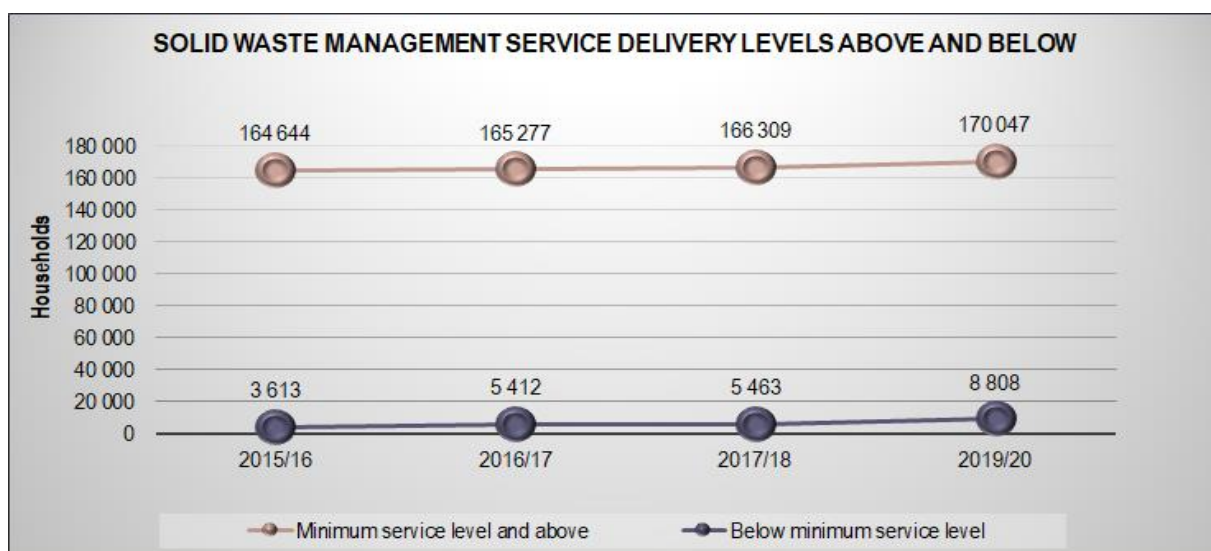
SOLID WASTE COLLECTED AT DUMPING SITES		
2017/18	2018/19	2019/20
115 000 tons	130 500 tons	134 592 tons

SOLID WASTE MANAGEMENT SERVICE DELIVERY LEVELS				
Description	2016/17	2017/18	2018/19	Households 2019/20
	Actual	Actual	Actual	Actual
Solid Waste Removal: (minimum level)				
Removed at least once a week	165 277	166 309	166 685	170 047
<i>Minimum service level and above sub-total</i>	<i>165 277</i>	<i>166 309</i>	<i>166 685</i>	<i>170 047</i>
<i>Minimum service level and above percentage</i>	<i>97.00%</i>	<i>97%</i>	<i>94.32%</i>	<i>95%</i>
Solid Waste Removal: (below minimum level)				
Removed less frequently than once a week	-	-	-	-
Using communal refuse dump	4 306	4 306	5 491	5 244
Using own refuse dump	1 106	1 157	4 547	3 564
No rubbish disposal	0	0	0	0
<i>Below minimum service level – sub-total</i>	<i>5 412</i>	<i>5 463</i>	<i>10 038</i>	<i>8 808</i>
<i>Below minimum service level – percentage</i>	<i>3.00%</i>	<i>3.00%</i>	<i>5.68%</i>	<i>5%</i>
TOTAL HOUSEHOLDS*	170 689	171 772	176 723	178 855
* - Total includes informal settlements				

Chapter 3



SOLID WASTE MANAGEMENT SERVICE DELIVERY LEVELS BELOW THE MINIMUM					
Households					
Description	2017/18	2018/19	2019/20		
	Actual	Actual	Original	Adjusted	Actual
Formal settlements					
Total households	167 260	171 007	171 163	-	171 163
Households below minimum service level	951	4 322	1 116	-	1 116
Proportion of households below minimum service level	0.01%	2.53%	0.65%	-	0.65%
Informal settlements					
Total households	4 512	5 716	7 466	-	7 692
Households below minimum service level	4 512	5 716	7 466	-	7 692
Proportion of households below minimum service level	100%	100%	100%	-	100%



Chapter 3

EMPLOYEE INFORMATION

EMPLOYEES: SOLID WASTE MANAGEMENT SERVICES (REFUSE REMOVAL AND STREET CLEANING)					
Job Level	2018/19	2019/20			
	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	11	9	2	18%
10 - 12	20	21	19	2	10%
13 - 15	17	32	20	12	38%
16 - 18	8	11	8	3	27%
19 - 20	197	260	185	75	29%
Total	254	340	246	94	28%

FINANCIAL PERFORMANCE 2019/20: SOLID WASTE MANAGEMENT SERVICES (REFUSE REMOVAL AND STREET CLEANING)					
R'000					
Details	2018/19	2019/20			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	210 152	171 772	194 856	184 235	-6%
Expenditure					
Employees	59 698	67 439	53 848	66 651	19%
Repairs and maintenance	9 236	6 305	22 329	9 260	-141%
Other	97 703	91 134	8 239	57 259	86%
Total Operational Expenditure	166 637	164 878	84 416	133 170	37%
Net Operational Expenditure	43 515	6 894	110 440	51 065	

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 will be transferred to the Sewer Section on 1 July 2021.
- ◆ All Landfill Sites and Transfer Station to adhere to the minimum landfill site requirements.
- ◆ 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.
- ◆ The final draft Integrated Waste Management plan for the City of Matlosana was approved by Council and submitted to the MEC of Economic Development, Environment, Conservation and Tourism, for endorsement.

NATIONAL KEY PERFORMANCE INDICATOR

See page 229 for details.

Chapter 3

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 the concurrent function of national and provincial departments. The housing Services Unit is limited to a 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 housing services within the Directorate Planning & Human Settlements 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;
- introduction of rental strategy as an alternative to the existing housing backlogs; and
- facilitate the eradication of informal settlements through the various housing programmes.

The unit will further strive to ensure the achievement of the following:

- management of informal settlements;
- compilation of a credible National Housing Needs Register; and
- ensure that the City of Matlosana receives Municipal Accreditation level 1 and 2, to perform human settlements functions.

Challenges

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

HOUSING DEVELOPMENT

The City of Matlosana has learned a lesson from the previous sporadic land invasions that took place. As much as Council does not condone the actions taken by the communities to embark on an illegal occupation of land, the municipality was obliged to address and navigate on these challenges.

MATLOSANA INFORMAL SETTLEMENTS:

The upgrading of informal settlements is invariably a phased process, the ultimate objective of which is to provide everyone with acceptable housing opportunity. Therefore, responsibility for the upgrading of informal settlements initiated and led by the municipality.

Here below are the informal settlements as identified and assessed by the municipality.

Chapter 3

MATLOSANA INFORMAL SETTLEMENTS						
NAMES OF INFORMAL SETTLEMENTS	DESCRIPTION OF LAND AFFECTED	OWNERSHIP	ZONING OF LAND	CATEGORY IN TERMS OF RAC	TYPE OF INTERVENTION REQUIRED FROM PROVINCE	SUITABILITY OF LAND IN TERMS OF IDP(SDF)
Sloja	RE PTN 306 Hartbeesfontein 297IP	Municipal	Agriculture	B1	<ul style="list-style-type: none"> Feasibility study, Detailed planning, Permanent engineering services, Project management 	Yes
Sunny Side	Re PTN 392 Town lands of Klerksdorp 424-IP	Municipal	Agriculture	B1	<ul style="list-style-type: none"> Feasibility study, Detailed planning, Permanent engineering services, Project management 	Yes
Water fall	Re PTN 5 Nooitgedacht 429- IP	Government of RSA	Government	B1	<ul style="list-style-type: none"> Feasibility study, Socio-economic survey, Detailed planning, Land acquisition Permanent engineering services, Project management 	No
Jacaranda	Re PTN 1 Town lands of Klerksdorp 424-IP	Municipal	Municipal	A	<ul style="list-style-type: none"> Socio-economic survey 	Yes
Jouberton ext. 25	Re PTN 5 Nooitgedacht 429- IP	Municipal	Agricultural	A	<ul style="list-style-type: none"> Feasibility study, Socio-economic survey, Detailed planning, Permanent engineering services, Project management 	Yes

Chapter 3

MATLOSANA INFORMAL SETTLEMENTS						
NAMES OF INFORMAL SETTLEMENTS	DESCRIPTION OF LAND AFFECTED	OWNERSHIP	ZONING OF LAND	CATEGORY IN TERMS OF RAC	TYPE OF INTERVENTION REQUIRED FROM PROVINCE	SUITABILITY OF LAND IN TERMS OF IDP(SDF)
Kanana Ext. 16	Re PTN 5 Nooitgedacht 429- IP	Municipal	Agricultural	B1	<ul style="list-style-type: none"> Feasibility study, Socio-economic survey, Detailed planning, Permanent engineering services, Project management 	Yes
Mphebatho	Re PTN Wildebeespan 442- IP	Municipal	Agricultural	B2	<ul style="list-style-type: none"> Socio-economic survey, Interim services, Transportation and loading costs, Social services support, Sustenance food support. 	No
Ext 9 (Tony Shaft)	Re PTN 3 Hartbeesfontein	Municipal	Agricultural	B2	<ul style="list-style-type: none"> Socio-economic survey, Interim services, Transportation and loading costs, Social services support, Sustenance food support. 	No
Zandpan	Re PTN 4 of Zandpan 423 IP	Government of RSA	Government	B2	<ul style="list-style-type: none"> Socio-economic survey, Interim services, Transportation and loading costs, Social services support, Sustenance food support. 	No

In order to deal with this issue, the municipality has now embarked on informal settlements upgrading programme and new housing development projects.

Below are the informal settlements that needs upgrading and new housing developments.

Chapter 3

INFORMAL SETTLEMENT UPGRADING AND NEW HOUSING DEVELOPMENTS			
NAME OF AREA	NR OF STANDS	PROJECT DESCRIPTION	COMMENTS
Tigane Ext. 7 (Nsune informal settlement)	1 497	Contractor appointed for installation of internal engineering services	Project underway
Tigane Ext. 8 (Turfloop informal settlement)	1 555	Contractor appointed for installation of internal engineering services	Project underway
Kanana Ext. 14 (informal settlement)	114	Installation of Internal engineering services not started as yet.	Contractor appointed, awaiting the signing of contract
Kanana Ext. 15 (informal settlement)	1 116	Installation of Internal engineering services	Completed
Kanana Ext. 16 (informal settlement)	2 271	Layout and pegging are completed	Township register opened
Kanana Estate (New development)	2 448	Township layout completed	Township register opened
Jouberton Ext. 34 (New development)	2 596	Layout and pegging completed	Township to be registered

National Department of Human Settlements funded the following housing developments housing developments for the 2019/20 financial year:

NDHS: TOWNSHIP ESTABLISHMENTS AND OTHER SERVICES (N12 CATALYTIC PROJECT) – 2019/20			
NAME OF AREA	NR OF STANDS	COMMENTS	PROGRESS
Matlosana Estate Ext. 3	243	Installation of civil engineering services and electricity	Completed
Matlosana Estate Ext. 5	177	Installation of civil engineering services and electricity	Completed
Matlosana Estate Ext. 6	231	Installation of civil engineering services and electricity	Completed
Matlosana Estate Ext. 10	1 667	Installation of civil engineering services: Engineering Designs including Electricity approved	In progress 750 sites completed
Matlosana Estate Ext. 11	1 143	Installation of civil engineering services: Engineering Designs including Electricity approved	In progress 346 sites completed
Matlosana Estate Ext 12	1 289	Township Register and Designs	Completed

Chapter 3

Below is the breaking new ground “RDP’s” project undertaken in 2019/2020 financial year

DEPARTMENT OF HUMAN SETTLEMENTS - BREAKING NEW GROUNDS “RDP’s” – 2019/20			
PROJECT NAME	PLANNED STANDS	ACHIEVEMENTS	PERFORMANCE SHORTFALL
Alabama Ext 5 – Drop Dot	700	<ul style="list-style-type: none"> 153 Foundation 153 Wall plate 50 Completed 	Slow delivery of completions
Alabama Ext 5 – Lekgatliso Construction	800	<ul style="list-style-type: none"> 488 Foundation 430 Wall plate 286 Completed 	Community unrest
Jouberton Infill Ext 2, 3 & 7 – Shumosky Business solution	300	<ul style="list-style-type: none"> 76 Foundation 10 Wall Plate 0 Completed 	Slow delivery of completions
Kanana Ext 13 – Sechoaro Supply	285	<ul style="list-style-type: none"> 165 Completed 	Appointed June 2019
Jouberton Ext 16 - Ikaheng Developers	429	<ul style="list-style-type: none"> 365 Completed 	Slow delivery of completions
Jouberton Ext 17 - Real Deal	706	<ul style="list-style-type: none"> 659 Completed 	Slow delivery of completions

EMPLOYEE INFORMATION

EMPLOYEES: HUMAN SETTLEMENTS					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 – 3	1	1	1	0	0%
4 – 6	6	6	5	1	17%
7 – 9	3	4	3	1	25%
10 - 12	3	3	3	0	0%
13 - 15	7	7	7	0	0%
16 - 18	0	0	0	0	0%
19 - 20	1	2	1	1	50%
Total	21	23	20	3	13%

Chapter 3

FINANCIAL PERFORMANCE 2019/20: HOUSING SERVICES					
R'000					
Details	2018/19	2019/20			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	3 980	3 852	3 853	3 310	-16%
Expenditure					
Employees	8 764	67 439	9 251	9 286	-626%
Repairs and maintenance	0	6 305		0	0%
Other	1 402	91 134	2 468	3 216	-2 734%
Total Operational Expenditure	10 166	164 878	11 719	12 502	-1 219%
Net Operational Expenditure	-6 186	-161 026	-7 866	-9 192	

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 that 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.

Chapter 3

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 considers 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.

Only households where the total household income is less than R3 600 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 600 PER MONTH									
Year end	Total	Free basic water		Free basic sanitation		Free basic electricity		Free basic refuse removal	
		Access	%	Access	%	Access	%	Access	%
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%
2019/20	20 650	20 650	100%	20 650	100%	20 650	100%	20 650	100%

NATIONAL KEY PERFORMANCE INDICATOR

See page 230 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.

Chapter 3

The Council will endeavour to render a basic standard and level of services necessary to ensure an acceptable and reasonable quality of life, which considers 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 two single 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.

FINANCIAL PERFORMANCE 2019/20: COST TO MUNICIPALITY OF FREE BASIC SERVICES DELIVERED					
R'000					
Services delivered	2018/19	2019/20			
	Actual	Budget	Adjustment	Actual	Variance to Budget
Water	67 556	63 380	89 290	50 135	14 244
Waste-water (sanitation)	48 544	38 364	16 890	18 897	-2 096
Electricity	28 603	56 012	60 212	25 754	-25 882
Waste management (solid waste)	11 582	18 346	13 466	34 402	16 056
Total	156 285	177 103	184 739	127 278	2 321

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;

Chapter 3

- ◆ 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 600.00 (Three thousand six hundred 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.

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 and 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.

Chapter 3

3.7 ROADS AND STORM-WATER DRAINAGE

INTRODUCTION TO ROADS AND STORM-WATER DRAINAGE

The Roads and Storm-Water section add 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;
- provide safe roads with good quality riding characteristics; and
- determine a road inventory and create a road referencing system.

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

GRAVEL ROAD INFRASTRUCTURE				
Kilometres				
Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2016/17	601	0	5	148.12
2017/18	836	9	10	145.99
2018/19	836	0	4	179.03
2019/20	836	0	5	145.00

TARRED ROAD INFRASTRUCTURE				
Kilometres				
Year	Total surfaced roads	New surfaced roads	Existing surfaced roads re-surfaced	Surfaced roads maintained
2016/17	1 058.15	0	0	180
2017/18	1 083.45	9	10	244
2018/19	1 087.45	0	0	250
2019/20	1 092.45	2	3	300

ROADS COST OF CONSTRUCTION / MAINTENANCE						
R' 000						
Year	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
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
2019/20	0	21 000	4 000	21 000	8 000	9 000

Chapter 3

STORM-WATER INFRASTRUCTURE			
Kilometres			
Year	New storm-water measures	Storm-water measures upgraded	Storm-water measures maintained
2016/17	0*	1	1
2017/18	3*	3	5
2018/19	5*	0	27
2019/20	3*	2	30

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

STORM-WATER COST OF CONSTRUCTION / MAINTENANCE			
R' 000			
Year	Storm-Water Measures		
	New	Upgraded	Maintained
2016/17	0	1	2
2017/18	0	0	2
2018/19	11	0	3
2019/20	0	0	4

EMPLOYEE INFORMATION

EMPLOYEES: ROAD AND STORM-WATER DRAINAGE					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	0	1	1	0	0%
4 - 6	1	2	1	1	50%
7 - 9	13	14	12	2	14%
10 - 12	22	29	21	8	28%
13 - 15	3	4	3	1	25%
16 - 18	22	26	22	4	15%
19 - 20	95	107	89	18	17%
Total	156	183	149	34	19%

Chapter 3

FINANCIAL PERFORMANCE: ROAD AND STORM-WATER DRAINAGE					
R'000					
Details	2018/19	2019/20			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	22 321	56 920	37 588	28 591	-99%
Expenditure					
Employees	36 988	67 775	62 535	63 012	-8%
Repairs and maintenance	34 890	25 680	19 981	27 622	7%
Other	104 974	147 990	111 866	111 536	-33%
Total Operational Expenditure	176 852	241 445	194 382	202 170	-19%
Net Operational Expenditure	-154 531	-184 525	-156 794	-173 579	

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

The Roads and Storm-Water section is performing fairly well with the limited resource. The municipality is working on a maintenance budget to ensure effective maintenance and rehabilitation of the existing roads, as well as capital budget to upgrade the gravel roads to tar. Most of the road's 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.

The challenging reality of limited financial resources leads to the need for roads investment optimization and prioritization

Rehabilitation and resealing of surfaced roads are the major factor that keeps the roads intact against major defects such as potholes, crocodile cracks, rutting and rejuvenating of the life span of roads. The City has to make sure that all these roads are properly maintained. There is huge challenge with regard to maintenance of these roads because of shortage of funds and shortage of equipment for internal capacity for carrying out required level of road maintenance to maintain high quality drivability.

The process for the determination of the state of road network which was done through the Dr Kenneth Kaunda District Municipality through the RRMMS programme report clearly indicate that City of Matlosana's road network need proper and urgent rehabilitation and reseat to sustain the durability of roads.

The report also noted that the network improvement programmes should be implemented as a matter of urgency give given the bad state of the roads and priority and importance of the infrastructure for economic development and it also states that this require a special type of skill and equipment to carry out the work properly.

The report further alludes that the road network rehabilitation and reseat programme should be commencing and be successfully implemented within the next 5 years from 2018 for the sustainability of the life span of roads.

The quality of budgeting process has a major impact on the condition of the surfaced pavement tar network and the cost of maintaining it. The road network improvement programme identified through the Pavement Management System Analysis process come to not less R551 791 million which means that at least R110 360 million will have to be spent annually to be able to produce a profound impact towards road maintenance backlog eradication.

Chapter 3

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on pages 159 – 160; 162 and 164)

ROADS AND STORM-WATER DRAINAGE OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2017/18	2018/19	2019/20			2020/21
		Actual	Actual	Target			Budget
				Original	Adjusted	Actual	
To improve accessibility and mobility and control and direct the flow of storm-water and prevent road erosion in Tigane (Wards 1 -2)(Phase 9)	Km of Tigane taxi route constructed (Wards 1 -2)(Phase 9)	Site establishment, clear and grub and locating existing services. Construction of 1.043km of roadbed, sub base and base. R2 459 903	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	Constructing 3.497 km taxi route in Tigane (Wards 1 -2)(Phase 9) at Lephoi, Pudi, Kwena, Nku, Kgomo, Malcom X, Mahatma Gandhi, Helen Josph, Oupa Matlhoko and Solomon Mahlangu Streets by June 2020 R15 837 356	N/A	3.497 km taxi route in Tigane (Wards 1 -2)(Phase 9) at Lephoi, Pudi, Kwena, Nku, Kgomo, Malcom X, Mahatma Gandhi, Helen Josph, Oupa Matlhoko and Nyakallong Solomon Mahlangu Streets constructed R13 611 402	N/A

Chapter 3

3.8 LICENSING SERVICES

INTRODUCTION TO LICENSING SERVICES

The Licensing section has a connection with the NW 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 assist with change of 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 Klerksdorp section, a total of 17 932 less renewals were performed. Council should consider the opening of a pay point at the finance department 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,

Chapter 3

with the consent of the Department of Community Safety & Transport Management. Notice should be taken that on the total money taken at the Post Office, Council loose income on commission value to R2 077 582.

- ◆ 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. 20 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 has 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 has an influence on the collection of revenue, as Inspectors cannot perform their daily duties.
- ◆ Council took a resolution 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. Renovations did not start yet due to COVID-19 outbreak and financial year end.

SERVICE STATISTICS FOR LICENSING SERVICES				
DESCRIPTION	2017/18	2018/19	2019/20	COST (R'000)
Registration of vehicles	29 969	34 978	29 002	10 505
Licensing / renewal of vehicle licences	78 709	86 715	68 783	55 935
Issue of permits	6 311	5 989	4 851	499
Application and renewal of motor trade plates	208	258	201	131
Application and issuing of business licences, hawkers' licences and stands	286	199	211	220
Application and issuing of certification of roadworthiness certificates of motor vehicles	2 683	2 726	2 119	524
Weigh bridge certificates of vehicles	1 127	1 398	954	86
Application and issue of learners' licences	12 273	15 356	13 067	1 646
Application and issue of drivers' licences	7 351	10 385	9 190	2 164
Application for professional driving permits	3 216	3 509	2 953	372
Renewal of drivers' licences	14 502	14 730	12 399	2 758
Issuing of temporary drivers' licences	8 957	11 551	8 931	450
Road Traffic Management Corporation	68 262	74 700	61 041	4 395

Chapter 3

EMPLOYEE INFORMATION

EMPLOYEES: LICENSING SERVICES					
Job Level	2018/19	2019/20			
	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	33	43	33	10	23%
10 - 12	36	53	35	18	34%
13 - 15	16	18	16	2	11%
16 - 18	3	3	3	0	0%
19 - 20	6	6	5	1	16%
Total	96	125	94	31	25%

FINANCIAL PERFORMANCE: LICENSING SERVICES					
R'000					
Details	2018/19	2019/20			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	20 831	11 130	17 626	17 280	36%
Expenditure					
Employees	26 254	28 659	31 206	30 981	7%
Repairs and maintenance	180	360	499	310	-16%
Other	2 141	2 549	1 317	884	-188%
Total Operational Expenditure	28 575	31 568	33 022	32 175	2%
Net Operational Expenditure	-7 744	-20 438	-15 396	-14 895	

COMMENTS ON THE PERFORMANCE OF LICENSING SERVICES OVERALL

In general, the duties as require from a Licensing service, 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 increased compared with the Post Office, due to putting the customer first – Batho Pele.

The income at the driver's 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.

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.

PLANNING AND BUILDING CONTROL

DETAIL	2016/17	2017/18	2018/19	2019/20
Detail of building plans				
✎ Number of building plans approved (excluding low cost housing)	678	614	507	492
✎ Value of building plans approved	R411 862 900	R296 436 700	R 315 952 200	R306 620 200
Number of applications received for				
✎ Township establishment	3	2	9	3
✎ Rezoning	39	46	74	52
✎ Special consent	11	4	2	10

APPLICATIONS FOR LAND USE DEVELOPMENT						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
Planning application received	9	3	74	52	741	142
Determination made in year of receipt	4	2	41	40	741	98
Determination made in following year	0	0	28	5	0	18
Applications withdrawn	0	0	5	4	0	4
Applications outstanding at year end	5	1	28	3	234	22

ESTATE ADMINISTRATION & LAND SALES

This section was formerly located at Directorate Corporate Support. However, with the restricting of the organisational structure it was then properly placed in the Directorate Planning and Human Settlements. 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.

Chapter 3

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; PMU; TOWN PLANNING; BUILDING CONSTRUCTION and ESTATE ADMINISTRATION & LAND SALES					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	2	2	2	0	0%
4 - 6	11	16	12	4	25%
7 - 9	14	19	15	4	21%
10 - 12	13	17	13	4	24%
13 - 15	8	10	6	4	40%
16 - 18	12	14	13	1	7%
19 - 20	1	1	1	0	0%
Total	61	79	62	17	22%

FINANCIAL PERFORMANCE: ADMINISTRATION; TOWN-PLANNING; BUILDING CONSTRUCTION and ESTATE ADMINISTRATION & LAND SALES					
R'000					
Details	2018/19	2019/20			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	3 355	4 726	873	568	-732%
Expenditure					
Employees	22 524	10 484	3 661	3 448	-204%
Repairs and maintenance	503	376	1 792	-	0%
Other	15 659	2 447	1 597	1 246	-96%
Total Operational Expenditure	38 686	13 307	7 050	4 694	-183%
Net Operational Expenditure	-35 331	-8 581	-6 177	-4 126	

COMMENT ON THE PERFORMANCE OF TOWN-PLANNING; BUILDING CONSTRUCTION and ESTATE ADMINISTRATION & LAND SALES OVERALL

The following achievement can be highlighted:

- review of the Spatial Development Framework, 2021 to be SPLUMA compliant;
- township Establishments Tigane extensions 7 & 8, Kanana extension 16 and Jouberton extensions 31 & 34;
- training of young graduates in GIS & Town Planning environment; and
- improvement of circulation of building plans within 30 days.

Chapter 3

3.10 LOCAL ECONOMIC DEVELOPMENT (INCLUDING COMMUNICATIONS AND MARKETING)

INTRODUCTION TO LOCAL ECONOMIC DEVELOPMENT

Local Economic Development is an adaptive and responsive process by which public, business and non-governmental sector partners work collectively to create better conditions for innovation-driven inclusive economic development that is characterized by skills development and knowledge transfer, employment generation in a local area in order to improve its economic futures and the quality of life for all.

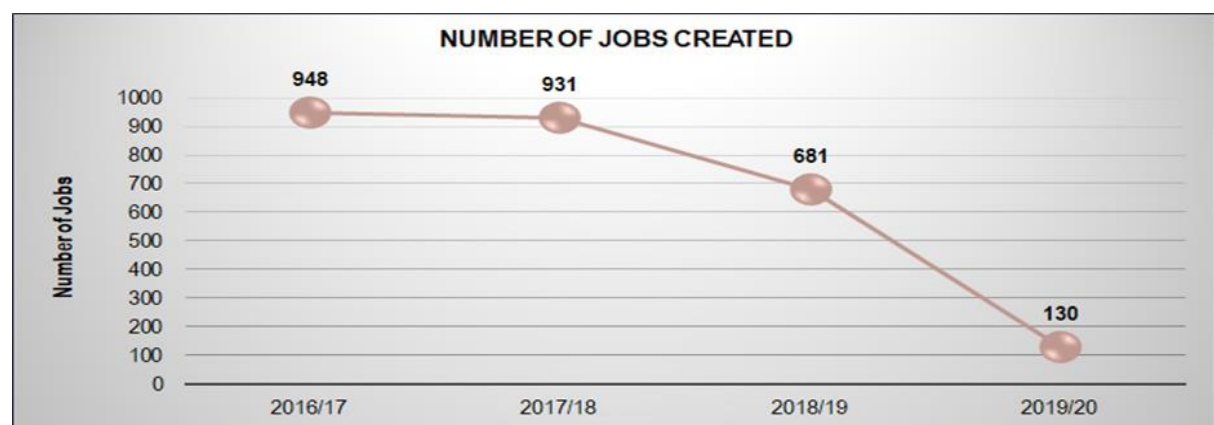
Local Economic Development seeks to create competitive, sustainable, diverse, innovation driven inclusive local economies that are vibrant places in which to live, invest and work, which maximize local opportunities, address local needs and contribute to South Africa's national development objectives, including sustainable ways of utilizing local resources and expand learning capabilities.

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.

LED is 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 recognised 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			
	2016/17	2017/18	2018/19	2019/20
Agriculture, forestry and fisheries	30	32	17	0
Wholesale and retail trade	0	0	67	0
Infrastructure services	948	899	603	130
TOTAL	978	931	687	130



Chapter 3

COMMENTS ON LOCAL JOB OPPORTUNITIES

JOB CREATION THROUGH EPWP* PROJECTS		
Year	EPWP Projects	Jobs created through EPWP projects
	No	No
2016/17	13	287
2017/18	12	633
2018/19	10	611
2018/19	1	61
* - Extended Public Works Programme		

JOBS CREATED DURING 2019/20 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
2016/17	948	0	948	In loco inspection
2017/18	266	0	931	In loco inspection
2018/19	687	0	687	In loco inspection
2019/20	130	0	130	In loco inspection

Most of the jobs were created on a short term basis and we are anticipating to create long-term employment once the following municipal projects are implemented and completed:

- ◆ NDPG: Construction of hawkers stalls and the new taxi rank in Jouberton
- ◆ Rural Development Programme: Support for small-holder farmers and food security
- ◆ SLP Projects: Implementation of SLP projects by mining houses for SMME's and community development.
 - Establishment of community gardens as part of food security by Village Main Reef (VMR) the project has created 250 short term jobs.
 - Building and equipping of physical science laboratory at Tsamma Secondary School by Harmony.
- ◆ Extension of Fresh Produce Market: Support for emerging farmers and the development of black agents at the Fresh Produce Market
- ◆ Small Town Regeneration (STR): Economic revitalization of distressed mining towns

EMPLOYEE INFORMATION

EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT					
Job level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	2	2	1	1	50%
4 - 6	6	7	6	1	14%
7 - 9	4	4	4	0	0%
10 - 12	3	5	5	0	0%
13 - 15	0	0	0	0	0%
16 - 18	1	1	1	0	0%
19 - 20	1	1	1	0	0%
Total	17	20	18	2	10%

Chapter 3

FINANCIAL PERFORMANCE: LOCAL ECONOMIC DEVELOPMENT					
R'000					
Details	2018/19	2019/20			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	20 272	30 082	15 983	2 447	1 129%
Expenditure					
Employees	15 757	20 166	7 845	7 185	181%
Repairs and maintenance	3 557	4 145	1 977	2 928	42%
Other	10 118	19 725	12 772	28 432	-31%
Total Operational Expenditure	29 432	44 036	22 594	38 545	14%
Net Operational Expenditure	-9 154	-13 954	-6 611	-36 098	

COMMENTS ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL

LED facilitated for the following developments:

- Extended Public Works Programme: CWP is a government initiative designed to provide an employment safety net to eligible participants by offering them a minimum number of regular days of work each month. Working closely with Civil Engineering Department to implement EPWP projects for job creation.
- Community Workers Programme: Working closely together with the office of the Speaker to implement COGTA programme CWP on poverty alleviation and job creation for poverty stricken households in different wards within Matlosana. Six hundred beneficiaries are currently participating in the programme. CWP is implemented in six (6) Wards.
- Neighbourhood Development Programme: The NDPG project is funded by the Department of National Treasury in a form of a grand. The directorate is implementing a township revitalization programme for township economy in Jouberton. The primary focus of the NDPG is to stimulate and accelerate investment in the poor neighbourhoods by providing technical assistance and capital grand funding for municipal projects.
- Bokamosa Solar Project: Facilitated the implementation of Bokamoso Solar project for alternative energy. The Department of Energy through independent power producers (IPP) programme has identified solar plant project within Dr Kenneth Kaunda District Municipality. The project is located at the border of Matlosana Local Municipality and Maquassi Hills Local Municipality.
- Training: Facilitated capacity building workshops and training for SMME's and cooperatives in partnership with the Department of Trade and Industry (DTI).

NATIONAL KEY PERFORMANCE INDICATOR

See page 231 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 section support and promote the municipality's Vision and Mission.

Chapter 3

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
- ◆ 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
- ◆ Municipal meetings
- ◆ Municipal website and newsletters
- ◆ Local Communicators' Forum

SERVICE STATISTICS

NEWSLETTERS	DISTRIBUTION
◆ Internal newsletters	6
◆ External newsletters	6

Chapter 3

Adopted policies

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

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

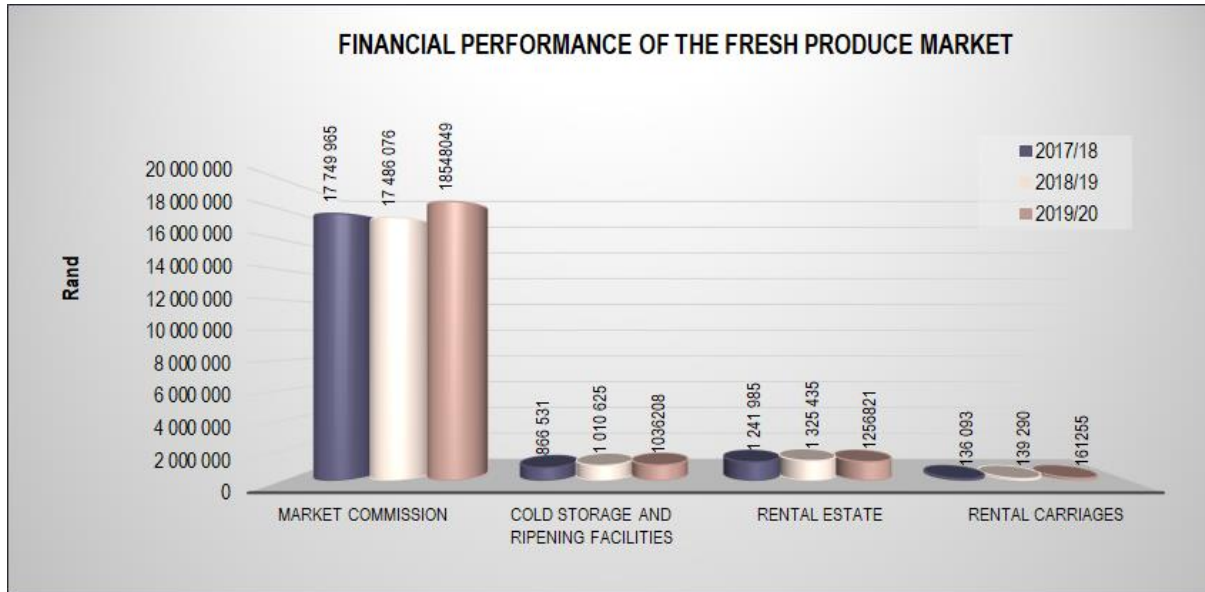
Job creation:

- ⇒ 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 operate 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

FINANCIAL PERFORMANCE OF THE FRESH PRODUCE MARKET			
INDICATOR	2017/18	2018/19	2019/20
	R	R	R
Market commission	17 749 965	17 486 076	18 548 049
Cold storage and ripening facilities	866 531	1 010 625	1 036 208
Rental estate	1 241 985	1 325 435	1 256 821
Rental carriages	136 093	139 290	161 255

Chapter 3



The South African Police Service is conducting an investigation into alleged irregularities at the fresh produce market, prompted by the accounting officer.

The investigation was still on-going at the date of this report.

EMPLOYEE INFORMATION

EMPLOYEES: FRESH PRODUCE MARKET					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	0	1	0	1	100%
4 - 6	4	5	5	0	0%
7 - 9	0	0	0	0	0%
10 - 12	11	11	10	1	9%
13 - 15	7	9	8	1	11%
16 - 18	4	4	4	0	0%
19 - 20	11	14	11	3	21%
Total	37	44	38	6	14%

COMMENT ON PERFORMANCE OF FRESH PRODUCE MARKET OVERALL

Although an SAPS investigation into alleged irregularities at the fresh produce market is ongoing, the following increase in income is worth mentioning:

- ◆ Market commission (1.1%)
- ◆ Cold storage and ripening rooms (1%) and
- ◆ Carriage income (1.2%)

Chapter 3

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

SERVICE STATISTICS FOR THE LIBRARIES			
INDICATOR	2017/18	2018/19	2019/20
Educational programmes			
• Library awareness programmes and events	198	160	177
• Photocopies made	768 915	1 003 320	325 470
• Books and items circulated	265 339	332 405	75 850
• Enquiries	28 448	17 268	9 800

Chapter 3

The following libraries with the contact details are available in the City of Matlosana 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 NkhaeThulo 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 R552 493,03 was spent on five projects, which comprise of building signs for all libraries; installation of carports for Hartbeesfontein and Jouberton libraries; installation of burglar bars for Tigane and Kanana Libraries; refurbishment of Hartbeesfontein library hall; and installation of counter screen at all libraries.

The equitable share grant to the value R209 331,60 was spent on four projects consist of repair to furniture and equipment; Awareness Projects: Training and PPE for all libraries.

The Library services presented 177 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 areas in City of Matlosana.

Due to COVID-19 National Lockdown and subsequent closure of libraries for five months in the 2019/20 financial year, the printing and photocopies demand dropped across all libraries. The public computer and study facilities were also not used as a result.

Chapter 3

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on page 169 - 170)

LIBRARY SERVICES OBJECTIVES TAKEN FROM THE IDP							
Service objective	Service indicators	2017/18	2018/19	2019/20			2020/21
		Actual	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	The grant was utilized for improvements for various library equipment, stationary, awareness and repairs R397 550	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	Improving library services and maintenance at all 12 libraries according to the operational activities on the approved project business plan by June 2020 R216 000	R237 000	Catering for 190 people during meetings at Umuzimuhle; Klerksdorp and Tigane libraries. 43 Sets of promotional material; Personal Protective Equipment (16 digital thermometers; 100 face shields; 10 x 35 respiratory masks) and training for 7 Snr Library Assistant and 7 Library Assistants at all 12 libraries. Upholstery of 22 couches at the Klerksdorp library R209 332	R216 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 of 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 Dr Kenneth Kaunda 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 the Museums and Heritage section are to:

- ◆ implement sustainable arts, culture and recreation programmes contributing to safe and healthy communities in the City of Matlosana;
- ◆ ensure that arts and culture are accessible to all communities, to promote talent in the City of Matlosana;
- ◆ manage and preserve our heritage resources and collections to benefit all communities;
- ◆ manage information about intangible heritage, assert and provide access to information;
- ◆ 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; and
- ◆ 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.
- ◆ 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

- ◆ Khoisan petroglyphs (rock engravings)
- ◆ Remains of Khoisan stone tools and fire pits dating from the Late Stone Age are evidence of Khoisan 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 19th and early 20th 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; and
- ◆ 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	2017/18	2018/19	2019/20
MUSEUM EDUCATION			
Education programmes presented	120	114	79
Lifelong learning classes presented	42	27	12
MUSEUM COLLECTIONS			
Maintenance and care of objects	5 000	3 750	2 000
Digitised collection documentation	1 050	750	500
MUSEUM EXHIBITIONS			
Temporary exhibitions presented	7	6	6
Existing exhibitions maintained	20	20	20
COMMUNITY PARTICIPATION			
Consultation sessions	136	143	100
HERITAGE AWARENESS			
Heritage awareness events	12	13	6
EXPENDITURE	R127 857	R244 652	R89 698

EMPLOYEE INFORMATION

EMPLOYEES: LIBRARIES AND MUSEUM					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	1	3	2	1	33%
7 - 9	9	9	9	0	0%
10 - 12	13	14	13	1	7%
13 - 15	39	41	38	3	7%
16 - 18	15	15	15	0	0%
19 - 20	3	3	2	1	33%
Total	83	86	80	6	7%

FINANCIAL PERFORMANCE: LIBRARIES AND MUSEUM					
R'000					
Details	2018/19	2019/20			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	1 871	16 075	1 549	7 958	-102%
Expenditure					
Employees	19 675	43 570	21 699	21 943	-99%
Repairs and maintenance	981	11 616	1 187	1 053	-1003%
Other	10 281	35 364	26 052	24 622	-44%
Total Operational Expenditure	30 937	90 550	48 938	47 618	-90%
Net Operational Expenditure	-29 066	-74 475	-47 389	-39 660	

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 79 schools and special interest groups during 2019/20.

The total number of visitors to the Museums and Goudkoppie Heritage Hill during 2019/2020 was 9 124.

Cultural community events promote heritage awareness and art. Lifelong Skills Development Programmes to youth awaken their entrepreneurial. Living History Day at Goudkoppie Heritage Hill where a local farm school participated in live demonstrations of different cultural uses.

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 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	2016/17	2017/18	2018/19	2019/20
• Burials	2 975	2 839	2 701	2 634
➤ Adults	2 138	2 120	1 980	1 955
➤ Children	312	237	285	281
➤ Re-openings	525	482	436	389
• Memorials	516	519	554	491
Expenditure	R12 135 272	R15 003 835	R11 500 070	R17 064 406
Income	R1 521 130	R1 560 605	R1 570 401	R1 541 372

CHALLENGES	MEASURES TAKEN TO ADDRESS CHALLENGES
Aging of Tlb's to dig the graves	Still utilizing plant hire tender to hire the Tlb's to dig graves
Lack of funding for the development of taxi roads within the cemeteries and fencing of new cemeteries Kanana, Jouberton, Alabama and Tigane.	Application for MIG Fund will be done on the new financial year of MIG
Non-reopening of second interment and erection of tombstone at Jouberton, Alabama, Kanana and Khuma township due to lost data during riots	No reopening and erection of tombstone on unidentified grave
COVID-19 pandemic related deaths	Utilization of TLB's to fill the graves

Chapter 3

EMPLOYEE INFORMATION

EMPLOYEES: CEMETERIES AND AREODROME					
Job Level	2018/19	2019/20			
	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	11	13	12	1	8%
13 - 15	4	5	4	1	20%
16 - 18	4	5	3	2	40%
19 - 20	30	37	28	9	24%
Total	50	63	48	15	24%

FINANCIAL PERFORMANCE: CEMETERIES AND AERODROME					
R'000					
Details	2018/19				
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	1 613	930	922	1 421	35%
Expenditure					
Employees	10 404	12 066	16 249	16 101	25%
Repairs and maintenance	145	5 411	5 163	4 126	-31%
Other	951	2 452	3 222	3 194	23%
Total Operational Expenditure	11 500	19 929	24 634	23 421	15%
Net Operational Expenditure	-9 887	-18 999	-23 712	-22 000	

COMMENTS ON THE PERFORMANCE OF CEMETERIES OVERALL

- ◆ Khuma and Hartbeesfontein cemeteries fenced with palisade
- ◆ The section continues to maintain cemeteries through grass cutting and pruning of trees.
- ◆ 2 634 Burials were conducted around Matlosana cemeteries
- ◆ The municipality introduced filling of graves with TLB's due to COVID-19 related deaths
- ◆ 5 COVID-19 related funerals during June 2020

Chapter 3

COMPONENT E: ENVIRONMENTAL PROTECTION

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

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 celebrated at PA Theron Primary School in Stilfontein and the build up towards the event was held at the following school: Matlosana Secondary School, Sediko Primary School, Kanana Primary School, Stilfontein Laerskool and Strathvaal Primary School. 1 410 Indigenous trees, 198 fruit trees and 2 400 vegetable seedlings distributed during arbour month celebration.

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

- Lack of resources to render a better service to the community.
- Budget constrains – no capital budget for fleet and equipment e.g. bush cutters and chainsaws.
- Rapid expansion of City of Matlosana area
- Lack of funding to develop mega parks in Matlosana township.
- Deforestation of biodiversity

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.

The Education Environmental Programmes (EEP) 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.

Chapter 3

During February 2019 (Mr Guila Gemen) through Scientist from Montpellier University in France in collaboration with Bloemfontein National Museum utilized Faan Meintjies Nature Reserve to set live traps for rodents.

Challenges

- Non-functionality of Environmental Education Centre structure at Faan Meintjies Nature Reserve for almost three years.

SERVICE STATISTICS				
INDICATOR	2016/17	2017/18	2018/19	2019/20
AERODROME –				
PC Pelsaer Annual License	1	1	1	1
Expenditure	R4 640	R4 590	R4 870	R5 170
NATURE RESERVE				
Day visitors	3 047	3 197	2 158	1 890
Vehicles / Buses	939	853	687	459
Accommodation and functions	222	123	45	70
Expenditure	R1 800 000	R2 083 162	R1 134 386	R1 226 034
Income	R187 785	R 172 391	R140 233	R290 097
TREES - Trimmed	3 546	3 467	3 242	3 168
AUCTION KRAALS - Total auctions	49	52	51	39

EMPLOYEE INFORMATION

EMPLOYEES: PARKS, FAAN MEINTJES NATURE RESERVE AND ORKNEY VAAL					
Job Level	2018/19	2019/20			
	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	9	1	10%
10 - 12	5	11	7	4	36%
13 - 15	32	40	32	8	20%
16 - 18	20	30	17	13	43%
19 - 20	101	125	97	28	22%
Total	167	219	164	55	25%

Chapter 3

FINANCIAL PERFORMANCE: PARKS, FAAN MEINTJES NATURE RESERVE AND ORKNEY VAAL					
R'000					
Details	2018/19	2019/20			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	3 489	231	370	457	49%
Expenditure					
Employees	38 599	57 598	31 159	36 046	-60%
Repairs and maintenance	2 267	32 824	11 651	10 060	-226%
Other	26 456	18 745	2 861	1 803	-940%
Total Operational Expenditure	67 322	109 167	45 671	47 909	-128%
Net Operational Expenditure	-63 834	-108 936	-45 301	-47 452	

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 it difficult to render 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.
- ◆ The municipality collaborates with Provincial Department of Environment, Forest and Fishers on the protection of protected trees around Matlosana.
- ◆ 79 game were removed from March to June 2020.

COMPONENT F: OCCUPATIONAL HEALTH CENTRE

3.15 OCCUPATIONAL HEALTH CENTRE

INTRODUCTION TO OCCUPATIONAL HEALTH CENTRE

Occupational Health Nursing (OHN) is a specialised 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.

With the eruption of the COVID-19 pandemic the unit was tasked with the function of managing of all COVID-19 related matters which amongst others include:

- ◆ oversee the implementation of the Strategic Work Plan;
- ◆ address worker or workplace representative concerns, keep them informed and consult the Health and Safety Committee;

Chapter 3

- ensure that the measures required by the directive and its Risk Assessment Plan and strictly complied with thorough monitoring and supervision;
- notify workers that if they are sick or have symptoms associated with the COVID -19 they must stay at home in terms of Section 22 of the BCEA and leave policy of the employer; and
- undertake any function that may be allocated from time to time by the employer in line with the directive by the Minister of Employment and Labour.

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); and
- provide general health-care services for workers and their families, both curative and preventive, at the workplace (the primary health-care principle).

KPA' s of an Occupational Health Service are as follows:

- 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 investigation;
- re-integration and rehabilitation of sick employees;
- on-the-shop floor occupational health monitoring;
- vaccinations of risk exposed employees;
- processing of Compensation Fund Annual Assessment; and
- administration/management of indigent burials.

Challenges

- The department has a vehicle which is old, having more breakdowns, hindering the health promotions and home visits.
- Employees delays in bringing IOD documents for processing which result in doctors claiming money from them as the injuries are not registered on time.

Chapter 3

SERVICE STATISTICS			
Service data statistics	2017/18	2018/19	2019/20
Head count to the centre	548	755	738
Head count at the clinics	479	2 689	3 438
Meetings	26	26	15
Hepatitis vaccinations	224	484	300
Tetanus vaccinations	0	559	325
Health promotions	7	116	104
Flu vaccinations	0	0	0
Covid19 Screening and education			897
HIV/AIDS statistics	2017/18	2018/19	2019/20
Screened	397	67	58
Counselled	397	67	58
Tested	71	67	58
Non-reactive	67	65	58
Reactive	4	2	0
Referred for ARV	4	2	0
Blood samples taken	1	0	0
On treatment	3	2	0
TB statistics	2017/18	2018/19	2019/20
Screened	340	23	8
Sputum collected	6	23	0
Negative	4	22	5
Positive	2	1	3
Referred to clinic	2	1	8
Family planning	2017/18	2018/19	2019/20
Injectable	177	143	141
Oral contraceptives	27	87	63
Male condoms (departments)	6 000	8 000	12 980
Female condoms	10	0	100
Pap smears	56	12	19
Implant	0	0	0
CHRONIC DISEASES			
HBP / Diabetes	2017/18	2018/19	2019/20
Total patients seen	1 735	3 404	2 558
New diagnosis	11	15	6
Referred to hospital	23	0	206
Uncontrolled	19	266	221
On treatment	29	223	228
Defaulter	7	100	62
MINOR AILMENTS	2017/18	2018/19	2019/20
Total patients seen	129	34	37
New diagnosis	13	24	32
Referred to hospital	7	3	19
On treatment	10	16	0

Chapter 3

INJURY ON DUTY	2017/18	2018/19	2019/20
Total patients seen	41	59	83
New diagnosis	38	59	83
Referred for treatment	41	59	83
Referred to hospital	38	59	80
Fatalities	0	1	1
Request for file re-opening	-	1	2

REPORT ON INDIGENT / PAUPER BURIALS

INDICATOR	2017/18	2018/19	2019/20
Indigents			
♦ Adults	21	52	86
♦ Children	1	2	3
♦ Babies	30	13	24
Expenditure	R137 103	R214 300	R508 496

EMPLOYEE INFORMATION

EMPLOYEES: OCCUPATIONAL HEALTH CENTRE					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	2	8	4	4	50%
7 - 9	3	3	3	0	0%
10 - 12	0	5	3	2	40%
13 - 15	4	5	4	1	20%
16 - 18	0	0	0	0	0%
19 - 20	1	1	1	0	0%
Total	11	23	16	7	30%

FINANCIAL PERFORMANCE: OCCUPATIONAL HEALTH CENTRE					
R'000					
Details	2018/19	2019/20			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	0	0	0	0	0%
Expenditure					
Employees	4 895	7 401	5 441	4 632	-60%
Repairs and maintenance	4	22	511	646	100%
Other	4 307	5 322	3 921	3 710	-43%
Total Operational Expenditure	9 206	12 745	9 873	8 988	-42%
Net Operational Expenditure	-9 206	-12 745	-9 873	-8 988	

Chapter 3

COMMENTS ON THE PERFORMANCE OF OCCUPATIONAL HEALTH CENTRE OVERALL

The health promotions are done as per the health calendar as recommended by the National Health Department, much as there are challenges but the department always achieve the set targets.

Successes

- The impact of the health promotions bore positive results as employees are more vigilant about their health and come more to the clinic if not feeling well or to seek medical advice.
- The department had a pap smear cancer awareness drive that lead to three of the employees diagnosed with cervical cancer stage one and it was successfully treated.
- Employees was successfully treated for allergic reaction after a bee sting.
- Three employees diagnosed of diabetes type 2 during the health promotions, they are well controlled as monitoring is regularly done.
- The Professional nurses continued throughout COVID-19 Alert level 5 of the National Lockdown with health promotions and screening in preparation of employees return to work.

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, SECURITY AND MUNICIPAL COURT

The Traffic Division is 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.

Security Section

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

Technical Section

The technical section is responsible for the road marking and road signs in City of Matlosana municipal area.

Traffic fines

The core function of this section is the processing of traffic offences issued by Traffic Officers.

Chapter 3

Multi-road blocks

The function for multi-road blocks is road safety and to ensure free traffic flow. 86 Roadblocks were conducted within the Matlosana area in conjunction with the SAPS and Commandos.

Administration logistics

An income to the amount of R772 320 was generated in the 2019/20 financial year.

TRAFFIC SERVICE DATA			
Details	2017/18	2018/19	2019/20
Number of road traffic accidents during the year	5 418	3 567	2 851
Number of by-law infringements attended to	4 678	473	2 144
Number of traffic officers in the field on an average day	38	29	29
Number of traffic officers on duty on an average day	44	36	32

SERVICE STATISTICS FOR TRAFFIC AND SECURITY SERVICES			
STATISTICS	2017/18	2018/19	2019/20
Traffic violations			
Section 56 summonses			
♦ Other	10 958	6 743	7 662
Section 341 Notices			
♦ Other parking offences	4 678	473	2 144
TOTAL	15 636	7 216	9 806
Total income from Traffic Court			
♦ Admission of guilt paid (criminal)	39 140	35 900	34 400
♦ Court fines	488 600	299 050	175 050
♦ Provincial court fines	17 800	28 550	16 600
TOTAL INCOME	R543 540	R363 500	R226 050
Summons issued			
Section 56 summonses issued – traffic officers	10 958	6 743	7 662
TOTAL	10 958	6 743	7 662
Cases withdrawn by senior public prosecutor as a result of representations			
♦ Section 56 summonses	389	321	316
♦ Section 341 Notices	194	48	134
TOTAL	583	369	450
Admission of guilt			
Magistrate's Court	516 740	301 950	152 100
Matlosana Traffic Court			
♦ Contempt of court	118 800	219 700	141 500
♦ Warrants of arrest	403 600	1 043 570	1 049 400
At Traffic Department			
♦ Section 56 summonses	977 400	1 075 864	772 320
TOTAL	2 016 540	3 716 948	2 115 320

Chapter 3

Total income per annum			
Traffic fines	2 016 540	3 716 948	2 115 320
♦ Accident reports	21 529	28 341	12325
♦ Income from parking grounds	0	0	0
♦ Escort fees: Abnormal loads	124 669	122 776	84 490
♦ Temporary closing of streets	55 140	35 007	23 341
TOTAL INCOME	R2 217 878	R3 903 072	R2 235 476
Arrests (driving while under the influence of intoxicating liquor)			
♦ Males	188	216	197
♦ Females	10	2	6
TOTAL	198	218	203
Escorts / special services rendered			
♦ Abnormal loads	138	109	71
♦ Funerals	227	168	135
♦ Fun runs / road races / cycle races	15	18	14
♦ Street festival	1	1	1
♦ Street braai / street closure	218	164	83
TOTAL	599	460	304

EMPLOYEE INFORMATION

EMPLOYEES: TRAFFIC, SECURITY, MUNICIPAL COURT AND TECHNICAL SERVICES					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	2	2	2	0	0%
4 - 6	3	3	2	1	33%
7 - 9	12	16	12	4	25%
10 - 12	48	62	47	15	24%
13 - 15	9	13	9	4	31%
16 - 18	26	27	25	2	7%
19 - 20	36	52	35	17	13%
Total	136	175	132	43	25%

COMMENTS ON THE PERFORMANCE OF TRAFFIC AND SECURITY SERVICES OVERALL

Law enforcement was done by means of roadblocks and execution of warrants of arrest. The Division experienced challenges with the Electronic Law Enforcement and Administration System (Back Office). The contract 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.

Chapter 3

A further 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, the Traffic, Security and Municipal Court Division performed well during the financial year under review.

FINANCIAL PERFORMANCE: TRAFFIC, SECURITY, MUNICIPAL COURT AND TECHNICAL SERVICES					
R'000					
Details	2018/19	2019/20			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	9 595	14 501	7 935	9 275	-56%
Expenditure					
Employees	44 388	76 710	44 621	44 405	-73%
Repairs and maintenance	750	3 278	2 737	3 537	7%
Other	43 396	50 467	9 823	7 947	-535%
Total Operational Expenditure	88 534	130 455	57 181	55 889	-133%
Net Operational Expenditure	-78 939	-115 954	-49 246	-46 614	

3.17 FIRE AND DISASTER MANAGEMENT

INTRODUCTION TO FIRE AND DISASTER MANAGEMENT

The Division 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 Division is operating with three fire stations, namely Klerksdorp, Orkney and Hartbeesfontein. Stilfontein Fire Station remains closed due to financial constraints.

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, but 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 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) in times of disaster / social relief.

FIRE SERVICES

Service delivery priorities are 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);
- be pro-active in terms of fire prevention inspection; and
- timeously respond to complaints.

Chapter 3

The Division accommodates 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:

- Appointment of Divisional Officer Fire Safety
- Procurement of 7 (seven) seater kombi for transportation of shift workers

FIRE SERVICES DATA				
Details	2017/18	2018/19	2019/20	
	Actual No	Actual No	Estimate No	Actual No
Total fires attended in the year	476	762	750	624
Total of other incidents attended in the year	2 292	1 076	1 000	728
Average turnout time - urban areas	3 to 5 min	3 to 5 min	3 to 5 min	3 to 5 min
Average turnout time - rural areas	7 to 10 min	7 to 10 min	7 to 10 min	7 to 10 min
Firefighters in post at year end	52	72	72	72
Total fire appliances at year end	8	11	7	09
Average number of appliances off the road during the year	4	2	4	3

FIRE SERVICES STATISTICS			
DESCRIPTION	2017/18	2018/19	2019/20
Fire suppression	246	251	227
Public education	18	19	8
Building plans	681	612	562
Site inspections – new	6	17	7
Site inspections – re-inspections	0	0	0
Flammable liquid registrations	67	91	67
Fire hydrant maintenance/inspection	772	208	316
Grass fires	130	318	397
Trade licences	82	0	42
Transport permits	0	124	122
Complaints	3	0	0
Pre-burn inspections	1	0	0
Pre-burns	142	2	0
Rescues	812	171	104
Building inspections	425	884	699
People trained in fire	246	225	0

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.

Chapter 3

DISASTER MANAGEMENT SERVICE STATISTICS			
DESCRIPTION	2017/18	2018/19	2019/20
Number of events	29	21	4
Social relief (fire)	96	144	76
Sink hole incidents	6	23	16
Public information, education and relation	24	16	8
Blankets	523	517	310
Mattresses	312	346	220
Tents	22	10	15
Social relief (other incidents) sinkholes, windstorms, floods	160	115	213
Total number of households affected (Fire)	355	656	1
Total number of people affected (other incidents) wind storm, floods	139	224	146

EMPLOYEE INFORMATION

EMPLOYEES: FIRE AND DISASTER MANAGEMENT					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	3	4	3	1	25%
7 - 9	22	25	22	3	12%
10 - 12	8	23	8	15	65%
13 - 15	39	39	39	0	0%
16 - 18	0	1	0	1	100%
19 - 20	5	5	4	1	20%
Total	78	98	77	21	21%

FINANCIAL PERFORMANCE: FIRE AND DISASTER MANAGEMENT					
R'000					
Details	2018/19	2019/20			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	311	325	1 338	1 250	74%
Expenditure					
Employees	30 216	32 618	36 812	36 548	11%
Repairs and maintenance	976	3 118	8 010	5 593	44%
Other	2 297	5 858	8 061	2 104	-178%
Total Operational Expenditure	33 489	41 594	52 883	44 245	6%
Net Operational Expenditure	-33 178	-41 269	-51 545	-42 995	

Chapter 3

COMMENTS ON THE PERFORMANCE OF FIRE SERVICES AND DISASTER MANAGEMENT OVERALL

The reopening of Stilfontein Fire Station is critical due to response time to Khuma and Stilfontein and the procurement of fire engine for the area be prioritised. 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 sports fields, stadiums and swimming pools.

