



ANNUAL REPORT

2020-2021

CITY OF MATLOSANA

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Chapter 1



CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

EXECUTIVE MAYOR’S FOREWORD



It is my sincere pleasure to present the 2020/21 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 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.”

We are releasing this annual report under unprecedented conditions.

The COVID–19 crisis has caused severe disruptions to the national economy and economies the world over. Our City Matlosana has not been spared. The pandemic has forced governments to pay even greater attention to the tasks of saving lives and preserving livelihoods. In addition to the high cost to human life, the crisis is likely to leave deep and long-lasting scars on the global economy. The scarring impact of the crisis is evident in increased debt levels, income vulnerabilities; while unemployment, poverty, and inequality are deepening.

Statistics show a welcome decline in both the infection rate and mortality rate in Matlosana and nationally. However, we need not let our guard down but continue with the non-pharmaceutical interventions of wearing masks, sanitizing our hands, and social distancing.

As the Department of Health jerks up its vaccination drive, I also wish to appeal to the residents of Matlosana both adults and children aged 13 to 17 years old to vaccinate in preparation for the anticipated fourth wave of the pandemic and to help our country reach population immunity.

Later in the second half of this financial year, the country shall be holding the sixth local government elections since the dawn of democracy. These elections will usher in a completely new era for municipal governance.

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:

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

Notwithstanding the 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 received a qualified audit outcome on the finances and unqualified audit opinion on the performance.

However, as leaders, we are resolute in our commitment to 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.

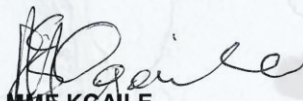
To enhance governance, structures are in place to improve operational efficiencies, accountability, and responsiveness and to strengthen oversight for the municipality's administration to become more responsive, resilient, and efficient.

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, the directors, and all officials for your 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.

Together we make a difference.



MME KGAILE
EXECUTIVE MAYOR

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW



The Annual Report is prepared in terms of section 121, Chapter 12 of the Municipal Finance Management Act (MFMA) Act 56 of 2003 and must, in terms of Section 127(2), be tabled at the Municipal Council meeting by the Executive Mayor.

The Municipal Manager must thereafter, make the report public and invite the local community to submit the representations with regard to issues raised in the report

MFMA Circular 11 and Circular 63, gives the purpose of the Annual Report as having:

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

It is for that reason that the report will attempt to cover the broad range of activities and standing of the municipality in relation to the socio-economic profile of its area of jurisdiction, institutional capacity, the achievements relating to the delivery of services to the community as well as the developmental and institutional aspects, including financial performance. The report also covers governance and public participation engaged in by the municipality to ensure involvement of the communities of the City of Matlosana in planning as well as in delivery of services that meet their needs in the period under review.

The devastating effects of the vicious global pandemic called Corona Virus / COVID – 19, had a serious negative bearing on service delivery and the economy. Many people lost their jobs, families lost their loved ones, while others experienced decline in their household incomes and as a result, the collection rate of the municipality went down drastically, which impacted on the payment of our major accounts of Eskom and Midvaal.

Due to protocols that we had to observe and comply with in our daily operations, Council and Portfolio committees could not convene as normal. Certain employees had to work from home while others were working on rotation basis. Additional workers were recruited as Screeners to ensure compliance with the COVID-19 directives and their salaries are covered by a Disaster Management Grant.

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The report will further indicate the work carried out and its impact during the 2020/21 financial year, as well as give feedback on performance against targets to various stakeholders, including citizenry, government institutions and other interested parties. Indeed, we did our best to ensure that there is synergy between budget, Integrated Development Plan and the Service Delivery Implementation Plan notwithstanding the challenges we encountered.

The Chief Financial Officer resigned during the period under review. The Deputy Director: Income and Expenditure was appointed to act as Chief Financial Officer while the recruitment process was unfolding.

It will remain our primary focus to efficiently and effectively improve the lives of our community by finding ways of alleviating poverty and unemployment.

At 30 June 2020, the municipality managed to achieve 67% municipal performance, notwithstanding COVID-19 challenges. With regard to provision of basic services, the municipality managed to provide access to the community as follows:

- 180 483 (98%) households with access to basic water
- 170 545 (92%) households with access to basic sanitation
- 169 257 (92%) households with access to basic electricity
- 170 181 (92%) households with access to refuse

Water has certainly become a scarce resource, which cannot be replaced with any alternative and therefore we continued with the awareness of water and energy conservation. We never stopped to make it a rule that lights are switched off and water taps are turned off at knock off time.

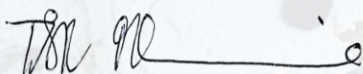
We shall never despair to forge unity and harmonious working relations between officials and political leadership so as to ensure mutual trust despite challenges we encounter in our day to day operations.

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

We shall continue to take part in Inter-Governmental Relations programmes as well as shared services

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

I thank you all



TSR NKHUMISE
MUNICIPAL MANAGER

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

FUNCTIONS AND OBJECTIVES OF A MUNICIPAL COUNCIL

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

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

Roles and Responsibilities within Local Government

These constitutional objectives are:

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

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

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

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

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

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



Chapter 1

ABOUT THE CITY OF MATLOSANA

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

James A. Taylor opened the first shop in Klerksdorp in 1865. In 1870, he took on a partner, Tomas Leask. Tomas Leask was to become one of the big 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. As a consequence, thousands of fortune-seekers descended on the small village, turning it into a town with 70 taverns and even a stock exchange of its own. Klerksdorp was connected by rail to Krugersdorp on 3 August 1897 and to Kimberley in 1906.

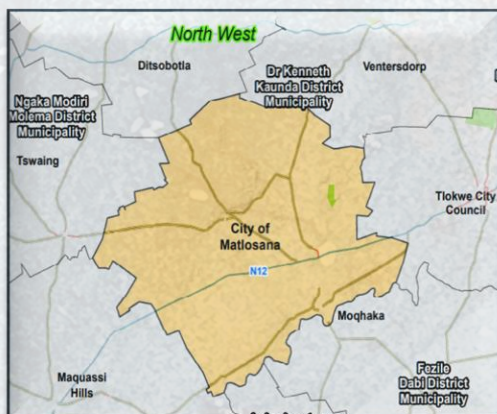
The Klerksdorp Record has been published since August 1899. The newspaper was originally named "*The Klerksdorp Mining Record*" with one paper per month. The Klerksdorp Record is still in existence and is flourishing as part of the North West Newspaper Group that has 10 different distribution areas in 3 cities and 4 towns. Klerksdorp Record is distributed in the Dr Kenneth Kaunda District with a print order of 20 000 newspapers. The newspaper group publishes newspapers (160 000 printed copies and digital access) over all four districts in the North West Province (Dr Kenneth Kaunda; Ruth Segomotso Mompoti; Bojanala Platinum and Ngaka Modiri Molema) and papers are distributed as far as the Siyanda District Municipality (Upington area) in the Northern Cape and Pretoria West from the Madibeng area.

Klerksdorp is also the home of the largest agricultural company in the southern hemisphere. Senwes was borne in May 1909 when group of 24 farmers meet to discuss the idea of establishing a cooperative in the then-Western Transvaal. A preliminary foundation agreement was set up and it marks the birth of what would become the largest agricultural cooperative (until 1996) in South Africa and now southern hemisphere. Senwes is a leading agricultural company and boasts a rich and proud history that spans a period of 112 years. It's also the home of the largest maize silo in South Africa.

Today Klerksdorp is celebrated as the birthplace of Anglican Archbishop Emeritus Desmond Mpilo Tutu on 7 October 1931. He received the Nobel Peace Prize in 1984 for his work towards "a democratic and just society without racial divisions".

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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, but Klerksdorp is one of the biggest cities in the North West Province of South Africa.

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

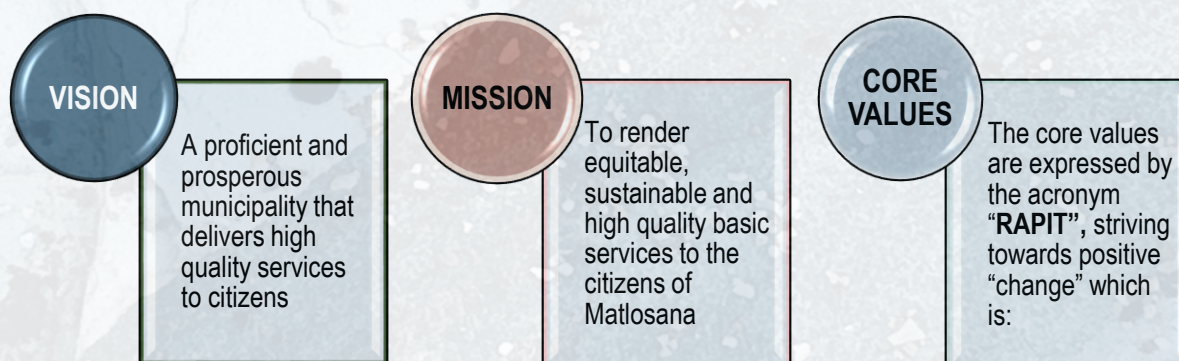
Places worth mentioning include the following:

- 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.

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:




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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*, 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.

The city co-ordinates are  26°52'S 26°40'E / 26.867°S 26.667°E / -26.867; 26.667

DEMOGRAPHIC PROFILE

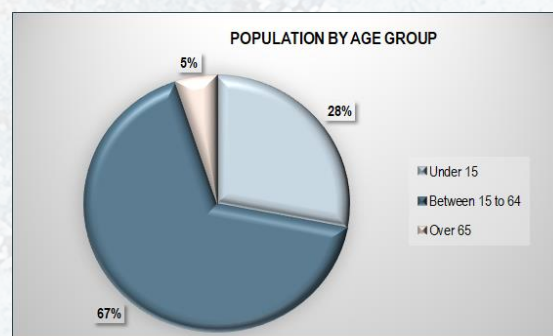
According to estimates based on the population growth rate of SA Statistics (1.23%), the governmental municipalities website (<https://municipalities.co.za/demographics>) and the municipality's household count, the City of Matlosana has a total population of 446 580 people, of whom 41 635 (89.4%) are urbanised and 47 162 (10.6%) are rural (mining villages and farming areas form part of the rural areas).

The largest population concentrations are in the Jouberton area (35%). The City of Matlosana has a population density of 124 persons per km².

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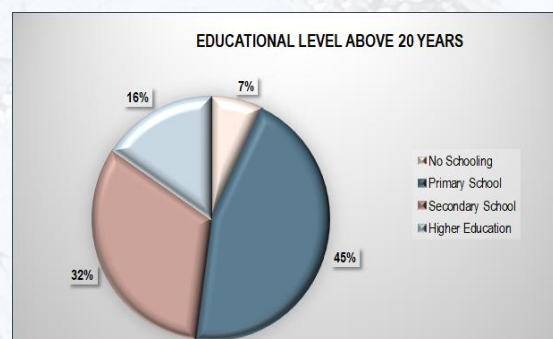
Distribution of Population by Age Group

DISTRIBUTION OF POPULATION GROUP	
Age Structure	Population
Under 15	125 042
Between 15 to 64	299 209
Over 65	22 329
TOTAL	446 580



Highest level of Education for Population aged 20 Years and Older

DISTRIBUTION OF POPULATION	
Age Structure	Population
No Schooling	31 260
Primary School	201 537
Secondary School	144 467
Higher Education	69 316
TOTAL	446 580



Households with the basic level of service delivery

PROPORTION OF HOUSEHOLDS WITH BASIC SERVICE DELIVERY – 2020/21			
Basic Service Delivery	Hh with the minimum service level and above	Hh below minimum service level	Hh with no access
Refuse Removal	170 181	14 201	0
Water	180 483	3 899	0
Sanitation	170 545	13 837	0
Electricity	169 257	15 125	0

Natural Resources within the City of Matlosana jurisdiction

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

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1.3 SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The directorates contribute to the municipal service delivery objective in the form of water supply, sanitation services, roads and storm-water, development of new infrastructure, electrical services, and maintenance of municipal buildings. The directorates endeavours to provide these services in line with the relevant acts and service delivery guidelines as issued from 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	2017/18	2018/19	2019/20	2020/21
Electricity service connections	168 125	168 335	168 442	169 257
Water - available within 200 m from dwelling	170 293	172 647	176 179	180 483
Sanitation - households with at least VIP service	169 723	169 729	170 695	170 545
Waste collection - kerbside collection once a week	166 309	166 685	170 047	170 181

COMMENTS ON THE ACCESS TO BASIC SERVICES

The municipality has been able to consistently provide full access of 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 and the construction of onsite sanitation services as mitigation against COVID-19.

All informal settlements and farming areas are serviced by water tankers weekly although this is 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.

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 85% of the municipal income. The municipality's sustainability is dependent on the effective management of its resources as well as the community's effective contributions to and participation in the budgeting process as well as the payment of rates and services.

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

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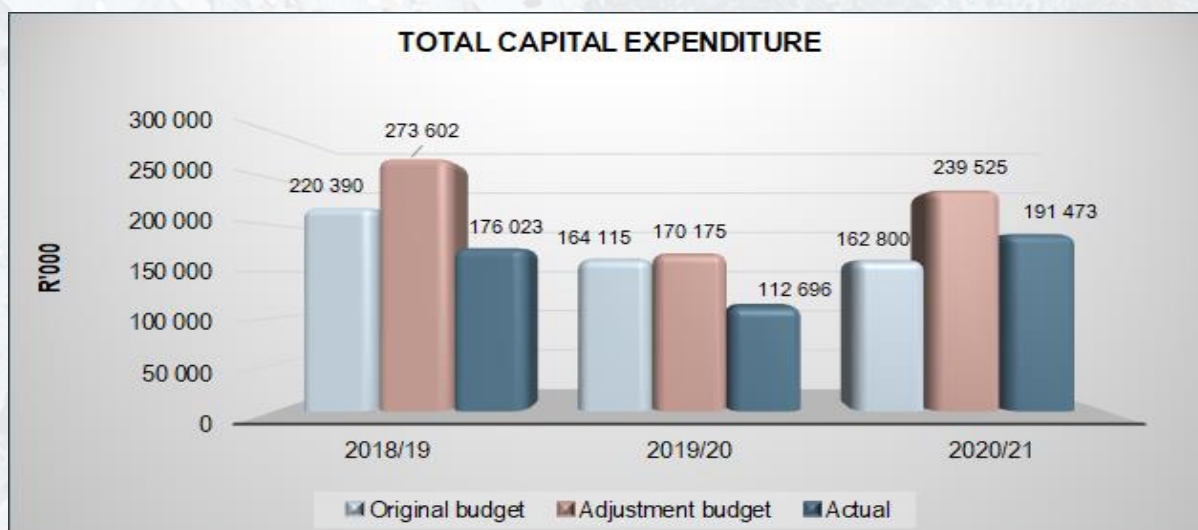
FINANCIAL OVERVIEW: 2020/21			
			R' 000
Details	Original budget	Adjustment budget	Actual
Income:			
Grants	480 796	554 960	719 998
Taxes, levies and tariffs	1 941 587	2 023 651	2 145 985
Other	976 759	1 001 754	931 355
Sub-total	3 399 142	3 580 365	3 797 338
Less: Expenditure	3 382 374	3 452 578	4 057 570
Net total*	16 768	127 787	-260 232
* Note: surplus/(deficit)			

OPERATING RATIOS: 2020/21	
Detail	%
Employee cost	19.81%
Repairs and maintenance	3.47%
Finance charges and impairments	36%

COMMENTS ON OPERATING RATIOS

Municipal employee cost amount to 19.81%, which is lower as per the norm of 35%. This is as a result of the 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.

TOTAL CAPITAL EXPENDITURE: 2018/19 TO 2020/21			
			R'000
Detail	2018/19	2019/20	2020/21
Original budget	220 390	164 115	162 800
Adjustment budget	273 602	170 175	239 525
Actual	224 583	109 046	191 473



Chapter 1

COMMENTS ON CAPITAL EXPENDITURE

No grants were received from any other sources than the Division of Revenue Act (DORA). No provision was made for any Council funded projects.

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 Regulation on Appointment and Conditions of Services of employment of Senior Managers (as published under Government Notice No. 21 in the Government Gazette No 37245 of 17 January 2014) and 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.

The status in terms of filling senior managers' positions

POST DESIGNATIONS	STATUS
Municipal Manager	Filled
Chief Financial Officer	Vacant
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.

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The appointed Chief Financial Officer resigned from service with effect from 30 April 2021.

Council has in terms of CC 26/2021 dated 30 April 2021 resolved that the vacant position of Chief Financial Officer be advertised nationally. The advertisement was approved by the office of the MEC in the province on 13 May 2021.

The vacant position of Chief Financial Officer was advertised in Careers / Loopbane 24 (City Press and Rapport) of 6 June 2021 with the closing date 2 July 2021.

On 25 May 2021, Council also appointed a selection panel as required by the Regulations on Appointment and Conditions of employment of Senior Managers, section 12 of the Regulations (CC34/2021). The selection panel for the appointment of the Chief Financial Officer consisted of four (4) members and will conduct the screening, short listing and interviewing of the candidates as in terms of sections 13 – 15 of the Regulations.

The Performance Management section provides secretarial or advisory services during the selection process, but will not form part of the selection panel.

The remainder of the process for the filling of the position for the 2021/22 financial year are envisage to unfold as follows:

SELECTION PROCESS	PLANNING DATE FOR COMPLETION
Closing date of advertisement	2 July 2021
Shortlisting finalized after closing of advertisement	28 July 2021
Screening procedures commence after finalization of shortlisting (SCM process)	29 July 2021
Vetting company appointed	12 August 2021
Results received back from vetting company	15 September 2021
Selection Panel to meet and discuss vetting results	21 September 2021
Interviews with shortlisted candidates	21 October 2021
Competency process	15 November 2021
Selection Panel to meet after competency results received	25 November 2021
Item to Council	9 December 2021
Letter to MEC (Council resolution attached)	15 December 2021
Appointment of CFO after approval from MEC	3 January 2022
Letters to unsuccessful applicants after approval from MEC	14 January 2022

1.6 AUDITOR-GENERAL'S REPORT

AUDITOR-GENERAL'S REPORT: 2019/20

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

Chapter 1

International Standards on Auditing.

For the 2019/20 financial year the City of Matlosana received an “*Qualified audit opinion*” for the financial statements and an “*Unqualified audit opinion*” for 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 2020/21 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 / December
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

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.

Chapter 1

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.

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. Councillors 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

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The City 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 MAYOR		
	<ul style="list-style-type: none"> ➤ 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. 	
	Cllr MME Kgaile	
SPEAKER	SINGLE WHIP	
		
Cllr RW Ntozini	Cllr MV Chinga Resigned 28 October 2020	Cllr K Ndincede Elected on 6 November 2020
<ul style="list-style-type: none"> ➤ 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. 	<ul style="list-style-type: none"> ➤ The Single Whip has to ensure that Councillors are accountable to the community and that the code of conduct is respected and adhered to by all Councillors. ➤ The Single Whip ensures discipline during meetings of Council and committees. ➤ He facilitates political debates and workshops for all Councillors. 	

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MAYORAL COMMITTEE MEMBERS



**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 serve a term of five years and 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.

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.

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, expenditure, assets, and 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

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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>
DIRECTOR: BUDGET AND TREASURY (CFO)	<p>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.</p>
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: CORPORATE SUPPORT	<p>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.</p>
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>

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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: 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.
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.

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

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

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

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.

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- 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.

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

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- MPAC Forum
- Speakers' Forum
- Records Management 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 Municipal Public Accounts Committee (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.

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.

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.

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When conducting in-field inspections or project site visits, 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.

One of the main features of the IDP 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.

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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 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 and IDP Consultations:

As per the COGTA guidelines, Circular 6 of 2020: COVID-19 Meetings, municipalities were encouraged to get comments on the draft budget using social media, as movement and meetings were restricted.

Meetings were held with Councillors and ward committees to obtain the inputs from the community.

TOWN	DATE	TIME	VENUE
BUDGET AND IDP CONSULTATIONS			
Klerksdorp	17 – 20 May 2021	09h00	Ballroom Hall
IDP AND SDBIP REPRESENTATIVE FORUM MEETING			
Klerksdorp	6 May 2021	10h00	Auditorium

The Executive Mayor and Municipal Manager had an interview on 18 May 2021 with Star FM and Life FM to create budget, IDP and SDBIP awareness.

Comment boxes were made available at pay-points for community inputs.

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Written comments were also received from the public.

The documents were placed on the municipal website for inspection and comments and a summary of the Budget and IDP on Facebook and Twitter.

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 only a few in-person community meetings and IDP representative forum meeting could be conducted, but communities were consulted via social media e.g. Council’s Facebook page and website, 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 recognizes that risk management and internal controls are key elements of good corporate governance and legislation. Section 62(1)(c)(i) of the MFMA requires the Accounting Officer (Municipal Manager) to take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.

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 reviewed Enterprise Risk Management (ERM) framework and approach was adopted by Council from the following best practice risk management guidelines ISO 31000:2018, Committee of Sponsoring Organisations (COSO) 2013 Framework, Public Sector Risk Management Framework, and the King IV Report.

Institutional Arrangements for Risk Management

Led by the Chief Risk Officer, the Risk Management unit, is responsible for overseeing, guiding, facilitating and monitoring various systems of governance and risk management. Strategic oversight of risk management processes is tasked to the Risk Management Committee. The Risk Management Committee is a structure, comprising of independent external chairperson and management established to:

- Advise and assist the Accounting Officer to execute risk management responsibilities as required by the MFMA;
- Assist the Audit Committee to exercise its oversight responsibilities over, amongst others, systems of governance and risk management.

During the financial year 2020/21, the committee was functional and held four ordinary meetings as well as one special meeting. The special meeting held in June 2021 focused on reviewing the risk management strategic documents including the Operational risk registers, risk management implementation plan, and risk management committee charter.

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Key Strategic Risks among the key responsibilities for risk management is the development, monitoring and reporting on the Strategic Risk Profile of the municipality. Previously, Council had not adopted the strategic objectives hence it was difficult to a strategic risk register. A combination of top-to-bottom (mainly considering the IDP and SDBIP) and bottom-up approaches (considering departmental performance priorities) was taken into consideration when identifying operational and strategic risks of the municipality.

For the financial year under review, the Strategic Risk Profile of the municipality underwent the annual review to ensure that the strategic risks remain relevant and are aligned to the strategic priorities of the municipality. Despite the impact of the COVID-19-19 pandemic on the latter part of the financial year, the municipality continues to attempt managing risks to its acceptable levels. It is anticipated that strategically, the COVID-19-19 pandemic will continue to pose a risk to the municipality in the next financial year. The Top 10 risks identified for the financial year are presented as follows:

- Uneconomical rendering of municipal services which may lead to early depletion of limited resources and inability to render some essential municipal services.
- Declined collection rate below the planned collection which may lead to inability to render basic services.
- Employees contracting COVID-19-19 diseases and other communicable disease.
- Ineffective security measures to safeguard Council assets which may lead to repetitive theft and high premium costs of insurance.
- Failure to complete projects on time which may lead to loss of conditional grants, community unrest and poor service delivery in general.
- Failure to maintain existing infrastructure which may lead to high distribution losses (theft and leakages) and possible litigation.
- Non-achievement of local government objectives, Inability to increase potential revenue
- Inability to grow the economy and create sufficient jobs resulting in poverty and crime.
- Slow conclusion of bid processes leading to Wasteful expenditure on repetitive advertising of tenders, loss of conditional grants and reputational damage.
- Shortage of personnel for optimal functioning of the municipality which may lead to overworked, unproductive employees and high overtime costs

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

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

Compliance Management

The municipality is committed to compliance with laws and regulation as a minimum requirement. In line with corporate governance principles, Council has ensured that systems and processes are in place to govern compliance with laws and adopt non-binding rules. The responsibility of compliance management has been delegated to the risk management unit in the municipality. Internal Audit unit further enhances the municipal compliance by recommending improvement of internal controls when conducting internal audit activities.

2.7 ANTI-CORRUPTION AND FRAUD

The City of Matlosana strives to be a municipality where leadership is unquestionably committed to high ethical standards, service delivery and good governance. The municipality commits to serve its communities and all stakeholders with respect, dignity and integrity, and in a manner that is consistent with the values and principles it upholds i.e. respect, integrity, performance excellence and transparency. The municipality commits to uphold the Constitution and the Local Government Integrity Framework by ensuring effective leadership of the highest ethical standard and cultivating an ethical culture within the City.

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.

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.

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2.9 BY-LAWS

BY-LAWS INTRODUCED DURING 2020/21

BY-LAWS INTRODUCED DURING 2020/21				
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
Amendment to Rules of Order	Yes	N/A	Yes	30 June 2021
Parking Ground By-Law	Yes	N/A	Yes	21 October 2019

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:

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. 8240 Notice 78	CC41/2020 dated 30 June 2020	Finalised

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BY-LAWS OF THE CITY OF MATLOSANA			
BY-LAW	PROVINCIAL GAZETTE NUMBER	COUNCIL RESOLUTION (ADOPTED)	STATUS
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	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: 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 Peller 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-Law	Nr. 5957 Notice 396	CC 56/2003 dated 30 September 2003	Finalised
SPLUMA	Nr. 7622 Notice 31	ADMIN 365/2015	Finalised

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BY-LAWS OF THE CITY OF MATLOSANA			
BY-LAW	PROVINCIAL GAZETTE NUMBER	COUNCIL RESOLUTION (ADOPTED)	STATUS
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. 8168 Notice 152	CC 112/2019 dated 21 October 2019	Finalised
Parking Meter By-Law	Nr. 5957 Notice 401	CC 56/2003 dated 30 September 2003	Review in process
By-Law 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

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.

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 infrastructure and strategy.

If managed effectively, it allows easy access to relevant information, serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance.

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

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).

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. This is done by formatting documents where necessary, logging onto the website, customizing areas if necessary and uploading data onto the official website.

The MFMA has specific requirements on the publishing of information and the City of Matlosana is attempting to comply. However, the submission of information by user departments to ICT for publishing still needs to improve to ensure full legislative compliance.

All stakeholders and communities can access information on the official website 24 hours a day. The information can be viewed or downloaded as PDF Documents (Readable with Acrobat Reader).

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

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- 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; 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.

Due to COVID-19, no public satisfaction survey forms were issued during the 2020/21 financial year.

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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, 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 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 while the City of Matlosana is responsible for distribution through its network.

The City of Matlosana has been supplied with an average of 96 Mℓ/day during 2020/21 financial year compared to 91 Mℓ/day in 2019/20.

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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;
- testing and replacement of water meters;
- planning of new infrastructure;
- 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; and
- 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 42% to 15% in the next 5 years (2020 – 2024);
- To maintain 95% Compliance on the Blue Drop status; and
- To improve Revenue collection.

Challenges

- Inadequate resources (including vehicles, equipment and human) 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
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
2020/21	1 565 783	1 646 019	465 392	15 418 976	14 722 634

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COMMENT ON WATER USE BY SECTOR

It can be noted that there is no established trend from 2017/18 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.

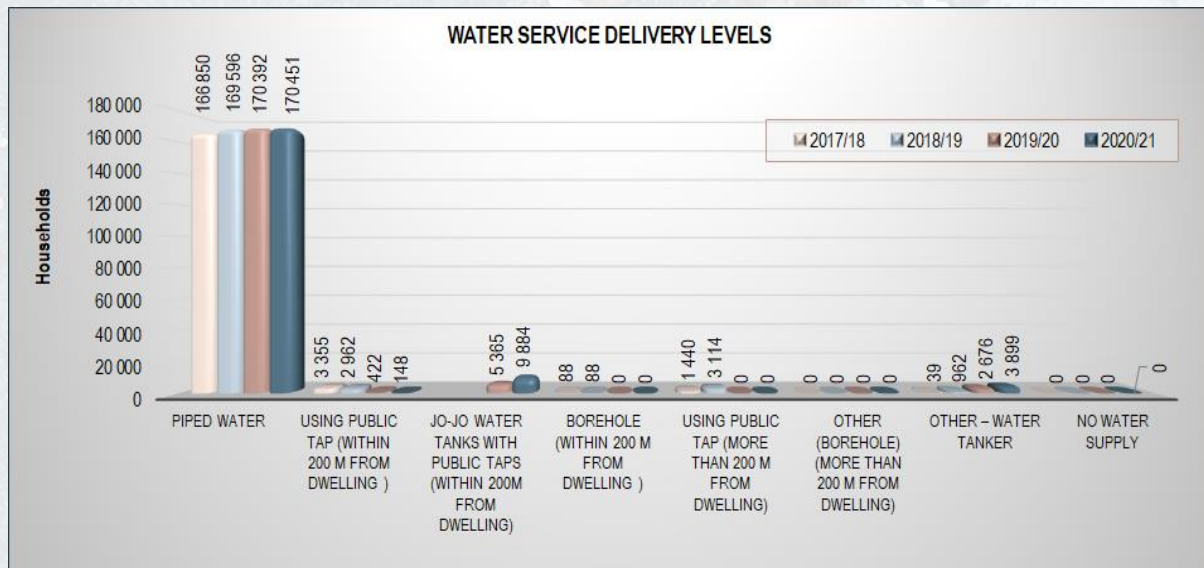
WATER SERVICE DELIVERY LEVELS				
Description	Households			
	2017/18	2018/19	2019/20	2020/21
	Actual	Actual	Actual	Actual
Water: (above minimum level)				
Piped water	166 850	169 596	170 392	170 451
Using public tap (within 200m from dwelling)	3 355	2 962	422	148
Jo-Jo water tanks with public taps (within 200m from dwelling)			5 365	9 884
Borehole (within 200m from dwelling)	88	88	0	0
<i>Minimum service level and above – sub-total</i>	<i>170 293</i>	<i>172 647</i>	<i>176 179</i>	<i>180 483</i>
<i>Minimum service level and above – percentage</i>	<i>99%</i>	<i>98%</i>	<i>98.5%</i>	<i>98%</i>
Water: (minimum and below minimum level)				
Using public tap (more than 200m from dwelling)	1 440	3 114	0	0
Other (Borehole) (more than 200m from dwelling)	0	0	0	0
Other – Water tanker	39	962	2 676	3 899
No water supply	0	0		
<i>Below minimum service level – sub-total</i>	<i>1 479</i>	<i>4 076</i>	<i>2 676</i>	<i>3 899</i>
<i>Below minimum service level – percentage</i>	<i>1%</i>	<i>2%</i>	<i>1.5%</i>	<i>2%</i>
TOTAL HOUSEHOLDS*	171 772	176 723	178 855	184 382
* - Total include informal settlements				

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
2017/18	171 772	170 293	171 772
2018/19	176 723	172 647	172 647
2019/20	178 855	176 179	176 179
2020/21	184 382	180 483	180 483

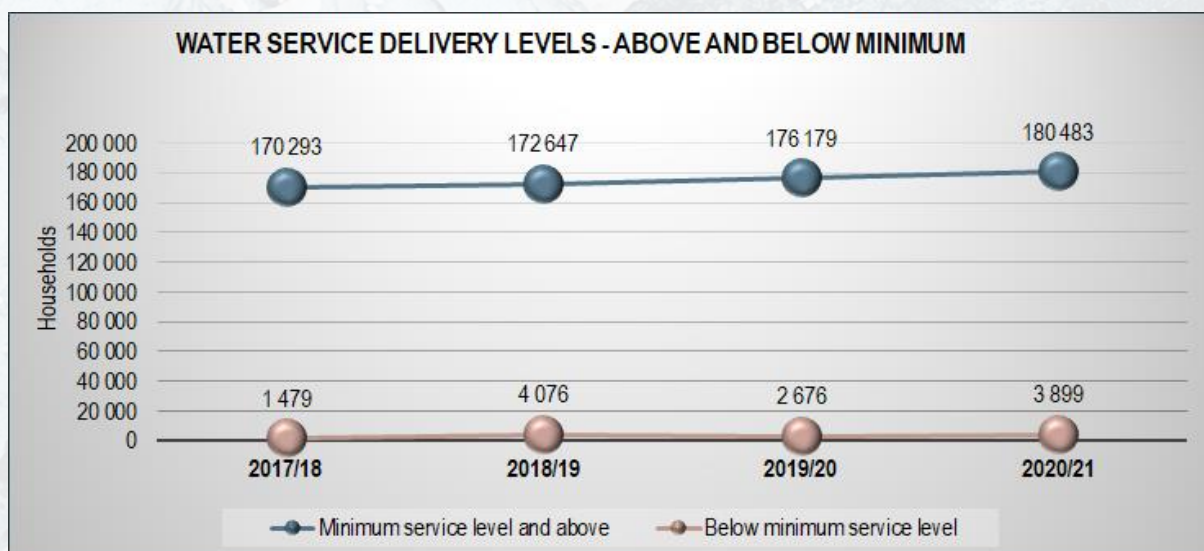
NATIONAL KEY PERFORMANCE INDICATOR

See page 252 for details.

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WATER SERVICE DELIVERY LEVELS BELOW THE MINIMUM					
Households					
Description	2018/19	2019/20	2020/21		
	Actual	Actual	Original	Adjusted	Actual
Formal settlements					
Total households	171 007	171 207	171 207	171 341	171 341
Households below minimum service level	1 410	0	0	0	0
Proportion of households below minimum service level	0.82%	0%	0%	0%	0%
Informal settlements					
Total households	5 716	7 648	7 648	13 041	13 041
Households below minimum service level	4 076	2 676	2 676	0	3 899
Proportion of households below minimum service level	71.31%	35%	35%	30%	30%



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EMPLOYEE INFORMATION

EMPLOYEES: WATER SERVICES					
Job level	2019/20	2020/21			
	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	14	2	6%
13 - 15	16	18	16	2	13%
16 - 18	6	18	6	12	67%
19 - 20	62	62	62	0	0%
Total	109	125	108	17	14%

FINANCIAL PERFORMANCE 2020/21: WATER SERVICES					
R'000					
Details	2019/20	2020/21			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	789 206	816 265	815 136	851 987	4.2%
Expenditure					
Employees	39 175	33 002	33 002	41 918	21.3%
Repairs and maintenance	11 277	2 938	4 609	4 355	32.5%
Other	739 815	720 511	703 219	906 464	20.5%
Total Operational Expenditure	790 267	756 451	740 830	952 737	20.6%
Net Operational Expenditure	-1 061	59 814	74 306	-100 750	

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 speedily and implement action of preventative maintenance.

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 is currently refurbishing and replacing malfunctioning pressure reducing valves during 2020/21 and into 2021/22 together with other activities to reduce to water losses. A huge outbreak of water meter being stolen around the Matlosana area has negatively impacted on the water losses increasing to 7% for the financial year from 35% (2019/20) to 42% (2020/21).

Reservoirs are cleaned annually to ensure that the water quality remain at 96% compliance as all times.

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OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on pages 172; 174-175; 178-179; 182-184; and 199)

WATER SERVICES OBJECTIVES TAKEN FROM THE IDP						
Service Objective	Service Indicators	2018/19	2019/20	2020/21		2020/21
		Actual	Actual	Target		Budget
				Original	Adjusted	Actual
To install the pressure reducing valves, bulk meters and ancillary works in the Matlosana area (Phase 2) (Wards 1 – 39) in order to provide basic water services and to increase the water supply capacity to the community	Number of bulk meters, pressure reducing valves and ancillary works installed in the Matlosana area (Phase 1) (Wards 1 - 39)	New project	The tender was advertised on the 29 May 2020 and closed on 23 June 2020 R0	Supplying and installing 3 pressure reducing valves, 8 bulk water meters and ancillary works in the Matlosana area (Phase 1)(Wards 1 - 39) by 30 June 2021 R5 000 000	-	The supply and installation of 3 pressure reducing valves, 7 bulk water meters and ancillary works in the Matlosana area (Phase 1)(Wards 1 - 39) completed and commissioned. 1 Bulk meter not yet completed and commissioned. R3 529 909
To install communal stand pipes in the informal settlements of the Matlosana area (Wards 1 - 7, 14 and 23) (Phase 2) in order to provide basic services	Number of communal stand pipes in the informal settlements of the Matlosana area (Wards 1 - 7, 14 and 23) (Phase 1) installed	New project	The tender was advertised on the 29 May 2020 and closed on 23 June 2020 R0	Installing 30 communal stand pipes in the informal settlements of the Matlosana area (Wards 1 - 7, 14 and 23)(Phase 1) by - laying 6.280 km of 75 Ø HDPE pipes with civil works and water meters; and - installing 3 bulk meters (50 mm Ø) from the main supply to the informal settlement areas by 31 December 2020 R5 000 000	38 Communal stand pipes ; laying 9,46 km of 75 Ø HDPE pipes with civil works and water meters; by 30 June 2021	The installation of 38 communal stand pipes in the informal settlements of the Matlosana area (Wards 1 - 7, 14 and 23)(Phase 1) completed. R4 337 290

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

The main objective of the Sanitation section is 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 etc.; and
- ensure a proper housekeeping by operation and maintenance of all the sewage pump-stations and waste water treatment plants facilities and components in the jurisdiction of the municipality.

Objectives

The following are the section's objectives:

- 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; and
- 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-Green Drop on Waste Water treatments Assessments have not been done nationally by DWS since 2013, the Sanitation section continuously endeavour to meet the guidelines as this has positive spinoffs for service delivery in the area of jurisdiction.

Challenges

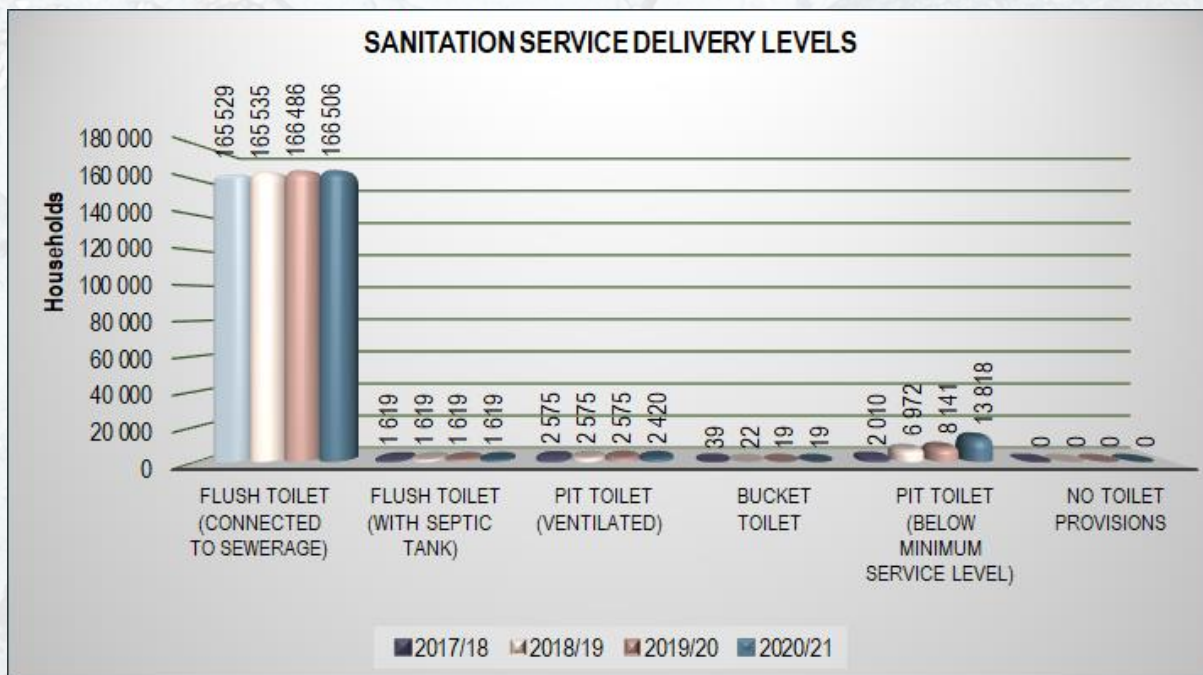
The section is always faced with numerous challenges including but not limited to the following:

- Lack of skilled and certified plumbers in the locality.
- Lack of resources (vehicles, equipment and human)
- Aged infrastructure, which needs urgent refurbishment and upgrade.
- High level of cable and cast-iron manhole lids theft gives rise to emergency break down at the sewage pumping stations, waste water treatment plants and the sewer network, at some instance stones are found as cause of blockages on the latter and this at times result into having to replace the section of the sewer line affected.
- High level of unemployment and lack of localised economic development of emerging entrepreneurship

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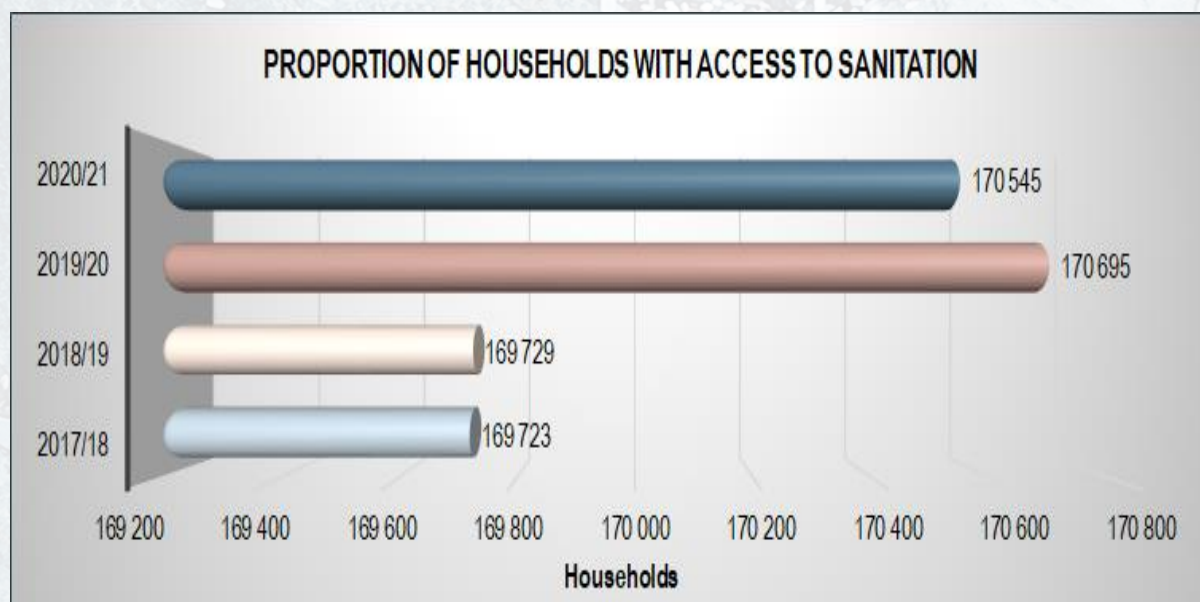
- Insufficient new township establishments give rise to overload on the current system, hence more sanitation backlogs, which last for longer period without eradicating and therefore leading to more attempted land grabs and more backyard dwellers adding high load to the sewerage system, therefore adding 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
- Delays in reviewing the organogram, puts more workload on the existing teams.
- The re-advertising of the sewer rehabilitation contract due to lack of suitable bidders was a major blow the municipality as a whole as this would have made it easier to resolve most of the blockages on sewer systems

SANITATION SERVICE DELIVERY LEVELS				
Description	Households			
	2017/18	2018/19	2019/20	2020/21
	Actual	Actual	Actual	Actual
Sanitation/Sewerage: (above minimum level)				
Flush toilet (connected to sewerage)	165 529	165 535	166 486	166 506
Flush toilet (with septic tank)	1 619	1 619	1 619	1 619
Pit toilet (ventilated)	2 575	2 575	2 575	2 420
Other toilet provisions (above minimum service level)	0	0	0	0
Minimum service level and above – sub-total	169 723	169 729	170 695	170 545
Minimum service level and above – percentage	99%	96.4%	95%	92%
Sanitation/Sewerage: (below minimum level)				
Bucket toilet	39	22	19	19
Pit toilet (below minimum service level)	2 010	6 972	8 141	13 818
No toilet provisions	0	0	0	0
Below minimum service level – sub-total	2 049	6 994	8 160	13 837
Below minimum service level – percentage	1%	3.6%	5%	8%
TOTAL HOUSEHOLDS*	171 772	176 723	178 855	184 382
* - Total include informal settlements				



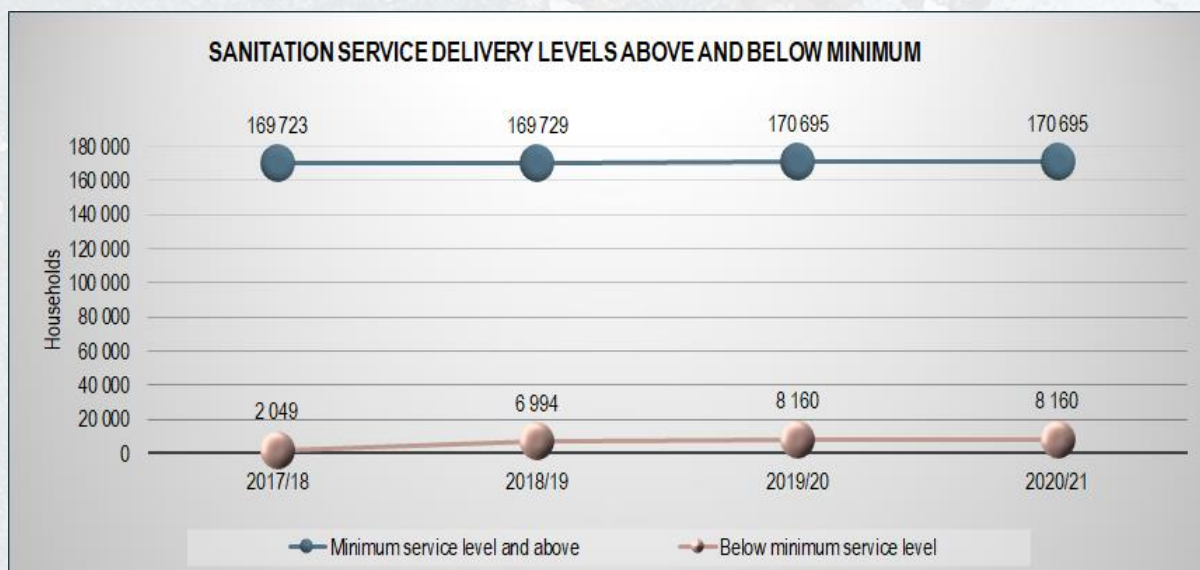
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ACCESS TO SANITATION	
Year	Proportion of households with access to sanitation
2017/18	169 723
2018/19	169 729
2019/20	170 695
2020/21	170 545



SANITATION SERVICE DELIVERY LEVELS BELOW THE MINIMUM					
Households					
Description	2018/19	2019/20	2020/21		
	Actual	Actual	Original	Actual	Actual
Formal settlements					
Total households	168 564	169 677	169 677	169 663	169 663
Households below minimum service level	1 410	1 557	1 557	1 538	1 538
Proportion of households below minimum service level	0.84%	1%	1%	1%	1%
Informal settlements					
Total households	8 159	9 178	9 178	9 178	14 719
Households below minimum service level	5 584	6 603	6 603	6 603	12 299
Proportion of households below minimum service level	68.44%	72%	72%	72%	84%

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EMPLOYEE INFORMATION

EMPLOYEES: SANITATION SERVICES					
Job Level	2019/20	2020/21			
	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	18	21	17	4	19%
13 - 15	7	11	7	4	36%
16 - 18	40	46	40	6	13%
19 - 20	122	153	114	39	25%
Total	195	242	186	56	23%

FINANCIAL PERFORMANCE: SANITATION SERVICES					
R'000					
Details	2019/20	2020/21			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	122 421	141 874	174 874	157 705	10.04%
Employees	44 832	41 098	41 098	48 315	14.94%
Repairs and maintenance	3 221	1 866	3 245	2 551	26.85%
Other	187 403	127 269	127 584	119 651	-6.37%
Total Operational Expenditure	235 456	170 233	171 927	170 517	0.17%
Net Operational Expenditure	-113 035	-28 359	2 947	-12 812	

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COMMENTS ON THE PERFORMANCE OF SANITATION SERVICES OVERALL

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

- Adamayview outfall sewer line upgrading has been completed, therefore unblocking future developments east of Klerksdorp;
- Skoonspruit outfall sewer line upgrading is at 95% complete, it will unblock future developments west of Klerksdorp;
- Kanana Ext 11 Sewage pump-station refurbishment has been completed;
- Circle, Kanana Sewage pump-station refurbishment has been completed; and
- Hartbeesfontein Waste Water Treatment Plant refurbishment is also at 92% progress.

The following sewage pump-stations were prioritised for refurbishment (Mechanical & Electrical Works) and are currently under refurbishment:

- Khuma Main Sewage pump-station;
- Khuma Ext 11 Sewage pump-station;
- Republic Park Sewage pump-station, Stilfontein;
- Lerato Sewage pump-station, Kanana;
- Swart Street Sewage pump-station, Oudorp; and
- Jagspruit Sewage pump-station, Jouberton.

The completion of sewer network Matlosana Estate's extension 3 and 6, through NDPG is also a success in eliminating backlogs in the municipality.

The municipality also managed to submit the applications for Waste Water Treatment Works licensing for all its plants and expect to receive the licenses within 2021/22 financial year.

The section is continuously (annual) implementing 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 252 for details.

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OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on pages 167-168; 172-174; 184 and 200)

WASTE WATER (SANITATION) SERVICES OBJECTIVES TAKEN FROM THE IDP						
Service Objective	Service Indicators	2018/19		2019/20	2020/21	
		Actual		Actual	Target	
					Original	Adjusted
To upgrade the sewage pump line in Kanana Ext 11 (Wards 24 and 27) to ensure that the waste water treatment is functioning at its optimum capacity	Kilometres of sewage pump line in Kanana Ext 11 (Wards 24 and 27) upgraded	New project		No contractor appointed R581 747 (The project was deferred to the 2020/21 FY due to reprioritization of the project due to COVID-19- MFMA Circular No. 99 dated 09 March 2020 read with CC28/2020 dated 27/5/2020)	Upgrading 1.38 km sewage pump-line in Kanana Ext 11 (Wards 24 and 27) by - constructing 1.38 km of 355 mm Ø uPVC sewer pump line; - constructing 2.025 km of gravity mainline; - constructing 29 manholes; and - installing 3 air valves by 30 June 2021 R10 749 336	-
To install and upgrade the sewer network in Khuma Proper (North East) to maintain the current infrastructure	Final payment for the km sewer network installed and upgraded in Khuma Proper (North East) settled	5.383 Km (160mm diameter) uPVC sewer network lines; 143 manholes for the sewer network in Khuma Proper (North East) (Wards 34 & 35) installed R8 821 978		Rolled-over request not approved	Settling the final payment for the installation of 12.275km (160mm to 250mm diameter) uPVC sewer network lines; 3.475km of 110mm diameter house connections, 252 manholes and one existing trailer pump-station for the sewer network in Khuma Proper (North East) by 30 June 2021 R1 772 434	-
					Upgrading of 1.38 km sewage pump-line with 2.025km of gravity mainline of 450mm Ø and 29 manholes constructed, 3 air valves installed and pressure testing in Kanana Ext 11 (Wards 24 and 27) completed. Practical completion certificate issued on 26/05/2021. R8 155 257	N/A
					Final payment settled. R1 541 247	N/A

3.3 ELECTRICITY PROVISION

ELECTRICITY PROVISION

Background

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 City of Matlosana Municipality community.

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

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 of Jouberton, Alabama and Manzilpark. The Regulator, NERSA recently had a meeting with both electricity distributors whereby the demarcation of the supply areas was finalised. The electricity management within the City of Matlosana electricity distribution license NW 403, has a responsibility to ensure that it is managed in accordance with the *recent legislation which includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.*

Currently the provision of basic electricity at household level stands at 92%, with a backlog within rural and recently established urban low-income areas. To reduce the outstanding service backlog in both distribution areas, the municipality relies on an annual basis for funding from the Department of Mineral Resources and Energy (DMRE) through the Integrated National Electrification Programme (INEP). Areas with backlogs 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. The percentage of households in urban areas provided with electricity in formal and informal stands at 92% whereas percentage of households in rural areas provided with electricity stands at 8%, 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, public lighting and safe electricity installations and perform maintenance of electrical equipment at water and sanitation facilities as a support service to the Water and Sanitation sections:

- electricity distribution & public lighting network maintenance section;
- electricity distribution & public lighting projects management 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 to the community of City of Matlosana within its distribution license areas:

- ageing infrastructure that cause high number of unplanned electricity interruptions;
- limited funding to maintain and improve the existing infrastructure;
- high electricity technical losses due to ageing and saturated infrastructure;

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- high electricity non-technical losses due to illegal connections and tampering of metering units;
- high level of vandalism and theft of copper-containing electricity and public lighting systems at substations, public lighting, water and sanitation facilities;
- increased demand due to mushrooming of informal settlements and settlement on private land;
- non-availability of repair materials; and
- ageing fleet to respond to network failures within minimum standard.

Objectives

The main objectives Electrical, Fleet & Mechanical Section are to:

- provide electricity services to all household in the Matlosana in line with the Electricity Regulations Act, 2006;
- enforce the relevant By-laws to the Residents, Business and the Industries;
- maintain, refurbish and upgrade electricity distribution network system to ensure continuous quality electricity supply;
- ensure compliance to NRS Standards through planning, designing and monitoring;
- ensure proper operation and maintenance of all mechanical equipment water and waste water treatment plants facilities and components in the jurisdiction of the municipality; and
- ensure proper operation and maintenance of all motorised and non-motorised fleet and equipment water of the municipality.

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. However, no funding has been realised in the last 3 years.

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 budget allocation for repair and maintenance as soon as the collection rate have improved.

It is therefore critical for the community to pay for municipal services in order to have funding for both preventative and corrective maintenance in line with recently developed electricity infrastructure maintenance policy and plan. 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 have developed the Electricity Loss Reduction Strategy (ELRS), which contain strategies to address the high electricity technical losses. The municipality has completed the appointment of the service provider for the servicing of transformers and ring main units which is one of the activities contained in the ELRS. The service is aimed at improving the efficiency of these equipment, thereby decreasing technical losses. A total of 232 units has been serviced in the 2020/21 financial year.

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High electricity non-technical due to illegal connections and tampering 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 2020/21 financial year, inspectors employed by the municipality, conducted 314 inspections on illegal connection and tampering. 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. During the 2020/21 financial year, the municipality replaced 454 non-functional meters, 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.

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. Community awareness is required to deter and report acts of vandalism to police and to actively form and participate in community police forums.

Electricity demand due to "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 proclaiming of some of these informal settlements so that electricity be provided to those where proclaiming has been finalised.

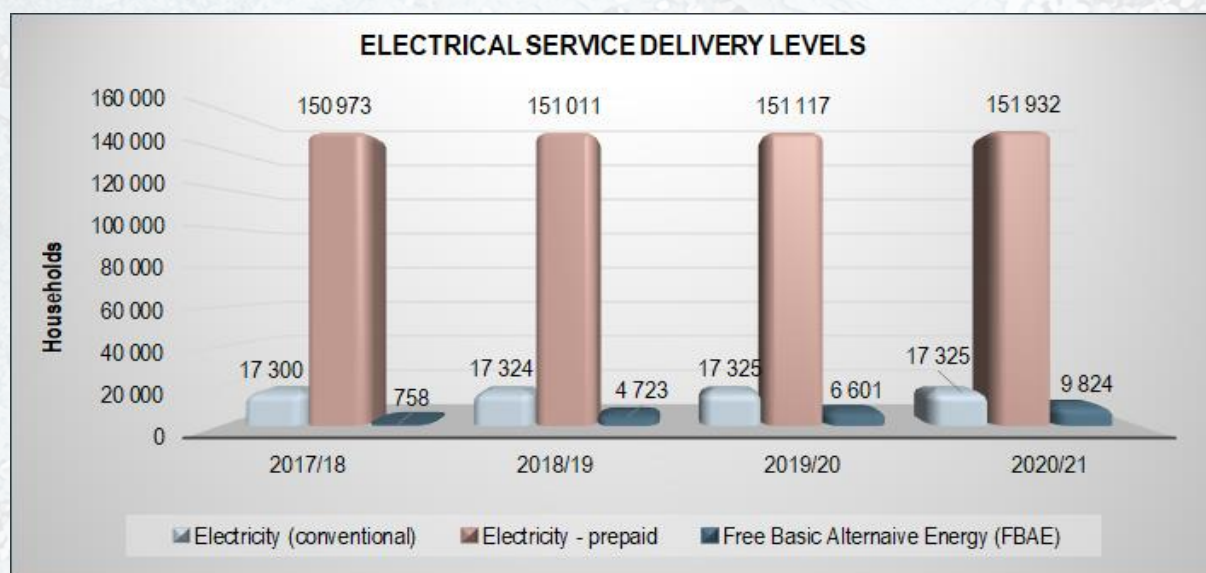
Proclamation that has been completed includes Alabama extensions 4 & 5 and Kanana extension 15. Electricity is already provided to Alabama extension 4 and in process of providing electricity to Alabama extension 5 and Kanana extension 15.

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. The section is constantly engaging finance Directorate to speed up the availability of repair and maintenance material at the store.

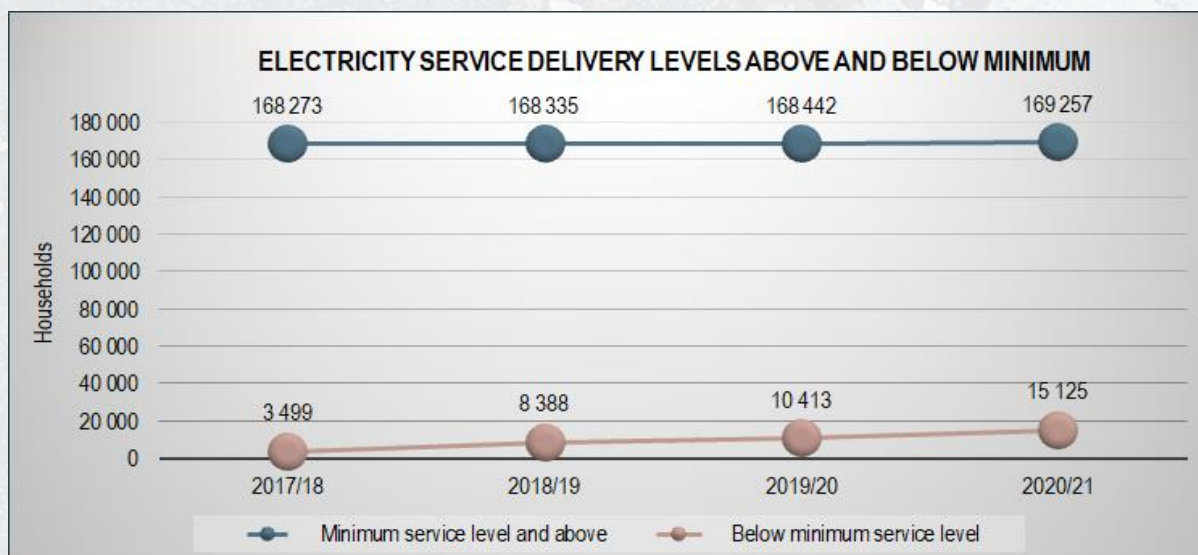
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ELECTRICAL AND MECHANICAL ENGINEERING SERVICE DELIVERY LEVELS				
Households				
Description	2017/18	2018/19	2019/20	2020/21
	Actual	Actual	Actual	Actual
Energy: (above minimum level)				
Electricity (at least minimum service level) (conventional)	17 300	17 324	17 325	17 325
Electricity - prepaid (minimum service level)	150 825	151 011	151 117	151 932
<i>Minimum service level and above subtotal</i>	<i>168 125</i>	<i>168 335</i>	<i>168 442</i>	<i>169 257</i>
<i>Minimum service level and above percentage</i>	<i>98.00%</i>	<i>95.25%</i>	<i>94%</i>	<i>92%</i>
Energy: (below minimum level)				
Electricity (< minimum service level)	3 647	8 388	10 413	15 125
<i>Below minimum service level sub-total</i>	<i>3 647</i>	<i>8 388</i>	<i>10 413</i>	<i>15 125</i>
<i>Below minimum service level percentage</i>	<i>2.00%</i>	<i>4.75%</i>	<i>6%</i>	<i>8%</i>
TOTAL HOUSEHOLDS*	171 772	176 723	178 855	184 382
* - Total include informal settlements				



ELECTRICAL AND MECHANICAL ENGINEERING LEVELS BELOW THE MINIMUM					
Households					
Description	2018/19	2019/20	2020/21		
	Actual	Actual	Original	Adjusted	Actual
Formal settlements					
Total households	171 036	171 290	171 290	171 622	171 622
Households below minimum service level	3 665	3 812	3 812	3 329	3 329
Proportion of households below minimum service level	2.14%	2%	2%	2%	2%
Informal settlements					
Total households	5 687	7 565	7 565	12 760	12 760
Households below minimum service level	4 723	6 601	6 601	11 796	11 796
Proportion of households below minimum service level	83.05%	87%	87%	92%	92%

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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 mechanics 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 50% 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 procurement 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.

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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 a draft Fleet Management Policy which awaits Council Policy Workshop and approval.

The municipality management has resolved to transfer the Fleet Management Service from the Electrical and Mechanical Engineering section to the Directorate Corporate Support, however this awaits Council approval.

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.

MECHANICAL SERVICES

Introduction to Mechanical Services Provision

The Electrical and Mechanical Engineering section is responsible for the repair and maintenance of mechanical equipment at water and sanitation facilities as a support service to the Water and Sanitation sections.

➤ **The maintenance performance of mechanical services section**

Maintenance conducted at the mechanical workshops include repairs on pumps, motors, mechanical screens, aerators, clarifiers, gearboxes, fitting and welding. The municipality has 22 sanitation pump-stations and 4 waste treatment plants, as well as 5 bulk water points and 3 water pump-station to maintain. Two of the waste treatment plants at Hartbeesfontein and Klerksdorp respectively are performing at 70% efficient whereas the other 2 plants in Stilfontein and Orkney are performing at 50%. The water facilities are being performing at an overall 60% as for the 2020/21 financial year. The municipality is currently able to perform corrective maintenance hence the performance is steadily declining annually.

The optimum performance of mechanical equipment at water and sanitation facilities are affected by the following challenges:

➤ **Ageing Infrastructure**

The municipality has ageing mechanical and electrical equipment still installed at water and sanitation facilities. These equipment's are inefficient resulting in high consumption of electricity to operate and also the result in non-repair turn around time due to obsolete repair parts

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

The municipality have received funding to address infrastructure challenge through MIG and NDPG to implement upgrading of the mechanical and electrical infrastructure at identified water and sewer pump-station which include Jagspruit pump-station.

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➤ Foreign objects in the sewer system.

This result in damage to motors, pumps and mechanical screens resulting in non-operation of sanitation pump-stations

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 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 fitters and to propose a position of Millwright in order to perform this type of maintenance. The proposal was discussed at the municipal strategic session, which was scheduled from 17-19 June 2019 and is awaiting Council approval.

EMPLOYEE INFORMATION

EMPLOYEES: ELECTRICAL AND MECHANICAL ENGINEERING					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 – 3	4	7	7	0	0%
4 – 6	11	11	10	1	9%
7 – 9	40	47	44	3	6%
10 - 12	11	12	9	3	25%
13 - 15	8	9	6	3	33%
16 - 18	18	32	17	15	47%
19 - 20	34	36	33	3	8%
Total	126	154	126	28	18%

FINANCIAL PERFORMANCE 2019/20: ELECTRICAL AND MECHANICAL ENGINEERING					
R'000					
Details	2019/20	2020/21			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	952 666	1 069 442	1 152 045	953 143	-12.20%
Expenditure					
Employees	49 849	48 074	48 074	53 253	9.73%
Repairs and maintenance	13 610	2 516	5 662	5 952	57.73%
Other	935 340	1 132 384	1 117 361	1 252 274	9.57%
Total Operational Expenditure	998 799	1 182 974	1 171 097	1 311 479	9.80%
Net Operational Expenditure	-46 133	-113 532	-19 052	-358 336	

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

The Electrical and Mechanical Engineering section has been able to:

- Completed 815 new electricity household's connections consisting of 801 in municipal licensed area and 14 in Eskom licensed area;
- Monthly monitoring of check meters at all bulk points to verify the bulk accounts received from Eskom;
- Developed key policies relating to small scale embedded generation, electricity infrastructure maintenance, electricity distribution loss management and regulation of electricity resellers to regulate solar systems, provide guideline to network maintenance, manage electricity system losses and to protect consumers that are not buying electricity directly from the municipality;
- Developed and submitted Energy Efficiency and Demand Management Business Plan to department of Energy and mineral resources which has resulted in the municipality receiving an allocation of R6,6 million and R24,6 million 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;
- Rolled out the EEDSM (Energy Efficiency and Demand and Supply Management Program) in a form of retrofitting --- high consuming street lights with energy efficiency LED lights;
- Provided electricity to 745 households in Alabama Ext 5 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;
- Installed 1 215 of the 1 900 solar hot water geysers of these 5 000-allocation approved for installation across 30 wards of the municipality and to 60 unemployed community members trained for the financial year 2020/21;
- Resolved 100% of individual household and business complaints received during the financial year; and
- Resolved 100% of medium voltage electricity interruptions experienced during the financial year.

NATIONAL KEY PERFORMANCE INDICATOR

See page 253 for details.

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OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on pages 167; 169; 175; 178; 180 – 181 and 185)

ELECTRICAL AND MECHANICAL ENGINEERING OBJECTIVES TAKEN FROM THE IDP						
Service Objective	Service Indicators	2018/19		2019/20	2020/21	
		Target	Actual		Target	
					Original	Adjusted
To replace obsolete high mast lights to enhance a safe social economic environment in Jouberton hot spot areas (Phase 3) (Wards 4 - 14 and 37)	Number of obsolete high mast lights at Jouberton hot spot areas replaced (Phase 3) (Wards 4 - 14 and 37)	New project	New project		Replacing 9 obsolete high mast lights in Jouberton hot spot areas (Phase 3) (Wards 4 - 14 and 37) by 30 June 2021 R2 560 000	Replacing 8 obsolete high mast lights
						9 Obsolete high mast lights in Jouberton hot spot areas (Phase 3) (Wards 4 - 14 and 37) replaced. R2 183 883
To replace and refurbish obsolete high mast lights in Kanana (Phase 2) (Wards 23 - 27) to enhance a safe social economic environment	Number of obsolete and existing high mast lights in Kanana (Phase 2) (Wards 23 - 27) replaced and refurbished	New project	2 Obsolete high mast lights replaced and 6 existing high mast lights in Kanana (Phase 2) (Wards 23 - 27) refurbished R1 186 070		Replacing 2 obsolete high mast lights in Kanana (Phase 2) (Wards 23 - 27) by 30 June 2021 R526 697	R676 019
						The 2 obsolete high mast lights in Kanana (Phase 2) (Wards 23 - 27) not completed. The tender was advertised on the 26/03/2021 and closed on 28/04/2021. Project at Bid Evaluation stage. R129 708
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 retrofitted in Klerksdorp (Phase 1) (Wards 16, 17 and 19)	New project	456 Conventional street lights retrofitted with LED lights in Klerksdorp (Phase 2) (Wards 16, 17 and 19) R1 649 369		Retrofitting 1 239 conventional street lights with LED lights in Klerksdorp (Phase 1) (Wards 16, 17 and 19) by 30 June 2021 R1 500 000	R6 600 000
						1 094 Conventional street lights replaced (retrofitted) with LED lights and 1 complete Energy Management System at Mayibuye Building installed. R5 161 860
						R4 000 000

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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.

The Cleansing section took over the landfill sites with effect 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.

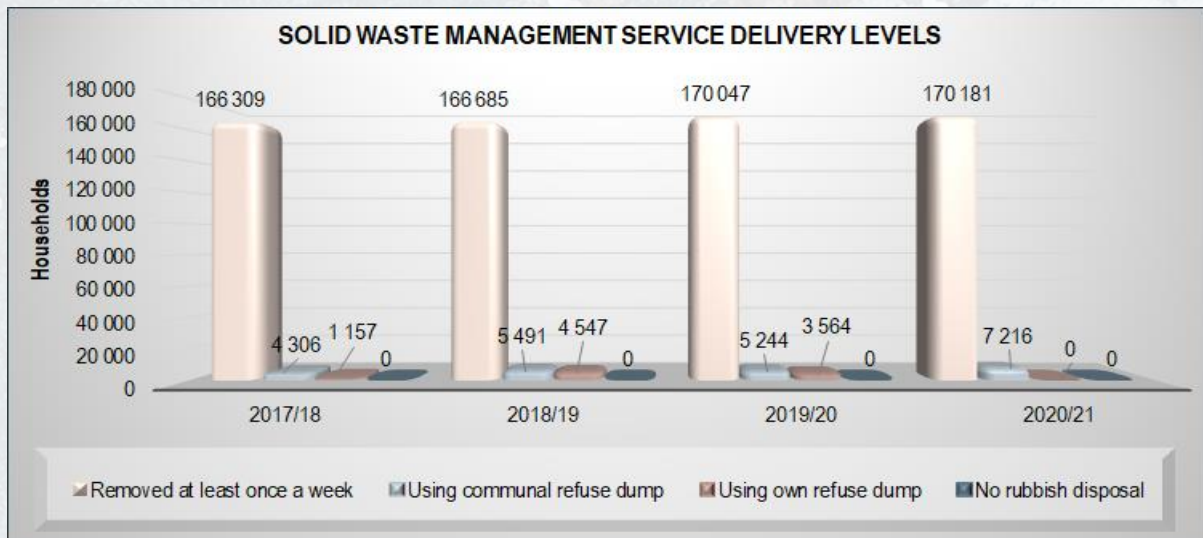
Strategic objectives are to:

- 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
- dustbins have been purchase and will be distributed for newly developed and existing areas within Matlosana.

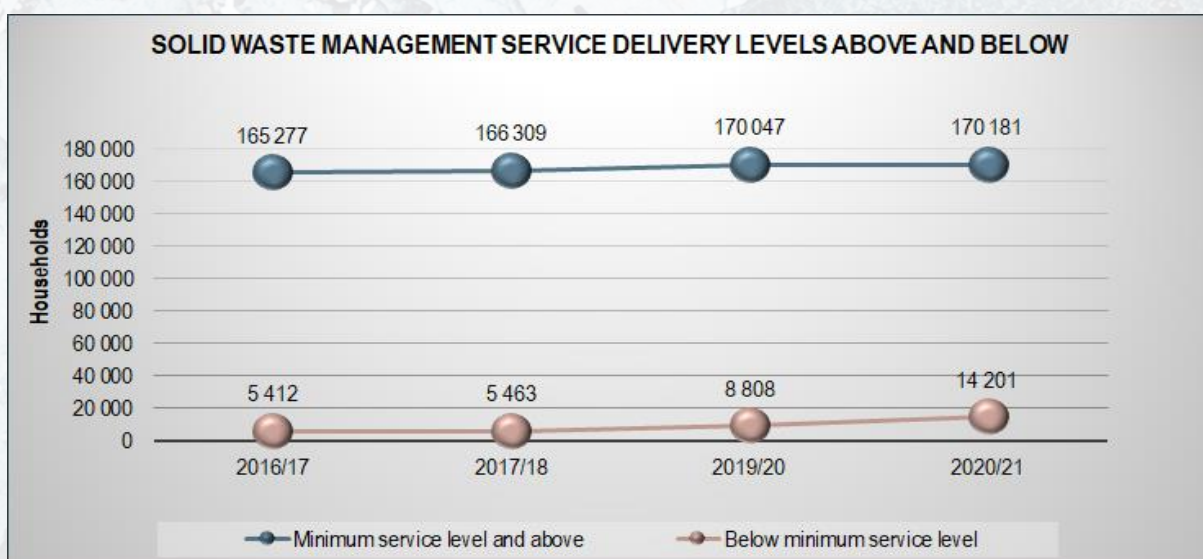
SOLID WASTE COLLECTED AT DUMPING SITES		
2018/19	2019/20	2020/21
130 500 tons	134 592 tons	165 268 tons

SOLID WASTE MANAGEMENT SERVICE DELIVERY LEVELS				
Description	2017/18	2018/19	2019/20	Households 2020/21
	Actual	Actual	Actual	Actual
<u>Solid Waste Removal: (minimum level)</u>				
Removed at least once a week	166 309	166 685	170 047	170 181
<i>Minimum service level and above sub-total</i>	166 309	166 685	170 047	170 181
<i>Minimum service level and above percentage</i>	97%	94.32%	95%	92%
<u>Solid Waste Removal: (below minimum level)</u>				
Removed less frequently than once a week	-	-	-	-
Using communal refuse dump	4 306	5 491	5 244	7 216
Using own refuse dump	1 157	4 547	3 564	6 985
No rubbish disposal	0	0	0	0
<i>Below minimum service level – sub-total</i>	5 463	10 038	8 808	14 201
<i>Below minimum service level – percentage</i>	3.00%	5.68%	5%	8%
TOTAL HOUSEHOLDS*	171 772	176 723	178 855	184 382
* - Total includes informal settlements				

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SOLID WASTE MANAGEMENT SERVICE DELIVERY LEVELS BELOW THE MINIMUM					
Households					
Description	2018/19	2019/20	2020/21		
	Actual	Actual	Original	Adjusted	Actual
Formal settlements					
Total households	171 007	171 163	171 163	171 297	171 297
Households below minimum service level	4 322	1 116	1 116	1 116	1 116
<i>Proportion of households below minimum service level</i>	2.53%	0.65%	0.65%	0.65%	0.65%
Informal settlements					
Total households	5 716	7 692	7 692	13 085	13 085
Households below minimum service level	5 716	7 692	7 692	13 085	13 085
<i>Proportion of households below minimum service level</i>	100%	100%	100%	100%	100%



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EMPLOYEE INFORMATION

EMPLOYEES: SOLID WASTE MANAGEMENT SERVICES (REFUSE REMOVAL AND STREET CLEANING)					
Job Level	2019/20	2020/21			
	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	9	8	8	0	0%
10 - 12	19	24	24	0	0%
13 - 15	20	32	16	16	50%
16 - 18	8	11	8	3	27%
19 - 20	185	260	176	84	32%
Total	246	340	237	103	30%

FINANCIAL PERFORMANCE 2020/21: SOLID WASTE MANAGEMENT SERVICES (REFUSE REMOVAL AND STREET CLEANING)					
R'000					
Details	2019/20	2020/21			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	184 235	217 126	222 422	225 646	3.78%
Expenditure					
Employees	66 651	62 584	63 392	68 070	8.06%
Repairs and maintenance	9 260	4 343	5 109	2 278	-90.65%
Other	57 259	93 689	108 213	118 906	21.21%
Total Operational Expenditure	133 170	160 616	176 714	189 254	15.13%
Net Operational Expenditure	51 065	56 510	45 708	36 392	

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, 85ℓ containers, 240ℓ and 1 100ℓ 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 and Flexi workers are working after hour and also over weekends, to keep our CBD's clean.
- 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.

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NATIONAL KEY PERFORMANCE INDICATOR

See page 253 for details.

3.5 HOUSING PROVISION

INTRODUCTION OF HOUSING PROVISION

In terms of Schedule 4: part A of the constitution of the Republic of South Africa, Housing is the concurrent function of national and provincial departments.

The Housing 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 unit within the Directorate Planning and Human Settlements is to facilitate the delivery of sustainable human settlements, affordable, adequately serviced land, security of tenure and a well-located housing opportunity through:

- partnership with the provincial department of human settlements 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
- facilitates eradication of informal settlements through the various housing programmes.

The Housing 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.

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.

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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	PTN 306 Hartbeesfontein 297 IP	Municipal	Agriculture	B1	Socio-economic survey, enumeration, NHNR & Relocation plan	Yes
Sunny Side	PTN 392 Town lands of Klerksdorp 424-IP	Municipal	Agriculture	B1	In-situ upgrading and Township establishment	Yes
Waterfall	PTN 5 Nooitgedacht 429- IP	Government of RSA	Government	B1	Socio-economic survey, enumeration, NHNR & In-situ upgrading	No
Jacaranda	PTN 1 Town lands of Klerksdorp 424-IP	Municipal	Municipal	A	Socio-economic survey, enumeration, NHNR & In-situ upgrading	Yes
Jouberton Ext 25	5 Nooitgedacht 429- IP	Municipal	Agricultural	A	Socio-economic survey, enumeration, NHNR & In-situ upgrading	Yes
Kanana Ext 16	PTN 5 Nooitgedacht 429- IP	Municipal	Agricultural	B1	Socio-economic survey, enumeration, NHNR & Relocation plan	Yes
Mphebatho	PTN Wildebeespan 442- IP	Municipal	Agricultural	B2	Socio-economic survey, enumeration, NHNR & Relocation plan	No
Ext 9 (Tony Shaft)	PTN 3 Hartbeesfontein	Municipal	Agricultural	B2	Socio-economic survey, enumeration, NHNR & Relocation plan	No

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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)
Zandpan	PTN 4 of Zandpan 423 IP	Government of RSA	Government	B2	Socio-economic survey, enumeration, NHNR & Relocation plan	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.

INFORMAL SETTLEMENT UPGRADING AND NEW HOUSING DEVELOPMENTS			
NAME OF AREA	NR OF STANDS	PROJECT DESCRIPTION	COMMENTS
Matlosana Estate Ext. 10	1 667	Construction of 1667 RDP houses	Project is underway
Jouberton Ext. 31	3 000	Township establishment & pegging	Project is underway
Sunnyside Informal	2 500	Township establishment & pegging	Project is underway

National Department of Human Settlements funded the following housing developments housing developments for the 2020/21 financial year:

NDHS: TOWNSHIP ESTABLISHMENTS AND OTHER SERVICES (N12 CATALYTIC PROJECT) – 2020/21			
NAME OF AREA	NR OF STANDS	COMMENTS	PROGRESS
Matlosana Estate Ext 10	1 667	Installation of Engineering Services	1171 Completed - 70%
Matlosana Estate Ext 11	1 143	Installation of Engineering Services	100% Completed
Matlosana Estate Ext 12	1 289	Township register and Design	100% Completed
Tigane Ext 7	1 584	Installation of Engineering Services	100% Completed
Tigane Ext 8	1 494	Installation of Engineering Services	100% Completed
Kanana Ext 16	2 271	Layout, surveying and pegging	100% Completed

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Below is the breaking new ground “RDP’s” project undertaken in 2020/21 financial year

DEPARTMENT OF HUMAN SETTLEMENTS - BREAKING NEW GROUNDS “RDP’s”– 2020/21			
PROJECT NAME	PLANNED STANDS	ACHIEVEMENTS	PERFORMANCE SHORTFALL
Alabama Ext 4 – Tigane Developers	951	➤ 100% Complete	None
Alabama Ext 5 – Amandla Construction	700	➤ 100% Complete	None
Alabama Ext 5 – Drop Dot	755	➤ 415 Foundation ➤ 271 Wall plate ➤ 141 Completions	➤ Material price escalation ➤ Request for increase on subs quantum
Alabama Ext 5 – Lekgatliso Construction	800	➤ 624 Foundations ➤ 491 Wall Plate ➤ 350 Completions	➤ Material price escalation ➤ COVID-19-19 regulations
Jouberton Infill 2,3&7 – Shumosky	300	➤ 89 Foundation ➤ 20 Wall Plate ➤ 0 Completion	➤ Material price escalation ➤ Delay for approval of subsidy top-up
Kanana Ext 13 – Sechoaro Supply	➤ 125 New ➤ 253 Incomplete	➤ 125 Complete ➤ 253 Wall Plates	➤ Delays on approvals of variation orders
Matlosana Estate Ext 10	1 667	➤ 1 Show house Complete ➤ 37 Sites: Prepared for foundation and pouring of G5 material done	➤ Commenced on 4 August 2021 ➤ Clay soil condition

EMPLOYEE INFORMATION

EMPLOYEES: HUMAN SETTLEMENTS					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 – 3	1	1	1	0	0%
4 – 6	5	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	0	2	100%
Total	20	23	19	4	17%

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FINANCIAL PERFORMANCE 2020/21: HOUSING SERVICES					
R'000					
Details	2019/20	2020/21			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	3 310	4 452	5 420	3 164	-40.7%
Expenditure					
Employees	8 764	9 854	9 854	10 407	5.3%
Repairs and maintenance	0	795	795	0	0.0%
Other	1 402	1 652	2 002	4 903	66.3%
Total Operational Expenditure	10 166	12 301	12 651	15 310	19.7%
Net Operational Expenditure	-6 856	-9 175	-8 557	-7 168	

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 upgrading of human settlements, the delivery of affordable rental units, serviced land as well as land acquisition.

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 the 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.

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 720 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 720 PER MONTH									
Year end	Total	Free basic water		Free basic sanitation		Free basic electricity		Free basic refuse removal	
		Access	%	Access	%	Access	%	Access	%
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%
2020/21	21 779	21 779	100%	21 779	100%	21 779	100%	21 779	100%

NATIONAL KEY PERFORMANCE INDICATOR

See page 254 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; and
- determining appropriate service levels.

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

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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 20ℓ of paraffin per month in order to utilize the supplied items and thereby have access to alternative energy.

FINANCIAL PERFORMANCE 2020/21: COST TO MUNICIPALITY OF FREE BASIC SERVICES DELIVERED					
R'000					
Services delivered	2019/20	2020/21			
	Actual	Budget	Adjustment	Actual	Variance to Budget
Water	50 135	85 719	85 719	54 223	63%
Waste-water (sanitation)	18 897	50 646	22 646	20 908	92%
Electricity	25 754	89 902	52 748	10 976	21%
Waste management (solid waste)	34 402	45 700	45 700	37 570	82%
Total	129 188	271 967	206 813	123 676	60%

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;

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- 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 720 (Three thousand seven hundred and twenty 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; and
- (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 85ℓ or 240ℓ 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.

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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
2017/18	836	9	10	145.99
2018/19	836	0	4	179.03
2019/20	836	0	5	145.00
2020/21	831	0	9	79.00

TARRED ROAD INFRASTRUCTURE				
Kilometres				
Year	Total surfaced roads	New surfaced roads	Existing surfaced roads re-surfaced	Surfaced roads maintained
2017/18	1 083.45	9	10	244
2018/19	1 087.45	0	0	250
2019/20	1 092.45	2	3	300
2020/21	1 101.45	9	1	300

ROADS COST OF CONSTRUCTION / MAINTENANCE						
R' 000						
Year	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
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
2020/21	0	47 000	5 000	47 000	0	10 000

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STORM-WATER INFRASTRUCTURE			
Kilometres			
Year	New storm-water measures	Storm-water measures upgraded	Storm-water measures maintained
2017/18	3*	3	5
2018/19	5*	0	27
2019/20	3*	2	30
2020/21	3	0	46

* 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
2017/18	0	0	2
2018/19	11	0	3
2019/20	0	0	4
2020/21	47	0	3

EMPLOYEE INFORMATION

EMPLOYEES: ROAD AND STORM-WATER DRAINAGE					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	0	1	100%
4 - 6	1	2	1	1	50%
7 - 9	12	14	11	3	21%
10 - 12	21	29	20	9	31%
13 - 15	3	4	3	1	25%
16 - 18	22	26	21	5	19%
19 - 20	89	107	86	21	20%
Total	149	183	142	41	22%

FINANCIAL PERFORMANCE: ROAD AND STORM-WATER DRAINAGE					
R'000					
Details	2019/20	2020/21			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	28 591	128 986	128 385	63 455	-103.3%
Expenditure					
Employees	63 012	57 834	57 833	50 455	-14.6%
Repairs and maintenance	27 622	19 802	19 787	8 750	-126.3%
Other	111 536	127 274	133 225	76 902	-65.5%
Total Operational Expenditure	202 170	204 910	210 845	136 107	-50.6%
Net Operational Expenditure	-173 579	-75 924	-82 460	-72 652	

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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 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 reseal to sustain the durability of roads.

The report also noted that the network improvement programmes should be implemented as a matter of urgency 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 reseal 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.

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OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on pages 169; 172; 176 – 177; 182; 199 and 241)

ROADS AND STORM-WATER DRAINAGE OBJECTIVES TAKEN FROM THE IDP						
Service Objective	Service Indicators	2018/19	2019/20	2020/21 Target		2020/21 Budget
		Actual	Actual	Original	Adjusted	Actual
To improve accessibility and mobility and control and direct the flow of storm-water and prevent road erosion at Jouberton Ext 24 (Phase 8) (Ward 12)	Km of taxi route paved and road furniture and markings installed in Jouberton Ext 24 (Phase 8) (Ward 12)	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	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 R855 496	Laying 0.36 km paving bricks with kerbs (0.104 km on Lebaleng road and 0.220 km on Mpisekhaya street) and installing of road furniture and markings in Jouberton Ext 24 (Phase 8) (Ward 12) by 30 September 2020 R18 000 000	Laying 0.119 km paving bricks with kerbs (0.104 km on Lebaleng road and 0.015 km on Mpisekhaya street), laying 0.201 storm-water pipe (0.161 km on Lebaleng and 0.040 km on Mpisekhaya street) and installing of road furniture and markings in Jouberton Ext 24 (Phase 8) (Ward 12) by 31 June 2021 R6 016 180	Laying of 0.119 km paving bricks with kerbs (0.104 km on Lebaleng road and 0.015 km on Mpisekhaya street), laying 0.201 storm-water pipe (0.161 km on Lebaleng and 0.040 km on Mpisekhaya street) and installing of road furniture and markings in Jouberton Ext 24 (Phase 8) (Ward 12) by 31 June 2021 R6 016 180 Completion certificate issued. R5 308 177
						N/A

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; and
- 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 (RTMC).
- Management personnel reconcile the daily takings, votes, request payment of money due to Province / DLCA (Driving License Card Account) / 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 Business Licences perform inspections on businesses, hawkers, motor dealers and issue notices and fines when needed.
- Examiners for Driver's 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 Driver's 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

- Renew Collection
 - The motor vehicle license renewal counter that is operating at the Post Office has made a commission of R3 127 240 during 2020/21 financial year. This is loss of income for City of Matlosana.
 - The Department of Community Safety and Transport Management must be approached with a request to open a pay point counter for motor vehicle license renewals in one of the municipal offices at Klerksdorp CBD for easy access to the public.

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- Licensing offices require installation of generators for back up when load shedding is implemented. When there is load shedding, service delivery is stopped for hours and the public goes to the Post Office for services. Klerksdorp CBD is often not affected by load shedding.
 - Shortages of vehicles has a negative impact on revenue collection for business licenses. There are no vehicles for Business License Inspectors to conduct inspections. The vehicles that we have currently are all in a bad state and require extensive repairs or replacement.
 - The equipment at the vehicle testing stations in Klerksdorp and Orkney need replacement. The equipment is old and require regular repairs and maintenance at a high cost. Some of the equipment and lines used for vehicle testing broke years ago and have not been used for years. This delays service delivery as the testing are not fully functional, they are operating with limited resources.
 - Suspension of officials (cashiers) by NWP Department of Community Safety and Transport from E-Natis usage due to transgressions, affect the performance of the section and needs to be attended to as a matter of urgency.
- Security Risk on collected revenue
- The security at the Licensing section is a big challenge. Installation of security revolving doors (Rota doors) at the main entrance doors, burglar bars on windows, physical security guards and CCTV cameras are needed to secure premises, money, equipment and prevent entries.
 - There is no alarm system to secure premises and revenue overnight and usage of panic buttons in cases of emergency is not working.
 - During 2020/21 Licensing had two break-ins where money that was placed in locked strong rooms inside a drop box container was stolen. Using debit/credit cards as the only method of payment will reduce the risk.
 - There is a need to introduce our customers to “no cash” transactions, where all services will be paid for through EFT, to avoid handling cash in our premises. This will minimize the risk of robberies and overnight break-ins, which has been happening regularly.

SERVICE STATISTICS FOR LICENSING SERVICES				
DESCRIPTION	2018/19	2019/20	2020/21	COS0054
Registration of vehicles	34 978	29 002	31 671	R3 889 404
Licensing / renewal of vehicle licences	86 715	68 783	76 935	R63 385 993
Issue of permits	5 989	4 851	5 106	R490 176
Application and renewal of motor trade plates	258	201	223	R145 897
Application and issuing of business licences, hawkers' licences and stands	199	211	231	R453 330
Application and issuing of certification of roadworthiness certificates of motor vehicles	2 726	2 119	4 008	R848 820
Weigh bridge certificates of vehicles	1 398	954	1 050	R94 500
Application and issue of learners' licences	15 356	13 067	16 437	R2 071 062
Application and issue of drivers' licences	10 385	9 190	12 812	R3 013 780
Application for professional driving permits	3 509	2 953	2 962	R373 212
Renewal of drivers' licences	14 730	12 399	12 457	R3 127 124
Issuing of temporary drivers' licences	11 551	8 931	10 116	R414 708
Road Traffic Management Corporation	74 700	61 041	64 931	R4 675 033

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EMPLOYEE INFORMATION

EMPLOYEES: LICENSING SERVICES					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	1	1	0	1	100%
7 - 9	33	43	31	12	28%
10 - 12	35	53	34	19	36%
13 - 15	16	18	16	2	11%
16 - 18	3	3	3	0	0%
19 - 20	5	6	5	1	17%
Total	94	125	90	35	28%

FINANCIAL PERFORMANCE: LICENSING SERVICES					
R'000					
Details	2019/20	2020/21			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	17 280	23 217	24 157	25 044	7.30%
Expenditure					
Employees	30 981	31 965	31 965	33 379	4.24%
Repairs and maintenance	310	312	245	122	-155.74%
Other	884	947	1 584	1 563	39.41%
Total Operational Expenditure	32 175	33 224	33 794	35 064	5.25%
Net Operational Expenditure	-14 895	-10 007	-9 637	-10 022	

COMMENTS ON THE PERFORMANCE OF LICENSING SERVICES OVERALL

In general, the duties at licensing services, are performed effectively. However, services and revenue collection can improve if challenges are addressed.

Officials declared ineligible for E-Natis usage need to be moved to other Departments with no E-Natis requirement on a swapped deal if possible. The Department has recently presented the proposal to Corporate Support for assistance.

Revenue collection at the driver's license testing centres on applications for driver's and learner's licenses increased due to backlog at other testing centres across the country due to the national lockdown and COVID-19 regulations.

The vehicle testing stations revenue collection improved due to tariffs increased at private testing stations. If the challenge with replacement of equipment is addressed, more revenue could be collected.

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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. The budget is still not allocated to renovate the building. The resolution was taken years ago and these premises haven't been used.

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes Town-Planning, Building Control, Estate Administration and Land Sales.

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 with effect from 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.

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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;
- Land use applications: subdivision, consolidations, change in land use rights (Rezoning's), consent use, special consents, township establishments (Table below provides a breakdown);
- Approval of medium to large scale development initiatives i.e. Isago N12 Development, Matlosana Estates (Catalytic) – Thereby enhancing municipal revenue base;
- The subsequent proclamation of various townships, namely Matlosana Estates, Alabama Extension 4 and 5;
- The adoption of the City of Matlosana Spatial Development framework, SDF by Council;
- Approval of Agri-Hub, Strategy for Legacy Assets for Distressed Mining towns;
- The control of land in alignment with Land Use Management Scheme as well as land development applications;
- Whereas the Spatial Planning deals with strategic and forward planning, in reference to SDF and future vision of the municipality;
- Issuing of contraventions notices;
- Appointment of a Town Planning Assistant; and
- Interdepartmental engagement.

Challenges:

- Sprawling development outside of the approved urban edge, and land invasions i.e. Jagspruit (Sunnyside), onto public open spaces and institutional stands, Tigane, Stilfontein, Khuma and Kanana;
- Slow progress in the formalisation of informal settlements. Political interference;
- Aging infrastructure with little to no maintenance;
- Land envision and mushrooming of informal settlements;
- Illegal buildings and construction;
- Planning in silos: No alignment with other departments;
- Contraventions of Land Use Management Scheme, lacking the capacity and resources to enforce (specifically legal enforcement);
- Outdated equipment, specifically software (GIS) and old redundant computers;
- Limited office space;
- Financial constraints: training, equipment, professional board affiliation fees, internal application costs, as well as appointment of new staff;
- Urban decay in CBD;
- Lack of performance-based incentives; and
- Geological constraints.

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.
- Alignment of Sector Plans with the City of Matlosana Spatial Development Framework (Tourism and hospitality prospects, Proposed Agri-hub and Urban agriculture on subsistence level, Innovation belt, Car Sales specialisation, Medical Hub, Logistics and Transportation Hub, Green economy, Smart City vision, High potential agricultural land).

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PLANNING AND BUILDING CONTROL

DETAIL	2017/18	2018/19	2019/20	2020/21
Detail of building plans				
➤ Number of building plans approved (excluding low cost housing)	614	507	492	722
➤ Value of building plans approved	R296 436 700	R 315 952 200	R306 620 200	R532 227 300
Number of applications received for				
➤ Township establishment	2	9	3	0
➤ Rezoning	46	74	52	49
➤ Special consent	4	2	10	19

APPLICATIONS FOR LAND USE DEVELOPMENT						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21
Planning application received	3	0	52	49	142	117
Determination made in year of receipt	2	0	40	39	98	103
Determination made in following year	0	0	5	2	18	2
Applications withdrawn	0	0	4	5	4	8
Applications outstanding at year end	1	0	3	3	22	4

COMMENT ON THE PERFORMANCE OF TOWN-PLANNING, BUILDING CONSTRUCTION, ESTATE ADMINISTRATION AND 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.

ESTATE ADMINISTRATION AND 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 was 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. The purpose of the restructuring processes was to empower the section to execute the mandate of making land available for

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development by invitation of development proposals for land earmarked for development in terms of the SDF, thereby attracting more investment into the municipality.

The section is continuously 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.

REGISTERED PROPERTIES 2020/21				
No.	Property Description	Location	Date of Registration	Purchase Price
1	Erf 811	Ellaton	21/07/2020	R62 000
2	Erf 42/3657	Stilfontein Ext 4	15/09/2020	R62 510
3	Erf 1/103	Wilkoppies Proper	18/09/2020	R700 000
4	Erf 14438	Jouberton Ext 13	23/09/2020	R18 000
5	Erf 438	Neserhof Ext 1	28/09/2020	R57 722
6	Erf 831	Ellaton	29/09/2020	R32 000
7	Erf 1045	Ellaton	12/02/2021	R23 000
8	Erf 977	Ellaton	22/04/2021	R25 000
9	Erf 243	Uraniaville	28/04/2021	R420 000
TOTAL:				R1 400 232

LEASE REGISTER 2020/21*					
NO.	LESSEE	PROPERTY DESCRIPTION	DATE STARTED	EXPIRY DATE	RENTAL AMOUNT
1	MT Mafe	A portion of Portion 5 of the Farm Strathmore 436-IP	01/07/2020	30/06/2023	R6 960 p/m; 6% escalation annually
2	Klerksdorp Hebrew Academy – FP Bredenkamp	Portion of the Remainder of Portion 1 the Farm Townlands of Klerksdorp 424IP	11/08/2020	10/08/2023	R4 700 p/m; 6% escalation annually
3	Plot One Trading Enterprise – P Masopha	Undivided Portion of the Remainder of Portion 21 the Farm Wildebeestpan 442 -IP	30/09/2020	29/09/2023	R1 200 p/a; 6% escalation annually
4	Dog Unit Masters – ND Mokhele	Undivided Portion of Portion 1 of the Farm Townlands of Klerksdorp 424IP	06/10/2020	05/10/2023	R2 400 p/a; 6% escalation annually
5	MN Shata	Portion of erf 14248, Jouberton Extension 13	29/10/2020	28/10/2023	R175 p/m; 8% escalation annually
6	Shining Stars Agricultural and other Projects Primary Co-operative Limited	A Portion of the Remaining Extent of Portion 15 the Farm (1 Ha) Wildebeespan 442 -IP	29/10/2020	28/10/2023	R1 200 p/a; 6% escalation annually
7	Love and Grace Kingdom Ministries– LU Moremi	Erf 20514, Jouberton Extension 20	24/11/2020	23/11/2023	R280 p/m; 6% escalation annually

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LEASE REGISTER 2020/21					
NO.	LESSEE	PROPERTY DESCRIPTION	DATE STARTED	EXPIRY DATE	RENTAL AMOUNT
8	Swift Lifestyle Movement (Pty) Ltd – DC Dada	Portion of erf 1879, Alabama Extension 2	24/11/2020	23/11/2023	R825 p/m; 8% escalation annually
9	Top Stone Enterprise – EH Molotsi	Portion of erf 2289, Kanana Extension 14	03/12/2020	02/12/2023	R245 p/m; 6% escalation annually
10	MJ Tshoaedi	A portion of Remaining Extent of Portion 1 of the Farm Townlands Klerksdorp 424-IP (100 Ha)	25/01/2021	24/01/2024	R12 000 p/a; 8% escalation annually
11	MM Gobeane	A portion of Portion 21 of the Farm Hartebeesfontein 422-IP	25/01/2021	24/01/2024	R12 000 p/a; 8% escalation annually
12	G Houdman	A portion of Portion 5 of the Farm Strathmore 436-IP (64 Ha)	25/01/2021	24/01/2024	R400 p/m; 8% escalation annually
13	New Little Porridge (MZ Kgare)	A portion of Portion 22 of the Farm Roodepoort 435-IP, next to Municipal Pound (1 Ha)	25/01/2021	24/01/2024	R1 500 p/a; 8% escalation annually
14	Shamama Trading Enterprise (MM Shabangu)	A portion of Portion 22 of the Farm Roodepoort 435-IP, next to Municipal Pound (1 Ha)	25/01/2021	24/01/2024	R1 500 p/a; 8% escalation annually
15	Itumeleng Older Person Service Club (KS Kanyane)	A portion of erf 2685, Khuma	26/01/2021	25/01/2024	R4 800 p/a; 8% escalation annually
16	LE Green	A portion of erf 21280, Kanana Ext 13	02/02/2021	01/02/2024	R300 p/m; 6% escalation annually
17	NJ Kameta	A portion of erf 2868, Orkney Proper Town	02/02/2021	01/02/2024	R400 p/m; 6% escalation annually
18	Siphumelele Ilefalethu Farming Primary Co-op Ltd (LA Pinkoane)	Undivided portion of Portion 21 of the Farm Hartebeesfontein 422-IP (105 Ha)	04/02/2021	03/02/2024	R20 400 p/a; 8% escalation annually
19	Bokamoso Home Community (GKF Mokae)	Portion of erf 20098, Kanana Extension 13	22/02/2021	21/02/2024	R312.50 p/m; 6% escalation annually
20	MTN	Stilfontein Water Tower	01/03/2021	29/02/2024	R7 591.40 p/m; 8% escalation annually
21	Mmakele Trading Enterprise (Pty) Ltd (ML Mmolawa)	Portion of erf 5811, Stilfontein Extension 9	11/03/2021	10/03/2024	R225 p/m; 6% escalation annually
22	Thulani Donald Mbambalala	A Portion of the Remainder of Portion 15 the Farm Wildebeespan 442 -IP	21/04/2021	20/04/2024	R110 p/m; 8% escalation annually

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LEASE REGISTER 2020/21					
NO.	LESSEE	PROPERTY DESCRIPTION	DATE STARTED	EXPIRY DATE	RENTAL AMOUNT
23	2SO J Lifestyle (Pty) Ltd (TG Jonas)	A portion of Remainder of Portion 1 of the Farm Townlands Klerksdorp 424-IP (1 Ha)	10/05/2021	09/05/2024	R450 p/m; 8 % escalation annually
24	Khuwait Holdings (Pty) Ltd	A portion of Remainder of Portion 1 of the Farm Townlands 424IP (Camp B – 30 Ha)	01/06/2021	31/05/2024	R3 000 p/m; 8% escalation annually
25	Thoro's Business Enterprise (Pty) Ltd (RM Tulman)	A portion of erf 22604, Jouberton Ext 22 (9 720m ²)	25/06/2021	24/06/2024	R160 p/a; 8% escalation annually
26	TJ Makatsa	A portion of erf 17299, Kanana Ext 6 (625m ²)	25/06/2021	24/06/2024	R160 p/a; 8% escalation annually

**Signed copies of all lease agreements are available*

INSPECTION PROGRAMME FOR AGRICULTURAL LEASED LAND OWNED BY THE CITY OF MATLOSANA 2020/21					
Date of Inspection	Lease Agreement		Lessee	Locality	Official Comments / Outcome
	Start Date	End Date			
03/09/2020	29/01/2019	28/01/2022	JP Pitsi	Undivided Portion of Witkop Farm 438-IP (85.1944 Hectares)	The property is occupied and utilised for the lease purpose
03/09/2020	28/01/2019	27/01/2022	OS Madisakwane	Undivided portion of Portion 1 of Farm Townlands 424-IP (85 Hectares)	The property is occupied and utilised for the lease purpose
17/09/2020	01/10/2017	30/09/2020	MM Gobeane	Portion of portion 21 of the Farm Hartebeestfontein 422-IP (8 Hectares)	The property is occupied and utilised for the lease purpose
15/10/2020	28/01/2019	27/01/2022	JT Senne	Portion of Portion 1 of Farm Townlands 424-IP (50 Hectares)	The property is occupied and utilised for the lease purpose
25/02/2021	16/04/2019	15/04/2022	A Adams	A portion of Remaining Extent Portion 15 of the Farm Wildebeestpan 422-IP (1 Hectare)	The lessee has occupied and is farming with chickens, cattle and sheep
19/10/2020	01/07/2020	30/06/2023	MT Mafe	Portion of Portion 5 of the Farm Strathmore 424-IP (58 Hectares)	The property is occupied and utilised for the lease purpose

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INSPECTION PROGRAMME FOR AGRICULTURAL LEASED LAND OWNED BY THE CITY OF MATLOSANA 2020/21					
Date of Inspection	Lease Agreement		Lessee	Locality	Official Comments / Outcome
	Start Date	End Date			
01/12/2020	28/02/2019	27/02/2022	BC Theron	Undivided portion of Portion 1 of Farm Townlands 424-IP (4.6 Hectares)	The property is occupied and utilised for the lease purpose
04/02/2021	22/01/2021	21/01/2021	New Little Porridge (MZ Kgare)	A portion of Portion 22 of the Farm Roodepoort 435-IP (1 Hectare)	The lessee has occupied, and they have planted trees under shade nets – the project is for nursery
23/02/2021	25/01/2021	24/01/2024	G Houdman	A portion of Portion 5 of the Farm Strathmore 436-IP (64 Hectare)	The lessee has occupied and is farming with cattle, pigs and sheep
03/05/2021	25/01/2021	25/01/2021	MJ Tshoaedi	A portion of the Remaining Extent of Portion 1 of Farm Townlands 424-IP (100 Hectares)	The lessee has occupied and is farming with chickens, pigs and sheep
28/05/2021	29/10/2020	28/11/2023	Shining Star Agricultural and Other Projects Primary Co- operative	A portion of the Remaining Extent of Portion 15 of Farm Wildebeestpan 422-IP (1 Hectares)	The lessee has occupied and is utilising the land for vegetable crop farming
29/06/2021	25/01/2021	25/01/2021	Shamama Trading Enterprise (MM Shabangu)	A portion of Portion 22 of Farm Roodepoort 435-IP (1 Hectares)	The lessee has occupied and is utilising the land for poultry farming

EMPLOYEE INFORMATION

EMPLOYEES: ADMINISTRATION, PMU, TOWN PLANNING, BUILDING CONSTRUCTION, ESTATE ADMINISTRATION & LAND SALES					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	2	2	2	0	0%
4 - 6	12	18	11	7	39%
7 - 9	15	19	13	6	32%
10 - 12	13	14	11	3	21%
13 - 15	6	10	4	6	60%
16 - 18	13	14	12	2	14%
19 - 20	1	1	1	0	0%
Total	62	78	54	24	31%

FINANCIAL PERFORMANCE: ADMINISTRATION; TOWN-PLANNING; BUILDING CONSTRUCTION AND ESTATE ADMINISTRATION AND LAND SALES					
R'000					
Details	2019/20	2020/21			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	568	1 326	1 326	201	-559.7%
Expenditure					
Employees	3 448	4 330	4 330	14 409	69.9%
Repairs and maintenance	-	8	28	554	0.0%
Other	1 246	944	624	4 251	77.8%
Total Operational Expenditure	4 694	5 282	4 982	15 447	65.8%
Net Operational Expenditure	-4 126	-3 956	-3 656	-15 246	

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.

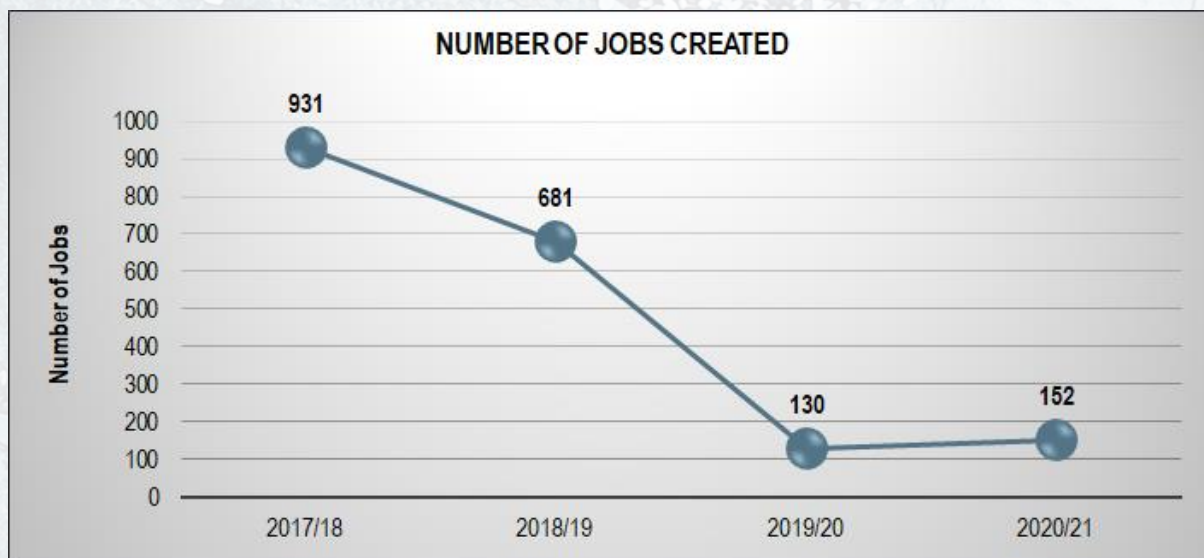
LED is bottom-up socio-economic instrument within a broader IDP, New Growth Path and National Development Plan (NDP), to create conducive business environment to improve their competitiveness.

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.

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LOCAL ECONOMIC ACTIVITY BY SECTOR				
Sector	No of Jobs			
	2017/18	2018/19	2019/20	2020/21
Agriculture, forestry and fisheries	32	17	0	0
Wholesale and retail trade	0	67	0	0
Infrastructure services	899	603	130	152
TOTAL	931	687	130	152



COMMENTS ON LOCAL JOB OPPORTUNITIES

JOB CREATION THROUGH EPWP* PROJECTS		
Year	EPWP Projects	Jobs created through EPWP projects
	No	No
2017/18	12	633
2018/19	10	611
2019/20	1	61
2020/21	6	152

* - Extended Public Works Programme

JOBS CREATED DURING 2020/21 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
2017/18	266	0	931	In loco inspection
2018/19	687	0	687	In loco inspection
2019/20	130	0	130	In loco inspection
2020/21	152	15	152	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 hawker's stalls and the new taxi rank in Jouberton;
- Rural Development Programme: Support for small-holder farmers and food security;

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- 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; and
- Small Town Regeneration (STR): Economic revitalization of distressed mining towns

EMPLOYEE INFORMATION

EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT					
Job level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	1	2	1	1	50%
4 - 6	6	7	5	2	29%
7 - 9	4	4	4	0	0%
10 - 12	5	5	5	0	0%
13 - 15	0	0	0	0	0%
16 - 18	1	1	0	1	100%
19 - 20	1	1	1	0	0%
Total	18	20	16	4	20%

FINANCIAL PERFORMANCE: LOCAL ECONOMIC DEVELOPMENT and FRESH PRODUCE MARKET					
R'000					
Details	2019/20	2020/21			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	2 447	20 182	20 832	29 516	-32.0%
Expenditure					
Employees	7 185	19 354	19 354	18 229	6.0%
Repairs and maintenance	2 928	627	627	2 744	-77.0%
Other	28 432	11 728	12 286	11 852	-1.0%
Total Operational Expenditure	38 545	31 709	32 267	32 825	-3.0%
Net Operational Expenditure	-36 098	-11 527	-11 435	-3 309	

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 the Directorate Technical and Infrastructure to implement EPWP projects for job creation;

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- 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; and
- 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 255 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.

Guided by the Municipal Systems Act 32 of 2000, as amended, 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 to:

- 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; and
- ensure compliance with Communication and Marketing policies.

Description of Communication and Marketing structure

- Media relations;
- Communication research;
- Marketing, branding and outdoor advertising; and
- Outreach and event co-ordination.

Communication and Marketing mechanisms

- Outreach programmes;
- Stakeholder meetings;
- Electronic and print media; and
- Posters, brochures, banners and fliers

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- Media information sessions;
- Outdoor advertising;
- Municipal meetings;
- Municipal website and newsletters; and
- Local Communicators' Forum.

SERVICE STATISTICS

NEWSLETTERS	DISTRIBUTION
➤ Internal newsletters	6
➤ External newsletters	4

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 MFPM 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.