3.18 SPORT AND RECREATION

INTRODUCTION TO SPORT AND RECREATION

The Sport 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 sport 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; and
- club development.

Conducting the following sporting events:

- Water Safety and Swimming Development Splash;
- Woman in Sport;
- Sport Merit Awards; and
- Sport Council Meeting

SERVICE STATISTICS			
INDICATOR	2017/18	2018/19	2019/20
Swimming pools			
• Gala events	1	1	4
Expenditure	R200 000	R713 123	R0
Income	R106 973	R80 595	R101 353
Recreation			
• Total Major Events	8	8	4
Expenditure	R306 818	R471 343	R87 525
Sports Merit Awards Expenditure	R71 663	R81 330	R58 955

Chapter 3

EMPLOYEE INFORMATION

EMPLOYEES: SPORT AND RECREATION					
Job Level	2018/19	2019/20			
	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	3	4	3	1	25%
10 - 12	13	24	13	11	46%
13 - 15	12	15	11	4	27%
16 - 18	12	12	11	1	8%
19 - 20	51	76	47	29	38%
Total	93	133	87	46	35%

FINANCIAL PERFORMANCE: SPORT AND RECREATION					
R'000					
Details	2018/19	2019/20			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	3183	15 505	9 649	11626	-33%
Expenditure					
Employees	20 027	19 761	20 463	20 586	4%
Repairs and maintenance	10 521	3 182	4 244	4 364	27%
Other	57 992	16 014	4 836	4 271	-275%
Total Operational Expenditure	87 212	38 957	29 543	29 221	-33%
Net Operational Expenditure	-84 029	-23 452	-19 894	-17 595	

COMMENTS ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL

- ◆ Renovation of Alabama Swimming pool.
- ◆ Most of the community sport activities were cancelled due to COVID-19 National Lockdown.

Chapter 3

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

SPORT AND RECREATION OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2017/18	2018/19	2019/20			2020/21
		Actual	Actual	Target			Budget
				Original	Adjusted	Actual	
To construct a new sport complex in Khuma Ext 9 (Phase 1)(Ward 31) to provide recreational facilities for the community	New sport complex in Khuma Ext 9 (Phase 1)(Ward 31) constructed	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	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	Constructing a new sport complex in Khuma Ext 9 (Phase 1)(Ward 31) according to the technical scoping report (foundation and wall of 1 guard house, perimeter fence and relocation of internal services) by June 2020 R15 000 000	R13 303 635	0.483km of water reticulation installed, 0.345km of sewer reticulation (internal services) installed for the new sport complex in Khuma Ext 9 (Phase 1)(Ward 31). 0.168km of perimeter fence erected and the excavation of 0,220km of existing 300mm Ø sewer line completed. Construction of foundation and wall for a guardhouse complete. Rip and compaction of the layers for soccer field complete R8 993 801	R10 000 000

Chapter 3

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.

3.19 EXECUTIVE AND COUNCIL

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

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.

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.

Chapter 3

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 line 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.

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

DETAIL	2017/18		2018/19		2019/20	
	Ordinary Meetings	Special Meetings	Ordinary Meetings	Special Meetings	Ordinary Meetings	Special Meetings
Finance and Debt Normalisation	6	3	5	0	4	1
Corporate Services	6	1	5	0	4	0
Transversal Issues	6	1	5	0	4	0
Infrastructure	6	1	5	0	4	1
Public Safety	6	0	5	0	4	0
Community and Health Services	6	0	5	0	4	0
Economic Growth and Market	6	5	5	0	4	1
Electrical Engineering	6	0	5	0	4	0
Housing, Land Affairs and Rural Development	6	3	5	1	4	0
Sport, Arts and Culture	6	2	5	0	4	2

Chapter 3

DETAIL	2017/18	2018/19	2019/20
Section 80 Committee Meetings			
♦ Anglo Gold	9	7	5
♦ Project Monitoring	1	0	0
♦ Budget Steering	4	7	6
♦ Audit Committee	4	7	6
♦ IDP Steering Committee	4	4	3

EMPLOYEE INFORMATION

EMPLOYEES: EXECUTIVE, MUNICIPAL MANAGER AND DIRECTORS (EXCL COUNCILLORS)					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	7	8	8	0	0%
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%
Total	7	8	8	0	0%

EMPLOYEES: GOVERNANCE SUPPORT (POLITICAL OFFICES) (EXCL COUNCILLORS)					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 – 3	3	3	3	0	0%
4 – 6	15	16	14	2	13%
7 – 9	1	3	1	2	67%
10 – 12	14	15	13	2	13%
13 – 15	4	4	4	0	0%
16 – 18	3	3	2	1	33%
19 – 20	0	0	0	0	0%
Total	40	44	37	7	16%

Chapter 3

FINANCIAL PERFORMANCE: EXECUTIVE, MUNICIPAL MANAGER, DIRECTORS POLITICAL OFFICES (EXCLUDING COUNCILLORS)					
R'000					
Details	2018/19	2019/20			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	885	1 024	38 131	2 053	50%
Expenditure					
Employees	54 105	59 551	55 249	54 982	-8%
Repairs and maintenance	170	6 288	11 269	15 454	59%
Other	71 712	85 794	53 699	56 182	-53%
Total Operational Expenditure	125 987	151 633	120 217	126 618	-20%
Net Operational Expenditure	-125 102	-150 609	-82 086	-124 565	

3.20 STRATEGIC PLANNING AND REGULATORY MATTERS

Strategic performance indicates how well the municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical.

Municipalities must develop strategic plans and allocate resources for the implementation.

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

This report highlights the strategic performance in terms of the Municipality's Service Delivery and Budget Implementation Plan (SDBIP), performance on the National Key Performance Indicators prescribed in terms of Section 43 of the MSA and an overall summary of performance on municipal services. Performance information is important for effective management, including planning, budgeting, implementation, reporting, monitoring and evaluation.

Strategic plans 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; and
- ◆ Internal Audit.

Chapter 3

PERFORMANCE MANAGEMENT

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

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

The Constitution of the RSA, 1996, section 152, dealing with the objectives of local government paves the way for Performance Management with the requirements for an "accountable government". The democratic values and principles in terms of section 195 (1) are 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, and
- ◆ to facilitate a culture of public service and accountability amongst staff.

The Municipal Systems Act, 32 of 2000 (MSA), as amended requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act, 56 of 2003 (MFMA), as amended 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 SDBIP.

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organization as well as the external service providers and the municipal entities. This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

In terms of section 46(1)(a) of the systems Act (Act 32 of 2000) as amended municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with the performance of the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance. Performance Management 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.

Chapter 3

During the 2019/20 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 2019/20 SDBIP was developed to integrate the IDP and the budget, to ensure effective implementation of 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 were submitted to council and the Audit Committee on the actual performance in terms of the SDBIP.

A mid-year budget and performance assessment in terms of section 72 of the Municipal Finance Management Act, 56 of 2003, as amended 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, considering 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).

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 Dorpias. 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.

Chapter 3

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 considers 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.

RISK MANAGEMENT

Risk management process –

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

Impact on institutional performance –

The Municipality reviewed Operational Risk Registers on a quarterly basis. At the end of the 2019/20 financial year, the municipality had fully implemented 18% remedial actions and 46% of the total identified risks were partially implemented.

Chapter 3

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

- ◆ inability to function as a going concern;
- ◆ non-compliance with SCM policies and procedures;
- ◆ inability to grow the economy and create sufficient jobs;
- ◆ lack of credible information with regard to municipal owned land;
- ◆ failure to complete projects on time;
- ◆ failure to adequately maintain existing infrastructure;
- ◆ failure to provide a safe working environment;
- ◆ high cost of fleet maintenance;
- ◆ delayed conclusion of bid processes; and
- ◆ high distribution losses

The Municipality has in terms of the Risk Management Implementation Plan not achieved all its targets as anticipated due to factors such as coronavirus pandemic, financial constraints and non-responsive bidders. The risk management committee has evaluated and concluded that although there are challenges in addressing the municipal risks, the municipality is still able to perform its core functions.

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 Municipal Systems Act, 32 of 2000 (MSA).

For this reason, 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.

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 recommendations to Council for approval. 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.

Chapter 3

MPAC SERVICE STATISTICS		
COMMITTEE	NR OF MEETINGS	UNDERTAKING
Public Participation meeting by MPAC	1	Annual Report 2018/19
In loco Inspection conducted by MPAC	5	Incomplete PMU Projects and On-going Projects
In loco Inspection conducted by Sec 32	0	
Public Hearings on the Annual Report 2018/19	21	Hold municipal Executive and Administration accountable for stewardship of municipal / public resources
MPAC - 2019/20	3	Meetings for the financial year 2019/20
Section 32 - 2019/20	7	Meetings for the financial year 2019/20

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.

The Section 32 Committee will submit a report on the findings and recommendations 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.

Chapter 3

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.

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

Chapter 3

- ◆ 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 2019/20

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

Chapter 3

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:

2019/20 FIRST QUARTER	
Audits	Completed / Not Completed
<ul style="list-style-type: none"> Revenue Management – Municipal Services Follow-up 4th quarter 2018/19 Audit of performance Information 4th quarter 2018/19 Audit of performance Information 1st quarter 2019/20 	Completed
2019/20 SECOND QUARTER	
Audits	Completed / Not Completed
<ul style="list-style-type: none"> Supply Chain Management Audit of performance Information 2nd quarter 2019/20 Follow-up 1st quarter 2019/20 	Completed
2019/20 THIRD QUARTER	
Audits	Completed / Not Completed
<ul style="list-style-type: none"> Revenue Management – Market Audit of performance Information 3rd quarter 2019/20 	Completed
2019/20 FOURTH QUARTER	
Audits	Completed / Not Completed
<ul style="list-style-type: none"> Procurement Audit – Protective Clothing Emergency Projects Compliance Audit – Lockdown Regulations and COVID-19 ready workplace Plan Follow-up 4th quarter 2019/20 	Completed

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 Post Audit Action Plan 2018/19.
 - Reviewed Community Hall application forms .
 - Reviewed the adequacy and effectiveness of the internal controls relating to annual stock count process.
- Performed consulting work, advice on development of controls, policies and procedure manuals, and further provide advices through attendance of departmental meetings.
- Performing quarterly audits on Predetermined Objectives.
- Through the efforts of Internal Audit Activity, the Audit Committee members has been appointed and meetings are held as scheduled and legislated.
- Providing value-adding recommendations.
- Combined assurance Framework developed.

Chapter 3

EMPLOYEE INFORMATION

EMPLOYEES: OFFICE OF THE MUNICIPAL MANAGER					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	4	5	4	1	20%
4 - 6	8	10	7	3	30%
7 - 9	3	3	3	0	0%
10 - 12	3	4	3	1	25%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	19	23	18	5	22%

FINANCIAL PERFORMANCE: OFFICE OF THE MUNICIPAL MANAGER					
R'000					
Details	2018/19	2019/20			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	0	0	0	0	0%
Expenditure					
Employees	0	9 488	9 911	9 334	0
Repairs and maintenance	9 086	88	467	394	1
Other	4	917	704	433	-1
Total Operational Expenditure	948	10 493	11 082	10 161	0
Net Operational Expenditure	10 038	-10 493	-11 082	-10 161	0

3.21 FINANCIAL SERVICES (INCLUDING SUPPLY CHAIN MANAGEMENT)

Matlosana 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,

Chapter 3

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	2017/18		2018/19		2019/20	
	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	290 494	84%	304 401	63%	350 500	72%
Electricity – B	-	-	-	-	-	-
Electricity – C	634 797	85%	623 518	70%	717 056	79%
Water – B	-	-	-	-	-	-
Water – C	497 281	48%	558 644	34%	673 111	39%
Sanitation	106 539	55%	112 410	39%	98 672	34%
Refuse	145 155	35%	154 025	26%	172 867	30%
Other	382 047	34%	230 233	21%	627 215	22%

- ◆ Property rates billed annually have a collection rate of between 72% which has improved from 63 % from 2018/19 financial
- ◆ Electricity billed annually has a collection rate of between 79% considering electricity losses and theft.
- ◆ Water billed annually has a collection rate of between 39% with huge water losses in the municipal area.
- ◆ Sanitation billed annually has a collection rate of about 34%
- ◆ Refuse billed has a collection rate of about 30%
- ◆ Other income 22% – other income depends on the nature of the income. Example: sale of stands.
- ◆ The collection rates have decreased since credit control still cannot be affected properly due COVID 19 complications and 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 2020. 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.

Chapter 3

All goods and service procured through the process have an impact on service delivery. The committees within the unit, which consist of members from another 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	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	7	7	7	0	0%
4 - 6	17	22	19	3	14%
7 - 9	32	35	30	5	14%
10 - 12	67	91	72	19	21%
13 - 15	30	43	34	9	21%
16 - 18	1	4	2	2	50%
19 - 20	10	14	10	4	29%
Total	164	216	174	42	19%

FINANCIAL PERFORMANCE: FINANCIAL SERVICES AND SUPPLY CHAIN MANAGEMENT					
R'000					
Details	2018/19	2019/20			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	836 871	851 555	925 989	885 767	4%
Expenditure					
Employees	97 125	72 209	67 982	66 766	-8%
Repairs and maintenance	493	877	14 611	26 358	97%
Other	240 545	151 467	114 596	437 589	65%
Total Operational Expenditure	338 167	224 553	197 189	530 713	58%
Net Operational Expenditure	498 704	627 002	728 800	355 054	

Chapter 3

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL

In the 2019/20 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 Payable from Exchange transaction, Employee related costs and Irregular expenditure.

The cash flow position of the municipality is a challenge because of numerous outstanding creditors that have to be dealt with in the previous years. The collection of outstanding debt remains a challenge to the municipality which has also exacerbated by COVID-19 complication. As a result, the municipality struggle to keep the cash flow position positive.

During 2019/20 financial year which was the second year on the new mSCOA (Municipal Standard Chart of Accounts), as prescribe by National Treasury. Municipality is still struggling to get all sub-systems to the main financial system seamless during transecting and reporting. This challenge result in Municipality takes time in prompt reporting.

NATIONAL KEY PERFORMANCE INDICATORS

See pages 232 - 233 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;
- ◆ ensuring capacitation of employees through the Training and Development unit; and
- ◆ 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 2019/20 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, Human Resource Services 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; and

Chapter 3

- ◆ 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, Human Resource Services 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; and
- ◆ identify trends in terms of service, injury on duty, sick leave to be able to plan remedial programmes to address negative trends.

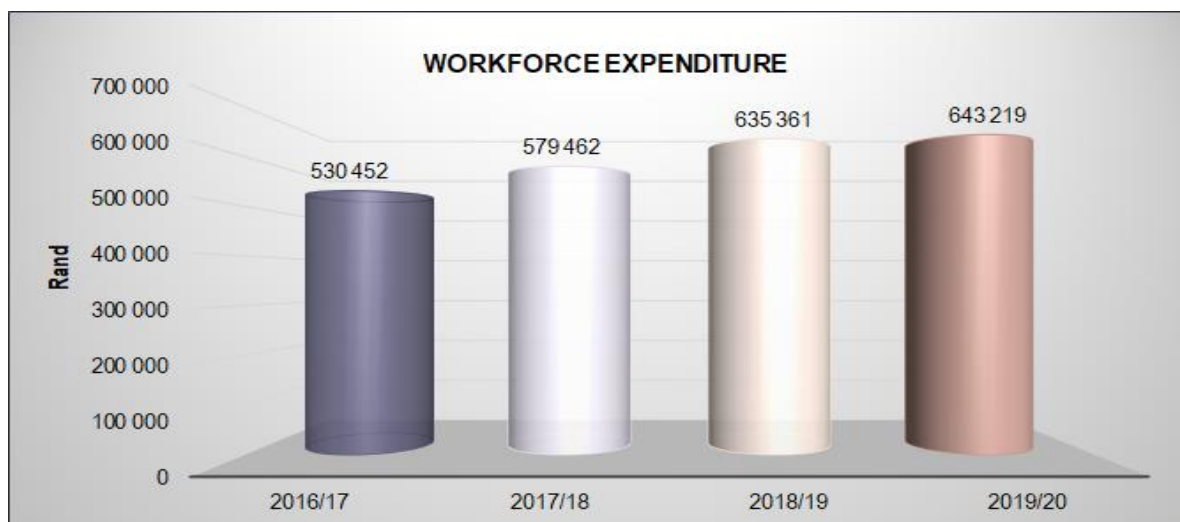
By capacitation of staff through various training interventions, the Skills Development section will be able to produce a skilled and competent workforce and will comply with the National Treasury's requirements in relation to competency levels as well as related legislation such as MFMA and Skills Development 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 2016/17 to 2019/20:

FINANCIAL YEAR	(R'000)	% OF TOTAL BUDGET
2016/17	530 452	19.58%
2017/18	579 462	20.07%
2018/19	635 361	20.00%
2019/20	643 219	18.36%



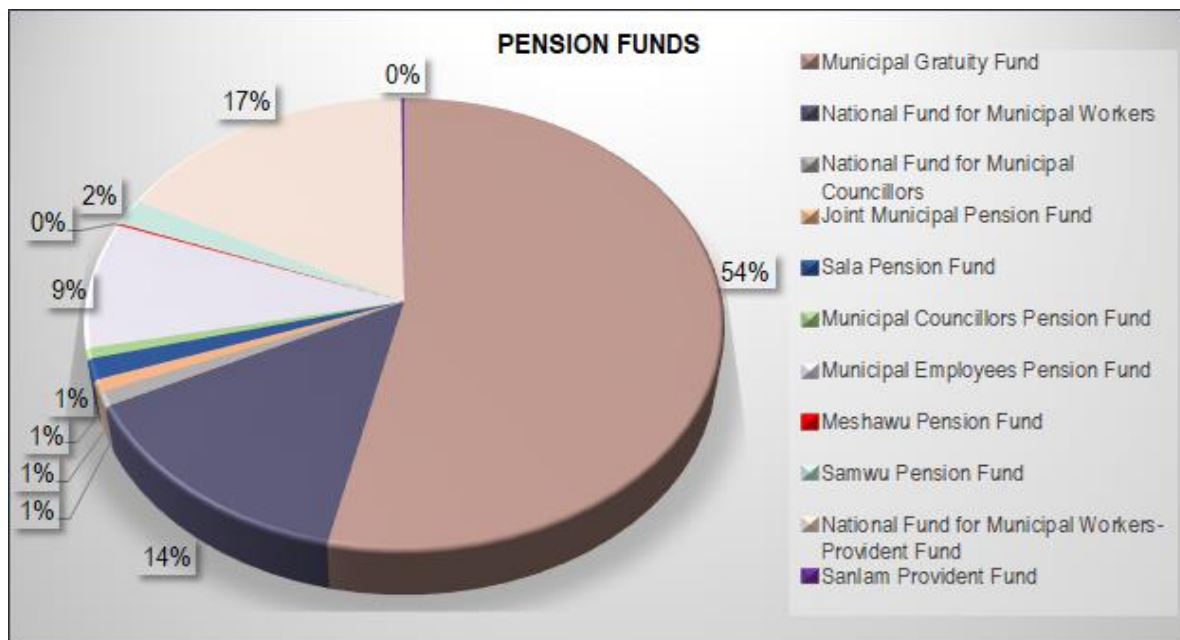
Pension and Medical Aid Funds

Pension Fund

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

Chapter 3

PENSION FUND	NUMBER OF MEMBERS		
	2017/18	2018/19	2019/20
Municipal Gratuity Fund	1 304	1 316	1 302
National Fund for Municipal Workers	329	344	343
National Fund for Municipal Councillors	22	25	25
Joint Municipal Pension Fund	25	22	21
Sala Pension Fund	49	41	36
Municipal Councillors Pension Fund	20	18	18
Municipal Employees Pension Fund	248	235	220
Meshawu Pension Fund	4	4	3
Samwu Pension Fund	47	47	46
National Fund for Municipal Workers-Provident Fund	356	411	415
Sanlam Provident Fund	5	4	4
TOTAL	2 409	2 467	2 433



The Council's actual pension fund expenditure towards the employer's contribution for 2019/20 financial year is R82 303 537

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 2019/20 financial year as the employer's contribution to medical aid funds was R37 626 625.65, while the medical aid for pensioners and provision for 2019/20 are R12 607 844.50 which brings the total medical aid fund to R50 234 470.15.

Chapter 3

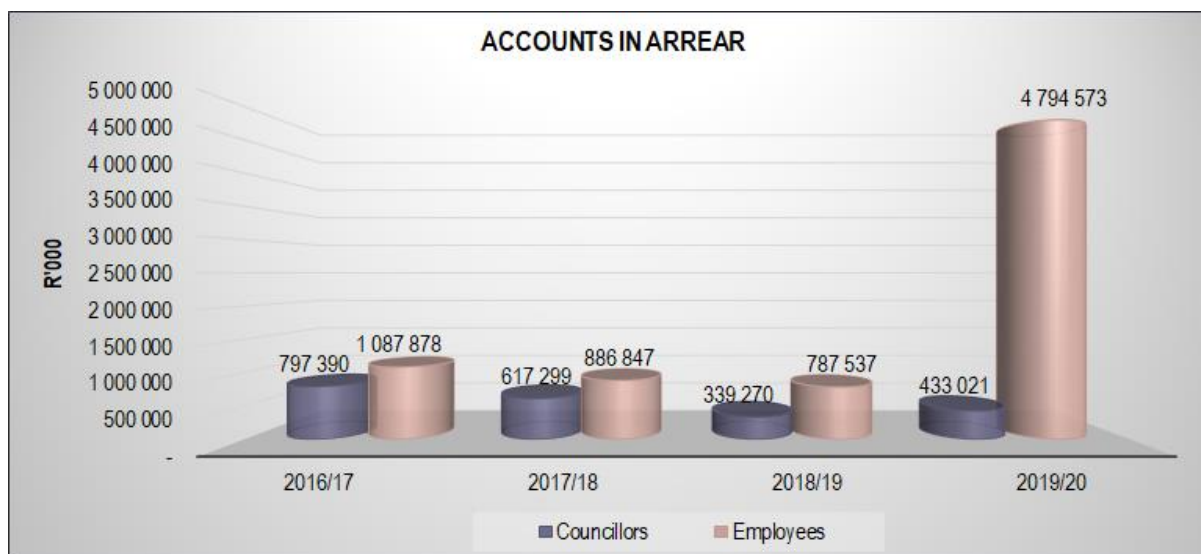
MEDICAL AID FUND		
Details	Nr of Members	Employer's Contribution (R)
Key Health	67	3 414 56
Hosmed	61	2 119 429
Bonitas	276	9 660 091
LA Health	684	20 018 886
Samwu Med	105	2 413 963
Pensioners and provision for contributions	216	12 607 845
TOTAL	14 09	50 234 470

Outstanding Monies

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

OUTSTANDING MONIES				
Accounts in Arrear as at	Arrears June 2017	Arrears June 2018	Arrears June 2019	Arrears June 2020
	(R)	(R)	(R)	(R)
Councillors*	797 390	617 299	339 270	433 021
Employees	1 087 878	886 847	787 537	4 794 573

* Names of councillors in arrears for more than 90 days can be seen in Note 47 of the financial statements.



It must be noted that the outstanding amount owing by personnel has increased drastically, due to an ongoing investigation which commenced in December 2019 of personnel who are owing and not paying. These personnel are being included to the salary deduction list on an ongoing basis

Disclosure concerning executive councillors and directors

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

Chapter 3

DESIGNATION	REMUNERATION PACKAGE (R)*			
	2016/17	2017/18	2018/19	2019/20
Executive Mayor	859 856	1 012 408	1 048 541	1 051 128
Speaker	733 770	828 643	849 523	849 782
Mayoral Committee Members (12)	6 450 621	9 190 862	9 541 408	9 593 340
Councillors (63)	20 353 829	22 149 927	23 343 034	22 868 433
Municipal Manager	1 468 984*	1 351 476	1 429 656	1 424 447
Director Budget and Treasury (CFO)	1 439 882*	1 097 028	812 455	385 421
Director Corporate Support	936 022	1 393 115	1 160 938	1 156 263
Director Technical and Infrastructure	-	457 093	1 380 952	1 376 505
Director Local Economic Development	1 190 868	944 000	394 047	1 156 263
Director Community Development	-	457 093	1 166 093	1 156 263
Director Public Safety	-	457 093	1 160 707	1 156 263
Director Planning and Human Settlements				1 376 505

* See note 24 of Annual Financial Statements for more information regarding remuneration

PERSONNEL ADMINISTRATION STATISTICS				
DETAIL	2016/17	2017/18	2018/19	2019/20
Pension	46	33	40	32
Resignations	18	35	46	12
Deaths	12	22	19	18
Other	0	0	14	0
Injuries on duty	87	38	59	77
Medical boarding in process	15	11	10	07
Medical boarding application	1	30	21	15
Death claims	15	25	20	30
Posts in Council	2 524	2 525	2 530	2 530
Posts filled	2 024	2 018	2 026	1 982
Posts vacant	500	507	504	548

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 to ensure the following:

- compliance with applicable relevant legislative requirements e.g. Labour Relations, Basic Conditions of Employment Act, Employment Equity, Collective Agreement etc.;
- maintenance of good work relations with recognised Unions within the workplace;
- 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;
- adherence to collective agreements applicable to municipalities as agreed to at the Local Government Bargaining Council;

Chapter 3

- 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
- processes and procedures are in place for the effective administration of disciplinary procedures in accordance with the Disciplinary Code.

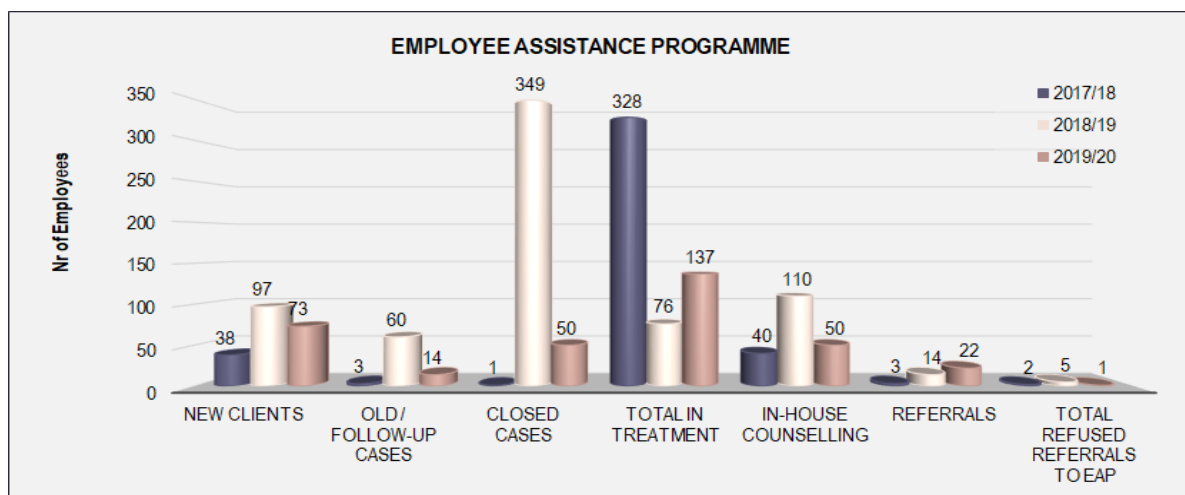
Employee Assistance Programme

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.

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; and
- HIV/AIDS support and counselling.

EMPLOYEE ASSISTANCE PROGRAMME STATISTICS				
DETAIL	2016/17	2017/18	2018/19	2019/20
New clients	34	38	97	73
Old / follow-up cases	6	3	60	14
Closed cases	4	1	349	50
Total in treatment	229	328	76	137
In-house counselling	70	40	110	50
Referrals	4	3	14	22
Total refused referrals to EAP	0	2	5	1

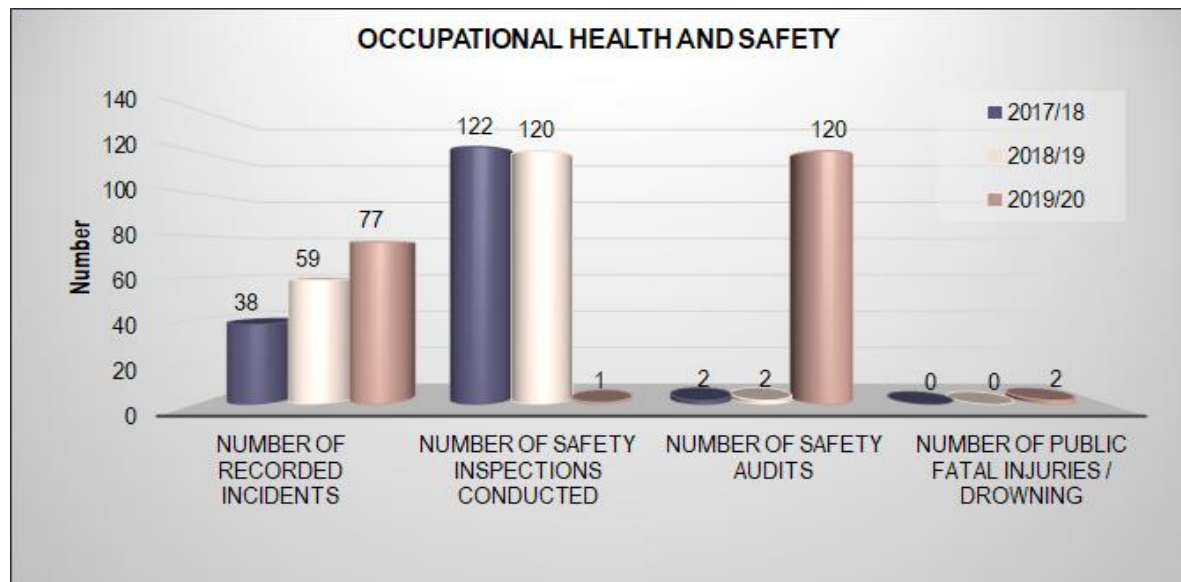


Chapter 3

OCCUPATIONAL HEALTH AND SAFETY

The aim of this section is 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.

OCCUPATIONAL HEALTH AND SAFETY STATISTICS				
DETAIL	2016/17	2017/18	2018/19	2019/20
Number of recorded incidents	51	38	59	77
Number of fatal incidents reported	0	0	0	1
Number of safety inspections conducted	120	122	120	120
Number of safety audits	2	2	2	2
Number of public fatal injuries / drowning	1	0	0	0



EMPLOYEE INFORMATION

EMPLOYEES: HUMAN RESOURCE SERVICES					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 – 3	1	3	2	1	33%
4 – 6	6	7	5	2	29%
7 – 9	3	6	6	0	0%
10 - 12	3	7	6	1	14%
13 - 15	7	1	0	1	100%
16 - 18	0	0	0	0	0%
19 - 20	1	0	0	0	0%
Total	21	24	19	5	21%

Chapter 3

FINANCIAL PERFORMANCE: HUMAN RESOURCE SERVICES					
R'000					
Details	2018/19	2019/20			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	584	528	528	39	-1 254%
Expenditure					
Employees	3 402	7 894	8 293	8 287	5%
Repairs and maintenance	0	131	330	47	0%
Other	282	13 507	754	359	-3662%
Total Operational Expenditure	3 684	21 532	9 377	8 693	-148%
Net Operational Expenditure	-3 100	-21 004	-8 849	-8 654	

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL

In order to meet the ever-growing demand for the provision of quality municipal services, the City of Matlosana places price in the effective management and development of human capital.

Over the financial year under review, the City of Matlosana has prioritized human resource management and development as one of the key areas of improvement.

The municipality is also committed to promoting effective recruitment and selection, organisational efficiency improvement, occupational health and safety, and human resources development.

The municipality also focused on filling of vacancies with the right talent and promoting fairness in the recruitment and selection process, supporting opportunities to people living with disability and other designated groups. The city made efforts to promote compliance with the relevant local government legislation. In this regard, amongst others, the city focused on the employment equity, code of conduct and policy reviews.

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
2016/17	45*	25	9
2017/18	45*	26	9
2018/19	46*	31	9
2019/20	47*	31	9

* (Excluding section 54A and 56 employees)

NATIONAL KEY PERFORMRANCE INDICATOR

See page 234 for detail.

Chapter 3

3.23 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

ICT is the strategic enabler for effective administration and service delivery. It assists in changing the way in which the municipality provides services to the citizens through the introduction of enabling technology.

The Information and Communication Technology Services rendered to COM users can be divided into Operations, Technical Support and Maintenance, Software Support, Projects and Administration.

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 Financial System, Cash Drawer System, Utilities World Prepaid System, Payday System, Orbit Document Management System, Workflows Library System, etc.

The development of a five-year ICT Strategy Plan and an ICT Disaster Recovery Plan has been initiated and various interviews with employees in the different directorates have been conducted. Due to COVID-19 some of the interviews could not be conducted, therefore the development of the two plans have been postponed to the next financial year.

For the 2019/20 financial year, there were 1 938-service requests logged by users at the IT Helpdesk and all were successfully resolved. 99% of these calls were resolved within ten working days.

During 2019 an investigation and research was done to upgrade the current Venus Financial System to be more mSCOA compliant. The new Venus Financial System, with its new system architecture, requires significant investment in new hardware and software.

The proposal for the upgrade of the current Venus Financial System to the Venus SOLAR System was finalised in October 2019 and the appointment letter was submitted to the service provider in November 2019.

The City of Matlosana received the new hardware for the SOLAR project in February 2020 and the kick-off meeting for the SOLAR upgrade project was also done in February 2020.

The SOLAR project includes:

- ◆ two active directory servers;
- ◆ a orbit document management server;
- ◆ a payday server;
- ◆ a windows update services server;
- ◆ 6 new solar financial servers;
- ◆ a backup tape library;
- ◆ a network cabinet with a monitor and a keyboard;
- ◆ a dedicated ups for the solar environment;
- ◆ 2 network switches;
- ◆ 2 fibre optic network switches;
- ◆ the upgrade of the payday system;
- ◆ the upgrade of the orbit management system;
- ◆ a new cemetery system;

Chapter 3

- the upgraded venus solar financial system, which included a reporting tool and the tru application to generate the data strings for national treasury;
- training for all relevant employees.

During March to June 2020 – the hardware environment for SOLAR which entails the setup and configuration of the various servers, the network switches, the backup tape library and the UPS was finalised.

The migration of the Venus Financial System data to the Venus SOLAR System was postponed to the next financial year to give the employees the opportunity to finalise the financial year-end for the 2019-20 year on the current Venus Financial System. This decision was made to mitigate risks and to prevent unnecessary system down time.

EMPLOYEE INFORMATION

EMPLOYEES: ICT SERVICES					
Job Level	2018/19	2019/20			
	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%
Total	3	4	3	1	25%

FINANCIAL PERFORMANCE: ICT SERVICES					
R'000					
Details	2018/19	2019/20			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	210	8	108	179	-93%
Expenditure					
Employees	1 748	2 603	2 383	1 847	9%
Repairs and maintenance	3 611	4 146	14 119	8 640	-71%
Other	9 470	29 964	14 151	5 130	112%
Total Operational Expenditure	14 829	36 713	30 653	15 617	20%
Net Operational Expenditure	-14 619	-36 705	-30 545	-15 438	

COMMENT ON THE PERFORMANCE OF ICT OVERALL

The following projects were successfully completed during the 2019/20 financial year:

- In December 2019, a new server was purchased for the Pay Day System and installed in the main server room of the municipality. The server has the latest version of the Pay Day System and is now mSCOA

Chapter 3

compliant. The upgraded Pay Day System can seamlessly integrate with the Venus SOLAR Financial System.

- ◆ The network Switch at the Reference Section in Klerksdorp Library was replaced in July 2019.
- ◆ The faulty network router at the Parks and Cemetery Section was replaced.
- ◆ The faulty network switch at Jouberton Ext. 17 was replaced.
- ◆ The Active Directory System was recovered after a hard disk failure in October 2019.
- ◆ The network at the Stilfontein Library was revamped by installing a new patch panel, a new brush panel, various new network points, a new network switch and new network cables.
- ◆ 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.
- ◆ An additional office for the Fleet Section was added to the network at the Klerksdorp Garage Offices. New network points and network cables were installed.
- ◆ The Khuma Library was added to the network by installing radio links between the Khuma Pay Point and the Khuma Library.
- ◆ New network points were installed at –
 - the Finance Call Centre and Customer Care sections;
 - the PMU Office;
 - the Records Section;
 - the Mayor's Office;
 - the Speaker's Office;
 - the SCM Office in Stilfontein;
 - the Mechanical Office at the Klerksdorp Electrical Office;
 - the Alabama Pay Point;
 - the Alabama, Khuma and Youth Section at Klerksdorp Library;
 - the Klerksdorp Licence Office; and
 - the HR Training Office.
- ◆ 21 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.
- ◆ The ZOOM Software was installed on all councillors and various employees' laptops and or mobile phones to enable the conducting of virtual meetings during the COVID-19 lock down period.

3.24 LEGAL AND ADMINISTRATION SERVICES

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.

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

Chapter 3

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	2016/17	2017/18	2018/19	2019/20
Cases against Council	38	36	42	50
Cases for Council	102	68	74	31
Cases won	12	11	0	02
Cases settled	5	19	0	01
Cases outstanding	123	66	116	124
Cases referred to the High Court	21	15	21	26
Town Planning matters	-	-	-	43
TOTAL EXPENDITURE	R13 222 657	R10 374 285	R10 236 309	R7 372 089

Chapter 3

EMPLOYEE INFORMATION

EMPLOYEES: LEGAL AND ADMINISTRATION SERVICES					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 – 3	3	4	3	1	25%
4 – 6	8	8	8	0	0%
7 – 9	2	4	2	2	50%
10 – 12	8	12	9	3	25%
13 – 15	11	14	10	4	29%
16 – 18	8	6	5	1	17%
19 – 20	30	33	27	6	18%
Total	67	81	64	17	21%

FINANCIAL PERFORMANCE: LEGAL AND ADMINISTRATION SERVICES					
R'000					
Details	2018/19	2019/20			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	102 668	2 345	1 149	206	-1038%
Expenditure					
Employees	45 223	37 413	34 502	34 274	-9%
Repairs and maintenance	433	574	7 967	7 619	0%
Other	4 726	19 866	3 272	2 881	-590%
Total Operational Expenditure	50 382	57 853	45 741	44 774	-29%
Net Operational Expenditure	52 286	-55 508	-44 592	-44 568	

COMMENT ON THE PERFORMANCE OF LEGAL SERVICES OVERALL

- Legal services have 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 ensure 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.

2019/20 Annual Performance Report



Chapter 3

TABLE OF CONTENT

1. Introduction	140
2. Performance Management Process Overview and COVID-19	141
2.1 Mid-Year Budget and Performance Assessment	141
2.2 COVID-19 Pandemic and National Lockdown	141
2.3 Performance Management Operations	142
3. Performance Assessments	142
3.1 Performance assessments 2018/19	142
3.2 Performance assessments 2019/20	143
4. Auditing of Performance Information	144
5. Issues Raised on the 2018/19 Auditor-General's Report	145
6. Annual Performance Information	147
6.1 Organisational Performance Results	147
◆ Service Delivery and Infrastructure Development	148
◆ Municipal Institutional Development and Transformation	150
◆ Local Economic Development	150
◆ Municipal Financial Viability and Management	151
◆ Good Governance and Public Participation	152
6.2 Four Year Comparison on Organisational Performance Results	153
7. Conclusion and Approval by the Municipal Manager	154
8. Conclusion and Approval by the Chairperson of the Audit Committee	155
9. IDP and Council Projects	156
10. Operational and Compliance Indicators	171
11. Outcome 9 Indicators from National Government	217
12. National Key Performance Indicators	227
13. Report of the Audit Committee	235

Chapter 3

1. INTRODUCTION

The 2019/20 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”.

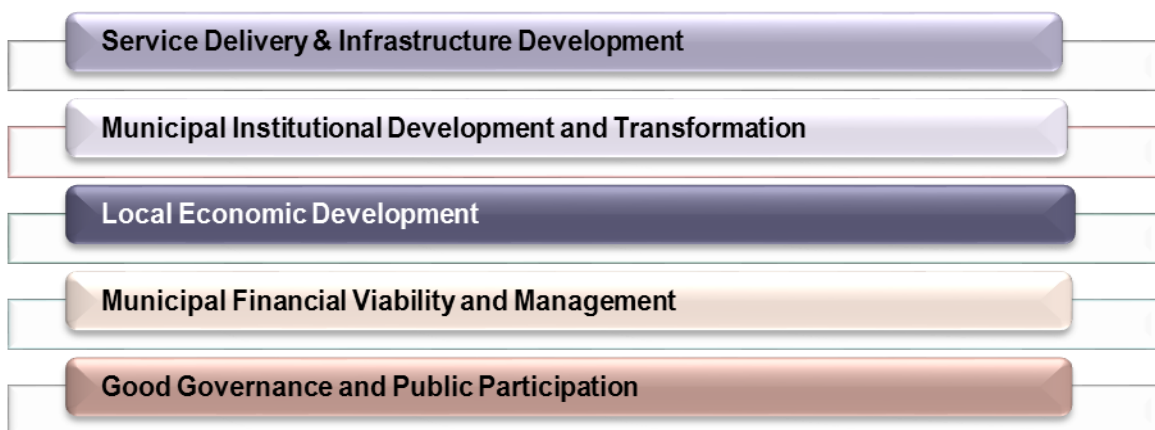
The Municipal Systems Act, (Act 32 of 2000) as amended, stipulates the following:

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 2019 to 30 June 2020 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 2019/20 is arranged in terms of the five National Key Performance Areas of Local Government, which are:



Chapter 3

The Municipality has eight directorates, which include the Office of the Municipal Manager.

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 an acting arrangement in respect of the position of Director Budget and Treasury (CFO). The position was filled on 1 March 2020 of the financial year.

2. PERFORMANCE MANAGEMENT PROCESS OVERVIEW AND COVID-19

2.1 *Mid-Year Budget and Performance Assessment*

The Mid-Year Budget and Performance Assessment gives or create an opportunity to diagnose the state of service delivery and financial affairs of the Municipality, as well as how the administration and local government maturity levels of the City of Matlosana is for the said period.

During the first six months of 2019/20 financial year, the Municipality was faced with the challenge to adjust the 2019/20 budget twice as it did not comply with the MFMA in terms of the requirements of a funded budget. Therefore, the budget had to be cut quite severely to make it funded. This had an impact on service delivery. It also emphasizes the need to collect outstanding debt. The results could be seen in the much-improved collection rate for November 2019 and December 2019. This effort was taken forward until the COVID-19 National Lockdown, to ensure that the municipality remain funded and have a sustainable budget.

It further resulted into several amendments to the 2019/20 SDBIP during the financial year. Amendments were necessary not only because of financial constraints, but also due to supply chain challenges, issues raised in the report of the Auditor-General, late approval of NT MIG roll-overs and poor performance of contractors on projects.

Political interference and community unrest also had a negative influence on the performance of the following KPA's: *Service Delivery & Infrastructure Development; Municipal Financial Viability & Management and Good Governance and Public Participation*

The municipality could only achieve 55% of the applicable key performance indicators for the first six months of the 2019/20 financial year.

2.2 *COVID-19 Pandemic and National Lockdown*

On 15 March 2020, President Cyril Ramaphosa declared a national state of disaster and announced measures to stop the spread of the corona virus and a 21-day National Lockdown was announced.

Chapter 3

During this period, the movement of people was prohibited and all business and manufacturing was ended.

On 25 March 2020, the Minister of Cooperative Governance and Traditional Affairs issued the COVID-19 disaster response directions for the lockdown, which target the provinces, municipalities and traditional leaders. The Minister of Finance also issued a notice that exempts municipalities from complying with certain provisions of the Municipal Finance Management Act of 2003 and its Regulations.

The COVID-19 pandemic and lockdown has introduced a lot of uncertainty and non-compliance of indicators and targets which were already approved by Council on the SDBIP. Indicators and targets that were affected by the COVID-19 pandemic and lockdown were social gatherings, sport, schools, council meetings, IDP projects with the shifting of funds towards the addressing of water and sanitation infrastructure, informal and rural settlements upgrading etc.

2.3 Performance Management Operations

With all the forced majeure, the City of Matlosana continued to maintain effective performance management operations of the following processes:

- ◆ The Executive Mayor approved the 2019/20 Service Delivery and Budget Implementation Plan on 26 June 2019.
- ◆ 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.
- ◆ Adjustments approved with the Special Adjustment Budget held in December 2019, as well as MIG and NDPG grant adjustments approved by Council during November 2019 were incorporated onto the SDBIP.
- ◆ 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 SDBIP was approved by Council on 31 January 2020.
- ◆ Council approved amendments on the Revised 2019/20 SDBIP due to the COVID-19 pandemic and lockdown on a special Council meeting held on 27 May 2020.
- ◆ Council approved a Special COVID-19 Adjustment Budget for 2019/20 which also impacted on the amendments of the revised 2019/20 SDBIP due to the COVID-19 pandemic and lockdown on 15 June 2020.
- ◆ Quarterly performance reports with supporting evidence were prepared by various directorates.

3. PERFORMANCE ASSESSMENTS

3.1 Performance assessments 2018/19

The annual and formal performance assessment sessions for the 2018/19 financial year with the Municipal Manager and managers directly accountable to the Municipal Manager was completed during March 2020. The panel assessments were only performed in September 2020 due to the COVID pandemic and lockdown. The minutes of all meetings are electronically stored. CC67/2020 dated 16 October 2020.

Chapter 3

3.2 Performance assessments 2019/20

Council on 27 June 2019, CC64/2019, appointed the Performance Assessment 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	Executive Mayor (Chairperson)
Cllr NM Mendela	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;
 - (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.

Mr TSR Nkhumise	Municipal Manager (Chairperson)
Cllr NM Mendela	Member of the Mayoral Committee
Ms MG Mathye	Chairperson of the Audit Committee
Ms S Leshupi	Municipal Manager from another Municipality

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

The mid-year performance assessment (second quarter) for the Municipal Manager and managers directly accountable to the Municipal Manager was approved by Council. CC55/2020 dated 10 September 2020.

The annual and final formal performance assessment sessions for the Municipal Manager and managers directly accountable to the Municipal Manager will be performed during November / December 2020 to allow sufficient time for validation and auditing of information reported on for the completed financial year.

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

Chapter 3

annually by the Auditor-General. All auditing must comply with section 14 of the Municipal Planning and Performance Management Regulations, 2001.

The final annual performance assessment results and scores will be reported to the Council for cognisance.

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.
- ◆ 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.

5. ISSUES RAISED IN THE 2018/19 AUDITOR-GENERAL'S 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.
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)

Chapter 3

Indicator	Target
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.

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.”

Chapter 3

6. ANNUAL PERFORMANCE INFORMATION

The Minister of Finance issued a Ministerial Exemption in terms of section 177(1)(b) of the MFMA on 5 August 2020, exempting municipalities and municipal entities from submitting their annual financial statements and related reports for auditing at the end of August 2020. The notice allows for a two-month delay in the submission of Annual Financial Statements, Annual Reports, Audit opinions, and oversight reports.

The Annual Performance Report will there for be presented to the Auditor-General for auditing together with the Annual Financial Statements on 30 October 2020.

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 2019/20 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.

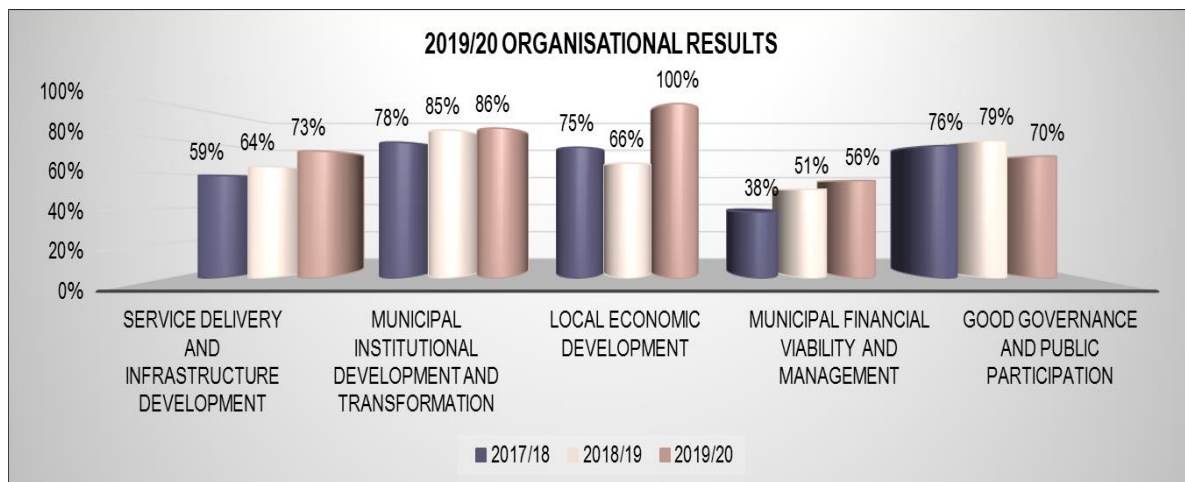
Data provided on the SDBIP is supported by relevant evidence captured and maintained by the directorate's proof of evidence files – (POE's).

6.1 Organisational Performance Results

The table below encapsulates the summary of the municipality's 2019/20 performance results with regard to each of the development priorities:

2019/20 ORGANISATIONAL RESULTS				
Key Performance Indicators	Total No of KPI's	Targets		Annual % Met
		Achieved	Not Achieved	
<i>Service Delivery and Infrastructure Development</i>	37	27	10	73%
<i>Municipal Institutional Development and Transformation</i>	29	25	4	86%
<i>Local Economic Development</i>	3	3	0	100%
<i>Municipal Financial Viability and Management</i>	41	23	18	56%
<i>Good Governance and Public Participation</i>	98	69	29	70%
TOTAL	208	147	61	71%

Chapter 3



2019/20 DIRECTORATE RESULTS				
Key Performance Indicators	Total No of KPI's	Targets		Annual % Met
		Achieved	Not Achieved	
Office of the Municipal Manager	34	20	14	59%
Directorate Technical and Infrastructure*	45	36	9	80%
Directorate Budget and Treasury	45	20	25	44%
Directorate Corporate Support	19	15	4	79%
Directorate Community Development	20	20	0	100%
Directorate Public Safety	16	13	3	81%
Directorate Planning and Human Settlements	14	9	5	64%
Directorate Local Economic Development	15	14	1	93%
TOTAL	208	147	61	71%

* 3 Service Delivery and Infrastructure Development KPI's (projects) of the Director Technical and Infrastructure were deferred to the 2020/21 financial year due to the reprioritization of the project due to COVID-19- MFMA Circular No. 99 dated 09 March 2020 read with CC28/2020 dated 27/05/2020. These projects appear in the Annual Performance Report, but are not incorporated in the result table above.

The 2019/20 year's performance results reflect a 71% success rate caused by combined performance results of directorates in implementing the SDBIP.

The 2019/20 SDBIP includes the performance comments and corrective measures indicated for targets not achieved. The following achievements contribute to the overall 2019/20 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.

Chapter 3

This component includes water; sanitation; roads; electricity; waste management; and housing services and free basic services.

Provision of water

During the COVID-19 pandemic and lockdown the municipality was directed to help prevent the transmission of the virus by providing water and sanitation services to its respective communities. The directions specifically mention the delivery of potable water and proper sanitation to high population density suburbs, rural communities and informal settlements.

In cases where there is no proper infrastructure for supplying piped water, municipalities, working with the Department of Water and Sanitation Services, had to adopt appropriate mechanisms including the provision of water tankers, boreholes and storage tanks to ensure that everyone has access to water irrespective of where they reside and their personal circumstances.

Provision of sanitation

The municipality was further directed to cleanse and sanitise public facilities. Identify hotspot areas for COVID-19 and implement relevant mitigation measures. Such measures included the establishment of capacitated and well-equipped response teams to cleanse and sanitise high-risk places and facilities. Furthermore, in conducting waste management, the municipality had to ensure that relevant protocols were followed when disposing hazardous waste such as gloves and masks to reduce opportunities for further transmission of the virus.

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 as well as COVID-19.

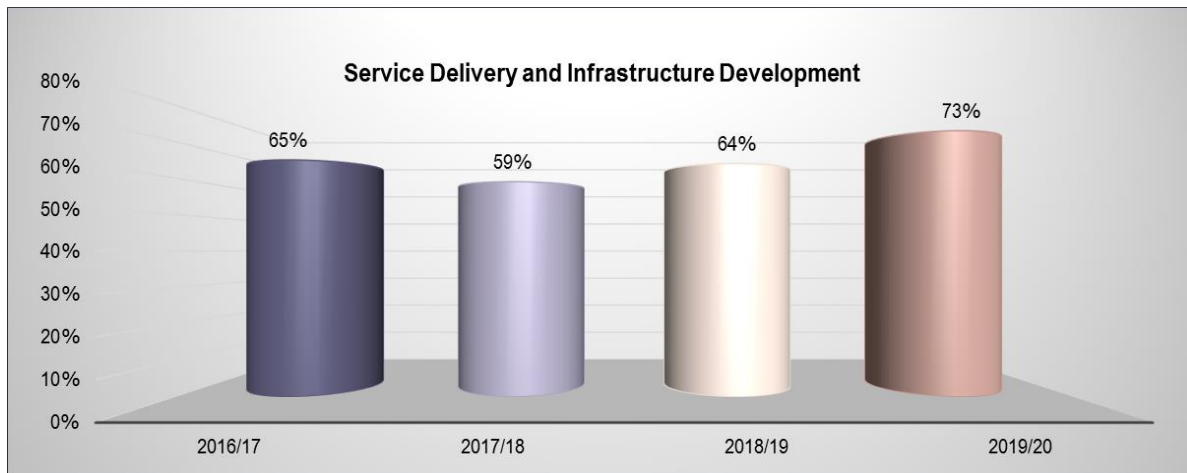
Some of the civil and electrical projects that were completed during the financial year were as follows:

- ◆ Replacing 5 obsolete high mast lights in Khuma (Phase 1) (Wards 31, 34 and 39)
- ◆ The water supply from Midvaal end point to Jouberton and Alabama was improved
- ◆ Replacing 5 obsolete high mast lights and refurbishing 3 existing high mast lights in Khuma (Phase 2) (Wards 31, 34 & 39)
- ◆ 804 Conventional street lights retrofitted with LED lights
- ◆ The installing and construction of bulk services for the proposed Jouberton / Alabama precinct development (Wards 3, 4, 12 and 37) in is progress
- ◆ 3.497 Km taxi route in Tigane (Wards 1 -2) (Phase 9) at Lephoi, Pudi, Kwena, Nku, Kgomo, Malcom X, Mahatma Gandhi, Helen Josph, Oupa Matlhoko and Solomon Mahlangu Streets constructed
- ◆ 8 Obsolete high mast lights in Kanana (Phase 1) (Wards 23 - 27) replaced
- ◆ 125.09 Km roads graded
- ◆ 23.5 Km storm-water channels cleaned
- ◆ 19 Reservoirs cleaned

Projects deferred to the 2020/21 financial year due to the reprioritization of funds for COVID-19 (MFMA Circular No. 99 dated 09 March 2020) are as follows:

- ◆ Upgrading 2 pump-stations (Kanana Ext 11 and Circle pump-station) in Kanana (Phase 1) (Ward 27)
- ◆ Upgrading the sewage pump-line and installing 3 air valves in Kanana Ext 11 (Ward 27)
- ◆ Extending the existing Fresh Produce Market (Phase 1) according to the technical scoping report

Chapter 3

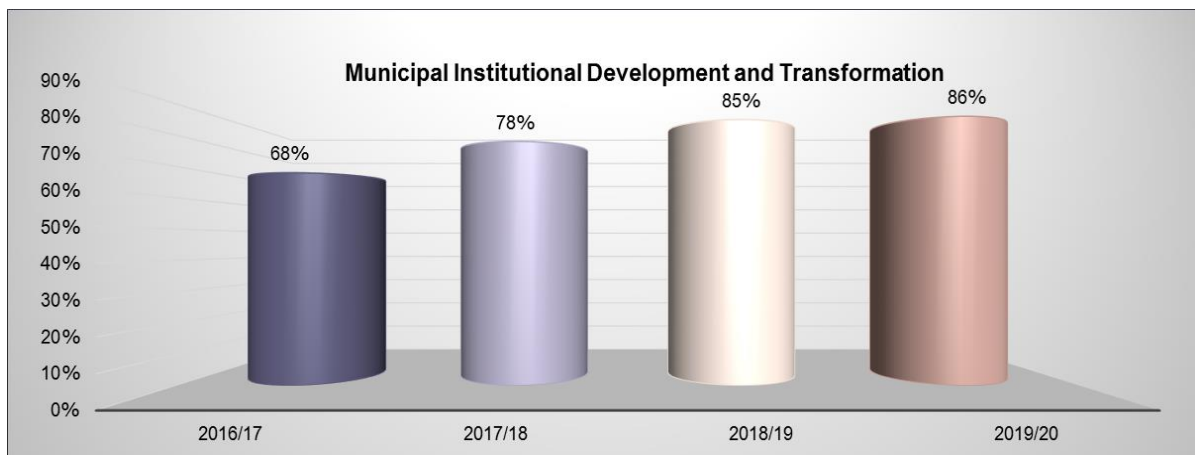


MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

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.

The following achievements can be reported:

- ◆ 2 OHS audits conducted
- ◆ 2020/21 EE Report submitted to the Department of Labour on the 15th of January 2020
- ◆ 2020/21 WSP / 2019/20 ATR submitted in May 2020.
- ◆ Skills gap audit of all level 1 - 6 council employees in 4 directorates conducted
- ◆ 2 Workshops on employment related issues and the Collective Agreement conducted
- ◆ PC Pelser Airport license renewed.
- ◆ 5 Health programmes conducted
- ◆ 6 Internal newsletters compiled and distributed

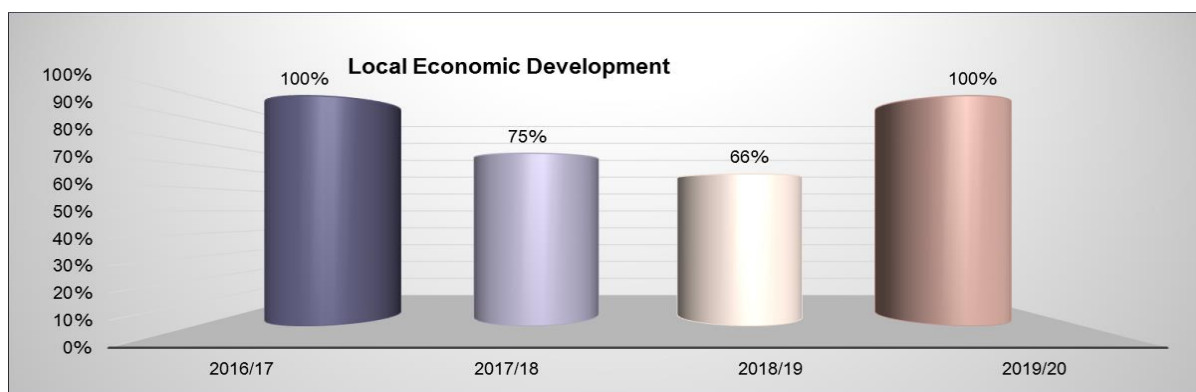


LOCAL ECONOMIC DEVELOPMENT

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.