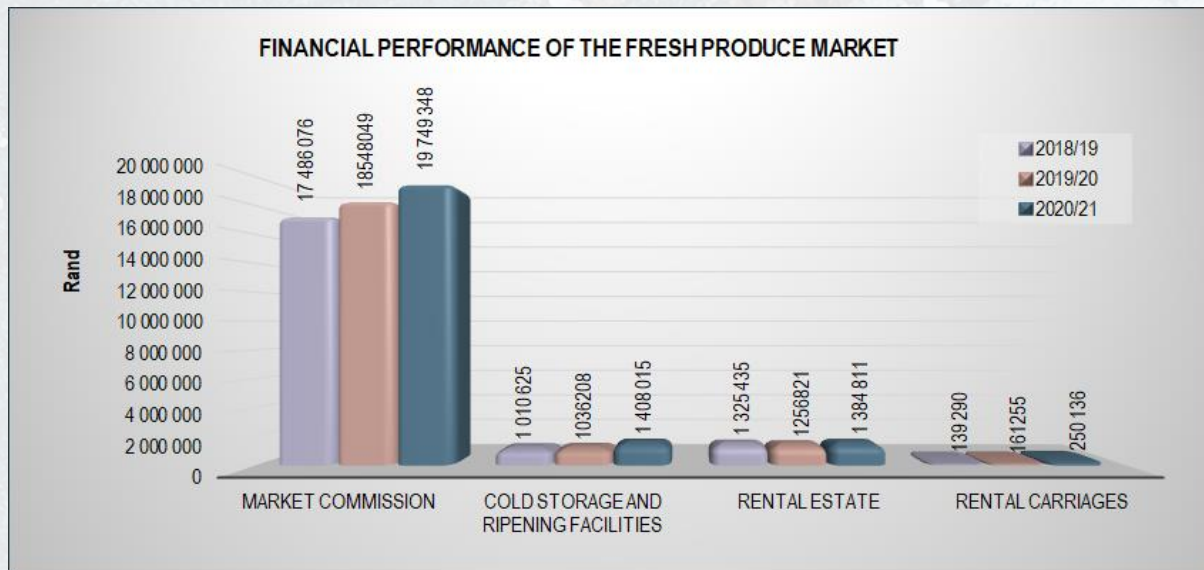
Job creation:

- Market Agents - The MFPM 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
- SMMs - Emerging and Small-scale Farmers - The MFPM 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	2018/19	2019/20	2020/21
	R	R	R
Market commission	17 486 076	18 548 049	19 749 348
Cold storage and ripening facilities	1 010 625	1 036 208	1 408 015
Rental estate	1 325 435	1 256 821	1 384 811
Rental carriages	139 290	161 255	250 136

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The South African Police Service is investigating 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	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	0	1	0	1	100%
4 - 6	5	5	4	1	20%
7 - 9	0	0	0	0	0%
10 - 12	10	11	10	1	9%
13 - 15	8	9	8	1	11%
16 - 18	4	4	3	1	25%
19 - 20	11	14	10	4	29%
Total	38	44	35	9	20%

COMMENT ON PERFORMANCE OF FRESH PRODUCE MARKET OVERALL

Although a 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 - 1.36%;
- Rental estate – 1.1%; and
- Carriage income - 1.55%.

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on page 171)

FRESH PRODUCE MARKET SERVICES OBJECTIVES TAKEN FROM THE IDP						
Service objective	Service indicators	2018/19	2019/20	2020/21		
		Actual	Actual	Target		
				Original	Adjusted	Actual
To upgrade the existing Fresh Produce Market (Phase 2) (Ward 9) to cater for the increasing customer needs Target	Existing Fresh Produce Market (Phase 2) (Ward 9) upgraded Performance	New project	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)	Upgrading the existing Fresh Produce Market (Phase 2) (Ward 9) by - installing 2 cladding and shutter doors; - constructing 1 ablutions facility; - constructing 1 storage unit; - constructing 1 cold room; and - constructing 1 offloading platform (according to the technical scoping report) - installing the mezzanine floor; - replacing the roof sheeting; - connecting of water (0.388 km ranging from 20mm Ø to 75 mm Ø pipeline); - constructing 0.517 km of 525 mm Ø storm-water drainage; - completing the concrete floor (according to the technical scoping report); and - construction of the earthworks for the parking area by 30 June 2021 R19 295 614	Upgrading the existing Fresh Produce Market (Phase 2) (Ward 9) by - installing 2 shutter doors; - replacing the roof sheeting; - connecting of water (0.739 km ranging from 20mm Ø to 75 mm Ø pipeline); - constructing 0.517 km of 525 mm Ø storm-water drainage; - constructing sewer pipeline (0,058 km of 110 mm Ø pipeline); - completing the concrete floor (according to the technical scoping report); and - construction of the earthworks for the parking area by 30 June 2021 R7 053 676	Upgrading the existing Fresh Produce Market (Phase 2) (Ward 9) nearly completed with the connection of water (0.739 km ranging from 20mm Ø to 75 mm Ø pipeline); construction of 0.517 km of 525 mm Ø storm-water drainage; construction of sewer pipeline (0,06 km of 110 mm Ø pipeline); completing the concrete floor (according to the technical scoping report); and construction of the earthworks for the parking area completed. The 2 shutter doors are not installed and the roof sheeting not replaced. The concrete floor is also not completed. R6 125 943
						R12 729 779

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	2018/19	2019/20	2020/21
Educational programmes			
➤ Library awareness programmes and events	160	177	75
➤ Photocopies made	1 003 320	325 470	239 226
➤ Books and items circulated	332 405	75 850	54 872
➤ Enquiries	17 268	9 800	5 764

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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 to the value of R147 000 was spent on the project for painting of Klerksdorp library pillar and Hartbeesfontein library. R450 000 of the conditional grants was rolled over for the installation of a fence at Stilfontein library.

The equitable share grant to the value R131 635 was spent on four projects consist of repair to furniture and equipment, awareness projects and training.

R84 365 of the equitable share grants was rolled-over to cover for the shortfall on the conditional grant for the installation of a fence at the Stilfontein library.

Library services presented 75 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 Adjusted level 4, 3 and 2 Regulations and restrictions in July, August and September 2020 and again in January and February 2021, all library services delivery indicators plunged for the financial year under review.

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on pages 186 - 187)

LIBRARY SERVICES OBJECTIVES TAKEN FROM THE IDP						
Service objective	Service indicators	2018/19	2019/20	2020/21		2020/21
		Actual	Actual	Target		Budget
				Original	Adjusted	
To address shortcomings by improving library services and maintenance	Shortcomings at various libraries improved according to the approved project business plan	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	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	Improving library services and maintenance at all 12 libraries according to the operational activities on the approved project business plan by 30 June 2021 R216 000	N/a	Shortcomings and maintenance at 12 libraries improved with 20 x Memory sticks; 12 x Kettles, 15 x Suggestion Boxes, 9 Digi Laptops; 3 Digi Tablets; 5 x Hand held Scanners, 14 x Water Coolers with bottles, 2 x Pull-up banners; 2 x Wallpaper with installation; 1 Door sticker with installation. R131 635
						R216 000

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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. The Museum protects, preserves and promotes 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.

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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.

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SERVICE STATISTICS FOR THE MUSEUM			
INDICATOR	2018/19	2019/20	2020/21
MUSEUM EDUCATION			
➤ Education programmes presented	114	79	10
➤ Lifelong learning classes presented	27	12	6
MUSEUM COLLECTIONS			
➤ Maintenance and care of objects	3 750	2 000	750
➤ Digitised collection documentation	750	500	155
MUSEUM EXHIBITIONS			
➤ Temporary exhibitions presented	6	6	0
➤ Existing exhibitions maintained	20	20	20
COMMUNITY PARTICIPATION			
➤ Consultation sessions	143	100	52
HERITAGE AWARENESS			
➤ Heritage awareness events	13	6	4
EXPENDITURE	R244 652	R89 698	R52 900

EMPLOYEE INFORMATION

EMPLOYEES: LIBRARIES AND MUSEUM					
Job Level	2019/20	2020/21			
	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	9	9	9	0	0%
10 - 12	13	14	12	2	14%
13 - 15	38	41	38	3	7%
16 - 18	15	15	15	0	0%
19 - 20	2	3	2	1	33%
Total	80	86	79	7	8%

FINANCIAL PERFORMANCE: LIBRARIES AND MUSEUM					
R'000					
Details	2019/20	2020/21			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	22 911	1 552	1 575	358 902	99.6%
Expenditure					
Employees	42 529	23 018	23 018	22 299	-3.2%
Repairs and maintenance	5 020	940	547	379	-148.0%
Other	50 301	25 948	26 425	33 200	21.8%
Total Operational Expenditure	97 850	49 906	49 990	55 878	10.7%
Net Operational Expenditure	-74 939	-48 354	-48 415	303 024	

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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.

During COVID-19 the Museum was greatly affected by schools not visiting the museum due to schooldays lost. Pre-COVID-19 the Museum saw more than 100 groups annually. When South Africa went in lockdown level 5 Museum's group visits were from 26 March 2020 till end June 2021 a mere 13 groups. Which also affected our total visitor's number.

Upgrade of existing museum exhibition celebrating cultural heritage of South African Indian Communities throughout South Africa and especially in City of Matlosana. This exhibition was the first exhibition since 2013 to be upgraded with technology and modern designs.

Blacksmith Training part of the museums Lifelong Skills Development was hosted from 3 - 4 June 2021 it was the first Blacksmith training course for the community. They received both theory and practical training regarding the course.

A major highlight for the museum was winning the 2020/21 Best Museum in North West province. A competition hosted by the NW Province.

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 FOR CEMETERIES AND AREODROME				
INDICATOR	2017/18	2018/19	2019/20	2020/21
➤ Burials	2 839	2 701	2 634	4 137
▪ Adults	2 120	1 980	1 955	3 394
▪ Children	237	285	281	256
▪ Re-openings	482	436	389	487
➤ Memorials	519	554	491	658
Expenditure	R15 003 835	R11 500 070	R17 064 406	R1 999 992
Income	R1 560 605	R1 570 401	R1 541 372	R3 107 776

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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 internment 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

EMPLOYEE INFORMATION

EMPLOYEES: CEMETERIES AND AREODROME					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	0	0	0	0	0%
4 - 6	0	1	1	0	0%
7 - 9	1	2	1	1	50%
10 - 12	12	13	12	1	8%
13 - 15	4	5	4	1	20%
16 - 18	3	5	3	2	40%
19 - 20	28	37	28	9	24%
Total	48	63	49	14	22%

FINANCIAL PERFORMANCE: CEMETERIES AND AERODROME					
R'000					
Details	2019/20	2020/21			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	142	1500	1 500	2 742	45.0%
Expenditure					
Employees	11 117	11 220	11 220	11 843	5.0%
Repairs and maintenance	5 122	48	188	443	89.0%
Other	10 825	4 656	4 575	2 361	-97.0%
Total Operational Expenditure	27 064	15 924	15 983	14 647	-9.0%
Net Operational Expenditure	-26 922	-14 424	-14 483	-11 905	

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COMMENTS ON THE PERFORMANCE OF CEMETERIES OVERALL

- The section continues to maintain cemeteries through grass cutting and pruning of trees;
- 4 137 Burials were conducted around Matlosana cemeteries;
- The municipality introduced filling of graves with TLB's due to COVID-19 related deaths: total 896; and
- This section 521 COVID-19 related funerals during July 2020 – June 2021

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.

There was no formal Annual Arbour Event Celebration, due to COVID-19 Regulations. Thereof the Department of Environment Forest and Fisheries (DEFF) donated the 1 400 indigenous trees that were given to the Learners as “One Child One Tree Campaign”.

- The indigenous trees were distributed to the following Schools:
 - Khuma - Kediemetse Primary School = total number of trees = 711
 - Kanana Primary School = total number of trees = 780
- Other indigenous trees were planted at the following areas:
 - Klerksdorp/ Stilfontein Cemeteries = 198
 - Orkney Cemetery = 100
 - Faan Meintjes nature reserve = 15
- Go Big Media donated (6) six fruit trees.
 - 200 fruit trees were distributed to the community.
 - 3 000 vegetable seedlings were distributed to the community.
- 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.

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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 and conservation and specific EE Programmes to the youth of Matlosana.

Challenges

- Non-functionality of the Environmental Education Centre structure at Faan Meintjes Nature Reserve for almost four years.

SERVICE STATISTICS FOR PARKS AND FAAN MEINTJES NATURE RESERVE				
INDICATOR	2017/18	2018/19	2019/20	2020/21
AERODROME –				
PC Pelser Annual License	1	1	1	1
Expenditure	R4 590	R4 870	R5 170	R4 880
NATURE RESERVE				
➤ Day visitors	3 197	2 158	1 890	2933
➤ Vehicles / Buses	853	687	459	766
➤ Accommodation and functions	123	45	70	50
Expenditure	R2 083 162	R1 134 386	R1 226 034	R58 828 458
Income	R 172 391	R140 233	R290 097	R227 603
Income : Selling of Game	N/A	N/A	N/A	R440 795
TREES - Trimmed	3 467	3 242	3 168	2 391
AUCTION KRAALS - Total auctions	52	51	39	49

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EMPLOYEE INFORMATION

EMPLOYEES: PARKS, FAAN MEINTJES NATURE RESERVE AND ORKNEY VAAL					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 – 3	1	1	0	1	100%
4 – 6	1	2	1	1	50%
7 – 9	9	10	8	2	20%
10 - 12	7	11	6	5	45%
13 - 15	32	40	29	11	28%
16 - 18	17	30	15	15	50%
19 - 20	97	125	92	33	26%
Total	164	219	151	68	31%

FINANCIAL PERFORMANCE: PARKS, FAAN MEINTJES NATURE RESERVE AND ORKNEY VAAL					
R'000					
Details	2019/20	2020/21			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	457	783	794	395	-98.0%
Expenditure					
Employees	59 125	37 694	37 694	46 593	19.0%
Repairs and maintenance	30 236	882	516	2 743	68.0%
Other	3 184	40 293	40 736	60 768	34.0%
Total Operational Expenditure	92 545	78 869	78 946	110 104	28.0%
Net Operational Expenditure	-92 088	-78 086	-78 152	-109 709	

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.

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;
 - 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 Occupational Health Services 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;

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- 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.

SERVICE STATISTICS: OCCUPATIONAL HEALTH CENTRE			
Service data statistics	2018/19	2019/20	2020/21
Head count to the centre	755	738	987
Head count at the clinics	2 689	3 438	3 462
Meetings	26	15	0
Hepatitis vaccinations	484	300	103
Tetanus vaccinations	559	325	0
Health promotions	116	104	85
Flu vaccinations	0	0	0
COVID-19 Screening and education	0	897	1 448
HIV/AIDS statistics	2018/19	2019/20	2020/21
Screened	67	58	69
Counselled	67	58	69
Tested	67	58	69
Non-reactive	65	58	69
Reactive	2	0	0
Referred for ARV	2	0	0
Blood samples taken	0	0	0
On treatment	2	0	0
TB statistics	2018/19	2019/20	2020/21
Screened	23	8	3
Sputum collected	23	0	3
Negative	22	5	1
Positive	1	3	2
Referred to clinic	1	8	2

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Family planning	2018/19	2019/20	2020/21
Injectable	143	141	135
Oral contraceptives	87	63	51
Male condoms (departments)	8 000	12 980	24 000
Female condoms	0	100	0
Pap smears	12	19	2
Implant	0	0	0
CHRONIC DISEASES			
HBP / Diabetes	2018/19	2019/20	2020/21
Total patients seen	3 404	2 558	1 400
New diagnosis	15	6	5
Referred to hospital	0	206	216
Uncontrolled	266	221	216
On treatment	223	228	211
Defaulter	100	62	3
MINOR AILMENTS	2018/19	2019/20	2020/21
Total patients seen	34	37	44
New diagnosis	24	32	44
Referred to hospital	3	19	40
On treatment	16	0	0
INJURY ON DUTY	2018/19	2019/20	2020/21
Total patients seen	59	83	70
New diagnosis	59	83	70
Referred for treatment	59	83	70
Referred to hospital	59	80	70
Fatalities	1	1	0
Request for file re-opening	1	2	0

REPORT ON INDIGENT / PAUPER BURIALS			
INDICATOR	2018/19	2019/20	2020/21
Indigents			
➤ Adults	52	86	68
➤ Children	2	3	2
➤ Babies	13	24	33
Expenditure	R214 300	R508 496	R499 736

COVID-19 INFECTED EMPLOYEES		
TESTED POSITIVE	RECOVERED	DEATHS
207	200	7

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EMPLOYEE INFORMATION

EMPLOYEES: OCCUPATIONAL HEALTH CENTRE					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	4	4	1	3	75%
7 - 9	3	2	2	0	0%
10 - 12	3	2	0	2	100%
13 - 15	4	5	4	1	20%
16 - 18	0	0	0	0	0%
19 - 20	1	1	1	0	0%
Total	16	15	9	6	40%

FINANCIAL PERFORMANCE: OCCUPATIONAL HEALTH CENTRE					
R'000					
Details	2019/20	2020/21			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	0	0	0	0	0.0%
Expenditure					
Employees	4 632	4 504	17 123	13 766	0.0%
Repairs and maintenance	17	43	10	1 217	2.0%
Other	5 904	5 049	-6 303	17 360	0.0%
Total Operational Expenditure	10 553	9 596	10 830	22 714	0.0%
Net Operational Expenditure	-10 553	-9 596	-10 830	-22 714	

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;
- Managed to capture employees infected by COVID-19; and
- A rotation system was implemented for the indigent burial service which equally benefits all the undertakers and communities.

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 section 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 maintenance of road marking and road signs within the City of Matlosana municipal area.
- Traffic Court
The core function of this section is the processing of traffic offences issued by Traffic Officers. This court will soon become the Municipal Court as it will be adjudicating on Municipal By-Law fines issued by other Inspectors other than Traffic Officers.
- Administration section
This Section is responsible for the administration and maintenance of property and assets of the Traffic and Security Division. Activities include:
 - Processing of traffic fines issued and handling of payments thereof;
 - Applications for escorts, marches and other public events;
 - Procurement of products and services; and
 - Conciliation and management of reports, etc.

TRAFFIC SERVICE DATA			
Details	2018/19	2019/20	2020/21
Number of road traffic accidents during the year	3 567	2 851	3 119
Number of by-law infringements attended to	473	2 144	362
Number of traffic officers in the field on an average day	29	29	24
Number of traffic officers on duty on an average day	36	32	24

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SERVICE STATISTICS FOR TRAFFIC AND SECURITY SERVICES			
STATISTICS	2018/19	2019/20	2020/21
Traffic violations			
Section 56 summonses			
➤ Other	6 743	7 662	6 272
Section 341 Notices			
➤ Other parking offences	473	2 144	362
TOTAL	7 216	9 806	6 634
Total income from Traffic Court			
➤ Admission of guilt paid (criminal)	35 900	34 400	33 900
➤ Court fines	299 050	175 050	58 850
➤ Provincial court fines	28 550	16 600	7 300
TOTAL INCOME	R363 500	R226 050	R100 050
Summons issued			
Section 56 summonses issued – traffic officers	6 743	7 662	6 272
TOTAL	6 743	7 662	6 272
Cases withdrawn by senior public prosecutor as a result of representations			
➤ Section 56 summonses	321	316	285
➤ Section 341 Notices	48	134	41
TOTAL	369	450	326
Admission of guilt			
Magistrate's Court	301 950	152 100	52 200
Matlosana Traffic Court			
➤ Contempt of court	219 700	141 500	153 600
➤ Warrants of arrest	1 043 570	1 049 400	807 750
At Traffic Department			
➤ Section 56 summonses	1 075 864	772 320	362 750
TOTAL	3 716 948	2 115 320	1 376 300
Total income per annum			
Traffic fines	3 716 948	2 115 320	1 376 300
➤ Accident reports	28 341	12 325	20 354
➤ Income from parking grounds	0	0	0
➤ Escort fees: Abnormal loads	122 776	84 490	186 135
➤ Temporary closing of streets	35 007	23 341	5 868
TOTAL INCOME	R3 903 072	R2 235 476	R1 588 657
Arrests (driving while under the influence of intoxicating liquor)			
➤ Males	216	197	58
➤ Females	2	6	3
TOTAL	218	203	61
Escorts / special services rendered			
➤ Abnormal loads	109	71	148
➤ Funerals	168	135	77
➤ Fun runs / road races / cycle races	18	14	0
➤ Street festival	1	1	0
➤ Street braai / street closure	164	83	36
TOTAL	460	304	258

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EMPLOYEE INFORMATION

EMPLOYEES: TRAFFIC, SECURITY, MUNICIPAL COURT AND TECHNICAL SERVICES					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	2	2	2	0	0%
4 - 6	2	3	2	1	33%
7 - 9	12	16	11	5	31%
10 - 12	47	62	42	20	32%
13 - 15	9	13	10	3	23%
16 - 18	25	27	23	4	15%
19 - 20	35	52	33	19	37%
Total	132	175	123	52	30%

FINANCIAL PERFORMANCE: TRAFFIC, SECURITY, MUNICIPAL COURT AND TECHNICAL SERVICES					
R'000					
Details	2019/20	2020/21			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	9 275	28 739	2 449	24 518	-17.0%
Expenditure					
Employees	44 405	46 372	46 372	42 963	-8.0%
Repairs and maintenance	3 537	1 205	2 930	2 808	57.0%
Other	7 947	32 507	36 578	114 675	72.0%
Total Operational Expenditure	55 889	80 084	85 880	160 446	50.0%
Net Operational Expenditure	-46 614	-51 345	-83 431	-135 928	

COMMENTS ON THE PERFORMANCE OF TRAFFIC AND SECURITY SERVICES OVERALL

Law enforcement was done by means of roadblocks and execution of warrants of arrest. A Service Provider for the Electronic Law Enforcement and Administration System (Back Office) has been appointed on a 36 months contract and commenced on 1 December 2020. The Service Provider is currently underperforming, and has been unable to meet the performance standards of their SLA with the Municipality. The Division is monitoring performance and compliance through weekly contract meetings with the Service Provider. A letter, highlighting concerns of the poor performance has been issued to the Service Provider to improve performance and compliance to the SLA.

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.

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

The impact of COVID-19 has contributed to poor revenue collection as many traffic fines had to be withdrawn by the courts as offenders could not attend courts. Again, all law enforcement resources and time was allocated and focussed to compliance to COVID-19 regulations rather than road traffic rules.

3.17 FIRE AND DISASTER MANAGEMENT

INTRODUCTION TO FIRE AND DISASTER MANAGEMENT

The section fully supports and compliments the vision and mission of the Council in an attempt to become one of the best and leading Fire and Rescue service in the Province.

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

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.

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 Senior Control Room Attendant.

FIRE SERVICES DATA				
Details	2018/19	2019/20	2020/21	
	Actual No	Actual No	Estimate No	Actual No
Total fires attended in the year	762	624	715	819
Total of other incidents attended in the year	1 076	728	1006	835
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	72	72	74	71
Total fire appliances at year end	11	09	8	09
Average number of appliances off the road during the year	2	3	3	1

FIRE SERVICES STATISTICS			
DESCRIPTION	2018/19	2019/20	2020/21
Fire suppression	251	227	295
Public education	19	8	6
Building plans	612	562	552
Site inspections – new	17	7	52
Site inspections – re-inspections	0	0	0
Flammable liquid registrations	91	67	74
Fire hydrant maintenance/inspection	208	316	0
Grass fires	318	397	524
Trade licences	0	42	76
Transport permits	124	122	158
Complaints	0	0	0
Pre-burn inspections	0	0	0
Pre-burns	2	0	0
Rescues	171	104	106
Building inspections	884	699	901
People trained in pier	225	0	0

Disaster Management Unit

The Disaster Management is a unit within the Fire and Rescue Division. The Department is currently initiating processes to establish a fully equipped and resourced Municipal Disaster Management Centre, as per the provision of the Disaster Management Act (Act 57 of 2002). Processes for Council approval are well underway.

Currently there is one official appointed at the unit, with other two officials seconded to Disaster Management unit, from Fire Services, but a proposed organogram was submitted to Council for approval, in order to build the required capacity in the unit. The unit focuses on preventative measures in the form of CBDRA (Community Based Disaster Risk Assessments) and make recommendations to relevant stakeholders and institutions.

The unit also co-ordinates and liaises with the relevant sections in attempt to assist the community in all wards of the Municipality.

The unit assists with response, recovery and relief processes during emergencies of disaster incidents within the municipal area.

Functions of the Disaster Management unit 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.

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DISASTER MANAGEMENT SERVICE STATISTICS			
DESCRIPTION	2018/19	2019/20	2020/21
Number of events	21	4	1
Social relief (fire)	144	76	137
Sink hole incidents	23	16	13
Public information, education and relation	16	8	10
Blankets	517	310	502
Mattresses	346	220	407
Tents	10	15	16
Social relief (other incidents) sinkholes, windstorms, floods	115	213	6
Total number of households affected (Fire)	656	1	551
Total number of people affected (other incidents) wind storm, floods	224	146	132

EMPLOYEE INFORMATION

EMPLOYEES: FIRE AND DISASTER MANAGEMENT					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	3	4	4	0	0%
7 - 9	22	25	20	5	20%
10 - 12	8	23	8	15	65%
13 - 15	39	39	39	0	0%
16 - 18	0	1	0	1	100%
19 - 20	4	5	4	1	20%
Total	77	98	76	22	22%

FINANCIAL PERFORMANCE: FIRE AND DISASTER MANAGEMENT					
R'000					
Details	2019/20	2020/21			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	1 250	200	356	47 576	100%
Expenditure					
Employees	36 548	37 042	37 592	38 333	3.0%
Repairs and maintenance	5 593	1 945	3 023	4 183	54.0%
Other	2 104	13 633	12 163	4 447	-207.0%
Total Operational Expenditure	44 245	52 620	52 778	46 963	-12.0%
Net Operational Expenditure	-42 995	-52 420	-52 422	613	

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). The response of fire engines to incidents in the township is affected by speed humps that are erected for every 100 meters.

The municipality also struggles to develop a proper management system to attend to incidents of sinkholes, especially within the Stilfontein and Khuma areas. During financial year in review, a number of sinkholes were identified in the Stilfontein area, with no budget to assess and rehabilitate them.

A special task team must be established within the municipality, with the annual budget allocated specifically to attend to such matters in future. Mining houses in the area needs to be engaged as critical stakeholders to address this challenge going forward. The Disaster Management Centres at Province and National needs to clarify their role and support to the municipality in dealing with this challenge.

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; and
 - Sport Merit Awards.
- Sport Council Meeting

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SERVICE STATISTICS: SPORT AND RECREATION			
INDICATOR	2018/19	2019/20	2020/21
Swimming pools			
• Gala events	1	4	0
Expenditure	R713 123	R0	R0
Income	R80 595	R101 353	R0
Recreation			
• Total Major Events	8	4	2
Expenditure	R471 343	R87 525	R0
Sports Merit Awards Expenditure	R81 330	R58 955	R0

EMPLOYEE INFORMATION

EMPLOYEES: SPORT AND RECREATION					
Job Level	2019/20	2020/21			
	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	14	10	42%
13 - 15	11	15	12	3	20%
16 - 18	11	12	10	2	17%
19 - 20	47	76	45	31	41%
Total	87	133	86	47	35%

FINANCIAL PERFORMANCE: SPORT AND RECREATION					
R'000					
Details	2019/20	2020/21			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	11 626	786	786	14 491	95.0%
Expenditure					
Employees	20 586	21 779	20 657	20 655	-5.0%
Repairs and maintenance	1 831	2 665	3 092	1 690	-58.0%
Other	5 170	5 523	5 356	1 266	-336.0%
Total Operational Expenditure	27 587	29 967	29 105	23 611	-27.0%
Net Operational Expenditure	-15 961	-29 181	-28 319	-9 120	

COMMENTS ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL

Most of the community sport activities were cancelled due to COVID-19 National Lockdown.

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

SPORT AND RECREATION OBJECTIVES TAKEN FROM THE IDP						
Service Objective	Service Indicators	2018/19		2019/20	2020/21	
		Actual	Actual	Actual	Target	
					Original	Adjusted
To construct a new sports complex in Khuma Ext 9 (Ward 31) to provide recreational facilities for the community	Number of new Sports Complex in Khuma Ext 9 (Ward 31) constructed	Excavation of 4 14m ³ , 3 195m ³ of earthworks platforms completed, 320 m of palisade fencing poles planted and 310m of fence erected, Bedding of 98,97m ³ , 227m of pipe laying and 99m ³ of back filling for storm-water drainage completed. Contract terminated R2 618 736	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 0.220 km 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	Constructing a new sport complex in Khuma Ext 9 (Ward 31) by - installing a guardhouse roof; - constructing 1 care takers house; - erecting a 0,422 km palisade fence; - constructing 0.423 km of storm-water drainage; - constructing of athletic track field; - construction of earthworks of the grand stand footings; - constructing of 1 soccer field; - constructing 1 tennis/netball court; - constructing 1 basketball court; and - installing the electrical works by 30 June 2021 R25 733 940	Constructing a new sport complex in Khuma Ext 9 (Ward 31) mostly completed, but the basketball court surfacing is not done yet. R12 193 171	Constructing of a new sport complex in Khuma Ext 9 (Ward 31) mostly completed, but the basketball court surfacing is not done yet. R15 285 474

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.

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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	2018/19		2019/20		2020/21	
	Ordinary Meetings	Special Meetings	Ordinary Meetings	Special Meetings	Ordinary Meetings	Special Meetings
Finance and Debt Normalisation	5	0	4	1	30	1
Corporate Services	5	0	4	0	30	0
Transversal Issues	5	0	4	0	30	0
Infrastructure	5	0	4	1	30	0
Public Safety	5	0	4	0	30	0
Community and Health Services	5	0	4	0	30	0
Economic Growth and Market	5	0	4	1	30	1
Electrical Engineering	5	0	4	0	30	0
Housing, Land Affairs and Rural Development	5	1	4	0	30	0
Sport, Arts and Culture	5	0	4	2	30	0

DETAIL	2018/19	2019/20	2020/21
Section 80 Committee Meetings			
➤ Anglo Gold	7	5	0
➤ Project Monitoring	0	0	0
➤ Budget Steering	7	6	5
➤ Audit Committee	7	6	9
➤ IDP Steering Committee	4	3	0

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EMPLOYEE INFORMATION

EMPLOYEES: EXECUTIVE, MUNICIPAL MANAGER AND DIRECTORS (EXCL COUNCILLORS)					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	8	8	7	1	13%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	8	8	7	1	13%

EMPLOYEES: GOVERNANCE SUPPORT (POLITICAL OFFICES) (EXCL COUNCILLORS)					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	3	3	2	1	0%
4 - 6	14	16	14	2	13%
7 - 9	1	3	1	2	67%
10 - 12	13	15	12	3	13%
13 - 15	4	4	4	0	0%
16 - 18	2	3	2	1	33%
19 - 20	0	0	0	0	0%
Total	37	44	35	9	16%

FINANCIAL PERFORMANCE: EXECUTIVE, MUNICIPAL MANAGER, DIRECTORS POLITICAL OFFICES (EXCLUDING COUNCILLORS)					
R'000					
Details	2019/20	2020/21			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	2 053	2	25 613	1 953	0.0%
Expenditure					
Employees	54 752	55 993	27 433	25 081	-123.2%
Repairs and maintenance	499	157	4 835	1 430	89.0%
Other	70 295	76 444	128 280	134 342	43.1%
Total Operational Expenditure	125 546	132 594	160 548	160 853	17.6%
Net Operational Expenditure	-125 442	-132 592	-134 935	-158 900	

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.

PERFORMANCE MANAGEMENT

Performance Management System can be defined as a strategic approach to management, which equips Councillors, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact.

This system will therefore in turn ensure that all the Councillors, managers and individuals in the municipality are held accountable for their actions which should bring about improved service delivery and value for money.

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.

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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.

The Service Delivery and Budget Implementation Plan (SDBIP) is an approved detailed one-year operational plan. It details the implementation of service delivery and the budget for the financial year in compliance with the Municipal Finance Management Act (MFMA), 2003, as amended. (Act 56 of 2003).

The SDBIP comprises over objectives, key performance indicators, annual and quarterly service delivery targets and budget information. Service delivery targets relate to the level and standard of service being provided to the community. The measuring of delivery of services are monitored every quarter and therefore facilitates oversight over financial and non-financial performance of the municipality.

It also facilitates the process of holding management accountable for their performance as the SDBIP forms part of their performance agreements.

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.

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COMMENT ON THE PERFORMANCE OF PERFORMANCE MANAGEMENT OVERALL

During the 2020/21 financial year, the municipality complied with legislation concerning the development, operation and maintenance of a performance management system.

The following highlights of the Performance Management unit can be reported on:

- Meeting 100% all legislative deadlines in all areas
- Annual Reports tabled on time since 2002
- Approved PMS Policy and Framework – 5 times revised
- Performance give support and advice to other municipalities in the North West province
- Both officials serving on the Provincial Performance Management Core Team
- Province has adopted the CoM's basic framework of SDBIP and being introduced in province
- Being a pilot unit with regards to the auditing method of the Auditor General for the past 8 financial year – meaning being audit same as Metro Council
- 6 Consecutive unqualified Audit Opinions on Performance Management
- Only municipality in the North West that has appointed competent senior managers
- All senior managers signed Employment Contracts and Performance Agreements
- 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.

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

We are focused on developing consensus around strategic developmental priorities and are committed to the challenges of poverty alleviation, local economic development and environmental sustainability. The IDP review itself is mandatory in terms of Section 34 of the same legislation referred to above and seeks to infuse life into the IDP such that it considers the changing priorities and planning outcomes of the city.

This document is a product of a broad consultative process, which culminated in a successful IDP Representative Forum, held on 6 May 2021 where stakeholders confirmed and approved projects for the City of Matlosana.

In the period under review, the City of Matlosana 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 the municipality.

The strategic process ensured that all departments within 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 the risk registers on a quarterly basis. At the end of the 2020/21 financial year, the municipality had fully implemented 20% remedial actions and 50% of the total identified risks were partially implemented. The municipality has not managed to implement all remedial actions as planned due to factors such as coronavirus pandemic, financial challenges and non-responsive bidders that led to re-advertising of tenders.

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The Risk Management Committee has assessed and concluded that although there are challenges in addressing the municipal operational and strategic risks, the municipality is still able to perform its core functions and deliver basic services.

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

- Un-economical rendering of municipal services which may lead to early depletion of limited resources and inability to render some essential municipal services;
- Declined collection rate below the planned collection which may lead to inability to render basic services;
- Employees contracting COVID 19 diseases and other communicable disease;
- Ineffective security measures to safeguard Council assets which may lead to repetitive theft and high premium costs of insurance;
- Failure to complete projects on time which may lead to loss of conditional grants, community unrest and poor service delivery in general;
- Failure to maintain existing infrastructure which may lead to high distribution losses (theft and leakages) and possible litigation;
- Non-achievement of local government objectives, Inability to increase potential revenue;
- Inability to grow the economy and create sufficient jobs resulting in poverty and crime;
- Slow conclusion of bid processes leading to wasteful expenditure on repetitive advertising of tenders, loss of conditional grants and reputational damage; and
- Shortage of personnel for optimal functioning of the municipality which may lead to overworked, unproductive employees and high overtime costs.

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), as amended.

For this reason, MPAC may request the support of both the Audit Committee, Internal Audit 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;*

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- (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.

MPAC SERVICE STATISTICS		
COMMITTEE	NR OF MEETINGS	UNDERTAKING
Public Participation meetings	4	Annual Report 2019/2020
In-Loco inspections	2	Incomplete PMU projects and on-going projects
Public Hearings on the Annual Report 2019/20	8	Hold municipal executive and administration accountable for stewardship of municipal public resources
MPAC - 2019/2020	32	Meetings for the 2019/20 financial year

SECTION 32 COMMITTEE

The Section 32 Committee is a (section 79 Committee elected by Council as per Council resolution) 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 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 (as recommended by the committee after investigation) 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 after completion of its investigation.

The Section 32 Committee will submit its program of action to Council for approval and consideration.

SECTION 32 SERVICE STATISTICS		
COMMITTEE	NR OF MEETINGS	UNDERTAKING
Meetings conducted by the committee	4	To peruse the UIF & W register and draft turnaround strategy
In loco Inspections conducted	2	To investigate Irregular Expenditure on unfinished PMU project
In loco Inspections conducted	2	To investigate Water losses as indicated in the AG report
In loco inspections	2	To investigate Electricity losses as contained in the AG report

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 community that MPAC serves by trying to be professional when carrying out tasks. MPAC ensures that we comply with the legislations and maintain high standard of trustworthiness and honesty, respect and empathy as well as integrity. MPAC takes 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; and
- does not behave in a manner that allows maladministration, inefficiency, waste or corrupt practices.

INTRODUCTION TO INTERNAL AUDIT

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

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

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

Mission of internal audit

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

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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
- Code of Conduct
- Integrated Development Plan
- 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.

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MEMBERS OF AUDIT COMMITTEE	
Member Name	Capacity
Ms Mpho Mathye (IAT)(PIA)	Chairperson (contract expired March 2021, Council granted 3 years extension)
Ms Sijabulile Makhathini CA (SA)	Member
Mr Jack Ramakgolo (CCSA)(CFI)	Member (contract expired March 2021, Council granted 3 years extension)
Mr Thapelo Mocwaledi CA(SA)RA	Member (Contract expired March 2021)

Matters that served before the Audit Committee in 2020/21

- 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 Plans
- Quarterly Litigation reports
- Quarterly Human Resource reports
- Quarterly SDBIP reports
- Quarterly update on Fraud Cases
- Revenue Enhancement report

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 six Internal Auditors with three vacancies. Below are the functions of the Internal Audit unit that were performed during the financial year under review:

2020/21 FIRST QUARTER	
Audits	Completed / Not Completed
<ul style="list-style-type: none"> ➤ Follow-up ➤ Audit of performance Information 4th quarter 2019/20 ➤ Risk Management 	All Completed
2020/21 SECOND QUARTER	
Audits	Completed / Not Completed
<ul style="list-style-type: none"> ➤ Follow-up ➤ Audit of performance Information 1st quarter 2020/21 ➤ Supply Chain Management 1st and 2nd quarter 	All Completed

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2020/21 THIRD QUARTER	
Audits	Completed / Not Completed
<ul style="list-style-type: none"> ➤ Human Resource Administration ➤ Audit of Performance Information 2nd quarter 2020/21 ➤ Land Use management 	All Completed
2020/21 FOURTH QUARTER	
Audits	Completed / Not Completed
<ul style="list-style-type: none"> ➤ Grants Audit ➤ Audit of performance Information 3rd quarter 2020/21 ➤ Review of 2020/21 AFS 	All 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 2019/20.
- Reviewed the adequacy and effectiveness of the internal controls relating to annual stock count process.
- Approval of Internal Audit Plan and Charter
- 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 meetings are held as scheduled and legislated.
- Providing value-adding recommendations.
- Internal Audit represented in the Financial Disciplinary Board

EMPLOYEE INFORMATION

EMPLOYEES: OFFICE OF THE MUNICIPAL MANAGER					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	4	5	3	2	40%
4 - 6	7	10	6	4	40%
7 - 9	3	3	3	0	0%
10 - 12	3	4	2	2	50%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	18	23	15	8	35%

FINANCIAL PERFORMANCE: OFFICE OF THE MUNICIPAL MANAGER					
R'000					
Details	2019/20	2020/21			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	0	0	0	0	0.0%
Expenditure					
Employees	43 678	10 916	10 304	11 415	4.0%
Repairs and maintenance	92	38	38	0	0.0%
Other	-43 770	1 202	1 372	208	-478.0%
Total Operational Expenditure	0	12 156	11 714	11 623	-5.0%
Net Operational Expenditure	-10 161	-12 156	-11 714	-11 623	

3.21 FINANCIAL SERVICES (INCLUDING SUPPLY CHAIN MANAGEMENT)

Matlosana Local Municipality has been under financial constraints because of the local economic outlook, which has been weaker than anticipated. The mining sector contributes to the local economy and is a substantial employer within Matlosana.

The mines have resorted to retrenching employees in recent years because of the current viability of the mining operations as well as the economic situation.

This has contributed to our growing debtor's book.

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

The Finance directorate deals with the administration of finances of the municipality i.e. own budget as well as the money received from the government fiscus, i.e. allocation by government to the municipality to enhance service delivery as in MIG and equitable shares grants.

In order for the municipality to have effective service delivery, budget and IDP processes must be followed in order to ensure public participation to cover all community proposals in terms of projects.

The directorate must develop budget-related policies and by-laws, which will govern consistent charging of moneys for services rendered to the communities.

Collection of moneys owed to Council must also be covered in terms of policy. There have been internal and external audits in order to ensure management of risk and curbing of corruption while encouraging effective customer care service.

DEBT RECOVERY						
						R' 000
Details of the types of account raised and recovered	2018/19		2019/20		2020/21	
	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	304 401	63%	350 500	72%	457 715	70%
Electricity – B	-	-				
Electricity – C	623 518	70%	717 056	79%	730 086	76%
Water – B	-	-				
Water – C	558 644	34%	673 111	39%	710 071	37%
Sanitation	112 410	39%	98 672	34%	105 239	34%
Refuse	154 025	26%	172 867	30%	181 317	29%
Other	230 233	21%	627 215	22%	739 298	23%

- Property rates billed annually have a collection rate of 70% which has dropped by 2% from 72%.
- Electricity billed annually has a collection rate of between 76% considering electricity losses and theft.
- Water billed annually has a collection rate of between 37% 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 29%
- Other income 23% – 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 30 June 2021. The departments are making requests and compiling preliminary specifications and reports for the bid committee. The unit verify compliance and facilitates the procurement process until the award stage.

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

All goods and service procured through the process have an impact on service delivery. The committees within the unit, which consist of members from another departments, 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; and
- the correct service provider or supplier is used.

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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	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	7	7	7	0	0%
4 - 6	19	22	19	3	14%
7 - 9	30	37	34	3	8%
10 - 12	72	93	70	23	25%
13 - 15	34	43	34	9	21%
16 - 18	2	4	2	2	50%
19 - 20	10	14	10	4	29%
Total	174	220	176	44	20%

FINANCIAL PERFORMANCE: FINANCIAL SERVICES AND SUPPLY CHAIN MANAGEMENT					
R'000					
Details	2019/20	2020/21			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	885 767	1 103 474	1 180 741	1 034 665	-7.0%
Expenditure					
Employees	68 720	74 697	72 972	103 300	28.0%
Repairs and maintenance	404	355	651	16 159	98.0%
Other	129 126	215 003	227 443	316 637	32.0%
Total Operational Expenditure	198 250	290 055	301 066	436 096	33.0%
Net Operational Expenditure	971 402	813 419	879 675	598 569	

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL

The municipality obtained an unqualified audit opinion for the 2020/21 financial year which is an improvement of the qualified opinion for the prior year. The Auditor-General found that all the balances disclosed on the financial statements were representative of the transactions during the year.

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The cash flow position of the municipality is a challenge due to the outstanding creditors that have to be dealt with in the coming years. The largest factor contributing to this is the collection of outstanding debt and it remains a challenge to the municipality.

As a result, the municipality struggle to keep the cash flow position positive.

SCM engaged with the Financial System Administrators (BCX-Solar) to train available officials on the SCM Module functions to further enhance the unit's performance. The need for Record Management System was identified, which will be enlisted on the 2022/23 Procurement Plan. A Contract Management Committee has been appointed to ensure that in future contracts will be monitored and managed properly.

NATIONAL KEY PERFORMANCE INDICATORS

See pages 256 - 257 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 2020/21 financial year:
 - in process of filling of all critical positions; and
 - 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
 - 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.

The organizational structure was reviewed in 2019, but due to financial constraints the structure could not be implemented and as a result management was tasked to prioritize and budget for critical positions for implementation in the 2020/21 financial year.

Chapter 3

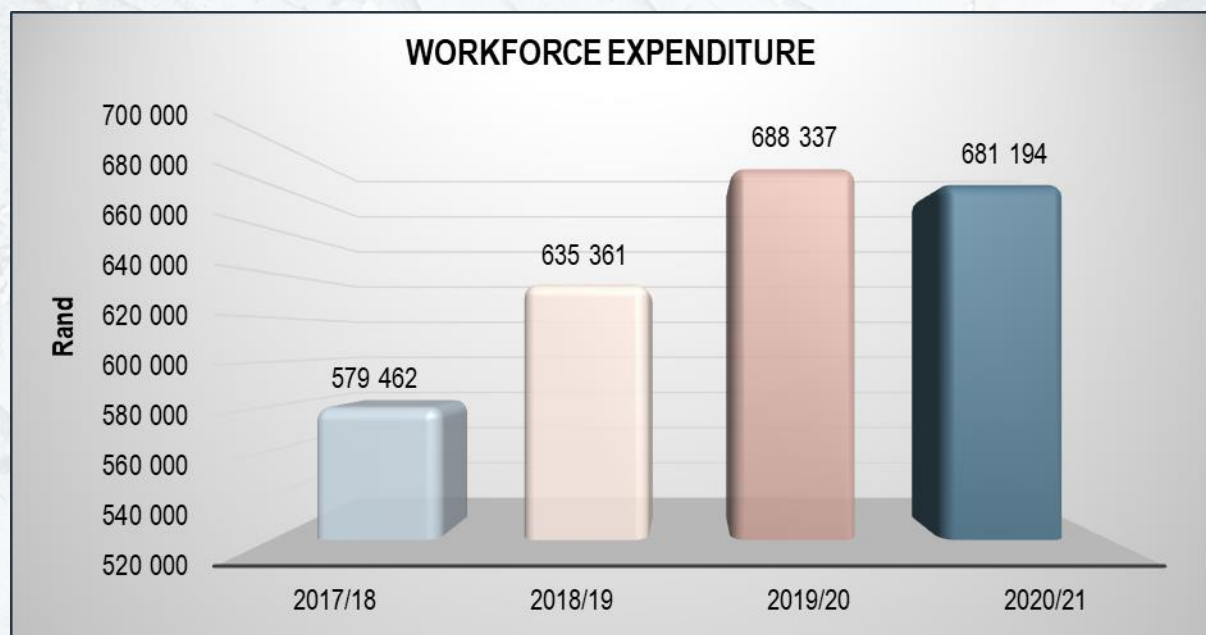
- By developing a Human Resource Plan during 2020, the section will now concentrate on meeting the following objectives:
 - maintain pleasant industrial relations to the optimum level and structure of Human Resources;
 - meet the needs of expansion and diversification programmes;
 - assess surplus or 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 2017/18 to 2020/21:

FINANCIAL YEAR	(R'000)	% OF TOTAL BUDGET
2017/18	579 462	20.07%
2018/19	635 361	20.00%
2019/20	688 337	20.00%
2020/21	681 194	19.81%



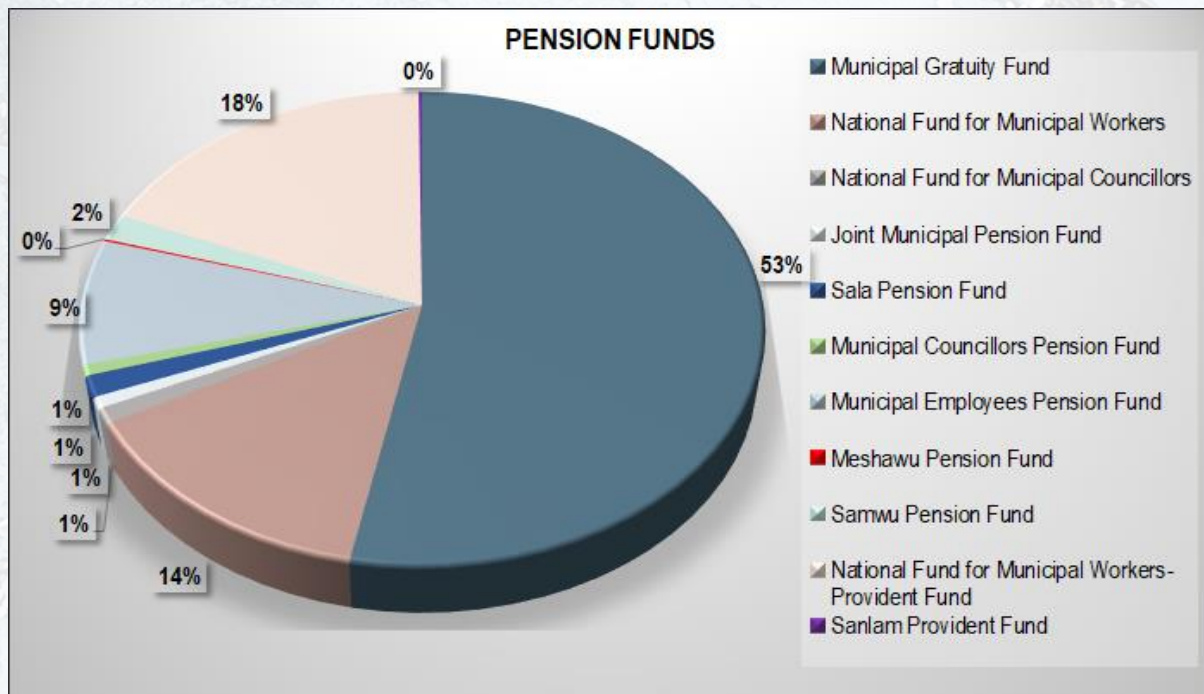
Pension and Medical Aid Funds

Pension Fund

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

Chapter 3

PENSION FUND	NUMBER OF MEMBERS		
	2018/19	2019/20	2020/21
Municipal Gratuity Fund	1 316	1 302	1 251
National Fund for Municipal Workers	344	343	329
National Fund for Municipal Councillors	25	25	25
Joint Municipal Pension Fund	22	21	18
Sala Pension Fund	41	36	34
Municipal Councillors Pension Fund	18	18	17
Municipal Employees Pension Fund	235	220	201
Meshawu Pension Fund	4	3	3
Samwu Pension Fund	47	46	43
National Fund for Municipal Workers-Provident Fund	411	415	432
Sanlam Provident Fund	4	4	4
TOTAL	2 467	2 433	2 357



The Council's actual pension fund expenditure towards the employer's contribution for 2020/21 financial year totalled R83 593 196.

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 2020/21 financial year as the employer's contribution to medical aid funds was R39 165 575, while the medical aid for pensioners and provision for 2020/21 are R13 172 242 which brings the total medical aid fund to R52 337 817.

Chapter 3

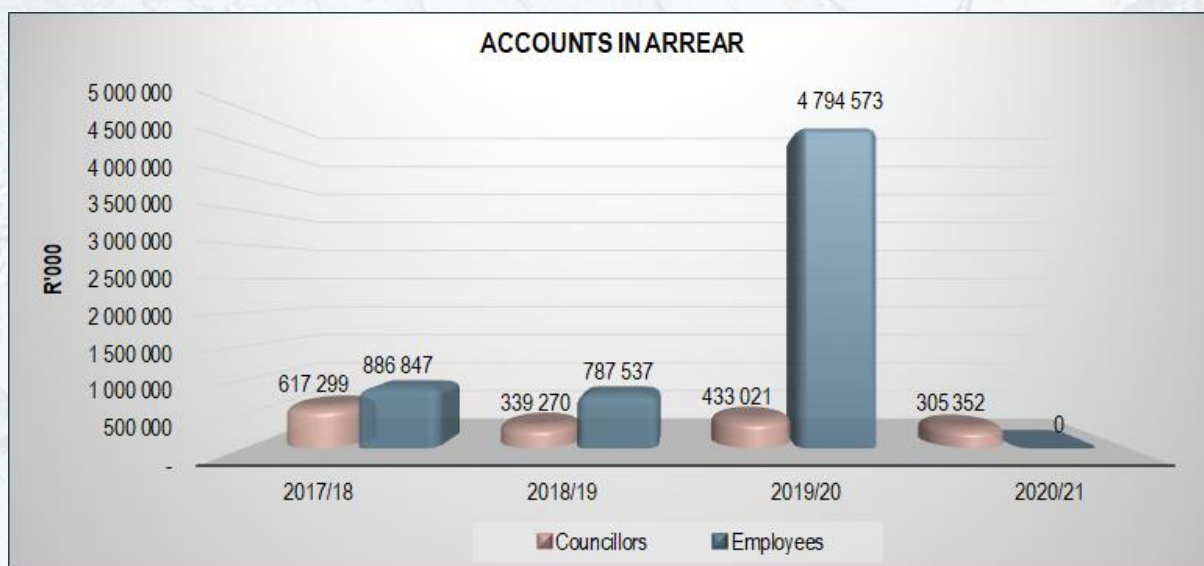
MEDICAL AID FUND		
Details	Nr of Members	Employer's Contribution (R)
Key Health	57	3 079 190
Hosmed	61	2 344 369
Bonitas	258	9 579 638
LA Health	663	21 474 835
Samwu Med	101	2 687 543
Pensioners and provision for contributions	216	13 172 242
TOTAL	1 355	R52 337 817

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 2018	Arrears June 2019	Arrears June 2020	Arrears June 2021
	(R)	(R)	(R)	(R)
Councillors*	617 299	339 270	433 021	305 352
Employees	886 847	787 537	4 794 573	1 679 755

* Names of Councillors in arrears for more than 90 days can be seen in Note 48 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 Councillors and directors

The following table reflects the remuneration for Councillors and directors:

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DESIGNATION	REMUNERATION PACKAGE (R)*			
	2017/18	2018/19	2019/20	2020/21
Executive Mayor	1 012 408	1 048 541	1 051 128	1 127 727
Speaker	828 643	849 523	849 782	913 314
Mayoral Committee Members (12)	9 190 862	9 541 408	9 593 340	9 748 352
Councillors (63)	22 149 927	23 343 034	22 868 433	23 671 305
Municipal Manager	1 351 476	1 429 656	1 424 447	1 519 593
Director Budget and Treasury (CFO)	1 097 028	812 455	385 421	1 012 222
Director Corporate Support	1 393 115	1 160 938	1 156 263	1 236 258
Director Technical and Infrastructure	457 093	1 380 952	1 376 505	1 468 607
Director Local Economic Development	944 000	394 047	1 156 263	1 333 762
Director Community Development	457 093	1 166 093	1 156 263	1 340 376
Director Public Safety	457 093	1 160 707	1 156 263	1 245 508
Director Planning and Human Settlements	-	-	1 376 505	1 468 607

* See note 27 and note 28 of Annual Financial Statements for more information regarding remuneration

PERSONNEL ADMINISTRATION STATISTICS				
DETAIL	2017/18	2018/19	2019/20	2020/21
Pension	33	40	32	15
Resignations	35	46	12	34
Deaths	22	19	18	9
Other	0	14	0	5
Injuries on duty	38	59	77	77
Medical boarding in process	11	10	07	06
Medical boarding application	30	21	15	17
Death claims	25	20	30	15
Posts in Council	2 525	2 530	2 530	2 531
Posts filled	2 018	2 026	1 982	1 904
Posts vacant	507	504	548	627

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.

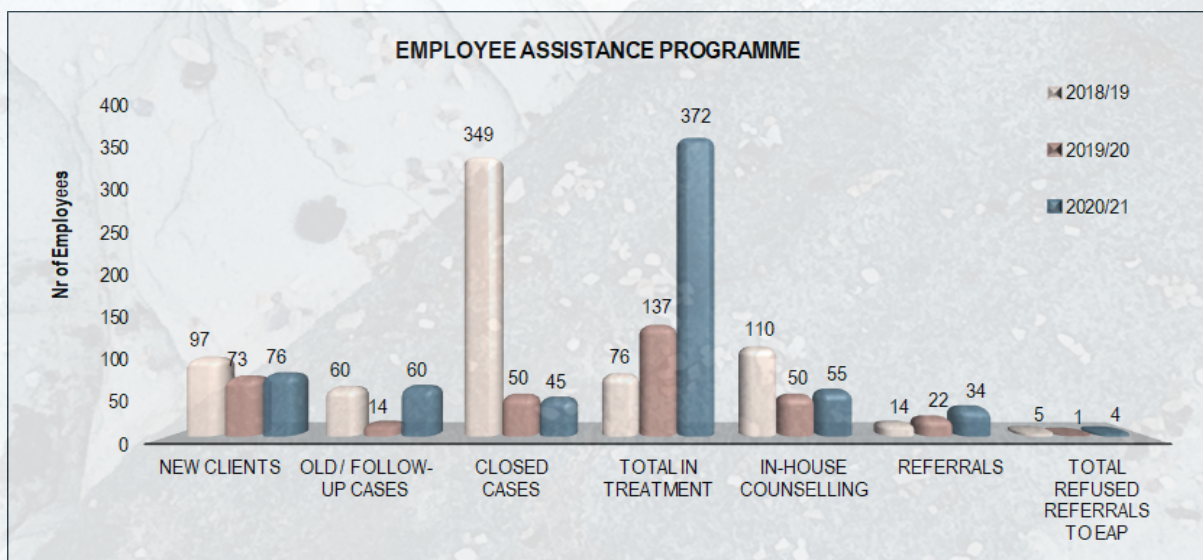
Employee Assistance Programme

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 are:

- work-related issues such as absenteeism;
- stress management;
- alcohol and substance abuse;
- ill-health management;
- psycho-social problems;
- financial life skills;
- trauma debriefing;
- marital and family distress; and
- HIV/AIDS support and counselling.

EMPLOYEE ASSISTANCE PROGRAMME STATISTICS				
DETAIL	2017/18	2018/19	2019/20	2020/21
New clients	38	97	73	76
Old / follow-up cases	3	60	14	60
Closed cases	1	349	50	45
Total in treatment	328	76	137	372
In-house counselling	40	110	50	55
Referrals	3	14	22	34
Total refused referrals to EAP	2	5	1	4

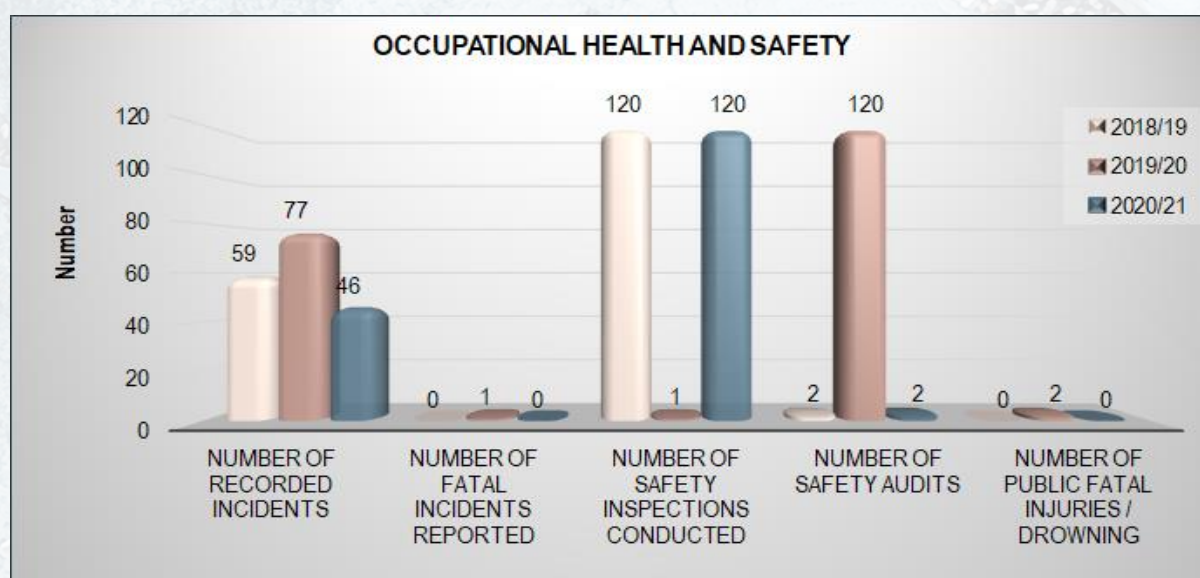


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OCCUPATIONAL HEALTH AND SAFETY

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	2017/18	2018/19	2019/20	2020/21
Number of recorded incidents	38	59	77	46
Number of fatal incidents reported	0	0	1	0
Number of safety inspections conducted	122	120	120	120
Number of safety audits	2	2	2	2
Number of public fatal injuries / drowning	0	0	0	0



EMPLOYEE INFORMATION

EMPLOYEES: HUMAN RESOURCE SERVICES					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 – 3	2	3	2	1	33%
4 – 6	5	11	9	2	18%
7 – 9	6	6	4	2	33%
10 - 12	6	10	7	3	30%
13 - 15	0	1	1	0	100%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	19	31	23	8	26%

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FINANCIAL PERFORMANCE: HUMAN RESOURCE SERVICES					
R'000					
Details	2019/20	2020/21			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	584	1 827	2 574	1 983	8.0%
Expenditure					
Employees	3 402	40 276	39 193	36 842	-9.0%
Repairs and maintenance	0	1 092	404	265	-312.0%
Other	282	6 333	6 098	8 395	25.0%
Total Operational Expenditure	3 684	47 701	45 695	45 502	-5.0%
Net Operational Expenditure	-3 100	-45 874	-43 121	-43 519	

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. The Employment Equity Plan was drafted, approved by the Department of Labour, and was implemented from 1 August 2020.

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
2017/18	45*	26	9
2018/19	45*	31	9
2019/20	46*	31	9
2020/21	46*	27	9

* (Excluding section 54A and 56 employees)

NATIONAL KEY PERFORMANCE INDICATOR

See page 258 for detail.

3.23 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The Information and Communication Technology Section provides an advisory, strategic, administration, support and maintenance, developmental and management service in order to maintain and control the Municipal Information Systems, the Communication Network Architecture and the technology resources for the municipality.

The municipality has identified ICT as an enabler of municipal service delivery as ICT ensures compliance, availability, continuity, integrity and security of the municipality's data, hardware, software and networks architecture.

A strong ICT function is necessary for the realization of the vision and goals of the municipality.

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), Solar 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 in the 2019/20 financial year. Due to COVID-19 some of the interviews could not be conducted.

Engagements with SITA to finalise the outstanding interviews started in the last quarter of the 2020/21 financial year. These interviews are planned to be conducted in the 2021/22 financial year.

For the 2020/21 financial year, there were 1 967 service requests logged by users at the IT Helpdesk and all were successfully resolved. 95% of these calls were resolved within ten working days.

Although the ICT department continues to face funding challenges just like any other business unit in the municipality, this has a direct consequence in dealing with slow network speed and poor integration between applications.

The new SOLAR Financial System has however been progressing well in dealing with the challenges of integration between systems.

During March 2021 the hardware environment for the new QlikSense Dashboard Reporting Tool which entails the setup and configuration of the QlikSense Server was initiated. The necessary firewall rules had to be added to the firewall to allow user access to the QlikSense Server. Usernames had to be allocated to all the managers in the Finance directorate to enable them to utilise the QlikSense Dashboard Reporting Tool.

The QlikSense Dashboard Reporting Tool can seamlessly integrate with the SOLAR Financial System.

During May 2021 the hardware environment for the new Cemetery Management System which entails the setup and configuration of the cemetery server was initiated. The data migration process from the Venus Cemetery Module to the new Cemetery Management System was also initiated.

A demonstration of the new Cemetery Management System was given to the relevant section of the Community Support Directorate.

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The Cemetery Management System can seamlessly integrate with the Orbit Record Management System and a GIS System.

The TRU Reporting System that is utilised by the Finance directorate to report monthly to National Treasury was upgraded to the latest mSCOA release in June 2021.

One of the important priorities for ICT is the replacement of all Diginet communication data lines (copper cables) that are connecting the various offices of the City of Matlosana. The copper data lines have reached the end of their life and the due date is approaching fast when Telkom will officially stop the support.

Quite a few offices that are still dependent on copper cables for connectivity.

An item was written to upgrade the copper lines to dedicated fibre optic lines. Approval was obtained in the last quarter of the 2020/21 financial year. There for this project will start in the next financial year.

EMPLOYEE INFORMATION

EMPLOYEES: ICT SERVICES					
Job Level	2019/20	2020/21			
	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	2019/20	2020/21			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	179	210	114	254	84.0%
Expenditure					
Employees	1 848	2 153	2 336	1 996	-8.0%
Repairs and maintenance	745	1 590	2 053	0	-23.0%
Other	14 993	14 361	19 573	19 383	-27.0%
Total Operational Expenditure	17 586	18 104	23 962	21 379	-24.0%
Net Operational Expenditure	-17 407	-17 894	-23 848	-21 125	

COMMENT ON THE PERFORMANCE OF ICT OVERALL

The following projects were successfully completed during the 2020/21 financial year:

- In July 2020, the new server for the Orbit Document Management system was configured and setup. The data was migrated from the old server to the new server. The system was up and running to be utilised by the Records Section.
- The Water office at the Civil Engineering offices in Uraniaville was added to the network. New network points, network cables and a network POE switch were installed in August 2020.
- 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.
- The bios memory of the network router at Licensing was upgraded in October 2020.
- The faulty network switch at Klerksdorp Garage was replaced in November 2020.
- The faulty network switch at Hartbeesfontein Paypoint was replaced in November 2020.
- The network at the Revenue section in Finance was revamped in November 2020 by moving the network cabinet to a different location and by installing two new network switches, new patch panels, new brush panels, new fly leads and by removing the various 5 port small network switches.
- The faulty POE of the radio facing Traffic was replaced and the configuration of the radio was reset in November 2020.
- The network at the Budget Office in Finance was revamped in December 2020 by installing a new network cabinet, new patch panel, a new brush panel, various new network points, a network switch and by removing the various 5 port small network switches.
- The network to the Electrical Offices in Orkney was down in December 2020 due to the loss of line of sight. The network connection was restored by cutting off the tree branches that was in the way.
- The network to Stilfontein Library was down in December 2020. The radios were reset and reconfigured.
- The faulty radio at Khuma Paypoint was replaced in December 2020.
- All the newly purchased laptops as well as the workstations were setup and configured with the necessary software, network settings, printers as well as the employee's official email addresses and documents.
- The faulty network switch on the first floor at the Civic Centre was replaced in February 2021.
- The network router at Licensing was reconfigured to improve the connection speed in April 2021.
- The Telkom substation to the Community Support Directorate was vandalised in May 2021. This caused a network down situation. A call was logged at Telkom and the substation was fixed.
- New network points were installed at the –
 - PMU Office;
 - SCM Office in Stilfontein;
 - Revenue Section;
 - LED Offices in Stilfontein;
 - Traffic Offices;
 - Water Office at the Klerksdorp Civil Engineering Offices;
 - Klerksdorp Licence Office; and
 - HR Recruitment Office.
- 70 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.
- Microsoft Teams licences were purchased 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.

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 objectives

- 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.

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- To effectively promote knowledge on legal matters.
- To ensure compliance with the Town Planning Scheme

SERVICE STATISTICS FOR LEGAL SERVICES

INFORMATION	2017/18	2018/19	2019/20	2020/21
Cases against Council	36	42	50	11
Cases for Council	68	74	31	7
Cases won	11	0	02	0
Cases settled	19	0	01	0
Cases outstanding	66	116	124	18
Cases referred to the High Court	15	21	26	11
Town Planning matters	-	-	43	0
TOTAL EXPENDITURE	R10 374 285	R10 236 309	R7 372 089	R3 296 277

EMPLOYEE INFORMATION

EMPLOYEES: LEGAL AND ADMINISTRATION SERVICES					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 – 3	3	4	3	1	25%
4 – 6	8	8	6	2	25%
7 – 9	2	4	3	1	25%
10 – 12	9	11	9	2	18%
13 – 15	10	14	12	2	14%
16 – 18	5	6	4	2	33%
19 – 20	27	33	24	9	27%
Total	64	80	61	19	24%

FINANCIAL PERFORMANCE: LEGAL AND ADMINISTRATION SERVICES					
R'000					
Details	2019/20	2020/21			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	201	-	-	1 983	0.0%
Expenditure					
Employees	34 272	3 018	5 992	42 138	93.0%
Repairs and maintenance	365	5	5	281	0.0%
Other	10 350	6 307	3 464	12 695	50.0%
Total Operational Expenditure	44 987	9 330	9 461	55 114	83.0%
Net Operational Expenditure	-44 786	-9 330	-9 461	-53 131	

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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.

2020/21 Annual Performance Report



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1. INTRODUCTION

The 2020/21 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 2020 to 30 June 2021 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 2020/21 is arranged in terms of the five National Key Performance Areas of Local Government, which are:



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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 Director Budget and Treasury (CFO) resigned with effect 31 March 2021 and an acting incumbent was appointed during April 2021 by Council to manage the directorate until the vacant post can be filled.

The filling of the post is currently in process.

2. PERFORMANCE MANAGEMENT PROCESS OVERVIEW AND COVID-19

2.1 ADJUSTMENTS 2020/21 FINANCIAL YEAR

Provincial Treasury has conducted an assessment on 2020/21 budget and the outcome revealed that the budget of the municipality is not funded and unsustainable over the MTREF period, the assessment outcome further revealed that mSCOA data strings submitted by the municipality do not align with the Council adopted budget.

The consequence of the above is that the municipality had to adopt a 2020/21 special adjustment budget by 30 September 2020 in order to account for the additional funds allocated to the municipality.

Due to the slow progression of the COVID-19 pandemic alert levels, as well as the additional funds allocated to the municipality, it has come to the attention of the Performance Management section that certain KPI's affected by the COVID-19 pandemic had to be adjusted accordingly.

On 16 October 2020 at a Special Council meeting Council approved the proposed amendments as well as any further amendments that may affect the SDBIP, on approval of the special adjustment budget for the 2020/21 financial year in terms of the letter received from Provincial Treasury on 9 September 2020 (CC 66/2020).

On 31 March 2021 Council approved the Adjustment Budget (CC 17/2021), as well as the MIG and NDPG Adjustments, CC 49/2021 dated 31 May 2021. All adjustments were incorporated in a further revised SDBIP.

Council approved a further Special Adjustment Budget for 2020/21, (CC 71/2021) on 29 June 2021. The adjustments on the revised SDBIP was approved by the Executive Mayor (EM 2/2021) and the Municipal Manager (MM 8/2021) on 30 June 2021.

2.2 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

In terms of Section 72(1)(a) and 52(d) of the Local Government: Municipal Finance Management Act (MFMA), Act 56 of 2003, as amended, the Accounting Officer must by the 25th of January of each year assess the performance of the municipality during the first half of the financial year. A report on such an assessment must, in terms of Section 72(1)(b) of the MFMA, be submitted to the Mayor, Provincial and National Treasury.

Once the Executive Mayor has considered the report, it must be submitted to Council by 31st January in terms of Section 54 of the MFMA. The Mid-year Performance Assessment Report and supporting tables of Council is prepared in accordance with MFMA Circular 13 and the Municipal Budget and Reporting Regulations.

The requested mid-year adjustments on the 2020/21 SDBIP for the 1st and 2nd quarters were approved by the Municipal Manager on 22 January 2021 (MM 16/2021), as well as Council (CC 5/2021) dated 9 February 2021. The municipality could only achieve 54% of the applicable key performance indicators for the first six months of the 2020/21 financial year.

2.3 COVID-19 PANDEMIC AND NATIONAL LOCKDOWN

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.

Since the last revision of the 2020/21 SDBIP on the COVID-19 alert levels, the country moved as follows:

- | | |
|----------------------|----------------------|
| (a) 11 January 2021 | Adjust alert level 3 |
| (b) 28 February 2021 | Adjust alert level 1 |
| (c) 22 April 2021 | Adjust alert level 1 |
| (d) 30 May 2020 | Alert level 2 |
| (e) 15 June 2021 | Adjust alert level 3 |
| (f) 27 June 2021 | Adjust alert level 4 |

2.4 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 2021/22 Service Delivery and Budget Implementation Plan on 30 June 2020.
- Annual Performance Agreements with performance plans were developed and signed by the senior managers from 28 June 2020 and approved by the Executive Mayor on 30 June 2020, as required by the Municipal Performance Regulations, 2006.
- 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 9 February 2021.
- Quarterly performance reports with supporting evidence were prepared by various directorates.

3. PERFORMANCE ASSESSMENTS

The Municipal Systems Act, 2000 (Act 32 of 2000), as amended prescribes that the municipality must enter into a performance-based agreement with all Section 54A and Section 56 managers and that performance agreements must be formally reviewed twice per annum. The performance agreements therefore establish a performance relationship between the employer and the employee and requires that the performance of the employee needs to be reviewed.

The formal evaluations should focus on the actual work delivered in terms of Annexure A (Performance Plan), leading, and core competencies in terms of Annexure B (Competency Framework) of the performance agreement.

3.1 PERFORMANCE ASSESSMENTS 2019/20 (ANNUAL) AND 2020/21 (MID-YEAR AND ANNUAL)

Due to the resignation of Cllr NM Mendela, member of the Mayoral Committee and member of the Evaluating Panel on 1 April 2021, and Cllr MME Kgaile, Executive Mayor who passed on, on 16 July 2021, Council resolution CC 15/2020 dated 25/02/2020, which deals with the appointment of the evaluation panel had to be rescinded and the panel be re-constituted.

A report to this effect submitted to Council but did to serve before Council yet due to non-sitting of Council. The self-evaluation of the senior managers for these periods was completed.

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.

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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 2019/20 AUDITOR-GENERAL'S 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.

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.

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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.”

6. ANNUAL PERFORMANCE INFORMATION

The Annual Performance Report will there for be presented to the Auditor-General for auditing together with the Annual Financial Statements on 31 August 2021.

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 2020/21 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.

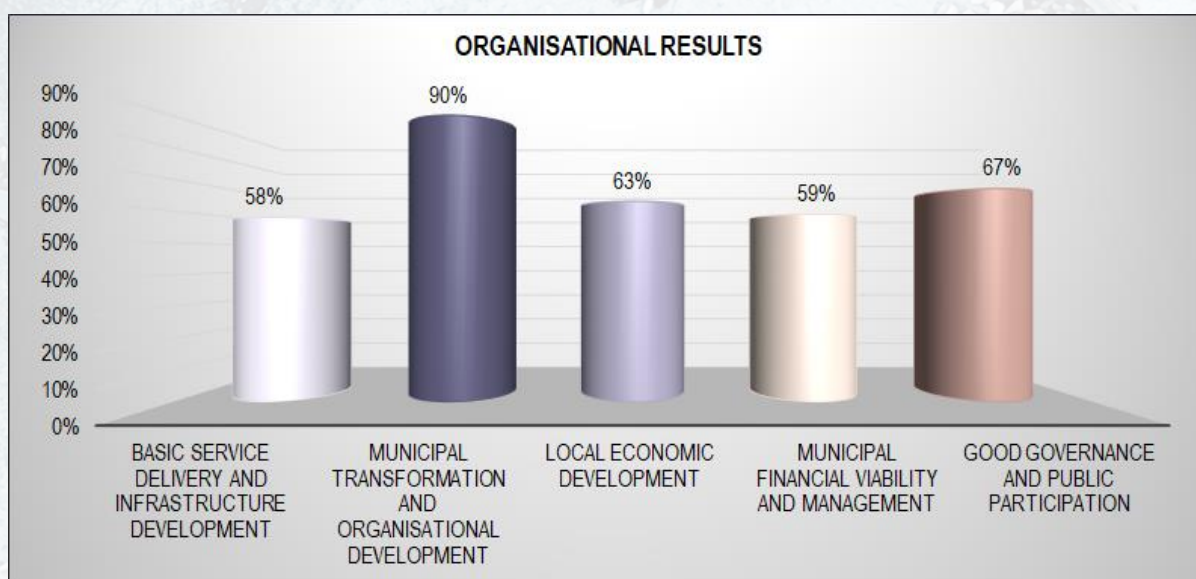
Data provided on the SDBIP is supported by relevant evidence captured and maintained by the directorate's proof of evidence files – (POE's).

6.1 ORGANISATIONAL PERFORMANCE RESULTS

The table below encapsulates the summary of the municipality's 2020/21 performance results with regard to each of the development priorities:

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2020/21 ORGANISATIONAL RESULTS				
Key Performance Indicators	Total No of KPI's	Targets		Annual % Met
		Achieved	Not Achieved	
<i>Basic Service Delivery & Infrastructure Development</i>	48	28	20	58%
<i>Municipal Transformation & Organisational Development</i>	30	27	3	90%
<i>Local Economic Development</i>	8	5	3	63%
<i>Municipal Financial Viability & Management</i>	41	24	17	59%
<i>Good Governance and Public Participation</i>	107	72	35	67%
TOTAL	234	156	78	67%



2020/21 DIRECTORATE RESULTS				
Key Performance Indicators	Total No of KPI's	Targets		Annual % Met
		Achieved	Not Achieved	
<i>Office of the Municipal Manager</i>	34	26	8	76%
<i>Directorate Technical and Infrastructure</i>	54	41	13	76%
<i>Directorate Budget and Treasury</i>	44	16	28	36%
<i>Directorate Corporate Support</i>	20	17	3	79%
<i>Directorate Community Development</i>	19	16	3	84%
<i>Directorate Public Safety</i>	18	14	4	78%
<i>Directorate Planning and Human Settlements</i>	20	11	9	55%
<i>Directorate Local Economic Development</i>	25	15	10	60%
TOTAL	234	156	78	67%

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The 2020/21 year's performance results reflect a 67% success rate caused by combined performance results of directorates in implementing the SDBIP.

The 2020/21 SDBIP includes the performance comments and corrective measures indicated for targets not achieved.

The following achievements contribute to the overall 2020/21 annual performance of the City of Matlosana:

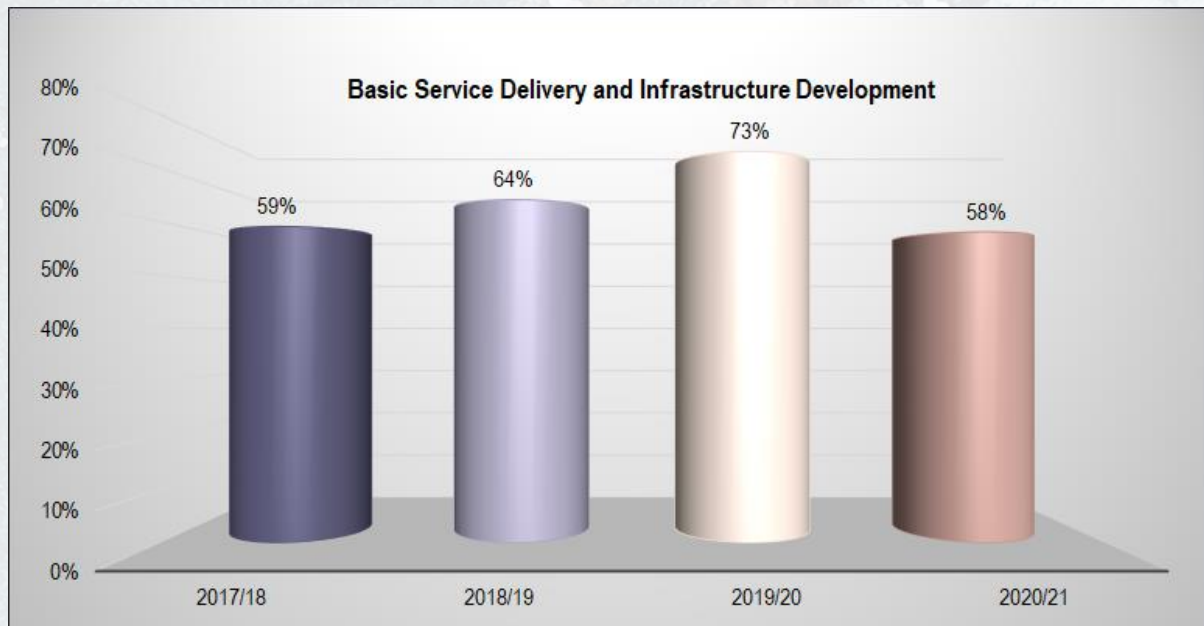
KPA1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

The core function of the municipality is to ensure sustainable services to the community, to improve access and thereby reducing backlogs.

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

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

- Two pump-stations (Kanana Ext 11 and Circle pump-station Kanana Proper) (Phase 1) (Ward 27) completed and practical completion issued.
- Upgraded of 1.38 km sewage pump-line with 2.025km of gravity mainline of 450mmØ and 29 manholes constructed, 3 air valves installed and pressure testing in Kanana Ext 11 (Wards 24 and 27) completed and practical completion certificate issued.
- Laid of 0.119 km paving bricks with kerbs (0.104 km on Lebaleng road and 0.015 km on Mpisekhaya street), laying 0.201 storm-water pipe (0.161 km on Lebaleng and 0.040 km on Mpisekhaya street) and installing of road furniture and markings in Jouberton Ext 24 (Phase 8) (Ward 12) completed. Practical Completion certificate issued.
- Upgraded the mechanical equipment for 1 waste-water treatment works at Hartbeesfontein (Ward 1) according to scope.
- The scope for the provision of bulk services at the proposed Jouberton / Alabama precinct development (wards 3, 4, 12 & 37) completed.
- The erection of one new high mast light and refurbishing 2 existing high mast lights in Khuma (Phase 2) (Wards 31, 34 and 39) completed. Practical Completion certificate issued.
- Replaced 9 Obsolete high mast lights in Jouberton hot spot areas (Phase 3) (Wards 4 - 14 and 37)
- 12 Communal stand pipes in the informal settlements of the Matlosana area (Wards 1 - 7, 14 and 23)(Phase 2) completed.
- Material for the supply and installation of 5 pressure reducing valves, 12 bulk water meters and ancillary works in the Matlosana area (Phase 2)(Wards 1 - 39) procured at a cost of R5 694 919.
- Construction of 3.3 km 11kV feeder line from Alabama substation to Alabama Ext 4 & 5 (Wards 3 and 4) completed. Practical Completion certificate issued.
- Construction of 7.414km power lines for the electrification of Alabama extension 5 (Ward 4) completed
- 1 094 Conventional street lights replaced (retrofitted) with LED lights and one complete Energy Management System at Mayibuye Building installed.
- 78.782 Km roads graded as per maintenance programme.
- 25.61 Km storm-water channels cleaned as per maintenance programme in the Matlosana area.
- 29 Reservoirs cleaned according to the cleaning programme in the Matlosana area.
- 39.959 Km of main / outfall sewers cleaned as per maintenance programme in the Matlosana area.



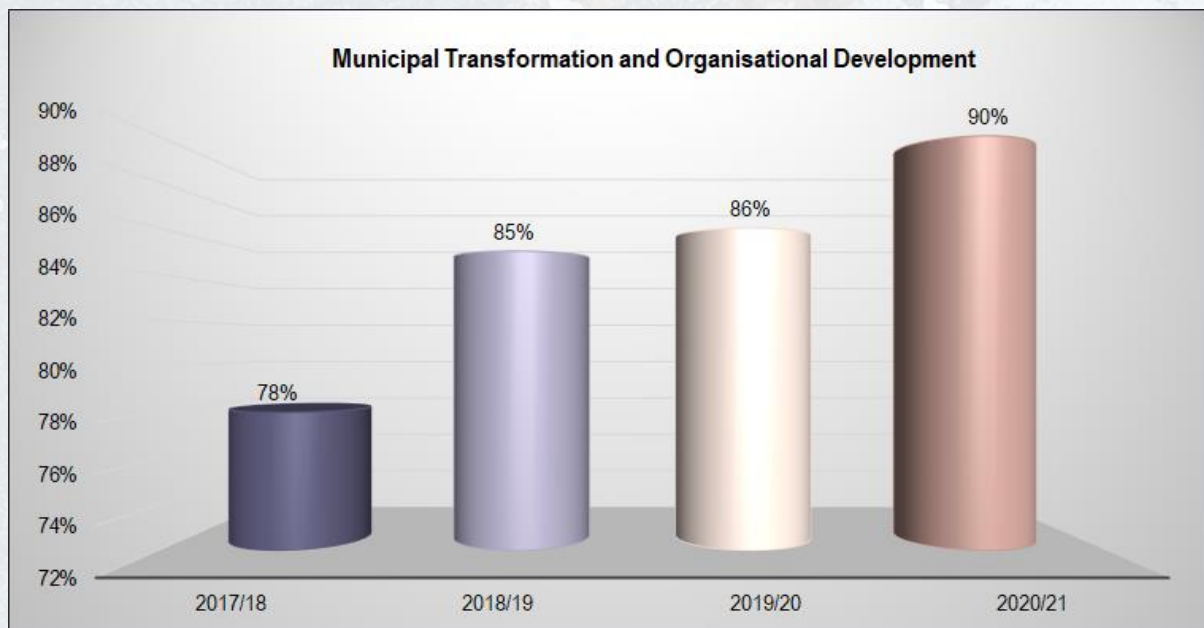
KPA2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Municipal Transformation and Organisational Development 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:

- 120 OHS inspections conducted to ensure legal compliance and a safe working environment.
- 2021/22 WSP and 2020/21 ATR submitted to LGSETA on 30 April 2021.
- 2021/21 EE report submitted to the Department of Labour on 15 January 2021.
- Skills gap audit of all level 1 - 6 Council employees in four directorates conducted.
- 13 LLF meetings convened to ensure industrial harmony.
- 3 Workshops conducted / co-ordinated on employment related issues and the Collective Agreement conducted.
- 6 Internal newsletters compiled and distributed to ensure transparency with Council affairs.
- 2 OHS audits conducted to ensure that all deviations be corrected according to the Act.

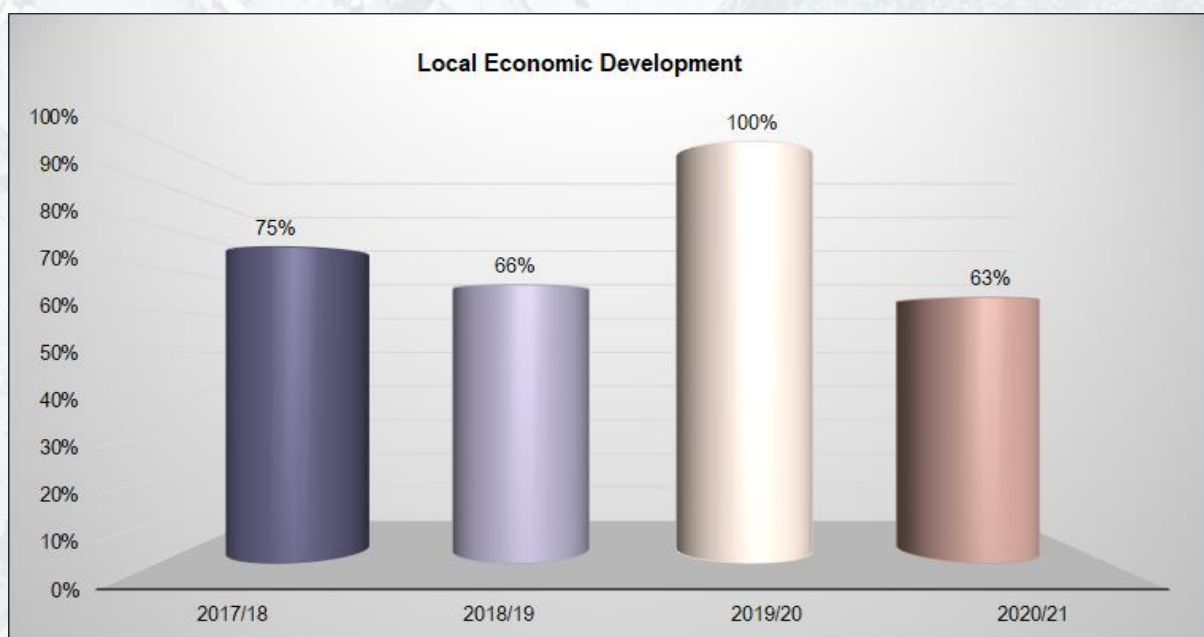


KPA3: LOCAL ECONOMIC DEVELOPMENT

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.

The following achievements can be reported:

- Created 152 permanent / sustainable jobs which exceed 3 months through the Municipality's local economic development initiatives.
- Conducted 12 LED consultation meetings with stakeholders.
- Registered 125 street trader's informal street traders to formal local business investors .
- Conducted 4 SMME workshops to capacitate SMME's and cooperatives .



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KPA4: 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.

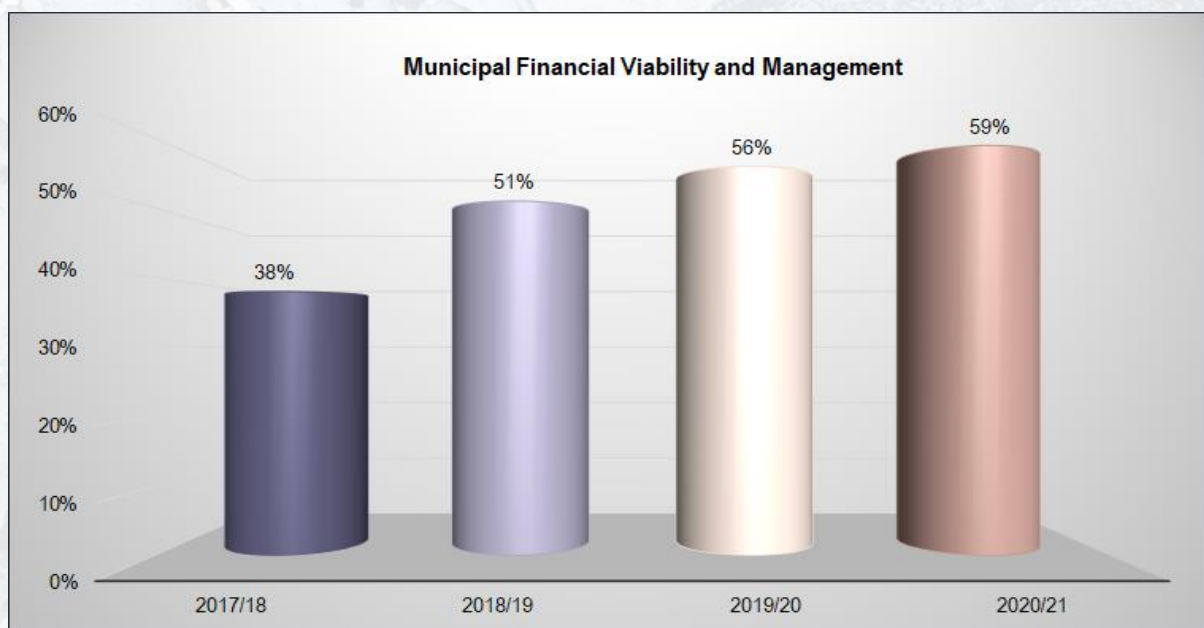
The lockdown period and alert levels resulted in a decrease in the payment rate of the municipality as consumers felt the negative impact on their disposable income due to several businesses not being able to operate during the period.

The municipality is facing serious financial constraints, adding to the problems is the fact that the municipality's debtor's book has significantly increased during the last 5 years.

Achievements for the year are as follows:

- Collected R14 934 246 from vehicle registration and licensing renewals.
- Spent R322 490 on marketing and communication activities according to Marketing Plan.
- Collected R1 384 811 from market rental estates.
- Collected R1 408 015 from ripening & cooling rooms.
- Collected R19 749 348 from market commission (dues).
- Collected R930 884 from building plan applications.
- Collected R1 051 416 from motor vehicle testing.
- Collected R8 5560 380 from driver's licenses.
- Reconciled the 2019/20 asset register 100% to the financial statements.
- Completed the 2019/20 asset count and submitting report to Municipal Manager.
- Spent R163 406 961 (3.76%) of operational budget on repairs and maintenance .
- Spent 95.25% (R193 940 530) of planned capital expenditure.

A total of R189 168 641 or 85% of all MIG grants (NDPG, WMIG, EEDSM; INEP; DME & rollovers included) was spent that was allocated to the municipality for approved projects.



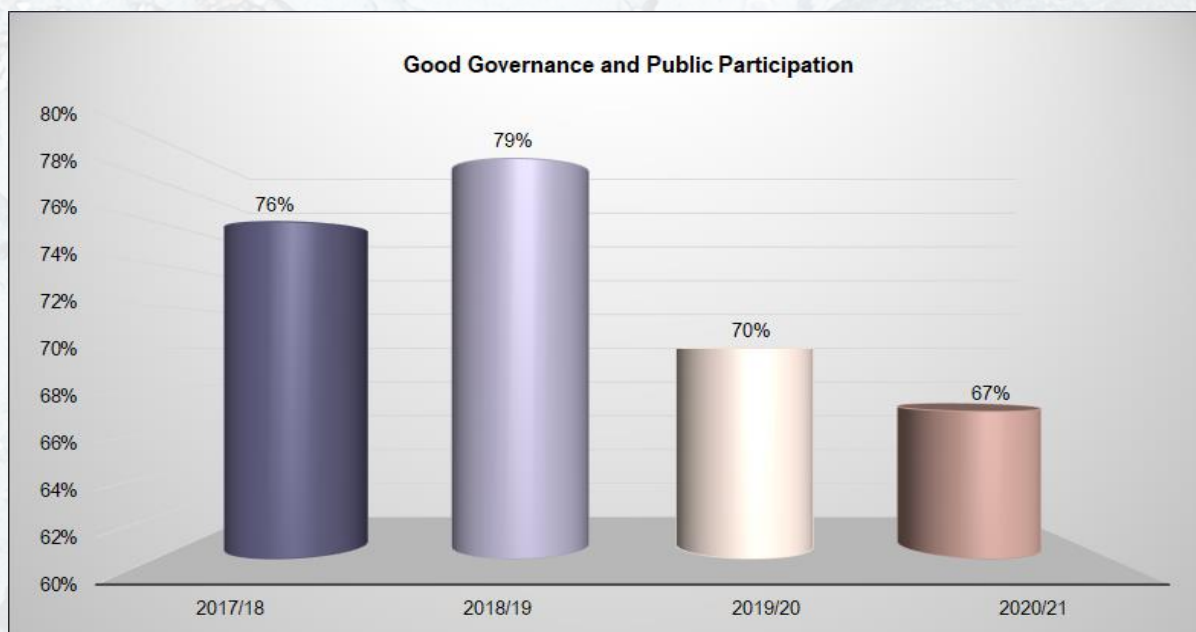
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KPA5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

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.

Achievements for the year are as follows:

- Ensured that 100% SLA are drafted to all allocated tenders / projects as received from Office of the Municipal Manager.
- 2019/20 Annual Performance Report (Unaudited Annual Report) approved by Municipal Manager.
- 2019/20 Audited Annual Report tabled to comply with section 121 of MFMA, as amended.
- Final 2021/22 SDBIP approved to comply with legislation.
- Final 2021/22 IDP Amendments approved.
- 4 Risk management reports submitted to the Risk Management Committee.
- 2020/21 Risk Register revised and 2021/22 Risk Register approved by Municipal Manger.
- 4 Audit of performance information reports issued.
- 3-Year Risk Based Audit Plan 2021/22 approved by AC.
- 2 Community safety campaigns conducted to promote community safety.
- Conducted 10 performance meetings with private security service providers on contract with Council to ensure the compliance with the SLA.
- 3 Fire safety campaigns conducted at schools.
- Presented / facilitated 6 lifelong skills development programs to adults and youth to empower them to develop entrepreneurial and life skills.
- Presented at least 10 educational programs to learners and adults to expand their knowledge of SA history and cultural heritage.
- Co-ordinated 2 sport events in collaboration with sport clubs, federations and non-governmental organisations to ensure the promotion of sport.



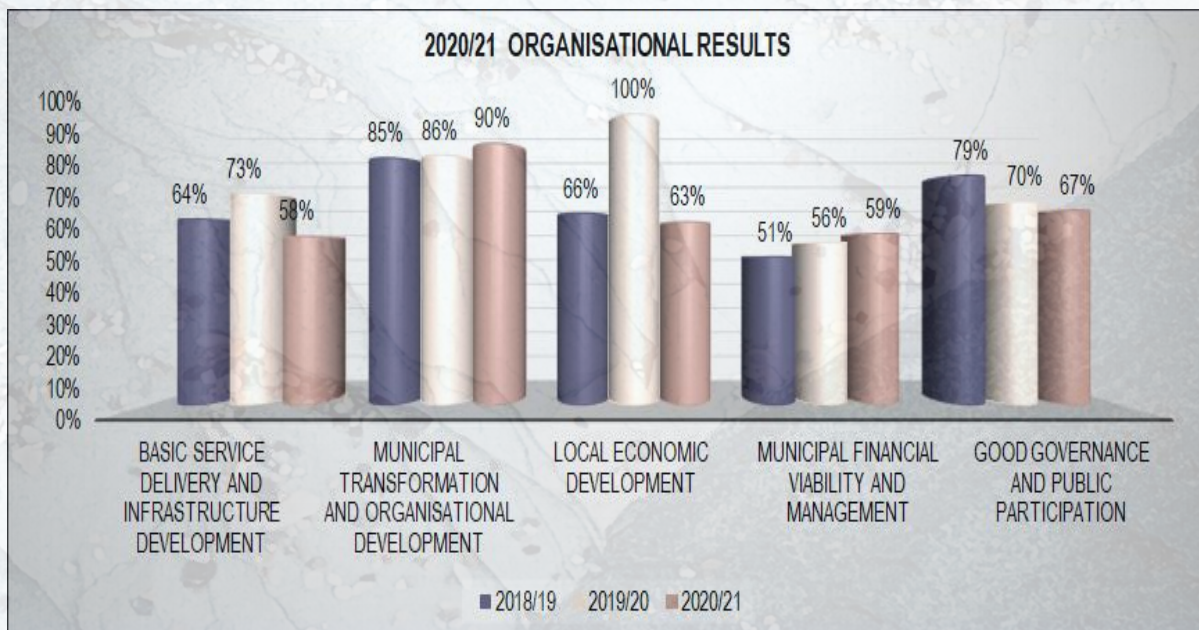
Chapter 3

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	2018/19	2019/20	2020/21
Annual Overall Performance	67%	72%	71%	67%
Key Performance Areas				
<i>Basic Service Delivery & Infrastructure Development</i>	59%	64%	73%	58%
<i>Municipal Transformation & Organisational Development</i>	78%	85%	86%	90%
<i>Local Economic Development</i>	75%	66%	100%	63%
<i>Municipal Financial Viability & Management</i>	38%	51%	56%	59%
<i>Good Governance & Public Participation</i>	76%	79%	70%	67%

The 2020/21 percentage is 4% lower (67%) compared to 71% achieved during the 2019/20 financial period.



7. CONCLUSION AND APPROVAL OF BY THE MUNICIPAL MANAGER

During the 2020/21 financial year, the overall performance results currently reflect a 67% success rate caused by mixed performance results of departments in implementing the SDBIP. The 2020/21 percentage is 4% lower compared to 2019/20 financial period.

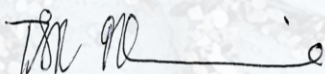
Although the percentage is only 4% lower and it seems if the municipality did well, it should be mentioned that the municipality had the opportunity to make several amendments during the 2020/21 financial year to indicators affected by COVID-19.

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.



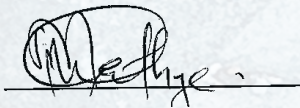
T.S.R. NHKUMISE
MUNICIPAL MANAGER

DATE: 05 October 2021

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 2020/21 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 and Performance Management for their contributions towards good governance of the municipality.



MS M.G.MATHYE (IAT)(PIA)
CHAIRPERSON: AUDIT COMMITTEE

DATE: 05 OCTOBER 2021



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	INDICATOR	Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Measures Taken to Improve Performance
		2018/19	2019/20	Annual Target	Actual Performance		
PMU1	Number of Kanana Pump-stations upgraded with electrical and mechanical equipment (Phase 1) (Ward 27)	MEASURABLE OBJECTIVE :		To upgrade the electrical and mechanical equipment at the Kanana Pump-station (Phase 1) (Ward 27) to maintain the current infrastructure		-	-
		New project	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-19-19-MFMA Circular No. 99 dated 09 March 2020 read with CC28/2020 dated 27/05/2020)	Upgrading 2 pump-stations (Kanana Ext 11 and Circle pump-station Kanana Proper) (Phase 1) (Ward 27) by - 0.205 km electric fence erected; - replacing 4 existing centrifugal pumps; - replacing 4 associated motors; - replacing 2 existing screens and conveyors as well as all pipework; and - installing 2 inline macerators, electrical wiring and control panels by 30 June 2021 R7 206 546	Upgrading of 2 pump-stations (Kanana Ext 11 and Circle pump-station Kanana Proper) (Phase 1) (Ward 27) completed. Practical completion issued on 22/04/2021. R6 261 107		
PMU14	Number of obsolete high mast lights at Jouberton hot spot areas replaced (Phase 3) (Wards 4 - 14 and 37)	MEASURABLE OBJECTIVE :		To replace obsolete high mast lights to enhance a safe social economic environment in Jouberton hot spot areas (Phase 3) (Wards 4 - 14 and 37)		-	-
		New project	New project	Replacing 9 obsolete high mast lights in Jouberton hot spot areas (Phase 3) (Wards 4 - 14 and 37) by 30 June 2021 R2 560 000	9 Obsolete high mast lights in Jouberton hot spot areas (Phase 3) (Wards 4 - 14 and 37) replaced. R2 183 883		

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		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2021/22 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To upgrade the sewage pump line in Kanana Ext 11 (Wards 24 and 27) to ensure that the waste water treatment is functioning at its optimum capacity					
PMU2	Kilometres of sewage pump line in Kanana Ext 11 (Wards 24 and 27) upgraded	New project	No contractor appointed R581 747 (The project was deferred to the 2020/21 FY due to reprioritization of the project due to COVID-19-19-MFMA Circular No. 99 dated 09 March 2020 read with CC28/2020 dated 27/5/2020)	Upgrading 1.38 km sewage pump-line in Kanana Ext 11 (Wards 24 and 27) by - constructing 1.38 km of 355 mm Ø uPVC sewer pump line; - constructing 2.025 km of gravity mainline; - constructing 29 manholes; and - installing 3 air valves by 30 June 2021 R10 749 336	Upgrading of 1.38 km sewage pump-line with 2.025km of gravity mainline of 450mm Ø and 29 manholes constructed, 3 air valves installed and pressure testing in Kanana Ext 11 (Wards 24 and 27) completed. Practical completion certificate issued on 26/05/2021. R8 155 257		-	-	N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :		To providing bulk services for the proposed Jouberton / Alabama precinct development (Wards 3, 4, 12 and 37) to improve the social and economic environment					
PMU8	Number of Jouberton / Alabama precinct bulk services (Wards 3, 4, 12 and 37) (electrical - cable; sanitation - pump-station and water - 2Mℓ pressure tower) provided	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	The installing and construction of bulk services for the proposed Jouberton / Alabama precinct development (Wards 3, 4, 12 and 37) in progress R29 179 415	Providing bulk services at the proposed Jouberton / Alabama precinct development (wards 3, 4, 12 & 37) by the - upgrading of 1 pump-station at Jagspruit - casting shaft lifts 17 - 22 and bowl lift 1 - 4 by 30 June 2021 R20 096 131	The scope for the provision of bulk services at the proposed Jouberton / Alabama precinct development (wards 3, 4, 12 & 37) completed. R17 388 739		-	-	R19 500 000


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IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2021/22 Financial Year
		2018/19	2019/20	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 at Jouberton Ext 24 (Phase 8) (Ward 12)			-	-	N/A
PMU3	Km of taxi route paved and road furniture and markings installed in Jouberton Ext 24 (Phase 8) (Ward 12)	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	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 R855 496	Laying 0.119 km paving bricks with kerbs (0.104 km on Lebaleng road and 0.015 km on Mpisekhaya street), laying 0.201 storm-water pipe (0.161 km on Lebaleng and 0.040 km on Mpisekhaya street) and installing of road furniture and markings in Jouberton Ext 24 (Phase 8) (Ward 12) by 31 June 2021 R6 016 180	Laying of 0.119 km paving bricks with kerbs (0.104 km on Lebaleng road and 0.015 km on Mpisekhaya street), laying 0.201 storm-water pipe (0.161 km on Lebaleng and 0.040 km on Mpisekhaya street) and installing of road furniture and markings in Jouberton Ext 24 (Phase 8) (Ward 12) completed. Practical Completion certificate issued. R5 308 177				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To replace and refurbish obsolete high mast lights in Kanana (Phase 2) (Wards 23 - 27) to enhance a safe social economic environment			2 Months SCM delay in advertising for the contractor	SCM to fast track the appointment of the contractor	R526 697
PMU11	Number of obsolete and existing high mast lights in Kanana (Phase 2) (Wards 23 - 27) replaced and refurbished	New project	2 Obsolete high mast lights replaced and 6 existing high mast lights in Kanana (Phase 2) (Wards 23 – 27) refurbished R1 186 070	Replacing 2 obsolete high mast lights in Kanana (Phase 2) (Wards 23 - 27) by 30 June 2021 R676 019	The 2 obsolete high mast lights in Kanana (Phase 2) (Wards 23 - 27) not completed. The tender was advertised on the 26/03/2021 and closed on 28/04/2021 . Project at Bid Evaluation stage. R129 708				



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IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2021/22 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
PMU4	INDICATOR	MEASURABLE OBJECTIVE :		To construct a new sports complex in Khuma Ext 9 (Ward 31) to provide recreational facilities for the community					
		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	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 0,220 km 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	Constructing a new sport complex in Khuma Ext 9 (Ward 31) by - installing a guardhouse roof; - constructing 1 care takers house; - erecting a 0,422 km palisade fence; - constructing 0.423 km of storm-water drainage; - constructing of earthworks of 1 athletic track field; - construction of earthworks of the grand stand footings; - constructing of earthworks of 1 soccer field; - constructing 1 tennis/netball court; and - constructing 1 basketball court by 30 June 2021 R14 433 976	Constructing of a new sport complex in Khuma Ext 9 (Ward 31) mostly completed, but the basketball court surfacing is not done yet. R12 193 171		Poor performance by the consultant. The consultant delayed in providing designs to the contractor	Notice to terminate has been issued to the consultant. The municipality to inform the contractor to fast track the progress. A memorandum has been prepared to the Municipal Manager based on the response of the consultant on the notice of termination	R15 285 474


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IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2021/22 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :			To cater for the increasing customer needs				
PMU5	Existing Fresh Produce Market (Phase 2) (Ward 9) upgraded	New project	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)	Upgrading the existing Fresh Produce Market (Phase 2) (Ward 9) by - installing 2 shutter doors; - replacing the roof sheeting; - connecting of water (0.739 km ranging from 20mm Ø to 75 mm Ø pipeline); - constructing 0.517 km of 525 mm Ø storm-water drainage; - constructing sewer pipeline (0.058 km of 110 mm Ø pipeline); - completing the concrete floor (according to the technical scoping report); and - construction of the earthworks for the parking area by 30 June 2021 R7 053 676	Upgrading the existing Fresh Produce Market (Phase 2) (Ward 9) nearly completed with the connection of water (0.739 km ranging from 20mm Ø to 75 mm Ø pipeline); construction of 0.517 km of 525 mm Ø storm-water drainage; construction of sewer pipeline (0.06 km of 110 mm Ø pipeline); completing the concrete floor (according to the technical scoping report); and construction of the earthworks for the parking area completed. The 2 shutter doors are not installed and the roof sheeting not replaced. The concrete floor is also not completed. R6 125 943		Poor performance by the consultant. Community disruptions and unrests by local subcontractors demanding work	The contractor to submit a recovery plan. The municipality has asked the consultant to correct the poor performance	R12 729 779


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IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2021/22 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :			To provide internal infrastructure services for the proposed Jouberton / Alabama precinct (Ward 37) development to improve the social and economic environment				
PMU6	Jouberton / Alabama precinct development (Ward 37) internal infrastructure services (road network, water and sewer) provided	Construction of 353 m of 600 mm diameter storm-water drainage installed, 670 m of road bed for Masianoke street completed R3 352 744	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 R397 716	Providing internal infrastructure services (road network, water and sewer) at the proposed Jouberton / Alabama precinct development (Ward 37) by - relocating 1.1 km of existing water pipelines; - constructing 1.337 km of water pipeline reticulations; - constructing 0.16 km of sewer reticulations; - construction of 1.73 km of roadbed; - constructing 2.4km road network layer works; - constructing 2.4 km roads surface; - installing 3.6 km kerbing; and - laying 1 780 m² of sidewalks paving by 30 June 2021 R12 738 486	Internal infrastructure services (road network, water and sewer) at the proposed Jouberton / Alabama precinct development (Ward 37) not yet completed, but - 1.1 km of existing water pipelines relocated; - 1.337 km of water pipeline reticulations constructed; - 0.08 km of 160 mm Ø sewer reticulation constructed; - 1.272 km of roadbed constructed; - 1.942 km road network layer works constructed; - 1.72 km sub-base and 1.22 km base constructed; - installed 3.12 km of kerbing and 2 770 m² of sidewalks paving completed. R11 192 482		Delays in appointment of sub-contractors for paving and kerbing due to re-advertisement. Delays due to rain (21 days) and CLO stopping the works (5 days)	Continues consultation with communities through Councillors and advise the contractor to fast track the works	R10 577 992