Chapter 3

No significant achievements can be recorded for the year under review.



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.

The City of Matlosana audit opinion for the 2018/19 financial year regressed to a qualified opinion.

The lockdown period resulted in a decrease in the payment rate of the municipality as consumers felt the negative impact on their disposable income due to several businesses not being able to operate during the period.

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.

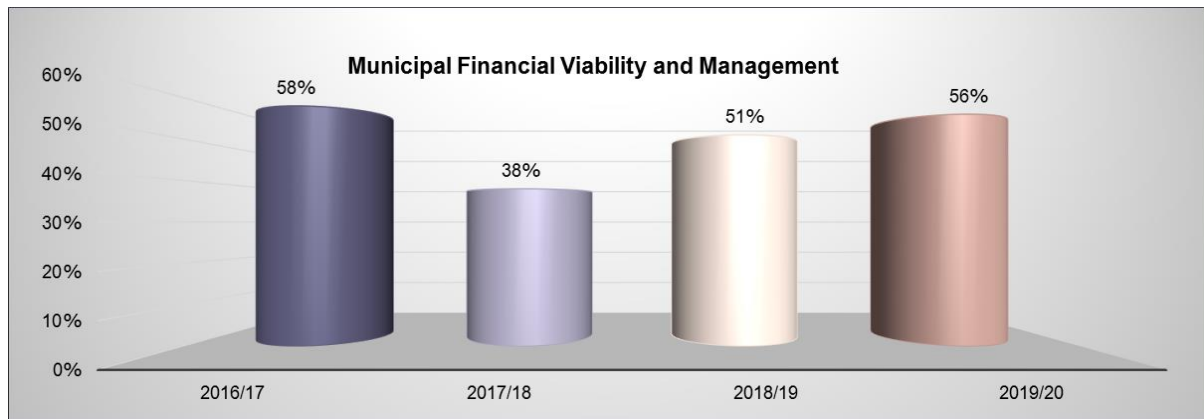
Achievements for the year are as follows:

- ◆ Conducted 7 (s32) meetings to investigate unauthorised, irregular, fruitless and wasteful expenditure of the municipality's performance and financial situation
- ◆ Collected R1 120 068 revenue from warrant of arrests
- ◆ Collected R10 505 057 commission from Vehicle Registration and Licensing / renewals
- ◆ Collected R6 026 028 revenue from driver's licenses
- ◆ Collecting R18 548 049 revenue from market commission (dues)
- ◆ Spent R235 326 on fresh produce market programmes
- ◆ Collected R650 074 revenue from building plan applications
- ◆ Collected R45 578 revenue from land use / development applications

Only R86 428 781 or 73% of all MIG grants was spent that was allocated to the municipality for approved projects. The reprioritization of projects for COVID-19 must be considered.

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

Chapter 3



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.

Use of municipal public spaces, facilities and offices

During the COVID-19 pandemic and lockdown the City of Matlosana had to close all non-essential public facilities and places such as swimming pools, public parks, libraries, museums etc. The issuing of permits for marches, protests and the handing over of petitions were not allowed.

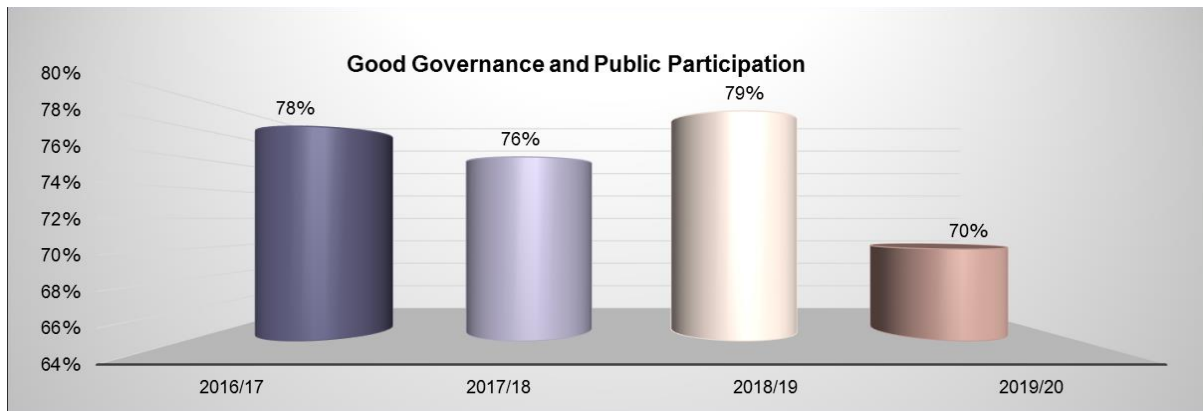
Public facilities, places and offices used to provide essential services could only be used with stricter implementation of social distancing under the monitoring and control of municipalities and relevant authorities. All municipal events and public gatherings were suspended for the duration of the lockdown.

- ◆ Audited 2018/19 Annual Report tabled before Council on 31 January 2020
- ◆ Eight 2020/21 Performance Agreements signed with section 54A & 56 employees
- ◆ 2019/20 Mid-Year Assessment Report approved
- ◆ 2 IDP Community consultations meetings conducted
- ◆ Issued 4 activity reports to the Audit Committee on the progress of rolling out the audit plans
- ◆ 96% Obtained on the Department of Water and Sanitation and IRIS water compliance system
- ◆ 97% Main / outfall sewers blockage complaints attended to (8 497 Received / 8 246 resolved)
- ◆ 100% Medium voltage forced interruptions resolved (480 Received / 480 resolved)
- ◆ 100% Low voltage complaints resolved (2 736 Received / 2 736 resolved)
- ◆ 17 Mayoral Committee meetings conducted
- ◆ 13 Council meetings conducted
- ◆ 4 Fire prevention information sessions conducted
- ◆ 700 General fire inspections conducted
- ◆ 86 (K78) multi road blocks conducted
- ◆ 39 Road Safety campaigns conducted at schools and crèches in the CoM municipal area
- ◆ Reduce water losses with 6% from 41% to 35%

The KPA – Good Governance and Public Participation indicates a 70% achievement.

Chapter 3

Compared against previous years, the percentage decline can be off set against the fact that Council meetings did not take place during the COVID-19 National Lockdown as scheduled which resulted in some compliance indicators not approved on set legislative dates.

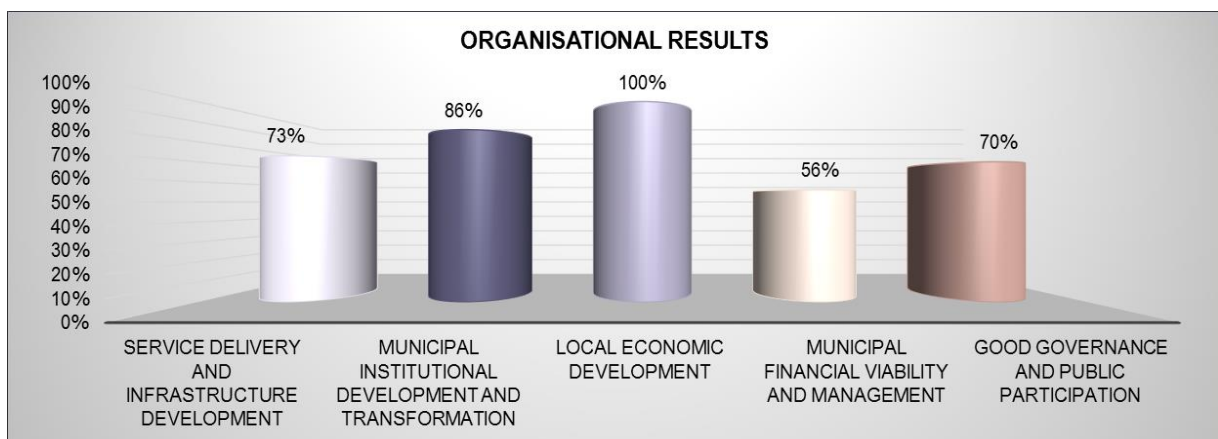


6.2 Four Year Comparison on Organisational Performance Results

The annual performance comparison for the last four financial years can be seen in the table below:

ORGANISATIONAL RESULTS				
	2016/17	2017/18	2018/19	2019/20
Annual Overall Performance	71%	67%	72%	71%
Key Performance Areas				
<i>Service Delivery and Infrastructure Development</i>	65%	59%	64%	73%
<i>Municipal Institutional Development and Transformation</i>	68%	78%	85%	86%
<i>Local Economic Development</i>	100%	75%	66%	100%
<i>Municipal Financial Viability and Management</i>	58%	38%	51%	56%
<i>Good Governance and Public Participation</i>	78%	76%	79%	70%

The 2019/20 percentage is 1% lower (71%) compared to 72% achieved during the 2018/19 financial period.



Chapter 3

7. CONCLUSION AND APPROVAL OF BY THE MUNICIPAL MANAGER

During the 2019/20 financial year, the overall performance results currently reflect a 71% success rate caused by mixed performance results of departments in implementing the SDBIP. The 2019/20 percentage is 1% lower compared to 2018/19 financial period.

Although the percentage is only 1% lower and it seems if the Municipality did well, it should be mentioned that the Municipality had the opportunity to make amendments during May 2020 to indicators affected by COVID-19.

The municipality will continue improving on its performance management system by,

- ◆ Setting Key Performance Indicators (KPI's) that are Reliable, Well-defined, Verifiable, Cost-effective, Appropriate and Relevant.
- ◆ Developing and setting of targets that comply with the SMART principle by being Specific, Measurable, Achievable, Relevant as well as being Time-bound.
- ◆ Ensure a clear linkage between the 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.

Challenges still exist on accurate and timely 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 _____

TSR NHKUMISE
MUNICIPAL MANAGER

Date: 06 November 2020

Chapter 3

8. 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 2019/20 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 MG MATHYE (IAT)(PIA)
CHAIRPERSON: AUDIT COMMITTEE



Date: 6 November 2020

9



IDP and Council Projects

(Grant & Council Funded)



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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve and to construct water supply from Midvaal end point to Jouberton and Alabama (Phase 1B) (Wards 4, 5 & 6) to increase the water supply capacity to the community					
PMU1	Water supply from Midvaal end point to Jouberton and Alabama (Phase 1B) (Wards 4, 5 & 6) improved and constructed	Multi-Year project	Multi-Year project	Improving the water supply from Midvaal end point to Jouberton and Alabama (Phase 1B) (Wards 4, 5 & 6) by - constructing 0,673 km of 800mm Ø oPVC pipeline; - constructing 1 valve chamber; - installing 1 air valve - installing 2 connection boxes by March 2020 R 22 393 704	The water supply from Midvaal end point to Jouberton and Alabama was improved with 0.673 km of 800mm Ø oPVC pipeline and 1 valve chamber constructed and 1 air valve and 2 connection boxes installed R 19 472 786		-	-	N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve and construct water supply from Midvaal end point to Jouberton and Alabama (Phase 1B) (Wards 4,5,6) to increase the water supply capacity to the community					
PMU2	Number of kilometres of water supply pipe line from Midvaal end point to Jouberton and Alabama (Phase 1B) (Wards 4,5,6) improved and constructed	2.5 km of 800-diameter pipe laid. Project completed R59 769 461	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	Improving the water supply from Midvaal end point to Jouberton and Alabama (Phase 1B) (Wards 4, 5 & 6) by constructing: - 0.882 km pipeline; - 5 valve chambers; - 1 connection box by June 2020 R18 100 000	The water supply from Midvaal endpoint to Jouberton and Alabama (Phase 1B) (Wards 4, 5 & 6) was improved by constructing 0.882 km pipeline and 5 valve chambers. The pressure testing and commissioning is still in progress. The 1 connection box not constructed.R15 739 130		Poor performance by the contractor	Contractor to be advised to expedite the works on site by mobilising more of his resources. Penalties are also being imposed for the late completion of the project	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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve bulk water supply in Alabama / Manzilpark (Phase 3) (Wards 3, 4, 5 & 8) to ensure basic water services to the community					
PMU3	Bulk water supply improved with a water pressure tower constructed for Alabama / Manzilpark (Phase 3) (Wards 3, 4, 5 & 8)	Up to shaft 23 completed R7 075 859	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	Improving the bulk water supply in Alabama / Manzilpark with a water tightness testing of one 1 bulk water 2 Ml pressure tower, including water tightness testing and commissioning (Phase 3) (Wards 3, 4, 5 & 8) by June 2020 R2 440 000	The pipe work, valve chambers and roof slap of tower is completed, but the water tightness testing is still in progress R1 431 496		Delays in terms of supplying the contractor with water for water tightness testing	Contractor to be advised to expedite the works on site	N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :		To upgrade the electrical and mechanical equipment at the Kanana Pump-station (Phase 1)(Ward 27) to maintain the current infrastructure					
PMU4	Number of Kanana Pump-stations electrical and mechanical equipment (Phase 1)(Ward 27) upgraded	New project	New project	Upgrading 2 pump-stations (Kanana Ext 11 and Circle pump-station) in Kanana (Phase 1)(Ward 27) with replacing 4 existing centrifugal pumps and associated 4 motors, 2 existing screens and conveyors as well as all pipework and the installation of 2 inline macerators, electrical wiring and control panels by June 2020 R523 119	No contractor appointed R454 886		The project was deferred to the 2020/21 financial year due to the reprioritization of the project due to COVID-19- MFMA Circular No. 99 dated 09 March 2020 read with CC28/2020 dated 27/05/2020	Project to be implemented in the 2020/21 FY	R7 206 546


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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the waste water treatment is functioning at its optimum capacity in Kanana Ext 11 (Ward 27)					
PMU5	Kilometres of sewage pump-line in Kanana Ext 11 (Ward 27) upgraded and constructed	New project	New project	Upgrading the sewage pump-line in Kanana Ext 11 (Ward 27) by - constructing 0.7 km of sewer pump line consisting of 355 mm Ø uPVC pipe and - installing 3 air valves by June 2020 R669 009	No contractor appointed R581 747		The project was deferred to the 2020/21 financial year due to the reprioritization of the project due to COVID-19- MFMA Circular No. 99 dated 09 March 2020 read with CC28/2020 dated 27/05/2020	Project to be implemented in the 2020/21 FY	R9 381 871
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve accessibility and mobility and control and direct the flow of storm-water and prevent road erosion in Tigane (Wards 1 - 2)(Phase 9)					
PMU6	Km of Tigane taxi route constructed (Wards 1 -2)(Phase 9)	Site establishment, clear and grub and locating existing services. Construction of 1.043km of roadbed, sub base and base R2 459 903	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	Constructing 3.497 km taxi route in Tigane (Wards 1 - 2)(Phase 9) at Lephoi, Pudi, Kwena, Nku, Kgomo, Malcom X, Mahatma Gandhi, Helen Josph, Oupa Matlhoko and Solomon Mahlangu Streets by June 2020 R15 837 356	3.497 km taxi route in Tigane (Wards 1 - 2)(Phase 9) at Lephoi, Pudi, Kwena, Nku, Kgomo, Malcom X, Mahatma Gandhi, Helen Josph, Oupa Matlhoko and Nyakallong Solomon Mahlangu Streets constructed R13 611 402		-	-	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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	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 in Jouberton Ext 24 (Phase 8)(Ward 12)					
PMU7	Km of taxi route paved and km of storm-water drainage constructed in Jouberton Ext 24 (Phase 8)(Ward 12)	New project	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	Laying of 2.554 km paving bricks with kerbs (1.605 km of Lebaleng road and 0.949 km of Mpisekhaya road) and installing 1.662 km of sub surface storm-water drainage (0.834 km on Lebaleng road and 0.828 km on Mpisekhaya road) in Jouberton Ext 24 (Phase 8) (Ward 12) by June 202 R983 820	2,573 km paving bricks layer 1,640 km of Lebaleng road and 0,933 km of Mpisekhaya road) and 1.481 km kerbs layer and 1.461 km of sub surface storm-water drainage pipes installed (0.673 km on Lebaleng and 0.788 km on Mpisekhaya street) installed R855 496		Poor performance by the contractor and lack of adherence to quality standards	Contractor has been advised to ensure that he complete the Works on site. The imposition of penalties for failing to complete the project on time	R6 016 180
NR	INDICATOR	MEASURABLE OBJECTIVE :		To extend the existing Fresh Produce Market to cater for the increased customer demand					
PMU9	Existing Fresh Produce Market extended	New project	New project	Extending the existing Fresh Produce Market by - installing 2 cladding and shutter doors, - constructing 1 ablutions facility, 1 storage unit, 1 cold room and 1 offloading platform (according to the technical scoping report) by June 2020. R3 330 263	The project was re-advertised on 14 February 2020 and closed on the 12 March 2020 R2 888 423		The project was deferred to the 2020/21 financial year due to the reprioritization of the project due to COVID-19- MFMA Circular No. 99 dated 09 March 2020 read with CC28/2020 dated 27/05/2020	Project to be implemented in the 2020/21 FY	R7 745 099


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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To construct a new sport complex in Khuma Ext 9 (Phase 1)(Ward 31) to provide recreational facilities for the community					
PMU8	New sport complex in Khuma Ext 9 (Phase 1)(Ward 31) constructed	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. R3 180 092	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	Constructing a new sport complex in Khuma Ext 9 (Phase 1)(Ward 31) according to the technical scoping report (foundation and wall of 1 guard house, perimeter fence and relocation of internal services) by June 2020 R13 303 635	0.483km of water reticulation installed, 0.345km of sewer reticulation (internal services) installed for the new sport complex in Khuma Ext 9. 0.168km of perimeter fence erected and the excavation of 0,220km of existing 300mm Ø sewer line completed. Construction of foundation and wall for a guardhouse complete. Rip and compaction of the layers for soccer field complete R8 993 801		-	-	R10 000 000




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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide internal infrastructure services for the proposed Jouberton / Alabama precinct development (Ward 37) to improve the social and economic environment					
PMU11	Jouberton / Alabama precinct development (Ward 37) internal infrastructure services (road network, water and sewer) provided	Detailed designs submitted and approved. Site establishment. Project completed as per scope R 1 018 925	Construction of 353 m of 600 mm diameter storm-water drainage installed, 670 m of road bed for Masianoke street completed R3 352 744	Providing internal infrastructure services for the proposed Jouberton / Alabama precinct development (Ward 37) by - clearing and grubbing of 1.53 km road servitude and locating existing services; - constructing 0.67 km of roadbed; - constructing 0.5 km road network layer works; - relocating 0.55 km existing water pipelines by June 2020 R457 373	Internal infrastructure services for the proposed Jouberton / Alabama precinct development (Ward 37) provided with the clearing and grubbing of 1.53 km road servitude and construction of 0.67 km of roadbed. Designs for the 500mm Ø pipeline approved and Design Report for 200mm Ø pipeline submitted. The 0.5 km road network layer works not constructed yet, as well as the relocation of 0.55 km existing water pipelines not completed. R397 716		Delays in the finalisation of approval of the advert for procurement of subcontractors	Expediting appointment of subcontractors. Contractor to be advised to revise the implementation plan and expedite construction of the works. Close monitoring of subcontractor by main contractor to be enforced	R7 573 508




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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide bulk services for the proposed Jouberton / Alabama precinct development (Wards 3, 4, 12 and 37) to improve the social and economic environment					
PMU13	Jouberton / Alabama precinct development bulk services (electrical - cable; sanitation - pump-station and water - 2Mℓ pressure tower) (Wards 3, 4, 12 and 37) installed and constructed	Detailed designs submitted and approved. Site establishment. Project completed as per scope R6 923 430	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	Installing and constructing bulk services for the proposed Jouberton / Alabama precinct development (Wards 3, 4, 12 and 37) by - installing 6 km of 11 kV underground electrical cable from the Manzilpark substation to the precinct; - upgrading 1 pump-station at Jagspruit; and - constructing lift shafts 8 - 17 of the 2 Mℓ pressure tower by June 2020 R35 966 528	The installing and construction of bulk services for the proposed Jouberton / Alabama precinct development (Wards 3, 4, 12 and 37) in is progress with regards to the construction the foundation for the switching sub-station housing, 1 pump-station at Jagspruit (procurement of material 90% complete, site cleaning and removal of equipment to be refurbished) and the casting of lift 17 for 2 ML pressure R29 179 415		Poor performance by the contractor. Contractor's failure to resume the works on time after the lockdown was eased. No physical progress for April and May 2020. Incompetence on some of contractor's key staff	Contractor was given a notice to correct failure to resume with the works. Advise contractor to revise the implementation plan and expedite construction of the works. Contractor requested to submit competent key staff that match tender requirements	R21 851 723




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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve public access to transport in Jouberton Ext 19 (Ward 37)					
PMU14	A contractor for a number of taxi ranks with facilities up to the 2nd layer of the platform constructed in Jouberton Ext 19 (Ward 37) appointed	New project	Preliminary Design Report approved R0	Appointing a contractor for the construction of 1 new taxi rank with facilities up to the 2nd layer of the platform in Jouberton Ext 19 (Ward 37) by June 2020 R4 176 099	A contractor for the construction of 1 new taxi rank with facilities up to the 2nd layer of the platform in Jouberton Ext 19 (Ward 37) appointed R3 629 641		-	-	R10 074 768
NR	INDICATOR	MEASURABLE OBJECTIVE :		To replace obsolete high mast lights to enhance a safe social economic environment in Khuma (Phase 1)(Wards 31, 34 & 39)					
PMU15	Number of obsolete high mast lights in Khuma (Phase 1)(Wards 31, 34 & 39) replaced	New project	Service Provider appointed on 30 April 2019. Site handover and establishment completed R57 500	Replacing 5 obsolete high mast lights in Khuma (Phase 1)(Wards 31, 34 and 39) by March 2020 R1 400 000	5 Obsolete high mast lights in Khuma (Phase 1)(Wards 31, 34 and 39) replaced R1 251 800		-	-	N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :		To replace and refurbish obsolete and existing high mast lights in Khuma (Phase 2)(Wards 31, 34 and 39) to enhance a safe social economic environment					
PMU16	Number of obsolete and existing high mast lights replaced and refurbished in Khuma (Phase 2)(Wards 31, 34 and 39)	New project	New project	Replacing 5 obsolete high mast lights and refurbishing 3 existing high mast lights in Khuma (Phase 2)(Wards 31, 34 & 39) by June 2020 R1 750 000	5 Obsolete high mast lights replaced and 3 existing high mast lights refurbished in Khuma (Phase 2)(Wards 31, 34 & 39) R1 009 163		-	-	R370 000



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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To replace obsolete high mast lights to enhance a safe social economic environment in Kanana (Phase 1)(Wards 23 - 27)					
PMU17	Number of obsolete high mast lights in Kanana (Phase 1)(Wards 23 - 27) replaced	New project	Service Provider appointed on 30 April 2019. Site handover and establishment completed R185 000	Replacing 8 obsolete high mast lights in Kanana (Phase 1)(Wards 23 - 27) by March 2020 R2 200 000	8 Obsolete high mast lights in Kanana (Phase 1)(Wards 23 - 27) replaced R1 920 390		-	-	N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :		To replace and refurbish obsolete and existing high mast lights in Kanana (Phase 2)(Wards 23 - 27) to enhance a safe social economic environment					
PMU18	Number of obsolete and existing high mast lights replaced and refurbished in Kanana (Phase 2)(Wards 23 - 27)	New project	New project	Replacing 2 obsolete high mast lights and refurbishing 6 existing high mast lights in Kanana (Phase 2)(Wards 23 - 27) by June 2020 R1 513 303	2 Obsolete high mast lights replaced and 6 existing high mast lights in Kanana (Phase 2)(Wards 23 – 27) refurbished R1 186 070		-	-	R526 697
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce electricity losses associated with municipal own consumption (Phase 1)					
PMU19	Number of street lighting retrofitted with LED lights (Phase 1)	New project	The project was re-advertised and the service provider is not yet appointed. R91 043 (Advertisement cost)	Retrofitting of 248 conventional street lights with LED lights (Phase 1) by June 2020 R1 000 000	248 Conventional street lights retrofitted with LED lights (Phase 1) R866 797		-	-	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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce electricity losses associated with municipal own consumption in Klerksdorp (Phase 2)(Wards 16, 17 and 19)					
PMU20	Number of street lighting with LED lights in Klerksdorp (Phase 2)(Wards 16, 17 and 19) retrofitted	New project	New project	Retrofitting 456 conventional street lights with LED lights in Klerksdorp (Phase 2)(Wards 16, 17 and 19) by June 2020 R2 000 000	456 Conventional street lights retrofitted with LED lights in Klerksdorp (Phase 2)(Wards 16, 17 and 19) R1 649 369		-	-	R4 000 000
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)(Wards 3 - 5) to maintain the current infrastructure and to cater for the increased electricity supply demand					
PMU22	Material for the kilometre of loop-in-loop-out new 88 kV medium voltage line, primary and secondary plant at Alabama (Matlosana) substation (Phase 3)(Wards 3 - 5) purchased	4 Steel base structures constructed. R14 513 255	Contractor not appointed yet. Tender has been re-advertised for the third time and closed on 28 June 2019 R10 613 148	Purchasing of material for the constructing 7.5 km loop-in-loop-out new 88 kV medium voltage line, primary and secondary plant at Alabama (Matlosana) substation (Phase 3)(Wards 3 - 5) by June 2020 R3 960 000	Materials purchased R3 364 735		-	-	R8 000 000
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce electricity losses associated with municipal own consumption					
PMU23	Number of anti-tampering of pillar boxes in the Matlosana area supplied and installed	New project	No service provider appointed yet R0	Supplying and installing of 16 anti-tampering pillar boxes in the Matlosana area by June 2020 R500 000	16 Anti-tampering pillar boxes in the Matlosana area supplied but not installed R296 710		Community refused to allow the Contractor to do the installation of the anti-tampering pillar boxes	The community was engaged but are not supporting the project and to be reported to Council	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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the social and economic environment for the community of Jouberton					
PMU24	Number of preliminary design drawings for the Youth Development Centre and SAFA Safe Hub in Jouberton Precinct developed	New project	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	Developing a preliminary design drawing for the New Youth Development Centre and SAFA Safe Hub in Jouberton Precinct by June 2020 R0 (R200 000)	Preliminary designs drawing for the New Youth Development Centre and SAFA Safe Hub in Jouberton Precinct developed, submitted and approved R0		NDPG Budget only approved on 30 June 2020	-	R500 000
NR	INDICATOR	MEASURABLE OBJECTIVE :		To refurbish electrical and mechanical equipment at several sewer pump stations in the Matlosana area (Wards 1 - 39) to maintain the existing infrastructure					
PMU25	Number of sewer pump-stations refurbished with electrical and mechanical equipment material at the Matlosana area (Wards 1 - 39)	New project	New project	Refurbishing 5 sewer pump-stations with electrical and mechanical equipment in the Matlosana area (Wards 1 - 39) by advertising for the appointment of a contractor by June 2020 R900 000 (R19 970 341)	The tender was advertised on the 29 May 2020 and closed on 23 June 2020 R888 524		Reprioritization project – COVID -19	-	R10 441 185


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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To install communal stand pipes in the informal settlements of the Matlosana area (Wards 1 - 7, 14 and 23) in order to provide basic services					
PMU26	Number of new communal stand pipes in informal settlements to be installed in the Matlosana area (Wards 1 - 7, 14 and 23)	New project	New project	Installing 30 new communal stand pipes in informal settlements in the Matlosana area (Wards 1 - 7, 14 and 23) by advertising for the appointment of a contractor by June 2020 R0 (R5 000 000)	The tender was advertised on the 29 May 2020 and closed on 23 June 2020 R0		Reprioritization project – COVID -19	-	R3 597 547
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic water services and to increase the water supply capacity to the community in the Matlosana area (Ward 1 - 39)					
PMU27	Number of pressure reducing valves, bulk water meters and ancillary works in the Matlosana area (Wards 1 - 39) to be supplied and installed	New project	New project	Suppling and installing 27 pressure reducing valves, 60 bulk water meters and ancillary works in the Matlosana area (Wards 1 - 39) by advertising for the appointment of a contractor by June 2020 R0 (R5 000 000)	The tender was advertised on the 29 May 2020 and closed on 23 June 2020 R0		Reprioritization project – COVID -19	-	R8 704 175

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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To address shortcomings by improving library services and maintenance					
LIB1	Shortcomings at various libraries improved according to the approved project business plan	The grant was utilized for improvements for various library equipment, stationary, awareness and repairs R397 550	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	Improving library services and maintenance at all 12 libraries according to the operational activities on the approved project business plan by June 2020 R237 000	Catering for 190 people during meetings at Umuzimuhle; Klerksdorp and Tigane libraries. 43 Sets of promotional material; Personal Protective Equipment (16 Digital Thermometers; 100 Face Shield; 10 X 35 Respiratory Masks) and training for 7 Snr Library Assistant and 7 Library Assistants at all 12 libraries. Upholstery of 22 couches at the Klerksdorp library R209 332		An additional amount of R21 000 was transferred to the vote on 15 June 2020 which resulted in not enough time to utilize the money	-	R216 000



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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To address supplementary improvements (shortcomings) at various libraries					
LIB2	Supplementary improvements at various libraries done	The grant was utilized for improvements for various library equipment, stationary, awareness and repairs R 793 861	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	Improving supplementary shortcoming at all 12 libraries according to the operational activities on the approved project business plan by June 2020 R564 000	Building signage's for all 12 libraries. 2 Carports for Hartbeesfontein and Jouberton Libraries. 27 Burglar bars for Tigane library. 23 Burglar bars for Kanana library. Upgrading of Hartbeesfontein library hall (replacement of carpets, damaged ceiling and fisher boards) R552 493		-	-	R 607 000



10

Operational and Compliance Indicators




Chapter 3

OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: MUNICIPAL MANAGER									
Operational and Compliance		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
MM8	Number of LLF meetings attended	8 LLF meetings attended	11 LLF meetings attended	Attending 7 LLF meetings by June 2020	4 LLF meetings attended		Submitted an apology for 2 meetings due to other commitments. 1 Meeting cancelled due to COVID-19 National Lock down announced on 23 March 2020	Acting MM to be present in absence of MM	11 LLF meetings
SECTION: RISK MANAGEMENT									
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 Operational risk assessments conducted	4 Risk Assessments conducted	Conducting 4 risk assessments with Council departments on emerging risks by June 2020	4 Risk Assessments conducted		-	-	4 Risk Assessments




Chapter 3

OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: MUNICIPAL MANAGER									
Operational and Compliance		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	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 City of Matlosana					
MM1	Rand value spent on MIG grants (NDPG, EEDSM & DME included) allocated for the City of Matlosana spent	91% R177 899 965 spent	79% R153 850 949 spent	Spending at least 80% of MIG grants (NDPG, WMIG, EEDSM; INEP; DME & roll-overs included) allocated to the City of Matlosana by June 2020 R162 151 431	67.% R109 849 811		Reprioritization of projects - COVID-19 Amendments CC28/2020 dated 27/05/2020. Tenders were advertised on the 29 May 2020 and closed on 23 June 2020	Projects to be finalized in the 2020/21 FY	85% of R166 800 300
SECTION: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To investigate unauthorised, irregular, fruitless and wasteful expenditure of the municipality's performance and financial situation by conducting (s32) meetings					
MPAC5	Number of (s32) meetings conducted to investigate unauthorised, irregular, fruitless and wasteful expenditure of the municipality's performance and financial situation	10 (s32) meetings conducted	22 (s32) meetings conducted	Conducting 6 (s32) meetings to investigate unauthorised, irregular, fruitless and wasteful expenditure of the municipality's performance and financial situation by June 2020	7 (s32) meetings conducted		-	-	12 (s32) meetings




Chapter 3

OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: MUNICIPAL MANAGER									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the all the directorates KPI's are catered for					
MM7	Office of the MM's SDBIP inputs before the draft 2020/21 SDBIP is tabled	Credible 2018/19 SDBIP inputs provided	Credible 2019/20 SDBIP inputs provided	Providing the office's SDBIP inputs before the draft 2020/21 SDBIP is submitted by 31 May 2020	Credible 2020/21 SDBIP inputs provided		-	-	Credible 2021/22 SDBIP inputs
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the set goals of council are achieved					
MM11	Number of SDBIP meetings between MM and directors (leading to quarterly performance assessments) conducted	0 SDBIP meetings conducted	1 SDBIP meeting conducted	Conducting 4 SDBIP meetings between MM and directors (leading to quarterly performance assessments) by June 2020	2 SDBIP meetings conducted		Schedule of Management meetings not fully honoured due to other pressing matters	SDBIP to be a standing item in Management meetings and KPI to be amended	12 SDBIP meetings
SECTION: PERFORMANCE MANAGEMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the 2018/19 Annual Performance Report (Unaudited Annual Report) to comply with section 46 of the MSA					
PMS1	2018/19 Annual Performance Report (Unaudited Annual Report) approved by Municipal Manager	2016/17 Annual Performance Report (Unaudited Annual Report) approved by the MM – 31/08/2017. CC153/2017 dated 26/09/2017	2017/18 Annual Performance Report (Unaudited Annual Report) approved by Municipal Manager on 28/08/2018	Approving the 2018/19 Annual Performance Report (Unaudited Annual Report) by Municipal Manager by August 2019	2018/19 Annual Performance Report (Unaudited Annual Report) approved by the Municipal Manager on 13 September 2019		The financial management server crash / failure occurred on the evening of 29 August 2019. BCX inform the municipality that the server is on route to the BCX offices in Centurion to determine the cause of the crash and to repair.	The 2018/19 Annual Performance Report to be completed as soon as the system is repaired to be approved by the Municipal Manager	2019/20 Annual Performance Report




Chapter 3

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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the Draft 2018/19 Annual Performance Report (Unaudited Annual Report) to comply with section 121 and Circular 63 of MFMA					
PMS2	Draft 2018/19 Annual Performance Report (Unaudited Annual Report) tabled before Council	2016/17 Annual Performance Report (Unaudited Annual Report) tabled - CC154/2017 dated 26/09/2017	2017/18 Annual Performance Report (Unaudited Annual Report) tabled - CC100/2018 dated 28/08/2018	Tabling the draft 2018/19 Annual Performance Report (Unaudited Annual Report) before Council by 30 September 2019	Draft 2018/19 Annual Performance Report (Unaudited Annual Report) tabled before Council. CC111/2019 dated 21 October 2019		Item was submitted for the September 2019 Council meeting, but the meeting was postponed until October 2019	Council to sit in October 2019	Draft 2018/19 Annual Performance Report
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the 2019/20 Mid-Year Assessment Report to comply with section 72 of the MFMA					
PMS4	2019/20 Mid-Year Assessment Report approved by the Executive Mayor	2017/18 Mid-Year Assessment Report approved. MM 6/2018 dated 22/01/2018 Executive Mayor on 26/01/2018	2018/19 Mid-Year Assessment Report approved. MM 18/2019 dated 23/01/2019, MayCo Item 3.1 dated 29/01/2019 and CC 8/2019 dated 30/01/2019	Approving the 2019/20 Mid-Year Assessment Report by the Executive Mayor by 23 January 2020	2019/20 Mid-Year Assessment Report approved. MM15/2020 dated 22 January 2020. EM1/2020 dated 23 January 2020. CC6/2020 dated 31 January 2020		-	-	2020/21 Mid-Year Assessment Report
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the draft 2020/21 SDBIP to comply with legislation					
PMS5	Draft 2020/21 SDBIP tabled by Council	Draft 2018/19 SDBIP tabled. CC49/2018 dated 30/05/2018	Draft 2019/20 SDBIP tabled. CC48/2019 dated 31/05/2019	Tabling the draft 2020/21 SDBIP by Council by May 2020	Draft 2020/21 SDBIP tabled in Council. CC27/2020 dated 27 May 2020		-	-	Draft 2021/22 SDBIP




Chapter 3

OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: INTEGRATED DEVELOPMENT PLAN									
Operational and Compliance		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
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 2020	2 Community consultations meetings conducted		The 2nd community consultation meeting was conducted in terms of Circular 6 of 2020: COVID-19 Meetings		2 Community consultations
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 2020	2 Rep Forum meetings conducted		The 2nd Rep Forum meeting was conducted in terms of Circular 6 of 2020: COVID-19 Meetings		2 Rep Forum meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the draft 2020/21 IDP Amendments to comply with legislation					
IDP4	Number of draft 2020/21 IDP Amendments tabled in Council	Draft 2018/19 Reviewed IDP tabled. CC35/2018 dated 20 April 2018	Draft 2019/20 IDP Amendments tabled. CC 36/2019 dated 29 March 2019	Tabling the draft 2020/21 IDP Amendments in Council by March 2020	Draft 2020/21 IDP Amendments tabled CC 30/2020 dated 25 May 2020		31 March 2020 Council meeting cancelled due to COVID-19 National Lockdown. First Council sitting during lockdown was in May 2020	N/A	Draft 2021/22 IDP Amendments



Chapter 3

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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :							
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 2020	4 Risk management reports submitted to the Risk Management Committee		-	-	4 Risk management reports
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	Revised Risk Register submitted to Risk Management & Audit Committee approved by Municipal Manager	2018/19 Risk Register revised and 2019/20 Risk Register not approved	Revising the 2019/20 Risk Register to determine the linkage between departmental objectives and risk activity and approving the 2020/21 Risk Register by June 2020	2019/20 Risk Register revised and 2020/21 Risk Register approved by Audit Committee		-	-	2020/21 Risk Register and 2021/22 Risk Register
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 Risk Management Committee	Risk Management Charter approved by Risk Committee. RMIP approved by Municipal Manager	2018/19 Risk Management Charter approved by Risk Committee and 2019/20 Risk Management Implementation Plan approved Municipal Manager	Approving the Risk management strategic documents (2019/20 Charter and 2020/21 implementation plan) by the Municipal Manager and Risk Management Committee by June 2020	Risk Management Strategic documents - 2019/20 Risk Management Charter approved by the Risk Management Committee and 2020/21 Risk Management Implementation Plan approved by the MM		-	-	2020/21 Risk Management Charter and 2021/22 Implementation plan




Chapter 3

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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	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 City of Matlosana conducted	30 Public participation meetings conducted	29 Public participation meetings conducted	Conducting 23 public participation (s 79) meetings to monitor the performance and financial situation in the City of Matlosana by June 2020	21 Public participation meetings conducted		Due to COVID-19 regulations no meeting could be conducted	Plans are in place for corrections to attend to activities at work	19 Public participation meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To issue MPAC progress reports to ensure compliance with legislation					
MPAC2	Number of MPAC progress reports issued to council which assess the efficiency and effectiveness of performance and finances of council	8 MPAC progress reports issued	10 MPAC progress reports issued	Issuing 7 MPAC reports (including progress reports) to council which assess the efficiency and effectiveness of performance and finances achieved by Council by June 2020	3 MPAC progress reports issued		2 Reports were ready for tabling on 31 March 2020, but due to COVID-19 regulations no meeting could be conducted	Plans are in place for corrections to attend to activities at work	4 MPAC progress reports
NR	INDICATOR	MEASURABLE OBJECTIVE :		To enhance public participation on the results of the Annual Report to comply with legislation					
MPAC3	Number of public participation meetings conducted on the results of the Annual Report	1 Public participation meeting conducted	1 Public participation meeting conducted	Conducting 1 public participation meeting on the results of the Annual Report by March 2020	1 Public participation meeting conducted		-	-	1 Public participation meeting




Chapter 3

OFFICE OF THE MUNICIPAL MANAGER										
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
SECTION: INTERAL AUDIT										
Operational and Compliance		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year	
		2017/18	2018/19	Annual Target	Actual Performance					
NR	INDICATOR	MEASURABLE OBJECTIVE :		To issue audit of performance information reports to ensure compliance with legislation						
IA2	Number of audits of performance information reports issued to assess the efficiency and effectiveness of performance achieved	4 Audit of performance information reports issued	3 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 2020	3 Audit of performance information reports issued		Due to National Lockdown regulations, that resulted in late completion of SDBIP and commencement of 3rd quarter audit	Audit will be finalised during the month of July for submission to Audit Committee during meeting scheduled for the 28th August 2020	4 Audit of performance information reports	
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	5 Progress reports submitted	Submitting 3 progress reports on the updated action plan register to the Audit Committee on findings raised by the Auditor General and Internal Audit by June 2020	2 Progress reports submitted on the updated action plan register to the Audit Committee on findings raised by the Auditor-General and Internal Audit		Due to National Lockdown regulations, regulations, audits could not be completed as planned	The Audit will be finalised during the month of July and submitted to Audit Committee during meeting scheduled for the 28th August 2020	2 Progress reports	



Chapter 3

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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To issue activity reports to ensure good governance					
IA4	Number of activity reports issued to the Audit Committee on the progress of rolling out the audit plans	4 Activity reports issued	5 Activity reports issued	Issuing 4 activity reports to the Audit Committee on the progress of rolling out the audit plans by June 2020	4 Activity reports issued		-	-	4 Activity reports
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	IA Charter (2018/19) reviewed and adopted by Audit Committee during meeting held on the 26 June 2018	Internal Audit Charter (2019/20) not yet submitted to Audit Committee	Adopting the reviewed IA Charter (2020/21) in accordance with IIA standards by June 2020	Reviewed 2020/21 Internal Audit submitted to Audit Committee on the 1st July 2020		Pre-arranged Audit Committee scheduled for the 30th June 2020 was postponed due to Council meeting	Reviewed 2020/21 Internal Audit submitted and adopted by Audit Committee on the 1st July 2020	Internal Audit Charter (2021/22)
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 2020/21 submitted to the Audit Committee for approval	3-Year Risk Based plan submitted to Audit Committee during meeting held on the 26 June 2018 approved with amendments	3-Year Risk Based Audit Plan 2019/20 not submitted yet	Submitting the 3-Year Risk Based Audit Plan 2020/21 to the Audit Committee for approval by June 2020	3-Year Risk Based Audit Plan 2020/21 submitted to Audit Committee on the 1st July 2020		Pre-arranged Audit Committee scheduled for the 30th June 2020 was postponed due to Council meeting	Reviewed 2020/21 Internal Audit submitted and adopted by Audit Committee on the 1st July 2020	3-Year Risk Based Audit Plan 2021/22




Chapter 3

DIRECTORATE TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: ROADS AND STORM-WATER DRAINAGE SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To address cleaned blockages to ensure reactive maintenance of cleaned throughout the year					
ROA2	Kilometres of open storm-water channels cleaned	New indicator	26.75 Km storm-water channels cleaned	Cleaning 22.5 km of storm-water channels as per maintenance programme in the CoM municipal area by June 2020 R19 209 985	23.5 Km storm-water channels cleaned R19 207 585		-	-	25 Km Cleaned R19 000 000
SECTION: WATER SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To clean reservoirs to comply with legislation					
WAT5	Number of reservoirs cleaned	2 Reservoirs cleaned R761 305	25 Reservoirs cleaned R131 671	Cleaning 18 reservoirs according to the programme in the Matlosana area by June 2020 R1 362 035	19 Reservoirs cleaned R1 168 549		-	-	28 Reservoirs cleaned R1 188 000
SECTION: SANITATION SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To address main / outfall sewer blockages to ensure a healthy environment for the community					
SAN5	Kilometre of main / outfall sewers and blockages cleaned	30.60 Km of main sewers cleaned	9.46 Km of main sewers cleaned	Cleaning 15 km of main / outfall sewers as per program in the CoM municipal area by June 2020 R2 473 472	12.187 Km of main / outfall sewers cleaned R2 096 992		The jetting truck was non-functional from February 2020 to 30 June 2020	Refurbishment and repair of the jetting equipment to be prioritised in the 1 st quarter of 2020/21 financial year	40 km of main / outfall sewers cleaned R5 515 000



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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
DT17	Number of LLF meetings attended	6 LLF meetings attended	12 LLF meetings attended	Attending 7 LLF meetings by June 2020	7 LLF meetings attended		-	-	11 LLF meetings attended
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR TECHNICAL AND INFRASTRUCTURE									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the all the directorates KPI's are catered for					
DT16	Directorate's SDBIP inputs provided before the draft 2020/21 SDBIP is tabled	Credible 2018/19 SDBIP inputs provided	Credible 2019/20 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the draft 2020/21 SDBIP is submitted by 25 May 2020	Credible 2020/21 SDBIP inputs provided		-	-	Credible 2021/22 SDBIP inputs provided



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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the set goals of council are achieved					
DT19	Number of SDBIP meetings with senior personnel in own directorate conducted	3 SDBIP meetings conducted	23 SDBIP meetings conducted	Conducting 20 SDBIP meetings with senior personnel in own directorate by June 2020	22 SDBIP meetings conducted		The was a need for 2 additional meetings due to all the COVID-19 amendments	N/A	22 SDBIP meetings conducted
SECTION: WATER SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To obtain at least 95% of quality compliance working towards achieving the Blue Drop Award and to comply with the environmental health protection regulation					
WAT6	A minimum score of 95% of quality compliance obtained	Monthly compliance documentation submitted to DWS. Blue drop status (%) not announced since 2013	95% Obtained on the Department of Water and Sanitation and IRIS water compliance system	Obtaining a minimum score of 95% of quality compliance on the Department of Water and Sanitation and IRIS water compliance system by June 2020	96% Obtained on the Department of Water and Sanitation and IRIS water compliance system		-	-	95%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To maintain existing infrastructure					
WAT8	Percentage of all water leaks and burst pipe complaints resolved	New indicator	New indicator	Resolving at least 60% of all water leaks and burst pipe complaints in the Matlosana area (telephonic, written and verbal) received by June 2020	61.35% 2 647 Complaints received / 1 624 complaints resolved		-	-	60%





Chapter 3

DIRECTORATE TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: WATER SERVICES									
Operational and Compliance		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To maintain existing infrastructure					
WAT7	Percentage of water losses reduced	New indicator	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 cements pipes in Klerksdorp and Jouberton	Reducing water losses from 41% to 37% by installing of 2 pressure control valves in Klerksdorp, metering / verifying of 120 possible un-metered municipal consumption points and replacing 2 600 consumer stuck / blocked / too deep / unreadable water meters by June 2020	6% Reduction in water losses (from 41% to 35%) with the replacement of 2 630 consumer stuck water meters. Metering / verification of 137 possible un-metered municipal buildings will be metered and Installation of 4 pressure control valves		-	-	4% Reduction in water losses
SECTION: SANITATION SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the Green Drop score for improved waste water quality management					
SAN6	A percentage of the minimum score of the Green Drop score obtained	Monthly compliance documentation submitted to DWS. Green drop status (%) not announced since 2013	47% Obtained on the Department of Water and Sanitation and IRIS water compliance system	Obtaining a minimum score of 50% of effluent quality compliance on the Department of Water and Sanitation and IRIS water compliance system by June 2020	Not achieved		The laboratory was not accepting samples due to COVID-19 operational rules of Midvaal Water Company	Submission of samples to Midvaal Water Company laboratory to begin once the operational guidelines are relaxed	50%




Chapter 3

DIRECTORATE TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: SANITATION SERVICES									
Operational and Compliance		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To maintain existing infrastructure					
SAN7	A percentage of all main / outfall sewers blockage complaints in the Matlosana area resolved	New indicator	New indicator	Resolving at least 90% of all main / outfall sewers blockage complaints in the Matlosana area (telephonic, written and verbal) received by June 2020	97% 8 497 Received / 8 246 resolved		New indicator	-	98%
SECTION: ELECTRICAL AND MECHANICAL SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To maintain existing infrastructure					
ELE5	Percentage of electricity losses eliminated	16% Electricity losses eliminated	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	Eliminating electrical losses from 26% to 24% by replacing at least 80 faulty conventional meters and carrying out 600 schedule inspection on suspected tampering and illegal connections municipal supplied areas by June 2020	Electricity losses increased with 3% (from 26% to 29%). 43 faulty conventional meters and 85 faulty prepaid meters replaced and 641 tampering inspections conducted		Access refused to perform tampering investigations and replacement of faulty meters due to fear of COVID-19 and company premises were closed. Replacement of faulty prepaid meters became more critical than conventional meters as faulty prepaid meters resulted in no electricity to affected consumers	Backlog to be prioritized and completed on the first quarter of the new financial year 2020/21	2% Electricity losses





Chapter 3

DIRECTORATE TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: ELECTRICAL AND MECHANICAL SERVICES									
Operational and Compliance		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To maintain existing infrastructure					
ELE6	Percentage of low voltage complaints resolved	95.58% Low voltage complaints resolved (4 791 Received / 4 579 resolved)	95.58% Low voltage complaints resolved (4 423 Received / 4 395 resolved)	Resolving 100% of all low voltage complaints in the CoM licensed area (telephonic, written and verbal) received by June 2020	100% Low voltage complaints resolved (2 736 Received / 2 736 resolved)		-	-	100%
ELE7	Percentage of medium voltage forced interruptions complaints resolved	100% Medium voltage forced interruptions resolved (381 Received / 381 resolved)	100% Medium voltage forced interruptions resolved (1 476 Received / 1 476 resolved)	Resolving at least 100% of all medium voltage forced interruptions in the CoM licensed area by June 2020	100% Medium voltage forced interruptions resolved (480 Received / 480 resolved)		-	-	100%
ELE8	Percentage of street lights complaints resolved	45% Street lights complaints resolved (1 766 Received / 789 resolved)	94% Street lights complaints resolved (6 093 Received / 5 777 resolved)	Resolving at least 60% of all street lights complaints in the Matlosana licensed area (telephonic, written and verbal) received by June 2020	90% Street lights complaints resolved (3 329 Received / 3 005 resolved)		There were improved procurements of street light fittings by stores on close quotations		60%
ELE9	Percentage of high mast light complaints resolved	86.1% High mast lights complaints resolved (345 Received / 297 resolved)	63% High mast lights complaints resolved (188 Received / 118 resolved)	Resolving at least 55% of all high mast lights complaints in the CoM licensed area (telephonic, written and verbal) received by June 2020	80% High mast lights complaints resolved (488 Received / 390 resolved)		A service provider was appointed to assist with service delivery of high mast lights complaints and some of the required materials were made available through closed quotation		60%




Chapter 3

DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: ELECTRICAL AND MECHANICAL SERVICES									
Operational and Compliance		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	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 (135 Received / 135 resolved)	100% Traffic control signal complaints resolved (199 Received / 199 resolved)	Resolving 100% of all traffic control signals complaints in the CoM licensed area (telephonic, written and verbal) received by June 2020	100% Traffic control signal complaints resolved (130 Received / 130 resolved)		-	-	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To investigate possible fraud and illegal tampering to Council's assets					
ELE11	Percentage of electricity meter tampering investigations complaints resolved	71.54% Electricity meter tampering investigations resolved (123 Received / 88 resolved)	77% Electricity meter tampering investigations resolved (282 Received / 217 resolved)	Resolving at least 80% of all electricity meter tampering investigations, as received from finance by June 2020	93% Electricity meter tampering investigations resolved (690 Received / 645 resolved)		The availability of 2 new vehicles and the appointment of a new inspector resulted in more tampering inspections been conducted		
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure effective fleet operations					
ELE12	Percentage of all vehicles complaints received resolved	16.93 % Vehicle complaints resolved (1 985 Received / 336 resolved)	70% Vehicle complaints resolved (698 Received / 487 resolved)	Resolving 50% of all vehicles complaints received by June 2020	71% Vehicle complaints resolved (743 Received / 527 resolved)		Continuous monitoring of performance of the service providers by site visits and regular monthly meetings enhanced the process		50%




Chapter 3

DIRECTORATE: CORPORATE SUPPORT									
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: DIRECTOR CORPORATE SUPPORT									
Operational and Compliance		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
DCS7	Number of LLF meetings attended	8 LLF meetings attended	13 LLF meetings attended	Attending 7 LLF meetings by June 2020	7 LLF meetings attended		-	-	11 LLF meetings
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	122 OHS inspections conducted	120 OHS inspections conducted	Conducting 100 OHS inspections in Council departments by June 2020	90 OHS inspections conducted		Due to COVID-19 pandemic National Lockdown Alert level 5-4, no inspections could be conducted during April and May 2020. 2 Of the 3 officials at OHS were in self quarantine after being in contact with a COVID-19 positive patient		120 OHS inspections
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 2020	2 OHS audits conducted		-	-	2 OHS audits
SECTION: SKILLS DEVELOPMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with WSP legislation					
SKIL4	Number of Annual WSP / ATR submitted to LGSETA	2018/19 WSP / 2017/18 ATR to LGSETA submitted	2019/20 WSP& 2018/19 ATR document submitted on 30 April 2019	Submitting the 2020/21 WSP / 2019/20 ATR to LGSETA by 31 May 2020	2020/21 WSP / 2019/20 ATR submitted in May 2020		-	-	2021/22 WSP and 2020/21 ATR submitted





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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with EE legislation					
SKIL5	Number of Employment Equity Reports submitted to the Department of Labour	2018/19 EE Report was electronic submitted to the Department of Labour on 14/01/2018	2019/20 EE report submitted electronically to the Department of Labour	Electronically submitting the 2020/21 Employment Equity Report to the Department of Labour by 15 January 2020	2020/21 EE Report submitted to the Department of Labour on 15 January 2020		-	-	2021/22 EE report submitted to DoL
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct Employment Equity Consultative Forum meetings to comply with legislation and monitoring of the implementation of EE plan					
SKIL6	Number of EECF meetings conducted	5 EECF consultative meetings conducted	11 EECF consultative meetings conducted	Conducting 3 EECF consultative meetings by June 2020	3 EECF consultative meetings conducted		-	-	4 EECF consultative meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure effective human resource management					
SKIL7	Number of skills gaps of all level 1 - 6 personnel identified	Skills gaps identified for one Directorate (Finance Services and SCM)	Skills gap audit of all council employees in four directorates	Identifying the skills gaps for all level 1 - 6 council employees in 4 directorates by June 2020	Skills gap audit of all level 1 - 6 council employees in 4 directorates conducted (LED, Public Safety, Office of the Municipal Manager and Community Development)		-	-	Skills gaps for all level 1 - 6 council employees in 4 directorates



Chapter 3

DIRECTORATE: CORPORATE SUPPORT									
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: LABOUR RELATIONS									
Operational and Compliance		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To hold LLF meetings to ensure industrial harmony					
LR1	Number of LLF meetings convened	8 LLF meetings convened	13 LLF meetings convened	Convening 7 LLF meetings by June 2020	8 LLF meetings convened		An extra meeting was arranged in the 1st quarter dealing with Job Evaluation		11 LLF meetings convened
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct workshops on employment related issues and the Collective Agreement to ensure effective conclusion of labour relations matters					
LR2	Number of workshops on employment related issues and the Collective Agreement conducted	2 Training sessions conducted	1 Training session for post level 1 - 5 employees and 1 training session for post level 6 - 19 employees conducted	Conducting 2 workshops on employment related issues and the Collective Agreement by June 2020	2 Workshops on employment related issues and the Collective Agreement conducted		-	-	2 Training sessions
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR CORPORATE SUPPORT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the all the directorates KPI's are catered for					
DCS6	Directorate's SDBIP inputs provided before the draft 2020/21 SDBIP is tabled	Credible 2018/19 SDBIP inputs provided	Credible 2019/20 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the draft 2020/21 SDBIP is submitted by 25 May 2020	Credible 2020/21 SDBIP inputs provided		-	-	Credible 2021/22 SDBIP inputs




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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the set goals of council are achieved					
DCS9	Number of SDBIP meetings with senior personnel in own directorate conducted	3 SDBIP meetings conducted	12 SDBIP meetings conducted	Conducting 10 SDBIP meetings with senior personnel in own directorate by June 2020	9 SDBIP meetings conducted		3rd meeting postponed due to COVID-19 pandemic. National Lockdown from 27 March 2020 to 16 April 2020		12 SDBIP meetings
SECTION: ADMINISTRATION									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To hold section 80 committees meetings to ensure comply with legislation to take informed decisions					
ADM1	Number of sec.80 committees meetings (portfolio meetings) conducted	75 (sec.80) committee meetings conducted	56 (sec.80) committee meetings conducted	Conducting 45 (sec.80) committees meetings (Portfolio Meetings) by June 2020	45 (sec.80) committee meetings conducted		-	-	60 (sec.80) committee meetings
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	22 Mayoral Committee meetings conducted	18 Mayoral Committee meetings conducted	Conducting 17 Mayoral Committee meetings (special meetings included) by June 2020	17 Mayoral Committee meetings conducted		-	-	14 Mayoral Committee meetings
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	19 Council meetings conducted	19 Council meetings conducted	Conducting 13 Council meetings (special meetings included) by June 2020	13 Council meetings conducted		-	-	15 Council meetings





Chapter 3

DIRECTORATE: CORPORATE SUPPORT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: LEGAL SERVICES									
Operational and Compliance		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MSA)					
LEG1	Contract management system managed and relevant departments and service departments informed within 3 months of expiry of contracts	25 Notices and 5 reminders issued. Updated contract register	21 Notices issued and Contract Register updated	Managing the Contract Register of Council and informing relevant departments and service providers of expiry dates of contracts within 3 months of expiry of the contract by June 2020	106 Notices issued and contract register updated. 4th Quarter report not approved by Council		No portfolios were held due to COVID-19 regulations. Only Special MayCo / Council were held dealing with special regulatory items	Contract register will be tabled at next portfolio meeting	Notices issued. Updated Register. Progress report to MayCo / Council
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MFMA)					
LEG2	Percentage of SLA are drafted to all allocated tenders, as received from Office of the MM	100% 94 Received / 94 signed	96% 78 SLA's received and drafted / 75 signed	Ensuring 100% SLA are drafted to all allocated tenders / projects as received from Office of the Municipal Manager by June 2020	100% 68 SLA's received / 68 SLA's drafted		-	-	100%




Chapter 3

DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: CHIEF FINANCIAL OFFICER									
Operational and Compliance		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
CF07	Number of LLF meetings attended	8 LLF meetings attended	11 LLF meetings attended	Attending 7 LLF meetings by June 2020	7 LLF meetings attended		-	-	11 LLF meetings attended
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: BUDGET AND TREASURY OFFICE									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that all applicable budget related documents are published on the municipal website as required by the MFMA					
BUD11	Number of budget related documents published	100% 4 Approved / 4 published on website	100% 5 Received / 5 published	Publishing 9 approved budget related documents on the municipal website by June 2020	78% 7 Approved budget related documents on the municipal website		Final 2020/21 Budget and 2020/21 Budget Policies only approved on 30 June 2020 due to COVID-19	Final 2020/21 Budget and 2020/21 Budget Policies were placed on website during July 2020	9 approved budget related documents on the municipal website
SECTION: ASSET MANAGEMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that all municipal assets are accounted for					
ASS1	2019/20 Asset count completed and reported	2017/18 Asset count completed and report to municipal manager	2018/19 Asset count completed and report to municipal manager	Completing the 2019/20 asset count and submitting report to municipal manager by June 2020	2019/20 Asset count completed and report to municipal manager		-	-	2020/2021 asset count