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IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2021/22 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :				To upgrade mechanical equipment for waste-water treatment works at Hartbeesfontein (Ward 1) for the better performance of the facility			
PMU7	Number of waste-water treatment works' mechanical equipment upgraded at Hartbeesfontein (Ward 1)	New project	New project	Upgrading of mechanical equipment for 1 waste-water treatment works at Hartbeesfontein (Ward 1) by refurbishing inlet works, - replacing 13 pumps; - repairing 8 pumps, - replacing 1 mixer; - refurbishing 11 mixers; - replacing 2 screens; - refurbishing 2 screens; - refurbishing 2 aerators; - replacing 2 aerators; - replacing 1 grit blower; - refurbishing 3 clarifiers bridges; - servicing 2 presses; - refurbishing 1 grit classifier; - replacing 1 chlorine plant; - replacing 9 sluice gates; - installing 0.460 km of aluminium cables; - installing 2 new motor control centres; and - upgrading 2 existing motor control centres by 30 June 2021 R21 000 000		The upgrading of the mechanical equipment for 1 waste-water treatment works at Hartbeesfontein (Ward 1) according to scope, completed. R16 241 578		-	R4 000 000


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IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2021/22 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve public access to transport in Jouberton Ext 19 (Ward 37) with the construction of a new taxi rank with facilities					
PMU9	Number of taxi ranks with facilities constructed in Jouberton Ext 19 (Ward 37)	Preliminary Design Report approved R0	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	Constructing a new taxi rank with facilities in Jouberton Ext 19 (Ward 37) according to the implementation plan by - construction of the platform - internal services (water, sewer and storm-water drainage) installed; - constructing for the foundations of the building works; - construction of the foundation for the office facility - installing structural steel roof covering; - compilation of the draft tender document; by 30 June 2021 R19 205 983	The construction of a new taxi rank with facilities in Jouberton Ext 19 (Ward 37) not completed, but unsuitable materials were replaced and backfilling of the 150 mm thickness layers and constructing layer of the foundation platform completed. 0.908km water pipeline ranging from 25mm to 110 mm Ø and 0.342km of 160 mm Ø sewage pipeline constructed. 0.492km concrete pipes ranging from 375 to 600 mm Ø and 0.119 km of storm-water channels constructed. Foundations of the building works excavated. Tender document for a new contractor submitted and approved by the Bid Specification Committee on 29/06/2021. R15 298 670		Contract was terminated for contractor for not returning to site within prescribed time	The municipality to re-advertise the tender to appoint the new contractor	R12 922 008


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IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2021/22 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :			To erect and refurbish obsolete high mast lights in Khuma (Phase 2) (Wards 31, 34 and 39) to enhance a safe social economic environment				
PMU10	Number of obsolete and existing high mast lights in Khuma (Phase 2) (Wards 31, 34 and 39) erected and refurbished	New project	5 Obsolete high mast lights replaced and 3 existing high mast lights refurbished in Khuma (Phase 2) (Wards 31, 34 & 39) R1 009 163	Erecting 1 new high mast light and refurbishing 2 existing high mast lights in Khuma (Phase 2) (Wards 31, 34 and 39) by 30 June 2021 R959 462	The erection of 1 new high mast light and refurbishing 2 existing high mast lights in Khuma (Phase 2) (Wards 31, 34 and 39) completed. Practical Completion certificate issued 15/04/2021. R675 221		-	-	N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :			To install the pressure reducing valves, bulk meters and ancillary works in the Matlosana area (Phase 2) (Wards 1 – 39) in order to provide basic water services and to increase the water supply capacity to the community				
PMU16	Materials procured for a number of bulk meters, pressure reducing valves and ancillary works installed in the Matlosana area (Phase 2) (Wards 1 - 39)	New project	New project	Procuring material for the supplying and installation of 5 pressure reducing valves, 12 bulk water meters and ancillary works in the Matlosana area (Phase 2) (Wards 1 - 39) by 30 June 2021 R6 619 300	Material for the supply and installation of 5 pressure reducing valves, 12 bulk water meters and ancillary works in the Matlosana area (Phase 2) (Wards 1 - 39) procured. R5 694 919		-	-	N/A



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IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2021/22 Financial Year
		2018/19	2019/20	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 (Phase 9) (Wards 5, 6, 11, 13 and 14)					
PMU12	Km of taxi route constructed (laid) in Jouberton (Phase 9) (Wards 5, 6, 11, 13 and 14)	New project	New project	Laying of paved 4.453 km of taxi route in Jouberton (Phase 9) (Wards 5, 6, 11, 13 and 14) according to the project plan by - constructing 2.11 km of layer works in Anthodium street; - constructing of 0.698 km layer works for the JB Marks; - constructing 0.604 km of layer works in 6th Street; - constructing 1.041 km of layer works in David Webster street; - laying of 2.291 km paving for Anthodium (1.25 km) and Dawid Webster (1.041 km); - installing 2.221 km kerbing by 30 June 2021 R10 313 318					
				Paving of 4.453 km of taxi route in Jouberton (Phase 9) (Wards 5, 6, 11, 13 and 14) according to the project plan constructed (laid). R9 135 580					-
									R15 185 508




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IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2021/22 Financial Year
		2018/19	2019/20	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 Kanana (Phase 9) (Wards 22, 23, 24 and 36)					
PMU13	Km of taxi route paved and km of storm-water drainage constructed in Kanana (Phase 9) (Wards 22, 23, 24 and 36)	New project	New project	Constructing 4.27 km layer works of the paved taxi routes and 1.994 km storm-water drainage in Kanana (Phase 9) (Wards 22, 23, 24 and 36) by	4.27 Km layer works of the paved taxi routes and 1.994 km storm-water drainage in Kanana (Phase 9) (Wards 22, 23, 24 and 36) not completed, but 4,27 km excavation works and road bed completed. 2.22 Km sub base layer and 1.75 km base layer completed. 0.97km storm water drainage completed. Construction works for Agapanthus road completed. R8 606 500		Forty-six (46) days due to community disruptions and unrest delaying commencement of the work	Sub-contractors have been appointed on 21 June 2021 and the contractor hired more local labourers	R16 326 641
				- constructing 0.82 km of storm-water drainage in Agapanthus road; - constructing 1.174 km of storm-water drainage in Thandanani road; - constructing 0.82 km of layer works in Agapanthus road; - constructing of 2.45 km layer works for the Thandanani road; - constructing 0.80 km of layer works in AK Kgathane road; and - constructing 0.20 km layer works in J Molefe road by 30 June 2021 R9 643 960					



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IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2021/22 Financial Year
		2018/19	2019/20	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) (Phase 2) in order to provide basic services			6 Additional communal stand pipes installed at an informal settlement on the Northern side of Kanana which was previously supplied with a JoJo tank and also serviced	N/A	N/A
		New project	New project	Installing 12 communal stand pipes in the informal settlements of the Matlosana area (Wards 1 - 7, 14 and 23) (Phase 2) by - laying 3.700 km of 75 Ø HDPE pipes with civil works and water meters; - installing 5 bulk meters (50 mm Ø) from the main supply to the informal settlement areas; and - connecting to existing water lines by 30 June 2021 R3 597 547	18 Communal stand pipes in the informal settlements of the Matlosana area completed with 4.264km of 75 Ø HDPE pipes laid, 4 new bulk meters (50 mm Ø) installed and connected to the existing water lines (Wards 1 - 7, 14 and 23) (Phase 2). R2 605 162				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide for the increased electricity supply demand in Alabama Ext 4 & 5 (Wards 3 and 4) by constructing feeder lines			-	-	N/A
		New project	New project	Constructing 3.3 km 11kV feeder line from Alabama substation to Alabama Ext 4 & 5 (Wards 3 and 4) by 30 June 2021 R3 970 000	The construction of 3.3 km 11kV feeder line from Alabama substation to Alabama Ext 4 & 5 (Wards 3 and 4) completed. Practical Completion certificate on file. R2 674 456				



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IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2021/22 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To refurbish electrical and mechanical equipment in the Matlosana area (Wards 1 - 39) pump-stations to maintain the existing infrastructure					
PMU17	Number of pump-stations refurbished with electrical and mechanical equipment at the Matlosana area (Wards 1 - 39)	New project	New project	Refurbishing electrical and mechanical equipment at 3 water pump-stations (Jouberton, Khuma ext. 8 and Kanana ext. 6) in the Matlosana area (Wards 1 - 39) by - replacing of six (6) pumps; - replacing six (6) motors; - replacing 1 electrical control panel in Jouberton; - replacing 25 valves and 6 soft starters in Jouberton; by 30 June 2021 R9 965 919	The refurbishment of the electrical and mechanical equipment at 3 water pump-stations (Jouberton, Khuma ext. 8 and Kanana ext. 6) in the Matlosana area (Wards 1 - 39) not yet completed. The contractor was appointed on the 23/03/2021. 6 Pumps and 6 motors have been ordered. (4 for Khuma Ext 8 and 2 for Kanana Ext 6). R9 077 397		There was a 3½ months delay in the SCM processes. The negotiations had to be undertaken and delayed by 7 days as the contractor's price was higher than the budget. An agreement on reduced scope was reached on 28/04/2021	The contractor was appointed on 13/05/2021 and project commenced on 20/05/2021	R8 616 177


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		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To construct a loop-in-loop-out new 88 kV medium voltage line, primary and secondary plant at Alabama (Matlosana) substation (20 MVA) (Phase 3) (Wards 3 - 5) to maintain the current infrastructure and to cater for the increased electricity supply demand			Community disruptions from 12/04/2021 to 07/06/2021 due to demanding sub-contracting	The contractor has been advised to appoint sub-contractors	R8 000 000
PMU19	Number of loop-in-loop-out new 88 kV medium voltage line, primary and secondary plant at Alabama (Matlosana) substation (20 MVA)(Phase 3) (Wards 3 - 5) constructed	Contractor not appointed yet. Tender has been re-advertised for the third time and closed on 28 June 2019 R10 613 148	Materials purchased R3 364 735	Constructing 2.255 km loop-in-loop-out new 88 kV medium voltage line, primary and secondary plant at Alabama (Matlosana) substation(20 MVA) (Phase 3) (Wards 3 - 5) by - constructing 18 HV poles; - constructing 56 stay rods foundations; - constructing of 17 line hardware for pole dressing; and - stringing of 2.255 km by 3 lines cheekadee loop-in-loop-out new 88 kV medium voltage line by 30 June 2021 R8 090 555	The construction of 2.255 km loop-in-loop-out new 88 kV medium voltage line, primary and secondary plant at Alabama (Matlosana) substation(20 MVA) (Phase 3) (Wards 3 - 5) in process with the following progress: - 14 HV poles constructed; - 40 stay rods installed; - construction of 12 line hardware for pole dressing completed; and - stringing of 1.809 km by 3 lines cheekadee loop-in-loop-out new 88 kV medium voltage line completed. R4 934 696				


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		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide electrification for the new development in Alabama ext. 5 (Ward 4)					
PMU20	Kilometres of line constructed in Alabama Ext 5 (Ward 4)	New project	New project	Constructing 7.414km power lines for the electrification of Alabama extension 5 (Ward 4) by - constructing 2.296 km MW power lines; and - constructing 5.118 km LV power lines by 30 June 2021 R12 276 000	The construction of 7.414km power lines for the electrification of Alabama extension 5 (Ward 4) completed. R10 707 153		-	-	R26 707 000
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce electricity losses associated with municipal own consumption in Klerksdorp (Phase 1) (Wards 16, 17 and 19)					
PMU21	Number of street lighting with LED lights retrofitted in Klerksdorp (Phase 1) (Wards 16, 17 and 19)	New project	456 Conventional street lights retrofitted with LED lights in Klerksdorp (Phase 2) (Wards 16, 17 and 19) R1 649 369	Retrofitting 1 239 conventional street lights with LED lights in Klerksdorp (Phase 1) (Wards 16, 17 and 19) by 30 June 2021 R6 600 000	1 094 Conventional street lights replaced (retrofitted) with LED lights and 1 complete Energy Management System at Mayibuye Building installed. R5 161 860		Variation Order to exceed 20% of contract amount was not approved by Council.	Municipality to apply for a roll-over	R4 000 000


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		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the social and economic environment for the community of Jouberton					
PMU22	Number of Youth Development Centre and SAFA Safe Hub in Jouberton Precinct detailed design approved (Phase 2)	The concept and viability for the design for a New Youth Development Centre developed and approved R772 593	Preliminary designs drawing developed, submitted and approved R0	Approving the detailed designs for the New Youth Development Centre and SAFA Safe Hub in Jouberton Precinct (Phase 2) by 31 December 2020 R612 191	The detailed design for the New Youth Development Centre and SAFA Safe Hub in Jouberton Precinct (Phase 2) approved. R358 427		-	-	N/A
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)					
PMU23	Final payment for the km of Tigane taxi route constructed (laid) (Wards 1 -2) (Phase 9) settled	1.043 km Taxi route paved and 1.043 km of storm-water drainage constructed R1 023 590	3.497 km taxi route in Tigane (Wards 1 -2) (Phase 9) constructed R13 611 402	Settling the final payment for the laying of paved 2.11km of taxi route in Tigane (Phase 9) (Wards 1 - 2) according to the project plan by 30 June 2021 R184 243	Close out report submitted and final payment done. R58 293		-	-	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					
PMU27	Final payment for the improvement and construction of water supply from Midvaal end point to Jouberton and Alabama (Phase 1B) (Wards 4,5,6) settled	Multi->Year project R58 888 368	The water supply from Midvaal endpoint to Jouberton and Alabama (Phase 1B) (Wards 4, 5 & 6) was improved R15 739 130	Settling the final payment for the improvement of the water supply from Midvaal end point to Jouberton and Alabama (Phase 1B) (Wards 4, 5, 6) by 30 June 2021 R3 319 728	Final payment settled. R1 646 053		-	-	N/A



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		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2021/22 Financial Year
		2018/19	2019/20	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) (Phase 1) in order to provide basic services					
PMU24	Number of communal stand pipes in the informal settlements of the Matlosana area (Wards 1 - 7, 14 and 23) (Phase 1) installed	New project	The tender was advertised on the 29 May 2020 and closed on 23 June 2020 R0	Installing 38 communal stand pipes in the informal settlements of the Matlosana area (Wards 1 - 7, 14 and 23) (Phase 1) by - laying 9.46 km of 75 Ø HDPE pipes with civil works and water meters; and - installing 3 bulk meters (50 mm Ø) from the main supply to the informal settlement areas by 30 June 2021 R5 000 000	The installation of 38 communal stand pipes in the informal settlements of the Matlosana area (Wards 1 - 7, 14 and 23) (Phase 1) completed. R4 337 290	-	-	-	N/A
									
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					
PMU28	Final payment for the improvement of bulk water supply in Alabama / Manzilpark (Phase 3) (Wards 3, 4, 5 & 8) settled	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	The pipe work, valve chambers and roof slap of tower is completed, but the water tightness testing is still in progress R1 431 496	Settling the final payment for the improvement of the bulk water supply in Alabama / Manzilpark (Phase 3) (Wards 3, 4, 5 & 8) by 30 June 2021 R2 224 875	Final payment settled. R1 765 794	-	-	-	N/A
									

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		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2021/22 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To install the pressure reducing valves, bulk meters and ancillary works in the Matlosana area (Phase 1) to increase the water supply capacity to the community			The pressure on Kanana bulk line was too strong for 350mmØ water meter reduced from 700 mm Ø pipeline which caused delays to correct	The outstanding bulk meter to be sized properly to accommodate the pressure and rectify it with Phase 2 project	N/A
PMU25	Number of bulk meters, pressure reducing valves and ancillary works installed in the Matlosana area (Phase 1) (Wards 1 - 39)	New project	The tender was advertised on the 29 May 2020 and closed on 23 June 2020 R0	Supplying and installing 3 pressure reducing valves, 8 bulk water meters and ancillary works in the Matlosana area (Phase 1) (Wards 1 - 39) by 30 June 2021 R5 000 000	The supply and installation of 3 pressure reducing valves, 7 bulk water meters and ancillary works in the Matlosana area (Phase 1) (Wards 1 - 39) completed and commissioned. 1 Bulk meter not yet completed and commissioned. R3 529 909				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To install and upgrade the sewer network in Khuma Proper (North East) to maintain the current infrastructure			-	-	N/A
PMU29	Final payment for the km sewer network installed and upgraded in Khuma Proper (North East) settled	5,383 Km (160mm diameter) uPVC sewer network lines; 143 manholes for the sewer network in Khuma Proper (North East) (Wards 34 & 35) installed R8 821 978	Rolled-over request not approved	Settling the final payment for the installation of 12.275km (160mm to 250mm diameter) uPVC sewer network lines; 3,475km of 110mm diameter house connections, 252 manholes and one existing tralie pump-station for the sewer network in Khuma Proper (North East) by 30 June 2021 R1 772 434	Final payment settled. R1 541 247				

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		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2021/22 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To refurbish electrical and mechanical equipment in the Matlosana area (Wards 1 - 39) pump-stations to maintain the existing infrastructure					
PMU26	Number of pump-stations refurbished with electrical and mechanical equipment at the Matlosana area (Wards 1 - 39)	New project	The tender was advertised on the 29 May 2020 and closed on 23 June 2020 R888 524	Refurbishing electrical and mechanical equipment at 5 sewer pump-stations (Khuma Main, Khuma ext. 6 and Republic, Swart Street and Lerato) in the Matlosana area (Wards 1 - 39) by - replacing of eight (8) pumps; - replacing eight (8) motors; - replacing 5 electrical control panels; - replacing 25 valves and 8 soft starters; and - installation of 30 CCTV cameras, 0.644 km electric fence, 0.644 km bob wire and razor wire by 30 June 2021 R18 948 538	The refurbishing of the electrical and mechanical equipment at 5 sewer pump-stations (Khuma Main, Khuma ext. 6 and Republic, Swart Street and Lerato) in the Matlosana area (Wards 1 - 39) are in process with the replacement of 5 pumps, 5 motors , 5 electrical control panels and 12 soft starters. Only installed 0.334km electrical fence for 2 pump-stations, 0.584km barbed wire for 5 pump-stations and 0.584km razor wire for 5 pump-stations. The valves are not replaced and the installation of 30 CCTV cameras not completed. R16 476 990		Ten days delays due to non-compliance with OHS by the contractor. The community stopped the works on 3 of the pump-stations for a period of 8 weeks demanding for subcontracting opportunities	Continuous engagement of the community through MMC, Ward Cllrs and OHS compliance met	R21 697 921

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		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2021/22 Financial Year
		2018/19	2019/20	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	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	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	Improving library services and maintenance at all 12 libraries according to the operational activities on the approved project business plan by 30 June 2021 R216 000	Shortcomings and maintenance at 12 libraries improved with 20 x Memory sticks; 12 x Kettles, 15 x Suggestion Boxes, 9 Digi Laptops; 3 Digi Tablets; 5 x Hand held Scanners, 14 x Water Coolers with bottles, 2 x Pull-up banners; 2 x Wallpaper with installation; 1 Door sticker with installation. R131 635		Training and other projects to the amount of R19 987 could not be implemented due to the closure of libraries as a result of COVID-19-19 adjusted alert level 3 and 4 restrictions	To obtain approval to use savings of R84 365 from LIB1 to cover shortfall in LIB2	R216 000



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		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2021/22 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :			To address supplementary improvements (shortcomings) at various libraries				
LIB2	Supplementary improvements at various libraries done	CCTV cameras installed at Khuma, Manzilpark and Jouberton Libraries.	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)	Improving supplementary shortcoming at all 12 libraries according to the operational activities on the approved project business plan by 30 June 2021	Supplementary shortcomings at libraries improved with the painting of the internal columns at Klerksdorp Library and other places at Hartbeesfontein Library.		The service provider for the erecting of the Stilfontein fence was only appointed on 24 June 2021. The offer was accepted on 29 June 2021, but later withdrawn due to a price increase in material	To obtain approval to use savings of R84 365 from LIB1 to cover shortfall in LIB2 was submitted and Negotiation Team was set to negotiate with the service provider. The service provider agreed to offer of R534 365,45. Application for rollover is due for submission by end of July 2021	R784 000
		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	R552 493	R600 000	R147 000				



DIRECTORATE PLANNING AND HUMAN SETTLEMENTS									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: HOUSING SERVICES									
IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2021/22 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
HOU1	INDICATOR Facilitating the number of residential stands (excluding electricity) at Matlosana Estate extension 10 serviced	MEASURABLE OBJECTIVE :		To service residential stands with basic services (excluding electricity) to address the housing backlog					
		New indicator	New indicator	Facilitating the services of 917 residential stands (excluding electricity) at Matlosana Estate extension 10 as allocated to the City of Matlosana by the Department of Human Settlements by 30 June 2021 R30 026 114	521 Residential stands serviced. R10 788 378		National lockdown, community unrest and people that refused to create a space for the contractor to work even after numerous engagements	Community meeting to be held to request them to move in order for the contractor to enable to trench/ work. Apply for court order to remove / demolish unoccupied erected shacks	469 Residential stands R11 798 202
HOU2	INDICATOR Facilitating the number of residential stands (excluding electricity) at Matlosana Estate extension 11 serviced	MEASURABLE OBJECTIVE :		To service residential stands with basic services (excluding electricity) to address the housing backlog					
		New indicator	New indicator	Facilitating the services of 143 residential stands (excluding electricity) at Matlosana Estate extension 11 as allocated to the City of Matlosana by the Department of Human Settlements by 30 June 2021 R43 383 774	917 Residential stands serviced. R35 848 003		Shortage of supply of material for water connection in the country	Contractor to improve to obtain the material for water connections	N/A




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Operational and Compliance Indicators





Chapter 3



OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT									
SECTION: MUNICIPAL MANAGER									
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
MM4	Number of LLF meetings attended	11 LLF meetings attended	4 LLF meetings attended	Attending 12 LLF meetings by 30 June 2021	9 LLF meetings attended		Unforeseen and unplanned commitments occurred that urgently required the attention of MM at the last minute when LLF sits	The MM must appoint a representative from his office in writing when submitting an apology	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 Risk Assessments conducted with all departments	4 Risk Assessments conducted with all departments	Conducting 4 risk assessments with Council departments on emerging risks by 30 June 2021	4 Risk Assessments conducted with all departments		-	-	4 Risk Assessments




OFFICE OF THE MUNICIPAL MANAGER										
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT										
SECTION: MUNICIPAL MANAGER										
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year			Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance					
NR	INDICATOR	MEASURABLE OBJECTIVE :		MIG (NDPG, EEDSM & DME included) Matlosana	funding spent to ensure the upgrading and maintenance of infrastructure in the City of					
MM1	Rand value spent on MIG grants (NDPG, EEDSM & DME included) allocated for the City of Matlosana spent	79% R153 850 949 spent	67. % R109 849 811 spent	Spending at least 85% of R223 517 365 of MIG grants (NDPG, WMIG, EEDSM; INEP; DME & roll-overs included) allocated to the City of Matlosana by 30 June 2021 (R189 989 760)	85% R189 168 641 spent		-	-	85% of R169 548 500	
NR	INDICATOR	MEASURABLE OBJECTIVE :		To investigate unauthorised, irregular, fruitless and wasteful expenditure of the municipality's performance and financial situation by conducting (s32) meetings						
MM6	Number of (s32) meetings conducted to investigate unauthorised, irregular, fruitless and wasteful expenditure of the municipality's performance and financial situation	22 (s32) meetings conducted	7 (s32) meetings conducted	Conducting 6 (s32) meetings to investigate unauthorised, irregular, fruitless and wasteful expenditure of the municipality's performance and financial situation by 30 June 2021	6 (s32) Meetings conducted		-	-	12 (s32) Meetings	




OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: MUNICIPAL MANAGER									
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the all the directorates KPI's are catered for					
MM3	Office of the MM's SDBIP inputs provided before the draft 2021/22 SDBIP is tabled	Credible 2019/20 SDBIP inputs provided	Credible 2020/21 SDBIP inputs provided	Providing the office's SDBIP inputs before the draft 2021/22 SDBIP is submitted by 31 May 2021	Credible 2021/22 SDBIP inputs provided		-	-	Credible 2022/23 SDBIP inputs
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the set goals of Council are achieved					
MM5	Number of SDBIP meetings between MM and directors (leading to quarterly performance assessments) conducted	1 SDBIP meeting conducted	2 SDBIP meetings conducted	Conducting 7 SDBIP meetings between MM and directors (leading to quarterly performance assessments) by 30 June 2021	4 SDBIP meetings conducted		Most of the Top Management meetings were convened on urgent basis and therefore the item on SDBIP would inadvertently be omitted	Top Management meetings must follow the schedule of meetings and SDBIP item to be a standing item where PMS is invited	12 SDBIP meetings
SECTION: PERFORMANCE MANAGEMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the 2019/20 Annual Performance Report (Unaudited Annual Report) to comply with section 46 of the MSA					
PMS1	2019/20 Annual Performance Report (Unaudited Annual Report) approved by Municipal Manager	2017/18 Annual Performance Report (Unaudited Annual Report) approved by Municipal Manager on 28/08/2018	2018/19 Annual Performance Report (Unaudited Annual Report) approved by the Municipal Manager on 13/09/2019	Approving the 2019/20 Annual Performance Report (Unaudited Annual Report) by Municipal Manager by 30 November 2020	2019/20 Annual Performance Report (Unaudited Annual Report) approved by Municipal Manager on 06/11/2020		-	-	2020/21 Annual Performance Report (Unaudited Annual Report)



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		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the Draft 2019/20 Annual Report (Unaudited) to comply with section 121 and Circular 63 of MFMA					
PMS2	Draft 2019/20 Annual Report (Unaudited) tabled before Council	2017/18 Annual Performance Report (Unaudited Annual Report) tabled - CC100/2018 dated 28/10/2018	Draft 2018/19 Annual Performance Report (Unaudited Annual Report) tabled before Council. CC111/2019 dated 21/10/2019	Tabling the Draft 2019/20 Annual Report (Unaudited) before Council by 30 November 2020		-	-	Draft 2019/20 Annual Report (Unaudited) tabled in Council. CC79/2020 dated 30/11/ 2020	Draft 2020/21 Annual Report (Unaudited) (Unaudited)
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the 2020/21 Mid-Year Assessment Report to comply with section 72 of the MFMA					
PMS4	2020/21 Mid-Year Assessment Report approved by the Executive Mayor	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	2019/20 Mid-Year Assessment Report approved. MM15/2020 dated 22 January 2020. EM1/2020 dated 23/01/2020. CC6/2020 dated 31/01/2020	Approving the 2020/21 Mid-Year Assessment Report by the Executive Mayor by 23 January 2021		-	-	2020/21 Mid-Year Assessment Report approved. MM16/2021 dated 22/01/2021. EM1/2021 dated 22/01/2021. CC5/2021 dated 09/02/2021	2021/22 Mid-Year Assessment Report
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the draft 2021/22 SDBIP to comply with legislation					
PMS5	Draft 2021/22 SDBIP tabled by Council	Draft 2019/20 SDBIP tabled. CC48/2019 dated 31/05/2019	Draft 2020/21 SDBIP tabled in Council. CC27/2020 dated 27/05/2020	Tabling the draft 2021/22 SDBIP by Council by 31 May 2021		-	-	Draft 2021/22 SDBIP tabled. CC42/2021 dated 31/05/2021	Draft 2022/23 SDBIP




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		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	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 31 May 2021	2 Community consultations meetings conducted		-	-	2 Community consultations meetings
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 30 June 2021	2 Rep Forum meetings conducted		-	-	2 Rep Forum meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :			To table the draft 2021/22 IDP Amendments to comply with legislation				
IDP4	Number of draft 2021/22 IDP Amendments tabled in Council	Draft 2019/20 IDP Amendments tabled. CC 36/2019 dated 29/03/ 2019	Draft 2020/21 IDP Amendments tabled CC 30/2020 dated 25/05/2020	Tabling the draft 2021/22 IDP Amendments in Council by 31 March 2021	Draft IDP amendments tabled. CC20/2021 dated 31/04/2021		-	-	Draft 2022/23 Revised IDP
SECTION: RISK MANAGEMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :			To submit a Risk management report to the Risk Management Committee to ensure good governance				
RIS1	Number of Risk management report submitted to the Risk Management Committee	4 Risk management reports submitted to the Risk Management Committee	4 Risk management reports submitted to the Risk Management Committee	Submitting 4 Risk management reports to ensure an effective risk management process to the Risk Management Committee by 30 June 2021	4 Risk management reports submitted to the Risk Management Committee		-	-	4 Risk management reports




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		2020/21 Financial Year			Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance					
NR	INDICATOR	MEASURABLE OBJECTIVE :			To revise the Risk Register to determine the linkage between departmental objectives and risk activity					
RIS3	Risk Register revised and approved to determine the linkage between departmental objectives and risk activity	2018/19 Risk Register revised and 2019/20 Risk Register not approved	2019/20 Risk Register revised and 2020/21 Risk Register approved by Audit Committee	Revising the 2020/21 Risk Register to determine the linkage between departmental objectives and risk activity and approving one 2021/22 Risk Register by 30 June 2021	2020/21 Risk Register revised and 2021/22 Risk Register approved by Municipal Manger (MM 106/2021 dated 29/06/2021) and at a special Risk Management Committee meeting of the Audit Committee dated 09/06/2021		-	-	2021/22 Risk Register revised and 2022/22 Risk Register	
NR	INDICATOR	MEASURABLE OBJECTIVE :			To develop strategic documents to ensure good governance and to comply with legislation					
RIS4	Risk management strategic documents reviewed and approved by the Municipal Manager and Risk Committee	2018/19 Risk Management Charter approved by Risk Committee and 2019/20 Risk Management Implementation Plan approved by the Municipal Manager	2019/20 Risk Strategic documents - 2019/20 Risk Management Charter approved by the RMC and 2020/21 Risk Management Implementation Plan approved by the Municipal Manager	Approving the Risk management strategic documents (2020/21 Charter and 2021/22 implementation plan) by the Municipal Manager by 30 June 2021	2020/21 Risk Management Committee Charter approved by the Municipal Manager on 02/07/2020. 2021/22 Risk Management Implementation Plan approved by Municipal Manager (MM 106/2021 dated 29/06/2021)		-	-	2021/22 Risk Management Committee Charter approved by Risk Committee. 2022/23 Risk Management Implementation Plan	




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		2020/21 Financial Year			Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	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	29 Public participation meetings conducted	21 Public participation meetings conducted	Conducting 15 public participation (s 79) meetings to monitor the performance and financial situation in the City of Matlosana by 30 June 2021	15 Public participation meetings conducted		-	-	32 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	10 MPAC progress reports issued	3 MPAC progress reports issued	Issuing 3 MPAC reports to Council which assess the efficiency and effectiveness of performance and finances achieved by Council by 30 June 2021	1 MPAC progress report issued		Due to Council instability and unrest in the municipality and prolonging of COVID-19, no meetings were conducted	Reports to be tabled at the next Council meeting	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 31 May 2021	The public participation meeting not conducted		The 2019/20 Audited Annual Report was only tabled on 31/05/2021 (CC41/2021)	N/A	1 Public participation meeting	




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		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :			To issue audit of performance information reports to ensure compliance with legislation				
IA1	Number of audits of performance information reports issued to assess the efficiency and effectiveness of performance achieved	3 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 30 June 2021	4 Audit of performance information reports issued		-	-	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				
IA2	Number of action plan register and progress reports on the Auditor General's report and Internal Auditor's findings submitted to the Audit Committee	5 Progress reports submitted on the updated action plan register to the Audit Committee on findings raised by the Auditor-General and Internal Audit	2 Progress reports submitted on the updated action plan register to the Audit Committee on findings raised by the Auditor-General and Internal Audit	Submitting 2 progress reports on the updated action plan register to the Audit Committee on findings raised by the Internal Audit and Auditor-General by 30 June 2021	2 Progress reports submitted on the updated action plan register to the Audit Committee on findings raised by the Auditor-General and Internal Audit		-	-	2 Progress reports
NR	INDICATOR	MEASURABLE OBJECTIVE :			To issue activity reports to ensure good governance				
IA3	Number of activity reports issued to the Audit Committee on the progress of rolling out the audit plans	5 Activity reports issued	4 Activity reports issued	Issuing 4 activity reports to the Audit Committee on the progress of rolling out the audit plans by 30 June 2021	4 Activity reports issued		-	-	4 Activity reports



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		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
		MEASURABLE OBJECTIVE :							
NR	INDICATOR	Internal Audit Charter (2019/20) not yet submitted to Audit Committee	Reviewed 2020/21 Internal Audit submitted to Audit Committee on the 01/07/2020	Adopting the reviewed 2021/22 Internal Audit Charter in accordance with IIA standards by 30 June 2021	Reviewed 2021/22 Internal Audit Charter adopted by Audit Committee on 30/06/2021		-	-	Reviewed 2022/23 Internal Audit Charter
NR	INDICATOR	To submit a Risk Based Audit Plan to comply with legislative requirements							
NR	Number of 3-Year Risk Based Audit Plan 2021/22 submitted to the Audit Committee for approval	3-Year Risk Based Audit Plan 2019/20 not submitted yet	3-Year Risk Based Audit Plan 2020/21 submitted to Audit Committee on the 01/07/2020	Submitting one 3-Year Risk Based Audit Plan 2021/22 to the Audit Committee for approval by 30 June 2021	3-Year Risk Based Audit Plan 2021/22 approved by Audit Committee on 30/06/2021		-	-	3-Year Risk Based Audit Plan 2022/23




DIRECTORATE TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: ROADS AND STORM-WATER DRAINAGE SERVICES									
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
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	26.75 Km open storm-water channels cleaned	23.5 Km open storm-water channels cleaned R19 207 585	Cleaning 25 km of open storm-water channels as per maintenance programme in the CoM municipal area by 30 June 2021 R19 000 000	25.61 Km open storm-water channels cleaned. R17 070 306		Additional plant / resources procured to cover backlogs	N/A	25 Km R10 000 000
NR	INDICATOR	MEASURABLE OBJECTIVE :			To address main sewer blockages to ensure reactive maintenance of main sewers throughout the year				
ROA3	Kilometres of underground storm-water pipe cleaned	New indicator	New indicator	Cleaning 20km of underground storm-water pipes as per maintenance programme in the CoM municipal area by 30 June 2021	20.546 Km underground storm-water pipes cleaned		New indicator	N/A	20 Km
SECTION: WATER SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :			To clean reservoirs to comply with legislation				
WAT2	Number of reservoirs cleaned	25 Reservoirs cleaned R131 671	19 Reservoirs cleaned R1 168 549	Cleaning 28 reservoirs according to the programme in the Matlosana area by 30 June 2021 R1 131 719	29 Reservoirs cleaned R1 696 362		Through improved planning and co-ordination 1 additional reservoir could be cleaned	N/A	28 Reservoirs R2 817 000




DIRECTORATE TECHNICAL AND INFRASTRUCTURE											
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT											
SECTION: SANITATION SERVICES											
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year			Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year	
		2018/19	2019/20	Annual Target	Actual Performance						
NR	INDICATOR	MEASURABLE OBJECTIVE :		To address main / outfall sewer blockages to ensure a healthy environment for the community							
SAN2	Kilometre of main / outfall sewers and blockages cleaned	9.46 Km of main sewers cleaned	12.187 Km of main / outfall sewers cleaned	Cleaning 35 km of main / outfall sewers as per program in the CoM municipal area by 30 June 2021	R5 515 000	39.959 Km of main / outfall sewers cleaned	R2 369 618		The contract on jetting machinery hire assisted the section	N/A	40 Km R23 000 000
KEY PERFORMANCE AREA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT											
SECTION: DIRECTOR TECHNICAL AND INFRASTRUCTURE											
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony							
DT3	Number of LLF meetings attended	12 LLF meetings attended	7 LLF meetings attended	Attending 12 LLF meetings by 30 June 2021		13 LLF meetings attended			An additional meeting was scheduled to deal with overtime matters - 20/05/2021	N/A	11 LLF meetings
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							
DT12	Directorate's SDBIP inputs provided before the 2021/22 SDBIP is tabled	Credible 2019/20 SDBIP inputs provided	Credible 2020/21 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the 2021/22 SDBIP is submitted by 25 May 2021		Credible 2021/22 SDBIP inputs provided			-	-	Credible 2022/23 SDBIP





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		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the set goals of Council are achieved					
DT14	Number of SDBIP meetings with senior personnel in own directorate conducted	23 SDBIP meetings conducted	22 SDBIP meetings conducted	Conducting 32 SDBIP meetings with senior personnel in own directorate by 30 June 2021	32 SDBIP meetings conducted		-	-	22 SDBIP meetings
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					
WAT3	A minimum score of 95% of quality compliance obtained	95% Obtained on the Department of Water and Sanitation and IRIS water compliance system	96% 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 30 June 2021	Obtained 96.15% on the Department of Water and Sanitation and IRIS water compliance system		Monthly monitoring of operational dosing points as per outlined rooster and action plan	N/A	96%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To maintain existing infrastructure					
WAT4	Percentage of water losses reduced	41% Water losses. - 3 PRV was installed, 4 Municipal buildings metered and 113 Stuck consumer water meters replaced	6% Reduction in water losses (from 41% to 35%) with the replacement of 2 630 consumer stuck water meters.	2% Reducing water losses (from 35% to 33%) by replacing 30 malfunctioning municipal building consumption points and replacing 1 000 consumer stuck / blocked / too deep / unreadable water meters by 30 June 2021	0.9 Increase in water losses (from 41% to 41.9%). 6 Service providers appointed and issued with orders in January 2021. 481 consumer meters were installed. 700 Consumer meters related complaints were attended to		The municipal buildings were not done since the huge number of straight connections had to be reduced in order to improve revenue. Lack of vehicles to deal with metering	Procure meters for the 30 Municipal building. Allocate more resources for improving on the numbers for the replacement of consumer meter	1%




DIRECTORATE TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: WATER SERVICES									
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To maintain existing infrastructure			-	-	70%
WAT5	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 30 June 2021	61% Water leaks and burst pipe complaints resolved (8 521 received / 4 990 resolved)				
SECTION: SANITATION SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the Green Drop score for improved waste water quality management			The upgrading of the mechanical works in Hartbeesfontein and repair works in Klerksdorp resulted in improvement of the effluent quality	N/A	67%
SAN3	Percentage of the minimum score of the IRIS/Green Drop score obtained	47% Obtained on the Department of Water and Sanitation and IRIS water compliance system	Not achieved	Obtaining a minimum score of 50% of effluent quality compliance on the Department of Water & Sanitation - IRIS/Green Drop compliance system by 30 June 2021	Obtained a score of 65.97% of effluent quality compliance on the Department of Water & Sanitation - IRIS/Green Drop compliance system				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To maintain existing infrastructure and respond to all complaints related to sewer blockages			The procurement of 250 rods for the cleaning of problematic areas made it easier to open blockages	N/A	99%
SAN4	Percentage of all main / outfall sewers blockage complaints in the Matlosana area resolved	New indicator	97% Main / outfall sewers blockage complaints resolved 8 497 Received / 8 246 resolved	Resolving at least 90% of all main / outfall sewers blockage complaints in the Matlosana area (telephonic, written and verbal) received by 30 June 2021	99.9% Main / outfall sewers blockage complaints resolved (16 183 Received / 16 174 resolved)				




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		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
SECTION: ELECTRICAL AND MECHANICAL SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE : To maintain existing infrastructure							
ELE2	Percentage of electricity losses reduced	26% Electricity losses. - 138 RMU's and transformers serviced and 144 inspections conducted.	Electricity losses increased with 3% (from 26% to 29%). 43 faulty conventional meters and 85 faulty prepaid meters replaced and 641 tampering inspections conducted	Reducing non-technical electrical losses with 2% (from 29% to 27%) by replacing at least 480 faulty conventional / pre-paid meters and carrying out 600 schedule inspection on suspected tampering and illegal connections and Technical losses by servicing of 100 transformers & RMU's in municipal supplied areas by 30 June 2021	Electricity losses increased with 5% (from 26% to 34%). 454 faulty meters replaced, 731 tampering inspections conducted and 232 transformers/RMU's serviced		Increase due to unavailability of meters, increased illegal use of electricity during COVID-19 period and deteriorating conditions of equipment due to budget constraint	Finance to be advice to on concluding the evaluation of a tender for supply and delivery of meters. Consolidated efforts in dealing with electricity tampering needed to be implemented. Investment in replacement of ageing equipment and network is urgently required	100%
ELE3	Percentage of low voltage complaints resolved	95.58% Low voltage complaints resolved (4 423 Received / 4 395 resolved)	100% Low voltage complaints resolved (2 736 Received / 2 736 resolved)	Resolving 100% of all low voltage complaints in the CoM licensed area (telephonic, written and verbal) received by 30 June 2021	100% Low voltage complaints resolved (3 563 Received / 3 563 resolved)		-	-	





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		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :			100% Medium voltage forced interruptions resolved (516 Received / 516 resolved)		-	-	100%
		100% Medium voltage forced interruptions resolved (1 476 Received / 1 476 resolved)	100% Medium voltage forced interruptions resolved (480 Received / 480 resolved)	Resolving at least 100% of all medium voltage forced interruptions in the CoM licensed area by 30 June 2021					
NR	INDICATOR	MEASURABLE OBJECTIVE :			82% Street lights complaints resolved (1 666 Received / 1 369 resolved)		Availability of sufficient material at the stores	N/A	85%
		94% Street lights complaints resolved (6 093 Received / 5 777 resolved)	90% Street lights complaints resolved (3 329 Received / 3 005 resolved)	Resolving at least 50% of all street lights complaints in the Matlosana licensed area (telephonic, written and verbal) received by 30 June 2021					
NR	INDICATOR	MEASURABLE OBJECTIVE :			80% High mast lights complaints resolved (343 Received / 219 resolved)		Availability of sufficient material at the stores	N/A	80%
		63% High mast lights complaints resolved (188 Received / 118 resolved)	80% High mast lights complaints resolved (488 Received / 390 resolved)	Resolving at 40% of all high mast lights complaints in the CoM licensed area (telephonic, written and verbal) received by 30 June 2021					




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		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :			To maintain existing infrastructure				
ELF7	Percentage of traffic control signals complaints resolved	100% Traffic control signal complaints resolved (199 Received / 199 resolved)	100% Traffic control signal complaints resolved (130 Received / 130 resolved)	Resolving 97% of all traffic control signals complaints in the CoM licensed area (telephonic, written and verbal) received by 30 June 2021	99.3% Traffic control signal complaints resolved (145 Received / 144 resolved)		Availability of sufficient material at the stores	N/A	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :			To reduce possible fraud and illegal tampering to Council's electricity network assets				
ELF8	Percentage of electricity meter tampering investigations complaints conducted	77% Electricity meter tampering investigations resolved (282 Received / 217 resolved)	93% Electricity meter tampering investigations resolved (690 Received / 645 resolved)	Conducting at least 60% of all electricity meter tampering investigations, as received from finance and community tip-offs by 30 June 2021	98% Electricity meter tampering investigations resolved (321 Received / 314 resolved)		More focus was put on outstanding suspected tampering as part of the drive to improve revenue and reduce non-technical losses	N/A	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :			To ensure effective fleet operations				
ELF9	Percentage of all vehicle complaints received resolved	70% Vehicle complaints resolved (698 Received / 487 resolved)	71% Vehicle complaints resolved (743 Received / 527 resolved)	Resolving 50% of all vehicle complaints received by 30 June 2021	78% Vehicle complaints resolved (668 Received / 521 resolved)		Council has appointed 7 service providers to assist with work load that Fleet Section received from various user department	N/A	80%




DIRECTORATE: CORPORATE SUPPORT									
KEY PERFORMANCE AREA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT									
SECTION: DIRECTOR CORPORATE SUPPORT									
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
DCS3	Number of LLF meetings attended	13 LLF meetings attended	7 LLF meetings attended	Attending 12 LLF meetings by 30 June 2021	13 LLF meetings attended		An additional meeting was scheduled to deal with overtime matters – 20/05/2021	N/A	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	120 OHS inspections conducted	90 OHS inspections conducted	Conducting 120 OHS inspections in Council departments by 30 June 2021	120 OHS inspections conducted		-		-
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct OHS audits to ensure that all deviations be corrected according to the Act					
OHS2	Number OHS audits conducted	2 OHS audits conducted	2 OHS audits conducted	Conducting 2 OHS Audits by 30 June 2021	2 OHS audits conducted		-		2 OHS audits
SECTION: SKILLS DEVELOPMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with WSP legislation					
SKIL3	Number of Annual WSP / ATR submitted to LGSETA	2019/20 WSP& 2018/19 ATR document submitted on 30 April 2019	2020/21 WSP / 2019/20 ATR submitted in May 2020	Submitting the 2021/22 WSP and 2020/21 ATR to LGSETA by 30 April 2021	2021/22 WSP and 2020/21 ATR submitted to LGSETA on 30/04/2021		-		2022/23 WSP and 2021/22 ATR






DIRECTORATE: CORPORATE SUPPORT									
KEY PERFORMANCE AREA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT									
SECTION: SKILLS DEVELOPMENT									
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :							
SKIL4	Number of Employment Equity Reports submitted to the Department of Labour	2019/20 EE report submitted electronically to the Department of Labour	2020/21 EE Report submitted to DoL on 15/01/2020	Electronically submitting the 2021/21 Employment Equity Report to the Department of Labour by 15 January 2021	2021/21 EE report submitted to the Department of Labour on 15/01/2021		-	-	2022/23 EE report submitted to Department of Labour by 15 January 2022
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct Employment Equity Consultative Forum meetings to comply with legislation and monitoring of the implementation of EE plan					
SKIL5	Number of EECF meetings conducted	11 EECF consultative meetings conducted	3 EECF consultative meetings conducted	Conducting 4 EECF consultative meetings by 30 June 2021	4 EECF consultative meetings conducted		-	-	4 EECF consultative meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure effective human resource management					
SKIL6	Number of skills gaps of all new appointees on level 1 - 6 personnel identified	Skills gap audit of all Council employees in four directorates	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)	Identifying the skills gaps for all new appointees on level 1 - 6 in 4 directorates by 30 June 2021	Skills gap audit of all level 1 - 6 Council employees in 4 directorates conducted (Finance, Planning and Human Settlements, Technical and Infrastructure and Corporate Support		-	-	Skills gaps for all employees in 2 directorates




DIRECTORATE: CORPORATE SUPPORT									
KEY PERFORMANCE AREA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT									
SECTION: LABOUR RELATIONS									
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :			To convene LLF meetings to ensure industrial harmony				
LR	Number of LLF meetings convened	13 LLF meetings convened	8 LLF meetings convened	Convening 12 LLF meetings by 30 June 2021	13 LLF meetings convened		An additional meeting was scheduled to deal with overtime matters – 20/05/2021		N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :			To conduct workshops on employment related issues and the Collective Agreement to ensure effective conclusion of labour relations				
LR2	Number of workshops on employment related issues and the Collective Agreement conducted	1 Training session for post level 1 - 5 employees and 1 training session for post level 6 - 19 employees conducted	2 Workshops on employment related issues and the Collective Agreement conducted	Conducting and / or co-ordinating 2 workshops on employment related issues and the Collective Agreement by 30 June 2021	3 Workshops conducted / co-ordinated on employment related issues and the Collective Agreement conducted		An additional workshop was conducted as per departmental request	N/A	2 Workshops
SECTION: POLITICAL OFFICES – OFFICE OF THE SPEAKER									
NR	INDICATOR	MEASURABLE OBJECTIVE :			To comply with MSA Act 32 of 2000 Chapter 4 sec 17(3) and Municipal Structures Act 117 of 1998, sec 74(a) to identify and evaluate on service delivery rendered / burning issues by Council				
SPF1	Number of Ward Committee reports submitted to Council to identify and evaluate the service delivery / burning issues within the CoM municipal area	New indicator	New indicator	Submitting 4 Ward Committee reports to Council to identify and evaluate the service delivery / burning issues within the CoM municipal area by 30 June 2021	3 Ward Committee reports submitted		No Portfolio Committee meetings and ordinary Council Meeting for the 3 rd quarter	One (1) report to be submitted at the next Portfolio Committee Meeting	4 Ward Committee reports




DIRECTORATE: CORPORATE SUPPORT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR CORPORATE SUPPORT									
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the all the directorate's KPI's are catered for					
DCS2	Directorate's SDBIP inputs provided before the 2021/22 SDBIP is tabled	Credible 2019/20 SDBIP inputs provided	Credible 2020/21 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the 2021/22 SDBIP is submitted by 25 May 2021	Credible 2021/22 SDBIP inputs provided		-	-	Credible 2022/23 SDBIP inputs
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the set goals of Council are achieved					
DCS4	Number of SDBIP meetings with senior personnel in own directorate conducted	12 SDBIP meetings conducted	9 SDBIP meetings conducted	Conducting 12 SDBIP meetings with senior personnel in own directorate by 30 June 2021	12 SDBIP meetings conducted		-	-	12 SDBIP meetings
SECTION: ADMINISTRATION									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To hold section 80 committee meetings to ensure comply with legislation to take informed decisions					
ADM1	Number of sec.80 committee meetings (portfolio) conducted	56 (sec.80) committee meetings conducted	45 (sec.80) committee meetings conducted	Conducting 32 (sec.80) committee meetings (portfolio meetings) by 30 June 2021	33 (sec.80) committee meetings conducted		1 Special FND & HL&RD was conducted	N/A	40 (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	18 Mayoral Committee meetings conducted	17 Mayoral Committee meetings conducted	Conducting 18 Mayoral Committee meetings (special meetings included) by 30 June 2021	18 Mayoral Committee meetings conducted		-	-	15 Mayoral Committee meetings




DIRECTORATE: CORPORATE SUPPORT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: ADMINISTRATION									
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure effective Council administration and compliance with legislation in order to convey feedback after considering political and community mandate			-	-	16 Council meetings
ADM3	Number of Council meetings conducted	19 Council meetings conducted	13 Council meetings conducted	Conducting 17 Council meetings (special meetings included) by 30 June 2021	17 Council meetings conducted				
SECTION: LEGAL SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MSA)			During the 1 st quarter (Alert level 4 th and 3 rd quarter there were no portfolio, ordinary MayCo or ordinary Council meetings were conducted, as gatherings were prohibited and virtual meetings were gradually introduced towards the end of the financial year	N/A	Contract Register managed
LEG1	Contract management system managed and relevant departments and service departments informed within 3 months of expiry of contracts	21 Notices issued and Contract Register updated	106 Notices issued and contract register updated. 4 th Quarter report not approved by Council	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 30 June 2021	39 Notices issued and contract register updated. Although contract register was updated monthly, it was only approved twice by Council due to COVID-19				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MFMA)			-	-	100%
LEG2	Percentage of SLA are drafted to all allocated tenders, as received from Office of the MM	96% 78 SLA's received and drafted / 75 signed	100% 68 SLA's received / 68 SLA's drafted	Ensuring 100% SLA are drafted to all allocated tenders / projects as received from Office of the Municipal Manager by 30 June 2021	100% 77 SLA's received / 77 SLA's drafted				




DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT									
SECTION: CHIEF FINANCIAL OFFICER									
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :			To attend to all LLF meetings to ensure industrial harmony				
CFO3	Number of LLF meetings attended	11 LLF meetings attended	7 LLF meetings attended	Attending 12 LLF meetings by 30 June 2021	10 LLF meetings attended		CFO was called by the AG on the way to the meeting to attend to an urgent matter	Management must ensure attendance of the LLF	11 LLF meetings
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: BUDGET AND TREASURY OFFICE									
NR	INDICATOR	MEASURABLE OBJECTIVE :			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	5 Approved budget related documents on the municipal website	7 Approved budget related documents on the municipal website	Publishing 9 approved budget related documents on the municipal website by 30 June 2021	9 Approved budget related documents on the municipal website		-	-	9 Approved budget related documents
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 30 June 2021	2019/20 Asset count completed and report to municipal manager		-	-	2020/21 Asset count completed and report to municipal manager





DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: ASSET MANAGEMENT									
Operational and Compliance	Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year	
	2018/19	2019/20	Annual Target	Actual Performance					
NR	MEASURABLE OBJECTIVE :		To enhance a clean audit						
ASS2	To enhance a clean audit 2017/18 Asset Register 100% reconciled	2018/19 Asset Register 100% reconciled on 10/08/2019	Reconciling the 2019/20 asset register 100% to the financial statements by 31 August 2020	2019/20 Asset Register 100% reconciled by 31/08/2020		-	-	2020/21 Asset Register 100% reconciled	
NR	MEASURABLE OBJECTIVE :		To comply with GRAP17						
ASS3	Percentage of all identified assets on register 100% Of all assets were registered in the asset register	100% Of all assets were registered in the asset register	Ensuring that 100% of all identified assets are registered in the asset register (2019/20) by 31 August 2019	100% Of all assets were registered in the asset register by 31/08/2020		-	-	100%	
SECTION: REVENUE MANAGEMENT									
NR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters						
REV9	Rand value revenue collected from electricity sales R541 799 988 collected	R650 634 822 collected	Collecting R626 974 684 actual revenue from electricity sales (conventional meters) by 30 June 2021	R552 872 869 collected		Sales are dependent on the usage by consumers	Electrical Division must implement meter inspections for tampering	R530 056 381	
REV10	Rand value revenue collected from pre-paid electricity sales R122 970 048 collected	R10 755 243 collected	Collecting R198 459 684 revenue from pre-paid electricity sales by 30 June 2021	R127 296 442 collected		Sales are dependent on the usage by consumers	Electrical division must implement meter inspections for tampering	R8 053 504	
REV11	Rand value revenue collected from water sales R257 100 558 collected	R295 282 150 collected	Collecting R519 999 996 revenue from water sales (conventional meters) by 30 June 2021	R259 998 774 collected		Target not achieved due to abundant rain and lower usage by consumers	N/A	R564 427 834	





DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: REVENUE MANAGEMENT									
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :			To improve the financial sustainability of the municipality and optimization of revenue				
RM2	Percentage of all identified incorrect billed properties corrected	100% Updated 310 Received / 310 updated	100% Updated 549 Received / 549 updated	Correcting at least 95% of all identified incorrect billed properties by 30 June 2021	100% Incorrect billed properties identified (938 Received / 938 corrected)		-	-	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :			To improve the financial sustainability of the municipality and optimization of revenue				
RM3	Percentage of consumer accounts levied before or on the 25 th of each month	New indicator	83% of all consumer accounts levied before or on the 25 th of each month	Levying at least 98% of all consumer accounts before or on the 25 th of each month by 30 June 2021	92% of all consumer accounts levied before or on the 25 th of each month		Due to the national lockdown, office closure due to confirmed COVID-19 cases and migration to SOLAR financial system challenges the billing schedule could not be implemented as planned during Nov/ Dec 2020	N/A	100%
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	21% settled	6.63% settled	Settling at least 25% of all payments (creditors) done within 30 days of receipt of invoice / statement by 30 June 2021	7.37% settled		COVID-19 affect the collection rate and reduce the speed rate of payment to service providers	The revenue enhancement project will address the current status	25%