Chapter 3

DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: ASSET MANAGEMENT									
Operational and Compliance		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To enhance a clean audit					
ASS2	2018/19 Asset register 100% reconciled	100% Reconciled and submitted to AG	2017/18 Asset Register 100% reconciled	Reconciling the 2018/19 asset register 100% to the financial statements by August 2019	2018/19 Asset Register 100% reconciled on 10 August 2019		-	-	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 (2018/19) by August 2019	100%		-	-	100%
SECTION: REVENUE MANAGEMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
REV9	Rand value revenue collected from electricity sales	R529 611 642 collected	R541 799 988 collected	Collecting R550 792 800 revenue from electricity sales (conventional meters) by June 2020	R650 634 822 collected		The sale of electricity depends on the demand of the consumers	N/A	R626 974 684
NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
REV10	Rand value revenue collected from pre-paid electricity sales	R10 368 410 collected	R122 970 048 collected	Collecting R16 176 000 revenue from pre-paid electricity sales by June 2020	R10 755 243 collected		The sale of prepaid electricity depends on the demand of the consumers. Load shedding also affected the usage of lower consumptions	Electrical Division could not do inspections for tampering on low buying consumers	R16 985 000

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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
REV11	Rand value revenue collected from water sales	R272 759 791 collected	R257 100 558 collected	Collecting R461 140 000 revenue from water sales (conventional meters) by June 2020	R295 282 150 collected		The sale of water depends on the demand of the consumers and payment thereof. Due to the colder months, the usage of water reduced	Water section to do inspections	R519 999 996
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 supplementary categories and tariffs completed for 2018/19 financial year	100% Updated 310 Received / 310 updated	Updating at least 100% of the existing valuation roll with supplementary entries (categories and tariffs) by June 2020	100% Updated 549 Received / 549 updated		-	-	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the financial sustainability of the municipality and optimization of revenue					
RM4	Percentage of consumer accounts levied before or on 25 of each month	New indicator	New indicator	Levying at least 98% of all consumer accounts before or on 25 of each month by June 2020	83% of all consumer accounts levied before or on 25 of each month		Due to COVID-19 regulations billing schedule was not implemented as planned	N/A	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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :	To improve the financial sustainability of the municipality and optimization of revenue						
RM3	Revenue enhancement improved and optimized	New indicator	New indicator	Improving revenue enhancement by identifying areas where council is not billing or billing is incorrectly by June 2020	Revenue enhancement improved and optimized by 502 Properties matched. Linked basic fees to 502 accounts opened on Venus. 2 059 Clearance applications received. 2 065 Clearance certificates issued. 1 070 Ownership transfers & Sec 78 processed. 1 156 Water meters and 157 electricity meters updated		-	-	N/A




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	50%	21%	Settling at least 25% of all payments (creditors) done within 30 days of receipt of invoice / statement by June 2020	6.63% settled		Covid-19 affect the collection rate and reduce the speed rate of payment to service providers	Revenue Enhancement project will address the current status	25%




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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the all the directorates KPI's are catered for					
CFO6	Directorate's SDBIP inputs provided before the draft 2020/21 SDBIP is tabled	Credible 2018/19 SDBIP inputs provided	Credible 2019/20 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the draft 2020/21 SDBIP is submitted by 25 May 2020	Credible 2020/21 SDBIP inputs provided		-	-	Credible 2021/22 SDBIP inputs
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the set goals of council are achieved					
CFO9	Number of SDBIP meetings with senior personnel in own directorate conducted	0 Meetings conducted	7 SDBIP meetings conducted	Conducting 10 SDBIP meetings with senior personnel in own directorate by June 2020	5 SDBIP meetings conducted		Due to various AG challenges during annual audit, as well as due to the National COVID-19 Lockdown the 3rd meeting that was scheduled for March 2020 could not proceed as all meetings were cancelled after the announcement of the President	The scheduling of meetings will be prioritised	12 SDBIP meetings
SECTION: BUDGET AND TREASURY OFFICE									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the budget in order to comply with legislation					
BUD5	Number of 2020/21 Draft budgets approved	2018/19 Draft budget approved. CC34/2018 dated 20 April 2018	2019/20 Draft budget approved. CC33/2019 dated 29/03/2019	Approving the 2020/21 draft budget by 31 March 2020	2020/21 Draft budget approved. CC19/2020 dated 27 May 2020		31 March 2020 Council meeting was cancelled due to COVID-19 national lockdown. First Council sitting during lockdown was in May 2020		2021/22 Draft budget





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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MFMA)					
SCM1	Percentage of recommendations on tenders / projects of allocated tenders are approved	100% 27 Tenders awarded / 27 forwarded	76% 17 Received / 13 forwarded	Ensuring 100% of all the recommendations on the allocated tenders / projects are forwarded to the Office of the Municipal Manager for approval, appointment letters and resolution by June 2020	100% 27 Recommended / 27 forwarded		-	-	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To 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	100% 27 Approved / 27 forwarded	100% 17 Approved / 17 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 2020	0% 25 Forwarded / 0 published		Awarded tenders forwarded to ICT for publication, but the position of Web Designer is still vacant	N/A	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To implement internal co-operation and controls to ensure compliance with legislation					
SCM3	Percentage of bid committee process plan for each advertised specification compiled	100% 37 Tenders received / 37 successfully completed	80% 41 Request received / 33 successfully completed	Compiling 100% of bid committee process plan for each advertised specification by June 2020	100% 47 Specification Received / 47 bid committee process plans compiled		-	-	100%





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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To implement Internal Co-operation and Controls to ensure compliance with legislation					
SCM4	Percentage of all received specifications documents advertised correctly within 14 days	New indicator	New indicator	Advertising 100% of all received specifications documents correctly within 14 days by June 2020	100% 35 Specifications document received / 35 Specifications documents advertised within 14 working days		-	-	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To implement Internal Co-operation and Controls to ensure compliance with legislation					
SCM5	Percentage of received tender documents successful evaluated within 45 working days	100% 29 Tenders received/ 29 evaluated	97% 32 Tenders received / 31 successfully completed	Evaluating 100% of all received tender documents successful within 45 working days by June 2020	90% 48 tender documents received / 43 successfully evaluated within 45 working days		Bid Evaluation Committee members were in contact with people who tested positive for COVID-19	SCM Controls should be in place to ensure tenders are evaluated within 45 working days	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To implement Internal Co-operation and Controls to ensure compliance with legislation					
SCM6	Percentage of all adjudicated tenders successful adjudicated within 45 working days	100% 31 Tenders received / 31 adjudicated	96% 25 Tenders received / 24 successfully completed	Adjudicating 100% of all adjudicated tenders successful within 45 working days by June 2020	96% 49 tender documents received / 47 successful adjudicated within 45 working days		Bid Adjudication Committee Meeting sit every Monday as per MM Resolutions	Controls will be in place to monitor the Bid Committee meetings plans	100%




Chapter 3

DIRECTORATE: COMMUNITY DEVELOPMENT									
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: DIRECTOR COMMUNITY DEVELOPMENT									
Operational and Compliance		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
DCD7	Number of LLF meetings attended	7 LLF meetings attended	13 LLF meetings attended	Attending 7 LLF meetings by June 2020	7 LLF meetings attended		-	-	11 LLF meetings attended
SECTION: PARKS AND CEMMETARIES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To advance aviation facilities to the community and to comply with legislation					
PAR1	Number of annual airport licenses renewed	1 PC Pelser Airport license renewed R4 590	1 PC Pelser Airport License renewed R4 870	Renewing the annual PC Pelser Airport license to obtain authority to operate an airport by June 2020 R5 204	PC Pelser Airport license renewed R5 170		-	-	PC Pelser Airport license renewed R5 000
SECTION: OCCUPATIONAL HEALTH SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To enhance healthy lifestyles and improve health of employees					
HEA1	Number of health promotions programmes conducted	8 Health promotions programmes conducted	8 Health promotions programmes conducted	Conducting 8 health promotions programmes as identified by June 2020	15 Health programmes conducted		With the announcement of COVID-19 pandemic, more health programmes had to be done to caution employees about the pandemic and preventive safety measures as per Disaster Management Regulations. Government Gazette 479 Clause 16.5		8 Health programmes
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure compliance with Compensation of Occupational and Injuries Decease Act (COIDA) to prevent legal litigations					
HEA2	Annual COIDA assessment process administrated	Annual COIDA assessment process administered R5 359 222	Annual COIDA assessment process completed R2 621 246	Administrating the annual COIDA assessment process by June 2020 R2 631 263	COIDA payment finalized. COIDA process administrated R2 631 263		-	-	Annual COIDA assessment process R3 400 000




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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	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 provided before the draft 2020/21 SDBIP is tabled	Credible 2018/19 SDBIP inputs provided	Credible 2019/20 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the draft 2020/21 SDBIP is submitted by 25 May 2020	Credible 2020/21 SDBIP inputs provided		-	-	Credible 2021/22 SDBIP inputs
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the set goals of council are achieved					
DCD9	Number of SDBIP meetings with senior personnel in own directorate conducted	3 SDBIP meetings conducted	12 SDBIP meetings conducted	Conducting 10 SDBIP meetings with senior personnel in own directorate by June 2020	10 SDBIP meetings conducted		-	-	12 SDBIP meetings
SECTION: PARKS AND CEMMETARIES									
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 2020	12 PC Pelsers Airport 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 8 September 2017	1 Harbour Event Hosted	Hosting 1 Harbour Day event (educational project) by September 2019 R26 222	1 Harbour Day event hosted R25 355		-	-	1 Harbour Day event hosted. R26 000



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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To present awareness programmes by promoting library awareness amongst adults, learners and youth					
LIB3	Number of awareness programmes and events presented at libraries and other venues	256 Programmes / events presented	310 Programmes / events presented	Presenting 177 awareness programmes and events at libraries and other venues in the CoM municipal area by June 2020	177 Programmes / events presented		-	-	288 Programmes / events
SECTION: MUSEUM AND HERITAGE SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide educational services to ensure community participation, empower communities and to capacitate students					
MUS1	Number of consultation sessions conducted	136 Consultation sessions convened	143 Consultation sessions conducted	Conducting at least 100 consultation sessions with educators, students, researchers and general public upon request to promote heritage awareness and disseminate educational content by June 2020	100 Consultation sessions conducted		-	-	45 Consultation sessions
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide educational services to ensure community participation, empower communities and to capacitate students					
MUS2	Number of lifelong skills development programs presented	42 Lifelong skills development programs presented	27 Lifelong skills development programs presented	Presenting / facilitating at least 12 lifelong skills development programs to adults and youth to empower them to develop entrepreneurial and life skills by June 2020	12 Lifelong skills development programs presented / facilitated		-	-	6 Lifelong skills development programs




Chapter 3

DIRECTORATE: COMMUNITY DEVELOPMENT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: MUSEUM AND HERITAGE SERVICES									
Operational and Compliance		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide educational services to ensure community participation, empower unemployed youth, women and disabled persons and to capacitate learners					
MUS3	Number of educational programs presented	120 Educational programs presented	127 Educational programs presented	Presenting at least 79 educational programs to learners and adults to expand their knowledge of SA history and cultural heritage in general and that of e CoM municipal area in particular by June 2020	79 Educational programs presented		-	-	30 Educational programs
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 6 heritage awareness projects to disseminate knowledge regarding heritage and promote cultural heritage and national unity by June 2020	6 Heritage awareness projects convened		-	-	5 Heritage awareness projects
SECTION: SPORT AND RECREATION									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure sound sport administration					
SPO1	Number of sport council meetings held	6 Sport council meetings conducted	6 Sport council meetings conducted	Conducting 3 sport council meetings to ensure the smooth running of sport clubs by June 2020	3 Sport council meetings conducted		-	-	3 Sport council meetings

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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct sport awards to develop sport in the CoM municipal area					
SPO2	Number of sport awards conducted	New indicator	1 Sport Awards R26 426	Conducting 1 sport awards to ensure the promotion of sport in the CoM municipal area by June 2020 R60 000	1 Sport awards held R58 955		-	-	N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :		To co-ordinating sport events in collaboration with sport clubs, federations and non-governmental organisations to develop sport in the CoM municipal area					
SPO3	Number of sport events in collaboration with sport clubs, federations and non-governmental organisations co-ordinated	8 Sport events conducted R307 045	8 Sport events co-ordinated R471 343	Co-ordinating 2 sport events in collaboration with sport clubs, federations and non-governmental organisations to ensure the promotion of sport in the CoM municipal area by June 2020 R164 904	2 Sport events co-ordinated R72 532		-	-	2 Sport events co-ordinated R246 000

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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
DPS7	Number of LLF meetings attended	6 LLF meetings attended	12 LLF meetings attended	Attending 7 LLF meetings by June 2020	7 LLF meetings attended		-	-	11 LLF meetings attended
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: LICENSING SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
LIS1	Rand value revenue collected from driver's licenses	R5 352 996 collected	R6 317 302 collected	Collecting at least 94% of R6 500 000 revenue from driver's licenses (excluding Prodiba fees) by June 2020 R6 110 000	R6 026 028 collected		Due to COVID-19 National Lockdown, the Licensing Offices were closed	N/A	R7 593 006 collected
LIS2	Rand value revenue from vehicle registration and licensing / renewals	R10 743 584 collected	R12 459 642 collected	Collecting at least R10 378 860 commission from Vehicle Registration and Licensing / renewals which is 20% on all vehicle income, minus 14% VAT by June 2020	R10 505 057 collected		-	-	R13 500 000 collected

Chapter 3



DIRECTORATE: PUBLIC SAFETY

KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT





SECTION: LICENSING SERVICES

Operational and Compliance		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
LIS3	Rand value revenue collected from motor vehicle testing	R579 724 collected	R758 628 collected	Collecting at least R524 604 from Motor Vehicle Testing by June 2020	R524 604 collected		-	-	R550 000 collected
LIS4	Rand value revenue collected from businesses, hawkers and stands	R259 447 collected	R108 320 collected	Collecting at least R220 931 revenue from businesses, hawkers and stands by June 2020	R220 437collected		Due to COVID-19 hawker did not utilize the stalls and no revenue is therefore collected	N/A	R240 000 collected





SECTION: TRAFFIC AND SECURITY SERVICES

NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
TRA3	Rand value revenue collected from outstanding traffic fines	R10 935 715 collected	R660 580 collected	Collecting at least R930 240 revenue from traffic fines by June 2020	R930 240 collected		-	-	R2 000 000 collected
TRA4	Rand value revenue collected from warrants of arrest	R408 950 collected	R1 021 600 collected	Collecting R621 755 revenue from warrant of arrests by June 2020	R1 120 068 collected		Due to the improved law enforcement activities around the outstanding fines improved collection is gradually achieved		R700 000




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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the all the directorates KPI's are catered for					
DPS6	Directorate's SDBIP inputs provided before the draft 2020/21 SDBIP is tabled	Credible 2018/19 SDBIP inputs provided	Credible 2019/20 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the draft 2020/21 SDBIP is submitted by 25 May 2020	Credible 2020/21 SDBIP inputs provided		-	-	Credible 2021/22 SDBIP inputs
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the set goals of council are achieved					
DPS9	Number of SDBIP meetings with senior personnel in own directorate conducted	0 SDBIP meetings conducted	12 SDBIP meetings conducted	Conducting 10 SDBIP meetings with senior personnel in own directorate by June 2020	9 SDBIP meetings conducted		Due to the National COVID-19 Lockdown the 3rd meeting that was scheduled for 25 March 2020 could not proceed as all meetings were cancelled after the announcement of the President		12 SDBIP meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote community safety					
DPS11	Number of community safety campaigns conducted	New indicator	Community Safety Forum established and 2 campaigns conducted	Conducting 2 community safety campaigns in the CoM municipal area according to programme by June 2020	2 Community safety campaigns conducted		-	-	4 Community safety campaigns
SECTION: FIRE AND DISASTER MANAGEMENT									
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	889 General fire inspections conducted	Conducting 700 general fire inspections according to programme in the CoM municipal area by June 2020	700 General fire inspections conducted		-	-	900 General fire inspections




Chapter 3

DIRECTORATE: PUBLIC SAFETY									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: FIRE AND DISASTER MANAGEMENT									
Operational and Compliance		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote fire safety					
FIR2	Number of ward sessions conducted	8 Fire prevention information sessions conducted	9 Fire prevention information sessions conducted	Conducting 4 fire prevention information sessions according to programme in identified wards by June 2020	4 Fire prevention information sessions conducted		-	-	8 Fire prevention information sessions
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote fire safety					
FIR3	Number of fire safety campaigns conducted at schools	4 Fire safety campaigns conducted	5 Fire safety campaigns conducted	Conducting 7 fire safety campaigns for schools in the CoM municipal area according to programme by June 2020	7 Fire safety campaigns conducted		-	-	8 Fire safety campaigns
SECTION: TRAFFIC AND SECURITY SERVICES									
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 83 (K78) multi road blocks with all law enforcement agencies in the CoM municipal area by June 2020	86 (K78) multi road blocks conducted		More road blocks were conducted due to COVID-19		15 (K78) multi road blocks
TRA2	Number of traffic and road safety campaigns conducted at schools and crèches	48 Traffic and road safety campaigns conducted	33 Traffic and road safety campaigns conducted	Conducting 39 traffic and road safety campaigns at schools and crèches in the CoM municipal area according to programme by June 2020	39 Traffic and road safety campaigns conducted		-	-	44 Traffic and road safety campaigns




Chapter 3

DIRECTORATE: PLANNING AND HUMAN SETTLEMENT									
KEY PERFORMANCE AREA 1: SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT									
SECTION: HUMAN SETTLEMENT									
Operational and Compliance		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To register Matlosana Housing needs beneficiaries to establish the current housing backlog					
HOU2	Number of needs registered on the Matlosana Housing Needs Register	New indicator	New indicator	Registering 3 000 beneficiaries on the Matlosana Housing needs register by June 2020	1 748 Needs registered		Due to lockdown the National Department did not provide training and assess to the system to capture the registration forms	Follow ups will be conducted with National Department in connection with the system and training	1 200 Needs registered
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: DIRECTOR PLANNING AND HUMAN SETTLEMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
DPHS7	Number of LLF meetings attended	6 LLF meetings attended	10 LLF meetings attended	Attending 7 LLF meetings by June 2020	6 LLF meetings attended		Director had to attend to an urgent meeting in Khuma in 1st quarter regarding dolomite areas	A delegate to be appointed to attend on behalf of the director in future	11 LLF meetings
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: TOWN-PLANNING									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect revenue to ensure sound financial matters					
TP2	Rand value revenue collected from building plan application	R751 783 collected	R707 108 collected	Collecting at least R600 000 revenue from building plan applications by June 2020	R650 074 collected		-	-	90% of R730 000




Chapter 3

DIRECTORATE: PLANNING AND HUMAN SETTLEMENT									
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: TOWN-PLANNING									
Operational and Compliance		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect revenue to ensure sound financial matters					
TP3	Rand value revenue collected from land use / development applications	R34 140 collected	R170 858 collected	Collecting at least R73 640 revenue from land use / development applications by June 2020	R168 065 collected		-	-	75% of R386 000
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR PLANNING AND HUMAN SETTLEMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the all the directorates KPI's are catered for					
DPHS6	Directorate's SDBIP inputs provided before the draft 2020/21 SDBIP is tabled	Credible 2018/19 SDBIP inputs provided	Credible 2019/20 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the draft 2020/21 SDBIP is submitted by 25 May 2020	Credible 2020/21 SDBIP inputs provided		-	-	Credible 2021/22 SDBIP inputs
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the set goals of council are achieved					
DPHS9	Number of SDBIP meetings with senior personnel in own directorate conducted	0 SDBIP meetings conducted	11 SDBIP meetings conducted	Conducting 10 SDBIP meetings with senior personnel in own directorate by June 2020	10 SDBIP meetings conducted		-	-	12 SDBIP meetings




Chapter 3

DIRECTORATE: PLANNING AND HUMAN SETTLEMENT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: LAND AFFAIRS									
Operational and Compliance		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To administer the applications for acquisition of municipal land to ensure the access of land for various uses					
LAN1	Percentage of applications for equations of municipal land administered and finalised	New indicator	New indicator	Administering and finalizing at least 50% of all acquisition applications by June 2020	17 % 42 Received / 7 Resolved		The applications are still circulating	When all the comments and valuation are received , a report will be submitted to the next Council for consideration	50%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To update and maintain a credible register of all land leases, monitoring validity and escalations					
LAN2	Percentage of all lease applications received and finalised	New indicator	New indicator	Processing and finalising at least 50% of all lease applications within 90 days by June 2020	54 % 35 Received / 19 Resolved		-	-	50%
SECTION: BUILDING SURVEY									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure compliance with building regulations, standards and Municipal By-Laws					
BS1	Percentage of building contravention (to prevent submitting for legal action within 6 weeks from detection) resolved	New indicator	New indicator	Resolving at least 35% of conducted building inspections to monitor and enforce compliance with the building regulations and standards across the CoM municipal area by June 2020	15.7 % 89 notices issued / 14 notices resolved		Inspectors conducted limited number of inspections however there were only 6 contraventions were detected during this inspections	All outstanding cases as well as new ones that may be reported will be dealt with in 1 st quarter of 2020/21	35%




Chapter 3

DIRECTORATE PLANNING AND HUMAN SETTLEMENT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: BUILDING SURVEY									
Operational and Compliance		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that building plans are assessed within 30 working days					
BS2	Percentage of all building plans assessed within 30 days from receipt of application and payment to finalisation of assessment	New indicator	New indicator	Receiving and assessing at least 70% of all building plan applications within the legal stipulated timeframe of 30 working days by June 2020	78.7% 612 Received / 482 assessed		-	-	70%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all requests for building inspections					
BS3	Percentage of building inspections conducted within 32 working hours from the time of request of appointment	New indicator	New indicator	Ensuring that least 100% of all building inspection requests are attended to by June 2020	100% 1 141 Inspections bookings received / 1 141 inspections attended to		-	-	100%
SECTION: TOWN-PLANNING									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that land use applications are processed within 90 days					
TP1	Percentage of land use applications received, paid for and finalised within the legislated timeframe of 90 days from the date of submission			Finalising at least 50% of all land use applications within 90 days by June 2020	93.66 % 142 Received / 133 finalised		-	-	100%





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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
DLED7	Number of LLF meetings attended	6 LLF meetings attended	12 LLF meetings attended	Attending 7 LLF meetings by June 2020	5 LLF meetings attended		Director is Chairperson of the Bid Evaluation Committee and LLF meetings clashed with Bid Evaluation Committee meetings	A delegate to be appointed to attend on behalf of the director in future	11 LLF meetings attended
SECTION: MARKETING AND COMMUNICATION									
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 2020	6 Internal newsletters compiled and distributed		-	-	6 Internal newsletters
KEY PERFORMANCE AREA 3: LOCAL ECONOMIC DEVELOPMENT									
SECTION: LOCAL ECONOMIC DEVELOPMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct consultations meeting to share information with all relevant stakeholders					
LED13	Number of LED consultation meetings conducted with stakeholders	12 LED consultation meetings conducted	12 LED consultation meetings conducted	Conducting 9 LED consultation meetings with stakeholders by June 2020	9 LED consultation meetings conducted		-	-	12 LED consultation meetings




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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct workshops to capacitate SMME's and cooperatives					
LED14	Number of SMME workshops conducted to capacitate SMME's and cooperatives	4 SMME workshops conducted	4 SMME workshops conducted	Conducting 3 SMME workshops to capacitate SMME's and cooperatives by June 2020 R1 643	3 SMME workshops conducted R0		Due to the cost containment measures of NT no food is being supplied anymore		4 SMME workshops
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 communication and marketing activities	Branding material purchased. R78 700	Branding material purchased. R565 310	Spending R600 000 on communication and marketing activities according to Communications and Marketing Plan by June 2020	Branding material purchased. R599 026 spent		-	-	R330 000
SECTION: FRESH PRODUCE MARKET									
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	R372 913 spent	R271 534 spent	Spending R237 600 on fresh produce market programmes by June 2020	R235 326 spent		-	-	R149 000

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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect revenue to ensure financial sustainability					
FPM2	Rand value collected from rental estate	R1 241 985 collected	R1 325 435 collected	Collecting R74 239 revenue from rental estate by June 2020	R1 256 821 collected		Revenue vote was not amended by Budget and Treasury Office during Adjustment Budget	N/A	R82 000
FPM3	Rand value collected from ripening and cooling rooms	R866 531 collected	R1 010 625 collected	Collecting R78 037 revenue from ripening & cooling rooms by June 2020	R1 036 208 collected		Revenue vote was not amended by Budget and Treasury Office during Adjustment Budget	N/A	R1 000 000
FPM4	Rand value collected from market commission (dues)	R17 749 965 collected	R17 486 076 collected	Collecting R12 384 478 revenue from market commission (dues) by June 2020	R18 548 049 collected		Revenue vote was not amended by Budget and Treasury Office during Adjustment Budget	N/A	R20 000 000
FPM5	Rand value collected from rental of carriages	R136 093 collected	R139 290 collected	Collecting R10 951 revenue from rental of carriages by June 2020	R161 255 collected		Revenue vote was not amended by Budget and Treasury Office during Adjustment Budget	N/A	R17 000







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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the all the directorates KPI's are catered for					
DLED6	Directorate's SDBIP inputs provided before the draft 2020/21 SDBIP is tabled	Credible 2018/19 SDBIP inputs provided	Credible 2019/20 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the draft 2020/21 SDBIP is submitted by 25 May 2020	Credible 2020/21 SDBIP inputs provided		-	-	Credible 2021/22 SDBIP inputs
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the set goals of council are achieved					
DLED9	Number of SDBIP meetings with senior personnel in own directorate conducted	1 SDBIP meeting conducted	12 SDBIP meeting conducted	Conducting 10 SDBIP meetings with senior personnel in own directorate by June 2020	11 SDBIP meetings conducted		An extra meeting was scheduled due to Market issues		12 SDBIP meetings
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	5 External newsletters compiled and distributed	4 External newsletters compiled and distributed	Compiling and distributing 6 external newsletters regarding Council affairs to the community by June 2020	6 External newsletters compiled and distributed		-	-	6 External newsletters






11

Outcome 9 Indicators from National Government




Chapter 3

SERVICE DELIVERY									
DIRECTORATE TECHNICAL AND INFRASTRUCTURE									
Roads and Storm-Water Drainage (KPA 1: Service Delivery & Infrastructure Development)									
Outcome 9		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To grade roads to maintain the existing road infrastructure					
ROA1	Kilometres roads graded in the CoM municipal area	145.99 Km roads graded R5 278 628	179.03 Km roads graded R 9 070 744	Grading of 125 km roads in the KOSH as per maintenance programme by June 2020 R5 641 654	125.09 Km roads graded R5 641 654		-	-	100 km Graded R4 200 000
FINANCIAL, ADMINISTRATIVE AND CAPACITY									
OFFICE OF THE MUNICIPAL MANAGER AND ALL DIRECTORATES									
Financial Management (KPA 2: Municipal Institutional Development and Transformation)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure an effective external audit process (Exception report)					
MM2	Percentage of external audit queries answered within required time frame	100% 3 Received / 3 answered	100% 4 Received / 4 answered	Answering 100% of all the office's audit queries (exception report) received from the Auditor-General within the required time frame by November 2019	No AG queries received		-	-	100%
DT1		100% 10 Received / 10 answered	100% 15 Received / 15 answered		100% 2 Received / 2 answered		-	-	100%
DCS1		100% 3 Received / 3 answered	100% 11 Received / 11 answered		No AG queries received		-	-	100%
CFO1		100% 115 Received / 115 answered	100% 150 Received / 150 answered		100% 81 Received / 81 answered		-	-	100%
DPS1		100% 3 Received / 3 answered	100% 1 Received / 1 answered		No AG queries received		-	-	100%




Chapter 3

FINANCIAL, ADMINISTRATIVE AND CAPACITY									
OFFICE OF THE MUNICIPAL MANAGER AND ALL DIRECTORATES									
Financial Management (KPA 2: Municipal Institutional Development and Transformation)									
Outcome 9		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
DCD1	Percentage of external audit queries answered within required time frame	No AG enquiries received	No AG enquiries received	Answering 100% of all the office's audit queries (exception report) received from the Auditor-General within the required time frame by November 2019	100% 1 Received / 1 answered		-	-	100%
DPHS1		100% 3 Received / 3 answered	No AG enquiries received		No AG queries received		-	-	100%
DLED1		100% 3 Received / 3 answered	No AG enquiries received		No AG queries received		-	-	100%
DIRECTORATE BUDGET AND TREASURY									
Revenue Management (KPA 4: Municipal Financial Viability & Management)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To identify the grants received as revenue to better service delivery					
BUD9	Grants as a percentage of revenue received	100%	100% R638 147 000 received	Receiving 100% of grants as revenue received per DORA by March 2020 R570 886 000	99% R567 153 692		Off set of capital roll overs for 2018/19 and reduction of R19 200 000 of the NDPG	Spending should be accelerated as this funds was re-allocated for COVID-19 emergency funding	100% R480 795 700
NR	INDICATOR	MEASURABLE OBJECTIVE :		To control debt management to ensure financial sustainability					
REV1	Percentage of debtors outstanding as of own revenue	75.6%	55% R1 979 307 069 outstanding	Having at the most 50% of debtors outstanding of own revenue by June 2020	45.55% R2 010 349 370 outstanding		Debtors have increased due to the Covid19 pandemic and Credit Control could not be implemented	Credit Control must be reinstated	30%





Chapter 3

FINANCIAL, ADMINISTRATIVE AND CAPACITY									
DIRECTORATE BUDGET AND TREASURY									
Revenue Management (KPA 4: Municipal Financial Viability & Management)									
Outcome 9		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
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	96.59%	40% R1 431 390 818 collected	Collecting at least 25% of debt of money owed to the municipality by June 2020	32.63% R1 440 095 047 collected		-	-	25%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To increase Payments Received vs. Monthly Levies (Collection rate of billings)					
REV3	Percentage increase in annual debtor's collection rate	-16% (from previous 80% to 64%)	8% Increase (from previous 64% to 75%)	Increasing the annual service debtor's collection rate from 64% to 75% (11%) by June 2020	9.39% Increase (from previous 64% to 73.36%)		Debtors have increased due to the Covid19 pandemic and Credit Control could not be implemented	Credit Control must be reinstated	2% (64% to 75%)
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	93%	72% R262 197 811 collected	Collecting at least 81% of budgeted revenue for property rates by June 2020 R353 033 972	95% R334 342 738 collected		-	-	81%




Chapter 3

FINANCIAL, ADMINISTRATIVE AND CAPACITY									
DIRECTORATE BUDGET AND TREASURY									
Expenditure Management (KPA 4: Municipal Financial Viability & Management)									
Outcome 9		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To control expenditure management to ensure financial sustainability					
BUD2	Percentage of operational budget spent on repairs and maintenance	3% R97 429 013	2.91% spent R92 597 460	Spending at least 3% of operational budget on repairs and maintenance by June 2020 R131 675 000	3.9% spent R136 506 911		-	-	3% R147 985 100
NR	INDICATOR	MEASURABLE OBJECTIVE :		To control expenditure management to ensure financial sustainability					
BUD3	Rand value of MIG expenditure as a percentage of the annual allocation	82% R109 843 782	74% R88 381 075	Spending at least 90% of the annual MIG expenditure allocation by June 2020 R118 789 000	73% R86 428 781		SCM Processes (non-responsive bidders) and community disruptions. COVID-19 lockdown and the re-allocation of MIG for COVID-19	Accelerated expenditure on multi-year grand funded projects	95%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To submit sec 71 reports to NT in order to comply with legislation					
BUD10	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 2020	11 Electronic version of the section 71 report submitted		The June 2020 data strings could not be submitted as the NT portal was closed for M12 and the municipalities month end was not yet finalise	N/A	12 Electronic version of the section 71 report




Chapter 3

FINANCIAL, ADMINISTRATIVE AND CAPACITY									
DIRECTORATE BUDGET AND TREASURY									
Financial Management (KPA 5: Good Governance and Public Participation)									
Outcome 9		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To submit the 2018/19 Financial Statements on time to comply with legislation					
CFO10	2018/19 Financial statements submitted to the Auditor-General	2016/17 Financial Statements submitted on 31 August 2017	2017/18 Financial Statements submitted on 28 September 2018	Submitting the 2018/19 financial statements to the Auditor-General by 31 August 2018	The 2018/19 Financial Statements was submitted on 16/09/2019		There was hardware failure on the main server that prohibited the finalization of the AFS on time	External factor that is IT related. An item was submitted to the MM for the upgrade of the server and related systems	2019/20 Financial Statements
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the budget in order to comply with legislation					
BUD4	Number of 2020/21 Budget planning process time tables tabled	2018/19 Budget Process Plan tabled. CC 140/2017 dated 29/08/2017	2019/20 Budget Process Plan tabled. CC 96/2018 dated 2018/08/28	Tabling the 2020/21 budget planning process time table by 31 August 2019	2020/21 Budget Process Plan tabled. CC68/2019 dated 27/08/2019		-	-	2021/22 Budget Process Plan
BUD6	Number of final 2020/21 budgets approved	2018/19 Budget approved CC47/2018 dated 30/05/2018	Final 2019/20 Budget approved. CC47/2019 dated 31/05/2019	Approving the final 2020/21 budget by 31 May 2020	Final 2020/21 Budget approved. CC 35/2020 dated 30 June 2020		First Council sitting during lockdown was in May 2020 and the draft 2020/21 Budget was approved first		Final 2021/22 Budget
BUD7	2020/21 Budget related policies approved	2018/19 Budget policies & tariffs approved CC47/2018 dated 30/05/2018	Final 2019/20 Budget policies & tariffs approved. CC47/2019 dated 31/05/2019	Approving the final 2020/21 budget related policies and tariffs by 31 May 2020	Final 2020/21 Budget policies & tariffs approved. CC 35/2020 dated 30 June 2020		First Council sitting during lockdown was in May 2020 and the draft 2020/21 Budget was approved first		Final 2021/22 Budget policies & tariffs




Chapter 3

FINANCIAL, ADMINISTRATIVE AND CAPACITY									
DIRECTORATE BUDGET AND TREASURY									
Financial Management (KPA 5: Good Governance and Public Participation)									
Outcome 9		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the adjustment budget to comply with legislation					
BUD8	Number of 2019/20 adjustment budgets approved	2017/18 Adjustment Budget Approved CC 59/2018 dated 28 June 2018	2018/19 Adjustment Budget approved. CC24/2019 dated 28/02/2019	Approving the 2019/20 adjustment budget by 28 February 2020	2019/20 Adjustment Budget approved. CC17/2020 dated 28/02/2020		-	-	2020/21 Adjustment Budget
NR	INDICATOR	MEASURABLE OBJECTIVE :		To implement a Supply Chain Management policy to comply with legislation					
SCM7	Number of SCM reports submitted to Council on the SCM policy implementation	4 Quarterly reports submitted and made public	4 Quarterly reports submitted and made public	Submitting 4 quarterly reports on the implementation of SCM policy to council by June 2020	4 Quarterly reports submitted, but 3 reports not approved by Council		Due to COVID-19 National Lockdown, no meetings were scheduled during March and April. May and June meetings only dealt with legislative issues	Council meeting scheduled for 21 October 2020	4 Quarterly reports
Disputes (KPA 5: Good Governance and Public Participation)									
DIRECTORATE PLANNING AND HUMAN SETTLEMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal housing services and to curb financial losses					
HOU3	Percentage of housing disputes resolved	0% 28 Disputes received / 0 resolved	23% 13 Disputes received / 3 resolved	Resolving at least 35% of all housing disputes in the Matlosana area by June 2020	18% 23 Disputes received / 4 Resolved		Due to the COVID-19 lockdown, no new disputes were received, because movement and meetings were restricted in Alert levels 5 and 4.	All outstanding disputes as well as new ones that may be reported will be dealt with in 1st quarter of 2020/21	50%


Chapter 3

PERFORMANCE MANAGEMENT AND INTEGRATED DEVELOPMENT PLANNING									
OFFICE OF THE MUNICIPAL MANAGER									
Performance Management (KPA 5: Good Governance and Public Participation)									
Outcome 9		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the 2018/19 Audited Annual Report to comply with section 121 of MFMA					
PMS3	Audited 2018/19 Annual Report tabled before Council	2016/17 Audited Annual Report tabled CC2/2018 dated 30/01/2018	2017/18 Audited Annual Report tabled before Council - CC11/2019 dated 30 January 2019	Tabling the Audited 2018/19 Annual Report before Council by 31 January 2020	2018/19 Audited Annual Report tabled. CC9/2020 dated 31 January 2020		-	-	2019/20 Audited Annual Report
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the final 2020/21 SDBIP to ensure compliance with legislation					
PMS6	Final 2020/21 SDBIP approved by Executive Mayor	Final 2018/19 SDBIP approved. MM120/2018 dated 14/06/2018. EM6/2018 dated 26/06/2018	Final 2019/20 SDBIP approved. MM160/2019 dated 14 June 2018. EM7/2019 dated 26/06/2019	Approving final 2020/21 SDBIP by Executive Mayor (28 days after approval of budget) by June 2020	Final 2020/21 SDBIP approved. MM 72/2020 dated 30 June 2020 EM 2/2020 dated 30 June 2020 CC 38/2020 dated 30 June 2020		-	-	Final 2021/22 SDBIP
Integrated Development Planning (KPA 5: Good Governance and Public Participation)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To give effect to the 2020/21 IDP Process Plan					
IDP1	Number of 2020/21 IDP Process Plan tabled in Council	2018/19 Reviewed IDP process plan tabled on CC140/2017 dated 29/08/2017	2019/20 IDP Process Plan tabled. CC96/2018 dated 28/08/2018	Tabling the 2020/21 IDP Process Plan in Council by August 2019	2020/21 IDP Process Plan tabled. CC68/2019 dated 27/08/2019		-	-	2021/22 IDP Process Plan tabled

Chapter 3

PERFORMANCE MANAGEMENT AND INTEGRATED DEVELOPMENT PLANNING									
OFFICE OF THE MUNICIPAL MANAGER									
Integrated Development Planning (KPA 5: Good Governance and Public Participation)									
Outcome 9		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
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 2020/21 IDP Amendments	Public comments invited in Klerksdorp Record and Lentswe on 20 April 2018	Public comments invited in Klerksdorp Record and Lentswe on 11 April 2019	Inviting public comments after the tabling of the draft 2020/21 IDP Amendments for inputs from the community by April 2020	Public comments invited via Klerksdorp Record newspaper, website and social media in terms of COVID-19 Regulations		-	-	Public comments invited
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the 2020/21 IDP Amendments to comply with legislation					
IDP6	Number of final 2020/21 IDP Amendments approved by Council	Final Reviewed IDP Amendments for 2018/19 approved by Council. CC50/2018 dated 30 May 2018	Final 2019/20 IDP amendments approved. CC49/2019 dated 31/05/2019	Approving the final 2020/21 IDP Amendments by Council by May 2020	Final 2020/21 IDP Amendments approved. CC43/2020 dated 30/6/2020		First Council sitting during National Lockdown was in May 2020 and the draft 2020/21 IDP was approved first	N/A	Final 2021/22 IDP Amendments
Reduce Corruption (KPA 5: Good Governance and Public Participation)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the 2018/19 Oversight Report to comply with s.129(1) of the MFMA					
MPAC4	Number of 2018/19 Oversight Report tabled before Council	2016/17 Oversight Report tabled - CC20/2018 dated 27/03/2018	2017/2018 Oversight Report tabled. CC30/2019 dated 27/03/2019	Tabling the 2018/19 Oversight Report before Council by 31 March 2020	2018/19 Oversight Report not tabled		Due to COVID-19 regulations no meeting could be conducted	Tabling postponed to next quarter due to lockdown. Visual meetings planned to table.	2019/20 Oversight Report



Chapter 3

LABOUR RELATIONS									
OFFICE OF THE MUNICIPAL MANAGER									
Governance (KPA 5: Good Governance and Public Participation)									
Outcome 9		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To sign the 2020/21 Performance Agreements to comply with legislation					
PMS7	Number of 2020/21 Performance Agreements with section 54A and 56 employees signed	100% 2018/19 Performance Agreements signed dated 19/06/2018	8 x 2019/20 Performance Agreements signed on 24 - 26 June 2019	Signing eight 2020/21 performance agreements with section 54A & 56 employees by June 2020	8 x 2020/21 Performance Agreements signed on 30 June 2020		-	-	8 x 2021/22 Performance Agreements



12

National Key Performance Indicators






Chapter 3

DIRECTORATE TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT									
SECTION: WATER SERVICES									
National Key Performance Indicator		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services (National Key Performance Indicator)					
WAT1	Percentage of households provided with access to basic level of water	Urban - 99.99% 170 205 Hh with access / 39 Hh below minimum level Rural - 100% 1 528 Hh with access / 0 Hh below minimum level	Urban - 99% 169 597 Hh with access / 1 410 Hh below minimum level Rural - 29% 1 640 Hh with access / 4 076 Hh below minimum level	Providing at least 96% of households with access to basic level of water by June 2020	98.5% 176 179 Hh with access / 2 676 Hh below minimum level		Council embarked to assist rural areas with Jo-Jo's tanks, communal taps and water takers	98%	
SECTION: SANITATION SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services (National Key Performance Indicator)					
SAN1	Percentage of households provided with access to basic level of sanitation	Urban - 99% 167 148 Hh with access / 1 139 Hh below minimum level Rural - 74% 2 575 Hh with access / 910 Hh below minimum level	Urban - 99% 167 154 Hh with access / 1 410 Hh below minimum level Rural - 32% 2 575 Hh with access / 5 584 Hh below minimum level	Providing at least 93% of households with access to basic level of sanitation by June 2020	95% 170 695 Hh with access / 8 160 Hh below minimum level		Alabama ext. 5 connections completed	96%	




Chapter 3

DIRECTORATE TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT									
SECTION: ELECTRICAL SERVICES									
National Key Performance Indicator		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services (National Key Performance Indicator)					
ELE1	Percentage of households provided with access to basic level of electricity	Urban - 98% 167 177 Hh with access / 2 889 Hh below minimum level Rural - 56% 948 Hh with access / 758 Hh below minimum level - No control over Eskom area	Urban - 98% 167 371 Hh with access / 3 665 Hh below minimum level Rural - 17% 964 Hh with access / 4 723 Hh below minimum level	Providing at least 93% of households with access to basic level of electricity by June 2020	94% 168 442 Hh with access / 10 413 Hh below minimum level		-	-	95%
DIRECTORATE: COMMUNITY DEVELOPMENT									
SECTION: REFUSE REMOVAL SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services (National Key Performance Indicator)					
REF1	The percentage of households provided with access to basic level of refuse removal	Urban – 97.48% 166 309 Hh with access / 4 306 Hh below minimum level Rural - 0% 0 Hh with access / 1 157 Hh below minimum level	Urban - 97% 166 685 Hh with access / 4 322 Hh below minimum level Rural - 0% 0 Hh with access / 5 716 Hh below minimum level	Providing at least 85% of households with access to basic level of refuse removal by June 2020	95% 170 047 Hh with access to refuse removal / 8 808 Hh below minimum level		2 439 New occupancies (2 430 approved applications from Alabama 4 and 5, and 9 approved applications from Matlosana Estate ext. 3		95%



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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	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 for indigent subsidy	R98 842 669 spent	R122 031 772 spent	Spending R199 319 049 on free basic services for indigent subsidy by June 2020 - (Account Holders)	R153 535 861 spent		Budget calculations were over budgeted	Calculations must be reviewed with the 20/21 budget	R271 966 634
REV5	Number of approved households with free basic services for indigent subsidy	New indicator	15 199 Approved households with free basic services	Approving at least 20 640 households with free basic services for indigent subsidy by June 2020	20 650 Approved households with free basic services		More people registered due to job losses during COVID-19		30 000 Households
REV6	Percentage of households earning less than R3 600 per month registered for indigent subsidy	18.6%	16%	Registering at least 22% of households earning less than R3 600 per month for indigent subsidy by June 2020 - (vs. total active accounts)	22.91%		More people registered due to job losses during COVID-19		30%
REV7	Rand value spend on free basic alternative services for indigent subsidy	R13 225 645 spent	R 17 874 781 spent	Spending R17 313 750 on free basic alternative services for indigent subsidy by June 2020	R28 435 222 spent		Budget calculations were under budgeted	Calculations must be reviewed with the 20/21 budget	R46 740 000
REV8	Number of households with free basic alternative energy for indigent subsidy approved	New indicator	8 657 Approved households with free basic alternative energy	Approving at least 9 600 households with free basic alternative energy for indigent subsidy by June 2020	10 262 Approved households with free basic alternative energy		More people assisted due to job losses during COVID-19		10 000 Households



Chapter 3

DIRECTORATE: LOCAL ECONOMIC DEVELOPMENT									
KEY PERFORMANCE AREA 3: LOCAL ECONOMIC DEVELOPMENT									
SECTION: LOCAL ECONOMIC DEVELOPMENT									
National Key Performance Indicator		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To create jobs to reduce unemployment and enhance local economic development activities					
LED10	Number of permanent / sustainable jobs which exceed 3 months - Urban Area	Urban – 899 Jobs created Rural – 32 Jobs created	Urban – 670 Jobs created Rural – 17 Jobs created	Creating 118 permanent / sustainable jobs which exceed 3 months through the Municipality's local economic development initiatives including capital projects by June 2020	130 Jobs created		More jobs created with the Bokamosa Solar Project	N/A	200 Jobs
DIRECTORATE: CORPORATE SUPPORT									
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: SKILLS DEVELOPMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To spend a percentage of municipality's budget on implementing its workplace skill plan (National Indicator)					
SKIL1	Rand value spent on Skills Development (Training) expenditure for 2019/20	R2 814 587 spent	R 2 174 982 spent 60%	Spending R731 295 on Skills Development (Training) for 2019/20 by June 2020	R509 112 spent		Due to National Lockdown from the 27 April 2020, no training was conducted and therefore there was no spending. Request was made to budget office for adjustment of training budget to R500 000 to align budget with the spending done in 1st, 2nd and 3rd quarter.		R532 000
NR	INDICATOR	MEASURABLE OBJECTIVE :		To obtain a percentage of municipality's budget on implementing its workplace skill plan (National Indicator)					
SKIL3	Rand value income received from SETA Training Income/Rec for 2019/20	R139 958 received	R994 843 received	Receiving R528 000 as a mandatory grant from SETA Training Income/Rec for 2019/20 by June 2020	R701 631 received		-	-	R554 000



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		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year	
		2017/18	2018/19	Annual Target	Actual Performance					
NR	INDICATOR	MEASURABLE OBJECTIVE :		To control expenditure management to ensure financial sustainability						
BUD1	Rand value of capital expenditure as a percentage of planned capital	82% R175 241 380	70.69% R176 029 683	Spending at least 85% of planned capital expenditure by June 2020 R168 074 549	67% R113 069 973		SCM Processes (non-responsive bidders) and community disruptions, COVID19 lockdown	Accelerated expenditure on multi-year grand funded projects	85% of R162 800 300	
SECTION: CHIEF FINANCIAL OFFICER										
NR	INDICATOR	MEASURABLE OBJECTIVE :		Financial Viability expressed (National Key Performance Indicators)						
CFO12	Ratio for debt coverage for 2019/20 calculated	81.7%	112.88%	Calculating the debt coverage ratio of 80:1 for 2019/20 by June 2020 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	136:1		The repayment commitment reduced due to the servicing of the loans	N/A	60:1	

Chapter 3

DIRECTORATE BUDGET AND TREASURY									
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: CHIEF FINANCIAL OFFICER									
National Key Performance Indicator		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		Financial Viability expressed (National Key Performance Indicators)					
CFO11	Ratio for cost coverage for 2019/20 calculated	2.01	1:2.14	Calculating the cost coverage ratio at 2:1 for 2019/20 by June 2020 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	01:1.7		Cash was utilised on payables	Debt recovery, funded budget and cost containment will help in addressing the liquidity ratios	1:1
CFO13	Percentage of outstanding service debtors to revenue ratio for 2019/20 calculated	1.63%	1.89	Calculating the outstanding service debtors to revenue ratio at 150% for 2019/20 by June 2020 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	125%		Non-payment and the subsequent impairment of the debt needs to be written-off after review. Failure to regularly do the write-offs will result in a higher ratio	Write-offs to be submitted to council where appropriate	150%

Chapter 3

OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: PERFORMANCE MANAGEMENT									
National Key Performance Indicator		Previous Financial Years Actual Performance		2019/20 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2017/18	2018/19	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	26 Male employees Black - 22 White - 3 Coloured - 1 Indian - 0	31 Male employees Black - 27 White - 3 Coloured - 1 Indian - 0	Employing 31 male employees on the first three highest levels of management by June 2020 (Excluding section 54A and 56 employees)	31 Male employees Black - 27 White - 3 Coloured - 1 Indian - 0		-	-	31 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 - 8 White - 1 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 2020 (Excluding section 54A and 56 employees)	9 Female employees Black - 8 White - 1 Coloured - 0 Indian - 0		-	-	9 Female employees

13. REPORT OF THE AUDIT COMMITTEE

CITY OF MATLOSANA LOCAL MUNICIPALITY AUDIT COMMITTEE (AC) ANNUAL REPORT TO COUNCIL AND PROVINCIAL LEGISLATURE FOR PERIOD ENDED 30 JUNE 2020

1. AUDIT COMMITTEE FIDUCIARY DUTIES

We are pleased to present our report for the financial year ended 30 June 2020, 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 2019/2020, and it has regulated its affairs in compliance with this charter and has discharged all its

Chapter 3

responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

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.

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 on the area of the Market.

Furthermore, there are several deficiencies in the system of internal control and/or the internal auditors and the Auditor-General reported deviations there. However, the Audit Committee notes management's commitment and action plan to correct deficiencies throughout the financial year.

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), as amended. 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 Audit Committee 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.

Chapter 3

The Audit Committee recommended that Management should develop a compliance management system that includes the following amongst others:

- ◆ 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 the reports to be presented to the Audit Committee for oversight.

8. INTERNAL FINANCIAL CONTROLS AND INTERNAL AUDIT

The Audit Committee 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.
- ◆ Improved implementation of the Continuous Professional Development for Auditors

9. EXTERNAL AUDIT

- 9.1 The Audit Committee 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 during 2019/2020 AGSA was invited to AC on a regular basis, to discuss any matters that the committee or auditors believe should be discussed privately during in-committee.
- 9.2 The Status of Records review report was presented by AGSA to AC during the year.
- 9.3 The Audit Committee 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.
- 9.4 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 30 June 2020.
- 9.5 The Audit Committee 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.
- 9.6 The Post Audit Action Plan was developed and presented to both the Audit Committee and Council for nothing and monitoring of the implementation of corrective measures. There is still room for improvement with regard to the timeous implementation of the Management's action plans.

10. Financial Performance

The Audit Committee 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.

Chapter 3

The Audit Committee welcomed the appointment of the substantive CFO by Council during the financial year. The Audit Committee 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.
- ◆ Disciplinary board to be capacitated in order to start dealing with matters of financial misconduct.
- ◆ 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 Audit Committee 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 2018/2019 financial year was conducted in line with the PMS framework/policy.

12. LITIGATIONS

The Audit Committee 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, majority of which are outstanding for a longer period.

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 Audit Committee 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, the Audit Committee recommended to municipality to fast track the implementation of recommendations by Audit Committee.

Chapter 3

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.

There was a relative stability about the municipal operations however; there is still room for improvement with regard to strike contingency management plans going forward.

16. CONCLUSION

The Audit Committee 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.



Chairperson: City of Matlosana Local Municipality Audit Committee
06th November 2020

Chapter 4



Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

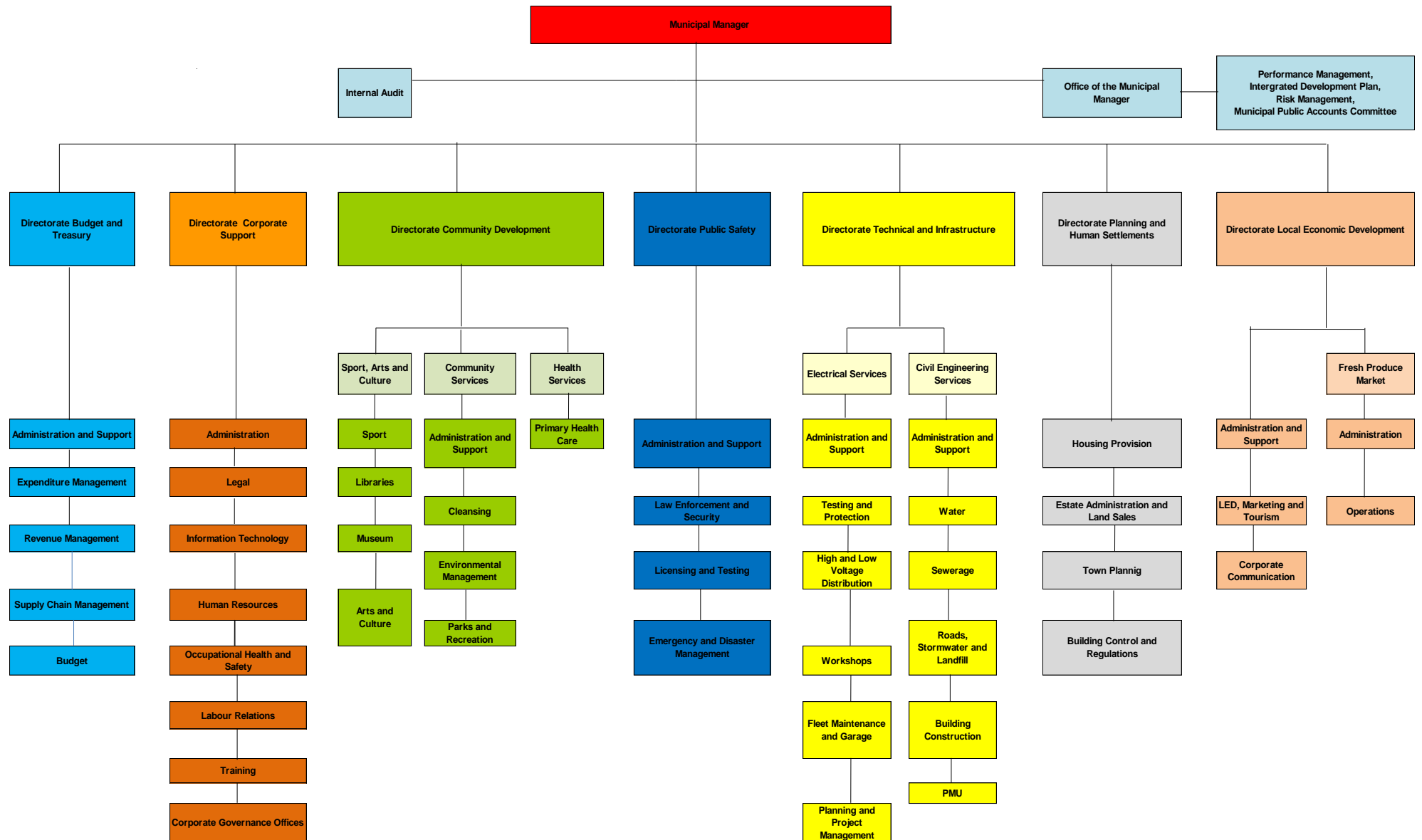
INTRODUCTION

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 approved personnel complement of 2 530 posts of which 1 984 were filled at 31 June 2020

The municipality's top structure is as follows:

Chapter 4



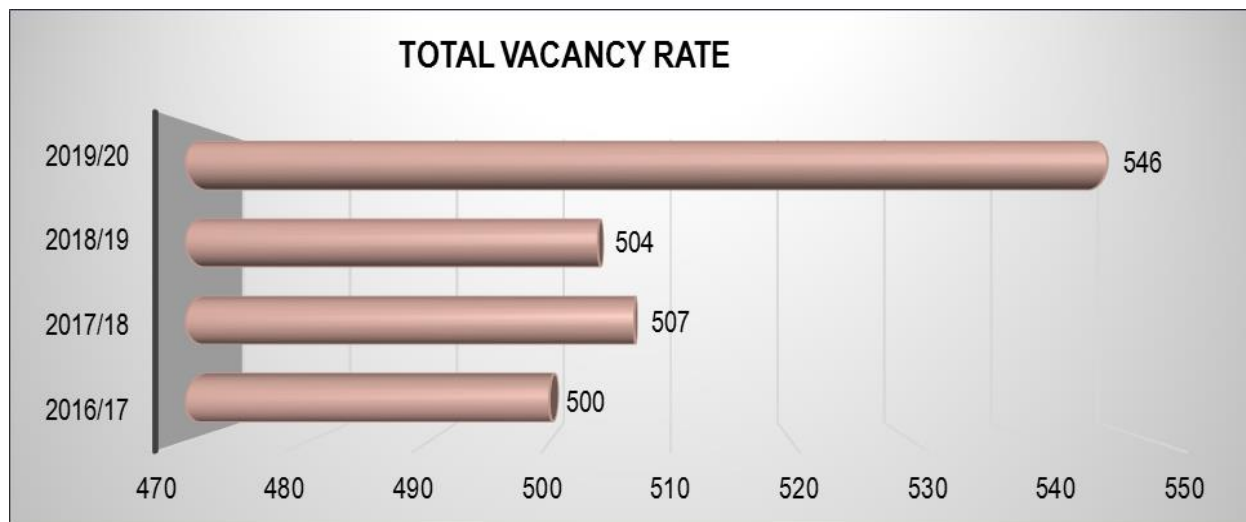
Chapter 4

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

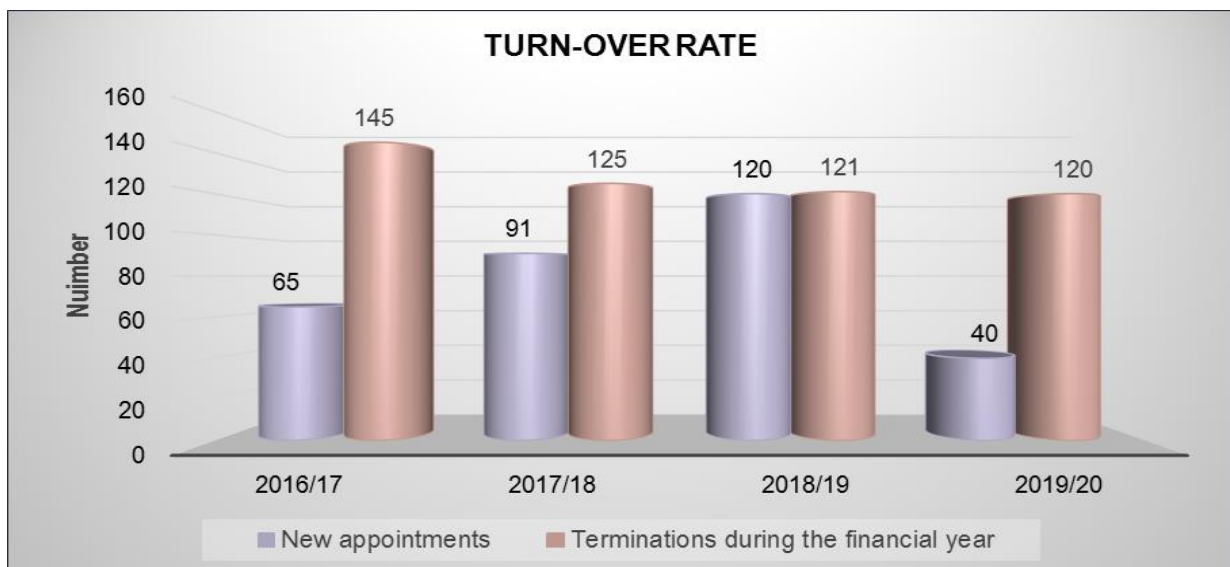
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

EMPLOYEES					
DESCRIPTION	2018/19	2019/20			
	Employees	Approved Posts	Employees	Number of Vacancies	% of Vacancies
	No	No	No	No	No
Water Services	111	125	109	16	13%
Sanitation Services	198	242	195	47	19%
Electrical and Mechanical Engineering	129	152	126	26	17%
Solid Waste Management Services	254	340	246	94	28%
Human Settlements	21	50	40	10	20%
Roads and Storm-Water Drainage	156	183	149	34	19%
Licensing Services	96	125	94	31	25%
Civil Administration, Building Construction and PMU	61	52	42	10	10%
Local Economic Development	17	20	18	2	11%
Fresh Produce Market	37	44	38	6	14%
Libraries and Museum	83	86	80	6	7%
Cemeteries and Aerodrome	50	63	48	15	24%
Parks, Open Spaces, Faan Meintjes and Orkney Vaal	167	219	164	55	25%
Sport and Recreation	93	133	87	46	35%
Occupational Health	11	23	16	7	30%
Traffic, Security, Fire and Disaster Management	214	273	209	64	23%
Strategic and Regulatory (PMS, IDP, IA, MPAC and Risk Management)	36	23	18	5	22%
Corporate Policy Offices and Other	302	377	305	72	19%
TOTAL	2026	2 530	1 984	546	22%

Chapter 4



TURN-OVER RATE: 2019/20				
Year	Total approved posts	New appointments*	Terminations during the financial year**	Turnover rate
2016/17	2 024	65	145	7.00%
2017/18	2 018	91	125	6.00%
2018/19	2 026	120	121	6.00%
2019/20	1 984	40	120	6.00%



Chapter 4

VACANCY RATE: 2019/20			
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	6	0%
Other s56 Managers (Finance posts)	0	0	0%
Safety and Security Officers	30	4	13%
Fire fighters	39	39	0%
Senior management: Levels 1 - 3 (excluding Finance posts)	39	6	15%
Senior management: Levels 1 - 3 (Finance posts)	8	1	13%
Highly skilled supervision: levels 4 - 6 (excluding Finance posts)	116	24	21%
Highly skilled supervision: levels 4 - 6 (Finance posts)	22	3	14%
TOTAL	259	104	40%

COMMENTS ON VACANCIES AND TURNOVER

The overall vacancy rate at the close of the financial year was 22%. The filling of vacancies remains a challenge due to the financial situation of the municipality. Vacant critical positions are however being given priority for filling.