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		2020/21 Financial Year			Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance					
NR	INDICATOR	MEASURABLE OBJECTIVE :			To ensure that the all the directorates KPI's are catered for					
CF02	Directorate's SDBIP inputs provided before the 2021/22 SDBIP is tabled	Credible 2019/20 SDBIP inputs provided	Credible 2020/21 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the 2021/22 SDBIP is submitted by 25 May 2021	Credible 2021/22 SDBIP inputs provided		-	-	-	Credible 2022/23 SDBIP inputs provided
NR	INDICATOR	MEASURABLE OBJECTIVE :			To ensure that the set goals of Council are achieved					
CF04	Number of SDBIP meetings with senior personnel in own directorate conducted	7 SDBIP meetings conducted	5 SDBIP meetings conducted	Conducting 12 SDBIP meetings with senior personnel in own directorate by 30 June 2021	7 SDBIP meetings conducted		Community unrest resulted in various meetings not taking place. The compilation of the draft budget took precedence	Management must ensure that these meetings are 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 2021/22 Draft budgets approved	2019/20 Draft budget approved. CC33/2019 dated 29/03/2019	2020/21 Draft budget approved. CC19/2020 dated 27/05/2020	Approving the 2021/22 draft budget by 31 March 2021	2021/22 Draft budget approved CC 18/2021 dated 31/03/2021		-	-	-	2022/23 Draft budget




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		2020/21 Financial Year			Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance					
NR	INDICATOR	MEASURABLE OBJECTIVE :		(Section 29 of the SCM Regulation)(SCM Policy of CoM)						
SCM1	Percentage of recommendations on tenders / projects of allocated tenders are approved	76% 17 Received / 13 forwarded	100% 27 Recommended / 27 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 30 June 2021	94% 35 Recommended / 33 forwarded		Recommendations done on the end of the financial year	Recommendations to be submitted to Municipal Manager in next FY	100%	
NR	INDICATOR	MEASURABLE OBJECTIVE :		Ensure that all supply chain management awards are published on the municipal website as required by the MFMA						
SCM2	Percentage of supply chain management awarded contracts published on municipal website	100% 17 Approved / 17 forwarded	0% 25 Forwarded / 0 published	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 30 June 2021	28% 60 Forwarded / 17 published		Delay of publication of awarded tenders, quotation, deviations to the website from the ICT section	The remaining awarded tenders will be submitted to ICT section for publication in the next FY	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	80% 41 Request received / 33 successfully completed	100% 47 Specification Received / 47 bid committee process plans compiled	Compiling 100% of bid committee process plan for each advertised specification by 30 June 2021	100% 44 Specification received / 44 bid committee process plans compiled		-	-	100%	


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		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :			To implement Internal Co-operation and Controls to ensure compliance with legislation (Section 27 of SCM Regulation)				
SCM4	Percentage of all received specifications documents advertised correctly within 14 days	New indicator	100% 35 Specifications document received / 35 Specifications documents advertised within 14 working days	Advertising 100% of all received specifications documents correctly within 14 days by 30 June 2021	94% 51 Specifications documents received / 48 received specifications documents advertised within 14 working days		1 Roll over specification for 2nd Quarter was cancelled due to budget limitation. 2 Tenders were deferred to the next quarter due to the reasons on the minutes	BSC to ensure that all the specification documents received are budgeted for and are part of the procurement plan	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :			To implement Internal Co-operation and Controls to ensure compliance with legislation (Section 28 of SCM Regulation)				
SCM5	Percentage of received tender documents successful evaluated within 45 working days	97% 32 Tenders received / 31 successfully completed	90% 48 tender documents received / 43 successfully evaluated within 45 working days	Evaluating 100% of all received tender documents successful within 45 working days by 30 June 2021	75% 73 Tender documents received / 55 successful evaluated within 45 working days		Bid evaluation committee did not form a quorum due to COVID-19 case of the members and SCM staff	SCM Controls will be in place to ensure tenders are evaluated in time. 2nd BEC has been appointed to fast track the evaluation of the tenders	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :			To implement Internal Co-operation and Controls to ensure compliance with legislation (Section 29 of SCM Regulation)				
SCM6	Percentage of all adjudicated tenders successful adjudicated within 45 working days	96% 25 Tenders received / 24 successfully completed	96% 49 tender documents received / 47 successful adjudicated within 45 working days	Adjudicating 100% of all adjudicated tenders successful within 45 working days by 30 June 2021	87% 62 Tender documents received / 54 successful adjudicated within 45 working days		Bid Adjudication Committee did not form a quorum due to COVID-19 cases and the resignation of the CFO	Controls will be in place to monitor the Bid Committee meetings plans to adjudicate reports within 45 working days	100%




DIRECTORATE: COMMUNITY DEVELOPMENT									
KEY PERFORMANCE AREA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT									
SECTION: DIRECTOR COMMUNITY DEVELOPMENT									
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE:				To attend to all LLF meetings to ensure industrial harmony			
DCD 3	Number of LLF meetings attended	13 LLF meetings attended	7 LLF meetings attended	Attending 12 LLF meetings by 30 June 2021	12 LLF meetings attended		-	-	11 LLF meetings
SECTION: PARKS AND CEMMETARIES									
NR	INDICATOR	MEASURABLE OBJECTIVE:				To advance aviation facilities to the community and to comply with legislation			
PAR1	Number of annual PC Pelser Airport licenses renewed	1 PC Pelser Airport License renewed R4 870 paid	PC Pelser Airport license renewed R5 170 paid	Renewing the annual PC Pelser Airport license to obtain authority to operate an airport by 30 June 2021 R5 000	PC Pelser Airport license renewed. R4 880 paid		-	-	PC Pelser Airport license R5 050
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 programmes conducted	15 Health programmes conducted	Conducting 75 health promotions programmes as identified by 30 June 2021	76 Health programmes conducted		Stilfontein employees requested more information on COVID-19	N/A	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 completed R2 621 246	COIDA payment finalized. COIDA process administrated R2 631 263	Administering the annual COIDA assessment process by 30 June 2021 R2 900 000	Return of Earnings received. COIDA payment finalized. Letter of good standing received. R2 826 453		-	-	Annual COIDA assessment process R3 100 000




DIRECTORATE: COMMUNITY DEVELOPMENT										
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
SECTION: DIRECTOR COMMUNITY DEVELOPMENT										
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year			Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance					
NR	INDICATOR	MEASURABLE OBJECTIVE:		To ensure that the all the directorate's KPI's are catered for						Credible 2020/21 SDBIP inputs provided
DCD2	Directorate's SDBIP inputs provided before the 2021/22 SDBIP is tabled	Credible 2019/20 SDBIP inputs provided	Credible 2020/21 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the 2021/22 SDBIP is submitted by 25 May 2021	Credible 2021/22 SDBIP inputs provided		-	-	-	Credible 2022/23 SDBIP inputs
NR	INDICATOR	MEASURABLE OBJECTIVE:		To ensure that the set goals of Council are achieved						12 SDBIP meetings
DCD4	Number of SDBIP meetings with senior personnel in own directorate conducted	12 SDBIP meetings conducted	10 SDBIP meetings conducted	Conducting 12 SDBIP meetings with senior personnel in own directorate by 30 June 2021	12 SDBIP meetings conducted		-	-	-	12 SDBIP meetings
SECTION: PARKS AND CEMETERIES										
NR	INDICATOR	MEASURABLE OBJECTIVE:		To manage the airport effectively to comply with legislation						12 PC Pelser Airport inspections
PAR2	Number of inspections conducted at the PC Pelser Airport	12 Inspections conducted	12 PC Pelser Airport inspections conducted	Conducting 12 inspections at PC Pelser Airport to ensure aviation safety by 30 June 2021	12 PC Pelser Airport inspections conducted		-	-	-	12 PC Pelser Airport inspections
NR	INDICATOR	MEASURABLE OBJECTIVE:		To host annual arbour event for the community of Matlosana (educational project) to promote a sustainable environment						N/A
PAR3	Number of arbour events hosted	1 Arbour Day event hosted	1 Arbour Day event hosted R25 355	Hosting 1 Arbour Day event (educational project) by 30 September 2020 R29 600	1 Arbour Day event hosted - Trees were distributed to Kidiemetse Primary School and Kanana Primary School R25 355		-	-	-	N/A



DIRECTORATE: COMMUNITY DEVELOPMENT								
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
SECTION: LIBRARY SERVICES								
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	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	310 Programmes / events presented	177 Programmes / events presented	Presenting 98 awareness programmes and events at libraries and other venues in the CoM municipal area by 30 June 2021	98 Programmes / events presented		-	132 Programmes / events
SECTION: MUSEUM AND HERITAGE SERVICES								
NR	INDICATOR	MEASURABLE OBJECTIVE:		To provide an educational service to ensure community participation, empower communities and to capacitate students				
MUS1	Number of consultation sessions conducted	143 Consultation sessions conducted	100 Consultation sessions conducted	Conducting at least 52 consultation sessions with educators, students, researchers and general public upon request to promote heritage awareness and disseminate educational content by 30 June 2021	52 Consultation sessions conducted		-	48 Consultation sessions
NR	INDICATOR	MEASURABLE OBJECTIVE:		To provide an educational service to ensure community participation, empower communities and to capacitate students				
MUS2	Number of lifelong skills development programs presented	27 Lifelong skills development programs presented	12 Lifelong skills development programs presented / facilitated	Presenting / facilitating at least 6 lifelong skills development programs to adults and youth to empower them to develop entrepreneurial and life skills by 30 June 2021	6 Lifelong skills development programs presented / facilitated		-	8 Lifelong skills development programs





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		2020/21 Financial Year			Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	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						
SP01	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




DIRECTORATE: COMMUNITY DEVELOPMENT										
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
SECTION: SPORT AND RECREATION										
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year			Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance					
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					
SP02	Number of sport events in collaboration with sport clubs, federations and non-governmental organisations co-ordinated	8 Sport events co-ordinated R471 343	2 Sport events co-ordinated R72 532	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 30 June 2021 R14 000	2 Sport events co-ordinated. R0		No expenditure due budget constraints. Trophies from previous event were used	N/A	3 Sport events co-ordinated R190 000	



DIRECTORATE: PUBLIC SAFETY									
KEY PERFORMANCE AREA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT									
SECTION: DIRECTOR PUBLIC SAFETY									
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :			To attend to all LLF meetings to ensure industrial harmony				
DP3	Number of LLF meetings attended	12 LLF meetings attended	7 LLF meetings attended	Attending 12 LLF meetings by 30 June 2021	12 LLF meetings attended		-	-	11 LLF meetings
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	R6 317 302 collected	R6 026 028 collected	Collecting R7 593 006 revenue from driver's licenses (excluding Prodiba fees) by 30 June 2021	R8 560 380 collected		The backlog since the lockdown still is not updated as the expire date during the period that commenced from 26 March to 31 December 2020 was extended to 31 August 2021	N/A	R8 552 239
LIS2	Rand value revenue from vehicle registration and licensing / renewals	R12 459 642 collected	R10 505 057 collected	Collecting at least 98% of R15 000 000 commission from Vehicle Registration and Licensing / renewals which is 20% on all vehicle income, minus 15% VAT by 30 June 2021	R14 934 246 collected		Due to COVID-19, the income that should have been collected during the last quarter of the previous FY, was only collected in this financial year	N/A	R13 400 000




DIRECTORATE: PUBLIC SAFETY									
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: LICENSING SERVICES									
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	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	R758 628 collected	R524 604 collected	Collecting R1 000 000 revenue from Motor Vehicle Testing by 30 June 2021		R1 051 416 collected)	Public members still prefer to make use of the Council testing centres as the tariffs are lower than the private testing stations	N/A	R1 201 763
LIS4	Rand value revenue collected from businesses, hawkers and stands	R108 320 collected	R220 437 collected	Collecting R560 000 revenue from businesses, hawkers and stands by 30 June 2021		R490 960 collected	Only 2 vehicles are available to inspectors and due to lock down regulations only a few are allowed to drive in a vehicle at the same time	N/A	R567 344
SECTION: TRAFFIC AND SECURITY SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect revenue to ensure sound financial matters					
TRA3	Rand value revenue collected from outstanding traffic fines	R660 580 collected	R930 240 collected	Collecting R585 556 revenue from traffic fines by 30 June 2021		R684 620 collected	More collection efforts were put in place	N/A	R12 000 000




DIRECTORATE: PUBLIC SAFETY										
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT										
SECTION: TRAFFIC AND SECURITY SERVICES										
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year			Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance					
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect revenue to ensure sound financial matters						
TRA4	Rand value revenue collected from warrants of arrest	R1 021 600 collected	R1 120 068 collected	Collecting R1 447 000 revenue from warrant of arrests by 30 June 2021	R799 282 collected		The COVID-19 regulations restricted the general motoring public to minimum movement. Law enforcements were restricted to conduct COVID-19 roadblocks. 3 Cases were withdrawn due to none sitting of Traffic Court	N/A	R700 000	
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
SECTION: DIRECTOR PUBLIC SAFETY										
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the all the directorates KPI's are catered for						
DPS2	Directorate's SDBIP inputs provided before the 2021/22 SDBIP is tabled	Credible 2019/20 SDBIP inputs provided	Credible 2020/21 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the 2021/22 SDBIP is submitted by 25 May 2021	Credible 2021/22 SDBIP inputs provided		-	-	Credible 2022/23 SDBIP inputs	




DIRECTORATE: PUBLIC SAFETY									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR PUBLIC SAFETY									
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE : To ensure that the set goals of Council are achieved							
DP54	Number of SDBIP meetings with senior personnel in own directorate conducted	12 SDBIP meetings conducted	9 SDBIP meetings conducted	Conducting 12 SDBIP meetings with senior personnel in own directorate by 30 June 2021	11 SDBIP meetings conducted		The June 2021 meeting did take place, because both the DPS and DDPS had COVID-19	All SDBIP matters will be updated and discussed during the July 2021 management meeting	12 SDBIP meetings
NR	INDICATOR	MEASURABLE OBJECTIVE : To adhere to Municipal By-Laws to ensure good governance, safety and good health							
DP55	Number of multi sectoral inspections conducted to enforce municipal by-laws	New indicator	New indicator	Enforcing municipal by-laws by conducting 18 multi sectoral inspections to ensure compliance by 30 June 2021	18 Multi sectoral inspections conducted		-	-	N/A
NR	INDICATOR	MEASURABLE OBJECTIVE : To promote community safety							
DP56	Number of community safety campaigns conducted	Community Safety Forum established and 2 campaigns conducted	2 Community safety campaigns conducted	Conducting 2 community safety campaigns in the CoM municipal area according to programme by 30 June 2021	2 Community safety campaigns conduct		-	-	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							
FR1	Number of fire inspections conducted	889 General fire inspections conducted	700 General fire inspections conducted	Conducting 901 general fire inspections according to programme in the CoM municipal area by 30 June 2021	901 General fire inspections conducted		-	-	900 General fire inspections





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		2020/21 Financial Year			Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance					
NR	INDICATOR	MEASURABLE OBJECTIVE :			To promote fire safety					
FIR2	Number of ward sessions conducted	9 Fire prevention information sessions conducted	4 Fire prevention information sessions conducted	Conducting 4 fire prevention information sessions according to programme in identified wards by 30 June 2021	4 Fire prevention information sessions conducted		-	-	7 Fire prevention information sessions	
FIR3	Number of fire safety campaigns conducted at schools	5 Fire safety campaigns conducted	7 Fire safety campaigns conducted	Conducting 3 fire safety campaigns for schools in the CoM municipal area according to programme by 30 June 2021	3 Fire safety campaigns conducted		-	-	3 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	86 (K78) multi road blocks conducted	Conducting 15 (K78) multi road blocks with all law enforcement agencies in the CoM municipal area by 30 June 2021	17 (K78) multi road blocks conducted		Joint multi road blocks were conducted due to the festive season, as demands and requests of assistance by other law enforcement stakeholders were received	N/A	15 (K78) multi road blocks	




DIRECTORATE: PUBLIC SAFETY										
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
SECTION: TRAFFIC AND SECURITY SERVICES										
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year			Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance					
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure the safety of Council property and employees by monitoring the performance of private security service providers on contract with the municipality						
SEC1	Number of performance meetings conducted with private security service providers on contract with the Council to ensure the compliance with the SLA	New indicator	New indicator	Conducting 10 performance meetings with private security service providers on contract with Council to ensure the compliance with the SLA by 30 June 2021	10 Performance meetings conducted		-	-	12 Performance meetings	
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure the safety of Council property and employees to strengthen the security systems in the Council						
SEC2	Number of 4 Security Forum meetings conducted with Council departments to strengthen the security systems in the Council	New indicator	New indicator	Conducting 3 Security Forum meetings with Council departments to strengthen the security systems in the Council by June 2020	Security Forum established, therefore no Security Forum meeting conducted		Due to COVID-19, most officials were not available, due to either being either in quarantine or on rotational basis	The project will be deferred to the 1st quarter of 2021/2022	4 Security Forum meetings	




DIRECTORATE: PLANNING AND HUMAN SETTLEMENT									
KEY PERFORMANCE AREA 1: SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT									
SECTION: HOUSING SERVICES									
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Measures Taken to Improve Performance	2020/21 Financial Year	
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To service residential stands with basic services (excluding electricity) to address the housing backlog					
HOU3	Facilitating the number of residential stands (excluding electricity) at Kanana extension 15 serviced	New indicator	New indicator	Facilitating the services of 1 116 residential stands (excluding electricity) at Kanana extension 15 as allocated to the City of Matlosana by the Department of Human Settlements by 30 June 2021	1 116 Residential stands completed and bulk services installed, but not connected yet		Insufficient funds to install bulk services	Requested provision of bulk infrastructure from Human Settlement Development Grant (Province) for 2021/2022 for installation of bulk - awaiting feedback	N/A
KEY PERFORMANCE AREA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT									
SECTION: DIRECTOR PLANNING AND HUMAN SETTLEMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
DPHS3	Number of LLF meetings attended	10 LLF meetings attended	6 LLF meetings attended	Attending 12 LLF meetings by 30 June 2021	12 LLF meetings attended		-	-	11 LLF meetings
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: TOWN-PLANNING AND BUILDING SURVEY									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect revenue to ensure sound financial matters					
BS4	Rand value revenue collected from building plan application	R707 108 collected	R650 074 collected	Collecting at least R730 000 revenue from building plan applications by 30 June 2021	R930 884 collected		Received more building plans than anticipated	N/A	90% of R659 708




DIRECTORATE: PLANNING AND HUMAN SETTLEMENT									
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: TOWN-PLANNING AND BUILDING SURVEY									
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect revenue to ensure sound financial matters					
TP2	Rand value revenue collected from land use / development applications	R170 858 collected	R168 065 collected	Collecting at least 55% of R386 000 revenue from land use / development applications by 30 June 2021 R212 300	R201 214 collected		The section is not in control of the submissions and rely on land use and land development application received	Will request better budget planning	R111 629
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					
DPHS2	Directorate's SDBIP inputs provided before the 2021/22 SDBIP is tabled	Credible 2019/20 SDBIP inputs provided	Credible 2020/21 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the 2021/22 SDBIP is submitted by 25 May 2021	Credible 2021/22 SDBIP inputs provided		-	-	Credible 2022/23 SDBIP inputs
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the set goals of Council are achieved					
DPHS4	Number of SDBIP meetings with senior personnel in own directorate conducted	11 SDBIP meetings conducted	10 SDBIP meetings conducted	Conducting 12 SDBIP meetings with senior personnel in own directorate by 30 June 2021	12 SDBIP meetings conducted		-	-	12 SDBIP meetings




DIRECTORATE: PLANNING AND HUMAN SETTLEMENT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: HOUSING SERVICES									
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To register Matlosana Housing needs beneficiaries to establish the current housing backlog					
HOU4	Number of needs registered on the Matlosana Housing Needs Register	New indicator	1 748 Needs registered	Registering 2 500 beneficiaries on the Matlosana Housing needs register for housing opportunities by 30 June 2021	2 200 Needs registered		Ext 19 and 20 informal settlements were smaller than anticipated	Planning on this project will be improved so that the targets are reached	2 000 Needs
NR	INDICATOR	MEASURABLE OBJECTIVE :		To address the housing backlog					
HOU5	Number of housing subsidies applied for occupants on residential stands at Matlosana Estate extension 10 from the Provincial Department of Human Settlements	New indicator	New indicator	Applying for 1 133 housing subsidies for occupants on residential stands at Matlosana Estate extension 10 from the Provincial Department of Human Settlements by 30 June 2021	517 Housing subsidies applications approved		Community unrest delayed the project	Community meeting was held in connection with subsidy applications	800 Title deeds
HOU6	Number of old municipal housing stock transferred	New indicator	New indicator	Transferring at least 166 old municipal housing stock by 30 June 2021 R115 000	400 Verification completed. No Title Deeds distributed yet. R0		A Panel of Attorneys has not yet been appointed to conduct transfers	Council to appoint Transferring Attorney outside panel in order to proceed with transfers	100 Old municipal housing stock R85 785





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		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	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	17 % 42 Received / 7 Resolved	Administering and finalizing at least 30% of all acquisition applications by 30 June 2021	45% 202 Acquisition applications received / 91 Resolved		-	-	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 54 % 35 Received / 19 Resolved	Processing and finalising at least 50% of all lease applications within 90 days by 30 June 2021	48.6 % 107 Received / 52 Resolved		Applications are being processed	Processing of applications to be finalised	50%	
NR	INDICATOR	MEASURABLE OBJECTIVE :		To monitor income generating facilities and to reconciled leased land owned by the municipality					
LAN3	Number of compliance inspections on land leased for agricultural purposes conducted	New indicator New indicator	Conducting 12 compliance inspections on land leased for agricultural purposes by 30 June 2021	12 Compliance inspections conducted		-	-	12 Compliance inspections	
SECTION: BUILDING SURVEY									
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 100% 1 141 Inspections bookings received / 1 141 inspections attended to	Ensuring that least 100% of all building inspection requests are attended to by 30 June 2021	100% 1 377 Inspections booked / 1 377 attended to		-	-	100%	




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		2020/21 Financial Year			Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance					
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	15.7 % 89 notices issued / 14 notices resolved	Resolving at least 55% of conducted building inspections to monitor and enforce compliance with the building regulations and standards across the CoM municipal area by June 2021	52.7% 146 Received / 77 Resolved		Building inspectors have to go several times to the same stand where notices were issued. Take time to resolve all notices	Building inspectors to do more follow up on notices	35%	
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	78.7% 612 Received / 482 assessed	Receiving and assessing at least 90% of all building plan applications within the legal stipulated timeframe of 30 working days by 30 June 2021	95.2% 1 044 Received / 994 Resolved		Chief Building Inspector appointed	N/A	85%	
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	New indicator	93.66 % 142 Received / 133 finalised	Finalising at least 95% of all land use applications within 90 days by 30 June 2021	100% 186 Applications received / 186 applications finalised		The section Interns were assisting with the work load and ensuring that all applications are processed within the stipulated timeframe	N/A	90%	




DIRECTORATE LOCAL ECONOMIC DEVELOPMENT									
KEY PERFORMANCE AREA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT									
SECTION: DIRECTOR LOCAL ECONOMIC DEVELOPMENT									
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :			To attend to all LLF meetings to ensure industrial harmony				
DLED3	Number of LLF meetings attended	12 LLF meetings attended	5 LLF meetings attended	Attending 12 LLF meetings by 30 June 2021	12 LLF meetings attended		-	-	11 LLF meetings
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 30 June 2021	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 aimed at the economic revitalisation of these areas to support the development of Small Enterprises, cooperatives and Small, Micro and Medium Enterprises (SMMEs), to grow					
LED3	Number of LED consultation meetings conducted with stakeholders	12 LED consultation meetings conducted	9 LED consultation meetings conducted	Conducting 12 LED consultation meetings with stakeholders by 30 June 2021	12 LED consultation meetings conducted		-	-	12 LED consultation meetings

DIRECTORATE LOCAL ECONOMIC DEVELOPMENT									
KEY PERFORMANCE AREA 3: LOCAL ECONOMIC DEVELOPMENT									
SECTION: LOCAL ECONOMIC DEVELOPMENT									
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To manage the informal economy by providing an enabling platform for the local informal sector by implementing a set of operational and management initiatives to transform and capacitate informal street traders to formal local business investors					
LED4	Number of informal street traders registered to transformed and capacitated them into formal local business investors	New indicator	New indicator	Registering at least 125 street traders informal street traders to transformed and capacitated them into formal local business investors by 30 June 2021	125 Street traders registered		-	-	40 Street traders
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct workshops to capacitate SMME's and cooperatives to enhance enterprise development					
LED5	Number of SMME workshops conducted to capacitate SMME's and cooperatives	4 SMME workshops conducted	3 SMME workshops conducted	Conducting 4 SMME workshops to capacitate SMME's and cooperatives by 30 June 2021	4 SMME workshops conducted		-	-	4 SMME workshops
SECTION: MARKETING AND COMMUNICATION									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To facilitate the Matlosana Agricultural Production and Fresh Produce Market in terms of food security and to provide a trading platform					
TOU3	Number of Matlosana Agricultural markets facilitated	New indicator	New indicator	Facilitating the implementation of 2 Matlosana Agricultural markets by 30 June 2021	No Matlosana Agricultural markets implemented to facilitate		Due to poor planning the target was not achieved	To be dealt with in the 2021/2022 financial year	4 Matlosana Agricultural markets

DIRECTORATE LOCAL ECONOMIC DEVELOPMENT									
KEY PERFORMANCE AREA 3: LOCAL ECONOMIC DEVELOPMENT									
SECTION: FRESH PRODUCE MARKET									
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide an enabling environment at the Matlosana Fresh Produce Market and to comply with legislation					
FPM2	Number of OHS recommendation implemented at the FPM to ensure a regulatory environment	New indicator	New indicator	Resolving at least 80% of all Occupational Health & Safety recommendation by 30 June 2021	83% 12 recommendations received / 10 resolved		New indicator	-	80%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To regulates the conduct of market agents					
FPM3	Number of market agents renewed their operating licences at APAC	New indicator	New indicator	Enforcing measurements to ensure that 5 market agents have renewed their operating licences at APAC to comply with the Agricultural Produce Agents Act by 30 June 2021	5 Market Agents operating licenses renewed		-	-	N/A
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: MARKETING AND COMMUNICATION									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote the City and communicate programme to ensure a well-informed community					
COM1	Rand value spent on marketing activities	Branding material purchased. R565 310	Branding material purchased. R599 026 spent	Spending R330 000 on marketing and communication activities according to Marketing Plan by 30 June 2021	Branding material purchased. Matlosana newspapers printed and media communication conducted R322 490 spent		-	-	R600 000

DIRECTORATE LOCAL ECONOMIC DEVELOPMENT										
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT										
SECTION: MARKETING AND COMMUNICATION										
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year			Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance					
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote the city and communicate programmes to ensure a well-informed community						
COM2	Number of external newsletters compiled and distributed regarding Council affairs to the community	4 External newsletters compiled and distributed	6 External newsletters compiled and distributed	Compiling and distributing 6 external newsletters regarding Council affairs to the community by 30 June 2021	4 External newsletters compiled and distributed		Due to budget constraints 2 newsletters could not be printed	More funding will be requested for the 2021/22 FY	6 External newsletters	
SECTION: FRESH PRODUCE MARKET										
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote the fresh produce market to ensure a well-informed community						
FPM4	Rand value spent on fresh produce market programmes	R271 534 spent	R235 326 spent	Spending R149 000 on fresh produce market programmes by 30 June 2021	R149 000 spent		-	-	R150 490	
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect revenue to ensure financial sustainability						
FPM5	Rand value revenue collected from rental estate	R1 325 435 collected	R1 256 821 collected	Collecting R50 000 revenue from rental estate by 30 June 2021	R1 384 811 collected		Incorrect budgeting	N/A	R65 0000	
FPM6	Rand value revenue collected from ripening and cooling rooms	R1 010 625 collected	R1 036 208 collected	Collecting R600 000 revenue from ripening & cooling rooms by 30 June 2021	R1 408 015 collected		Incorrect budgeting	N/A	R100 000	

DIRECTORATE LOCAL ECONOMIC DEVELOPMENT										
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT										
SECTION: FRESH PRODUCE MARKET										
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year			Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance					
NR	INDICATOR	MEASURABLE OBJECTIVE :			To collect revenue to ensure financial sustainability					
FP7	Rand value revenue collected from market commission (dues)	R17 486 076 collected	R18 548 049 collected	Collecting R20 000 000 revenue from market commission (dues) by 30 June 2021	R19 749 348 collected		COVID-19 has negatively impacted on produce and thus less sales went through, unrests and strikes also negatively affected the income of the FPM	A meeting was held with the security cluster, with the purpose of addressing security challenges caused by the unrests, so as to allay the fears of the producers and the buyers	R15 000 000	
FP8	Rand value revenue collected from rental of carriages	R139 290 collected	R161 255 collected	Collecting R82 000 revenue from rental of carriages by 30 June 2021	R250 136 collected		Incorrect budgeting	N/A	R300 000	
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
SECTION: DIRECTOR LOCAL ECONOMIC DEVELOPMENT										
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the all the directorates KPI's are catered for						
DLED2	Directorate's SDBIP inputs provided before the 2021/22 SDBIP is tabled	Credible 2019/20 SDBIP inputs provided	Credible 2020/21 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the 2021/22 SDBIP is submitted by 25 May 2021	Credible 2021/22 SDBIP inputs provided		-	-	Credible 2022/23 SDBIP inputs	






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		2020/21 Financial Year			Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance					
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the set goals of Council are achieved						
DLED4	Number of SDBIP meetings with senior personnel in own directorate conducted	12 SDBIP meetings conducted	11 SDBIP meetings conducted	Conducting 12 SDBIP meetings with senior personnel in own directorate by 30 June 2021	12 SDBIP meetings conducted		-	-		12 SDBIP meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To regulate informal trading within the jurisdictional area of the City of Matlosana in a manner that recognises and enhances the City's constitutional and other statutory obligations						
DLED5	The Street Trading By-Law reviewed and approved	New indicator	New indicator	Reviewing and approving the Street Trading By-Law by 30 June 2021	Street Trading By-Law reviewed and presented to the relevant structures. Not yet approved		MMC was prioritizing the items to be discussed as only special Councils were conducted	To table by-law in the new financial year		N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote employment, advance social and economic welfare, contribute to transforming the mining industry and ensure that mining companies contribute to the development of the areas where they operate						
DLED6	Number of reports on Corporate Social Investment /Social Labour Plan projects implemented submitted to Council by 30 June 2021	New indicator	New indicator	Submitting 4 reports on Corporate Social Investment /Social Labour Plan projects implemented to Council by 30 June 2021	(Annual - The Social Labour Plan Projects confirmed with Harmony. 3 Reports regarding the Social Labour Plan submitted, but not approved by Council		Portfolio Committees and Council did not sit regularly. Items were prioritized to be discussed at special Council meetings	To be tabled in the 2021/22 financial year		4 reports on Corporate Social Investment /Social Labour Plan






DIRECTORATE LOCAL ECONOMIC DEVELOPMENT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: TOURISM									
Operational and Compliance		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct consultations meeting to share information with all relevant stakeholders aimed at the economic revitalisation of these areas to support the development of Small Enterprises, Cooperatives and Small, Micro and Medium Enterprises (SMMEs), to grow			Due to external economic factors and COVID-19 pandemic challenges only 2 marketing initiatives were achieved	To be rectified in the 2021/2022 financial year	4 Marketing initiatives
TOU1	Number of marketing initiatives implemented	New indicator	New indicator	Implementing 4 marketing initiatives by 30 June 2021	2 Marketing initiatives implemented				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct tourism programmes to increase market penetration of local content on the continent and globally, grow industry networks, and grow audience consumption of local content			Africa's travel indaba was cancelled due to the COVID-19 pandemic	The unit plans to participate in the planned visual mini Indaba in preparation for the comeback of Trade show	N/A
TOU2	Number of tourism programmes conducted to improve access to tourism high potential areas	New indicator	New indicator	Conducting 2 tourism programmes to improve access to tourism high potential areas by 30 June 2021	1 Tourism programme conducted				
SECTION: FRESH PRODUCE MARKET									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide an enabling environment at the Matlosana Fresh Produce Market and to comply with legislation			Not all portfolio meetings sat according to Corporate Calendar and the MMC therefore had to prioritize the items for discussion	Market By-Law to be approved in the 2021/22 FY	Market By-Law approved
FPM1	The Market By-Law reviewed and approved	New indicator	New indicator	Reviewing and approving the Market By-Law by 30 June 2021	Draft Market By-Law was submitted to the sub-committee for consideration				

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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		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	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	179.03 Km roads graded R 9 070 744	125.09 Km roads graded R5 641 654	Grading of 70 km roads in the KOSH as per maintenance programme by 30 June 2021 R4 200 000	78.782 Km roads graded R2 833 656		More complains received from Councillors and community than anticipated	N/A	100 Km R5 816 545
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 / communications)					
MM2	Percentage of external audit queries answered within required time frame	100% 4 Received / 4 answered	No AG queries received	Answering 100% of all the office's audit queries (exception report) received from the Auditor-General within the required time frame by 28 February 2021	100% 10 AG exception queries received / 10 answered		-	-	100%
DT1		100% 15 Received / 15 answered	100% 2 Received / 2 answered		100% 5 AG exception queries received / 5 answered		-	-	100%
DCS1		100% 11 Received / 11 answered	No AG queries received		100% 3 AG exception queries received / 3 answered		-	-	100%
DPS1		No AG queries received	No AG queries received		No AG queries received	No AG queries received		-	-



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		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :			To ensure an effective external audit process (Exception report)				
CFO1	Percentage of external audit queries answered within required time frame	100% 150 Received / 150 answered	100% 81 Received / 81 answered	Answering 100% of all the office's audit queries (exception report) received from the Auditor-General within the required time frame by 28 February 2021		100% 129 AG exception queries received / 129 answered		-	100%
DCD1		No AG enquiries received	100% 1 Received / 1 answered			100% 2 AG exception queries received / 2 answered		-	100%
DPHS1		No AG enquiries received	No AG queries received			No AG queries received		-	100%
DLED1		No AG enquiries received	No AG queries received			100% 3 AG exception queries received / 3 answered		-	100%
LED / ENABLING ENVIRONMENT									
DIRECTORATE: LOCAL ECONOMIC DEVELOPMENT									
Local Economic Development (KPA 3: Local Economic Development)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure alignment between LED strategies and NDP Vision 2030 to synergize the communication between the three spheres of government					
LED2	Number of cooperatives and SMME's established and functional	4 Cooperatives and 16 SMME's established / resuscitated and functional	4 Cooperatives and 16 SMME's established / resuscitated and functional	Establishing / resuscitating 2 functional cooperatives and 10 SMME's in the Matlosana area by 30 June 2021 R588 000	Submissions by the SMME's for business proposals on LED projects at internal evaluation stage R369 982		67 Applications received. Internal evaluation stage not completed, due to the loco inspections not completed	Internal evaluation process to be completed by 1st week of July 2021	1 Functional cooperative and 2 SMME's




FINANCIAL, ADMINISTRATIVE AND CAPACITY									
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% R638 147 000 received	99% R567 153 692 received	Receiving 100% of R720 673 000 as grants as revenue received per DORA by 30 June 2021	99.63% R718 023 500 received		The deduction of unspent conditional grants for 2019/20 from the first trans of equitable share for 2020/21	100% R662 474 000	
NR	INDICATOR	MEASURABLE OBJECTIVE :			To control debt management to ensure financial sustainability				
REV1	Percentage of debtors outstanding as of own revenue	55% R1 979 307 069 outstanding	45.55% R2 010 349 370 outstanding	Having at the most 30% of debtors outstanding of own revenue by 30 June 2021	46.57% R2 548 039 379 outstanding		Collections were impeded by COVID-19 and inability of consumers pay in full	Increased credit control actions and persons handed over to be listed at ITC	30% of outstanding debtors
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	40% R1 431 390 818 collected	32.63% R1 440 095 047 collected	Collecting at least 25% of debt of money owed to the municipality by 30 June 2021	30% R1 614 862 900 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	8% Increase (from previous 64% to 75%)	9.39% Increase (from previous 64% to 73.36%)	Increasing 1% (73.36% to 75.36%) in annual service debtors collection rate by 30 June 2021	9.96% Decrease (from previous 73.36% to 63.4%)		-	-	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 revenue collected from budgeted revenue for property rates	72% R262 197 811 collected	95% R334 342 738 collected	Collecting at least 81% of R485 342 034 of the budgeted revenue for property rates by 30 June 2021 (R393 127 048)	65% R317 774 885 collected		Increased rate of unemployment due to COVID-19	Continuous encouragement to those affected to apply for indigent relief	81% of R490 297 413 (R397 140 905)




FINANCIAL, ADMINISTRATIVE AND CAPACITY										
DIRECTORATE BUDGET AND TREASURY										
Expenditure Management (KPA 4: Municipal Financial Viability & Management)										
Outcome 9		Previous Financial Years Actual Performance		2020/21 Financial Year			Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	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	2.91% spent R92 597 460 spent	3.9% spent R136 506 911 spent	Spending at least 3% of operational budget of R154 257 213 on repairs and maintenance by 30 June 2021	3.76% R163 406 961 spent		More repair and maintenance were required for aging equipment and infrastructure	N/A	3% R183 063 685	
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 spent	74% R88 381 075 spent	73% R86 428 781 spent	Spending at least 90% of R75 828 000 on the annual MIG expenditure allocation by 30 June 2021 (R68 245 200)	103.56% R78 529 677 spent		Higher percentage of expenditure achieved then planned for	N/A	90% of R87 923 450 (R79 131 105)	
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	11 Electronic version of the section 71 report submitted	Submitting 12 electronic version of the section 71 report to the NT database by 30 June 2021	10 Electronic version of the section 71 report submitted		The SOLAR generated GS350 from which monthly budget schedules is populated do not correspond to GS560 therefore strings could not be submitted	A service call has been locked with BCX. The technical people investigated the matter	12 Electronic version of the section 71 report	


FINANCIAL, ADMINISTRATIVE AND CAPACITY										
DIRECTORATE BUDGET AND TREASURY										
Financial Management (KPA 5: Good Governance and Public Participation)										
Outcome 9		Previous Financial Years Actual Performance		2020/21 Financial Year			Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance					
NR	INDICATOR	MEASURABLE OBJECTIVE :		To submit the 2019/20 Financial Statements on time to comply with legislation						
CF05	2019/20 Financial statements submitted to the Auditor-General	2017/18 Financial Statements submitted on 28/09/2018	The 2018/19 Financial Statements was submitted on 16/09/2019	Submitting the 2019/20 financial statements to the Auditor-General by 31 October 2020	2019/20 Financial Statements submitted on 9 November 2020		Management had to mitigate external factors such as the delayed appointment of service provider for Solar, regular office closures due to positive COVID-19 cases and labour unrest	Service provider appointed; Continued upgrades to improve network for connectivity and performance. Labour unrest problems resolved	2020/21 Financial Statements	
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the budget in order to comply with legislation						
BUD4	Number of 2021/22 Budget planning process time tables tabled	2019/20 Budget Process Plan tabled. CC 96/2018 dated 2018/08/28	2020/21 Budget Process Plan tabled. CC68/2019 dated 27/08/2019	Tabling the 2021/22 budget planning process time table by 31 August 2020	2021/22 Budget Process Plan tabled. CC 51/2020 dated 10/09/2020		Council didn't sit in August 2020 the meeting was postponed to 10/09/2020	Council to schedule their Council meetings timeously to ensure adherence to time schedule of the budget as per MSA	2022/23 Budget Process Plan	
BUD6	Number of final 2021/22 budgets approved	Final 2019/20 Budget approved. CC47/2019 dated 31/05/2019	Final 2020/21 Budget approved. CC 35/2020 dated 30/06/2020	Approving the final 2021/22 budget by 31 May 2021	Final 2021/22 Budget approved. CC 64/2021 dated 04/06/2021		Final 2021/22 Budget was tabled in Council during May 2021, but was referred to the meeting of June 2020 due to clarification issues	N/A	Final 2022/23 budget	

FINANCIAL, ADMINISTRATIVE AND CAPACITY									
DIRECTORATE BUDGET AND TREASURY									
Financial Management (KPA 5: Good Governance and Public Participation)									
Outcome 9		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :			To approve the budget in order to comply with legislation				
BUD7	2021/22 Budget related policies approved	Final 2019/20 Budget policies & tariffs approved. CC47/2019 dated 31/05/2019	Final 2020/21 Budget policies & tariffs approved. CC 35/2020 dated 30/06/2020	Approving the final 2021/22 budget related policies and tariffs by 31 May 2021	Final 2021/22 Budget policies & tariffs approved CC 64/2021 dated 04/06/2021		The final 2021/22 Budget policies & tariffs was tabled in Council during May 2021, but was referred to the meeting of June 2020 due to clarification issues	N/A	Final 2022/23 Budget policies & tariffs
NR	INDICATOR	MEASURABLE OBJECTIVE :			To approve the adjustment budget to comply with legislation				
BUD8	Number of 2020/21 adjustment budgets approved	2018/19 Adjustment Budget approved. CC24/2019 dated 28/02/2019	2019/20 Adjustment Budget approved. CC17/2020 dated 28/02/2020	Approving the 2020/21 adjustment budget by 28 February 2021	2020/21 Adjustment Budget approved. CC 17/2021 dated 31/03/2021		Due to Council instability, community disruptions and prolonging of COVID-19, no Council meetings were conducted. Special Council meetings are called by the Speaker in terms of Council's Rules of Order	Request Speaker to conduct Council meetings according to meetings schedule	2021/22 Adjustment Budget

FINANCIAL, ADMINISTRATIVE AND CAPACITY									
DIRECTORATE BUDGET AND TREASURY									
Financial Management (KPA 5: Good Governance and Public Participation)									
Outcome 9		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2021/22 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
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, but 3 reports not approved by Council	Submitting 4 quarterly reports on the implementation of SCM policy to Council by 30 June 2021	4 Quarterly reports submitted, but none approved by Council		The cancellation and postponement of portfolio, ordinary MayCo and Council meeting)	SCM implementation report will be submitted to the MM and Council for consideration and be rectified in the next FY	4 Reports
DIRECTORATE PLANNING AND HUMAN SETTLEMENT									
Disputes (KPA 5: Good Governance and Public Participation)									
NR	INDICATOR	MEASURABLE OBJECTIVE :			To provide basic municipal housing services and to curb financial losses				
HOU7	Percentage of housing disputes resolved	23% 13 Disputes received / 3 resolved	18% 23 Disputes received / 4 Resolved	Resolving at least 25% of all housing disputes in the Matlosana area by 30 June 2021	50% 34 Disputes received / 17 Resolved		All outstanding cases was reviewed and program was followed to resolved dispute	N/A	90%



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		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the 2019/20 Audited Annual Report to comply with section 121 of MFMA					
PMS3	Audited 2019/20 Annual Report tabled before Council	2017/18 Audited Annual Report tabled before Council - CC11/2019 dated 30/01/2019	2018/19 Audited Annual Report tabled. CC9/2020 dated 31/01/2020	Tabling the Audited 2019/20 Annual Report before Council by 31 March 2021	2019/20 Audited Annual Report tabled. CC41/2021 dated 31/05/2021		Due to the late submission of the APR and constant protests and interruptions, the signed AG report was only received on 30 April 2021	N/A	2020/21 Audited Annual Report
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the final 2021/22 SDBIP to ensure compliance with legislation					
PMS6	Final 2021/22 SDBIP approved by Executive Mayor	Final 2019/20 SDBIP approved. MM160/2019 dated 14 June 2019. EM7/2019 dated 26/06/2019	Final 2020/21 SDBIP approved. MM 72/2020 dated 30 June 2020 EM 2/2020 dated 30/06/2020	Approving final 2021/22 SDBIP by Executive Mayor (28 days after approval of budget) by 30 June 2021	Final 2021/22 SDBIP approved. MM107/2021 dated 14/06/2021. EM3/2021 dated 28/06/2021		-	-	Final 2022/23 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	2019/20 Reviewed IDP process plan tabled on CC140/2017 dated 29/08/2017	2020/21 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



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		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	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 2021/22 IDP Amendments	Public comments invited in Klerksdorp Record and Lentswe on 11 April 2019	Public comments invited via Klerksdorp Record newspaper, website and social media in terms of COVID-19 Regulations	Inviting public comments after the tabling of the draft 2021/22 IDP Amendments for inputs from the community by 30 April 2021	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 2021/22 IDP Amendments to comply with legislation				
IDP6	Number of final 2021/22 IDP Amendments approved by Council	Final 2019/20 IDP amendments approved. CC49/2019 dated 31/05/2019	Final 2020/21 IDP Amendments approved. CC43/2020 dated 30/6/2020	Approving one final 2021/22 IDP Amendments by Council by 31 May 2021	Final 2021/22 IDP Amendments approved. CC51/2021 dated 31/05/2021		-	-	Final 2022/23 Revised IDP
Reduce Corruption (KPA 5: Good Governance and Public Participation)									
NR	INDICATOR	MEASURABLE OBJECTIVE :			To table the 2019/20 Oversight Report to comply with s.129(1) of the MFMA				
MPAC4	Number of 2019/20 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 2019/20 Oversight Report before Council by 31 March 2020	2019/20 Oversight Report not tabled		Due to COVID-19-19 regulations no meeting could be conducted	Tabling postponed to next quarter due to lockdown. Visual meetings planned to table.	2020/21 Oversight Report

LABOUR RELATIONS										
OFFICE OF THE MUNICIPAL MANAGER										
Governance (KPA 5: Good Governance and Public Participation)										
Outcome 9		Previous Financial Years Actual Performance		2020/21 Financial Year			Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance					
NR	INDICATOR	MEASURABLE OBJECTIVE :			To sign the 2021/22 Performance Agreements to comply with legislation					
PMS7	Number of 2021/22 Performance Agreements with section 54A and 56 employees signed	8 x 2020/21 Performance Agreements signed on 24 - 26 June 2019	8 x 2020/21 Performance Agreements signed on 30/06/2020	Signing eight 2020/21 performance agreements with section 54A & 56 employees by June 2020	8 x 2021/22 Performance Agreements signed on 28/06/2021		-	-	-	8 x 2022/23 Performance Agreements




12



National Key Performance Indicators



DIRECTORATE TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT									
SECTION: WATER SERVICES									
National Key Performance Indicator		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :			To provide basic municipal services				
WAT1	Percentage of households provided with access to basic level of water	Urban - 99% 169 597 Hh with access / 1 410 Hh below minimum level	98.5% 176 179 Hh with access / 2 676 Hh below minimum level	Providing at least 96% of households in the CoM area with access to basic level of water by 30 June 2021	98% 180 483 Hh with access / 3 899 Hh below minimum level		Communal stand pipes were installed in the areas who had previously access below the minimum level	N/A	98%
		Rural - 29% 1 640 Hh with access / 4 076 Hh below minimum level							
SECTION: SANITATION SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :			To provide basic municipal services				
SAN1	Percentage of households provided with access to basic level of sanitation	Urban - 99% 167 154 Hh with access / 1 410 Hh below minimum level	95% 170 695 Hh with access / 8 160 Hh below minimum level	Providing at least 92% of households in the CoM area with access to basic level of sanitation by 30 June 2021	92% 170 545 Hh with access / 13 837 Hh below minimum level		-	-	94%
		Rural - 32% 2 575 Hh with access / 5 584 Hh below minimum level							



DIRECTORATE TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT									
SECTION: ELECTRICAL SERVICES									
National Key Performance Indicator		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services					
ELE1	Percentage of households provided with access to basic level of electricity	Urban - 98% 167 371 Hh with access / 3 665 Hh below minimum level	94% 168 442 Hh with access / 10 413 Hh below minimum level	Providing at least 90% of households in the CoM area with access to basic level of electricity by 30 June 2021	92% 169 257 Hh with access / 15 125 Hh below minimum level		More indigent people were assisted with FBAE	N/A	93%
		Rural - 17% 964 Hh with access / 4 723 Hh below minimum level							
DIRECTORATE: COMMUNITY DEVELOPMENT									
KEY PERFORMANCE AREA 1: SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT									
SECTION: REFUSE REMOVAL SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services					
REF1	The percentage of households provided with access to basic level of refuse removal	Urban - 97% 166 685 Hh with access / 4 322 Hh below minimum level	95% 170 047 Hh with access to refuse removal / 8 808 Hh below minimum level	Providing at least 90% of households in the CoM area with access to basic level of refuse removal by 30 June 2021	92% 170 181 Hh with access to refuse removal / 14 201 Hh below minimum level		Target incorrectly planned	N/A	95%
		Rural - 0% 0 Hh with access / 5 716 Hh below minimum level							

DIRECTORATE BUDGET AND TREASURY									
KEY PERFORMANCE AREA 1: SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT									
SECTION: REVENUE MANAGEMENT									
National Key Performance Indicator		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	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	R122 031 772 spent	R153 535 861 spent	Spending R220 913 294 on free basic services for indigent subsidy by 30 June 2021 - (Account Holders)	R195 000 887 spent		The onus lies with the consumer themselves to register though their ward Councilors	Ward Councilors to motivate consumers to register	R186 943 827
REV5	Number of approved households with free basic services for indigent subsidy	15 199 Approved households with free basic services	20 650 Approved households with free basic services	Approving at least 30 000 households with free basic services for indigent subsidy by 30 June 2021	21 779 Approved households with free basic services		The onus lies with the consumer themselves to register though their ward Councilors	Ward Councilors to motivate consumers to register	30 000 Households
REV6	Percentage of households earning less than R3 720 per month registered for indigent subsidy	16%	22.91%	Registering at least 30% of households earning less than R3 720 per month for indigent subsidy by 30 June 2021 - (vs. total active accounts)	25%		The onus lies with the consumer themselves to register though their ward Councilors	Ward Councilors to motivate consumers to register	30%
REV7	Rand value spend on free basic alternative services for indigent subsidy	R 17 874 781 spent	R28 435 222 spent	Spending R39 946 740 on free basic alternative services for indigent subsidy by 30 June 2021	R34 644 838 spent		The onus lies with the consumer themselves to register though their ward Councilors	Ward Councilors to motivate consumers to register	R30 300 000
REV8	Number of households with free basic alternative energy for indigent subsidy approved	8 657 Approved households with free basic alternative energy	10 262 Approved households with free basic alternative energy	Approving at least 12 000 households with free basic alternative energy for indigent subsidy by 30 June 2021	13 177 Approved households with free basic alternative energy		The over performance is attributed to the increased applications received and the fact that more stock was issued to the larger expanding areas, where a backlog of FBAE had to be issued		10 000 Households

DIRECTORATE: LOCAL ECONOMIC DEVELOPMENT									
KEY PERFORMANCE AREA 3: LOCAL ECONOMIC DEVELOPMENT									
SECTION: LOCAL ECONOMIC DEVELOPMENT									
National Key Performance Indicator		Previous Financial Years Actual Performance		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To create jobs to reduce unemployment and enhance local economic development activities					
LED1	Number of permanent / sustainable jobs which exceed 3 months	Urban – 670 Jobs created Rural – 17 Jobs created	130 Jobs created	Creating 205 permanent / sustainable jobs which exceed 3 months through the Municipality's local economic development initiatives including capital projects by 30 June 2021	152 Permanent / sustainable jobs which exceed 3 months created		Due to external economic factors and COVID-19 pandemic challenges less sustainable for the financial year could be created	Annual target to be planned more effectively	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					
SKIL1	Rand value spent on Skills Development (Training) expenditure for 2020/21	R 2 174 982 spent	R509 112 spent	Spending R532 000 on Skills Development (Training) for 2020/21 by 30 June 2021	R154 163 spent		The tender to appoint Skills Development Providers is at the evaluation stage	Request the SCM to speed up the process of appointing the panel of SDP's	R1 200 000
NR	INDICATOR	MEASURABLE OBJECTIVE :		To obtain a percentage of municipality's budget on implementing its workplace skill plan					
SKIL2	Rand value income received from SETA Training Income/Rec for 2020/21	R994 843 received	R701 631 received	Receiving a mandatory grant of R1 000 000 from SETA Training Income / Rec for 2020/21 by 30 June 2021	R1 716 859 received		LG SETA determines the amount to be paid over to municipalities	N/A	R 600 000

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		2020/21 Financial Year			Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	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 spent	70.69% R176 029 683 spent	67% R113 069 973 spent	Spending at least 85% of R239 524 967 of the planned capital expenditure by 30 June 2021 (R203 596 222)	80% R193 940 531 spent		Delay in procurement processes, community protests delaying projects and re shuffling of projects to make provision for COVID-19 projects	Speed up SCM processes and prevent delays because of community protests and closure of offices due to intimidation	85% of R167 630 450 (R142 485 883)	
SECTION: CHIEF FINANCIAL OFFICER										
NR	INDICATOR	MEASURABLE OBJECTIVE :		Financial Viability expressed						
CF07	Ratio for debt coverage for 2020/21 calculated	112.88%	136:1	Calculating the debt coverage ratio at 60:1 for 2020/21 by 30 June 2021 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	492.91:1		The repayment commitment reduced due to the servicing of the loans	N/A	60:1	

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		2020/21 Financial Year				Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year	
		2018/19	2019/20	Annual Target	Actual Performance							
NR	INDICATOR	MEASURABLE OBJECTIVE :			Financial Viability expressed							
CF06	Ratio for cost coverage for 2020/21 calculated	1:2.14	01:1.7		Calculating the cost coverage ratio at 1:1 for 2020/21 by 30 June 2021 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	2.00:1			Cash was utilised on payables	N/A	1:1	
	Percentage of outstanding service debtors to revenue ratio for 2020/21 calculated	1.89	125%		Calculating the outstanding service debtors to revenue ratio of 150% for 2020/21 by 30 June 2021 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	254%			Non-payment is the major cause	The percentage will reduce when the irrecoverable debt is written off timeously	150%	
CF08												

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		2020/21 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2020/21 Financial Year
		2018/19	2019/20	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)			These positions must be advertised in the national newspapers and currently there is no service provider appointed to render the service and it constitutes irregular expenditure when advertising through deviation	The tender on advertising agency to be fast tracked	31 Male employees
PMS8	Number of male employees on the first three highest levels of management	31 Male employees Black - 27 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 30 June 2021 (Excluding section 54A and 56 employees)	27 Male employees Black - 23 White - 3 Coloured - 1 Indian - 0				
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)			-	-	9 Female employees
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 30 June 2021 (Excluding section 54A and 56 employees)	9 Female employees Black - 8 White - 1 Coloured - 0 Indian - 0				

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 2021

1. AUDIT COMMITTEE FIDUCIARY DUTIES

We are pleased to present our report for the financial year ended 30 June 2021.

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 2020/21, and it has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that the reports never received an expression in Council due to Council's instability experienced and the impact of the passing on of Council Inaugurated Mayor Cllr Maitu Maite - Kgaile during the financial year.

Chapter 3

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 Audit Committee is satisfied with the attendance and participation of management and stakeholder departments during the meeting.

The Audit Committee requires a legal expert as well as the additional finance expert members as a matter of urgency. The finance expert member of the committee became vacant due to the resignation of the of one member during the financial year.