The turn-over rate for 2019/20 remains at 6% which represents 40 new personnel appointments and 120 personnel terminations.

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.

Chapter 4

4.2 POLICIES

HR AND OTHER 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
	Other:			
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

Chapter 4

HR AND OTHER 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	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	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	100%	100%	31 July 2018
69	Overtime	100%	100%	30 May 2018
70	Appointment of Consultants	100%	100%	26 November 2019
	COVID-19 related Policies:			
71	Danger Allowance	100%	100%	30 June 2020
72	Occupational Health and Safety	100%	100%	30 June 2020

Chapter 4

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 municipal employees.

It is directly linked to our 2019/20 Integrated Development Plan (2019/20 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 2019/20				
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	44	37	46.8%	0.84
Temporary total disablement	149	4	5.06%	37.25
Permanent disablement	0	0	0	0
Fatal	0	1	0	0
TOTAL	193	41		38.09

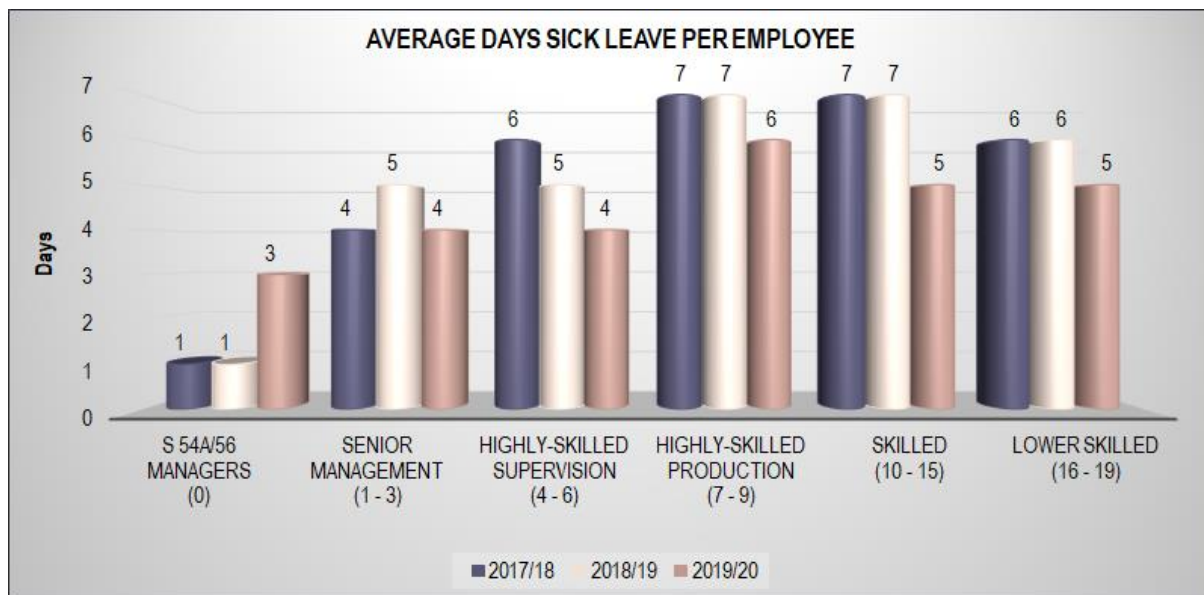
- ◆ Fatal = 1 employee killed instantly in a (MVA) motor vehicle accident
- ◆ Short periods of sick leave taken by 79 employees = 44 days
- ◆ Longer periods of sick leave taken by 4 employees = 149 days
- ◆ Required basic medical attention without leave taken by 46 employees = 0 days

Total injuries on duties = 83 employees

Chapter 4

NUMBER OF DAYS OF SICK LEAVE (EXCLUDING INJURIES ON DUTY) DURING 2019/20								
Job Level	Salary Band	total number of sick leave days per post level	Portion of sick leave without medical certification	Number of sick notes received	Number of employees using sick leave	Total employees in post taken sick leave	Average days sick leave per employee	Estimated cost
		DAYS	%	DAYS	NO	NO	DAYS	R' 000
S 54/56 Managers		25	96	24	6	8	4	83
1	Senior management	38	100	38	1	1	38	69
2		36	89	32	3	10	12	57
3		97	73	71	12	29	8	139
4	Highly skilled supervision	44	100	44	6	15	7	55
5		71	56	40	14	49	5	79
6		300	51	152	30	51	10	302
7	Highly skilled production	235	86	201	22	46	11	21
8		384	89	342	50	64	8	309
9		696	88	613	70	116	10	471
10	Skilled	853	88	750	88	115	10	484
11		950	87	828	102	137	9	475
12		409	84	344	50	109	8	182
13		336	91	306	38	105	9	134
14		375	88	329	44	75	9	137
15		479	67	319	44	112	11	207
16	Lower skilled	88	78	69	15	79	6	28
17		423	77	324	45	94	9	134
18		249	82	205	22	22	11	79
19		3 941	83	3 272	353	747	11	1 249
TOTAL		10 029	83	8 303	1 015	1 984	5	4 694

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 understands 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.

Introduction to Labour Relations

The Labour Relations role in the municipality is to ensure a harmonious relationship between management and officials and maintenance of disciplined workforce. Through this unit the municipality is ready to instil a culture of discipline and execute swift, consistent and decisive consequence management to drive proper accountability.

Chapter 4

NUMBER AND PERIOD OF SUSPENSIONS

NUMBER AND PERIOD OF SUSPENSIONS 2019/20				
Position	Nature of alleged misconduct	Date of Suspension	Details of disciplinary action taken or status of case	Date Finalised
1. Assistant Manager Operations	Damage to municipal property and failure to act in the best interest of the Municipality	18/12/2019 (suspended for three months)	Disciplinary action to commence on 15 September 2020	Matter in progress
2. Supervisor Cashier	Gross dishonesty, fraud and corruption	21/10/2019 (suspended for three months)	Disciplinary action commenced and matter partly heard. Parties to agree on a new date for continuation	Matter in progress
3. Supervisor Cashier	Gross dishonesty, fraud and corruption	21/10/2019 (suspended for three months)	Disciplinary action commenced and matter partly heard. Parties to agree on a new date for continuation	Matter in progress
4. Cashier	Gross dishonesty, fraud and corruption	21/10/2019 (suspended for three months)	Disciplinary action commenced and matter partly heard. Parties to agree on new date for continuation with the matter	Matter in progress
5. Traffic Officer: Grade: 1	Gross dishonesty, fraudulent conduct and failure to act in the best interest of the Municipality	12/11/2019 (suspended for three months)	Disciplinary action commenced and case partly heard. Next hearing scheduled for 24 & 25 September 2020.	Matter in progress
6. Traffic Officer: Grade: 1-3	Gross dishonesty, corrupt conduct and dereliction of duties / negligence	12/11/2019 (suspended for three months)	Disciplinary action commenced and matter partly heard. Next date of the hearing 21 September 2020	Matter in progress
7. Cashier	Corrupt / fraudulent conduct and gross dishonesty	18/12/2019 (suspended for three months)	Employee found guilty on all charges and dismissed	22 June 2020

DISCIPLINARY ACTION TAKEN ON CASES OF FINANCIAL MISCONDUCT

No financial misconduct reported during the 2019/20 financial year.

Chapter 4

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.

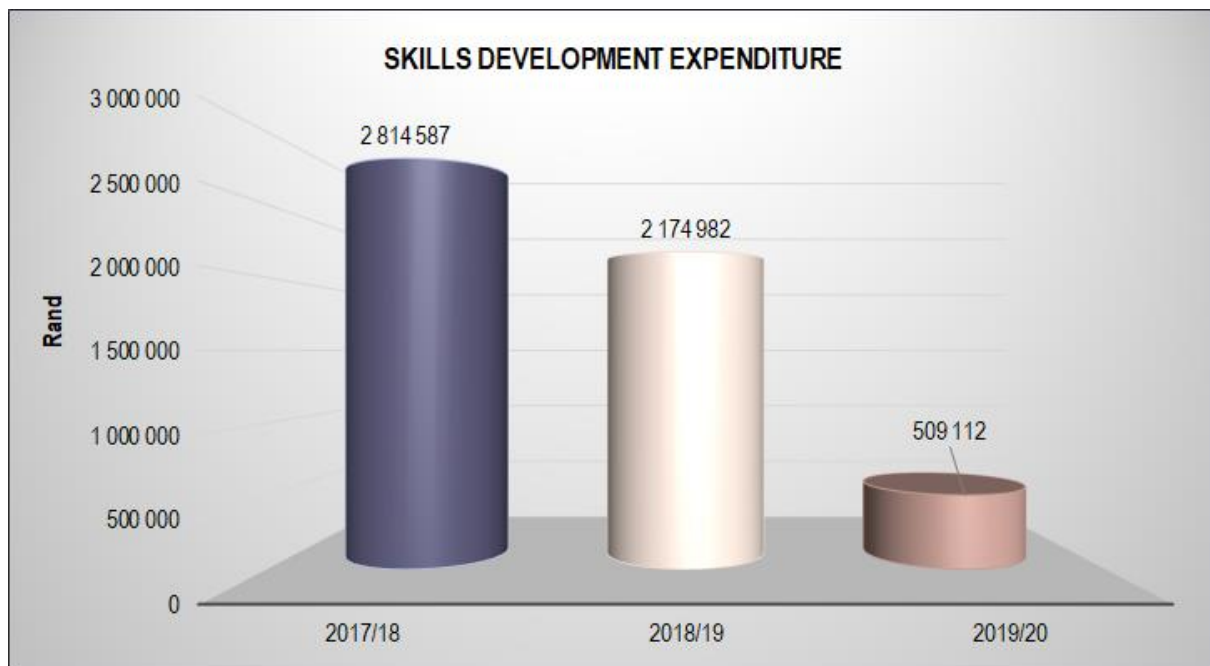
Training programmes and interventions are therefore undertaken on a regular and in an orderly way as planned in the Workplace Skills Plan.

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).

During the 2019/2020 financial year, WSP & ATR document was submitted to LGSETA on the 31st May 2020 in order to comply with the legislation and receive mandatory grant to further skills development initiatives within the municipality.

Chapter 4



NATIONAL KEY PERFORMANCE INDICATOR

See page 231 for details.

Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

SKILLS MATRIX – 2019/20										
Management level	Gender	Employees in post as at 30 June 2020	Number of skilled employees required and actual as at 30 June 2020							
			Learnership		Skills programmes and other short courses		Other forms of training (Internship)		Total	
		No	Actual: End of 2018/19	Actual: End of 2019/20	Actual: End of 2018/19	Actual: End of 2019/20	Actual: End of 2018/19	Actual: End of 2019/20	Actual: End of 2018/19	Actual: End of 2019/20
MM and s 56	Female	2	1	0	0	0	0	0	1	0
	Male	6	1	0	0	0	0	0	1	0
Councillors, senior officials and managers	Female	37	9	0	10	2	0	0	19	2
	Male	83	20	1	15	2	0	0	35	3
Technicians and associate professionals	Female	70	17	0	20	0	2	2	39	2
	Male	114	82	14	84	1	3	1	169	16
Professionals	Female	20	28	12	60	5	2	3	90	20
	Male	21	42	2	86	2	2	1	130	5
Sub total	Female	129	55	12	90	7	4	5	149	24
	Male	224	145	17	185	5	5	2	335	24
TOTAL		353	200	29	275	12	9	7	484	48

Chapter 4

SKILLS DEVELOPMENT EXPENDITURE – 2019/20										
R'000										
Management level	Gender	Employees as at 30 June 2020	Original Budget and Actual Expenditure on Skills Development 2019/20							
			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		40	0	0	0	0	0	40	0
	Male		40	0	0	0	0	0	40	0
Legislators, senior officials and managers	Female		50	0	100	60	0	0	150	60
	Male		70	35	100	60	0	0	170	95
Professionals	Female		50	50	200	50	0	0	250	100
	Male		50	60	300	60	0	0	350	120
Technicians and associate professionals	Female		150	0	300	0	40	0	490	0
	Male		200	65	200	40	40	0	440	105
Clerks	Female		200	40	100	15	40	0	340	55
	Male		100	20	300	5	40	0	440	25
Service and sales workers	Female		100	0	300	0	60	0	460	0
	Male		150	0	300	0	60	0	510	0
Plant and machine operators and assemblers	Female		100	0	200	0	40	0	340	0
	Male		150	0	100	0	40	0	290	0
Elementary occupations	Female		200	0	500	0	60	0	760	0
	Male		150	0	500	0	70	0	720	0
Subtotal	Female		890	90	1 700	125	240	0	2 830	215
	Male		910	180	1 800	165	250	0	2 960	345
TOTAL			R1 800	R270	R3 500	R290	R490	R0	R5 790	R560

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))
Financial Officials				
<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>	167	0	0	66
Supply Chain Management Officials				
<i>Heads of Supply Chain Management units</i>	0	0	0	0
<i>Supply Chain Management senior managers</i>	1	0	0	0
TOTAL	163	8	8	74

Chapter 4

COMMENTS ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS

During the 2019/20 financial year, the Unit budgeted R5 791 500 to roll-out the training plan for the entire Municipality, but due to financial constraints the budget was cut to R1 125 964 in the third quarter, at the time the budget was cut off, the Unit has already committed R558 168 by the third quarter. There was also a delay in procurement of Skills Development Providers (SDP)'s through SCM process, and that hampered with implementation of training programmes.

During the 2019/20 Financial Year, the Training and Development Unit conducted Skills Audit process for level 1-6 officials from various departments within the municipality. i.e. Office of the Municipal Manager , LED , Public Safety and Community Development. The process assisted in determining individual and department Training needs. Municipal training plan for 2020/21 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 2019/20 Financial Year, Training and Development populated and submitted the document to LGSETA on the 31st of May 2020 in order to comply with the legislation. An extension for submission was granted by LGSETA due to National Lockdown Regulation that was declared by the President in March 2020.

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 2019/20 Financial Year, thirty-eight (38) finance officials and two (2) Senior Managers were enrolled on Municipal Financial Management Programme (MFMP) with various stakeholders i.e. LGSETA and Provincial Treasury to meet the prescribed finance competency level. These programmes were interrupted by the National Lockdown and will only commence after the lifting up of the regulation.

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.

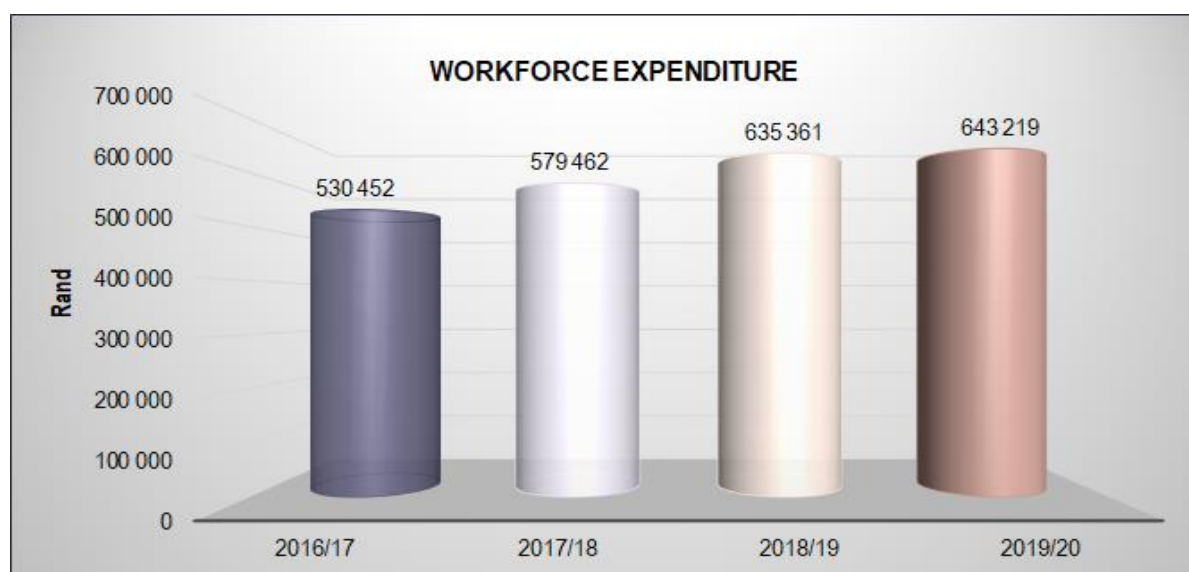
There is a strong national drive for creating employment and municipalities are one arm of government that normally feel the pressure to create new jobs in its sphere. Although we support the creation of employment and we understand the expectation of the communities in this regard, the financial viability 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.

Chapter 4

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).

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 minimize 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 prioritized across all municipal functions.

Municipal expenditure on personnel should comprise 30 per cent of aggregated operational expenditure as guided by National Treasury.

Matlosana workforce expenditure of R692 470 accounted for 18.5% of the total operating budget expenditure for the 2019/20 financial year

Chapter 4

UPGRADED POSTS 2019/20

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 – 2019/20

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 – 2019/20							
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 464 332	01/05/2017	30/04/2022	B Juris	Yes	No	No
Chief Financial Officer	R1 188 638	01/03/2020	28/02/2025	B Com (Accounting)	Yes	No	No
Director Corporate Support	R1 188 638	01/02/2018	31/01/2023	B Legum	Yes	No	No
Director Community Development	R1 188 638	01/02/2018	31/01/2023	BA Hons Nursing Science MBA	Yes	No	No
Director Public Safety	R1 188 638	01/02/2018	31/01/2023	B Tech Transport Management B Hons	Yes	No	No
Director Technical and Infrastructure	R1 415 047	01/02/2018	31/01/2023	MSc Engineering	Yes	No	No
Director Local Economic Development	R1 188 638	01/03/2019	28/02/2024	B Com	Yes	No	No
Director Planning and Human Settlements	R1 188 638	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 - 2019/20		
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	Yes, 28 February 2020	Yes
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) 2019/20					
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	Yes	Yes	Yes	Yes	No
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 NM GROND	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	B Comm (Accounting)	B Legum	BA Hons Nursing Science MBA
Work-Related Experience	Minimum of two years at senior and five years at middle management level	Twelve Years in senior and two years in middle management	Twelve Years in senior and two years in middle management	Four years in senior and five years in middle management	Sixteen years in senior and eighteen 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	Yes	Yes	Awaiting results	Yes
<ul style="list-style-type: none"> ◆ Strategic Capability and Leadership ◆ Operational financial management ◆ Governance, ethics and values in financial management ◆ Financial and performance reporting ◆ Risk and change management ◆ Legislation, policy and implementation ◆ Stakeholder relations ◆ Supply Chain Management ◆ Project management ◆ Audit and assurance 					

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 Hons	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-one years in senior and five years in middle management	Fourteen years in senior and seventeen years in middle management	Ten years is senior and three months in middle management	Thirteen 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"> ◆ Strategic Capability and Leadership ◆ Operational financial management ◆ Governance, ethics and values in financial management ◆ Financial and performance reporting ◆ Risk and change management ◆ Legislation, policy and implementation ◆ Stakeholder relations ◆ Supply Chain Management ◆ Project management ◆ Audit and assurance 					

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 audited deficit of R 24 591 (2019/20: R24 591) which compares to the 2018/19 budgeted deficit of R299 954 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. Worth noting is the consistence decrease of our net deficit from the previous years

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	2018/19	2019/20			2019/20 Variance	
	Actual	Original	Adjusted	Actual	Original	Adjustments
Financial performance						
Property rates	325 128	400 836	353 034	334 343	0,20	0,06
Service charges	1 577 773	1 776 499	1 781 240	1 626 428	0,09	0,10
Investment revenue	–	3 238	13 238	16 545	(0,80)	(0,20)
Transfers recognised operational	396 885	442 778	443 991	435 815	0,02	0,02
Other own revenue	493 357	98 829	383 787	428 722	(0,77)	(0,10)
Total revenue (excl. capital transfers and contributions)	2 793 143	2 722 181	2 975 290	2 841 852	(0)	(0)
Employee costs	635 361	663 853	630 725	643 219	0,03	(0,02)
Remuneration of councillors	34 473	36 438	36 438	34 588	0,05	0,05
Depreciation & asset impairment	402 816	434 145	429 145	411 946	0,05	0,04
Finance charges	72 736	6 323	4 386	79 009	(0,92)	(0,94)
Materials and bulk purchases	1 086 808	1 044 786	968 098	1 165 854	(0,10)	(0,17)
Transfers and grants	–	–	–	–	–	–
Other expenditure	1 031 095	1 031 667	1 054 905	1 179 666	(0,13)	(0,11)
Total expenditure	3 263 289	3 217 212	3 123 697	3 514 282	(0,08)	(0,11)
Surplus/(Deficit)	(470 146)	(495 030)	(148 407)	(672 430)	(0,26)	(0,78)

Chapter 5

FINANCIAL SUMMARY (Continued)						
R' 000						
Description	2018/19	2019/20			2019/20 Variance	
	Actual	Original	Adjusted	Actual	Original	Adjustments
Transfers recognised - capital	170 191	147 075	127 875	131 339	0,12	(0,03)
Contributions recognised - capital and contributed assets	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers and contributions	(257 167)	(347 956)	(20 533)	(541 091)	(0,36)	(0,96)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–
Surplus/(Deficit) for the year	(257 167)	(347 956)	(20 533)	(541 091)	(0,36)	(0,96)
Capital expenditure and funding sources						
Capital expenditure	170 191	164 115	170 175	104 240		
Transfers recognised - capital	170 191	143 115	159 175	104 240	37%	53%
Public contributions and donations	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–
Internally generated funds	53 827	21 000	11 000	4 806	337%	129%
Total sources of capital funds	224 018	164 115	170 175	109 046	51%	56%
Financial position						
Total current assets	1 011 474	727 447	1 241 011	1 110 891	-35%	12%
Total non-current assets	5 281 276	4 950 747	4 998 332	5 005 652	-1%	0%
Total current liabilities	1 457 416	1 739 306	831 447	1 909 081	-9%	-56%
Total non-current liabilities	540 562	50 000	650 747	496 821	-90%	31%
Community wealth / Equity	4 294 872	4 236 843	4 750 935	3 710 641	14%	28%
Cash flows						
Net cash from (used) operating	359 973	181 075	(69 133)	(129 849)	-239%	-47%
Net cash from (used) investing	(228 426)	(169 075)	(171 175)	(128 003)	32%	34%
Net cash from (used) financing	21 369	(12 000)	(13 000)	(15 252)	-21%	-15%
Cash/cash equivalents at the year end	289 021	110 000	35 714	300 578	-63%	-88%
Cash backing/surplus reconciliation						
Cash and investments available	110 000	110 000	35 714	–	–	–
Application of cash and investments	110 888	866 614	21 804	–	–	–
Balance - surplus (shortfall)	(888)	(756 614)	13 909	–	–	–
Asset management						
Asset register summary (WDV)	5 155 700	4 950 747	4 976 007	4 958 906	0%	0%
Depreciation and asset impairment	722 372	434 145	429 145	411 946	5%	4%
Renewal of existing assets	–	11 610	8 159	9 975	0%	0%
Repairs and maintenance	92 597	229 385	137 553	141 358	62%	-3%

Chapter 5

FINANCIAL SUMMARY (Continued)						
R' 000						
Description	2018/19	2019/20			2019/20 Variance	
	Actual	Original	Adjusted	Actual	Original	Adjustments
Free services						
Cost of free basic services provided	178 316	211 718	219 355	129 278	64%	70%
Revenue cost of free services provided	62 580	16 428	77 272	93 220	-82%	-17%

FINANCIAL PERFORMANCE OF OPERATIONAL SERVICES						
R '000						
Description	2018/19	2019/20			2019/20 Variance	
	Actual	Original	Adjusted	Actual	Original	Adjustment
Operating cost						
Water	693 287	684 792	739 037	790 267	13,3%	9,0%
Waste-water (Sanitation)	148 065	178 175	203 374	235 456	24,3%	13,6%
Electricity	1 095 824	986 757	996 187	998 786	1,2%	0,3%
Waste management	166 637	164 878	164 582	133 170	-23,8%	-23,6%
Housing	10 111	19 289	17 390	12 502	-54,3%	-39,1%
Component A: sub-total	2 113 924	2 033 891	2 120 570	2 170 181	6,3%	2,3%
Storm-water drainage	–	–	–	–	–	–
Roads	176 852	234 603	201 306	202 170	-16,0%	0,4%
Transport	–	–	–	–	0,0%	0,0%
Component B: sub-total	176 852	234 603	201 306	202 170	-16,0%	0,4%
Planning	–	–	–	–	–	–
Local Economic Development	29 432	26 789	22 175	38 545	30,5%	42,5%
Component B: sub-total	29 432	26 789	22 175	38 545	30,5%	42,5%
Planning (strategic and regulatory)	10 038	17 247	10 234	92 305	0,0%	0,0%
Local Economic Development	–	–	–	–	0,0%	0,0%
Component C: sub-total	10 038	17 247	10 234	92 305	0,0%	0,0%
Community and Social Services	67 322	129 099	102 397	100 080	-29,0%	-2,3%
Environmental Protection	–	–	–	–	0,0%	0,0%
Health	9 206	12 745	9 959	8 988	-41,8%	-10,8%
Security and Safety	122 023	170 483	165 249	170 006	-0,3%	2,8%
Sport and Recreation	118 149	90 551	79 585	76 839	-17,8%	-3,6%
Corporate Policy Offices and Other	526 346	501 805	412 223	643 730	22,0%	36,0%
Component D: sub-total	933 043	904 683	769 413	999 643	9,5%	23,0%
TOTAL EXPENDITURE	3 263 289	3 217 213	3 123 698	3 502 844	8,2%	10,8%

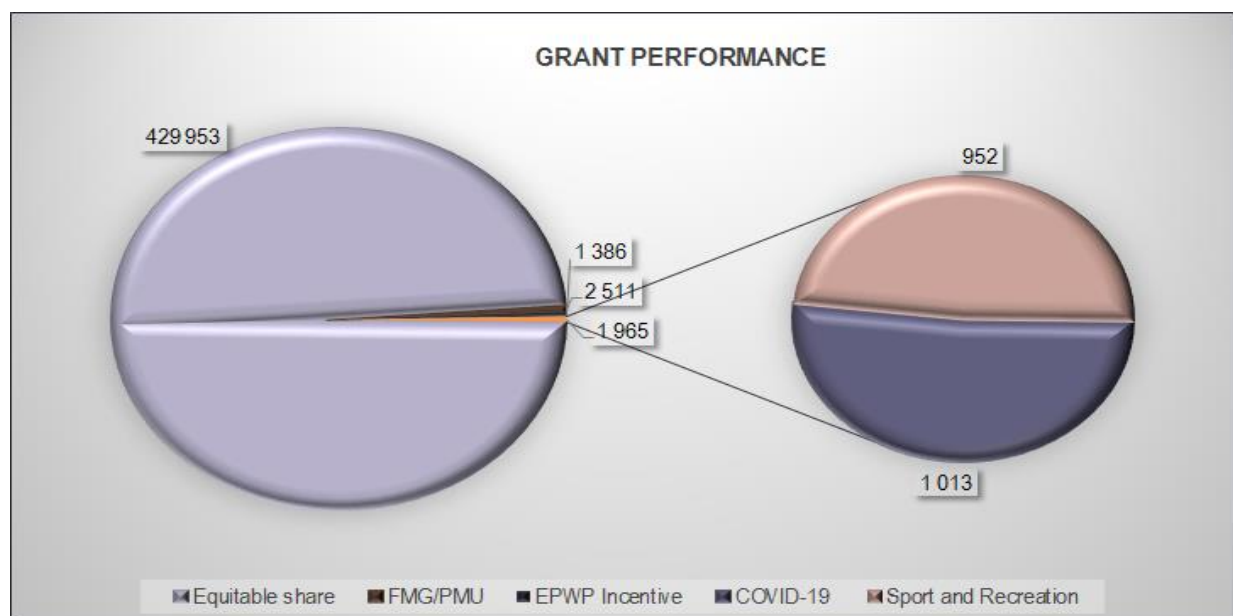
Chapter 5

COMMENT ON FINANCIAL PERFORMANCE

The City of Matlosana expect to post a deficit as a result of the budgeted deficit as per the financial summary. This is mainly due to the provision for the non-cash item of such as debt impairment, and depreciation which decrease cash flow position of the Municipality due to infrastructure maintenance commitment that new need to be maintained throughout the year.

5.2 GRANTS

GRANT PERFORMANCE						
R' 000						
Description	2018/19	2019/20		2019/20 Variance		
	Actual	Budget	Adjusted	Actual	Original (%)	Adjustment (%)
<u>Operating Transfers and Grants</u>						
National Government	396 003	435 629	435 637	434 863	0%	0%
Equitable share	392 856	429 953	429 961	429 953	0%	0%
Municipal Systems Improvement						
FMG/PMU	2 215	2 680	2 680	2 511	0%	0%
EPWP Incentive	932	1 983	1 983	1 386	0%	0%
COVID-19		1 013	1 013	1 013	0%	0%
Provincial Government	883	980	980	952	1%	1%
Sport and Recreation	883	980	980	952	1%	1%
Total	396 886	436 609	436 617	435 815	1%	1%



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 applied for roll-overs.

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, Council obtained an unqualified audit opinion on assets management. However appropriate management is a challenge given low budget allocation due unfunded budget for the financial year.

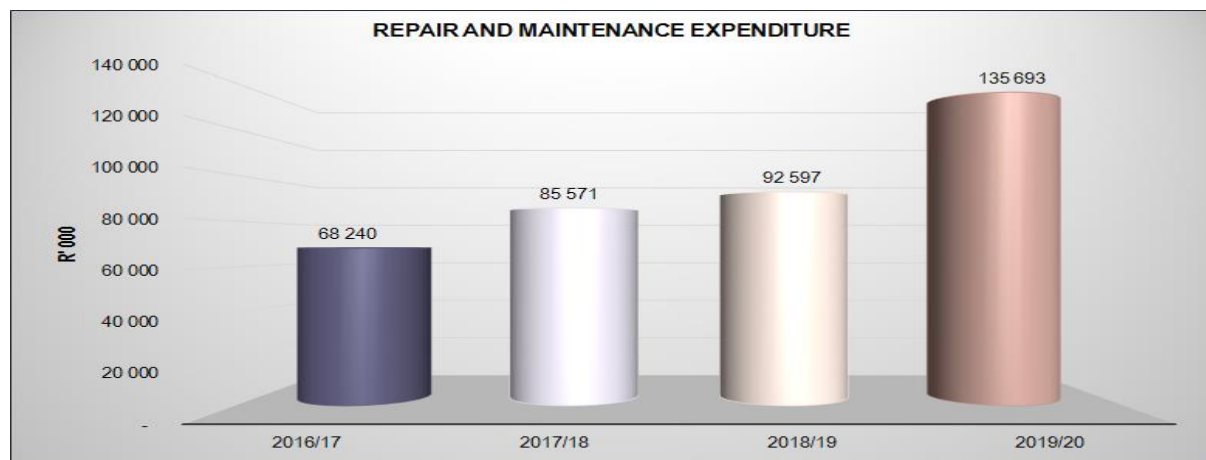
TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2019/20				
Asset 1				
Name	REFURBISHMENT OF KLERKSDORP WASTE WATER PLANT			
Description	Refurbishment of Klerksdorp Waste Water Plant			
Asset Type	Infrastructure			
Key Staff Involved	Sewer section			
Staff Responsibilities	Maintain sewer plant			
Asset Value	2016/17	2017/18	2018/19	2019/20
	-	-	R14 782 609	-
Capital Implications	None			
Future Purpose of Asset	Providing proper service delivery at waste water plant			
Describe Key Issues	Maintain sewer plant			
Policies in Place to Manage Asset	Yes			
Asset 2				
Name	UPGRADING OF SEWER NETWORK KHUMA PROPER NE 21			
Description	Upgrading of Sewer Network Khuma Proper NE 21			
Asset Type	Infrastructure			
Key Staff Involved	Sewer section			
Staff Responsibilities	Maintain sewer lines			
Asset Value	2016/17	2017/18	2018/19	2019/20
	R23 666 770	R6 342 635	R8 821 978	-
Capital Implications	None			
Future Purpose of Asset	Providing proper service delivery at Khuma township			
Describe Key Issues	Maintain sewer lines for proper service delivery			
Policies in Place to Manage Asset	Yes			
Asset 3				
Name	PAVING OF TAXI ROUTES AND STORM-WATER DRAINAGE TIGANE PHASE 9			
Description	Paving of taxi routes and storm-water drainage Tigane Phase 9			
Asset Type	Infrastructure			
Key Staff Involved	Roads section			
Staff Responsibilities	Maintain roads and storm-water			
Asset Value	2016/17	2017/18	2018/19	2019/20
	-	-	-	R13 611 403
Capital Implications	None			
Future Purpose of Asset	Providing roads and storm-water drainage			
Describe Key Issues	Maintain roads and storm-water			
Policies in Place to Manage Asset	Yes			

Chapter 5

COMMENTS ON ASSET MANAGEMENT

The PMU unit manages the roll out and implementation of municipal project mainly funded by CoGTA and other National transferee departments. 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.

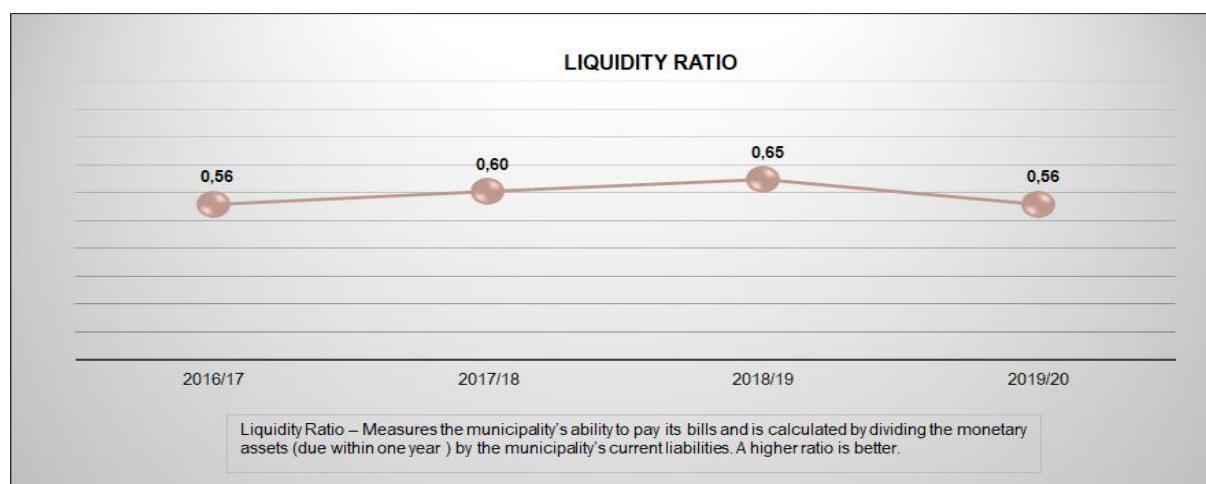
REPAIR AND MAINTENANCE EXPENDITURE: 2019/20				
R' 000				
Description	Original	Adjusted	Actual	Budget variance
Repairs and Maintenance Expenditure	89 157	87 607	135 693	-52%



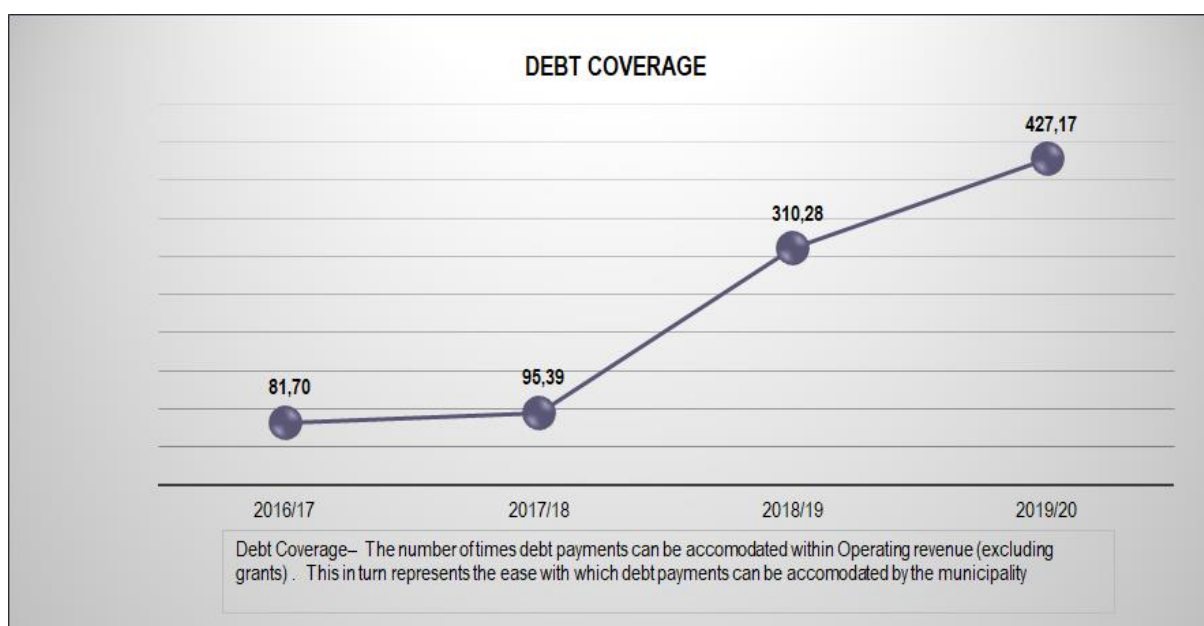
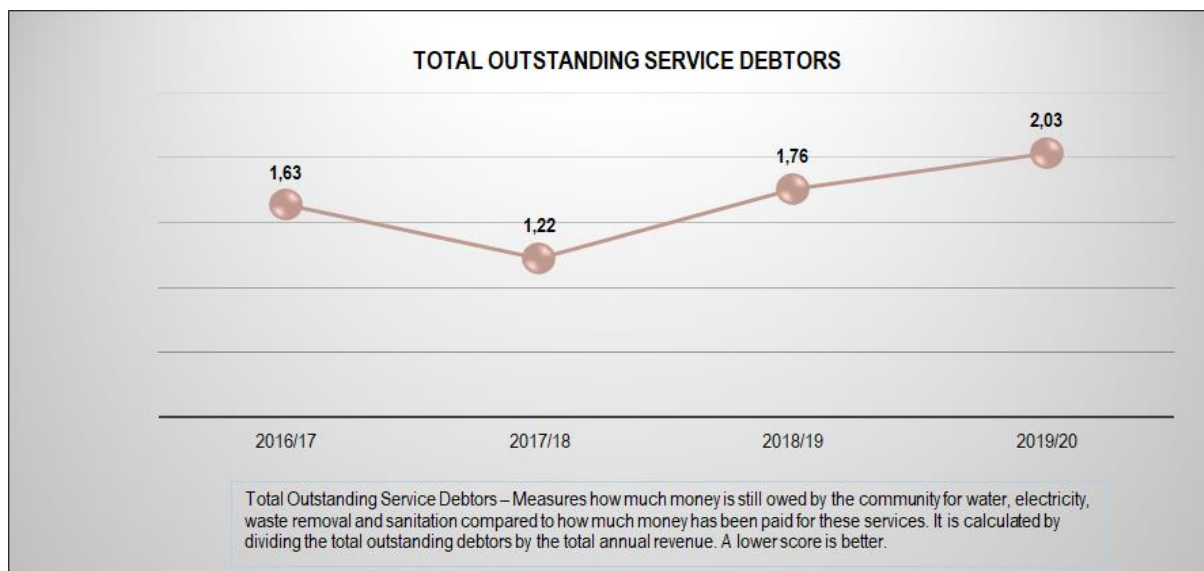
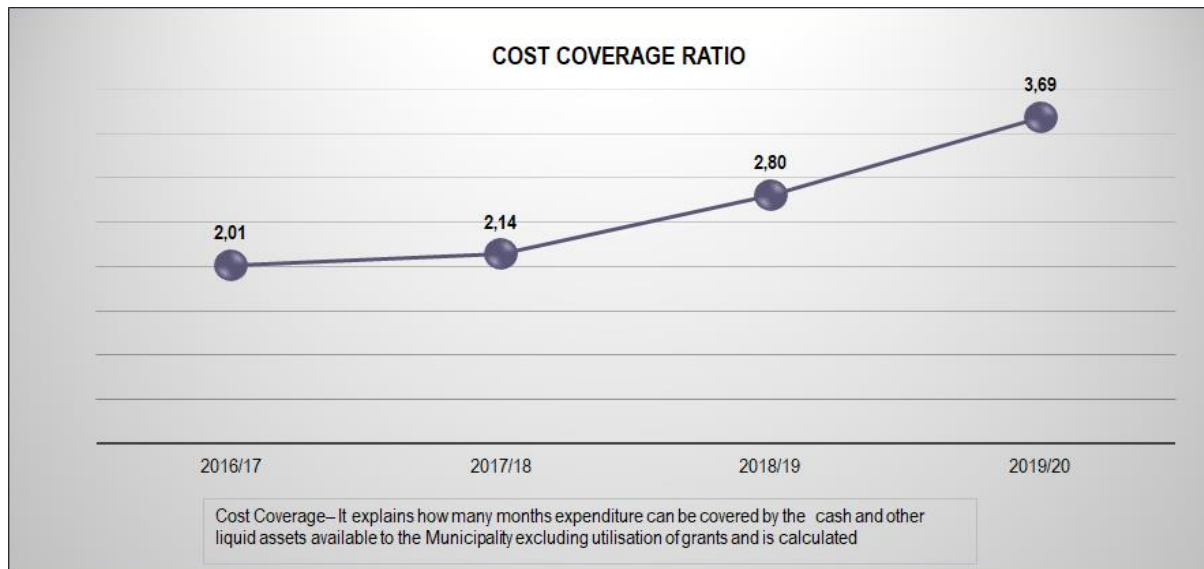
COMMENTS ON REPAIR AND MAINTENANCE EXPENDITURE

Expenditure on repair and maintenance was 3.9% 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.

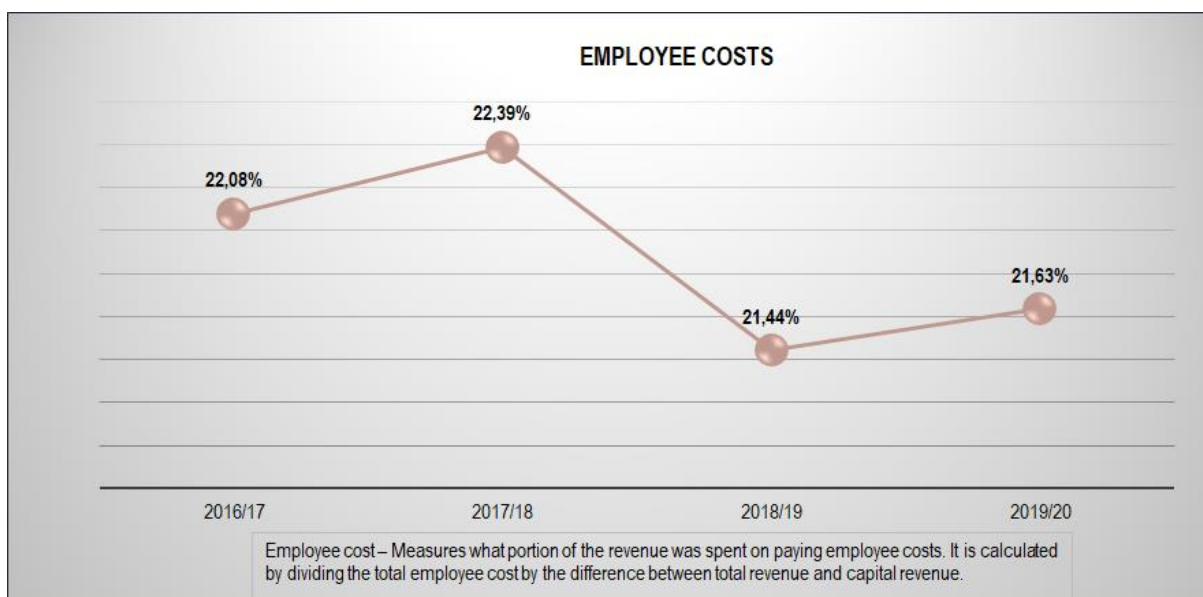
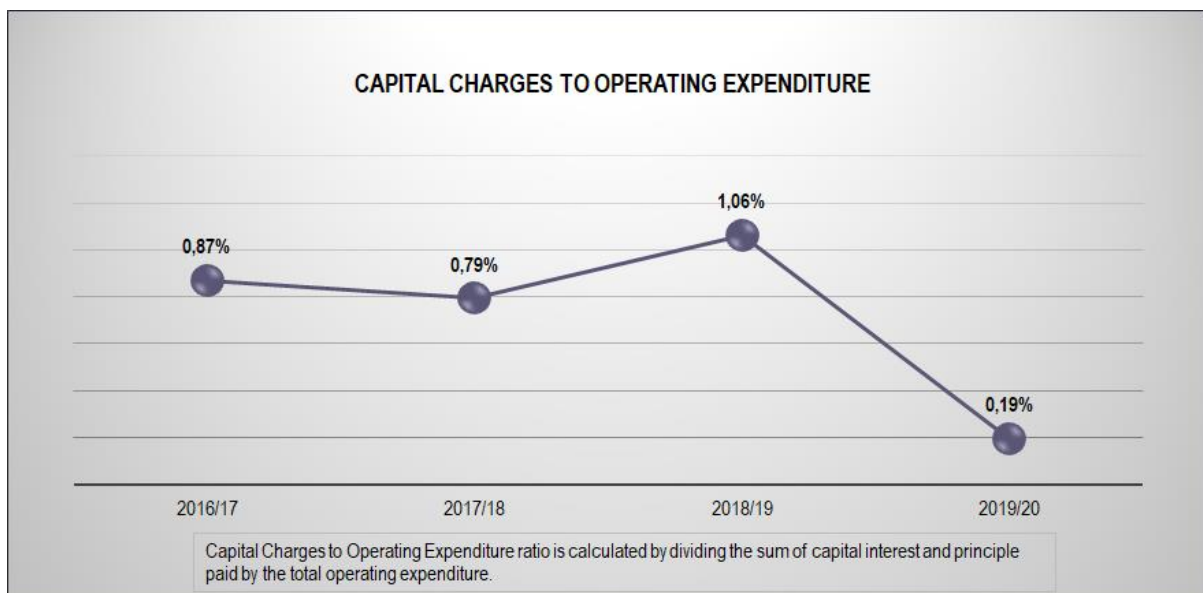
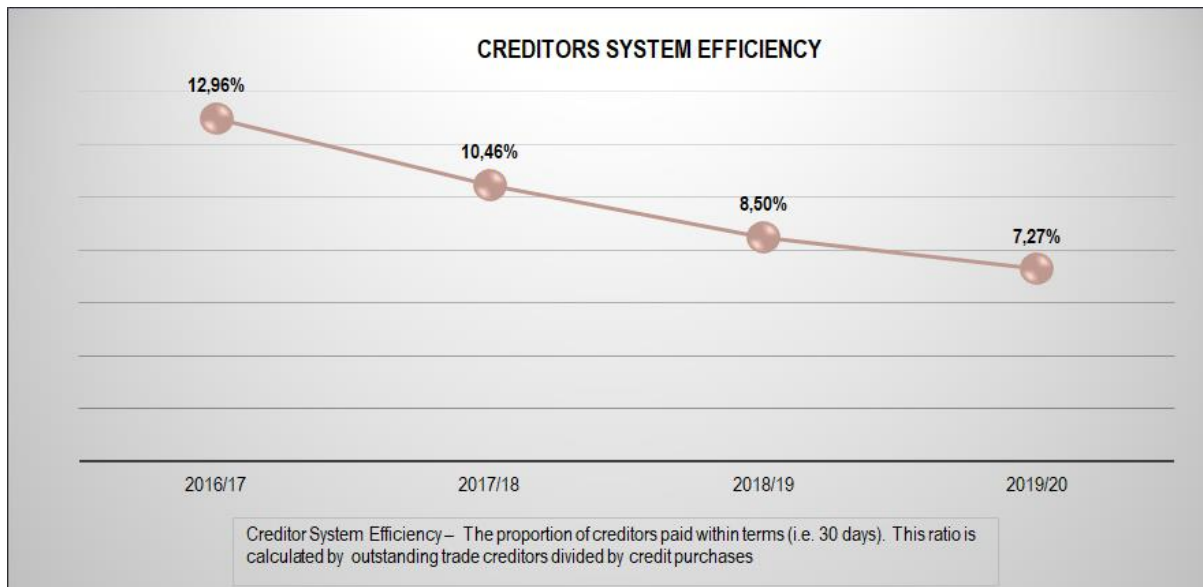
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



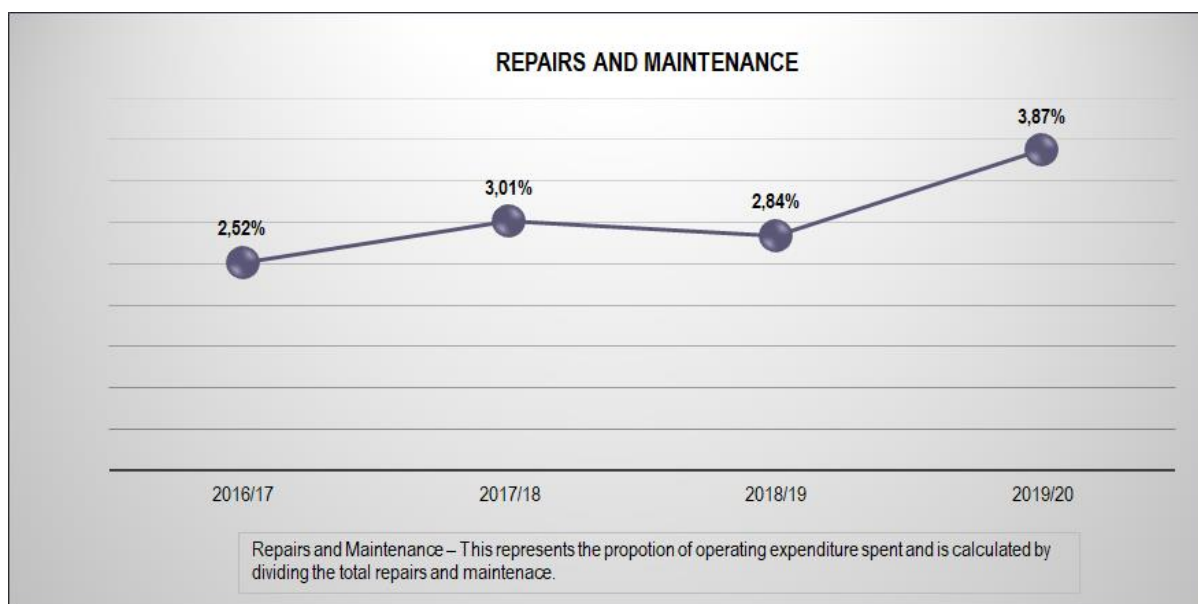
Chapter 5



Chapter 5



Chapter 5



COMMENTS ON THE FINANCIAL RATIO

The liquidity ratio is unfavourable and the lower ratio is mostly reflective of the increase in payables. 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 in this instance 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 the redemption liabilities in the prior year with the result that there is reduction in the amount of loans to be serviced. Only two loans remain of which one will be serviced in the 2020/21 financial year.

The financial performance of the municipality can be measured in the lower creditors' efficiency ratio. 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 reduced substantially in relation to the prior year as a result of redemptions of loans in the prior year.

The ratio of employee cost to revenue is relatively constant and falls in the ranges that are experienced in the local government sector.

Although the ratio of repair and maintenance increased in the current year it 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.

Chapter 5

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.

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 2019/20					
					R'000
R million	Original	Adjustment	Audited	Original Budget variance	Adjusted Budget Variance
Capital expenditure					
Operating expenditure					
Total expenditure					
Water and sanitation	52 379	52 379	47 199	9,9%	9,9%
Electricity	55 267	55 267	30 304	45,2%	45,2%
Housing	–	–	–	–	–
Roads, pavements, bridges and storm-water	23 055	23 055	18 494	19,8%	19,8%
Other	31 748	12 548	13 049	58,9%	-4,0%

COMMENTS ON CAPITAL EXPENDITURE

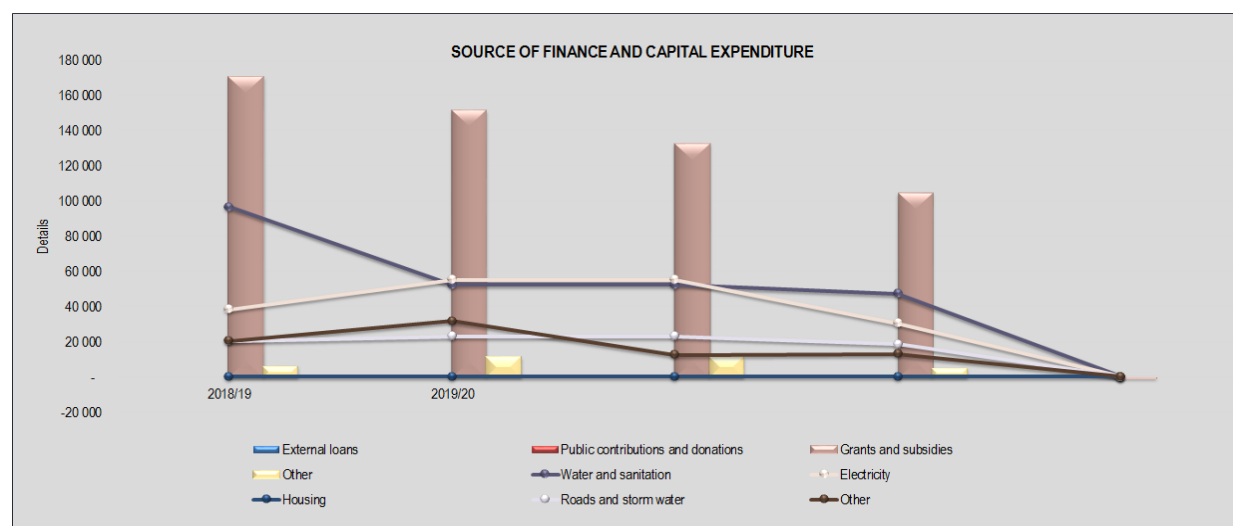
The capital spending is 85 % of the total allocation for the year, the low spending is a result of COVID-19 business interruption.

Municipal spending on all essential services has reported low spending. These is as a result of poor collection rate from areas that Municipality does not provide electricity such as Khuma, Tigane and Kanana, as a result Municipality do not effective credit control instrument to push and encourage customers to pay their services. These phenomenon inept municipality to collect adequate revenue for provision of services. It is for this reason that municipality experience cash flow challenges.