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). 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

A number of non-compliance with the enabling laws and regulations during the year. Thus far there is a room for improvement in so far as establishing an effective system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance. The 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 with reports to be presented to The Audit Committee for oversight.

Chapter 3

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 2019/20 financial year; and during 2020/21 AGSA was invited to Audit Committee meetings 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 The Audit Committee 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 The Audit Committee interacted with Final Audit and Management Letter issued by AGSA and concurs with AGSA's observations and subsequently The Audit Committee responded to Council on matters raised by AGSA on its audit report for 2019/20.
- 9.5 The Post Audit Action Plan was developed and presented to both The Audit Committee and Council for noting 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.

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.
- 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.

Chapter 3

- Finance reports to should be audited on a monthly basis by risk and internal audit.
- Disciplinary board has been capacitated in order to start dealing with matters of financial misconduct.

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.

- A few POE does not align with KPI
- From time to time no measures to improve targets

Management should develop an audit action plan to address the under-performance.

Performance evaluation of Senior Managers for 2019/2020 financial year was not concluded in line with the PMS framework/policy due to pandemic experience and the passing on of the Executive Mayor.

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

15. LEADERSHIP

Municipal 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. The Municipality has experienced high instability with regards to the Council operations/sittings during the financial year this had a very significant impact on the timeous presentation of in-year monitoring reports and approval by Council. There was a relative stability with regards to the municipal operations however there is still room for improvement with regard to strike contingency management plans going forward.

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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 and Performance Management for their contributions towards good governance of the municipality.



Ms M.G.Mathye

CHAIRPERSON: CITY OF MATLOSANA LOCAL MUNICIPALITY AUDIT COMMITTEE

05 October 2021

Chapter 4



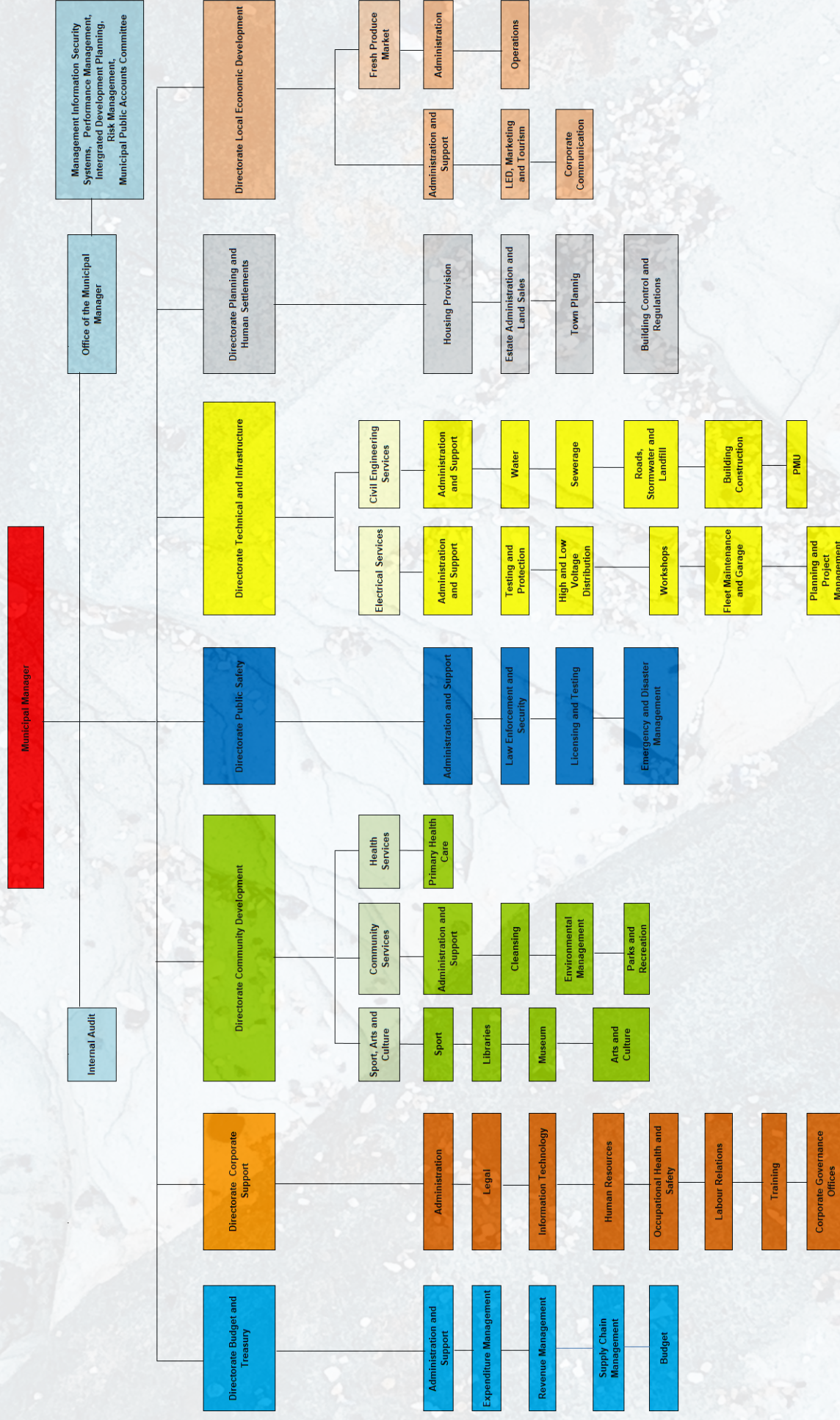
CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

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 2 531 posts of which 1 904 were filled at 31 June 2021.

The municipality's top structure is as follows:

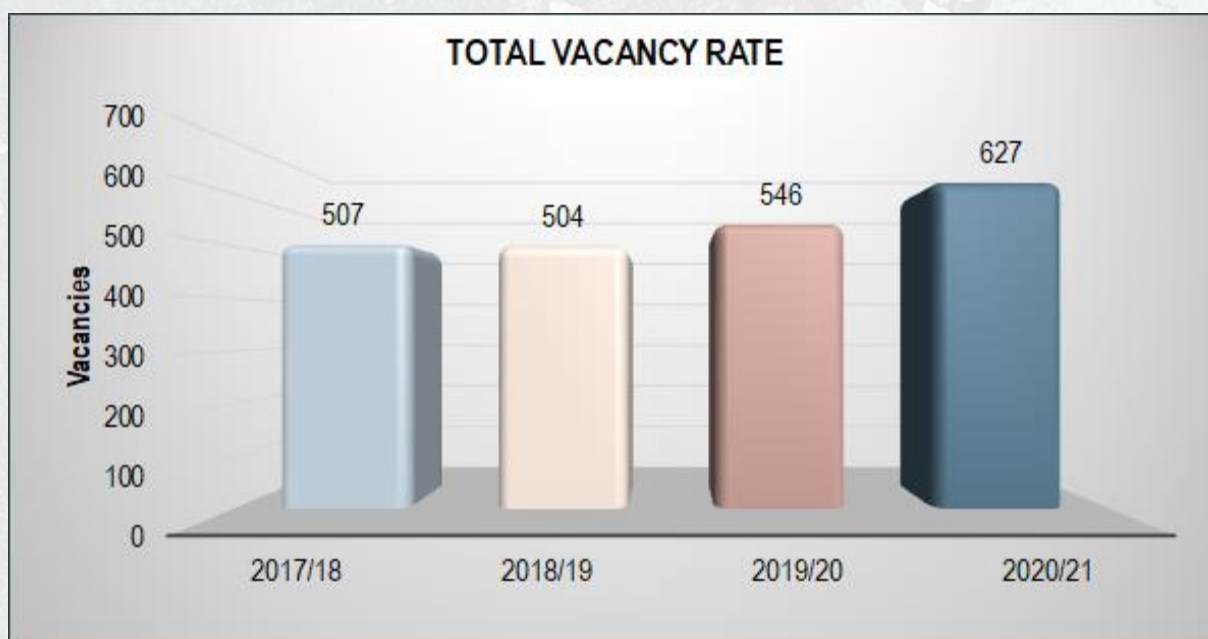


COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

EMPLOYEES					
DESCRIPTION	2019/20	2020/21			
	Employees	Approved Posts	Employees	Number of Vacancies	% of Vacancies
	No	No	No	No	No
Water Services	109	125	108	17	14%
Sanitation Services	195	242	186	56	23%
Electrical and Mechanical Engineering	126	151	123	28	19%
Solid Waste Management Services	246	340	237	103	30%
Human Settlements	20	23	19	4	17%
Roads and Storm-Water Drainage	149	183	142	41	22%
Licensing Services	94	125	90	35	28%
Civil Administration, Building Construction and PMU	62	78	54	24	31%
Local Economic Development	18	19	15	4	21%
Fresh Produce Market	38	44	35	9	20%
Libraries and Museum	80	86	79	7	8%
Cemeteries and Aerodrome	48	63	49	14	22%
Parks, Open Spaces, Faan Meintjes and Orkney Vaal	164	219	151	68	31%
Sport and Recreation	87	133	86	47	35%
Occupational Health	16	15	9	6	40%
Traffic, Security, Fire and Disaster Management	209	273	199	74	27%
Strategic and Regulatory (PMS, IDP, IA, MPAC and Risk Management)	18	23	15	8	35%
Corporate Policy Offices and Other	305	389	307	82	21%
TOTAL	1 984	2 531	1 904	627	25%

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TURN-OVER RATE: 2020/21				
Year	Total approved posts	New appointments*	Terminations during the financial year**	Turnover rate
2017/18	2 018	91	125	6.18%
2018/19	2 026	120	121	6.99%
2019/20	1 984	40	120	5.92%
2020/21	1 904	30	112	5.64%



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VACANCY RATE: 2020/21			
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	100%
Other s56 Managers (Finance posts)	0	0	0%
Safety and Security Officers	29	3	10%
Fire fighters	39	0	0%
Senior management: Levels 1 - 3 (excluding Finance posts)	38	10	26%
Senior management: Levels 1 - 3 (Finance posts)	7	0	0%
Highly skilled supervision: levels 4 - 6 (excluding Finance posts)	115	28	24%
Highly skilled supervision: levels 4 - 6 (Finance posts)	22	3	14%
TOTAL	258	51	20%

COMMENTS ON VACANCIES AND TURNOVER

The overall vacancy rate at the close of the financial year was 25%. 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 turnover rate for 2020/21 remains at 5.64% which represents 30 new personnel appointments and 112 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.

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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	PMS Policy and Framework	100%	100%	10 September 2020
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
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
38	Billboards	100%	100%	29 November 2012
39	Internet	100%	100%	29 November 2012
40	Server Security	100%	100%	29 November 2012

Chapter 4

HR AND OTHER POLICIES AND PLANS				
NAME OF POLICY		COMPLETED	REVIEWED	DATE ADOPTED BY COUNCIL
		%	%	
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-19-19 related Policies:			
71	Danger Allowance	100%	100%	30 June 2020
72	Occupational Health and Safety	100%	100%	30 June 2020
73	Land Management Policy	100%	100%	30 June 2020
74	Framework and Risk Management Policy	100%	100%	31 May 2021
75	Fraud and Corruption Prevention Policy	100%	100%	31 May 2021
76	Whistle Blowing Policy and Procedure	100%	100%	31 May 2021

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COMMENT ON WORKFORCE POLICY DEVELOPMENT

The municipality has developed an Integrated Human Resources Management Strategy (IHRMS) with a focus on the importance of all municipal employees.

It is directly linked to our 2020/21 Integrated Development Plan (2020/21 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 2020/21				
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	73	37	52.8%	1.9 days
Temporary total disablement	154	8	11.4 %	19 days
Permanent disablement	1	1	-	-
Fatal	0	0	-	-
TOTAL	228	46	-	-

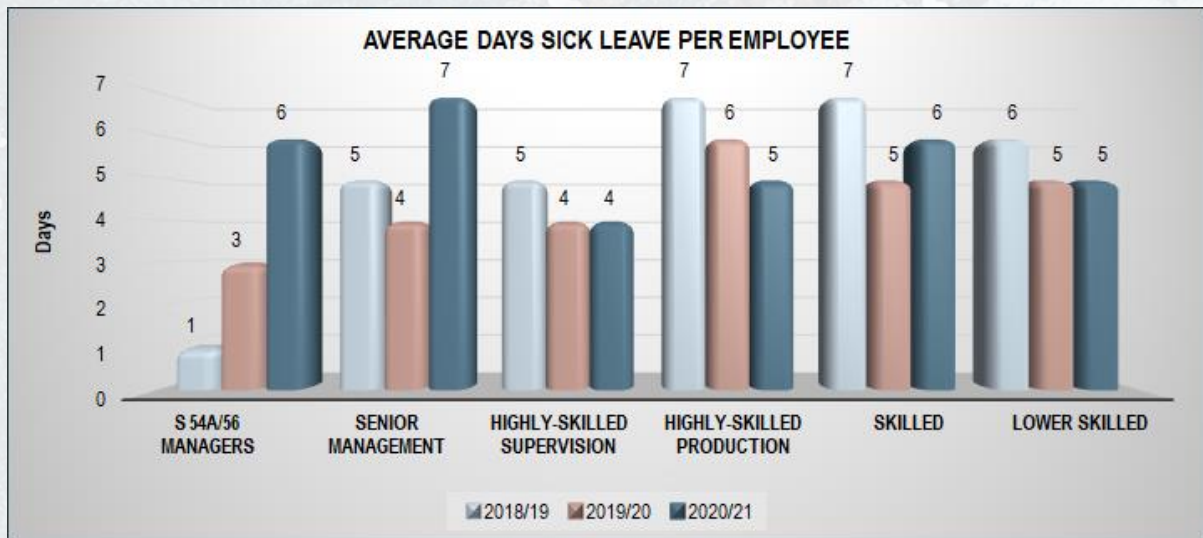
- Short periods of sick leave taken by 37 employees = 73 days
- Longer periods of sick leave taken by 8 employees = 154 days
- Required basic medical attention without leave taken by 25 employees = 0 days

Total injuries on duties = 70 employees

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NUMBER OF DAYS OF SICK LEAVE (EXCLUDING INJURIES ON DUTY) DURING 2020/21								
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 54A/56 Managers		41	100	41	5	7	8	135
1	Senior management	17	94	16	1	0	17	33
2		55	100	55	4	10	14	92
3		186	88	163	16	26	12	282
4	Highly skilled supervision	26	58	15	4	15	7	35
5		205	83	171	22	48	9	241
6		256	38	98	26	47	10	273
7	Highly skilled production	163	86	140	24	48	7	158
8		358	89	317	36	58	10	306
9		662	82	543	77	119	9	476
10	Skilled	894	87	774	83	108	11	569
11		1 032	91	941	111	130	9	55
12		492	87	439	39	105	13	233
13		402	80	321	34	104	12	171
14		309	84	260	30	75	10	120
15		450	79	354	49	94	9	159
16	Lower skilled	272	89	241	21	76	13	92
17		506	93	472	41	86	12	171
18		187	77	144	18	22	10	70
19		3 638	88	3 214	318	726	11	1 226
TOTAL		10 151	88	8 719	959	1 904	11	4 897

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COMMENTS ON INJURY AND SICK LEAVE

Despite widespread health education on WCA including: completion of all forms; extra copies and certified items, needed; where to report; where to hand in all documents; especially notifying the OHC about an accident at work who is responsible for registration of the claim, still does not get done.

Notice of accident sometimes only happens after employees are handed over to lawyers by health care service providers for non-payment of the claim, or when additional information is requested

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.

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NUMBER AND PERIOD OF SUSPENSIONS

NUMBER AND PERIOD OF SUSPENSIONS 2020/21				
Position	Nature of alleged misconduct	Date of Suspension	Details of disciplinary action taken or status of case	Date Finalised
1. Cashier	Financial misconduct	11/01/2021	Ongoing	Matter in progress
2. Cashier	Financial misconduct	11/01/2021	Ongoing	Matter in progress
3. Cashier	Financial misconduct	11/01/2021	Ongoing	Matter in progress
4. Cashier	Financial misconduct	11/01/2021	ongoing	Matter in progress
5. Cashier	Financial misconduct	11/01/2021	Ongoing	Matter in progress
6. Cashier	Financial misconduct	11/01/2021	Ongoing	Matter in progress
7. Cashier	Financial misconduct	11/01/2021	Finalised	22 June 2020
8. Divisional Head: Marketing	Financial misconduct	11/01/2021	Ongoing	Matter in progress
9. Assistant Market Master: Administration	Financial misconduct	11/01/2021	Ongoing	Matter in progress
10. System Administrator	Financial misconduct	11/01/2021	Ongoing	Matter in progress
11. Store Assistant	Gross Dishonesty & Gross Misconduct	11/01/2021	Ongoing	Matter in progress
12. Senior Clerical Assistant	Fraud and Corruption	26/03/2021	Matter put in abeyance pending further Police investigation.	Matter in progress

DISCIPLINARY ACTION TAKEN ON CASES OF FINANCIAL MISCONDUCT

Eleven cases of financial misconduct were recorded in 2020/21 financial year. Currently four disciplinary hearings against the officials were completed with the two officials tendering resignations with immediate effect in terms of clause 12.1 of the Disciplinary Procedure Collective Agreement. The other two officials were found guilty and a sanction of a final written warning was imposed on the said officials coupled with the recovery of the loss in respect of one official. The remaining 7 cases are near completion and our target is that by January 2022 all these cases should be completed.

4.4 PERFORMANCE REWARDS

PERFORMANCE REWARDS BY GENDER

In accordance with the Local Government: Municipal Performance Regulation for Municipal Managers and Managers directly accountable to Municipal Managers, 2006, 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.

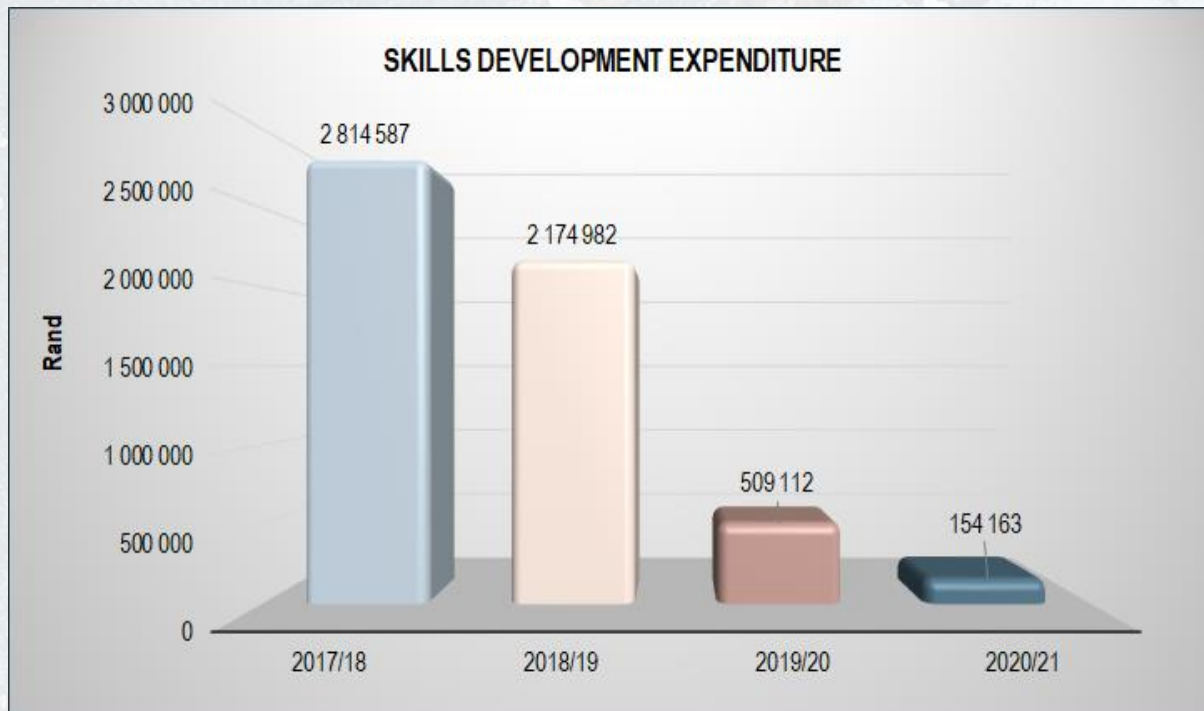
Training programmes and interventions are therefore undertaken on a regular and in an orderly way as planned in the Workplace Skills Plan.

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 of 1998, to the Local Government Sector Education and Training Authority (LGSETA).

During the 2020/21 financial year, the WSP & ATR document was submitted to LGSETA on 30 April 2021 in order to comply with the legislation and receive mandatory and discretionary grants to further skills development initiatives within the municipality. For the financial year in question, the municipality was awarded R977 367 after the successful submission of the WSP/ATR.

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NATIONAL KEY PERFORMANCE INDICATOR

See page 255 for details.

4.5 SKILLS DEVELOPMENT AND TRAINING

SKILLS MATRIX – 2020/21										
Management Level	Gender	Employees in post as at 30 June 2021	Number of skilled employees required and actual as at 30 June 2021							
			Learnership		Skills programmes and other short courses		Other forms of training (Internship)		Total	
			Actual: End of 2019/20	Actual: End of 2020/21	Actual: End of 2019/20	Actual: End of 2020/21	Actual: End of 2019/20	Actual: End of 2020/21	Actual: End of 2019/20	Actual: End of 2020/21
MM and s 56	Female	2	0	0	0	0	0	0	0	0
	Male	5	0	0	0	0	0	0	0	0
Councillors, senior officials and managers	Female	42	0	0	2	1	0	0	2	1
	Male	72	1	0	2	3	0	0	3	3
Technicians and associate professionals	Female	73	0	4	0	0	2	4	2	8
	Male	112	14	25	1	0	1	4	16	29
Professionals	Female	16	12	0	5	33	6	12	20	45
	Male	21	2	0	2	5	3	6	5	11
Sub total	Female	133	12	4	7	34	5	16	24	54
	Male	210	17	25	5	8	2	10	24	43
TOTAL		343	29	29	12	42	7	26	48	97

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SKILLS DEVELOPMENT EXPENDITURE – 2020/21												R'000
Management level	Gender	Employees as at 30 June 2020	Original Budget and Actual Expenditure on Skills Development 2020/21						Total			
			Learnership		Skills programmes and other short courses		Other forms of training					
			No	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	
MM and s56	Female	2	0	0	0	0	0	0	0	0		
	Male	5	0	0	0	0	0	0	0	0		
Legislators, senior officials and managers	Female	16	0	0	30	7	0	0	30	7		
	Male	21	0	0	30	15	0	0	30	15		
Professionals	Female	16	20	0	30	10	0	0	50	10		
	Male	21	10	0	20	7	0	0	30	7		
Technicians and associate professionals	Female	73	20	0	30	15	0	0	50	15		
	Male	112	20	0	30	20	0	0	50	20		
Clerks	Female	274	50	8	40	30	0	0	90	38		
	Male	86	10	0	20	10	0	0	30	10		
Service and sales workers	Female	29	10	0	10	0	0	0	20	0		
	Male	95	10	0	10	0	0	0	20	0		
Plant and machine operators and assemblers	Female	8	20	5	10	0	0	0	30	5		
	Male	90	30	15	10	0	0	0	40	15		
Elementary occupations	Female	226	16	0	20	0	0	0	36	0		
	Male	669	20	0	20	0	0	0	40	0		
Subtotal	Female	644	136	13	170	62	0	0	306	75		
	Male	1 099	100	15	140	52	0	0	240	67		
TOTAL		1 743	236	28	310	114	0	0	546	142		

FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT FOR 2020/21				
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>	0	0	0	0
<i>Senior managers</i>	6	6	6	6
<i>Any other financial officials</i>	44	0	0	44
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	1
TOTAL	52	7	7	52

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

During the 2020/21 financial year, the Skills Development unit budgeted R546 000 to roll-out the training plan for the entire municipality. Due to the delay by SCM processes in appointing Skills Development Providers, the Unit utilized only R141 940 for training that was organized by other stakeholders i.e. SALGA, LGSETA, Provincial Treasury and MISA.

During the 2020/21 Financial Year, the Training and Development unit conducted skills audit process for level 1-6 officials from various departments within the municipality, i.e. Financial Services, Planning and Human Settlement, Technical and Infrastructure and Corporate Support. The process assisted in determining individual and department training needs. The 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).

In terms of regulation 14 of the Financial Competency, municipalities are required to train Budget and Treasury officials on prescribed finance competency skills in order to meet prescribed competency levels : Regulation 14:(4)(e).

During the 2020/21 Financial Year, thirty-eight (38) finance officials were enrolled on a Municipal Financial Management Programme (MFMP), skills programme with LGSETA to meet the prescribed finance competency levels.

COMPONENT D: MANAGING WORKFORCE EXPENDITURE

4.6 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.

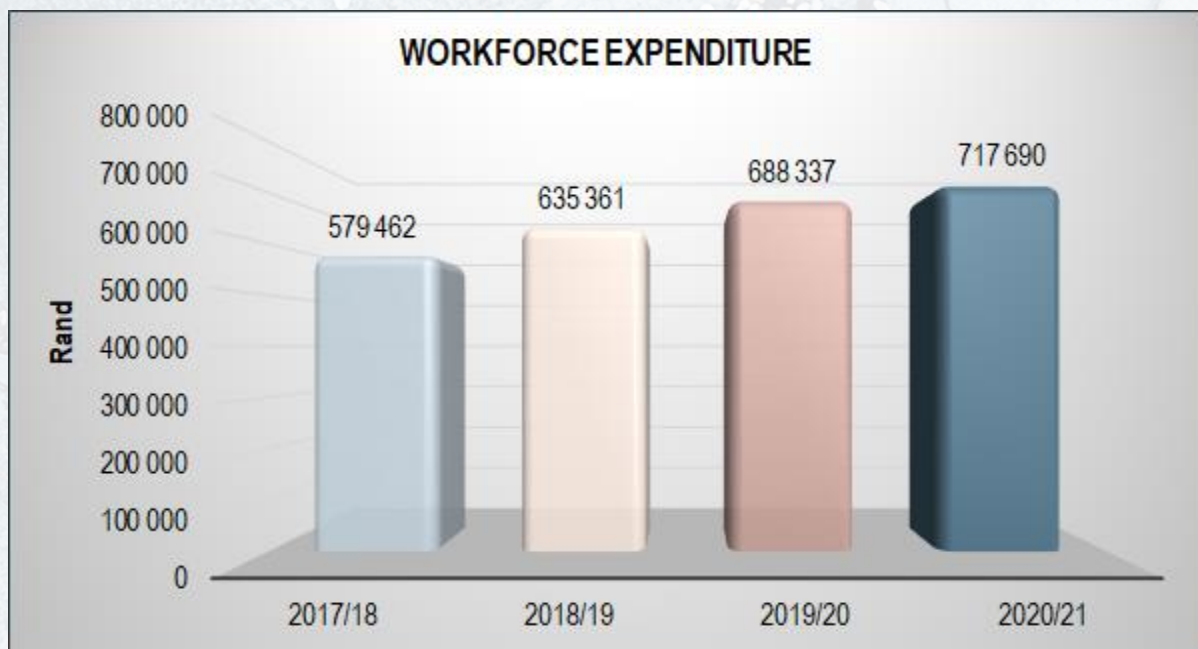
There is a strong national drive for creating employment and municipalities are one arm of government that normally feel the pressure to create new jobs in its sphere. Although we support the creation of employment and we understand the expectation of the communities in this regard, the financial viability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

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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) and R48million was paid as overtime during 2021.

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.



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% of aggregated operational expenditure as guided by National Treasury.

Matlosana workforce expenditure of R717 690 accounted for 19.81% of the total operating budget expenditure for the 2020/21 financial year

Chapter 4

UPGRADED POSTS 2020/21	
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 – 2020/21	
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 – 2020/21							
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	R990 532	01/03/2020	30/04/2021	Vacant			
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 – 2020/21		
Post title	Has the senior manager signed the employment contract with the municipality before commencement of duty?	Has the contract been submitted to the MEC within the prescribed period?
Municipal Manager	Yes, 26 April 2017	Yes
Chief Financial Officer	Vacant	N/A
Director Corporate Support	Yes, 22 January 2018	Yes
Director Community Development	Yes, 2 January 2018	Yes
Director Public Safety	Yes, 2 January 2018	Yes
Director Technical and Infrastructure	Yes, 24 January 2018	Yes
Director Local Economic Development	Yes, 26 February 2019	Yes
Director Planning and Human Settlements	Yes, 26 February 2019	Yes

MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER – 2020/21

4.10 PERFORMANCE AGREEMENTS

STAFF ESTABLISHMENT (SECTION 54A AND 56 EMPLOYEES) 2020/21					
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					
Director Corporate Support	Yes	Yes	Yes	Yes	No
Director Community Development	Yes	Yes	Yes	Yes	No
Director Public Safety	Yes	Yes	Yes	Yes	No
Director Technical and Infrastructure	Yes	Yes	Yes	Yes	No
Director Local Economic Development	Yes	Yes	Yes	Yes	No
Director Planning and Human Settlement	Yes	Yes	Yes	Yes	No

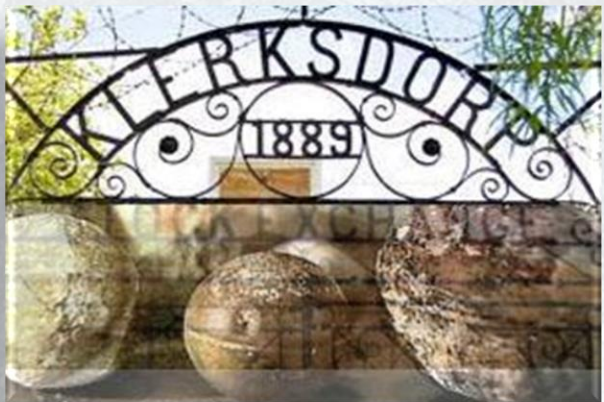
4.11 MINIMUM COMPETENCY REQUIREMENTS

MUNICIPAL MANAGER AND DIRECTORS (SECTION 54A AND 56 MANAGERS)

DESCRIPTION	REQUIREMENTS	MUNICIPAL MANAGER TSR NKHUMISE	CHIEF FINANCIAL OFFICER	DIRECTOR CORPORAT SUPPORT L SEAMETSO	DIRECTOR COMMUNITY DEVELOPMENT MM MOLAWA
Higher Education Qualification	At least NQF Level 7 (S 54A) and Level 8 (S 56) in fields of senior management position	B Juris	Vacant	B Legum	BA Hons Nursing Science MBA
Work-Related Experience	Minimum of two years at senior and five years at middle management level	Thirteen years in senior and two years in middle management	N/A	Five years in senior and five years in middle management	Seventeen years in senior and eighteen years in middle management
Core Managerial and Occupational Competencies	As described in the Performance Regulations	Yes	N/A	Yes	Yes
Financial and Supply Chain Management Competency Areas:					
➤ Strategic Capability and Leadership	Required Minimum Competency Level in Unit Standards = CPMF	Yes	N/A	Awaiting results	Yes
➤ 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 CHOICHE	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-two years in senior and five years in middle management	Fifteen years in senior and seventeen years in middle management	Eleven years is senior and three months in middle management	Fourteen 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	Yes	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 – 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 draft audited deficit of R 260 million (2020/21) which compares to the 2019/20 deficit of R364 million. 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	2019/20	2020/21		2020/21 Variance		
	Actual	Original	Adjusted	Actual	Original	Adjustments
<u>Financial performance</u>						
Property rates	329 582	480 060	485 342	425 503	0.13%	0.14%
Service charges	1 631 879	1 941 587	2 023 654	1 720 482	0.13%	0.18%
Investment revenue	15 939	10 536	10 536	7 987	0.32%	0.32%
Transfers recognised operational	576 154	480 796	554 960	519 617	(0.07)%	0.07%
Other own revenue	422 318	486 163	505 873	1 123 750	(0.57)	(0.55)
Total revenue (excl. capital transfers and contributions)	2 975 872	3 399 142	3 580 365	3 797 338	(0.10)	(0.06)
Employee costs	653 762	649 483	660 805	681 194	(0.05)%	(0.03)%
Remuneration of Councillors	34 575	38 988	38 988	36 496	0.07%	0.07%
Depreciation & asset impairment	392 389	420 711	420 711	391 923	0.07%	0.07%
Finance charges	109 216	3 537	3 537	102 795	(0.97)%	(0.97)%
Materials and bulk purchases	1 030 160	1 029 710	1 050 476	1 115 810	(0.08)%	(0.06)%
Transfers and grants	-	-	-	-	0%	0%
Other expenditure	1 335 773	1 239 945	1 278 060	1 705 082	(0.27)%	(0.25)%
Total expenditure	3 555 875	3 382 374	3 452 578	4 033 299	(0.16)%	(0.14)%
Surplus/(Deficit)	(580 003)	16 768	127 788	(235 961)	(1.07)	(1.54)

Chapter 5

FINANCIAL SUMMARY (Continued)						
R' 000						
Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original	Adjusted	Actual	Original	Adjustments
Transfers recognised - capital	112 995	162 800	166 734	(24 271)	(7.71)	(7.87)
Contributions recognised - capital and contributed assets	–	–	14 000	–	0%	0%
Surplus/(Deficit) after capital transfers and contributions	(467 008)	179 568	308 522	(235 961)	(1.76)%	(2.31)%
Share of surplus/ (deficit) of associate	–	–	–	–	0%	0%
Surplus/(Deficit) for the year	(467 008)	179 568	308 522	(235 961)	(1.76)%	(2.31)%
Capital expenditure and funding sources						
Capital expenditure	112 995	162 800	239 525	191 473		
Transfers recognised - capital	112 995	162 800	225 525	191 473	(15)%	18%
Public contributions and donations	–	–	–	–	0%	0%
Borrowing	–	–	–	–	0%	0%
Internally generated funds	–	–	14 000	–	0%	0%
Total sources of capital funds	112 995	162 800	239 525	191 473	(15)%	25%
Financial position						
Total current assets	1 075 997	1 371 332	(5 791 228)	1 020 552	34%	(667)%
Total non-current assets	4 992 274	4 572 759	13 275 782	5 438 678	(16)%	144%
Total current liabilities	(1 958 526)	1 615 540	(5 829 310)	(2 267 634)	(171)%	157%
Total non-current liabilities	(469 292)	641 050	689 324	(482 377)	(233)%	(243)%
Community wealth / Equity	3 640 453	4 111 231	4 240 185	3 709 220	11%	14%
Cash flows						
Net cash from (used) operating	119 038	182 150	233 766	274 986	(34)%	(15)%
Net cash from (used) investing	(102 491)	(162 800)	(166 734)	(197 107)	(17)%	(15)%
Net cash from (used) financing	(4 990)	(7 000)	(5 500)	(135 972)	(95)%	(96)%
Cash/cash equivalents at the year end	300 578	48 063	97 246	242 485	(80)%	(60)%
Cash backing/surplus reconciliation						
Cash and investments available	11 557	120 000	14 634	(58 093)	(307)%	(125)%
Application of cash and investments	(835 330)	(422 391)	(3 502 690)	–	0%	0%
Balance - surplus (shortfall)	1 318 761	(302 391)	(3 488 056)	(58 093)	421%	5 904%
Asset management						
Asset register summary (WDV)	4 958 906	4 658 350	4 735 075	4 702 164	(1)%	1%
Depreciation and asset impairment	4 672 772	4 658 350	4 735 075	391 923	7%	7%
Renewal of existing assets	8 159	59 547	29 344	–	0%	0%
Repairs and maintenance	146 921	120 024	154 257	139 844	-14%	10%

Chapter 5

FINANCIAL SUMMARY (Continued)						
R' 000						
Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original	Adjusted	Actual	Original	Adjustments
Free services						
Cost of free basic services provided	271 967	271 967	206 813	158 297	72%	31%
Revenue cost of free services provided	78 339	78 339	78 339	123 676	(37)%	(37)%

FINANCIAL PERFORMANCE OF OPERATIONAL SERVICES						
R '000						
Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original	Adjusted	Actual	Original	Adjustment
Operating cost						
Water	790 267	756 451	754 267	952 737	20.60%	9.00%
Waste-water (Sanitation)	235 456	170 233	171 927	170 517	0.17%	(0.83)%
Electricity	998 786	1 182 974	1 171 097	1 356 981	12.82%	13.70%
Waste management	133 170	160 616	163 277	189 254	15.13%	13.73%
Housing	12 502	12 301	12 651	15 310	19.65%	17.37%
Component A: sub-total	2 170 181	2 282 575	2 273 219	2 684 799	14.98%	15.33%
Storm-water drainage	–	–	–	–	–	–
Roads	202 170	204 910	210 845	151 554	(35.21)%	(39.12)%
Transport	–	–	–	–	–	–
Component B: sub-total	202 170	204 910	210 845	151 554	(35.21)%	(39.12)%
Planning	–	–	–	–	–	–
Local Economic Development	38 545	31 709	32 237	10 641	(197.99)%	(202.96)%
Component B: sub-total	38 545	31 709	32 237	10 641	(197.99)%	(202.96)%
Planning (strategic and regulatory)	92 305	38 506	38 776	–	–	–
Local Economic Development	–	–	–	–	–	–
Component C: sub-total	92 305	38 506	38 776	–	–	–
Community and Social Services	100 080	144 699	99 928	124 751	(15.99)%	19.90%
Environmental Protection	–	–	–	–	–	–
Health	8 988	9 596	32 343	32 343	70.33%	0.00%
Security and Safety	170 006	132 704	138 658	242 473	45.27%	42.82%
Sport and Recreation	76 839	27 735	28 105	79 489	65.11%	64.64%
Corporate Policy Offices and Other	643 730	509 940	598 467	707 250	27.90%	15.38%
Component D: sub-total	999 643	824 674	897 501	1 186 305	30.48%	24.34%
TOTAL EXPENDITURE	3 502 844	3 382 374	3 452 578	4 033 299	16.14%	14.40%

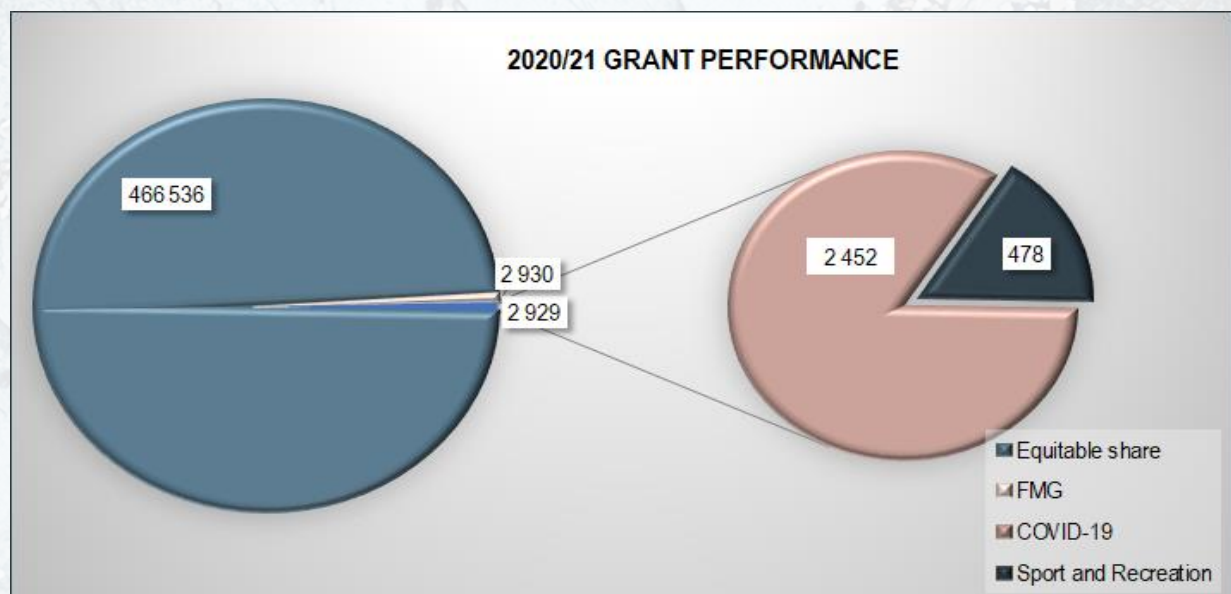
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COMMENT ON FINANCIAL PERFORMANCE

The City of Matlosana posted a net audited deficit of R 260 231 601 while the 2019/20 deficit was R 363 652 832). The largest contributor is the debt impairment that was finalized after year-end and which exceeded the budgeted amount.

5.2 GRANTS

GRANT PERFORMANCE						
R' 000						
Description	2019/20	2020/21		2020/21 Variance		
	Actual	Budget	Adjusted	Actual	Original (%)	Adjustment (%)
Operating Transfers and Grants						
National Government	434 863	479 973	553 544	519 139	8%	(7)%
Equitable share	429 953	466 536	466 536	466 536	0%	0%
EEDS	0	4 000	6 200	0	0%	0%
FMG	2 511	3 000	3 000	2 929	(2)%	(2)%
PMU	0	4 345	4 345	0	0%	0%
EPWP Incentive	1 386	2 092	2 092	2 452	15%	15%
COVID-19	1 013	0	71 371	47 222	100%	(51)%
Provincial Government	952	633	1 016	478	(32)%	(113)%
Sport and Recreation	952	633	1 016	478	(32)%	(113)%
Total	435 815	480 606	554 560	519 617	8%	(7)%



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.

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5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Vodacom assists Council with the unbundling of new projects 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 2020/21				
Asset 1				
Name	Alabama 2mℓ elevated reservoir			
Description	Alabama 2mℓ elevated reservoir			
Asset Type	Infrastructure			
Key Staff Involved	Water section			
Staff Responsibilities	Maintain water infrastructure			
Asset Value	2017/18	2018/19	2019/20	2020/21
	R30 794 870	R8 801 235	R1 195 297	R1 318 951
Capital Implications	None			
Future Purpose of Asset	Providing proper service delivery at water infrastructure			
Describe Key Issues	Maintain water infrastructure			
Policies in Place to Manage Asset	Yes			
Asset 2				
Name	Paving of taxi routes Jouberton Phase 4B			
Description	Paving of taxi routes Jouberton Phase 4B			
Asset Type	Infrastructure			
Key Staff Involved	Roads section			
Staff Responsibilities	Maintain road infrastructure			
Asset Value	2017/18	2018/19	2019/20	2020/21
	R576 591	R4 787 515	R855 496	R5 308 177
Capital Implications	None			
Future Purpose of Asset	Providing proper service delivery at road infrastructure			
Describe Key Issues	Maintain road infrastructure			
Policies in Place to Manage Asset	Yes			
Asset 3				
Name	Water supply from Midvaal end point to Jouberton & Alabama Phase 1B			
Description	Water supply from Midvaal end point to Jouberton & Alabama Phase 1B			
Asset Type	Infrastructure			
Key Staff Involved	Water section			
Staff Responsibilities	Supply water			
Asset Value	2017/18	2018/19	2019/20	2020/21
	-	-	R35 694 740	R1 163 230
Capital Implications	None			
Future Purpose of Asset	Providing proper service delivery			
Describe Key Issues	Supply water			
Policies in Place to Manage Asset	Yes			

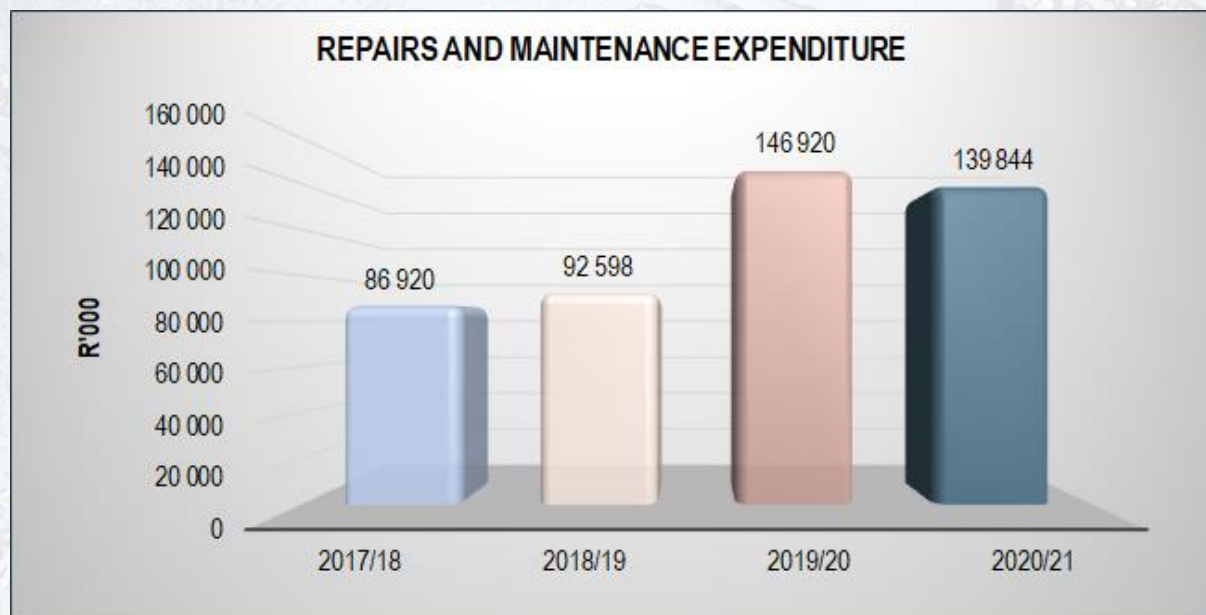
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COMMENTS ON ASSET MANAGEMENT

The PMU unit manages the roll out and implementation of municipal projects 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: 2020/21				
				R' 000
Description	Original	Adjusted	Actual	Budget variance
Repairs and Maintenance Expenditure	121 504	168 965	139 844	(17)%

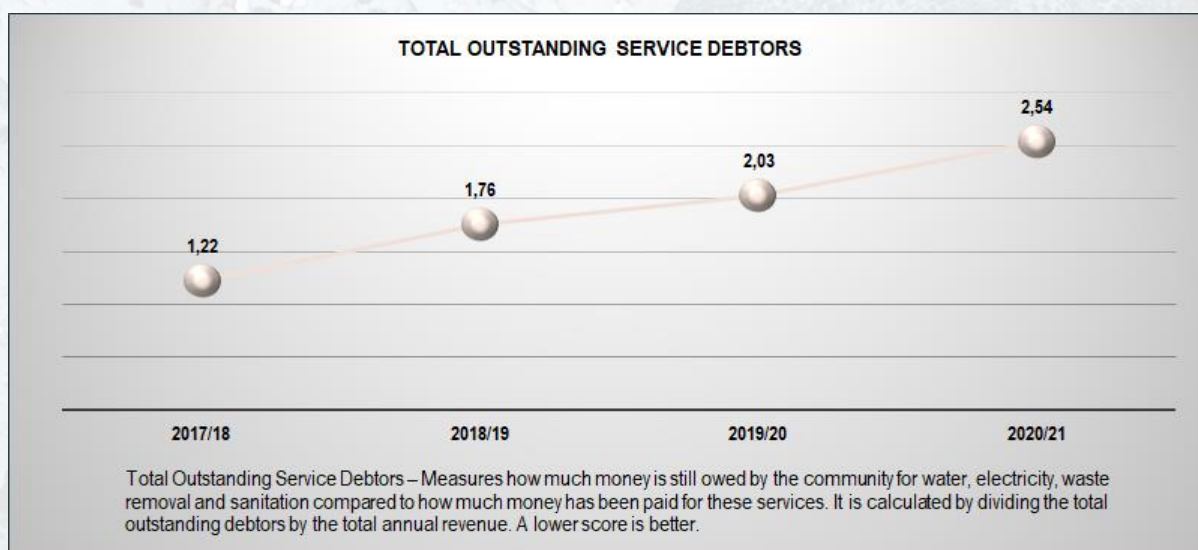
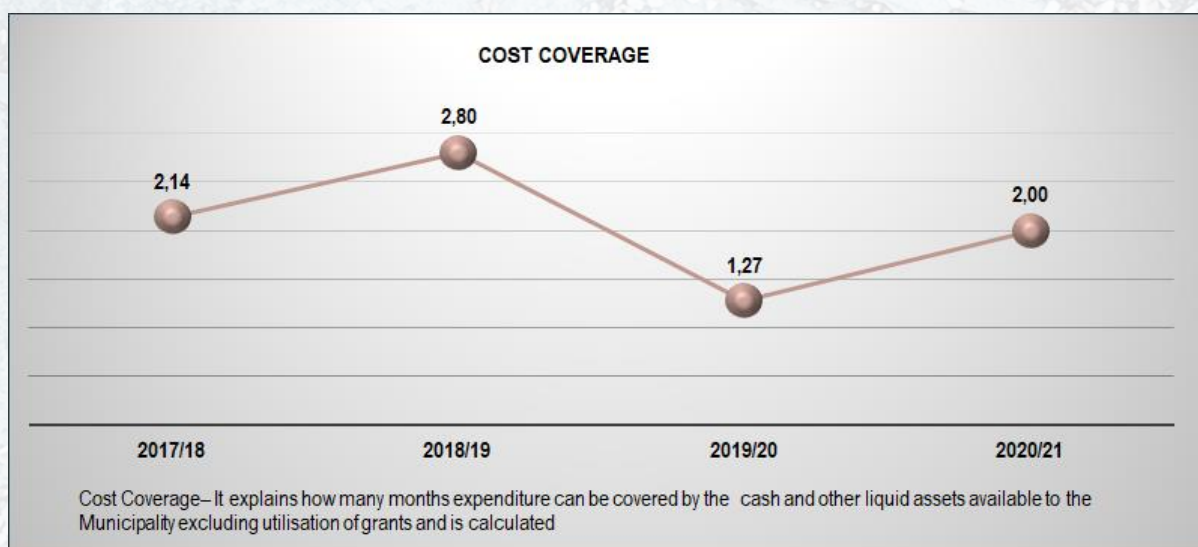
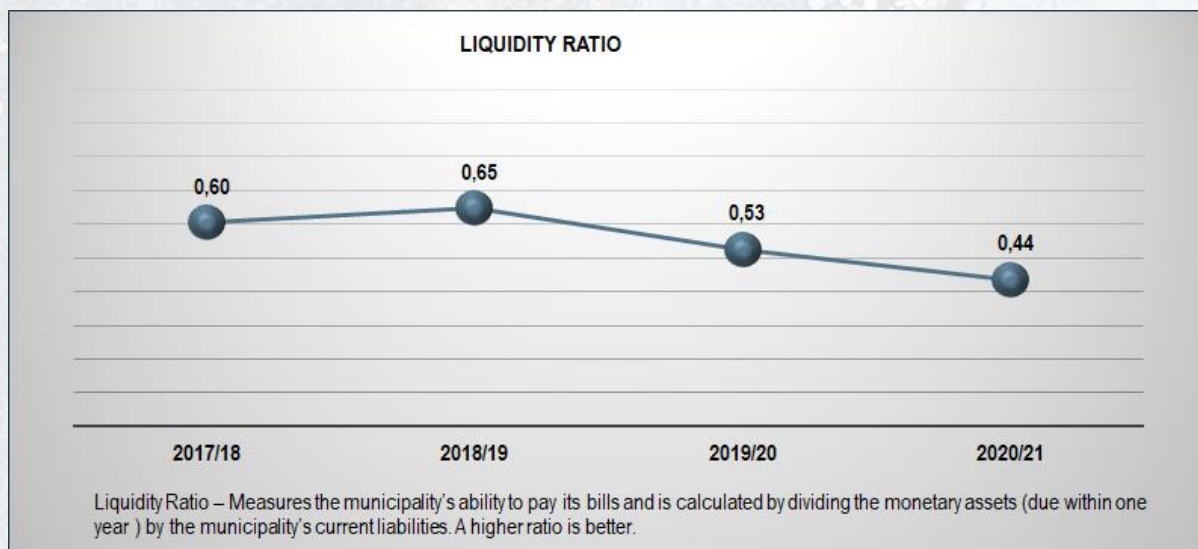


COMMENTS ON REPAIR AND MAINTENANCE EXPENDITURE

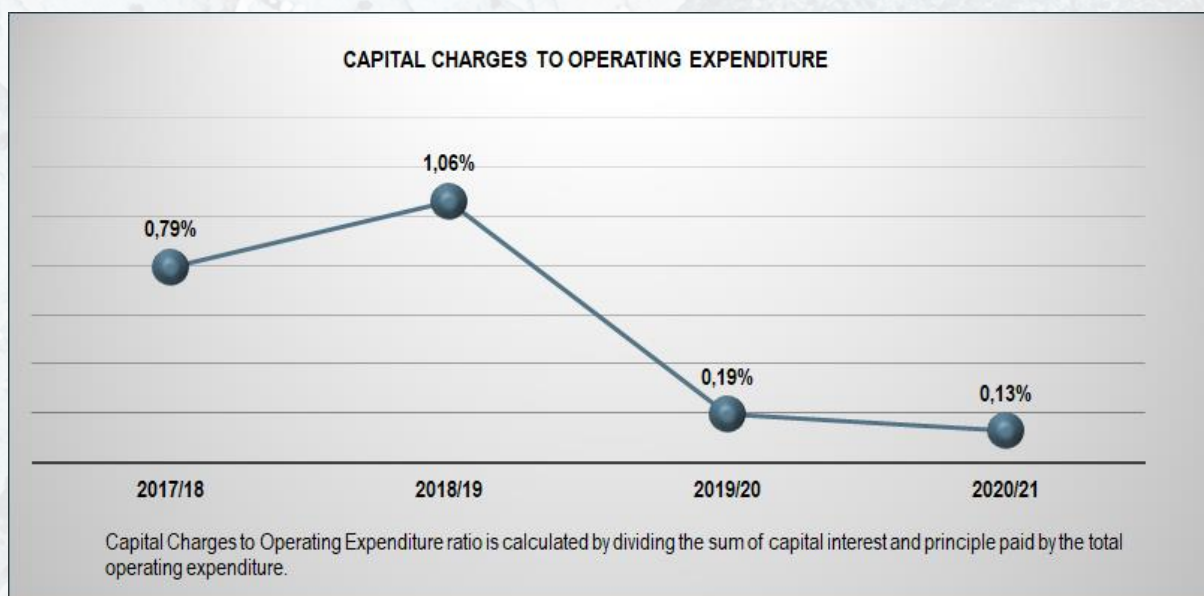
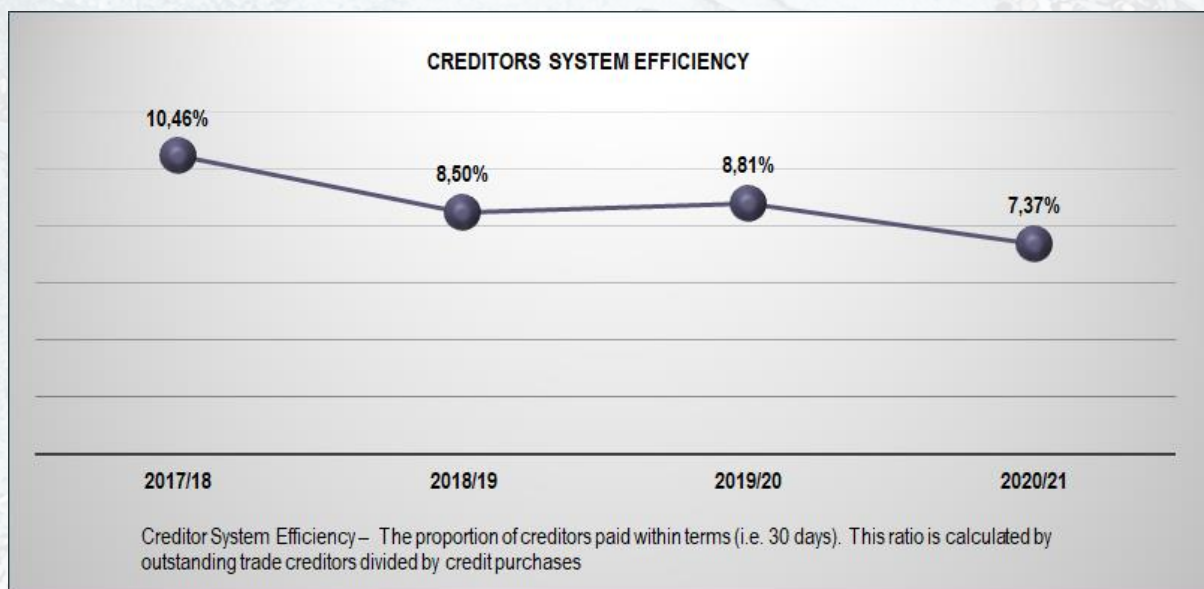
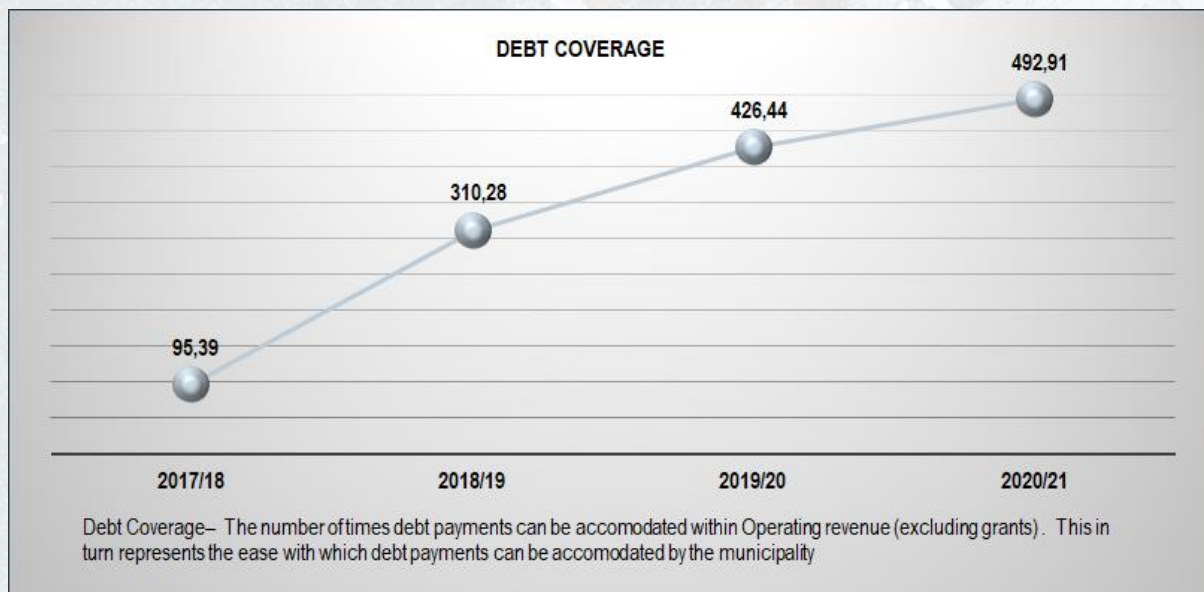
Expenditure on repair and maintenance was 3.47% of the total expenditure budget compared to the National Treasury norm of 8% of the municipality's operational budget.