Chapter 5

5.6 SOURCES OF FINANCE

CAPITAL EXPENDITURE - FUNDING SOURCES: 2018/19 TO 2019/20						
R' 000						
Details	2018/19	2019/20				
	Actual	Original (OB)	Adjustment	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans	-	-	-	-	-	-
Public contributions and donations	-	-	-	-	-	-
Grants and subsidies	170 191	151 449	132 249	104 240	-12,68%	-31,17%
Other	5 839	11 000	11 000	4 806	0,00%	-56,31%
Total	176 030	162 449	143 249	109 046	-12,68%	-87,48%
Percentage of finance						
External loans	-	-	-	-	-	-
Grants and subsidies	1	-	-	-	-	-
Other	0	-	-	-	-	-
Capital expenditure						
Water and sanitation	96 639	52 379	52 379	47 199	0,00%	-9,89%
Electricity	38 435	55 267	55 267	30 304	0,00%	-45,17%
Housing	-	-	-	-	-	-
Roads and storm-water	20 530	23 055	23 055	18 494	0,00%	-19,78%
Other	20 426	31 748	12 548	13 049	-60,48%	-58,90%
Total	176 030	162 449	143 249	109 046	-60,48%	-133,74%



COMMENT ON SOURCES OF FUNDING

Capital is mainly funded by the Municipal Infrastructure Grant (MIG) and the Neighbourhood Development Partnership Grant (NDPG). No provision was made for Council's own funded capital is limited. Additional grant allocations were received in the second half of the financial year.

Chapter 5

5.7 CAPITAL SPENDING ON FIVE LARGEST PROJECTS

R' 000					
Name of Project	2019/20			Variance	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A. Midvaal End Point Water Supply Jouberton / Alabama	40 494	-	35 212	0,13	1,00
B. Jouberton / Alabama Precinct Bulk Services	36 425	-15 459	15 441	0,58	1,42
C. Tigane Taxi Routes	15 837	-	13 611	0,14	1,00
D. New Sport Complex Khuma	15 000	-1 696	8 994	0,40	1,11
E. Construction of Jouberton Taxi Rank	10 700	-6 524	3 630	0,66	1,61
<i>Projects with the highest capital expenditure in 2019/20</i>					
Name of Project - A	WATER SUPPLY FROM MIDVAAL END POINT TO JOUBERTON AND ALABAMA (PHASE 1B) (WARDS 4, 5 & 6)				
Objective of Project	To improve and to construct water supply from Midvaal end point to Jouberton and Alabama to increase the water supply capacity to the community				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	To give better service delivery in the Matlosana area				
Name of Project - B	JOUBERTON / ALABAMA PRECINCT DEVELOPMENT BULK SERVICES (ELECTRICAL - CABLE; SANITATION - PUMP-STATION AND WATER - 2M² PRESSURE TOWER) (WARDS 3, 4, 12 AND 37)				
Objective of Project	To provide bulk services for the proposed Jouberton / Alabama precinct development to improve the social and economic environment				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	To improve the social and economic environment of the Jouberton / Alabama community				
Name of Project - C	CONSTRUCTION OF TIGANE TAXI ROUTE (PHASE 9) (WARDS 1 -2)				
Objective of Project	To improve accessibility and mobility and control and direct the flow of storm-water and prevent road erosion in Tigane				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Better service delivery in Tigane				
Name of Project - D	CONSTRUCTION OF A NEW SPORT COMPLEX IN KHUMA EXT 9 (PHASE 1)(WARD 31)				
Objective of Project	To provide recreational facilities for the community				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Recreational facilities for the community of Khuma				

Chapter 5

Name of Project - E	APPOINTMENT OF A CONTRACTOR FOR A TAXI RANKS WITH FACILITIES UP TO THE 2ND LAYER OF THE PLATFORM CONSTRUCTED IN JOUBERTON EXT 19 (WARD 37)
Objective of Project	To improve public access to transport in Jouberton Ext 19 (Ward 37)
Delays	None
Future Challenges	None
Anticipated citizen benefits	Improved public access to transport in Jouberton Ext 19 (Ward 37)

COMMENTS ON CAPITAL PROJECTS

The budget allocation for the development of basic infrastructure services is a constraint as there are increasing demands for new infrastructure due to the growth of the city in comparison to the available allocation.

The emergence of informal settlements dictates that basic services be provided, especially water and sanitation to improve community quality of life and curb the spread of diseases like COVID-19.

In cases where there are contractors appointed, there has been numerous community unrests and disruptions related to the local communities seeking job opportunities and sub-contracting work even where it is not feasible.

Further, challenges relate to the prolonged procurement process to have contractors appointed in order to commence with the work in time. These procurement delays are working against the municipality's efforts to request for the review of the allocation upwards as CoGTA will always raise a red flag on the low grant expenditure by the end of the financial year.

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 municipality.

SERVICE BACKLOGS AS AT 30 JUNE 2020				
Households (Hhs)				
Services	*Service level above minimum standard		**Service level below minimum standard	
	No HHs	% HHs	No HHs	% HHs
Water	176 179	98.5%	2 676	1.5%
Sanitation	170 695	95%	8 160	5%
Electricity	168 442	94%	10 413	6%
Waste management	170 047	95%	8 808	5%
% Hhs are the service above / below minimum standard as a proportion of total Hhs.				

Chapter 5

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. Application for funding for the development of the various master plans is under consideration by the Development Bank of Southern Africa.

MUNICIPAL INFRASTRUCTURE GRANT (MIG)* EXPENDITURE 2019/20 ON SERVICE BACKLOGS					
R' 000					
Details	Budget	Adjusted	Actual	Variance	
				Budget	Adjustment
Infrastructure - Road Transport	22 837	16 821	16 639	-37%	1%
Roads, pavements & bridges	22 837	16 821	16 639	-37%	1%
Infrastructure - Electricity	4 480	23 233	7 195	-38%	223%
High mast lights	4 480	23 233	7 195	-38%	223%
Replace high mast lights in Kanana Phase 1	-	19 970	1 364	-100%	1 364%
Replace high mast lights in Khuma Phase 1	2 560	1 513	3 369	-24%	-55%
Infrastructure - Water	22 394	32 394	42 138	-47%	-23%
Installation communal stands pipes		5 000		0%	0%
Water Supply Midvaal Jouberton & Alabama	22 394	22 394	40 492	-45%	-45%
Pressure reducing valves	-	5 000	-	0%	0%
Alabama Bulk Water phase 3			1 646		-100%
Infrastructure - Sanitation	3 794	1 192	1 192	218%	0%
Upgrade mechanical and electrical equipment at Kanana pump-station phase 1	2 319	523	523	343%	0%
Upgrade sewer network in Kanana extension 11	1 475	669	669	0%	0%
Infrastructure - Other	4 374	4 374	4 374	0%	0%
PMU	4 374	4 374	4 374	0%	0%
Infrastructure - Cleansing	3 000	-	-	0%	0%
Opening new solid waste cell between Klerksdorp and Stilfontein	3 000	-	-	0%	0%
Other Specify: Sport	15 000	6 144	11 283	33%	-46%
New sport complex in Khuma extension 9 (Phase 1)	15 000	6 144	11 283	33%	-46%
Other Specify: Local Economic Development	11 610	3 330	3 322	249%	0%
Extension of the Fresh Produce Market	11 610	3 330	3 322	249%	0%
Total	87 489	87 488	86 143	2%	2%

*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.

Chapter 5

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 for the quicker strengthening of bulk services to support development

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.

5.9 CASH FLOW

Cash Flow Outcomes				
				R'000
Description	2018/19	2019/20		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	1 081 672	1 695 771	1 636 555	1 398 973
Government - operating	468 632	442 778	443 791	376 056
Government - capital	170 191	147 075	127 875	135 249
Interest	305 480	14 225	131 425	57 231
Dividends	76 999	–	–	–
Payments				
Suppliers and employees	(1 670 265)	2 112 452	(2 405 393)	(1 778 392)
Finance charges	(72 736)	(6 323)	(3 386)	(79 009)
Transfers and Grants	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	359 973	181 075	(69 133)	110 108
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Decrease (Increase) in non-current debtors	–	–	–	(19 504)
Decrease (increase) other non-current receivables	–	–	–	–
Decrease (increase) in non-current investments	(2 509)		(1 000)	24 394
Payments				
Capital assets	(225 917)	(220 390)	(170 175)	(88 299)

Chapter 5

NET CASH FROM/(USED) INVESTING ACTIVITIES	(228 426)	(220 390)	(171 175)	(83 299)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–	–	–	–
Borrowing long term/refinancing	–	30 000	–	–
Increase (decrease) in consumer deposits	3 404	3 000	2 000	3 288
Payments				
Repayment of borrowing/NT Liabilities	17 965	16 000	(15 000)	(18 540)
NET CASH FROM/(USED) FINANCING ACTIVITIES	21 369	49 000	(13 000)	(15 252)
NET INCREASE/ (DECREASE) IN CASH HELD	152 916	9 685	(253 308)	11 557
Cash/cash equivalents at the year-begin:	136 106	110 000	289 021	289 021
Cash/cash equivalents at the year-end:	289 021	119 685	35 714	300 578

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. Due to the impact of COVID-19 the collection had dropped to an all-time low during the level 5 hard lockdown. The available cash is actively managed on a daily basis to ensure that the necessary basic services delivery objectives are achieved.

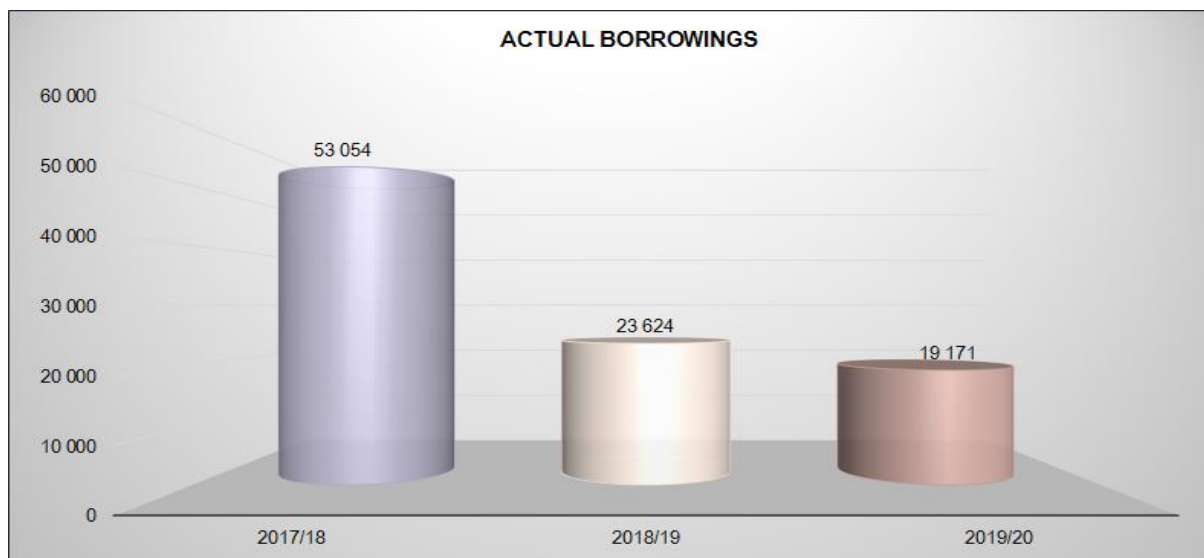
5.10 BORROWING AND INVESTMENTS

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: 2017/18 TO 2019/20			
	R' 000		
Instrument	2017/18	2018/19	2019/20
<u>Municipality</u>			
Long-Term Loans (annuity/reducing balance)	53 054	23 624	19 171
MUNICIPALITY TOTAL	53 054	23 624	19 171

Chapter 5



MUNICIPAL INVESTMENTS			
			R' 000
Investment type	2017/18	2018/19	2018/19
	Actual	Actual	Actual
Deposits – Bank	83 094	312 403	290 992
Guaranteed Endowment Policies (sinking)	8 780	9 675	10 281
TOTAL	91 874	322 078	301 273

COMMENTS ON BORROWING AND INVESTMENTS

Municipal annual deposits has decreased from R312 million to R290 million. This is as a result of business closure during COVID-19 hard lock down.

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.

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

Council does not have any Public Private Partnerships.

Chapter 5

COMPONENT D: OTHER FINANCIAL MATTERS

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.

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 – AUDITOR-GENERAL’S AUDIT FINDINGS

INTRODUCTION

The audited 2019/20 Annual Report, including the Annual Financial Statements and Annual Performance Report was submitted to the Auditor-General on 24 May 2021 for auditing.

COMPONENT A: AUDITOR-GENERAL’S OPINION OF FINANCIAL STATEMENTS 2018/19

6.1 AUDITOR-GENERAL REPORT 2018/19

AUDITOR-GENERAL’S OPINION ON FINANCIAL PERFORMANCE - 2018/19

Qualified opinion – Financial Performance

“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).”

Qualified opinion - Predetermined objectives

“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.”

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.

Chapter 6

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.

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:

Chapter 6

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

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 2019/20 financial year with the continued support of all staff.

COMPONENT B: AUDITOR-GENERAL'S OPINION 2019/20

6.2 AUDITOR-GENERAL'S REPORT 2019/20



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 354 to 422, which comprise the statement of financial position as at 30 June 2020, 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 effects of the matters 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 2020, 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, 2019 (Act No. 16 of 2019) (DoRA).

Basis for qualified opinion

Payables from exchange transactions

3. I was unable to obtain sufficient appropriate audit evidence for trade payables included in payables from exchange transactions as there were unexplained differences between the creditor listing and the financial statements. I was unable to confirm these trade payables by alternative means. Consequently, I was unable to determine whether any adjustment to trade payables of R1 234 795 571 (2019: R833 462 653) included in payables from exchange transactions as presented in the statement of financial position and disclosed in note 17 to the financial statements was necessary.
4. I was unable to obtain sufficient appropriate audit evidence for the payable to the North West Department of Local Government and Human Settlements included in payables from exchange transactions.



Chapter 6

The municipality entered into multiple agreements and contracts with the developer and funders for the construction of housing projects, related bulk infrastructure and internal municipal services on the land owned and availed by the municipality which commenced in prior years. However, there was no audit evidence to support the disclosed payables. Furthermore, the municipality was also unable to demonstrate that the revenue and assets under construction was correctly accounted for in line with the GRAP Guideline on accounting for arrangements undertaken in terms of the national housing programme, which clarifies the accounting treatment principles in the context of such housing arrangement transactions. I was unable to confirm these payables, revenue or assets under construction by alternative means. Consequently, I was unable to determine whether any adjustments relating to the North West Department of Local Government and Human Settlements payable of R229 587 797 (2019: R179 355 037) included in payables for exchange transaction as disclosed in note 17 or the related infrastructure assets of R3 849 735 740 (2019: R4 097 004 718) included in property, plant and equipment as disclosed in note 3 and revenue from non-exchange transactions of R917 326 704 (2019: R1 003 736 840) as presented in the statement of financial performance were necessary.

Employee related costs

5. The municipality did not correctly classify movements in provisions for the current and prior year in the statement of financial performance. Items relating to finance costs and actuarial gains were erroneously recognised as employee related costs and not disclosed as separate line items as required by GRAP 25, *Employee Benefits*. Consequently, employee related costs was understated by R21 534 639 (2019: R24 293 140), finance costs was understated by R31 101 885 (2019: R36 682 918), actuarial gains was understated by R51 574 254 (2019: R12 389 778) and refuse included in general expenses as disclosed in note 32 to the financial statements was overstated by R1 062 000 (2019: R7 143 519).

Irregular expenditure

6. Section 125(2)(d)(i) of the MFMA requires the disclosure of irregular expenditure incurred. The municipality made payments during the current year in contravention with the supply chain management regulations which were not included in irregular expenditure disclosed. As the municipality did not quantify the full extent of the irregular expenditure, it was impracticable to determine the resultant understatement of irregular expenditure of R3 176 312 530 as disclosed in note 46 to the financial statements.

Context for the opinion

7. 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.
8. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other 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 code.
9. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.



Chapter 6

Material uncertainty relating to going concern

10. I draw attention to the matter below. My opinion is not modified in respect of this matter.
11. The statement of financial performance indicates that the municipality incurred a net loss of R541 090 587 during the year ended 30 June 2020 and, as of that date, the municipality's current liabilities exceeded its current assets by R798 190 064. These conditions, along with other matters as set forth in note 42, 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

12. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Material losses and impairments

13. 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 955 146 925 (2019: R3 232 827 255) which represents 87% (2019: 87%) of total consumer debtors. In addition, as disclosed in note 29 to the financial statements, contributions of R833 961 091 (2019: R721 875 992) to the debt impairment provision were incurred as a result of significant impairment of debtors.
14. As disclosed in note 30 to the financial statements, the municipality incurred distribution losses on electricity and water in excess of the norms of 29% (2019: 26%) and 35% (2019: 41%) respectively.

Unauthorised and fruitless and wasteful expenditure

15. As disclosed in note 44 to the financial statements, unauthorised expenditure of R481 430 091 was incurred in the current year and unauthorised expenditure of R2 046 897 086 in respect of prior years have not yet been dealt with in accordance with section 32 of the MFMA.
16. As disclosed in note 45 to the financial statements, fruitless and wasteful expenditure of R65 584 827 was incurred in the current year and fruitless and wasteful expenditure of R272 673 138 from prior years have not yet been dealt with in accordance with section 32 of the MFMA.

Restatement of corresponding figures

17. As disclosed in notes 39 and 40 to the financial statements, the corresponding figures for 30 June 2019 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2020.

Material underspending of the budget

18. As disclosed in the statement of comparison of budget and actual amounts the municipality underspent on capital expenditure by R57 477 799 due to the lock down which affected the implementation of certain capital projects. As a consequence, the municipality was unable to adequately fulfil its mandate regarding service delivery.



Chapter 6

Other matters

19. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited disclosure notes

20. 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

21. The supplementary information set out on page 423 does not form part of the separate financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

22. 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.

23. 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.

Auditor-General's responsibilities for the audit of the financial statements

24. My objective is 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.

25. 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

26. 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 (KPA) presented in the annual performance report.



Chapter 6

I performed procedures to identify findings but not to gather evidence to express assurance.

27. 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.
28. 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 2020:

Key performance area	Pages in the annual performance report
KPA 1 – Basic service delivery and infrastructure development	157 - 170; 181; 209; 218; 228 and 230

29. 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.
30. 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

31. I draw attention to the matters below.

Achievement of planned targets

32. Refer to the annual performance report on pages 157 to 234 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets.

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



Chapter 6

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:

Financial statements

36. The financial statements were not submitted to the Auditor-General, for auditing, within four months after the end of the financial year, as required by section 126(1)(a) and the exemption notice 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 disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements and 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 of R481 430 091, as disclosed in note 44 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, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by the municipality not following the correct competitive bidding process, expired contracts and the bid adjudication committee not being properly constituted.
41. Reasonable steps were not taken to prevent fruitless and wasteful expenditure of R65 584 827, as disclosed in note 45 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 as a result of cash flow constraints.

Procurement and contract management

42. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(1)(a) and (c).



Chapter 6

43. Some of the goods and services of 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). Similar non-compliance was also reported in the prior year.
44. 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). Similar non-compliance was also reported in the prior year.
45. Some of the construction contracts were awarded to contractors that were not registered with the CIDB and/or did not qualify for the contract in accordance with section 18(1) of the CIDB Act and CIDB regulations 17 and 25(7A).
46. Some of the contracts were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of Preferential Procurement Policy Framework Act and Preferential Procurement Regulations.
47. Some of the bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2).
48. Persons in the service of the municipality who had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of SCM regulation 46(2)(e).
49. Persons in service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of SCM regulation 46(2)(e).

Assets management

50. Capital assets were disposed of without the municipal council having, in a meeting open to the public, decided on whether the assets were still needed to provide the minimum level of basic municipal services or considered the fair market value of the assets and the economic and community value to be received in exchange for the assets, as required by section 14(2)(a) and 14(2)(b) of the MFMA.

Revenue management

51. An effective system of internal control for all debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.

Consequence management

52. 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.



Chapter 6

Other information

53. 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.
54. 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.
55. 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.
56. 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

57. 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 basis for qualified opinion 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.



Chapter 6

Material irregularities

58. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit.

Material irregularities in progress

59. I identified material irregularities during the audit and notified the accounting officer thereof as required by Material Irregularity regulation 3(2). By the date of this auditor's report, I had not yet completed the process of evaluating the responses from the accounting officer. These material irregularities will be included in the next year's auditor's report.

Other reports

60. 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

61. The South African Police Service is conducting several investigations into the awarding of tenders by the municipality, prompted by the accounting officer. These investigations were still on-going at the date of this report.
62. The South African Police Service is conducting an investigation into alleged irregularities at the fresh produce market, prompted by the accounting officer. The investigation was still on-going at the date of this report.
63. 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 at the date of this report, it has not been tabled in the council or referred for further action by the accounting officer.

Auditor General

Rustenburg

30 April 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



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 - 2019/20

Due to financial and management constraints as well as lack of adequate personnel to deal with voluminous work load and technical skilled officials in finance and other department. Municipality has obtained qualified audit opinion for the second year in succession.

Three audit paragraphs were raised that led to a qualified audit opinion. The first one relates to payables from exchange transactions this was as a result of inability to obtain sufficient audit evidence for payables included in payables from exchange transactions as there were unexplained difference between the creditors listing and financial statement.

The second matter was employees related cost that did not correctly classified movements in the provision for the current and prior year in the statement of financial performance. This was also exacerbated by erroneous recognition of finance costs and actuarial gains which were erroneously recognised as employee related costs and not disclosed as separate line items as required by GRAP 25, employee benefits.

The last matter is irregular expenditure which relate to municipality incurred expenditure during the year under review without following supply chain management process. This is also worsening by municipality failure to full disclosed what the expenditure was to which extent and it was impracticable to determine the resulted in understatement of irregular expenditure of R3 176 312 530 as disclosed in note 46 to the financial statements.

It worth mentioning that is municipality has obtained unqualified audit opinion on performance management, which was an improvement from qualification in 2018/19 financial year.

CITY OF MATLOSANA: POST AUDIT ACTION PLAN (PAAP) 2019/20			
PERIOD : 30 JUNE 2020			
No	Finding number	Heading of finding	Managements proposed solution
1	12	[4]Iss12 - High level review of the AFS	The AFS review process should be done timeously.
2	61	[21]Iss61 - SCM- No evidence that the deviation was reported to Council	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
3	125	[PA]Iss125: Water supply Midvaal to Alabama - Delays experienced during the project	Appointment was done timeously and the delays was mainly on agreeing with terms of the SLA for the extended scope of work which took long. The parties had to first agree on the conditions applicable to the extended appointment. There were negotiations and valuation of work to be done and agreed upon by parties. The SLA was amended accordingly after all parties had agreed on their terms. Most cases of disruption of projects by community has to do with employment and subcontracting hence the development of PMU controls and submission to council for approval. There is clear communication between municipality, consultant and contractor. However, there is a need for the municipality to provide a budget for the funding of social facilitation in terms of addressing community related issues before the commencement of the project and during implementation. Request for funding submitted. The appointment of the Social Facilitator has been proposed as the solution to address community disruptions and unrests including emphasis on all parties to adhere to the implementation of PMU controls.

Chapter 6

4	126	[PA]Iss126: Water supply Midvaal to Alabama - Payments to the contractor not made within 30 days	Invoices are normally paid within the prescribed period of 30 days. The municipality generally sensitises contractors about conditions applicable to the unspent grants which requires a process to be rolled over to the next financial year. The municipality received the COVID-19 funding and allocated the funds to address the shortfall on the project as it is water related and contribute towards curbing of the spread of COVID-19. In future contractors will only be appointed on available grant funds and there should not be any commitment of counter funding on any project unless reserves are available.
5	127	[PA]Iss127: Water supply Midvaal to Alabama - Possible escalation in project costs for the remaining scope of work	The project was planned to be implemented in phases due to its total cost of approximately R212 million versus the municipal MIG allocation of R85 million, which also has to be distributed to other projects. This was to allow for the municipality to allocate funding in multiple years as the annual allocation is limited. The Contract make a provision for the cost escalation as the material cost escalate with time. The escalation was evaluated in line with the applicable indices for the pipe material and agreed with the contractor. All future major projects should be implemented once off to avoid escalations between phases and appointments of contractors should be within the available budget.
6	152	[27]Iss152 - Reasons not given for variance amounts above R 5 000 000	Management will ensure that the assets are reviewed timeously
7	119	[21]Iss.119 - Other financial liabilities	The AFS review process should be done timeously.
8	124	[22]Iss124 - Cash and Cash equivalent- Insufficient evidence provided for Reconciling items	Management will ensure that documents will be filed properly to make the available for audit
9	158	[27]Iss158 - Cash Flow Statement Misstatements	The note was adjusted. The AFS review process should be done timeously.
10	151	[27]Iss151 - Capital Commitment: Overstatement of commitment	All Capital commitments from July 2021, will be prepared monthly and submitted to the office of the CFO for confirmation. The capital commitments for 2020/21 will be ready by 30 June 2021
11	160	[27]Iss160 - Commitments Operating lease incorrectly valued	Management should ensure that reconciliations are done and reviewed on a regular basis.
12	113	[20]Iss113 - Contingent liabilities incorrectly disclosed.	Monthly Contingencies report will disclose assets, liabilities and projected legal costs. Attorneys files including summons and legal costs report will be duplicated and updated to reflect same information as attorneys.
13	117	[20]Iss117 - Contingent assets incorrectly disclosed	Monthly Contingencies report will disclose assets, liabilities and projected legal costs. Attorneys files including summons and legal costs report will be duplicated and updated to reflect same information as attorneys.
14	120	[20]Iss120 - Contingencies not completely disclosed	Monthly Contingencies report will disclose assets, liabilities and projected legal costs. Attorneys files including summons and legal costs report will be duplicated and updated to reflect same information as attorneys.
15	52	[13]Iss52 - Incorrect disclosures and classification of movement in Provisions	Reconciliation of leave balances will be sped up to ensure implementation of internal controls in place
16	64	[15]Iss64 - Employee cost - leave internal control deficiency	Reconciliation of leave balances will be sped up to ensure implementation of internal controls in place
17	99	[15]Iss99 - Overtime policy not followed	Filling of vacancies to be sped up. Overtime workshop conducted to educate staff about overtime.

Chapter 6

18	106	[20]Iss106 - Difference in Pay day and Venus system reconciliation	The AFS review process should be done timeously.
19	165	[28]Iss165 - Note 24 for Employee Cost not correctly disclosed	The AFS review process should be done timeously.
20	13	[IT]Iss13 - Lack of Information Communication Technology (ICT) Strategic Plan	SITA will conclude the process of developing ICT strategic plan and strategic documents. SITA had started the process but had to put the process in abeyance due to COVID. A risk assessment will be concluded on the developed plan to ensure that the plan objectives are achieved.
21	14	[IT]Iss14 - Lack of Information Communication Technology (ICT) Governance Structures	SITA will conclude the process of developing ICT strategic plan and strategic documents. SITA had started the process but had to put the process in abeyance due to COVID-19. A risk assessment will be concluded on the developed plan to ensure that the plan objectives are achieved.
22	21	[IT]Iss21 - Monitoring of Fresh Market, PayDay and BCX service level performance not performed	The Chief Financial Officer will ensure that the municipality process owners responsible for Fresh Market, PayDay and BCX relating to Service Level Agreements monitors and meet with the service providers to discuss the service level performance as per signed service level agreements.
23	22	[IT]Iss22 - Insufficient ICT risk assessment process	SITA will conclude the process of developing ICT strategic plan and strategic documents. SITA had started the process but had to put the process in abeyance due to COVID-19. A risk assessment will be concluded on the developed plan to ensure that the plan objectives are achieved.
24	23	[IT]Iss23 - ICT Personnel skills and development plans not implemented	1. Management consist of the following Sections or Directorate (Chief Financial Officer, Skills and Development Director and ICT manager) will ensure that training of IT staff is prioritised in the next financial year 2021/2022. 2. Management will also prioritise appointment of ITC Manager to spearhead all training development and strategic leadership of the unit.
25	26	[IT]Iss26 - Inadequately documented User Access Management Policy	Management will review all policies
26	27	[IT]Iss27 - Insufficient system generated reports (eVenus, PayDay and Freshmark)	Management will review all internal control requirement and get advice from system developers
27	28	[IT]Iss28 - Lack of review of eVenus user access rights	Management should review the user access rights on a bi-annual basis. Controls to verify to be researched.
28	30	[IT]Iss30 - Lack of review of PayDay user access rights and administrator activities	Management will ensure that system should have 2 reports to enable administrator and line manager to review access rights at any given time.
29	32	[IT]Iss32 - Lack of review of Freshmark user access rights and administrator activities	New management team will ensure that a proper review of all internal control processes is done and implemented
30	36	[IT]Iss36 - Inadequate backup management processes – Freshmark	Management to implement data management policies
31	39	[IT]Iss39 - Lack of a Disaster Recovery Plan (DRP)	Management is in the process of developing the DMP and shall be completed before the end of July 2021
32	69	[IT]Iss69 - Incomprehensive ICT Security Policy	Management will review the ICT security policy
33	70	[IT]Iss70 - Inadequate Patch Management Process	Management will evaluate the cost/benefit of creating a test environment for implementation

Chapter 6

34	71	[IT]Iss71 - Inadequate Password Policy Configuration Settings	Management will ensure that the ICT policies are implemented
35	72	[IT]Iss72 - Access and log violations – PayDay and Freshmark	System administrators for PayDay and Freshmark systems should ensure that access and logon violation activities are set on the system and are reviewed on a periodic basis.
36	73	[IT]Iss73 - Lack of a documented process to govern the inventory of sensitive information	The municipality have an “access to information manual” and a “records management policy”. Management commit to workshop both documents during this financial year.
37	74	[IT]Iss74 - Inadequate Firewall Management Processes	Management will review the ICT security policy
38	75	[IT]Lack of a formal ICT change management policy or procedures	Managements draft policy still to workshopped
39	170	[IT]Iss170 - Outdated IT Policies and Procedures	At minimum IT management should annually review the policies and procedures to ensure that they are aligned with current technology utilised by the municipality.
40	1	[1]Iss1 - Policies not updated/reviewed	Reviewed policies will be presented and adopted annually with new legislative changes incorporated.
41	2	[1]Iss2 - Internal Audit - No external quality assurance assessment conducted	Request assistance from SALGA in performing State of Readiness or request budget in 2023 financial year for external quality assessment
42	3	[1]Iss3 - Internal Audit: Information Communication Technology and Loss control not audited by Internal control for period	1.1 Proposed structure accommodating IT Auditor should be approved. 1.2. Current Internal Auditors will attend IT audit trainings in order to equip themselves with necessary skill. 1.3. Continuously perform general control audits until Auditors have acquired necessary skills or proposed structure approved. 2 Loss control Audit will be audited annually as from 2022 financial year.
43	6	[2]Iss6 - SCM Policy non-compliant with SCM regulations	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
44	9	[5]Iss9 - Internal control deficiency - No accounting policy in the AFS	Management should review the AFS timeously.
45	18	[5]Iss18 - Internal control deficiency - policies do not exist	Management should ensure that a policy is available and applied.
46	24	[9]Iss24 - Internal control deficiency - No succession planning policy in place	Succession Plan to be developed and approved
47	25	[9]Iss25 - IA not completed as per plan	Audit Plan will be reviewed if Internal Audit anticipate any delay and submit for input by management and approval by Audit Committee
48	66	[13]Iss66 - Debt impairment Methodology used to impair debtors not approved by the Council.	Management should review the suitability of the debt impairment policy and adjust if necessary.
49	130	[28]Iss.130 - Service charges: Internal control deficiency	Management will insure that proper internal controls are strengthened and implemented on a monthly basis. Checked and verified during month end processes
50	111	[21]Iss111 - Prior year uncorrected misstatements	The AFS review process should be done timeously.
51	90	[15]Iss.90 - Fruitless and wasteful expenditure	The AFS review process should be done timeously.

Chapter 6

52	96	[15]Iss.96 - Unauthorised expenditure calculation	Management will ensure that the B Schedule agrees to the financial system
53	4	[1]Iss4 - Non-compliance - Late submission of AFS and APR	Management will complete and execute an audit readiness plan
55	17	[5]Iss17 - Payments not made within 30 days	Once the revenue enhancement strategy is fully implemented the 30-day payment problem will be automatically addressed. Cash flow management meeting also help to address the same scenario.
56	34	[9]Iss34 - Investigation of unauthorised and fruitless and wasteful expenditure	Management completed the investigation for FW Exp. Currently investigating unauthorised and the process to be completed end of August 2021
57	49	[9]Iss49 - Non-compliance- UIFW Expenditure	SCM is being capacitated through new staff establishment and training with national and provincial treasury
58	62	[13]Iss62 - Non-Compliance - Payment not made within 30 days	Once the revenue enhancement strategy is fully implemented the 30-day payment problem will be automatically addressed. Cash flow management meeting also help to address the same scenario.
59	118	[20]Iss118 - There is a difference between the AFS and G/L amount for Additional Disclosure of MFMA	The AFS review process should be done timeously.
60	68	[24]Iss68 - Understatement of Irregular Expenditure	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
61	131	[35]Iss131 - Completeness of irregular expenditure	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
62	16	[5]Iss16 - Heritage assets - insufficient disclosure	The AFS review process should be done timeously.
63	45	[9]Iss45 - Impairment - incorrect classification	The AFS review process should be done timeously.
64	55	[13]Iss55 - Heritage assets understatement	The AFS review process should be done timeously.
65	168	[32]Iss168 - PPE - Additions Non-compliance payments not made within 30 days	Once the revenue enhancement strategy is fully implemented the 30-day payment problem will be automatically addressed. Cash flow management meeting also help to address the same scenario.
66	186	[37]Iss.186 - Non-Compliance - Asset management	Management will implement controls to ensure the timely reporting of assets damaged and or stolen.
67	132	[24]Iss132 - WIP - limitation of scope and overstatement for stagnant projects	Management will review all WIP on a regular basis to identify possible reportable issues
68	133	[24]Iss133 - WIP - Opening balance differences	All Council Items for Land Disposal shall be accompanied by the most recent valuation for the land to be disposed. The Item will be crafted in Compliance with Section 14 of the MFMA. Thereafter, all Deed of Sales and valuation reports will be submitted to Asset Management at BTO Directorate.
69	134	[24]Iss134 - PPE disposals - Limitation of scope	All Council Items for Land Disposal shall be accompanied by the most recent valuation. The Item will be crafted in Compliance with Section 14 of the MFMA. Asset Management Unit at BTO must then ensure that GRAP 1 & 9 is complied with.
70	138	[24]Iss138 - PPE disposals non-compliance	The AFS review process should be done timeously.

Chapter 6

71	167	[31]Iss167 - PPE Additions - VAT incorrectly included in the cost price for additions	The AFS review process should be done timeously.
72	43	[9]Iss43 - Intangible assets – accuracy	The AFS review process should be done timeously.
73	108	[27]Iss108 - inventory not adequately insured	Management will ensure that controls are in place that all assets are properly ensured.
74	41	[9]Iss41 - Investment property - cost price for additions not accurate	The AFS review process should be done timeously.
75	112	[20]Iss112 - Differences in disposal of Investment property and loss on disposal	Deed of Sales in relation to properties disposed, shall be drafted for each property to be disposed from the FAR. Deed of Sales will not be drafted to cover multiple properties, to prevent errors in the transfer and registration processes at the Deed Registry. Council Items for Disposal of Land shall include the provisions to immediately remove the properties from PPE To Inventory, to prevent material misstatements and losses in the AFS.
76	42	[9]Iss42 - Heritage assets - internal control deficiency	Management will review the controls on the recording of assets and the timeous review thereof.
77	86	[15]Iss86 - Other PPE - Change in estimate due to useful lives not disclosed.	The AFS review process should be done timeously.
78	116	[20]ISS 116 - Overstatement of the balance of Nature reserve wild stock	Management disagrees with the finding and will engage AG
79	54	[13]Iss54 - Bulk Purchases - Midvaal and Eskom	Management will strengthen the internal control and monitoring system. Ensuring daily capturing of document received to enable info remain in financial system.
80	84	[15]Iss84 - Incorrect Classification of Expenditure - (Contracted services)	The AFS review process should be done timeously.
81	85	[15]Iss85 - Cut - off issue – (General expenditures and contracted services)	Management will strengthen the internal control and monitoring system. Ensuring daily capturing of document received to enable info remain in financial system.
82	87	[15]Iss87 - Non-compliance - Payments not made within the 30 days (Contracted services, General expenditure and lease payments on rental)	Once the revenue enhancement strategy is fully implemented the 30-day payment problem will be automatically addressed. Cash flow management meeting also help to address the same scenario.
83	88	[15]Iss88 - Difference between Invoice amount and General ledger (General Expenditures and Contracted Services)	The creditors accounts must be reconciled on a regular basis
84	107	[16]Iss107 - Classification issue - Contracted services	Management will strengthen the internal control and monitoring system. Ensuring daily capturing of document received to enable info remain in financial system.
85	114	[20]Iss114 - Eskom small accounts - Cut off & Non-compliance issue	Management will strengthen the internal control and monitoring system. Ensuring daily capturing of document received to enable info remain in financial system.
86	121	[22]Iss121- Conditional grants: Expenditure not paid within 30-days	Management will strengthen the internal control and monitoring system. Ensuring daily capturing of document received to enable info remain in financial system.

Chapter 6

87	161	[27]Iss161 - Noncompliance and accuracy issue - Wet fuel	Management will strengthen the internal control and monitoring system. Ensuring daily capturing of document received to enable info remain in financial system.
88	56	[13]Iss56 - Invalid prior period error on payables	The AFS review process should be done timeously.
89	57	[13]Iss57 - Payables - prior period error disclosure differences	The AFS review process should be done timeously.
90	78	[13]Iss78 - Overstatement of Housing Project Payable	BTO must undertake accurate reconciliation and passing of journals.
91	89	[15]Iss89 - Payables - uncashed cheques internal control deficiency and non-compliance (payment not made within 30 days)	Management will strengthen the internal control and monitoring system. Ensuring daily capturing of document received to enable info remain in financial system.
92	91	[15]Iss91 - Trade payables differences	Management will strengthen the internal control and monitoring system. Ensuring daily capturing of document received to enable info remain in financial system.
93	102	[21]Iss102 - Payments received in advance, difference between G/L and supporting documents	Management will investigate the differences to enable corrective actions if needed
94	156	[27]Iss156 - Sundry Creditors, differences between supporting schedules, the G/L and the AFS	Management will ensure that creditors is reconciled on a regular basis on the financial system
95	171	[32]Iss171 - GRAP 109 Agent principle disclosure not included in the AFS and infrastructure assets not disclosed	Housing to provide the required information on the project for the prior period as well as the upcoming YE figures.
96	178	[33]Iss178 - Trade payables - creditors listing does not agree to the AFS and incorrect debit balances recorded	Management will ensure that creditors is reconciled on a regular basis on the financial system
97	63	[10]Iss.63- AOPO: APR submitted for audit contains errors	Reconciliations to be done and reviewed on a regular basis and Journals to be passed on a monthly basis
98	79	[12]Iss79 - AOPO: Misstatement of amount spent: PMU23 - Supplying and installing of 16 anti-tampering pillar boxes in Matlosana	Reconciliations to be done and reviewed on a regular basis and Journals to be passed on a monthly basis
99	81	[12]Iss81 - AOPO: Misstatements of amounts spent: ROA2, WAT5 and SAN5	Reconciliations to be done and reviewed on a regular basis and Journals to be passed on a monthly basis
100	103	[21]Iss103 - AOPO :Misstatement on amount spent: REV4-Rand valued spend on free basic services for indigents subsidy	Reconciliations to be done and reviewed on a regular basis and journals to be passed on a monthly basis
101	15	[4] Iss15 - SCM: Non-compliance with municipal regulations on minimum competency levels	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.

Chapter 6

102	53	[19]Iss53 - SCM -Bidder did not declare their interest in the state and auditee	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
103	59	[19]Iss59 - SCM- Members of the BEC attending the BAC meeting	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
104	60	[19]Iss60 - SCM- Tender not advertised for the required minimum period	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
105	97	[16]Iss97- SCM: Competitive bidding not followed	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
106	101	[17]Iss101- SCM- Accommodation paid for Councillors	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
107	129	[23]Iss.129 - SCM- Awarded bidder has a lower CIDB grading then required	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
108	122	[23]Iss.122 - SCM- Partner to JV had an expired CIDB registration	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
109	136	[29]Iss136 - SCM- Three quotations not obtained	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
110	139	[30]Iss139 - SCM- No evidence that the quotation was evaluated	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
111	140	[29]Iss140 - SCM: No declaration of interest	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
112	141	[29] Iss141 - SCM: No evidence deviation was reported to Council	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
113	142	[30]Iss142 - SCM: Tender not correctly evaluated on PPPF	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
114	143	[30]Iss143 - SCM: Loosing bid not submitted for audit	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
115	144	[29]Iss144 - SCM: Awarded bidder not tax compliant	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
116	147	[29]Iss147 - SCM: Bidders not evaluated on functionality	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
117	148	[29]Iss148 - SCM- Open ended contract	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
118	149	[34]Iss149 - Declaration of interest not submitted/ false declarations	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
119	154	[29]Iss154 - SCM: Tender not advertised for 30 days	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.

Chapter 6


120	155	[30]Iss155 - SCM: Members of the BEC attended the BAC meeting	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
121	157	[29]Iss157 - SCM: No council resolution for award of more than 3 years	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
122	169	[34]Iss169 - SCM: Cost of paraffin not market related	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
123	172	[34]Iss172 - SCM- Three quotations not obtained and no evidence that the quotation was appropriately approved by delegated official	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
124	173	[34]Iss173 - SCM: Open ended contract	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
125	174	[34]Iss174 - SCM: Deviation not reported to Council	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
126	175	[34]Iss175 - Supplier did not declare the interest	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
127	176	[34]Iss176 - No evidence of required notification and related submissions to DTI for awards made for goods and services that meet the local content and production requirements	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
128	177	[34]Iss177 - Local content requirements not met	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
129	179	[34]Iss179 - SCM: Bidders incorrectly eliminated	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
130	181	[34]Iss181 - SCM: Amendments to contract not reported to Council	Management to develop and implement sufficient internal controls procurement and contract management, as required by the SCM regulations and the MFMA.
131	50	[9]Iss50 - Limitation of scope - information not received : Receivable from exchange – Housing	Management must ensure that controls are in place that all documentation is securely held and available for audit
132	67	[13]Iss67 - Impairment for individual debtors do not reconcile to the overall impairment amount.	The AFS review process should be done timeously.
133	77	[13]Iss77 - Eskom Deposit Portion of Guarantee (6127543530) could not be confirmed when it was paid to Eskom	Management will ensure that creditors is reconciled on a regular basis on the financial system
134	82	[15]Iss82 - Debtors aging not agreeing to the debtor statements	All credits must be allocated timeously against available debit balances.

Chapter 6

135	166	[32]Iss166 - Difference in comparative figures & difference in calculation of Impairment loss for the sale of stands.	The AFS review process should be done timeously.
136	80	[24]Iss80 - Related party disclosure	The AFS review process should be done timeously.
137	95	[16]Iss95 - Completeness of related party note	The AFS review process should be done timeously.
138	105	[21]Iss105 - Other income not referenced to notes in AFS	The AFS review process should be done timeously.
139	110	[16]Iss110 - FMG: Expenditure recorded in incorrect period.	Management should ensure that transactions are accurately account for in the correct period. Amount is trivial. CAAT procedures should be performed to identify potential misallocations.
140	137	[27]Iss137 - Conditional grants journals not accurate	The AFS review process should be done timeously.
141	153	[27]Iss153 - Omission of disclosures regarding donation income	The AFS review process should be done timeously.
142	163	[25]Iss.163 - Non-compliance - Market dues not collected	New management team will ensure that a proper review of all internal control processes is done and implemented
143	182	[33]Iss182 - Limitation of scope- Other income and Rental income	Management will ensure that all documentation will be on file and available for audit.
144	185	[36]Iss.185 - Prepaid electricity - Commission paid	Management should ensure that monthly reconciliations are done.
145	93	[15]Iss93 - Property rates - Incorrect disclosure	Management will ensure that property rates charged are categorised in various categories the disclosure should be accurate during billing processes. Assistant and manager will develop checks and balances to monitors accuracy
146	135	[26]Iss.135 - Classification - Revenue loss	Management will finalise the investigation and will properly classification the accurate amount as proposed by the forensic investigation team. To this end, overall accounting treatment of disclosing loss in the statement of financial performance will follow and dealt with during 2020/2021 financial statement preparation with appropriate amount

COMMENTS ON AUDITOR-GENERAL'S OPINION ON PERFORMANCE MANAGEMENT - 2019/20

Performance Management once again received an unqualified audit opinion from the Auditor-General.



BO KGOETE
ACTING CHIEF FINANCIAL OFFICER

25 MAY 2021

Glossary



Glossary

GLOSSARY	
ACCESSIBILITY INDICATORS	Explore whether the intended beneficiaries are able to access services or outputs.
ACCOUNTABILITY DOCUMENTS	Documents used by executive authorities to give “full and regular” 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.
ACTIVITIES	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe, “what we do”.
ADEQUACY INDICATORS	The quantity of input or output relative to the need or demand.
ANNUAL REPORT	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.
APPROVED BUDGET	The annual financial statements of a municipality as audited by the Auditor-General and approved by council or a provincial or national executive.
BASELINE	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.
BASIC MUNICIPAL SERVICE	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.
BUDGET YEAR	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
COST INDICATORS	The overall cost or expenditure of producing a specified quantity of outputs.
DISTRIBUTION INDICATORS	The distribution of capacity to deliver services.
FINANCIAL STATEMENTS	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.
GENERAL KEY PERFORMANCE INDICATORS	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
IMPACT	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
INPUTS	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
INTEGRATED DEVELOPMENT PLAN (IDP)	Set out municipal goals and development plans.
NATIONAL KEY PERFORMANCE AREAS	<ul style="list-style-type: none"> ◆ Service Delivery & Infrastructure ◆ Economic Development ◆ Municipal Transformation and Institutional Development ◆ Financial Viability and Management ◆ Good governance and Public Participation

Glossary

OUTCOMES	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".
OUTPUTS	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.
PERFORMANCE INDICATOR	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).
PERFORMANCE INFORMATION	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
PERFORMANCE STANDARDS	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.
PERFORMANCE TARGETS	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.
SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN	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.
VOTE	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.</i></p>

Appendices



APPENDIX A – COUNCILLORS, 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	58%	42%
Cllr CJ Bester	PT	Electrical Engineering Finance & Debt Normalization	DA	83%	17%
Cllr SPJ Bogatsu	PT	MPAC Chairperson	ANC	75%	25%
Cllr PZM Burrel	PT	Economic Affairs & Market	DA	83%	17%
Cllr MM Chao	PT	Sport, Arts & Culture Community & Health Services	ANC	75%	25%
Cllr MV Chinga	FT	Single Whip	ANC	67%	33%
Cllr M Coetzee	PT	Infrastructure	DA	75%	25%
Cllr A Combrinck	PT	MPAC	DA	67%	33%
Cllr GLJ Cromhout	PT	Public Safety	DA	100%	0%
Cllr LL Cutswa	PT	Transversal Issues	ANC	92%	8%
Cllr SJ Daemane	FT	MMC Public Safety	ANC	92%	8%
Cllr PA Hlekiso	PT	Sport, Arts & Culture Public Safety Infrastructure Transversal Issues	EFF	58%	42%
Cllr PT Horn	PT	MPAC	FF+	100%	0%
Cllr HFC Jordaan	PT	Infrastructure Public Safety	FF+	83%	17%
Cllr KB Kali	PT	Public Safety Transversal Issues	EFF	67%	33%
Cllr ME Kamati	PT	Transversal Issues	ANC	75%	25%
Cllr MME Kgaile	FT	Executive Mayor	ANC	100%	0%
Cllr L Khoza	PT	MPAC	EFF	67%	33%
Cllr TG Khoza	FT	MMC Economic Growth & Market	ANC	83%	17%
Cllr SP Kloppers	PT	Housing, Land Affairs & Rural Development Corporate Services	FF+	92%	8%
Cllr M Koekemoer	PT	Corporate Services Sport, Arts & Culture	DA	67%	33%

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 LM Lebenya-Kortjaas	PT	Finance & Debt Normalization	ANC	75%	25%
Cllr JJ le Grange	PT	MPAC	DA	100%	0%
Cllr NA Ludidi	PT	MPAC	ANC	83%	17%
Cllr PF Mabeli	FT	MMC Sport, Arts & Culture	ANC	75%	25%
Cllr TM Mabulela	PT	Infrastructure	ANC	75%	25%
Cllr PC Magwaca	PT	MPAC	COPE	42%	25%
Cllr MC Mahlangu	PT	MPAC	ANC	75%	25%
Cllr NG Malete	PT	Transversal Issues Public Safety	DA	83%	17%
Cllr MI Mangesi	PT	Infrastructure	ANC	75%	25%
Cllr IN Matetoane	FT	MMC Transversal Issues	ANC	100%	0%
Cllr A Meiring	PT	Finance & Debt Normalization Economic Growth & Market Electrical Engineering	IRASA	100%	0%
Cllr NS Mendela	FT	MMC Community & Health Services	ANC	58%	42%
Cllr LH Methi	PT	Community & Health Services Housing, Land Affairs & Rural Development Infrastructure Finance & Debt Normalization	EFF	25%	75%
Cllr PN Moeng	PT	Housing, Land Affairs & Rural Development	ANC	75%	25%
Cllr GA Mohoemang	PT	MPAC	ANC	75%	25%
Cllr ML Mojaki	FT	MMC Corporate Services	ANC	83%	17%
Cllr LD Molefi	PT	Corporate Services	ANC	50%	50%
Cllr PM Molutsi	PT	Sport, Arts & Culture Infrastructure	DA	92%	8%
Cllr SL Mondlane	PT	Economic Growth & Market	ANC	50%	50%
Cllr SD Mongale	PT	Electrical Engineering	ANC	75%	25%
Cllr SD Montoedi	FT	MMC Electrical Engineering	ANC	92%	8%
Cllr SL Moremi	PT	MPAC	ANC	67%	33%
Cllr G Mqikela	PT	Infrastructure	ANC	58%	42%

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 ME Mosweu	PT	Sport, Arts & Culture Housing, Land Affairs & Rural Development	EFF	75%	25%
Cllr M Motitimi	PT	MPAC	F4SD	83%	17%
Cllr SH Nani	PT	Corporate Services	ANC	83%	17%
Cllr K Ndincedede	PT	Economic Affairs & Market	ANC	67%	33%
Cllr GS Nkebe	PT	Finance & Debt Normalization	ANC	75%	25%
Cllr S Nongqayi	PT	MPAC	ANC	83%	17%
Cllr NB Ntaopane	PT	Transversal Issues Economic Growth & Market	ANC	92%	8%
Cllr MF Nthaba	FT	MMC Infrastructure	ANC	92%	8%
Cllr MJ Ntiane	PT	Public Safety	ANC	75%	25%
Cllr RW Ntozini	FT	Speaker	ANC	100%	0%
Cllr GC Oosthuizen	PT	Community & Health Services	DA	100%	0%
Cllr LM Phakoe	PT	MPAC	ANC	67%	33%
Cllr EM Postma	PT	Corporate Services	DA	92%	8%
Cllr RK Ponisi	PT	Housing, Land Affairs & Rural Development	ANC	75%	25%
Cllr J Qankase	PT	Community & Health Services	ANC	67%	33%
Cllr KL Ross	PT	Housing, Land Affairs & Rural Development Transversal Issues	DA	92%	8%
Cllr HF Saudi	PT	Sport, Arts & Culture	ANC	58%	42%
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	67%	33%
Cllr TL Sekgothe	PT	Corporate Services	ANC	92%	8%
Cllr MN Seitisho	PT	MPAC	ANC	67%	33%
Cllr IM Semonyo	PT	Electrical Engineering	ANC	92%	8%
Cllr SP Sesana	PT	MPAC	DA	92%	8%

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 LK Shuping	PT	Public Safety Transversal Issues Corporate Services	EFF	83%	17%
Cllr SL Sithole	PT	Transversal Issues Electrical Engineering	ANC	67%	33%
Cllr LG Solomon	PT	Corporate Services Transversal Issues	F4SD	83%	17%
Cllr SM Steyn	PT	Economic Growth & Market	DA	75%	25%
Cllr PJ Swart	PT	Finance & Debt Normalization	DA	83%	17%
Cllr FI Tagaree	FT	MMC Finance	ANC	75%	25%
Cllr B Tsabedze	PT	Public Safety	ANC	67%	33%
Cllr TO Vilakazi	FT	MMC Land Housing, Land Affairs & Rural Development	ANC	67%	33%
Cllr W Wallhorn	PT	Finance & Debt Normalization Community & Health Services Housing, Land Affairs & Rural Development	DA	100%	0%

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

MAYORAL AND OTHER COMMITTEES AND PURPOSES OF COMMITTEES	
COMMITTEE	PURPOSE OF COMMITTEE
Finance Committee	<ul style="list-style-type: none"> Regulated by the LG: MFMA
Housing, Land Affairs and Rural Development	<ul style="list-style-type: none"> Building Regulations Municipal Planning Pontoons, ferries, jetties, piers and harbours Billboards and the display of advertisements in public places
Economic Growth and Market	<ul style="list-style-type: none"> Local Tourism Markets Street trading
Community and Health Services	<ul style="list-style-type: none"> Child care facilities Municipal Health services – not executed by the Provincial department of Health Municipal airports Amusement facilities Cemeteries, funeral parlours and crematoria Cleansing Facilities for the accommodation, care and burial of animals Local amenities Municipal abattoirs Municipal parks and recreation Pounds Public places Refuse removal, refuse dumps and solid waste disposal
Corporate Services	<ul style="list-style-type: none"> Records Management Legal Services Communication HR Administration HR Development and Training Labour Relations Administration of staff benefit schemes Administration of employment equity policy Keeping of personnel records Disciplinary procedures administration Administration of SETA Committee to develop system and procedures providing for fair, efficient, effective and transparent personnel administration including: <ul style="list-style-type: none"> Conduct of disciplinary hearings Representation of Council on the Local Bargaining Committee System for the monitoring, measuring and evaluating staff performance System for capacity building and training Recruitment, selection, transfer and appointment of personnel Promotion and demotion

Appendices

MAYORAL AND OTHER COMMITTEES AND PURPOSES OF COMMITTEES	
COMMITTEE	PURPOSE OF COMMITTEE
Public Safety	<ul style="list-style-type: none"> Firefighting services Municipal public transport Trading regulations Control of public nuisances Licensing of dogs Licensing and control of enterprises that sell food to the public Noise pollution Traffic and parking Control of enterprises that sell liquor to the public
Sport, Arts and Culture	<ul style="list-style-type: none"> Sports stadia and recreational activities
Infrastructure	<ul style="list-style-type: none"> Municipal public works Storm-water management systems Water and sanitation services Fencing and fences Municipal roads
Electrical Engineering	<ul style="list-style-type: none"> Electricity and gas reticulation Street lighting
Transversal Issues	<ul style="list-style-type: none"> Deal with all Transversal Issues in the Office of the Executive Mayor Administer women, youth, disabled and elderly matters
Anglo Gold Ashanti Committee	<ul style="list-style-type: none"> 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 To discuss the transfer of certain properties of Mining Houses to the Council To mandate the Implementation Committee to proceed on a strategic drive, e.g. the incorporation of assets To make recommendations to Council with regard to joint LED projects
Midvaal Water Committee	<ul style="list-style-type: none"> To represent Council on the Midvaal Water Companies Management Structure
Orkney Vaal Committee	<ul style="list-style-type: none"> Recommend to Council to: convert the entire resort into several sectional title units release Council from the administrative and financial burden that Orkney Vaal has imposed on Council 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 implement the turnaround strategy at Orkney Vaal
Heritage Committee	<ul style="list-style-type: none"> To assist in the requirements of the National Heritage Resources Act, Act 25 of 1999, inter alia for: Protection and management of heritage resources Identification and protection of the heritage sites Documentation and registration thereof Management of Heritage site Presentation, protection, and that the municipality has to formulate/maintain, appropriate by-laws for the protection of the heritage sites.

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE	
THIRD TIER STRUCTURE	
TITLE	NAME
Chief Audit Executive	Seero MV
Security Manager	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	Vacant
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
Records Manager	Vacant
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	Lethoo 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	CLLR MQIKELA G ANK Mabusa NE Fihla MA Machakela LJM Ntsie MS Modutwane A Mokgothu LM Sepele MR Mokhati DM Seshabela KJ Mokoto	Yes	10	16	6
Ward 02	CLLR MOENG PN MM Mkoma KG Boko DM Nombewu ET Mokobe KC Mokopanele BS Sinda NM Madithapa TS Sekutle SP Mokhoethe MI Mogomotsi	Yes	9	9	0
Ward 03	CLLR TAGAREE FI LA Botes MS Otimile CP Le Ray CST Jacobs HJ Holyoake KJ Ditshaba CRR Magardie D Bothma SM Magontse H Jumar	Yes	9	9	0
Ward 04	CLLR BARREND S SOC SL Madito MS Mogapi SR Abrahams NM Sebetlela CR Radebe DM Moseme MT Melamu MA Matlhatsi TM Mogolegeng RK Moloto	Yes	9	13	4
Ward 05	CLLR MOLEFI LD O Mokonyane ZM Bonga ME Mokwena N Taunyana MH Gayiya OB Dihemo DD Mokopanele GL Motlaliile MM Letshabo MN Molapisi	Yes	9	10	1
Ward 06	CLLR MONTIEDI SD KA Lekhethe Z Mnisi MP Ntwanngwe M Soldati KS Mabogole KM Soko MJ Kelositswe RS Maluleke SI Mlingwane KI Mahlatsi	Yes	10	12	2
Ward 07	CLLR SAUDI HF OJ Motebe LI Piga TM Phepeng TP Motlhanke ST Matsetela DE Nkuke VS Mphambaniso MG Harmse KE Gaborone KM Mosala	Yes	9	9	0

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 08	CLLR NTHABA MF DO Maruping KA Nteo WM Goshupeloahg KE Mei AC Rens MC Moloi KL Dire PM Sekwati KM Lerefolo I Lekgwate	Yes	9	10	1
Ward 09	CLLR NTIANE MJ R Pitso ET Kalaote NE Siwisa M Sizalupheli KV Maropolo TA Hlubi SJ Mothibakgomo HD Mabitse TJ Maarohanye J Gama	Yes	09	11	2
Ward 10	CLLR MOJAKI ML ZC Bekezulu N Mxaku MM Taunyane MS Banda TR Ngesi M Kamele RM Rathabe M Mokgorosi ME Gabaratiwe LN Faku	Yes	09	18	9
Ward 11	CLLR MANGESI MI N Dlamini S Bobelo NA Ngoqoto M Mahoko MM Mogoera JV Dube ES Molaolwa LI Mosime NF Mazule JV Gazi	Yes	09	16	07
Ward 12	CLLR CHAO MM ZJ Nxamgeni SI Mokeki NL Bonde P Duplessie MM Kgare K Gaeje J Makeka TN Qingana GE Kaudi RK Koki	Yes	09	09	0
Ward 13	CLLR VILAKAZI TO N Mkhontwana FS Mosete AM Rantshonyane SQ Rayi MP Khauwe SM Sebopelo T Mtyhuda EK Kgajane NN Seokamo 1 Vacant	Yes	09	12	3
Ward 14	CLLR SEMONYO IM NR Moloto TS Medupe KP Montshonyana Vacant MK Seabo KR Thobedi P Makhalanyane M Cnonce MP Tlali MP Leshomo	Yes	09	22	13

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 15	CLLR SWART PJ PB Moagi DS Baepi DDM Serfontein TJ Marumo CE Scholtz P Smit HM Strydom PJ Celliers NG Brenkman LE Lekoko	Yes	09	09	0
Ward 16	CLLR COMBRINCK A KTR Lenong S Postma KOA Nelson HJP Knoetze SM Maleka TD Sathege PJJ Scheepers SA van Zyl SCB Symington OF Sekete	Yes	09	09	0
Ward 17	CLLR POSTMA EM JCM Hattingh TC Ntsizi AJ van Tonder JJC Smit F Kasonkomona E Rheeder CJP Steyn HE Strydom S Warren JL Muller	Yes	09	09	0
Ward 18	CLLR SEITISHO MN MM Moeng SL Moroke NN Gaeadingwe M Mei TA Makhetha TG Kopakae OK Moloji SD Chacha B Motshabi DJ Seeland	Yes	09	09	0
Ward 19	CLLR LE GRANGE JJ MCJ Le Grange A Bester AME Rossouw PF Roux MCJ Scholtz ACJ Visagie HJ Lubbe R Havenga BT Fourie AL Brophy	Yes	09	09	0
Ward 20	CLLR KAMATI ME TC Oageng DB Tolomo TS Kunene ND Siwiza KV Mekgwe LR Lomo SK Modiakgotla RT Mohanoe MA Motsiri FL Mahogen	Yes	09	10	1
Ward 21	CLLR NDINCEDE K NB Pinga (Dyobo) S Gasa Z Thwala S Fetman N Mqwebevu NM Mzeku NN Mqanqeni D Welishi S Nondlazi G Maswabi	Yes	09	14	05

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 22	CLLR SEABENG TS M Sebekedi L Tloti MF Tsoaeli ND Sikwana N Paul PP Leshomo SM Matlale PJ Pitso KV Tatisi NL Quthu	Yes	09	14	05
Ward 23	CLLR NANI SH LM Motsusi P Tjeko EL Semamola LC Ntai VA Mpheqee M Abednigo MI Molelekeng MJ Nyathela V Dlobela KI Majake	Yes	09	13	04
Ward 24	CLLR MABULELA TM TI Ntsuku ME Mtuze MR Montshing DA Morake SD Bulwane MM Mvala FM Mojanaga AK Moepi DJ Mhlungu T Montshiwa	Yes	09	13	04
Ward 25	CLLR PHAKOE LM KF Letlole GN Tiyo LS Gadinabokawo RM Fusa MT Moroe MS Botsielo BL Marera TIZV Kraai EN Magagula RJ Masita	Yes	09	11	02
Ward 26	CLLR MONGALE SD MT Mafereka HN Gciva SF Hlahaswane S Ntakana BM Johnson VN Gooster MJ Ntekiso JM Ngo MM Moeketsi MD Konyana	Yes	09	09	0
Ward 27	CLLR CUTSWA LL MP Mtolo MA Ndonga NI Tshabalala TE Mokhele GS Mdiza NS Thom MM Moloka AS Matebese PB Sedikane CN Lomo	Yes	09	17	08
Ward 28	CLLR BESTER CJ MM Tlhatlosi LC Gallent MC Booth NO Marumo JGR Bornman O Taljaard O Thabana ST Kubeka CJ Funnel SB Namola	Yes	09	09	0

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 29	CLLR STEYN SM MM Cross TRS Moleme CJ Potgieter PI Baas CJ Slinger BV Zikhali MHG Jacobsz J Lethena K Lehela CPS Fourie	Yes	09	09	0
Ward 30	CLLR KLOPPERS SP LD de Beer I Essaney RF Stander PN Fibiger PJ Koekemoer AE Meyer WJ Swanepoel CL Fibiger PA du Preez JF Kleynhans	Yes	09	09	0
Ward 31	CLLR MABELI PF MC Wykaart SJ Majiji MM Mathabela MF Sompane PD Koloane JM Ntsie MA Rametsi MA Moleko JN Kgwedieaphuku TN Metshe	Yes	09	12	03
Ward 32	CLLR NTAOPANE NB OE Mokgoro Z Tinga KD Molelekoa NM Funani KL Maletise KL Mokgoro MP Sodlemba M Moletsane KE Modukanele MT le Roux	Yes	09	10	01
Ward 33	CLLR QANKASE J TP Kondlo MD Sereko PP Motaung KR Latha M Mparwana PA Flekisi SI Mazantsana DM Mothupi JT Moroka M Gumata	Yes	09	10	01
Ward 34	CLLR PONISI RK JR Makgale CN Nyathi TI Phalamahashi GB Xolo IM Matlanye ME Zita NN Lethea ML Motete RT Siliga I Matianyane	Yes	09	10	01
Ward 35	CLLR DAEMANE SJ .ZJ Ziyane NS Njobe OM Tihomelang AF Mdleleni TE Msikinya MD Rabase NS Makhubalo 1 x Vacant SM Moletsane DO Sekhakhane	Yes	09	09	0

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 36	CLLR LUDIDI NA MG Mampa SN Tokoane RD Mohale MA Chabedi NS Tshabalala MJ Nguye ME Mohale AF Zelile DS Nteso LA Khoali	Yes	09	12	03
Ward 37	CLLR SEKGOTHE TL KS Tsamai MA Letsoku TD Motlathledi MB Sebolao TM Mothibedi DE Tabe BJ Matlapeng MF Tladi GI Mofundelela CM Kgalapa	Yes	09	10	01
Ward 38	CLLR SITHOLE SL JP Masunyane K Maguba MA Lekitlane BA Mahlophe NS Moleleki CN Ntloko DP Twala VL Masango Z Jjingubo B Tau	Yes	09	10	01
Ward 39	CLLR WALLHORN W JA Botha JH Coetzee AS Diedericks TJ Smith WE Diedericks A de Klerk LSD van Deventer E Cronje T Cilliers I Wilken	Yes	09	09	0

Appendices

APPENDIX F – WARD INFORMATION

WARD TITLE: WARD NAME (NUMBER) 2019/20				
Capital Projects: Seven Largest in 2019/20 (Full List at Appendix O)				
R' 000				
No.	Project Name and detail	Start Date	End Date	Total Value
1	Water supply from Midvaal end point to Jouberton / Alabama (Phase 1B) (Wards 4, 5 & 6)	2019/07/01	2020/06/30	35 211 916
2	Turnkey services for the design and construction for Jouberton (Wards 3, 4, 12 and 37)	2017/07/01	2020/06/30	54 510 184
3	Construction of 88Kv medium voltage loop to loop out line Alabama (Phase 3)(Wards 3 - 5	2019/07/01	2020/06/30	3 364 735
4	Paving of taxi routes and storm-water drainage Tigane (Phase 9)(Wards 1 -2)	2019/07/01	2020/06/30	13 611 402
5	Construction of taxi rank Jouberton extension19 (Ward 37)	2015/07/01	2020/06/30	8 988 962
6	Construction of a new sport complex in Khuma extension 9 (Phase 1)(Ward 31)	2016/07/01	2020/06/30	17 682 103
7	Computer Equipment	2019/07/01	2020/06/30	3 071 180

BASIC SERVICE PROVISION 2019/20				
DETAIL	WATER	SANITATION	ELECTRICITY	REFUSE
Households <i>with the minimum service level and above</i>	176 179	170 695	168 442	170 047
Households below minimum service level	2 676	8 160	10 413	8 808
Total Households*	178 855	178 855	178 855	178 855
<i>*Including informal settlements</i>				

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2019/20

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS		
DATE OF COMMITTEE	COMMITTEE RECOMMENDATIONS DURING 2019/20	RECOMMEN- DATIONS ADOPTED
23 August 2019	<ul style="list-style-type: none"> ◆ BTO will prepare half yearly financial statement by January 2020. ◆ Report on corrective actions performed, regarding fraud reported by management, around credit control implementation (disconnection not implemented) should be submitted. ◆ Comprehensive report on what has been done in relation to Revenue management report issued by Internal Audit. ◆ Report on AC resolutions that were tabled in Council meeting be submitted. ◆ Submit reports continuously on revenue management, policy implementation, revenue enhancement, credit control strategies. ◆ Progress report on implementation of resolution taken during Strategic session be submitted. ◆ A detailed report on testing of back up-plan systems be submitted. ◆ Report on alleged irregularities on indigent process and all other investigation by the hawks reported be submitted. ◆ CFO to submit a quarterly progress report on municipal financial recovery model. ◆ A special discussion on comprehensive revenue enhancement strategy plan be arranged with the Audit Committee members. 	Adopted
22 November 2019	<ul style="list-style-type: none"> ◆ A detailed report on control measures taken in order to address the challenge related to disconnections both internally and by service provider carrying out the work and on the monitoring methods. ◆ Reports regarding enforcement of Revenue Management and Credit Control Policies be submitted to Audit Committee's quarterly meetings and serve as a standing item. ◆ Data cleansing be prioritized in order to maximize the effectiveness of external debt collection ◆ Disciplinary Board should be capacitated before end of 2019 in order to ensure that members are trained in January 2020. ◆ A session be arranged were all Internal Audit reports findings will be unpacked to discuss in order to discuss the following:- <ul style="list-style-type: none"> ➢ Tracking document ➢ Disagreements. ➢ Progress regarding findings. ➢ Ad-hoc requests. ➢ Follow-ups conducted. ➢ Age analysis of the findings and ➢ Problems regarding re-occurring findings. ◆ Improve the risk register and the following be incorporated: - <ul style="list-style-type: none"> ➢ Risk be captured as per definition or actual description. ➢ Risk register include the risk indicator. 	

Appendices

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS		
DATE OF COMMITTEE	COMMITTEE RECOMMENDATIONS DURING 2019/20	RECOMMEN- DATIONS ADOPTED
4 March 2020	A meeting be arranged with the AGSA to discuss among others, the issue of post audit status as well as the new act empowering the AG.	Adopted
22 May 2020	<ul style="list-style-type: none"> Standard Operating procedure for people working from home should be developed and included in Covid-19 plan. That online training should be considered to empower IA personnel 	

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"> DDP Valuers (Pty) Ltd 	Panel for the compilation of valuation roll services for a period of 60 (sixty) months	12/07/2019	11/07/2024	N Kegakilwe
<ul style="list-style-type: none"> Elegant Line Trading 785 CC Moepagauta Trading Enterprise 158 CC Lizemaco Trading & Projects (Pty) Ltd TSJ Trading & Projects CC Kwende Constructions CC t/a Kwende Electrical Suppliers Moroetshoa (PTY) Ltd ERMSA Electrical Holdings (Pty) Ltd 	Appointment of multiple services provider of high mast lights and streetlights on as and when required basis for a period of twenty four (24) months	01/09/2019	31/08/2021	D Rannona
<ul style="list-style-type: none"> TSJ Trading & Projects CC Dirabotle Projects (Pty) Ltd Tshiamo Graphix CC Lomakhosi Trading Projects CC Inkulisa Projects (Pty) Ltd ERMSA Electrical Holdings (Pty) Ltd TSK Resources 	Appointment of multiple service providers for repairs and replacement of medium voltage electrical networks on as and when required basis for a period of twenty-four (24) months	01/09/2019	31/08/2021	D Rannona
<ul style="list-style-type: none"> Dikopane Project Management CC 	Appointment of service provider for leasing of ten (10) refuse removal trucks on full maintenance lease contract for a period of thirty (36) months	01/10/2019	30/09/2022	T du Plessis
<ul style="list-style-type: none"> Excellence Business Academy JV Joy Communication 	Appointment of service provider for provision of credit control measures: restriction and reinstatement of water supply for a period of thirty six (36) months	01/10/2019	30/09/2022	K Weitsz

Appendices

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"> ◆ Africa Meter Reading (Pty) Ltd 	Appointment of service provider for provision of credit control measures: disconnection and reconnection electrical supply for a period of thirty six (36) months	01/10/2019	30/09/2022	K Weitsz
<ul style="list-style-type: none"> ◆ MNP Engineering Projects / Rhuone Projects JV 	Replacement of existing conventional streetlights fittings with led light fittings at various road and streets within the city of Matlosana municipality phase 2	18/11/2019	17 /11/2020	D Rannona
<ul style="list-style-type: none"> ◆ Dirabotle Projects (Pty) Ltd 	Appointment of service provider for supply, delivery and installation of anti – tampering boxes / metering's enclosures for a period of twenty four (24) months on as and when required basis	25/11/2019	24/11/2021	D Rannona
<ul style="list-style-type: none"> ◆ Tshetshibo Trading CC ◆ Rhuone Projects and Plant Hire (Pty) Ltd ◆ EK Construction and All General Trading CC ◆ Kholes Trading (Pty) Ltd ◆ Electricivil Trading (Pty) Ltd ◆ Kgositsile Projects (Pty) Ltd ◆ Zakaza Projects JV Distributors ◆ NTK Mining Suppliers (Pty) Ltd ◆ Mthato Trading and Projects (Pty) Ltd ◆ Tsikaku Holdings JV Moleledi Civils CC ◆ Moemedi Creations (Pty) Ltd ◆ Dreamfinders Trading and Projects 115 ◆ Khuwait Group (Pty) Ltd ◆ Sibongile Mashiya (Pty) Ltd 	Supply and delivery of electrical material for a period of twenty four (24) months on as an when required basis	01/12/2019	30/11/2021	D Rannona

APPENDIX I – MUNICIPAL SERVICE PROVIDER PERFORMANCE SCHEDULE

SERVICE PROVIDER PERFORMANCE SCHEDULE							
Purpose	Service Indicators	2018/19		2019/20		2020/21	2021/22
		Target	Actual	Target	Actual	Target	Target
To provide internal infrastructure services for the proposed Jouberton / Alabama precinct development to improve the social and economic environment	Jouberton / Alabama precinct development (Ward 37) internal infrastructure services (road network, water and sewer) provided	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	Providing internal infrastructure services for the proposed Jouberton / Alabama precinct development (Ward 37) by	Internal infrastructure services for the proposed Jouberton / Alabama precinct development (Ward 37) provided with the clearing and grubbing of 1.53 km road servitude and construction of 0.67 km of roadbed. Designs for the 500mm Ø pipeline approved and Design Report for 200mm Ø pipeline submitted. The 0.5 km road network layer works not constructed yet, as well as the relocation of 0.55 km existing water pipelines not completed R397 716	Providing internal infrastructure services (road network, water and sewer) at the proposed Jouberton / Alabama precinct development (Ward 37) by - relocating 1.2km of existing water pipelines; - constructing 1.56 km of water; - constructing 0.16 km of sewer reticulations; - constructing 12.4km road network layer works; and - 2.4 km roads surface by 30 June 2021. R12 738 486	Providing internal infrastructure services (road network, water and sewer) at the proposed Jouberton / Alabama precinct development (Ward 37) by - constructing 0,3km road layer works and 2,180 km roads surface by 31 March 2022. R10 577 992
To reduce electricity losses associated with municipal own consumption in Klerksdorp (Phase 1) (Wards 16, 17 and 19)	Street lighting with LED lights retrofitted in Klerksdorp (Phase 1) (Wards 16, 17 and 19)	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)	Retrofitting of 248 conventional street lights with LED lights (Phase 1) by June 2020 R1 000 000	248 Conventional street lights retrofitted with LED lights (Phase 1) R866 797	Retrofitting 1 414 conventional street lights with LED lights in Klerksdorp (Phase 1)(Wards 16, 17 and 19) by 31 March 2021. R4 106 409	Retrofitting 1 000 conventional street lights with LED lights in Klerksdorp (Phase 1)(Wards 16, 17 and 19) by 31 March 2022. R4 000 000

Appendices

SERVICE PROVIDER PERFORMANCE SCHEDULE

Purpose	Service Indicators	2018/19		2019/20		2020/21	2021/22
		Target	Actual	Target	Actual	Target	Target
To providing bulk services for the proposed Jouberton / Alabama precinct development (Wards 3, 4, 12 and 37) to improve the social and economic environment	Jouberton / Alabama precinct bulk services (Wards 3, 4, 12 and 37) (electrical - cable; sanitation - pump-station and water - 2Mℓ pressure tower) provided	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	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	Installing and constructing bulk services for the proposed Jouberton / Alabama precinct development (Wards 3, 4, 12 and 37) by - installing 6 km of 11 kV underground electrical cable from the Manzilpark substation to the precinct; - upgrading 1 pump-station at Jagspruit; and - constructing lift shafts 8 - 17 of the 2 Mℓ pressure tower by June 2020 R35 966 528	The installing and construction of bulk services for the proposed Jouberton / Alabama precinct development (Wards 3, 4, 12 and 37) in is progress with regards to the construction the foundation for the switching sub-station housing, 1 pump-station at Jagspruit (procurement of material 90% complete, site cleaning and removal of equipment to be refurbished) and the casting of lift 17 for 2 ML pressure R29 179 415	Providing bulk services at the proposed Jouberton / Alabama precinct development (wards 3, 4, 12 & 37) by the - installation of 2.3 km of 150mm 11KV underground cables - upgrading of 1 pump-station at Jagspruit - casting shaft lifts 17 - 22 , bowl lift 1 - 6 - completing the roof slab of the 2Mℓ Pressure Tower - complete with pipe work, valves and water tightness testing for by 30 June 2021 R20 096 131	Providing bulk services at the proposed Jouberton / Alabama precinct development by the - casting bowl lift 6 and roof slab and water tightness of the 2Mℓ pressure tower - erection of 4 high mast lights. - installation of 2.1 km of 240mm ² aluminium underground cables - installing 7 switchgear panels for switching sub-station - 6 miniature sub stations and 1 motor control centre panel by 30 June 2022. R19 500 000

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

DISCLOSURES OF FINANCIAL INTERESTS		
PERIOD 1 JULY 2019 TO 30 JUNE OF 2020		
Position	Name	Description of Financial interests* (None or details)
Executive Mayor	Cllr 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
Speaker of Council	Cllr RW Ntozini	Nomdimba and Tutuse Road Construction - 100% (2003/070094/23) Nomdimba Mineral – 50% (2014/202517/07) Nomdimba Civil Projects – 100% (2015/179484/07) NWV Contracting – 26% (2017198062/07) WGH Mining – 26% (2017/198049/07) Member of NFMW
Single Whip of Council	Cllr MV Chinga	Emang Sechaba Enterprise Pty (Ltd) – Member NWMF
MEMBERS OF MAYORAL COMMITTEE		
Corporate Services	Cllr ML Mojaki	Member of NFMW
Transversal Issues	Cllr IN Matetoane	None
Housing, Land and Rural Development	Cllr TO Vilakazi	Yimani Bafazi Trading Pty Ltd – 31%
Sport, Arts and Culture	Cllr PF Mabeli	None
Finance and Debt Normalization	Cllr FI Tagaree	Old Mutual
Economic Growth and Market	Cllr TG Khoza	None
Public Safety	Cllr SJ Daemane	J Cliff – 33% Mokasisipho – 25%
Community and Health Services	Cllr NS Mandela	Membotla Projects – 50% Sunken Construction – 50% Member of the MCPF
Infrastructure and Utilities	Cllr MF Nthaba	Member of the NWMF
Electrical and Mechanical Engineering	Cllr SD Montoedi	Kgothammoho Agric Close Corporation Member of the MCPF
Chairperson of MPAC	Cllr SPJ Bogatsu	Member of the MCPF
COUNCILLORS		
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

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

DISCLOSURES OF FINANCIAL INTERESTS		
PERIOD 1 JULY 2019 TO 30 JUNE OF 2020		
Position	Name	Description of Financial interests* (None or details)
PR Councillor	Burrell PZM	Chartered Property Empire – Estate Agent– Strictly Commission GEPF Widows Pension
Ward Councillor W12	Chao MM	LuluCho Pty Ltd – 100%
Ward Councillor W27	Cutswa LL	None
PR Councillor	Coetzee M	Philip Coetzee Familietrust Member of the MCPF
Ward Councillor W16	Combrinck A	Anumelmig Vullisverwydering CC – 50% Member of the MCPF
PR Councillor	Cromhout GLJ	Wholesale Manager at Daly Wholesale - ±R480 000 Member of the MIBCO Pension Fund
PR Councillor	Hlekiso PA	None
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 - R3 000 per month
PR Councillor	Kali KB	Dogs of the Road Cabs (Taxi Industry) – Owner Member of NFMW
Ward Councillor W20	Kamati ME	None
PR Councillor	Khoza L	Member of Ordinary Councillors Pension Fund
Ward Councillor W30	Kloppers SP	F and VK Besigheid Trust Wonder Transport Pty (2012/083532/07 – Owner Owner Building Rental R97 000-00 p.a.
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 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

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

DISCLOSURES OF FINANCIAL INTERESTS		
PERIOD 1 JULY 2019 TO 30 JUNE OF 2020		
Position	Name	Description of Financial interests* (None or details)
PR Councillor	Methi LH	Member of MCPF (Deceased)
Ward Councillor W2	Moeng PN	Titanic Funeral Services – 50%
PR Councillor	Mohoemang GA	Northern South Pty – 25% Member of the MCPF
Ward Councillor W5	Molefi LD	Wood Kings Enterprise – 100% (2014/257766/07)
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	Member GCPF
Ward Councillor W34	Ponisi R K	None
Ward Councillor W17	Postma E M	Property: Farm Drogekraal - District Wolmaransstad Property: 24 Heide Street-Klerksdorp
Ward Councillor W33	Qankase J	Local Harvestors – 20%
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	None
Ward Councillor W14	Semonyo I M	None

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

DISCLOSURES OF FINANCIAL INTERESTS		
PERIOD 1 JULY 2019 TO 30 JUNE OF 2020		
Position	Name	Description of Financial interests* (None or details)
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%
Ward Councillor W29	Steyn S M	Member of GEPP 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 SP Kloppers elected as Ward Councillor Ward 30 (replaced Cllr WJJ Louwrens) - 11/07/2019		
SENIOR MANAGERS		
Municipal Manager	Nkhumise TSR	MTM Zakhele Shares – R 20 000 BMP Time Share Accommodation – R 125 000 Bakome Family Trust – Dormant Nkhura Property Development – R 12 800 Real Fish & Chips Restaurant – R 25 000 Bakone Guest House – R 15 000 9 Schoeman Modimole – R 1 116 000 49 Koro Creek Modimole R 2.9 m Booyesen Modimole – R 900 000 Erf 4116 Thabazimbi – R 1.5 m Villa Solatine Thabazimbi – R 900 000 Erf 481 Thabazimbi – R 151 000 Erf 247 Pretoria – R 550 000
Director Budget and Treasury (CFO)	Grond NM	Boland Howe R 3 000 000
Director Corporate Support	Seametso L	House Flamwood R1.3m

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

DISCLOSURES OF FINANCIAL INTERESTS		
PERIOD 1 JULY 2019 TO 30 JUNE OF 2020		
Position	Name	Description of Financial interests* (None or details)
Director Community Development	Molawa MM	Frankasi Go Makasi SMME decor R5000 per annum House Greenhills – R 2.0 m Flat Rangatse – R 580 000
Director Technical and Infrastructure	Madimutsa R	House Polokwane – R 750 000 House Adamayview R 650 000 Erf Withrey R131 000
Director Public Safety	Nkhumane LJ	Nkhumane Funeral, tombstones ± R60 000 Transport Services - Annum Stand and residential house ± R800 000
Director Local Economic Development	Fourie LL	Four AM Enterprise House in Rustenburg – R2.5m Apartments Potchefstroom R1.2m
Director Planning and Human Settlements	Choche BB	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 2019/20						
R' 000						
Vote description	2018/19	2019/20		2019/20 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments
1.1 - Executive & Council	885	3 898	39 808	2 053	0,90	18,39
1.2 - Budget & Treasury Office	825 325	851 563	985 486	886 126	-0,04	0,11
1.3 - Corporate Service	103 252	0	0	162	-1,00	-1,00
2.1 - Roads	25 676	60 513	47 198	27 466	1,20	0,72
2.2 - Water	767 959	656 598	46 922	789 513	-0,17	-0,94
2.3 - Sewer	137 790	133 193	129 271	122 421	0,09	0,06
2.4 - Electricity	821 581	930 692	924 674	852 666	0,09	0,08
2.5 - Housing	3 980	0	0	4 129	-1,00	-1,00
3.1 - LED	570	0	0	1	-	-
3.2 - Market	20 272	30 082	24 262	24 470	0,23	-0,01
4.1 - Community & Social Services	5 101	663	2 656	1 879	-0,65	0,41
4.2 - Sport & Recreation	5 054	15 627	18 627	19 584	-0,20	-0,05
4.3 - Public Safety	30 737	14 376	29 529	27 806	-0,48	0,06
4.4 - Health	-	0	0	-	-	-
4.5 - Cleansing	215 152	172 049	198 133	214 915	-0,20	-0,08
Total Revenue by Vote	2 963 334	2 869 254	2 446 566	2 973 191	-1,23	16,76

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

REVENUE COLLECTION PERFORMANCE BY SOURCE 2019/20						
R '000						
Description	2018/19	2019/20			2019/20 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments
Property rates	325 128	400 836	353 034	334 343	-20%	-6%
Property rates - penalties & collection charges						
Service Charges - electricity revenue	751 771	893 580	875 281	773 206	-16%	-13%
Service Charges - water revenue	572 665	600 321	616 887	603 420	1%	-2%
Service Charges - sanitation revenue	112 025	115 825	122 299	112 769	-3%	-8%
Service Charges - refuse revenue	141 313	166 772	166 772	137 033	-22%	-22%
Service Charges - other	-	-	-	-	0%	0%
Rentals of facilities and equipment	5 216	8 375	7 269	4 437	-89%	-64%
Interest earned - external investments	-	3 238	13 238	-	0%	0%
Interest earned - outstanding debtors	305 480	54 934	250 828	369 021	85%	32%
Dividends received	-	-	-	-	0%	0%
Fines	9 470	1 700	13 700	9 104	81%	-50%
Licences and permits	7 675	5 931	9 991	6 146	4%	-63%
Agency services	12 460	5 000	-	10 505	52%	100%
Transfers recognised - operational	396 885	442 778	443 991	435 815	-2%	-2%
Other revenue	153 056	22 891	102 000	46 053	50%	-121%
Gains on disposal of PPE	-	-	-	-	0%	0%
Environmental Protection	-	-	-	-	0%	0%
Total Revenue (excluding capital transfers and contributions)	2 793 144	2 722 181	2 975 290	2 841 852	4,21%	-4,70%

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

CONDITIONAL GRANTS: EXCLUDING MIG 2019/20					
					R' 000
Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
Neighbourhood Development Partnership Grant	60 000	40 800	38 147	0,57	0,07
Other Specify:					
Sport & Recreation	980	980	952	0,19	0,04
EPWP	1 983	1 983	1 386	0,80	0,80
INEP	3 960	3 960	3 869	0,02	0,02
Disaster Management Grant	1 013	1 013	1 013	73,22	-
EEDSM	3 000	3 000	2 893	1,19	1,19
FMG	2 680	2 680	2 511	-	-
TOTAL	73 616	54 416	1 062 758	(0,93)	(0,95)

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* 2019/20					
					R '000
Description	2018/19	2019/20			Planned Capital expenditure
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2020/21
Capital expenditure by Asset Class					
Infrastructure - Total	176	162	143	109	127
Infrastructure: Road transport - Total	21	23	23	18	27
<i>Roads, Pavements & Bridges</i>	20 530	23 055	23 055	18 494	27 347
Infrastructure: Electricity - Total	28	55	55	30	11
<i>Transmission & reticulation</i>	27 821	55 267	55 267	30 304	11 487
Infrastructure: Water - Total	75	45	45	42	31
<i>Reticulation</i>	75 186	44 656	44 656	41 636	30 845
Infrastructure: Sanitation - Total	24	8	8	6	23
<i>Sewerage purification</i>	24 454	7 723	7 723	5 563	23 187
Infrastructure: Other - Total	–	–	–	–	7
<i>Waste Management</i>	–	–	–	–	7 410
Community - Total	28	32	13	13	27
<i>Sport fields & stadia</i>	3 430	6 144	6 144	9 818	16 969
<i>Social rental housing</i>	–	–	–	–	10 000
<i>Other</i>	24 609	25 604	6 404	3 231	–
TOTAL CAPITAL EXPENDITURE ON NEW ASSETS	176	162	143	109	127

APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

No budget available for upgrade / renewal programme due to financial constraints and COVID-19 pandemic.

APPENDIX N – CAPITAL PROGRAMME BY PROJECT

CAPITAL PROGRAMME BY PROJECT: 2019/20					
R' 000					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
WATER	40 494	-	35 212	100%	-15%
Water supply from Midvaal end point to Jouberton and Alabama (Phase 1B) (Wards 4,5,6)	40 494	-	35 212	100%	-15%
ELECTRICITY	40 385	-15 459	18 806	182%	-115%
Turnkey development for Jouberton / Alabama precinct bulk electrical (cable) services (Wards 3, 4, 12 and 37)	36 425	-15 459	15 441	200%	-136%
Construction of loop-in-loop-out new 88 kV medium voltage line, primary and secondary plant at Alabama (Matlosana) substation (Phase 3)(Wards 3 - 5)	3 960	-	3 365	100%	-18%
STORMWATER	15 837	-	13 6114	100%	-16%
Construction of Tigane taxi route constructed (Wards 1 -2)(Phase 9)	15 837		13 6114	100%	-16%
SPORTS, ARTS & CULTURE	15 000	-1 696	8 994	119%	-67%
Construction of a new sport complex in Khuma Ext 9 (Phase 1)(Ward 31) constructed	15 000	-1 696	8 994	119%	-67%
ENVIRONMENT	10 700	-6 524	3 630	280%	-195%
Construction of a new taxi rank in Jouberton Ext 19 (Ward 37)	10 700	-6 524	3 630	280%	-195%
COMPUTER EQUIPMENT	8 000	-	3 071	100%	-160%
TOTAL	119 716	-17 155	79 695	122%	-50%

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD

CAPITAL PROGRAMME BY PROJECT BY WARD: 2019/20		
		R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)
WATER		
Water supply from Midvaal end point to Jouberton and Alabama (Phase 1B)	4, 5 & 6	No
ELECTRICITY		
Turnkey development for Jouberton / Alabama precinct bulk electrical (cable) services	3, 4, 12 and 37	No
Construction of loop-in-loop-out new 88 kV medium voltage line, primary and secondary plant at Alabama (Matlosana) substation (Phase 3)	3 and 5	No
STORMWATER		
Construction of Tigane taxi route constructed (Phase 9)	1 and 2	Yes
SPORTS, ARTS & CULTURE		
Construction of a new sport complex in Khuma Ext 9 (Phase 1) constructed	31	No
ENVIRONMENT		
Construction of a new taxi rank in Jouberton Ext 19 (Ward 37)	37	
COMPUTER EQUIPMENT	None (All Directorates)	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

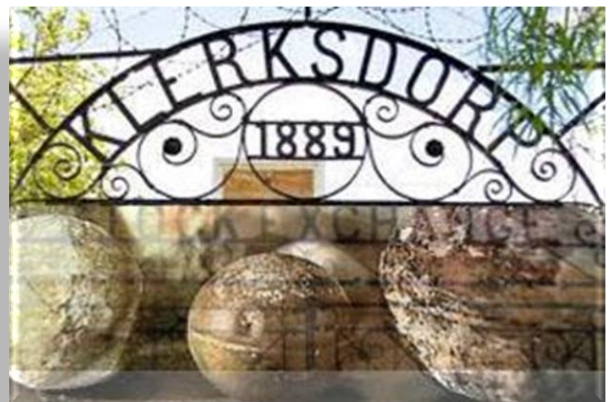
The electricity supply in the ESKOM jurisdiction is as follows:

AREA	BACKLOG
Tigane	1 112
Khuma	283
Kanana	531
TOTAL	1 923

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

No loans or grants were made by the City of Matlosana during the 2019/20 financial year

List of Acronyms



LIST OF ACRONYMS	
Acromyn	Description
AC	Audit Committee
AFS	Annual Financial Statements
AG	Auditor-General
AGSA	Auditor-General of South Africa
AOPO	Audit of Performance Information
APR	Annual Performance Report
BAC	Bid Adjudication Committee
BCX	Business Connexion Ltd
BEC	Bid Evaluation Committee
BSC	Bid Specification Committee
CBD	Central Business District
CBP	Community Based Plan
CC	Closed Corporation
CC	Council Committee resolution
CFO	Chief Financial Officer
CIDB	Construction Industry Development Board
COID	Compensation for Occupational Injuries and Diseases
COIDA	Compensation for Occupational Injuries and Diseases Act
CoM	City of Matlosana
COVID-19	Corona Virus Infectious Disease 2019
CPA	Community Property Association
CRR	Capital Replacement Reserve
CRU	Community Residential Unit
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DRP	Disaster Recovery Plan
DRM	District Risk Management
DTI	Director Technical and Infrastructure
DWA	Department of Water Affairs
EECF	Employment Equity Consultative Forum
EPWP	Extended Public Works Programme
FMG	Financial Markets Group
GAMAP	Generally Accepted Municipal Accounting Practice
GIS	Geographical Information System
G/L	General Ledger
GRAP	Generally Accepted Accounting Practice
HDF	Housing Development Fund
IA	Internal Audit
IAS	International Accounting Standards
ICT	Information Communication Technology
IDP	Integrated Development Plan
IHRMS	Integrated Human Resources Management Strategy
IMFO	Institute of Municipal Finance Officers

LIST OF ACRONYMS	
Acromyn	Description
INEP	Integrated National Electrification Program
IPSAS	International Public Sector Accounting Standards
JV	Joint Venture
LLF	Local Labour Forum
KPA	Key Performance Areas
KPI	Key Performance Indicators
LED	Local Economic Development
LGSETA	Local Government Sector Education and Training Authority
MATLOSANA	Klerksdorp, Orkney, Stilfontein and Hartbeesfontein
mSCOA	Municipal Standard Chart of Accounts
ME's	Municipal Entities
MEC	Member of the Executive Council
MCPF	Municipal Councillors Pension Fund
MDG	Millennium Development Goals
MIG	Municipal Infrastructure Grant
MFMA	Municipal Financial Management Act
MSA	Municipal Systems Act
OHC	Cupational Health Centre
OHS	Cupational Health and Safety
PAA	Public Audit Act of South Africa
PAC	Performance Audit Committee
PGDS	Provincial Government Development Sector
PMS	Performance Management System
POE	Portfolio of Evidence
PPE	Personal Protective Equipment
PPPF	Public Private Partnership Forum
(Pty) Ltd	Proprietary Limited
RMU	Ring Main Unit
ROI	Return on Investment
RTMC	Road Traffic Management Committee
SALGA	South African Local Government Association
SA GAAP	South African Statements of Generally Accepted Accounting Practice
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SETA	Sector Education and Training Authority
SITA	State Information Technology Agency
SMME	Small, Medium and Micro Enterprises
STR	Small Town Regeneration
UIFW	Unauthorised, irregular, fruitless and wasteful
VAT	Value Added Tax
VMR	Village Main Reef
WSP	Workplace Skills Plan
WWTP	Waste Water Treatment Plant

VOLUME II

Annual Financial Statements for the year ended 30 June 2020



City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

General Information

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 as amended
Municipal Finance Management Act 56 of 2003 as amended

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
S.P.J Bogatsu

Chief Finance Officer (CFO)

NM Grond

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 30 June 2020

Index

The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

	Page
Accounting Officer's Responsibilities and Approval	353
Statement of Financial Position	354
Statement of Financial Performance	355
Statement of Changes in Net Assets	356
Cash Flow Statement	357
Statement of Comparison of Budget and Actual Amounts	358 - 359
Accounting Policies	360 - 377
Notes to the Annual Financial Statements	378 - 422
Appendixes:	
Appendix A: Schedule of External Loans	423

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
DWAF	Department of Water Affairs
EPWP	Expanded Public Works Programme

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003) as amended, 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) 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 30 June 2021 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.

Due to the impact of COVID-19 the deadline for submission of the annual financial statements was extended by a period of two months as per Government Gazette 43582 published on the 5th of August 2020. The Gazette invokes the provisions of section 177 (1)(b) of the MFMA 2003 (Act No.56 of 2003).

The annual financial statements set out on pages 354 to 422, which have been prepared on the going concern basis, were approved by the accounting officer on 6 November 2020 and were signed on its behalf by:



T.S.R Nkhumise
Accounting Officer

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Statement of Financial Position as at 30 June 2020

Figures in Rand	Note(s)	2020	2019 Restated*
Assets			
Current Assets			
Inventories	8	45 764 513	50 279 282
Other financial assets	6	643 828	25 606 047
Receivables from exchange transactions	9	4 781 713	6 789 561
VAT receivable	11	195 040 276	121 388 435
Consumer debtors	12	564 053 731	465 447 696
Other receivables	7	29 274	28 139
Cash and cash equivalents	13	300 578 049	289 021 364
		1 110 891 384	958 560 524
Non-Current Assets			
Investment property	2	257 100 275	256 452 695
Property, plant and equipment	3	4 688 571 708	5 002 513 135
Intangible assets	4	1 297 383	657 949
Heritage assets	5	9 941 212	10 652 211
Other financial assets	6	9 636 897	9 068 846
Eskom deposit		37 076 362	17 572 207
Other receivables	7	32 755	56 276
Nature reserve wildstock		1 995 400	2 274 800
		5 005 651 992	5 299 248 119
Total Assets		6 116 543 376	6 257 808 643
Liabilities			
Current Liabilities			
Other financial liabilities	15	2 838 624	4 452 438
Payables from exchange transactions	17	1 805 993 888	1 307 427 504
Consumer deposits	18	36 633 558	33 345 165
Unspent conditional grants and receipts	14	43 668 378	99 517 072
Provisions	16	19 947 000	20 872 268
		1 909 081 448	1 465 614 447
Non-Current Liabilities			
Other financial liabilities	15	82 049 249	98 975 503
Provisions	16	414 771 284	441 486 708
		496 820 533	540 462 211
Total Liabilities		2 405 901 981	2 006 076 658
Net Assets		3 710 641 395	4 251 731 985
Accumulated surplus		3 710 641 399	4 251 731 985

* See Note 40 & 39

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Statement of Financial Performance

Figures in Rand	Note(s)	2020	2019 Restated*
Revenue			
Revenue from exchange transactions			
Market dues		18 548 049	17 486 076
Service charges	19	1 626 428 016	1 577 773 369
Rendering of services		1 572	2 096
Rental of facilities and equipment		4 437 462	5 215 527
Licence fees		6 146 370	7 675 366
Agency fees		10 505 057	12 459 649
Connections and Reconnections		9 618 438	16 325 153
Rental income		1 918 996	1 465 315
Insurance fees		-	929 939
Other income		9 239 965	14 784 552
Interest received	21	369 020 706	305 480 397
Total revenue from exchange transactions		2 055 864 631	1 959 597 439
Revenue from non-exchange transactions			
Property rates	22	334 342 738	325 127 764
Donations received		6 726 274	102 062 838
Transfer revenue			
Government grants & subsidies	23	567 153 692	567 076 288
Fines, Penalties and Forfeits		9 104 000	9 469 950
Total revenue from non-exchange transactions		917 326 704	1 003 736 840
Total revenue		2 973 191 335	2 963 334 279
Expenditure			
Employee related costs	24	(643 219 203)	(635 360 612)
Remuneration of councillors	25	(34 588 007)	(34 472 923)
Depreciation and amortisation	26	(388 912 965)	(394 534 798)
Impairment loss/ Reversal of impairments	27	(23 032 668)	(7 922 612)
Finance costs	28	(79 008 903)	(72 736 371)
Rental and lease expenditure		(61 359 119)	(60 993 533)
Debt Impairment	29	(835 011 553)	(722 372 071)
Repairs and maintenance		(135 693 451)	(92 597 460)
Bulk purchases	30	(1 030 160 444)	(994 210 619)
Contracted services	31	(49 469 589)	(46 004 790)
General expenses	32	(222 252 991)	(207 116 699)
Total expenditure		(3 502 708 893)	(3 268 322 488)
Operating deficit		(529 517 558)	(304 988 209)
Revenue Loss	33	(11 573 029)	(11 692 207)
Deficit for the year		(541 090 587)	(316 680 416)

* See Note 40 & 39

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 1 July 2018 as previously reported	4 573 209 581	4 573 209 581
Changes in net assets		
Prior period error	(21 522 913)	(21 522 913)
Net income (losses) recognised directly in net assets	(21 522 913)	(21 522 913)
Deficit for the year	(299 954 683)	(299 954 683)
Total recognised income and expenses for the year	(321 477 596)	(321 477 596)
Total changes	(321 477 596)	(321 477 596)
Restated* Balance at 1 July 2019	4 251 731 986	4 251 731 986
Changes in net assets		
Deficit for the year	(541 090 587)	(541 090 587)
Total changes	(541 090 587)	(541 090 587)
Balance at 30 June 2020	3 710 641 399	3 710 641 399
Note		

* See Note 40 & 39

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Cash Flow Statement

Figures in Rand	Note(s)	2020	2019 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		1 338 942 378	1 309 073 996
Grants		511 304 998	638 823 221
Interest income		57 231 467	78 077 920
Other receipts		60 030 726	76 999 214
		<u>1 967 509 569</u>	<u>2 102 974 351</u>
Payments			
Employee costs		(692 470 398)	(646 547 629)
Suppliers		(1 012 270 615)	(1 002 661 849)
Finance costs		(79 008 903)	(72 736 371)
VAT paid		(73 651 814)	(20 372 869)
		<u>(1 857 401 730)</u>	<u>(1 742 318 718)</u>
Net cash flows from operating activities	35	110 107 839	360 655 633
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(87 638 033)	(224 018 563)
Purchase of other intangible assets	4	(639 434)	(9 295)
Movement in financial assets		24 394 168	(2 508 595)
Movement of wildstock		87 975	-
Security deposit paid to Eskom movement		(19 504 155)	(2 572 205)
Net cash flows from investing activities		(83 299 479)	(229 108 658)
Cash flows from financing activities			
Movement of other financial liabilities		(18 540 068)	17 964 731
Movement in consumer deposits		3 288 393	3 403 779
Net cash flows from financing activities		(15 251 675)	21 368 510
Net increase/(decrease) in cash and cash equivalents		11 556 685	152 915 485
Cash and cash equivalents at the beginning of the year		289 021 364	136 105 879
Cash and cash equivalents at the end of the year	13	300 578 049	289 021 364

* See Note 40 & 39

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Market dues	18 204 478	(5 820 000)	12 384 478	18 548 049	6 163 571	Note 1
Service charges	1 770 599 071	3 839 806	1 774 438 877	1 626 428 016	(148 010 861)	Note 2
Rendering of services	60 000	101 572	161 572	1 572	(160 000)	
Rental of facilities and equipment	5 780 580	64 604	5 845 184	4 437 462	(1 407 722)	
Licences and permits	5 885 620	3 900 000	9 785 620	6 146 370	(3 639 250)	
Commissions received	5 000 000	5 378 860	10 378 860	10 505 057	126 197	
Royalties received	5 843 322	895 972	6 739 294	9 618 438	2 879 144	
Rental income	2 331 309	(1 207 619)	1 123 690	1 918 996	795 306	
Other income	4 243 197	82 715 257	86 958 454	9 239 965	(77 718 489)	Note 3
Interest received - investment	58 172 067	208 801 597	266 973 664	369 020 706	102 047 042	Note 4
Total revenue from exchange transactions	1 876 119 644	298 670 049	2 174 789 693	2 055 864 631	(118 925 062)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	400 836 191	(47 802 219)	353 033 972	334 342 738	(18 691 234)	Note 5
Donations received	262 773	-	262 773	6 726 274	6 463 501	Note 6
Transfer revenue						
Government grants & subsidies	589 853 000	(17 987 002)	571 865 998	567 153 692	(4 712 306)	
Fines, Penalties and Forfeits	2 184 330	1 027 996	3 212 326	9 104 000	5 891 674	
Total revenue from non-exchange transactions	993 136 294	(64 761 225)	928 375 069	917 326 704	(11 048 365)	
Total revenue	2 869 255 938	233 908 824	3 103 164 762	2 973 191 335	(129 973 427)	
Expenditure						
Personnel	(667 171 301)	24 726 979	(642 444 322)	(643 219 203)	(774 881)	Note 7
Remuneration of councillors	(36 438 387)	1 912 023	(34 526 364)	(34 588 007)	(61 643)	
Depreciation and amortisation	(434 145 379)	21 268 960	(412 876 419)	(388 912 965)	23 963 454	Note 8
Impairment loss/ Reversal of impairments	-	-	-	(23 032 668)	(23 032 668)	
Finance costs	(6 322 533)	3 467 028	(2 855 505)	(79 008 903)	(76 153 398)	Note 9
Rental and lease expenditure	(66 477 003)	16 037 325	(50 439 678)	(61 359 119)	(10 919 441)	Note 10
Debt impairment	(530 000 000)	(212 729 977)	(742 729 977)	(835 011 553)	(92 281 576)	Note 11
Repairs and maintenance	(187 923 812)	60 615 758	(127 308 054)	(135 693 451)	(8 385 397)	Note 12
Bulk purchases	(899 216 000)	20 000 000	(879 216 000)	(1 030 160 444)	(150 944 444)	Note 13
Contracted services	(64 944 716)	21 706 184	(43 238 532)	(49 469 589)	(6 231 057)	
General expenses	(324 572 692)	136 510 087	(188 062 605)	(222 252 991)	(34 190 386)	Note 14
Total expenditure	(3 217 211 823)	93 514 367	(3 123 697 456)	(3 502 708 893)	(379 011 437)	
Operating deficit	(347 955 885)	327 423 191	(20 532 694)	(529 517 558)	(508 984 864)	
Revenue Loss	-	-	-	(11 573 029)	(11 573 029)	Note 15
Deficit before taxation	(347 955 885)	327 423 191	(20 532 694)	(541 090 587)	(520 557 893)	
Capital Expenditure	(164 114 549)	(6 060 000)	(170 174 549)	(112 696 750)	57 477 799	Note 16

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(183 841 336)	333 483 191	149 641 855	(428 393 837)	(578 035 692)	

Note 1 - Under estimated income during adjustment, based on mid year performance. Budget adjusted the figure downwards due to no income received.

Note 2 - The consumption is based on environmental factors e.g draught weather, pandemics resulting in more or less consumption and the consumer is the final factor that decides purchases. Therefore we over estimated the demand on consumption of service charges without accounting for COVID - 19 which has caused job losses and therefore the consumption by consumers reduced.

Note 3 - The budget was based on prior year performance, however due to the COVID pandemic this was no realised.

Note 4 - This is due non-payments due to COVID-19. As the debtors book increases the interest on debtors also increases.

Note 5 - There were rebates/exceptions made for churches and indigents accounts.

Note 6 - The municipality under budgeted for donations received.

Note 7 - The variance is due to overtime worked during the year and vacant positions budgeted not filled due to COVID 19.

Note 8 - A higher depreciation budget was made than was actually realised.

Note 9 - The municipality incurred interest costs on overdue creditor accounts which is not budgeted for.

Note 10 - The variance is due to additional lease contract entered to for refuse fleet(vehicle).

Note 11 - Increase in non-payment of consumer account due to COVID 19 and economic downturn.

Note 12 - The municipality incurred more repairs and maintenance costs due to increase in fuel & oil expenses, maintenance of equipment (general repairs) and electrical repairs during the year.

Note 13 - The distribution losses on Electricity has increased.

Note 14 -The budget was based on prior year performance, however due to the COVID pandemic this was no realised.

Note 15 - The municipality does not budget for losses

Note 16 - The lock down affected the implementation of certain capital projects and hence the amount spent was not as originally anticipated.

Accounting Policies

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 Municipal Finance Management Act (Act 56 of 2003) as amended.

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.

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 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgements is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. When any significant judgements and sources of estimation uncertainty are applicable, they have been disclosed in the relevant policy.

In the application of the municipality's accounting policies, which are described above, management is required to make judgement, estimates and assumption that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and associated assumptions are based on historical experiences and other factors that are considered to reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Cash and cash equivalents

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. The municipality categorises cash and cash equivalents as financial assets: loans and receivables. Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts.

Inventories

Inventories consist of raw materials, work in progress, consumables and finished goods, which are valued at the lower of cost, determined on the first in first out basis, and net realisable value, except for plants which are valued at the tariffs charged. Where it is held for distribution or consumption at no charge or for a nominal amount, inventories are valued at the lower of cost and current replacement value.

Cost of inventories comprises all costs of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition.

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Redundant and slow moving inventories are identified and written down to their estimated net realisable values. Inventories are written down according to their age, condition and utility. Differences arising on the measurement of such inventory at the lower of cost and net realisable value are recognised in the Statement of Financial Performance in the year in which they arise. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the [name a key assumption] assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 16 - Provisions.

1.4 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 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

Accounting Policies

1.4 Investment property (continued)

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.

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.

1.5 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.

Subsequently all property plant and equipment, excluding land and buildings, are measured at cost, less accumulated depreciation and accumulated impairment losses.

Accounting Policies

1.5 Property, plant and equipment (continued)

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 80 years
Furniture and fixtures	4 to 15 years
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
• Property, 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.

1.6 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.

Accounting Policies

1.6 Intangible assets (continued)

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.

Intangible assets are carried at cost less 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.

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 brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Intangible assets have an indefinite useful life.

Intangible assets are derecognised:

- 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 an intangible assets is included in surplus or deficit when the asset is derecognised.

1.7 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.

Accounting Policies

1.7 Heritage assets (continued)

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).

1.8 Financial instruments

Classification

The municipality classifies financial assets and financial liabilities into the following categories:

- Financial assets measured at amortised cost.
- 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.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Impairment of financial assets

Accounting Policies

1.8 Financial instruments (continued)

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.

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

Accounting Policies

1.8 Financial instruments (continued)

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.

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.

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.

1.9 VAT

The City of Matlosana accounts for value-added tax (VAT) on the payment basis.

1.10 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.

Accounting Policies

1.10 Leases (continued)

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.

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.

1.11 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.

Accounting Policies

1.11 Inventories (continued)

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.

1.12 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).

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.

1.13 Impairment of non-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.

Non-cash-generating assets are assets other than cash-generating assets.

Accounting Policies

1.13 Impairment of non-cash-generating assets (continued)

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).

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 managed with the 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 service amount is the higher of a non-cash-generating asset's 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.

1.14 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.

1.15 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.

Accounting Policies

1.15 Provisions and contingencies (continued)

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.

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.

Accounting Policies

1.15 Provisions and contingencies (continued)

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 48.

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.

1.16 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.

1.17 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.

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.

Accounting Policies

1.17 Revenue from exchange transactions (continued)

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, royalties and dividends

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.

1.18 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.

Accounting Policies

1.18 Revenue from non-exchange transactions (continued)

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

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.

Accounting Policies

1.18 Revenue from non-exchange transactions (continued)

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.

1.19 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.

1.20 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.21 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.

1.22 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.23 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
- a grant by the municipality otherwise than in accordance with the act.

1.24 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Accounting Policies

1.24 Fruitless and wasteful expenditure (continued)

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.

1.25 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003) as amended, the Municipal Systems Act (Act No.32 of 2000) as amended 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.

1.26 Consumer Deposits

Consumer deposits are disclosed as a current liability. Consumer deposits are levied in line with council's policy to consumers when services are initially connected. When services are disconnected or terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.

1.27 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.

1.28 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.29 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.

1.30 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

The approved budget covers the fiscal period from 01 July 2019 to 30 June 2020.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The municipality deems variances that are above R 5 000 000 as material variances that require explanations.

1.31 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.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.31 Related parties (continued)

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.

1.32 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.

1.33 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.

1.34 Going concern

These annual financial statements have been prepared on a going concern basis.

1.35 Comparative information

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are also reclassified.

1.36 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.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand

2020

2019

2. Investment property

	2020			2019		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	257 100 275	-	257 100 275	256 452 695	-	256 452 695

Reconciliation of investment property - 2020

	Opening balance	Additions	Disposals	Total
Investment property	256 452 695	7 843 366	(7 195 786)	257 100 275

Reconciliation of investment property - 2019

	Opening balance	Additions	Disposals	Total
Investment property	156 053 942	101 380 707	(981 954)	256 452 695

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 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment

	2020			2019		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	102 632 707	-	102 632 707	105 628 204	-	105 628 204
Buildings	469 613 272	(247 393 136)	222 220 136	476 832 605	(229 124 842)	247 707 763
Infrastructure	0 685 504 766	(6 835 769 026)	3 849 735 740	0 623 100 262	(6 526 095 544)	4 097 004 718
Community	1 061 672 254	(602 429 164)	459 243 090	1 045 695 864	(551 369 131)	494 326 733
Other property, plant and equipment	185 208 064	(130 468 029)	54 740 035	180 038 140	(122 192 423)	57 845 717
Total	2 504 631 063	(7 816 059 355)	4 688 571 708	2 431 295 075	(7 428 781 940)	5 002 513 135

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals Cost	Disposals Accumulated Depreciation	Depreciation	Impairment loss	Total
Land	105 628 204	-	(2 995 497)	-	-	-	102 632 707
Buildings	247 707 763	20 150	(7 239 510)	5 550 424	(23 818 691)	-	222 220 136
Infrastructure	4 097 004 718	86 622 955	(24 218 452)	17 385 631	(308 333 540)	(18 725 572)	3 849 735 740
Community	494 326 733	17 106 780	(1 130 389)	940 939	(52 000 973)	-	459 243 090
Other property, plant and equipment	57 845 717	5 296 217	(126 293)	80 282	(4 759 792)	(3 596 096)	54 740 035
Total	5 002 513 135	109 046 102	(35 710 141)	23 957 276	(388 912 996)	(22 321 668)	4 688 571 708

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals Cost	Disposals Accumulated Depreciation	Depreciation	Impairment loss	Total
Land	105 628 204	-	-	-	-	-	105 628 204
Buildings	272 713 012	29 000	(16 744)	9 408	(23 905 269)	(1 121 644)	247 707 763
Infrastructure	4 214 131 822	206 124 912	(18 680 960)	12 632 178	(313 870 808)	(3 332 426)	4 097 004 718
Community	541 020 852	7 051 955	(644 860)	442 517	(51 572 419)	(1 971 312)	494 326 733
Other property, plant and equipment	53 217 925	11 377 872	(407 399)	340 852	(5 186 303)	(1 497 230)	57 845 717
	5 186 711 815	224 583 739	(19 749 963)	13 424 955	(394 534 799)	(7 922 612)	5 002 513 135

Pledged as security

No assets are pledged as security.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
-----------------	------	------

3. Property, plant and equipment (continued)

Carrying amounts of infrastructure projects experiencing delays or halted:

The following projects are currently experiencing delays or were halted. The carrying amount of those assets included in the balance of Property, plant and equipment are listed above. For each project, the reason for the delay or halting of the project were noted as below:

Upgrading Water Network - Klerksdorp	1 908 832	1 908 832
Alabama Bulk Water Supply	998 081	998 081
Construction of an Athletic Track and Field at Matlosana Stadium in Jouberton	4 648 180	4 648 180
Jouberton Central Park Development	172 088	172 088
Municipal Service Centre (Thusong Centre)	1 837 738	1 837 738
Jouberton Event Space (Open Air Amphitheatre and Play Park)	518 948	518 948
Jouberton Youth Development Centre (SAFA Safe Hub)	772 593	772 593
	10 856 460	10 856 460

Upgrading Water Network - Klerksdorp - This project was a grant funded project, however project couldn't be completed without addition funding. Project will be capitalized once funding becomes available.

Alabama Bulk Water Supply - This project is a component of the 2MI Pressure tower project, and will only be capitalised when the pipeline of the 2MI pressure tower project is completed. This project together with the 2MI Pressure tower project is however completed in the 2020/2021 financial year.

Construction of an Athletic Track and Field at Matlosana Stadium in Jouberton - Project was halted due to budget shortfall (MIG). Request for internal funding to complete the project have been sent through to council, however it has not been approved as yet.

Jouberton Central Park Development - Project is in inception phase, and due to limited budget allocation (NDPG), the project will only move over to construction phase once additional budget becomes available.

Municipal Service Centre (Thusong Centre) - Project is in inception phase, and due to limited budget allocation (NDPG), the project will only move over to construction phase once additional budget becomes available.

Jouberton Event Space (Open Air Amphitheatre and Play Park) - Project is in inception phase, and due to limited budget allocation (NDPG), the project will only move over to construction phase once additional budget becomes available.

Jouberton Youth Development Centre (SAFA Safe Hub) - Project is in inception phase, and due to limited budget allocation (NDPG), the project will only move over to construction phase once additional budget becomes available.

Reconciliation of Work-in-Progress 2020

	Included within Infrastructure	Included within Community	Total
Opening balance	175 043 372	21 997 170	197 040 542
Additions/capital expenditure	76 822 766	15 511 864	92 334 630
Transferred to completed items	(70 640 084)	-	(70 640 084)
	181 226 054	37 509 034	218 735 088

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
-----------------	------	------

3. Property, plant and equipment (continued)

Reconciliation of Work-in-Progress 2019

	Included within Infrastructure	Included within Community	Total
Opening balance	241 546 104	16 678 186	258 224 290
Additions/capital expenditure	203 653 768	6 504 168	210 157 936
Transferred to completed items	(270 156 499)	(1 185 185)	(271 341 684)
	175 043 373	21 997 169	197 040 542

Expenditure incurred to repair and maintain property, plant and equipment

Repairs and maintenance

The municipality's amount is R 135 693 451 (2018-19 R 92,597,460) for the financial reporting year. In determining the repairs and maintenance amount the municipality has exclusively disclosed amounts charged by service providers.

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.

4. Intangible assets

	2020			2019		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	1 297 383	-	1 297 383	657 949	-	657 949

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Total
Computer software, other	657 949	639 434	1 297 383

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Total
Computer software, other	648 654	9 295	657 949

Other information

Intangible assets with indefinite lives:

5. Heritage assets

	2020			2019		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Museum collectable, Monuments and Heritage sites	9 941 212	-	9 941 212	10 652 211	-	10 652 211

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
-----------------	------	------

5. Heritage assets (continued)

Reconciliation of heritage assets 2020

	Opening balance	Impairment losses	Total
Museum collectable, Monuments and Heritage sites	10 652 211	(710 999)	9 941 212

Reconciliation of heritage assets 2019

	Opening balance	Total
Museum collectable, Monuments and Heritage sites	10 652 211	10 652 211

Heritage assets which fair values cannot be reliably measured

A number of heritage assets were identified during the current year's verification. Although these assets were recorded in the register as required by the MFMA, the nature of the assets did not allow for values to be assigned to them. It was impracticable to do so as no fair values exists for these assets.

6. Other financial assets

At amortised cost

Investments	10 280 725	34 674 893
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	9 636 897	9 068 846
-------------------	-----------	-----------

Current assets

At amortised cost	643 828	25 606 047
-------------------	---------	------------

Financial assets at amortised cost

Nominal value of financial assets at cost

Nedcor FK183349	-	25 000 000
The Nedcor investment is encumbered by a pledge of R3 700 000		
Sanlam Capital guaranteed fund - 040710409X0	643 828	606 047
Sanlam Capital guaranteed fund - 040644725X0	9 636 897	9 068 846
	10 280 725	34 674 893

7. Other receivables

Loan to Klerksdorp Rolbalklub

Short term portion of loan	29 274	28 139
Long term portion of loan	32 755	56 276
	59 058	84 415

An existing loan to the Klerksdorp Rolbalklub is being repaid with an interest rate of 5% applicable. The MFMA stopped the practice of giving loans to sport bodies

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
8. Inventories		
Consumable stores	39 754 747	47 238 954
Water	2 840 982	2 762 510
Fuel (Diesel, Petrol)	2 916 746	-
Museum stores - at authorised value	65 828	85 958
Unsold properties held for resale at council resolution or municipal valuation	186 210	191 860
	45 764 513	50 279 282
Inventories recognised as an expense during the year	28 711 630	17 809 896
Inventories write downs recognised as an expense during the year 2019/20 (R 299 530) and 2018/19 (R 305 428)		
Inventory pledged as security		
No inventory is pledged as security.		
9. Receivables from exchange transactions		
Receivables	11 044 426	11 983 242
Housing and housing rentals	1 303 597	1 322 167
Impairment of other receivables	(7 566 310)	(6 515 848)
	4 781 713	6 789 561
Reconciliation of provision for impairment of trade and other receivables		
Opening balance	(6 515 848)	(6 019 769)
Provision for impairment	(1 050 462)	(496 079)
	(7 566 310)	(6 515 848)
10. Receivables from non-exchange transactions		
Fines	45 870 304	39 350 922
Impairment of fines	(45 870 304)	(39 350 922)
	-	-
Receivables from non-exchange transactions impaired		
As of 30 June 2020, other receivables from non-exchange transactions of R 45 870 304 (2019: R 39 350 922) were impaired and provided for.		
The amount of the provision was R 45 870 304 as of 30 June 2020 (2019: R 39 350 922)		
Reconciliation of provision for impairment of receivables from non-exchange transactions		
Opening balance	(39 350 922)	(31 847 049)
Provision for impairment	(6 519 382)	(7 503 873)
	(45 870 304)	(39 350 922)
11. VAT receivable		
Value Added Tax	195 040 276	121 388 435

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
12. Consumer debtors		
Gross balances		
Rates	268 481 320	235 144 827
Electricity	386 200 595	337 140 623
Water	1 513 969 133	1 263 086 181
Sewerage	210 910 138	180 928 774
Refuse	406 101 053	347 686 160
Other service charges	143 542 994	116 454 236
Interest on overdue accounts	1 226 980 087	915 190 848
Value added tax on consumer debtors	363 015 336	302 643 302
	4 519 200 656	3 698 274 951
Less: Allowance for impairment		
Rates	(240 971 185)	(211 613 758)
Electricity	(290 107 950)	(247 341 509)
Water	(1 314 368 970)	(1 097 390 407)
Sewerage	(189 299 076)	(162 823 134)
Refuse	(364 489 611)	(312 893 019)
Other service charges	(128 834 756)	(104 800 597)
Interest on overdue accounts	(1 101 256 674)	(823 607 207)
Value added tax on consumer debtors	(325 818 703)	(272 357 624)
	(3 955 146 925)	(3 232 827 255)
Net balance		
Rates	27 510 135	23 531 069
Electricity	96 092 645	89 799 114
Water	199 600 163	165 695 774
Sewerage	21 611 062	18 105 640
Refuse	41 611 442	34 793 141
Other service charges	14 708 238	11 653 639
Interest on overdue accounts	125 723 413	91 583 641
Value added tax on consumer debtors	37 196 633	30 285 678
	564 053 731	465 447 696
Rates		
Current (0 - 30 days)	24 092 351	21 723 029
31 - 60 days	11 089 155	6 812 035
61 - 90 days	8 485 793	4 611 153
91 - 120 days	224 814 021	201 998 610
Provision for bad debts	(240 971 185)	(211 613 758)
	27 510 135	23 531 069
Electricity		
Current (0 - 30 days)	102 979 297	105 049 750
31 - 60 days	21 790 059	15 453 166
61 - 90 days	12 791 521	7 868 074
91 - 120 days	248 639 718	208 769 633
Provision for bad debts	(290 107 950)	(247 341 509)
	96 092 645	89 799 114

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
12. Consumer debtors (continued)		
Water		
Current (0 - 30 days)	87 009 184	90 726 074
31 - 60 days	43 480 026	30 511 028
61 - 90 days	31 563 026	26 660 006
91 - 120 days	1 351 916 896	1 115 189 073
Provision for bad debts	(1 314 368 969)	(1 097 390 407)
	199 600 163	165 695 774
Sewerage		
Current (0 - 30 days)	6 185 917	6 161 072
31 - 60 days	4 490 001	4 102 342
61 - 90 days	4 019 029	3 819 202
91 - 120 days	196 215 191	166 846 158
Provision for bad debts	(189 299 076)	(162 823 134)
	21 611 062	18 105 640
Refuse		
Current (0 - 30 days)	10 824 345	10 651 699
31 - 60 days	8 260 623	7 885 646
61 - 90 days	7 783 525	7 412 610
91 - 120 days	379 232 560	321 736 205
Provision for bad debts	(364 489 611)	(312 893 019)
	41 611 442	34 793 141
Other services		
Current (0 - 30 days)	5 702 417	10 373 904
31 - 60 days	13 718 554	2 489 929
61 - 90 days	1 436 455	884 043
91 - 120 days	122 685 568	102 706 360
Provision for bad debts	(128 834 756)	(104 800 597)
	14 708 238	11 653 639
Interest on overdue accounts		
Current (0 - 30 days)	33 809 064	26 798 242
31 - 60 days	30 130 887	26 388 584
61 - 90 days	30 903 335	25 707 742
91 - 120 days	1 132 136 801	836 296 280
Provision for bad debts	(1 101 256 674)	(823 607 207)
	125 723 413	91 583 641
Value added tax on consumer debtors		
Current (0 - 30 days)	14 969 773	17 424 195
31 - 60 days	11 925 324	8 874 996
61 - 90 days	8 616 298	6 960 707
91 - 120 days	327 503 941	269 383 404
Provision for bad debts	(325 818 703)	(272 357 624)
	37 196 633	30 285 678
Reconciliation of allowance for impairment		
Balance at beginning of the year	(3 232 827 255)	(2 573 678 317)
Contributions to allowance	(901 724 321)	(782 432 065)
Debt impairment written off against allowance	179 404 651	123 283 127
	(3 955 146 925)	(3 232 827 255)

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
-----------------	------	------

13. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	68 500	68 500
Bank balances	9 517 623	1 549 641
Short-term deposits	290 991 926	287 403 223
	300 578 049	289 021 364

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2020	30 June 2019	30 June 2018	30 June 2020	30 June 2019	30 June 2018
ABSA Bank - Cheque Account - 4060008684	400 297	389 625	332 392	400 297	389 625	225 880
ABSA Bank - Cheque Account - 01000100176	10 324 628	15 862 478	1 112 405	9 392 198	1 266 222	17 545 389
ABSA Bank - Cheque Account - 950164379 (Council water)	2 902 105	720 680	693 861	(2 132 186)	(1 786 726)	12 180 244
ABSA Bank - Cheque Account - 950000090 (Market)	1 706 688	1 532 203	2 151 346	1 706 688	1 532 203	92 062
ABSA Bank - 407826177 - Call Account	48 034 555	36 414 174	37 588 880	48 034 555	36 414 174	37 982 810
ABSA Bank - 4081494682 - Call Account	24 302 221	26 647 514	22 930 572	24 302 221	26 647 514	22 930 572
ABSA Bank - 4086111223 - Call Account	1 432 435	54 190 524	25 041 583	1 432 435	54 190 524	25 165 152
ABSA Bank - 4073033854 - Call Account	17 198	9 870 223	12 046	17 198	9 870 223	12 078
ABSA Bank - 9056825047 - Call Account	9 162 685	9 959 650	8 818 737	9 162 685	9 959 650	8 860 684
ABSA Bank - 9074204063 - Call Account	1 145 556	5 220 459	174 519	1 145 556	5 220 459	174 645
ABSA Bank - 9090072264 - Call Account	11 780 787	18 173 936	4 693 510	11 780 787	18 173 936	4 704 312
Investec Bank - 30000123771 - Call Account	6 723 740	6 354 116	5 958 203	6 723 740	6 354 116	5 958 203
FNB - 71037411669 - Collateral	49 237	45 750	42 797	49 237	45 750	42 797
Nedbank Bank - 03/7881151374 - Call Account	188 329 511	120 512 876	-	188 329 511	120 512 876	-
FNB - 70379020873 - Collateral	14 000	14 000	14 000	14 000	14 000	14 000
ABSA Bank - Call Account - 4071085841 (Housing)	150 627	147 323	143 968	150 627	148 317	148 317
Total	306 476 270	306 055 531	109 708 819	300 509 549	288 952 863	136 037 145

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
14. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
Municipal Infrastructure Grant	32 360 219	51 505 143
INEP	90 555	9 794 880
FMG	169 250	-
DWAF	276 464	276 464
EPWP	597 030	1 105 112
Fire Grant	557 326	557 326
Library grant	1 853 918	1 828 100
NDPG Grant	2 652 712	22 542 680
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	10 035	7 885
EEDSM	106 409	6 905 022
	43 668 378	99 517 072
See note 23 for reconciliation of grants from National or Provincial Government.		
15. Other financial liabilities		
At amortised cost		
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.		
DBSA Loans	19 183 209	23 623 528
Refer to appendix A for more detail on long-term liabilities.		
Redifine	33 295 000	47 394 749
The loan is interest free and is repayable as Redifine is a municipality debtor.		
	84 887 873	103 427 941
Total other financial liabilities	84 887 873	103 427 941
Non-current liabilities		
At amortised cost	82 049 249	98 975 503
Current liabilities		
At amortised cost	2 838 624	4 452 438

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
-----------------	------	------

16. Provisions

Reconciliation of provisions - 2020

	Opening Balance	Additions	Utilised during the year	Total
Environmental rehabilitation	123 423 450	1 062 000	-	124 485 450
Continuous medical aid contribution	286 902 339	-	(28 136 505)	258 765 834
Long service awards	52 033 187	-	(566 187)	51 467 000
	462 358 976	1 062 000	(28 702 692)	434 718 284

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
	442 371 388	28 744 510	(8 756 922)	462 358 976

Non-current liabilities	414 771 284	441 486 708
Current liabilities	19 947 000	20 872 268
	434 718 284	462 358 976

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 30/06/2021	2020	2019
Opening defined benefit obligation	258 886 000	287 022 505	265 301 348
Plus Service Cost	7 600 000	9 321 683	10 145 842
Plus Interest / Finance Cost	25 580 000	26 152 900	24 626 564
Actuarial (Gain)/Loss	-	(51 111 811)	(1 179 823)
Expected Employer Benefit Payments	(13 566 000)	(12 599 277)	(11 871 426)
	278 500 000	258 786 000	287 022 505

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
-----------------	------	------

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 2020:10.14% (2019 : 9.31%)

Health care cost inflation rate: 6.24% (2019 : 6.79%)

Net effective discount rate: 3.67% (2019 : 2.36%)

Take-up by retired employees : 70% (2019 : 72%)

Retirement age : 62 (2019 : 62)

Proportion assumed married at retirement: 55% (2019 : 55%)

Proportion of eligible current non-member employees joining the scheme by retirement 15% (2019 : 15%)

Pre retirement mortality : SA85-90 Light (2019 : SA85-90 Light)

Post retirement mortality : PA[90] (2019 : 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
Central assumptions		118.568	140.318	258.886	
Health care inflation rate	+1%	142.523	152.600	295.123	14%
	- 1%	99.526	129.475	229.001	-12%
Discount rate	+1%	100.278	129.807	230.085	-11%
	-1%	141.811	152.503	294.314	14%
Post-employment mortality	-1 yr	115.494	135.429	250.923	3%
		121.613	145.231	266.844	
Average retirement age	-1 yr	128.967	140.318	269.285	4%
Continuation of membership at retirement	-10%	94.459	140.318	234.777	-9%

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand

2020

2019

16. Provisions (continued)

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.

Assumption	Change	Current-Svc. Cost	Interest Cost	Total	% Change
Central assumptions		9 321 700	26 152 900	35 474 600	
Health care inflation rate	+1%	11 742 700	30 330 500	42 073 200	19%
	- 1%	7 473 500	27 770 300	30 243 800	-15%
Discount rate	+1%	7 594 200	25 322 700	32 916 900	-7%
	-1%	11 596 800	27 015 800	38 612 600	9%
Post-employment mortality	-1 yr	9 593 300	27 066 000	36 659 300	3%
Average retirement age	-1 yr	10 029 900	27 201 900	37 231 800	5%
Continuation of membership at retirement	-10%	7 497 100	23 532 300	31 029 400	-13%

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	30/06/2017	30/06/2018	30/06/2019	30/06/2020
Accrued liability	262.713	265.301	287.023	258.886
Fair value of plan asset	0.000	0.000	0.000	0.000
Surplus / (Deficit)	(262.713)	(265.301)	(287.023)	(258.886)

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.

Experience adjustments	Year ending 30/06/2018	Year ending 30/06/2019	Year ending 30/06/2020
Liabilities: (Gain) / Loss	2 467 601	-1 902 266	1 983 557
Assets: Gain / (Loss)	0	0	0

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
-----------------	------	------

16. Provisions (continued)

Provision for Long Service Awards

	Year ending 30/06/2021	2020	2019
Opening defined benefit obligation	51 467 000	52 033 187	60 790 109
Plus Service Cost	4 192 000	4 382 262	5 022 754
Plus Interest / Finance Cost	3 543 000	3 886 985	4 912 835
Actuarial (Gain)/Loss	-	(462 443)	(11 209 955)
Expected Employer Benefit Payments	(6 381 000)	(8 372 991)	(7 482 556)
	52 821 000	51 467 000	52 033 187

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: 7.33% (2019 : 8.11%)

Cost Inflation Rate: 3.92% (2019 : 5.53%)

Net Effective Discount Rate: 3.28 % (2019 : 2.44%)

Expected Retirement Age: 62 (2019 : 62)

Mortality during employment: SA85-90 Light (2019 : SA85-90 Light)

Sensitivity Analysis

The table below summarises the results of the sensitivity analysis.

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Change	Liability	% change
Central assumptions		51 467 000	
General earnings inflation	+1%	54 600 000	6%
	-1%	48 601 000	-6%
Discount rate	+1%	48 493 000	-6%
	-1 yr	54 780 000	6%
Average retirement age	-2 yrs	56 425 000	-11%
	+2 yrs	45 797 000	10%
Withdrawal rates	x200%	41 700 000	-19%
	-50%	57 957 000	13%

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand

2020

2019

16. Provisions (continued)

The table below summarises the results of this analysis on the Current-service and Interest Costs for the year ending 30 June 2020.

Assumption	Change	Current-Svc. Cost	Interest Cost	Total	% change
Central assumptions		4 382 300	3 887 000	8 269 300	
General earnings inflation rate	+1%	4 731 200	4 141 900	8 873 100	7%
	- 1%	4 069 400	3 654 700	7 724 100	-7%
Discount rate	+1%	4 096 000	4 094 200	8 190 200	-1%
	-1%	4 706 200	3 654 700	8 351 400	1%
Average retirement age	-2 yrs	4 762 500	4 291 200	9 053 700	9%
	+2 yrs	3 968 000	3 428 900	7 396 900	11%
Withdrawal rates	-50%	5 225 700	4 433 700	9 659 400	17%

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.

Liability history	30/06/2016	30/06/2017	30/06/2018	30/06/2019	30/06/2020
Accrued liability	52 050 000	54 680 000	60 790 000	52 033 000	51 467 000
Plan asset	0	0	0	0	0
Surplus / (Deficit)	(52 050 000)	(54 680 000)	(60 790 000)	(52 033 000)	(51 467 000)

History of experience adjustments: Gains and Losses

	Year ending 30/06/2016	Year ending 30/06/2017	Year ending 30/06/2018	Year ending 30/06/2019	Year ending 30/06/2020
Liabilities: (Gain) / Loss	(-1 279 435)	1 255 495	2 467 601	(1 902 266)	1 983 557
Assets: Gain / (Loss)	0	0	0	0	0

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
17. Payables from exchange transactions		
Trade payables	1 234 795 571	833 462 653
Payments received in advanced	77 899 205	58 864 842
Accrued leave pay	112 119 493	98 079 989
Sundry creditors	151 441 195	137 516 667
Housing : Absa bank account	150 627	148 317
Department of Local Government and Human Settlements	229 587 797	179 355 036
	1 805 993 888	1 307 427 504
18. Consumer deposits		
Water and Electricity	36 633 558	33 345 165
19. Service charges		
Sale of electricity	773 205 983	751 770 651
Sale of water	603 420 127	572 664 917
Sewerage and sanitation charges	112 768 991	112 025 166
Refuse removal	137 032 915	141 312 635
	1 626 428 016	1 577 773 369
20. Other revenue		
Agency Fees	10 505 057	12 459 649
Connections and Reconnection fees	9 618 438	16 325 153
Rental income	1 918 996	1 465 315
Insurance Fees	-	929 939
Other income	9 239 965	14 784 552
	31 282 456	45 964 608
21. Investment revenue		
Interest revenue		
Bank	16 544 865	21 171 044
Interest charged on trade and other receivables	352 475 841	284 309 353
	369 020 706	305 480 397

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
22. Property rates		
Rates received		
Total rates received	334 342 738	325 127 764
Valuations		
Residential	16 584 553 816	16 826 761 591
State	934 593 203	970 593 203
Municipal	730 638 615	673 655 590
Agricultural	1 510 722 900	1 504 967 900
Business	5 060 687 775	4 737 567 224
	4 821 196 309	4 713 545 508

Valuations on land and buildings are performed every 4 years however council sought an extension to 7 years. 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 1 July 2020.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
23. Government grants and subsidies		
Operating grants		
Equitable share	429 952 835	392 856 000
National: Expanded Public Works Program Grant (EPWP)	1 385 970	931 888
Financial Management Grant (FMG)	2 510 749	2 215 000
Disaster Management Grant (COVID)	1 013 000	-
Library Grant	754 182	683 051
Museum Grant	197 850	199 467
	435 814 586	396 885 406
Capital grants		
Municipal Infrastructure Grant (MIG)	86 428 782	88 381 075
Integrated National Electrification Programme Grant (INEP)	3 869 445	12 205 120
Neighbourhood Development Partnership Grant (NDPG)	38 147 288	52 457 320
Fire Grant	-	52 389
Water Services Infrastructure Grant	-	17 000 000
Energy Efficiency Demand Side Grant (EEDS)	2 893 591	94 978
	131 339 106	170 190 882
	567 153 692	567 076 288
Municipal Infrastructure Grant		
Balance unspent at beginning of year	51 505 143	20 197 218
Current-year receipts	87 489 000	119 689 000
Conditions met - transferred to revenue	(86 428 781)	(88 381 075)
Rollover denied	(20 205 143)	-
	32 360 219	51 505 143
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	9 794 880	183 948
Current-year receipts	3 960 000	22 000 000
Conditions met - transferred to revenue	(3 869 446)	(12 205 120)
Roll over denied	(9 794 879)	(183 948)
	90 555	9 794 880
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		
Current-year receipts	2 680 000	2 215 000
Conditions met - transferred to revenue	(2 510 750)	(2 215 000)
	169 250	-
Conditions still to be met - remain liabilities (see Note 14).		

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
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
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	1 105 112	140 567
Current-year receipts	1 983 000	2 037 000
Conditions met - transferred to revenue	(1 385 970)	(931 888)
Roll over denied	(1 105 112)	(140 567)
	597 030	1 105 112
Conditions still to be met - remain liabilities (see Note 14).		
Fire		
Balance unspent at beginning of year	557 326	131 963
Current-year receipts	-	477 752
Conditions met - transferred to revenue	-	(52 389)
	557 326	557 326
The purpose of the grant is to provide fire and flood incidences (see Note 14).		
Library		
Balance unspent at beginning of year	1 828 100	1 795 151
Current-year receipts	780 000	716 000
Conditions met - transferred to revenue	(754 182)	(683 051)
	1 853 918	1 828 100
Conditions still to be met - remain liabilities (see Note 14).		
The purpose of the grant is to provide for Library Services.		
NDPG Grant		
Balance unspent at beginning of year	22 542 680	43 016
Current-year receipts	40 800 000	75 000 000
Conditions met - transferred to revenue	(38 147 288)	(52 457 320)
Roll over denied	(22 542 680)	(43 016)
	2 652 712	22 542 680
Conditions still to be met - remain liabilities (see Note 14).		
District MEYMP		
Balance unspent at beginning of year	213 176	213 176

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
23. Government grants and subsidies (continued)		
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.		
Disaster Assessment Management Grant		
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.		
District Grant		
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.		
Museum Grant		
Balance unspent at beginning of year	7 885	7 352
Current-year receipts	200 000	200 000
Conditions met - transferred to revenue	(197 850)	(199 467)
	10 035	7 885
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.		
WSIG		
Current-year receipts	-	17 000 000
Conditions met - transferred to revenue	-	(17 000 000)
	-	-
Conditions still to be met - remain liabilities (see Note 14).		
The purpose of the grant is to provide for Water Services.		
EEDSM		
Balance unspent at beginning of year	6 905 022	-
Current-year receipts	3 000 000	7 000 000
Conditions met - transferred to revenue	(2 893 591)	(94 978)
Roll over denied	(6 905 022)	-
	106 409	6 905 022

The purpose of the grant is to provide for electricity. (see Note 14).

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
23. Government grants and subsidies (continued)		
Disaster Assessment Management Grant (COVID)		
Current-year receipts	1 013 000	-
Conditions met - transferred to revenue	(1 013 000)	-
	-	-

Conditions still to be met - remain liabilities (see Note 14).

The purpose of the grant is to provide for Disaster Services (Covid Grant).

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
24. Employee related costs		
Basic	403 608 870	375 526 939
Medical aid - company contributions	50 294 588	46 587 675
UIF	3 499 215	3 435 476
WCA	2 631 263	2 621 246
Other payroll levies	3 465 440	4 760 235
Accrued leave pay movement	14 039 504	10 441 841
Defined contribution plans	(28 136 505)	21 600 991
Travel, motor car, accommodation, subsistence and other allowances	12 850 262	11 600 059
Overtime payments	53 207 492	47 872 425
Long-service awards	(566 187)	(8 756 922)
13th Cheques	31 477 874	29 132 318
Housing benefits and allowances	6 696 584	6 524 054
Pension Fund	80 503 929	75 533 858
Leave paid out	8 619 546	7 494 842
Cellphone allowance	1 027 328	985 575
	643 219 203	635 360 612

Remuneration of Municipal Manager - TSR Nkhumise

Annual Remuneration	1 128 288	1 097 883
Car and other allowance	272 160	326 564
Contributions to UIF, Medical and Pension Funds	24 000	3 569
	1 424 448	1 428 016

TSR Nkhumise was appointed as Municipal Manager from May 2017 to date.

Remuneration of Chief Financial Officer - NM Grond

Annual Remuneration	385 421	-
Contributions to UIF, Medical and Pension Funds	2 522	-
	387 943	-

NM Grond was appointed as Chief Financial Officer from 1st of March 2020 to date.

Remuneration of Chief Financial Officer - MKG Ramorwesi

Annual Remuneration	-	565 805
Car Allowance	-	115 614
Performance Bonuses	-	64 796
Contributions to UIF, Medical and Pension Funds	-	2 082
	-	748 297

The Chief Finance Officer MKG Ramorwesi was appointed in March 2017 and resigned on 31 January 2019.

Remuneration of acting Chief Financial Officer- TO Sekgala

Annual Remuneration	378 464	221 451
Car and other Allowance	246 373	122 803
Contributions to UIF, Medical and Pension Funds	-	70 457
	624 837	414 711

MS TO Sekgala was the acting Chief Financial Officer from February 2019 to February 2020..

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
24. Employee related costs (continued)		
Remuneration of Director Public Safety - LJ Nkhumane		
Annual Remuneration	1 075 694	1 107 680
Car Allowance	-	105 832
Contributions to UIF, Medical and Pension Funds	91 011	-
Other	2 996	-
	1 169 701	1 213 512
LJ Nkhumane was appointed as Director Public Safety from February 2018 to date.		
Remuneration of Director Corporate Services - L Seametso		
Annual Remuneration	1 156 263	1 156 262
Car Allowance	-	3 569
Contributions to UIF, Medical and Pension Funds	11 471	-
	1 167 734	1 159 831
L Seametso was appointed as Director Corporate Services from February 2018 to date.		
Remuneration of acting Director of Local Economic Development - AK Khuzwayo		
Annual Remuneration	-	436 464
Car Allowance	-	175 243
Contributions to UIF, Medical and Pension Funds	-	210 211
	-	821 918
AK Khuzwayo have been acting as the Director of Local Economic Development.		
Remuneration of Director of Local Economic Development - LL Fourie		
Annual Remuneration	932 636	325 088
Car Allowance	144 000	53 357
Other	8 476	-
Contributions to UIF, Medical and Pension Funds	89 906	13 521
	1 175 018	391 966
LL Fourie was appointed as the Director of Local Economic Development from the 1st of March 2019 to date.		
Remuneration of acting Director Planning and Human Settlements - P Phala		
Annual Remuneration	-	396 883
Car Allowance	-	245 694
Contributions to UIF, Medical and Pension Funds	-	188 753
	-	831 330
P Phala has been acting as the Director of Planning and Human Settlements.		
Remuneration of Director Planning and Human Settlements - BB Choche		
Annual Remuneration	1 136 505	378 835
Car Allowance	240 000	80 000
Contributions to UIF, Medical and Pension Funds	12 886	1 190
Other	3 032	-
	1 392 423	460 025

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
-----------------	------	------

24. Employee related costs (continued)

BB Choche has been appointed as the Director of Planning and Human Settlements from the 1st of March 2019.

Remuneration of Director Technical and Infrastructure - R Madimutsa

Annual Remuneration	1 232 505	1 214 221
Car Allowance	144 000	161 560
Contributions to UIF, Medical and Pension Funds	13 221	3 569
Other	21 810	-
	1 411 536	1 379 350

R Madimutsa has been appointed as Director Technical and Infrastructure from February 2018 to date.

Remuneration of Director Community Development - MM Molawa

Annual Remuneration	927 799	934 811
Car Allowance	144 000	147 805
Contributions to UIF, Medical and Pension Funds	94 690	184 699
Other	1 495	-
	1 167 984	1 267 315

MM Molawa was appointed as Director Community Development from February 2018 to date.

25. Remuneration of Councillors

Executive Mayor	1 057 710	1 048 918
Mayoral Committee Members	9 518 326	9 203 798
Speaker	856 331	846 700
Councillors	23 155 640	23 373 507
	34 588 007	34 472 923

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	656 562	656 561
Councillors pension contributions	105 066	96 274
Cellphone allowance	44 400	44 400
Travel Allowance	251 682	251 682
	1 057 710	1 048 917

ME Kgaile became the Mayor from August 2016 to date.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
25. Remuneration of Councillors (continued)		
Remuneration of Speaker - RW Ntozini		
Annual Remuneration	507 969	507 969
Councillors pension contributions	78 787	75 704
Cellphone allowance	44 400	44 400
Contributions to UIF, Medical and Pension Funds	17 280	17 280
Travel Allowance	201 345	201 345
Other	6 549	-
	856 330	846 698
Remuneration of the Chief Whip - MV Chinga		
Annual Remuneration	492 420	492 420
Councillors pension contributions	78 846	72 205
Cellphone allowances	44 400	44 400
Travel Allowance	188 761	188 761
	804 427	797 786
Remuneration of Councillors and Mayoral Committee Members		
Annual Remuneration	19 847 536	19 268 301
Councillors pension contributions	1 640 804	1 568 090
Cellphone allowances	3 326 300	3 274 500
Medical aid contribution	328 320	326 922
Travel Allowance	7 270 768	7 068 732
	32 413 728	31 506 545
26. Depreciation and amortisation		
Property, plant and equipment	388 912 965	394 534 798
27. Impairment of assets		
Impairments		
Property, plant and equipment	23 032 668	7 922 612
The assets that was impaired can be summarized as follow: For immovable assets (Infrastructure etc) the impairment was triggered by a change in the condition grade of the assets, as found during the verification process. For moveable assets, the impairment was triggered, either by a condition change during the physical verification, and or through the impairment of all moveable assets that could not physically be verified during this years physical verification, and with the intention of disposing these assets in line with the updated asset policy in the next financial year should these assets still not be verified during next years physical verification.		
28. Finance costs		
Non-current borrowings	2 292 288	5 200 945
Other interest paid	76 716 615	67 535 426
	79 008 903	72 736 371

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
29. Debt impairment		
Debt impairment	1 050 462	496 079
Contributions to debt impairment provision	833 961 091	721 875 992
	835 011 553	722 372 071
30. Bulk purchases		
Electricity	691 072 797	673 365 154
Water	339 087 647	320 845 465
	1 030 160 444	994 210 619
Electricity (losses in units)	173 025 441	148 210 722
Electricity (losses as %)	29%	26%
Water (losses in units)	11 557 713	14 038 954
Water (losses) in %	35%	41%
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.		
31. Contracted services		
Security Services	33 942 771	28 275 372
Other Contractors	15 526 818	17 729 418
	49 469 589	46 004 790

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
32. General expenses		
Advertising	1 744 467	1 205 487
Auditors remuneration	7 387 524	6 016 853
Bank charges	9 133 930	14 411 888
Cleaning	27 200	55 348
Commission paid	10 818 305	12 670 397
Community development and training	186 934	1 532 211
Consulting and professional fees	16 269 702	13 128 297
Consumables	28 711 630	17 809 896
Discount allowed	892 638	1 146 683
Entertainment	5 841 814	4 562 625
Inventory write downs	299 530	305 428
Indigent costs	28 435 222	17 389 389
Insurance	11 777 967	6 256 176
Marketing	946 210	1 414 573
Medical expenses	557 695	219 258
Meter readings	7 708 878	8 071 423
Motor vehicle expenses	13 638 643	21 870 750
Other miscellaneous	13 121 159	12 576 414
Profit and Loss on disposal	16 110 963	9 116 606
Postage and courier	4 974 274	4 042 327
Printing and stationery	3 565 971	3 845 653
Professional Fees	9 661 015	13 160 163
Protective clothing	6 514 782	3 429 760
Refuse	1 062 000	7 143 519
Royalties and license fees	995 914	1 240 810
Subscriptions and membership fees	6 335 370	7 956 277
Telephone and fax	5 783 041	6 203 262
Title deed search fees	241 609	337 504
Training	688 311	2 816 238
Transport and freight	166 293	410 484
Casual workers	8 654 000	6 771 000
	222 252 991	207 116 699

33. Revenue Loss

Income loss

Total loss incurred	11 573 029	11 692 207
---------------------	------------	------------

These revenue losses relate to monies that were misappropriated from the market and there is an investigation currently ongoing from the HAWKS to identify and charge the responsible parties.

34. Auditors' remuneration

Fees	7 387 524	6 016 853
------	-----------	-----------

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
35. Cash generated from operations		
Deficit	(541 090 587)	(316 680 416)
Adjustments for:		
Depreciation and amortisation	388 912 965	394 534 798
Impairment Loss on PPE	23 032 668	7 922 612
Non cash donations	(6 672 662)	(102 062 838)
Debt impairment	835 011 553	722 372 071
Loss on disposal of assets	16 110 963	9 116 604
Movements in provisions	(27 640 692)	19 987 584
Movement in leave accrual	14 039 504	10 441 841
Stock adjustment	(99 231)	(4 576 170)
Wild stock adjustment	191 425	(400 035)
Changes in working capital:		
Inventories	4 614 000	(404 650)
Receivables from exchange transactions	2 007 848	7 732 409
Consumer debtors	(933 617 588)	(821 229 611)
Other receivables	22 386	26 987
Payables from exchange transactions	464 785 822	382 500 382
VAT	(73 651 841)	(20 372 868)
Unspent conditional grants and receipts	(55 848 694)	71 746 933
	110 107 839	360 655 633

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
-----------------	------	------

36. Financial instruments disclosure

Categories of financial instruments

2020

Financial assets

	At amortised cost	Total
Other financial assets	10 280 725	10 280 725
Receivables from exchange transactions	4 781 713	4 781 713
Other receivables from non-exchange transactions	62 029	62 029
Consumer debtors	434 690 924	434 690 924
Cash and cash equivalents	300 657 222	300 657 222
Eskom deposits	32 023 810	32 023 810
	782 496 423	782 496 423

Financial liabilities

	At amortised cost	Total
Consumer deposits	36 633 558	36 633 558
Other financial liabilities	84 887 873	84 887 873
Trade and other payables from exchange transactions	1 615 975 190	1 615 975 190
	1 737 496 621	1 737 496 621

2019

Financial assets

	At amortised cost	Total
Other financial assets	34 674 893	34 674 893
Receivables from exchange transactions	6 789 561	6 789 561
Consumer debtors	465 447 696	465 447 696
Cash and cash equivalents	289 021 364	289 021 364
Eskom deposits	17 572 207	17 572 207
Other receivables	85 415	85 415
	813 591 136	813 591 136

Financial liabilities

	At amortised cost	Total
Other financial liabilities	103 427 941	103 427 941
Trade and other payables from exchange transactions	1 307 427 504	1 307 427 504
Consumer deposits	33 345 165	33 345 165
	1 444 200 610	1 444 200 610

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
-----------------	------	------

37. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Property, plant and equipment	201 524 714	246 074 359
---------------------------------	-------------	-------------

Total capital commitments

Already contracted for but not provided for	201 524 714	246 074 359
---	-------------	-------------

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	23 994 778	4 100 275
- in second to fifth year inclusive	25 741 479	32 802 203
	49 736 257	36 902 478

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 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
-----------------	------	------

38. Related parties

Relationships

Accounting Officer	Refer to accounting officer's report note
Councillor GN Malete	
Councillor A Combrinck	
Councillor A Meiring	
Councillor B Tsabedze	
Councillor CJ Bester	
Councillor FI Tagaree	
Councillor G Mqikela	
Councillor GA Mohoemang	
Councillor GC Oosthuizen	
Councillor GLJ Cromhout	
Councillor GS Nkebe	
Councillor HF Saudi	
Councillor HFC Jordaan	
Councillor HL Methi	
Councillor IM Semonyo	
Councillor IN Matetoane	
Councillor J Qankase	
Councillor JJ le Grange	
Councillor K Ndincede	
Councillor KB Kali	
Councillor L Khoza	
Councillor L Scott	
Councillor LD Molefi	
Councillor LK Shuping	
Councillor LL Cutswa	
Councillor LM Kortjas	
Councillor LM Phakoe	
Councillor M Babuile	
Councillor M Coetzee	
Councillor M Koekemoer	
Councillor MA Motitimi	
Councillor MC Mahlangu	
Councillor ME Kamati	
Councillor ME Kgaile	
Councillor ME Mosweu	
Councillor MF Nthaba	
Councillor MI Mangesi	
Councillor MJ Ntiane	
Councillor ML Mojaki	
Councillor MM Chao	
Councillor MN Seitisho	
Councillor MV Chinga	
Councillor NB Ntaopane	
Councillor PA Hlekiso	
Councillor PC Magwaca	
Councillor PF Mabeli	
Councillor PJ Swart	
Councillor PM Molutsi	
Councillor PN Moeng	
Councillor PT Horn	
Councillor RK Ponisi	
Councillor RW Ntozini	
Councillor AN Ludidi	
Councillor EM Postma	
Councillor S Nongqayi	
Councillor NS Mendela	

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
-----------------	------	------

38. Related parties (continued)

Councillor PZM Burrel
Councillor TO Vilakazi
Councillor SD Mongale
Councillor SD Montoedi
Councillor SH Nani
Councillor SJ Daemane
Councillor KL Ross
Councillor SL Mondlane
Councillor SL Moremi
Councillor SL Sithole
Councillor SM Steyn
Councillor SOC Barrends
Councillor SP Kloppers
Councillor SP Sesana
Councillor SPJ Bogatsu
Councillor TG Khoza
Councillor TL Sekgothe
Councillor TM Mabulela
Councillor TS Seabeng
Councillor W Wallhorn
Councillor WJJ Louwrens
Councillor MT Botman
Councillor MI Groenewald
Councillor EL Kleynhans
Councillor D Roodt
Councillor L Moloko
Councillor BJ William

Councilor 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. Midvaal Water Company is a supplier and all the transactions with the municipality were at arm's length transaction, in the normal course of business.

Remuneration of Mayoral Committee members and councillors

	Remuneration	Total (R)
Executive Mayor	1 057 710	1 057 710
Mayoral Committee Members	9 518 326	9 518 326
Speaker	856 331	856 331
Councillors	23 155 640	23 155 640
	34 588 007	34 588 007

Key management information

Class	Description	Amount
Municipal Manager	TSR Nkhumise	R 1 424 448
Chief Financial Officer	NM Grond appointed from 1 March 2020	R 387 943
Acting Chief Financial Officer	TO Sekgala acting from February 2019 to February 2020	R 624 837
Director Public Safety	LJ Nkhumane	R 1 169 701
Acting Director Economic Development	AK Khuzwayo acting term ended February 2019	
Director Economic Development	LL Fourie appointed March 2019	R 1 175 018
Acting Director Planning and Human settlements	P Phala acting term ended February 2019	
Director Planning and Human Settlements	BB Choche appointed March 2019	R 1 392 423
Director Technical and Infrastructure	R Madimutsa	R 1 411 536
Director Community Development	MM Molawa	R 1 167 984
Director Corporate Services	L Seametso	R 1 167 734

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
-----------------	------	------

39. Prior period errors

Error 1: During the annual physical asset verification, a number of assets were identified which was not acquired during any of the financial years presented. To ensure the completeness and accuracy of the register, management included in these items retrospectively in the fixed asset registers and annual financial statements. During the reconciliation of the current year additions, it was found that a 2019 invoice was only accounted for in the 2020 financial year. As this was the only issue identified, management decided to make the necessary adjustment to correct retrospectively this has led to Property Plant and Equipment of R16 605 849.

Error 2: During the reconciliation of the VAT it was found that it was understated as a result of amounts owing to Cigicell resulting in Vat being understated by R 17 305 24.

Error 3: Whilst addressing prior year findings it was identified that we incorrectly accounted for Market Debtor instead of Revenue Loss resulting in decrease in Receivables from exchange transactions of R 21 913 544 and increase in Revenue Losses of R 11 692 207.

Error 4: During the reconciliation of payables it was noted that the amounts owing to SALGA were understated by R 13 936 142.

Error 5: During the reconciliation of payables it was noted that the amounts owing to Cigicell was overstated by R 17 305 243 as Vat was not accounted for correctly.

Error 6: During the reconciliation of the current year additions, it was found that a 2019 invoice was only accounted for in the 2020 financial year. As this was the only issue identified, management decided to make the necessary adjustment to correct retrospectively this has led to increase in payables of R 683 041.

Error 7: During the reconciliation of payables, it was noted that there were payables outstanding for a long period and these amounts of R 2 430 339 were written off.

Error 8: During the reconciliation of property plant and equipment it was found that during the finalisation of the 2019 AFS a net impairment loss of R683 041, in respect to COM_WIP 15 project was incorrectly accounted for.

Error 9: During the reconciliation of the amounts owing to SALGA expenditure was understated by R 5,392,462 resulting in increase in expenditure.

Error 10: Other Disclosure note for SALGA was adjusted and corrected to reflect an owing of R 19 328 603.

Error 11: During the audit of commitments it was noted that there was an overstatement of R260 927 380 on the opening balance of the register as a result of using the project amount instead of contract amount.

The correction of the error(s) results in adjustments as follows:

Effect of errors on the Accumulated Surplus

Increase in Accumulated surplus due to Error 1	- 16 605 849
Decrease in Accumulated surplus due to Error 3	- (21 913 544)
Decrease in Accumulated surplus due to Error 4	- (13 936 142)
Increase in Accumulated surplus due to Error 6	- 683 041
Increase in Accumulated surplus due to Error 7	- 2 430 339
Decrease in Accumulated surplus due to Error 8	- (683 041)
Decrease in Accumulated surplus due to Error 9	- (5 392 462)

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
-----------------	------	------

39. Prior period errors (continued)

Statement of financial position

Increase in Property Plant and Equipment due to Error 1	-	16 605 849
Decrease in Value Added Tax due to Error 2	-	(17 305 243)
Decrease in Market Debtor due to Error 3	-	(21 913 544)
Increase in Payables due to Error 3	-	(13 939 142)
Decrease in Payables due to Error 5	-	17 305 243
Increase in Payables due to Error 6	-	(683 041)
Decrease in Payables due to Error 4	-	2 430 339
Increase in Property Plant and Equipment due to Error 8	-	683 041
Increase in Payables due to Error 9	-	(5 392 462)

40. 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:

Statement of financial position

2019

	Note	As previously reported	Correction of error	Restated
Property, plant and equipment		4 984 541 202	17 971 937	5 001 830 092
Payables from exchange transactions		(1 307 151 441)	(276 063)	(1 307 427 504)
Accumulated surplus		(4 273 254 898)	21 522 913	(4 251 731 985)
Receivables from exchange transactions		28 703 105	(21 913 544)	6 789 561
Vat receivable		138 693 678	(17 305 243)	121 388 435
		(428 468 354)	-	(429 151 401)

Statement of financial performance

2019

	Note	As previously reported	Correction of error	Re-classification	Restated
Depreciation and amortisation		(402 816 346)	683 041	7 922 612	(394 534 798)
General expenses		(201 724 237)	(5 392 462)	-	(207 116 699)
Revenue loss		-	(11 692 207)	-	(11 692 207)
Impairment loss/Reversal of impairment		-	-	(7 922 612)	(7 922 612)
Deficit for the year		(299 954 683)	(16 401 628)	-	(316 356 311)

Reclassifications

The following reclassification adjustment occurred:

Depreciation, Impairment and Amortisation of 2018/19 for R 402,133,305 was reclassified between Impairment loss of R 7 922 612 and Depreciation and amortisation of R 394 210 693 to be inline with the GRAP 21 Disclosure.

41. 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.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand

41. Risk management (continued)

The capital structure of the municipality consists of debt, which includes the borrowings disclosed in Note 15, cash and cash equivalents disclosed in Note 13, and equity as disclosed in the statement of financial position.

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.

Total borrowings

Current liabilities		1 909 081 448	1 465 614 447
Non-current liabilities		496 820 533	540 462 211
		2 405 901 981	2 006 076 658
Less: Cash and cash equivalents	13	300 578 049	289 021 364
Net debt		2 105 323 932	1 717 055 294
Total equity		3 710 641 399	421 731 985
Total capital		5 815 965 331	2 138 787 279

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 2020 and 2019, 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:

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand

41. Risk management (continued)

Financial instrument	2020	2019
Other financial assets	10 280 725	34 674 893
Consumer debtors	564 053 731	465 447 696
Other receivables	62 029	84 415
Cash and cash equivalents	300 657 222	289 021 364

The municipality is exposed by a guarantee for a loan at DBSA and is secured by the Nedbank investment as disclosed in Note 12.

42. Going concern

We draw attention to the fact that at 30 June 2020, the municipality reported a deficit of R 541 090 587 and has an accumulated surplus of R 3 710 641 399 and that the municipality's total assets exceed its liabilities by R 3 710 641 399.

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, material uncertainty exists regarding the Municipality to continue as a going concern and the Municipality may be unable to realise its assets and discharge its liabilities in the normal course of business.

43. Events after the reporting date

There were no material events that required an adjustment to the annual financial statements after the reporting date.

44. Unauthorised expenditure

Unauthorised expenditure	2 046 897 086	1 823 191 643
Unauthorised expenditure current year	481 430 091	223 705 443
	2 528 327 177	2 046 897 086

The over expenditure for the 2020 financial year is primarily due to the impairment on the consumer debtors, revenue loss and other debtors. The total balance including the opening balance will be dealt with in accordance with the MFMA requirements.

No criminal or disciplinary steps have been taken.

45. Fruitless and wasteful expenditure

Opening Balance Fruitless and wasteful expenditure	272 673 138	204 328 785
Current year fruitless and wasteful	65 584 827	68 344 353
	338 257 965	272 673 138

The municipality incurred interest, fines and penalties for late payment of the Eskom, SARS, Midvaal and Auditor General accounts. No disciplinary action has been taken as the expenses are a result of cashflow constraints.

46. Irregular expenditure

Opening balance	2 996 800 916	2 754 400 577
Add: Irregular Expenditure - current year	179 511 614	227 579 791
Deviations	-	14 820 548
	3 176 312 530	2 996 800 916

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand

46. Irregular expenditure (continued)

Analysis of expenditure awaiting condonation per age classification

Bid composition not constituted	80 460 100	106 106 778
Order splitting	6 772 291	8 586 853
Three quotes not attached	1 121 056	259 851
Non disclosure of interest	3 675 822	15 373 567
No seven days advertisement	7 638 232	2 399 444
Regulation 32 appointment	4 145 253	36 388 777
Contravention of SCM Regulation 36	5 988 459	20 107 141
Contravention of SCM Policy	27 482 714	12 874 105
Contracts expired	41 430 876	25 483 275
	178 714 803	227 579 791

Details of irregular expenditure – current year

Disciplinary steps taken/criminal proceedings

No disciplinary action has been taken as the expenses are a result of cashflow constraints.

47. 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 Accounting Officer 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
Water and sewer	136 199	136 199
Electricity	308 068	308 068
Repair Of Equipment	853 560	853 560
Councillor Accommodation	4 891 179	4 891 179
VIP Latrines - Sanitation	575 133	575 133
	6 764 139	6 764 139

Contributions to organised local government

Opening balance	19 328 604	13 936 142
Current year subscription / fee	7 354 357	7 152 462
Amount paid - current year	(2 993 986)	(1 760 000)
	23 688 975	19 328 604

Audit fees

Opening balance	1 340 381	2 424 937
Current year subscription / fee	4 740 575	4 787 732
Amount paid - current year	(3 384 787)	(5 872 288)
	2 696 169	1 340 381

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand

47. Additional disclosure in terms of Municipal Finance Management Act (continued)

PAYE,SDL and UIF

Opening balance	6 932 604	6 120 842
Current year subscription / fee	84 949 032	76 977 233
Amount paid - current year	(84 661 101)	(76 165 471)
	7 220 535	6 932 604

Pension and Medical Aid Deductions

Opening balance	11 842 261	11 116 899
Current year subscription / fee	239 919 785	205 961 324
Amount paid - current year	(239 593 528)	(205 235 962)
	12 168 518	11 842 261

VAT

VAT receivable	195 040 276	121 388 435
----------------	-------------	-------------

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand

47. 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 30 June 2020:

30 June 2020	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Councillor Bogatsu SPJ	-	17 799	17 799
Councillor Burrell BR/KC	-	11 397	11 397
Councillor Matetoane NI	-	31 595	31 595
Councillor Methi HL	-	5 712	5 712
Councillor Methi HL	-	15 556	15 556
Councillor Mosweu ME	-	16 640	16 640
Councillor Mqikela G	-	11 249	11 249
Councillor Nani SH	-	33 323	33 323
Councillor Ndela N	-	73 909	73 909
Councillor Ponisi RK	-	10 101	10 101
Councillor Qankase J	-	32 781	32 781
Councillor Sithole SL	-	26 480	26 480
Councillor Moeng PN	-	137	137
	-	286 679	286 679

30 June 2019	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Councillor Bogatsu SPJ	-	6 344	6 344
Councillor JP Mongale	-	918	918
Councillor Matetoane NI	-	477	477
Councillor Methi HL	-	21 556	21 556
Councillor M Babuile	-	9 029	9 029
Councillor Mosweu ME	2 373	21 680	24 053
Councillor Mqikela G	-	29 249	29 249
Councillor Nani SH	-	63 324	63 324
Councillor PM Molotsi	-	79 909	79 909
Councillor Ponisi RK	-	28 100	28 100
Councillor Sithole SL	-	32 715	32 715
Councillor Moeng PN	-	658	658
Councillor Methi HL	-	11 712	11 712
Councillor ME Molete	2 730	2 021	4 751
Councillor M Coetzee	-	20 754	20 754
Councillor JS Tsabedze	3 364	1 282	4 646
Councillor Shuping	-	3 125	3 125
Councillor PA Hlekiso	-	1 377	1 377
	8 467	334 230	342 697

During the year the following Councillors had arrear accounts outstanding for more than 90 days.

30 June 2020	Highest outstanding amount	Aging (in days)
Councillor Nani SH	45 111	63 324
Councillor Methi HL	22 909	33 268
Councillor Ponisi RK	11 132	28 100
Councillor M Coetzee	-	20 754
Councillor Mqikela G	19 343	29 249

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand

47. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillor Matetoane NI	47 902	447
Councillor JS Tsabedze	-	1 282
Councillor JP Mongale	-	918
Councillor Moeng PNJ	953	658
Councillor Mosweu ME	36 338	21 680
Councillor Bogatsu SPJ	30 693	6 344
Councillor PA Hlekiso	-	1 377
Councillor Shuping	-	3 125
Councillor ME Moletse	-	2 021
Councillor M Babuile	-	9 029
Councillor Sithole SL	-	32 716
Councillor PM Molotsi	-	79 909
Councillor N Ndela	74 850	-
Councillor J Qankase	33 605	-
Councillor SL Sithole	27 454	-
Councillor LE/MV Mophethe	27 277	-
Councillor BR/KC Burrell	15 598	-
Councillor JJ le Grange	5 190	-
Councillor LE Ross	856	-
	399 211	334 201

48. Contingent assets and liabilities

The certainty and timing of the outflow of economic resources related to 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 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
48. Contingent assets and liabilities (continued)		
Owamajola / City of Matlosana The plaintiff sued the City of Matlosana for service rendered and a counterclaim was instituted	3 709 727	3 709 727
HL MATLALA Tl A GOROGANG PLANT HIRE / City of Matlosana Gorogang terminated its agreement with the City of Matlosana and issued summons claiming the amount stipulated.	12 500 000	-
City of Matlosana / Munmap (Pty) Ltd Maximum Profit Recovery (Pty) Ltd Council obtained judgement against respondent.	655 516	650 000
Isago at N12 Development / City of Matlosana, Abacus Asset Management And Sanral Isago owes the municipality for the outstanding bulk municipal services to be installed which Isago failed to install by contractual agreement agreed date.	19 315 132	19 315 132
City of Matlosana / Great Champs Trading GCT have an outstanding debt arising from occupancy of rental space from by the municipality,	76 693	76 693
City of Matlosana / Badiboa Tender paving of taxi routes and storm water drainage contract cancelled by City of Matlosana due to Badiboa failing to progress with the contract	1 500 000	1 500 000
City of Matlosana / Mr Masisi City of Matlosana sued Mr Masisi for fruitless and wasteful expenditure	2 657 462	2 657 462
City of Matlosana / Isago at N12 Development 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
City of Matlosana / ISAGO AT N12 DEVELOPMENT A 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	24 000 000
City of Matlosana / Vaal University City of Matlosana instituted legal action against Vaal University of Technology to claim the land back which was donated to Vaal University for the purpose of building university.	500 000	-
City of Matlosana / IMATU This matter relates to o.b. V.E Mqobongo Mqobongo/Case No : JR 1099/16	500 000	-
City of Matlosana / Erf 214 LA Hoff, Klerksdorp KLUMS infringement, owners operating spraypainting workshop from a residentially zoned property.	80 000	-
City of Matlosana / Erf 27, 13 DJ Opperman		

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
48. Contingent assets and liabilities (continued)		
KLUMS infringement, owner failed to build a firewall in accordance with the approved building plans.	80 000	-
City of Matlosana / 26 Marmer Street Wilkoppies		
KLUMS infringement, owners operating carpentry workshop from a residentially zoned property	80 000	-
City of Matlosana / 79 Williams Street Wilkoppies		
KLUMS infringement, owners operating law firm from a residentially zoned property	80 000	-
City of Matlosana / Erf 4837 Kanana Ext 3		
KLUMS infringement, owners encroached neighbouring property by building their boundary wall over the neighbouring property	80 000	-
City of Matlosana / 20 Joseph street Flamewood		
KLUMS infringement, owners operating home enterprise from a residentially zoned property	80 000	-
City of Matlosana / 10 Lamb Street Orkney		
KLUMS infringement, owners operating medical practice from a residentially zoned property	80 000	-
Contingent liabilities	-	-
MORATHI & MATAKA ATTORNEYS / MATLOSANA LOCAL MUNICIPALITY – CASE NO: 2334/15		
Litigation and claims between the plaintiff and the municipality	84 200	84 200
Owamajola / City of Matlosana		
The plaintiff sued the City of Matlosana for service rendered.	3 396 512	3 396 512
CITY OF MATLOSANA LOCAL MUNICIPALITY / CARPET WORX C.C. – CASE NO: 5578/2018		
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	26 041
CITY OF MATLOSANA & OTHER / D & K PROJECTS FINANCE (PTY) LTD		
Litigation matter- Mahikeng- case number : 03/2020	3 154 179	-
Nicolaas Johannes Myburg / City of Matlosana		

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
48. Contingent assets and liabilities (continued)		
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
City of Matlosana / QCK LEZMIN 4251CC		
Council wrongfully sold land that belongs to a private owner to QCK Lezmin and QCK Lezmin is suing Council	1 468 120	-
SO MATSHIDISO // CITY OF MATLOSANA		
The Plaintiff sues for alleged damaged allegedly suffered as a result of alleged potential profit the Plaintiff could have made it not been the Defendant's failure to appoint the Plaintiff pursuant to an advertised tender by the defendant supply, store and deliver illuminating paraffin	63 447 354	-
City of Matlosana / Bakgeni Civils & Construction		
Arbitration award for non monetary claim to supplier	171 000	171 000
P&S Basson / City of Matlosana		
A summons was brought against the Council for psychological shock and emotional shock by the Plaintiffs.	283 200	283 200
HIGH COURT - OPPOSING MATTER		
CITY OF MATLOSANA / TSHIRELETSO PROFESSIONAL SERVICES CC (LITIGATION MATTER- MAHIKENG- CASE NUMBER : KP 87/18)		
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	1 518 858
Ke A Dira Construction CC / City of Matlosana		
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.	17 392 228	17 391 228
HL MATLALA Tl A GOROGANG PLANT HIRE / City of Matlosana		
Gorogang terminated its agreement with the City of Matlosana and issued summons claiming the amount stipulated.	1 572 713	1 572 713
Ndabangaungue s (plaintiff) / City of Matlosana (defendant)		
Summons was issued against the Council as well as Mr VW Sofe who is employed by the City of Matlosana as a traffic officer, for the alleged unlawful arrest	150 000	-
City of Matlosana / MR M Seero		
Mr Seero instituted action against the employer for damages suffered due to alleged occupational detriment.	5 000 000	-
Itumre Building Supply CC / City of Matlosana		
The City of Matlosana is defending the matter. The case of action started during 2011	563 816	563 816
OWAMAJOLA TRADING / CITY OF MATLOSANA		
Alleged unlawful termination of a Service Level Agreement.	110 587 932	110 587 932
City of Matlosana/Diggers Development		
Diggers Development is claiming the amount based on the allegations that the municipality over billed them for water services	4 325 232	-

City of Matlosana

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
48. Contingent assets and liabilities (continued)		
More Stephens/ City of Matlosana The plaintiff's institution legal process against the City of Matlosana for payment for service rendered.	5 108 172	-
City of Matlosana / S.J Khabu 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	1 500 000
Henry Tsheopo Molaoa (plaintiff) // City of Matlosana (defendant) Summons was issued against the Council as well as Mr TT Tiholatlung, who is employed by the City of Matlosana as a traffic officer for the alleged unlawful arrest	150 000	-
MMT MT Trading Enterprise// City of Matlosana The Plaintiff's issued summons for services rendered against City of Matlosana	1 100 000	-
City of Matlosana // VM Tlaphisi VM Tlaphisi instituted summons to City of Matlosana	810 000	-
Vesta Technical Services (Pty) Ltd / City of Matlosana 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
City of Matlosana / Bonang Trading Developments 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
IMIC Investments (Pty) Ltd / City of Matlosana The claimant instituted legal action against the City of Matlosana. The claim is based on material that was purchased by three contractors on a Council Project (Bucket Eradication Programme).	329 536	329 536
City of Matlosana / M MUIANGA Eviction and cancellation of lease agreement	19 565	19 565
City of Matlosana / MS MOKAKE Litigation matter- Mahikeng- case number : M197/20	100 000	-
Invula Roads and Civil / City of Matlosana The claimant instituted legal action against the City of Matlosana for services rendered	268 383	268 383

City of Matlosana
Appendix A

Schedule of external loans as at 30 June 2020

Loan Number	Redeemable	Balance at June 30 2019	Received during the period	Redeemed written off during the period	Balance at June 30 2020	Carrying Value of Property, Plant & Equip Rand	Other Costs in accordance with the MFMA Rand
		Rand	Rand	Rand	Rand		

Development Bank of South Africa

DBSA @ 15%	NW10959	30 Sep 2017	-	-	-	-	-
DBSA @ 15,25%	NW11182	30 Sep 2018	-	-	-	-	-
DBSA @ 15,60%	NW13637	30 Sep 2020	868 469	-	556 878	311 591	-
DBSA @ 15%	NW13874/1	30 Sep 2019	-	-	-	-	-
DBSA @ 15%	NW13874/2	30 June 2019	-	-	-	-	-
DBSA @ 11,20%	NW101297/1	30 June 2019	-	-	-	-	-
DBSA @ 11,20%	NW101297/2	30 June 2019	-	-	-	-	-
DBSA @ 14,75%	103677/1	1 Nov 2025	21 409 138	-	2 549 637	18 859 501	-
DBSA @ 15,00%	10556	31 Mar 2018	-	-	-	-	-
DBSA @ 15,25%	10906	30 Sep 2019	371 723	-	371 723	-	-
DBSA @ 15,25%	10912	30 Sep 2019	550 506	-	550 506	-	-
DBSA @ 15,25%	10913	30 Sep 2019	423 693	-	423 693	-	-
			23 623 529	-	4 452 437	19 171 092	-

Government loans

Total external loans

Development Bank of South Africa	23 623 529	-	4 452 437	19 171 092	-	-
	23 623 529	-	4 452 437	19 171 092	-	-



Final consolidation of this report was done
by the Performance Management Unit

Tel: +27 18 487 8527

Fax: +27 86 528 5221

strategic@klerksdorp.org

www.matlosana.gov.za

C/O OR Tambo & Bram Fischer Street

P.O. Box 99, Klerksdorp, 2570