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.

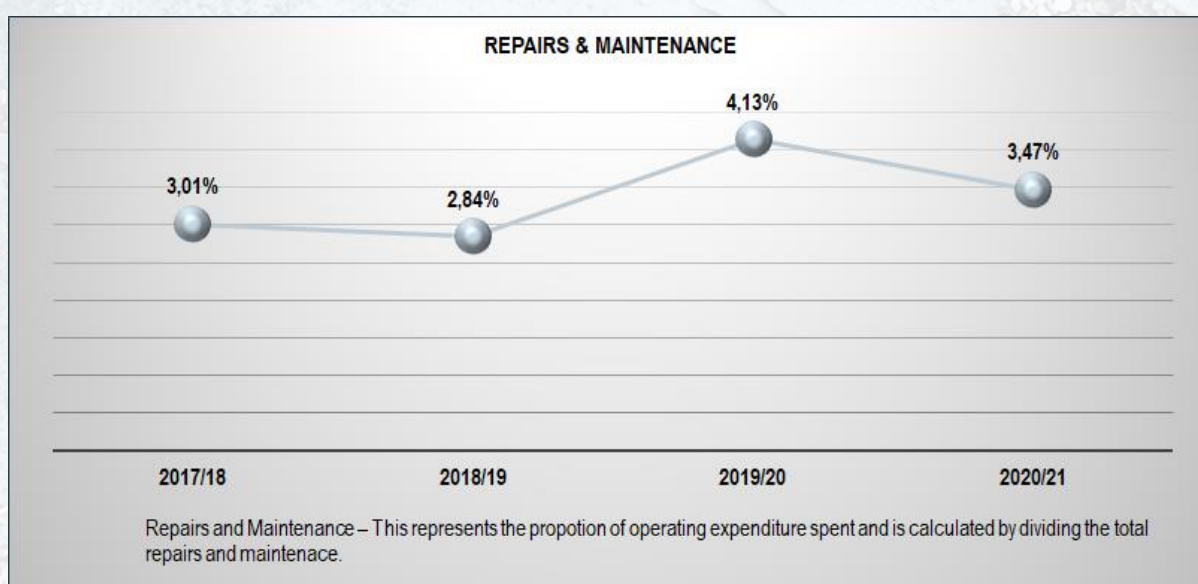
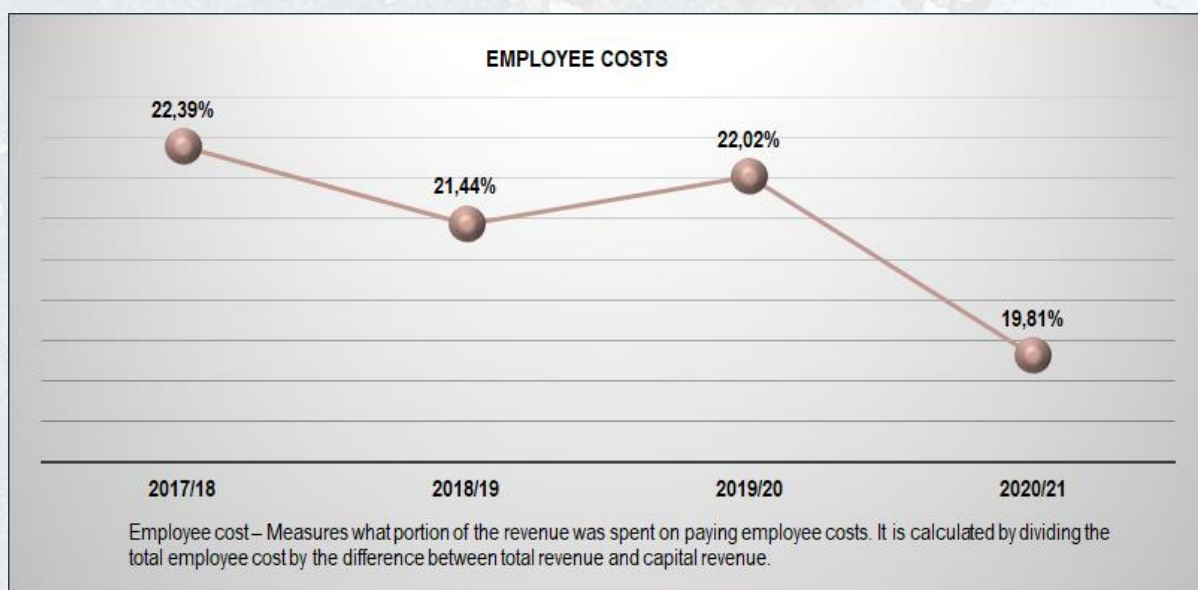
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



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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. A large proportion of debtors is bad debt and council should evaluate and write it off after all recovery options were exhausted.

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The debt coverage ratio continues to improve due to the redemption of liabilities (that cause a reduction in the amount of loans to be serviced) and increased revenue. 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 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. The lower ratio is primary due the increased revenue.

The ratio of repair and maintenance decreased in the current year and 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.

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.

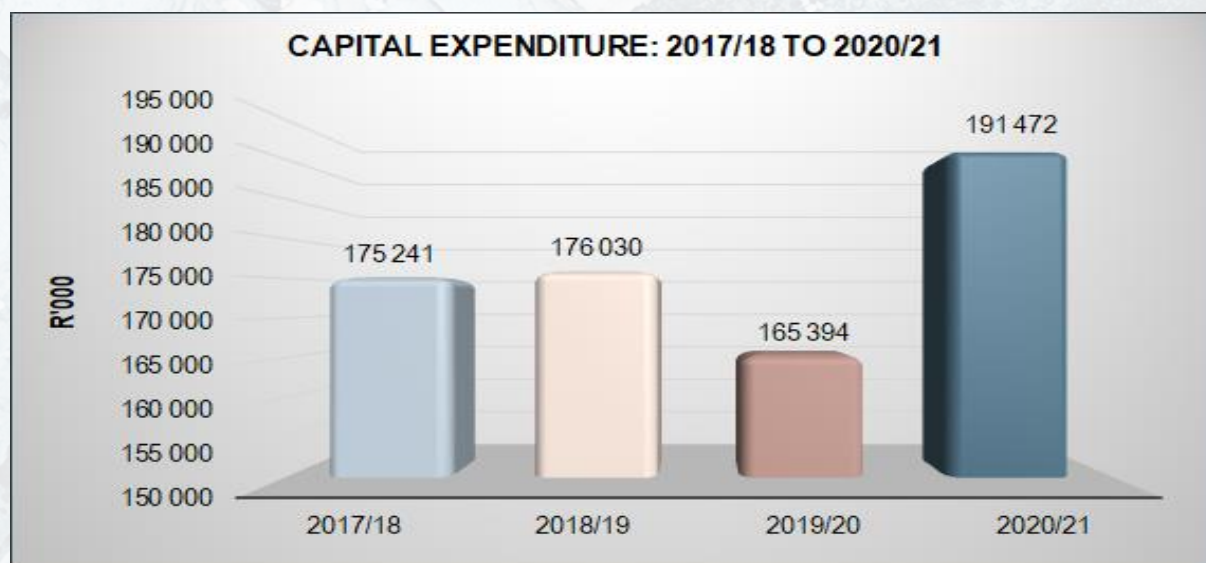
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

The Municipal Infrastructure Grant (MIG), Integrated National Electrification Programme (INEP), Water Services Grant (WSG) and the Neighbourhood Development Partnership Grant (NDPG) mainly funded capital. For the year under review, more than 90% of MIG-funded capital budget was spent. NDPG also record spending of more than 90%. INEP and WSG grant recorded expenditure of more than 80%.

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.

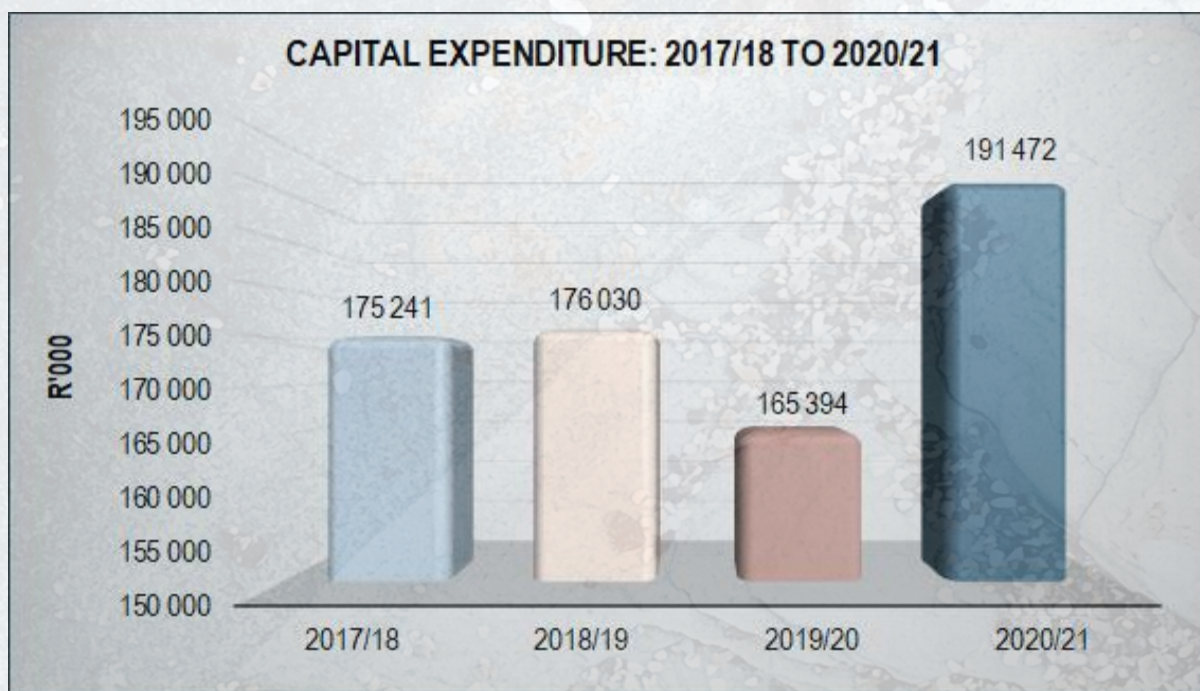
5.5 CAPITAL EXPENDITURE



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CAPITAL EXPENDITURE 2020/21					
					R'000
R million	Original	Adjustment	Audited	Original Budget variance	Adjusted Budget Variance
Capital expenditure	162 800	239 525	191 472	(17.6)%	20.1%
Operating expenditure					
Total expenditure	162 800	239 525	191 472	(17.6)%	20.1%
Water and sanitation	34 939	83 668	65 413	(87.2)%	21.8%
Electricity	39 899	76 267	58 141	(45.7)%	23.8%
Housing	-	-	-		
Roads, pavements, bridges and storm-water	40 648	58 102	49 599	(22.0)%	14.6%
Other	47 314	21 488	18 319	61.3%	14.7%
Property rates	480	485	426	11.4%	12.3%
Service charges	1 942	2 024	1 720	11.4%	15.0%
Other own revenue	977	1 071	1 451	(48.4)%	(35.4)%
Employee related costs	688	700	681	1.1%	2.7%
Provision for working capital					
Repairs and maintenance	120	154	140	(16.5)%	9.3%
Bulk purchases	941	926	1 116	(18.6)%	(20.6)%
Other expenditure	1 633	1 673	2 060	(26.1)%	(23.1)%
Service charges: Electricity	995	1 053	809	18.7%	23.2%
Grants & subsidies: Electricity					
Other revenue: Electricity	75	99	144	(92.9)%	(45.3)%
	1 069	1 152	953	10.9%	17.3%
Employee related costs: Electricity	48	48	53	(10.8)%	(10.8)%
Provision for working capital: Electricity					
Repairs and maintenance: Electricity	3	6	6	(136.6)%	(5.1)%
Bulk purchases: Electricity	601	591	747	(24.3)%	(26.4)%
Other expenditure: Electricity	582	580	583	(0.1)%	(0.4)%
	1 183	1 171	1 330	(12.4)%	(13.5)%
Service charges: Water	674	670	653	3.1%	2.5%
Grants & subsidies: Water					
Other revenue: Water	142	145	199	(39.9)%	(37.1)%
	816	815	852	(4.4)%	(4.5)%
Employee related costs: Water	33	33	42	(27.0)%	(27.0)%
Provision for working capital: Water					
Repairs and maintenance: Water	3	5	4	(48.2)%	5.5%
Bulk purchases: Water					
Other expenditure: Water	721	703	906	(25.8)%	(28.9)%
	756	741	953	(25.9)%	(28.6)%

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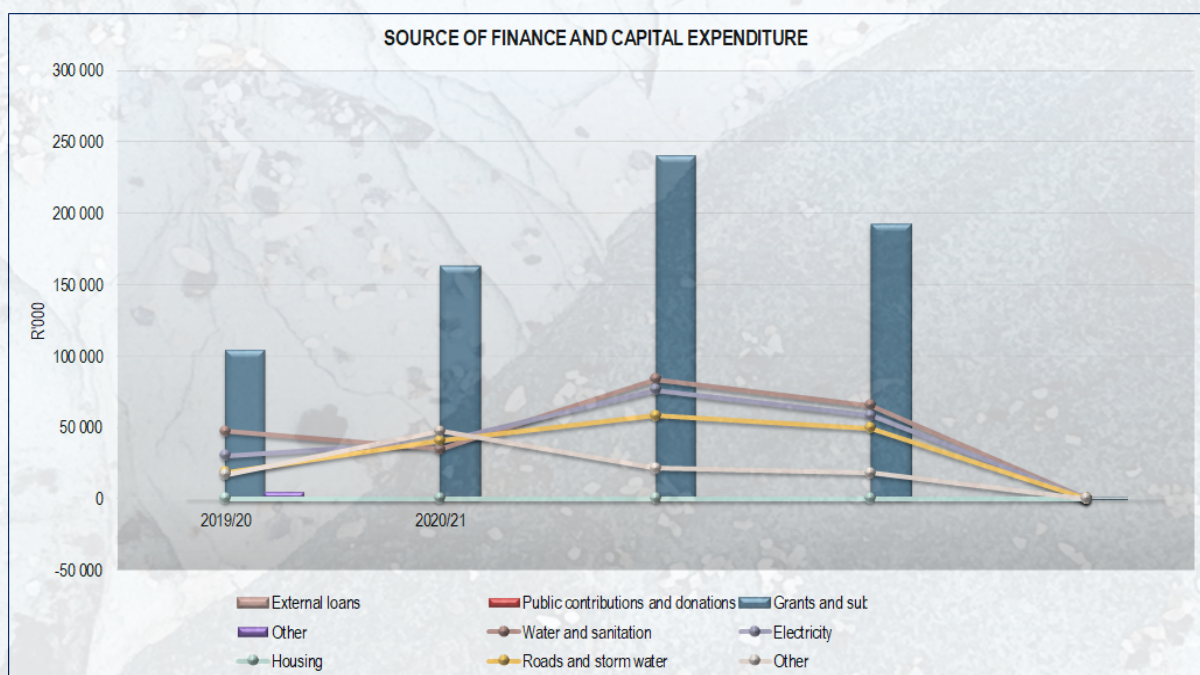


COMMENTS ON CAPITAL EXPENDITURE

As can be seen in the table below, the capital spending is above 90% of the total allocation for the year.

Municipal spending on all essential services has reported high spending.

5.6 SOURCES OF FINANCE



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CAPITAL EXPENDITURE - FUNDING SOURCES: 2019/20 TO 2020/21						
R' 000						
Details	2019/20	2020/21				
	Actual	Original (OB)	Adjustment	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans	-	-	-	-	0.00%	0.00%
Public contributions and donations	-	-	-	-	0.00%	0.00%
Grants and subsidies	104 240	162 800	239 525	191 473	47.13%	17.61%
Other	4 806				0.00%	0.00%
Total	109 046	162 800	239 525	191 473	47.13%	17.61%
Percentage of finance						
External loans	-	-	-	-	0.00%	0.00%
Grants and subsidies	-	-	-	-	0.00%	0.00%
Other	-	-	-	-	0.00%	0.00%
Capital expenditure						
Water and sanitation	47 199	34 939	83 668	65 412	139.47%	87.22%
Electricity	30 304	39 899	76 267	58 141	91.15%	45.72%
Housing	-	-	-	-	0.00%	0.00%
Roads and storm-water	18 494	40 648	58 102	49 600	42.94%	22.02%
Other	16 999	47 314	21 488	18 320	(54.58)%	(61.28)%
Total	112 996	162 800	239 525	191 473	47.13%	93.68%

COMMENT ON SOURCES OF FUNDING

The Municipal Infrastructure Grant (MIG), Integrated National Electrification Programme (INEP), Water Services Grant (WSG) and the Neighbourhood Development Partnership Grant (NDPG) mainly funded capital.

There were no Council's own funded capital projects.

5.7 CAPITAL SPENDING ON FIVE LARGEST PROJECTS

CAPITAL SPENDING ON FIVE LARGEST PROJECTS: 2020/21					
R' 000					
Name of Project	2020/21			Variance	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A. Refurbishment of electrical and mechanical equipment at the Matlosana area (Wards 1 - 39): Pump-stations	-	20 837	18 119	0%	(15)%

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B. Upgrading of mechanical equipment for waste-water treatment works at Hartbeesfontein (Ward 1)	-	21 000	16 242	0%	(29)%
C. Jouberton taxi rank with facilities in Jouberton Ext 19 (Ward 37)	6 075	19 206	15 299	60%	(26)%
D. New sports complex in Khuma Ext 9 (Ward 31)	25 734	14 434	12 193	(111)%	(18)%
E. Jouberton / Alabama precinct development (Ward 37) internal infrastructure services (road network, water and sewer)	6 574	12 738	11 192	41%	(14)%

Projects with the highest capital expenditure in 2020/21

Name of Project - A	Refurbished with electrical and mechanical equipment at the Matlosana area (Wards 1 - 39): Pump-stations
Objective of Project	To refurbish electrical and mechanical equipment at the Matlosana area (Wards 1 - 39): Pump-stations
Delays	None
Future Challenges	None
Anticipated citizen benefits	To give better service delivery in Matlosana area
Name of Project - B	Upgrading of mechanical equipment for waste-water treatment works at Hartbeesfontein (Ward 1)
Objective of Project	Upgrading of mechanical equipment for waste-water treatment works at Hartbeesfontein (Ward 1)
Delays	None
Future Challenges	None
Anticipated citizen benefits	To better performance of the facility in Hartbeesfontein
Name of Project - C	Jouberton taxi rank with facilities in Jouberton Ext 19 (Ward 37)
Objective of Project	Constructing a taxi rank with facilities in Jouberton Ext 19 (Ward 37)
Delays	None
Future Challenges	None
Anticipated citizen benefits	To improve public access to transport in Jouberton Ext 19 (Ward 37)
Name of Project - D	New sports complex in Khuma Ext 9 (Ward 31)
Objective of Project	Constructing a new sports complex in Khuma Ext 9 (Ward 31)
Delays	None
Future Challenges	None
Anticipated citizen benefits	To provide recreational facilities for the community
Name of Project - E	Jouberton / Alabama precinct development (Ward 37) internal infrastructure services (road network, water and sewer)
Objective of Project	Providing internal infrastructure services (road network, water and sewer) in Jouberton / Alabama precinct development (Ward 37)
Delays	None
Future Challenges	None
Anticipated citizen benefits	To improve the social and economic environment

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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 only challenge that do exist in all Council projects is that we have a lot of WIP projects and the issue that Council is facing is the shortage of funding to complete all WIP projects

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 to urban areas has 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 especially on the asbestos-cement pipes.

SERVICE BACKLOGS AS AT 30 JUNE 2021				
Services	Households (Hh)			
	*Service level above minimum standard		**Service level below minimum standard	
	No HHs	% HHs	No HHs	% HHs
Water	180 483	98%	3 899	2%
Sanitation	170 545	92%	13 837	8%
Electricity	169 257	92%	15 125	8%
Waste management	170 181	92%	14 201	8%
% Hhs are the service above / below minimum standard as a proportion of total Hhs.				

The above backlogs will soon affect the municipality in negative ways 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 (DBSA). The application made to the DBSA for development of Master Plans was approved.

The Grant Agreement between DBSA and City of Matlosana has been signed and procurement of services provider is in the process.

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MUNICIPAL INFRASTRUCTURE GRANT (MIG)* EXPENDITURE 2020/21 ON SERVICE BACKLOGS					
R' 000					
Details	Budget	Adjusted	Actual	Variance	
				Budget	Adjustment
Infrastructure - Road Transport	22 016	28 158	26 765	18%	(5)%
<i>Storm-Water</i>	22 016	28 158	26 765	18%	(5)%
Infrastructure - Electricity	13 898	25 032	25 664	(46)%	2%
<i>Generation</i>	10 441	4 195	22 227	(53)%	81%
<i>High masts</i>	3 457	20 837	3 437	1%	(506)%
Infrastructure - Water	12 302	16 598	12 362	0%	(34)%
<i>Installation of new communal stand pipes in informal settlements in Matlosana area</i>	3 598	8 598	8 808	(59)%	2%
<i>Supply and installation of pressure reducing valves, bulk water meters and ancillary works in Matlosana area</i>	8 704	8 000	3 554	145%	(125)%
Infrastructure - Sanitation	16 588	14 588	14 540	14%	0%
<i>Upgrading of mechanical and electrical equipment at pump-stations in Kanana (Phase 1) (Ward 27)</i>	7 207	7 207	7 200	0%	0%
<i>Upgrading of sewage pump line in Kanana Extension 11 (Wards 24 and 27)</i>	9 382	7 382	7 340	28%	(1)%
Infrastructure - Other	4 345	4 345	4 857	(11)%	11%
<i>PMU</i>	4 345	4 345	4 857	(11)%	11%
Other Specify: Sport	10 000	9 434	14 412	(31)%	35%
<i>New sport complex in Khuma Extension 9 (Phase 1) (Ward 31)</i>	10 000	9 434	14 412	(31)%	35%
Other Specify: Local Economic Development	7 745	7 545	7 045	10%	(7)%
<i>Extension of the Fresh Produce Market (Phase 2)(Ward 9)</i>	7 745	7 545	7 045	10%	(7)%
TOTAL	86 894	105 700	105 645		

*MIG is a government grant programme designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

COMMENTS ON BACKLOGS

The City of Matlosana has to further implement two major projects for water supply to strengthen the existing supply to various communities and to unlock further development which already eminent. The implementation of a further bulk sanitation project will unlock among others the development on the east of Klerksdorp.

Chapter 5

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	2019/20	2020/21		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	1 576 338	1 539 058	1 589 782	1 640 528
Government - operating	435 815	480 796	554 959	519 616
Government - capital	75 490	162 800	166 734	200 381
Interest	56 625	229 950	200 605	112 686
Dividends	–	–	–	–
Payments				
Suppliers and employees	(1 947 116)	(2 226 916)	(2 274 777)	(2 127 294)
Finance charges	(78 114)	(3 537)	(3 537)	(70 933)
Transfers and Grants	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	119 038	182 151	233 766	274 984
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Decrease (Increase) in non-current debtors	(19 504)	0	32	-754
Decrease (increase) other non-current receivables	24 449	0	0	441
Decrease (increase) in non-current investments	(2 899)	0	0	0
Payments				
Capital assets	(104 536)	(162 800)	(166 734)	(196 793)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(102 490)	(162 800)	(166 702)	(197 106)

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CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–			
Borrowing long term/refinancing	(13 779)	0	0	(9 930)
Increase (decrease) in consumer deposits	3 288	(4 000)	0	2 332
Payments				
Repayment of borrowing/NT Liabilities	5 501	(3 000)	(15 000)	(128 373)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(4 990)	(7 000)	(15 000)	(135 971)
NET INCREASE/ (DECREASE) IN CASH HELD	11 557	12 349	65 565	(58 093)
Cash/cash equivalents at the year-begin:	289 021	35 714	35 714	300 578
Cash/cash equivalents at the year-end:	300 578	48 063	101 278	242 485

COMMENT ON CASH FLOW OUTCOMES

The municipality's cash flow remains under pressure due to a low collection rate in areas where Eskom supplies electricity. The current economic climate is also a contributing factor. The available cash is actively managed on a daily basis to ensure that the necessary basic services delivery objectives are achieved.

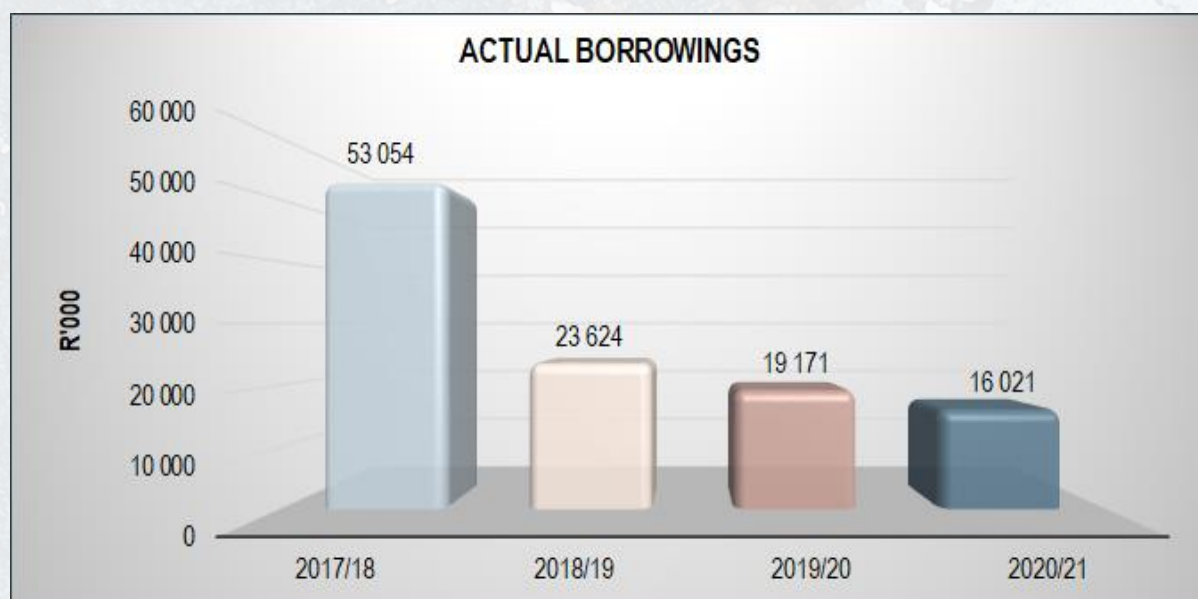
5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

No new loans were taken up in the past financial year. The loan book is reducing constantly as loans are serviced. The municipality's investments consist mainly of government grants of which the Equitable Share grant, MIG, INEP and NDPG grants is the main contributor and some securities.

ACTUAL BORROWINGS: 2018/19 TO 2020/21			
	R' 000		
Instrument	2018/19	2019/20	2020/21
Municipality			
Long-Term Loans (annuity/reducing balance)	23 624	19 171	16 021
MUNICIPALITY TOTAL	23 624	19 171	16 021

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MUNICIPAL INVESTMENTS			
	R' 000		
Investment type	2018/19	2019/20	2020/21
	Actual	Actual	Actual
Deposits – Bank	312 403	290 992	238 797
Guaranteed Endowment Policies (sinking)	9 675	10 281	10 776
TOTAL	322 078	301 273	249 573

COMMENTS ON BORROWING AND INVESTMENTS

No new loans were taken up in the past financial year. The current loan book is reducing as loans are serviced.

Municipal annual deposits have decreased from R301 million to R249 million. This is as a result of business closure during COVID-19.

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.

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 as amended in 2017. 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 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 2020/21 Annual Report, including the Annual Financial Statements and Annual Performance Report was submitted to the Auditor-General on 6 October 2021 for auditing.

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

6.1 AUDITOR-GENERAL REPORT 2019/20

AUDITOR-GENERAL'S OPINION ON FINANCIAL PERFORMANCE - 2019/20

Qualified opinion – Financial Performance

"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)."

Unqualified opinion - Predetermined objectives

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

COMMENTS ON AUDITOR-GENERAL'S OPINION ON FINANCIAL PERFORMANCE - 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 departments. 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.

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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 2019/20 financial year.

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

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

COMPONENT B: AUDITOR-GENERAL'S OPINION 2020/21

6.2 AUDITOR-GENERAL'S REPORT 2020/21



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

Opinion

1. In my opinion, the financial statements present fairly, in all material respects, the financial position of the City of Matlosana as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 4 of 2020 (DoRA).

Context for the opinion

2. 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.
3. 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.
4. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty relating to going concern

5. I draw attention to the matter below. My opinion is not modified in respect of this matter.
6. The statement of financial performance indicates that the municipality incurred an operating deficit of R235 960 542 during the year ended 30 June 2021, and at this date the municipality's total current liabilities exceeded its total current assets by R1 247 081 417. These conditions, along with other matters as set forth in note 43, 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

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



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Material losses and impairments

8. 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 R5 039 633 689 (2020: R3 955 146 927) which represents 90% (2020: 88%) of total consumer debtors. In addition, as disclosed in note 33 to the financial statements, contributions of R1 149 479 591 (2020: R835 011 553) to the debt impairment provision were incurred as a result of significant impairment of debtors.
9. As disclosed in note 34 to the financial statements, the municipality incurred distribution losses on electricity and water in excess of the norms of 34% (2020: 29%) and 42% (2020: 34%) respectively.

Unauthorised, irregular and fruitless and wasteful expenditure

10. As disclosed in note 45 to the financial statements, unauthorised expenditure of R642 450 889 was incurred in the current year and unauthorised expenditure of R2 590 381 551 in respect of prior years have not yet been dealt with in accordance with section 32 of the MFMA.
11. As disclosed in note 46 to the financial statements, fruitless and wasteful expenditure of R274 306 was incurred in the current year and fruitless and wasteful expenditure of R85 231 964 from prior years have not yet been dealt with in accordance with section 32 of the MFMA.
12. As disclosed in note 47 to the financial statements, irregular expenditure of R329 356 553 was incurred in the current year and irregular expenditure of R3 335 984 836 from prior years have not yet been dealt with in accordance with section 32 of the MFMA.

Restatement of corresponding figures

13. As disclosed in notes 52 and 53 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2021.

Material underspending of the budget

14. As disclosed in the statement of comparison of budget and actual amounts the municipality underspent on capital expenditure by R48 052 435 due to the lock down which affected the implementation of certain capital projects.

Other matters

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

Unaudited disclosure notes

16. 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

17. The supplementary information set out on page 454 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.



Chapter 6

Responsibilities of the accounting officer for the financial statements

18. 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.
19. 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

20. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
21. 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

22. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on usefulness and reliability of the reported performance information against predetermined objectives for selected key performance areas (KPA) presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
23. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. 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.
24. 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 2021:



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Key performance area	Pages in the annual performance report
KPA 1 – Basic service delivery and infrastructure development	167 – 188; 199 – 200; 228; 241; and 252 - 254

25. 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.
26. 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 matter

27. I draw attention to the matter below.

Achievement of planned targets

28. Refer to the annual performance report on pages 167 – 258 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets.

Report on audit of compliance with legislation

Introduction and scope

29. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
30. The material findings on compliance with specific matters in key legislation are as follows:

Financial statements

31. 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 classes of transactions, non-current assets and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.
32. The annual financial statements were not submitted to the Auditor-General, for auditing, within two months after the end of the financial year, as required by section 126(1)(a) of the MFMA.



Chapter 6

Expenditure management

33. Reasonable steps were not taken to prevent unauthorised expenditure of R642 450 889, as disclosed in note 45 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.
34. Reasonable steps were not taken to prevent irregular expenditure of R329 356 553 as disclosed in note 47 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by the municipality not adhering to supply chain regulations regarding all aspects of procurement.

Procurement and contract management

35. 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). Similar non-compliance was also reported in the prior year.
36. Sufficient appropriate audit evidence could not be obtained that tenders which failed to achieve the minimum qualifying score for functionality were disqualified as unacceptable tenders in accordance with 2017 Preferential Procurement Regulation 5(6).
37. Sufficient appropriate audit evidence could not be obtained that tenders which failed to achieve the minimum qualifying score for functionality were not evaluated further in accordance with 2017 Preferential Procurement Regulation 5(7).
38. Invitations to tender 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). Similar non-compliance was also reported in the prior year.

Revenue management

39. 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. The non-compliance resulted in a material irregularity, as reported in the section on material irregularities.

Consequence management

40. 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.

Other information

41. 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.



Chapter 6

42. 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.
43. 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.
44. 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

45. 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 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 controls, processes and responsibilities, resulting in the recurrence of material findings over financial information and compliance with laws and regulations.
 - Management's internal controls and processes over the preparation and presentation of financial statements were not adequate to ensure that they were free from material misstatements. 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. Furthermore, 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.

Material irregularities

46. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of the material irregularities reported in the previous year's auditor's report.



Chapter 6

Material irregularities identified during the audit

47. The material irregularities identified are as follows:

Market dues not collected

48. The municipality has a market where fresh produce are sold on a daily basis and market dues are payable to the municipality at an agreed percentage of the total turnover. All money due to the municipality for the sales at the fresh produce market were not collected, which is in contravention with MFMA section 65(2)(f) that requires that the accounting officer must take all reasonable steps to ensure that the municipality has and maintains a system of internal control in respect of debtors and revenue. This non-compliance resulted in a material financial loss of R33 486 573 to the municipality for the financial years 2017-18, 2018-19 and 2019-20. In the current year a further loss of R9 836 700 was incurred as disclosed in note 37 to the financial statements.

49. The accounting officer was notified of the material irregularity on 31 March 2021 and invited to make a written submission on the actions taken or to be taken to address the matter. The accounting officer indicated that the following actions have been taken or planned to address the material irregularity:

- An independent service provider was appointed to conduct an investigation to determine the cause of the loss and which officials should be held liable. The investigation was concluded during April 2021.
- The accounting officer subsequently initiated disciplinary steps against all ten (10) implicated officials based on the outcome of the investigation, after which two (2) officials resigned and two (2) officials were dismissed. The disciplinary process of the remaining six (6) other officials are in progress, and the municipality indicated that the process will be finalised by the 15th of March 2022.
- Immediately after the dismissal of the two (2) officials and the resignation of the other two (2) officials mentioned above, the municipality instructed the attorneys to initiate legal action against the four officials for the recovery of the losses. At the date of this report the matter was still on going and is expected to be finalised within the next three months.
- Investigation reports relating to the matter were immediately referred to the Directorate for Priority Crime Investigation (Hawks) for further action and it is ongoing at the date of this report.

50. I will follow up on the implementation of the planned actions as they become due.

Material irregularities in progress

51. We identified other material irregularities during the audit and notified the accounting officer thereof as required by material irregularity regulation 3(2). By the date of this 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

52. In addition to the investigations relating to material irregularities, 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

53. The South African Police Service are conducting several investigations into the awarding of tenders by the municipality, prompted by the accounting officer in the prior year. These investigations were still on going at the date of this report.

54. The South African Police Service is conducting an investigation into alleged irregularities at the fresh produce market, prompted by the accounting officer in the prior year. The investigation was still on going at the date of this report.

55. 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. The accounting officer referred the report to the Directorate for Priority Crime Investigation (Hawks) for further action, which was still on going at the date of this report.

Auditor General

Rustenburg

31 January 2022



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.



Chapter 6

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.
- Annexure – Auditor-General's responsibility for the audit



Chapter 6

COMMENTS ON AUDITOR-GENERAL'S OPINION ON FINANCIAL PERFORMANCE - 2020/21

Management is pleased that the municipality obtained unqualified audit opinions for the financial statements.

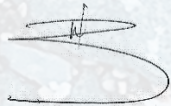
This is notwithstanding the operational difficulties experienced due to COVID-19. It is also an indication of the effort from management, the employees in the different sections, the assistance from the service provider as well as the good working relationship with the Auditor-General.

Management is also aware that to not regress and to improve the opinions going forward, that attention to matters noted in the audit must be addressed. It will therefore formulate the post audit action plan which will be monitored by the audit steering committee on a regular basis.

At present the PAAP is not ready but will be implemented as soon as the detailed management report is available.

COMMENTS ON AUDITOR-GENERAL'S OPINION ON PERFORMANCE MANAGEMENT - 2020/21

Performance Management received a clean audit opinion from the Auditor-General.



BO KGOETE
ACTING CHIEF FINANCIAL OFFICER

23 FEBRUARY 2022

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 FT/PT	Committees Allocated	* Ward and / or Party Represented	% of Council Meetings Attended	% Apologies for non-attendance
Cllr M Babuile	PT	Sport, Arts & Culture Electrical Engineering Infrastructure	EFF	21%	79%
Cllr SOC Barrends	PT	Community & Health Services	ANC	86%	14%
Cllr CJ Bester	PT	Electrical Engineering Finance & Debt Normalization	DA	93%	7%
Cllr SPJ Bogatsu	PT	MPAC Chairperson	ANC	86%	14%
Cllr PZM Burrel	PT	Economic Affairs & Market	DA	71%	29%
Cllr MM Chao	PT	Sport, Arts & Culture Community & Health Services	ANC	79%	21%
Cllr MV Chinga	FT	Single Whip	ANC	71%	29%
Cllr M Coetzee	PT	Infrastructure	DA	71%	29%
Cllr A Combrinck	PT	MPAC	DA	100%	0%
Cllr GLJ Cromhout	PT	Public Safety	DA	100%	0%
Cllr LL Cutswa	PT	Transversal Issues	ANC	86%	14%
Cllr SJ Daemane	FT	MMC Public Safety	ANC	93%	7%
Cllr PA Hlekiso	PT	Sport, Arts & Culture Public Safety Infrastructure Transversal Issues	EFF	57%	43%
Cllr PT Horn	PT	MPAC	FF+	100%	0%
Cllr HFC Jordaan	PT	Infrastructure Public Safety	FF+	71%	29%
Cllr KB Kali	PT	Public Safety Transversal Issues	EFF	86%	14%
Cllr ME Kamati	PT	Transversal Issues	ANC	86%	14%
Cllr MME Kgaile	FT	Executive Mayor	ANC	64%	36%
Cllr L Khoza	PT	MPAC	EFF	79%	21%
Cllr TG Khoza	FT	MMC Economic Growth & Market	ANC	93%	7%
Cllr SP Kloppers	PT	Housing, Land Affairs & Rural Development Corporate Services	FF+	93%	7%
Cllr M Koekemoer	PT	Corporate Services Sport, Arts & Culture	DA	86%	14%

APPENDIX A – COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	* Ward and / or Party Represented	% of Council Meetings Attended	% Apologies for non-attendance
Cllr LM Lebenya-Kortjaas	PT	Finance & Debt Normalization	ANC	50%	50%
Cllr JJ le Grange	PT	MPAC	DA	86%	14%
Cllr NA Ludidi	PT	MPAC	ANC	64%	36%
Cllr PF Mabeli	FT	MMC Sport, Arts & Culture	ANC	93%	7%
Cllr TM Mabulela	PT	Infrastructure	ANC	79%	21%
*Cllr PC Magwaca	PT	MPAC	COPE	100%	0%
Cllr MC Mahlangu	PT	MPAC	ANC	86%	14%
Cllr NG Malete	PT	Transversal Issues Public Safety	DA	64%	36%
*Cllr W Malefo	PT	Housing, Land Affairs & Rural Development Community & Health Services Infrastructure Finance & Debt Normalization Electrical Engineering	EFF	73%	27%
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	29%	71%
**Cllr NS Mandela	FT	MMC Community & Health Services	ANC	91%	9%
***Cllr LH Methi	PT	Community & Health Services Housing, Land Affairs & Rural Development Infrastructure Finance & Debt Normalization	EFF	0%	0%
Cllr PN Moeng	PT	Housing, Land Affairs & Rural Development	ANC	79%	21%
Cllr GA Mohoemang	PT	MPAC	ANC	93%	7%
Cllr ML Mojaki	FT	MMC Corporate Services	ANC	93%	7%
Cllr LD Molefi	PT	Corporate Services	ANC	50%	50%
Cllr PM Molutsi	PT	Sport, Arts & Culture Infrastructure	DA	86%	14%

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 SL Mondlane	PT	Economic Growth & Market	ANC	71%	29%
Cllr SD Mongale	PT	Electrical Engineering	ANC	64%	36%
Cllr SD Montoedi	FT	MMC Electrical Engineering	ANC	93%	7%
Cllr SL Moremi	PT	MPAC	ANC	79%	21%
Cllr G Mqikela	PT	Infrastructure	ANC	36%	64%
Cllr ME Mosweu	PT	Sport, Arts & Culture Housing, Land Affairs & Rural Development	EFF	43%	57%
Cllr M Motitimi	PT	MPAC	F4SD	86%	14%
Cllr SH Nani	PT	Corporate Services	ANC	57%	43%
Cllr K Ndincede	PT	Economic Affairs & Market	ANC	64%	36%
Cllr GS Nkebe	PT	Finance & Debt Normalization	ANC	43%	57%
Cllr S Nongqayi	PT	MPAC	ANC	71%	29%
Cllr NB Ntaopane	PT	Transversal Issues Economic Growth & Market	ANC	86%	14%
Cllr MF Nthaba	FT	MMC Infrastructure	ANC	93%	7%
Cllr MJ Ntiane	PT	Public Safety	ANC	57%	43%
Cllr RW Ntozini	FT	Speaker	ANC	93%	7%
Cllr GC Oosthuizen	PT	Community & Health Services	DA	93%	7%
Cllr LM Phakoe	PT	MPAC	ANC	86%	14%
Cllr EM Postma	PT	Corporate Services	DA	100%	0%
Cllr RK Ponisi	PT	Housing, Land Affairs & Rural Development	ANC	57%	43%
Cllr J Qankase	PT	Community & Health Services	ANC	50%	50%
Cllr KL Ross	PT	Housing, Land Affairs & Rural Development Transversal Issues	DA	64%	36%
Cllr HF Saudi	PT	Sport, Arts & Culture	ANC	79%	21%
Cllr L Scott	PT	Finance & Debt Normalization Community & Health Services	FF+	86%	14%
Cllr TS Seabeng	PT	Housing, Land Affairs & Rural Development Sport, Arts & Culture	ANC	71%	29%

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 TL Sekgothe	PT	Corporate Services	ANC	100%	0%
Cllr MN Seitisho	PT	MPAC	ANC	71%	29%
Cllr IM Semonyo	PT	Electrical Engineering	ANC	64%	36%
Cllr SP Sesana	PT	MPAC	DA	100%	0%
Cllr LK Shuping	PT	Public Safety Transversal Issues Corporate Services	EFF	64%	36%
Cllr SL Sithole	PT	Transversal Issues Electrical Engineering	ANC	43%	57%
Cllr LG Solomon	PT	Corporate Services Transversal Issues	F4SD	43%	57%
Cllr SM Steyn	PT	Economic Growth & Market	DA	71%	29%
Cllr PJ Swart	PT	Finance & Debt Normalization	DA	79%	21%
Cllr FI Tagaree	FT	MMC Finance	ANC	93%	7%
Cllr B Tsabedze	PT	Public Safety	ANC	71%	29%
Cllr TO Vilakazi	FT	MMC Land Housing, Land Affairs & Rural Development	ANC	79%	21%
Cllr W Wallhorn	PT	Finance & Debt Normalization Community & Health Services Housing, Land Affairs & Rural Development	DA	93%	7%

- *Cllr PC Magwaca - Resigned 17/07/2020
- ***Cllr HL Methi - Passed away 23/07/2020
- *Cllr W Malefo - Sworn in 16/10/2020
- **Cllr NS Mendela - Resigned 31/03/2021

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

MAYORAL AND OTHER COMMITTEES AND PURPOSES OF COMMITTEES	
COMMITTEE	PURPOSE OF COMMITTEE
Finance Committee	➤ Regulated by the LG: MFMA
Housing, Land Affairs and Rural Development	<ul style="list-style-type: none"> ➤ 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: <ul style="list-style-type: none"> ▪ 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: <ul style="list-style-type: none"> ➤ 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	Vacant
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 AJS
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
PMU Manager	Dikgwatlhe AK
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	Vacant
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	Vacant
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	9	9	0
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	8	8	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	9	0
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	8	8	0
Ward 06	CLLR MONTEDI SD KA Lekhetho Z Mnisi MP Ntwanngwe M Soldati KS Mabogole KM Soko MJ Kelositswe RS Maluleke SI Mlingwane KI Mahlatsi	Yes	8	8	0
Ward 07	CLLR SAUDI HF OJ Motebe LI Piga TM Phepeng TP Motthanke ST Matsetela DE Nkuke VS Mphambaniso MG Harmse KE Gaborone KM Mosala	Yes	7	7	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	8	8	0
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	2	2	0
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	0	0	0
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	3	3	0
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	4	4	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	10	10	0
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	10	10	4

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	0	0	0
Ward 16	CLLR COMBRINCK A KTR Lenong S Postma KOA Nelson HJP Knoetze SM Maleka TD Sathège PJJ Scheepers SA van Zyl SCB Symington OF Sekete	Yes	0	0	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	7	7	0
Ward 18	CLLR SEITISHO MN MM Moeng SL Moroke NN Gaeadingwe M Mei TA Makhetha TG Kopakae OK Moloi SD Chacha B Motshabi DJ Seeland	Yes	1	1	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	9	9	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	9	9	0
Ward 21	CLLR NDINCEDE K NB Pinga (Dyobo) S Gasa Z Thwala S Fetman N Mqwebevu NM Mzeku NN Mnqanqeni D Welishi S Nondlazi G Maswabi	Yes	12	12	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 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	12	12	0
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	12	12	0
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	0	0	0
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	8	8	1
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	11	11	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	12	12	0
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	7	7	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	10	10	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	12	12	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	8	8	0
Ward 32	CLLR NTAOPANE NB OE Mokgoro Z Tinga KD Molelekoa NM Funani KL Maletise KL Mokgoro MP Sodlembe M Moletsane KE Modukanele MT le Roux	Yes	4	4	0
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	3	3	0
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	0	0	0
Ward 35	CLLR DAEMANE SJ .ZJ Ziyane NS Njobe OM Thomelang AF Mdleleni TE Msikinya MD Rabase NS Makhubalo 1 x Vacant SM Moletsane DO Sekhakhane	Yes	4	4	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	11	11	0
Ward 37	CLLR SEKGOTHE TL KS Tsamai MA Letsoku TD Motlathledi MB Sebolao TM Mothibedi DE Tabe BJ Matlapeng MF Tladi GI Mofundlela CM Kgalapa	Yes	7	7	3
Ward 38	CLLR SITHOLE SL JP Masunyane K Maguba MA Lekitlane BA Mahlophe NS Moleleki CN Ntloko DP Twala VL Masango Z Jijingubo B Tau	Yes	3	3	0
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	0	0	0

APPENDIX F – WARD INFORMATION

WARD TITLE: WARD NAME (NUMBER) 2020/21				
Capital Projects: Seven Largest in 2020/21 (Full List at Appendix O)				
R' 000				
No.	Project Name and detail	Start Date	End Date	Total Value
1	Jouberton Taxi Rank	2017/07/01	2021/06/30	15 299
2	New Sports Complex in Khuma	2016/07/01	2021/06/30	12 193
3	Jouberton Alabama Internal Services & Infrastructure	2017/07/01	2021/06/30	11 192
4	Electrical Alabama Ext 5 Phase 3	2020/07/01	2021/06/30	10 707
5	Refurbish Electrical & Mechanical Equipment: Sewer Pump-Stations	2020/07/01	2021/06/30	18 118
6	Upgrading Hartebeesfontein Waste-Water Treatment Works	2021/07/01	2021/06/30	16 242
7	Jouberton Pave Taxi Routes & Storm-water Drainage	2020/07/01	2021/06/30	9 136

BASIC SERVICE PROVISION 2020/21				
DETAIL	WATER	SANITATION	ELECTRICITY	REFUSE
Households with the minimum service level and above	180 483	170 545	169 257	170 181
Households below minimum service level	3 899	13 837	15 125	14 201
Total Households*	184 382	184 382	184 382	184 382
*Including informal settlements				

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2020/21

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS		
DATE OF COMMITTEE	COMMITTEE RECOMMENDATIONS DURING 2020/21	RECOMMEN -DATIONS ADOPTED
28 August 2020	<ul style="list-style-type: none"> ➤ Disciplinary Board That MM send a formal request to Provincial Treasury by Monday, 31 August 2020, for possible assistance by mid-September 2020 in relation to Terms of Reference and Training of DB. ➤ Dashboard Tracking document That, as previously decided on, the Dashboard Tracking document must be a standing item in Management meetings and Internal Audit should be invited to such meetings to provide feedback. ➤ Draft Post Audit Action Plan 2019/20 That a final and comprehensive Post Audit Action Plan be submitted in the next AC meeting by the CFO in collaboration with ACAE. 	All adopted
27 November 2020	<ul style="list-style-type: none"> ➤ Liquidity Assessment report That a full Liquidity Assessment report be submitted by 15 September 2020 to Internal Audit for review, together with the draft AFS. ➤ Compliance-MFMA and Disaster Management Act That weekly Disaster Management reports be consolidated into monthly reports and submitted to the AC in terms of compliance to the Disaster Management Act. ➤ Activity Report 1st Quarter 2022/2021 <ul style="list-style-type: none"> ▪ That COVID-19-19 Expenditure report should be reviewed by Internal Audit before submitted to AGSA. ▪ It should be a standing matter that as and when procurement is done, IA perform audit in real time. ➤ Revenue Enhancement Report <ul style="list-style-type: none"> ▪ CFO engage different Departments to update the presented Revenue Enhancement Report with progress. ▪ That a separate meeting with AC be organised to deal with Revenue Management Report. ➤ Revenue management report – market <ul style="list-style-type: none"> ▪ final report by service provider will be shared with internal audit. ▪ final investigation report will be submitted in the next audit committee meeting ➤ Activity report 2nd quarter 2020/2021 <ul style="list-style-type: none"> ▪ Audit of Performance Information 1st quarter 2020/21 be finalised using the initial SDBIP submitted to internal audit and be submitted to audit committee for approval on round robin basis. ▪ Training of risk committee members and risk champions be fast tracked for the implementation of combined assurance. ▪ Advertisement of vacant positions within internal audit be attended to urgently. ▪ The proposed internal audit structure be prioritised in order to address capacity challenges within internal audit and positions of the specialised audits which are performance and its auditors be given more attention 	All adopted

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS		
DATE OF COMMITTEE	COMMITTEE RECOMMENDATIONS DURING 2020/21	RECOMMEN -DATIONS ADOPTED
27 November 2020	<ul style="list-style-type: none"> ➤ Personal Protective Equipment and Emergency Procurement Audit Report ACAE engage CFO in order to resolve areas of contention for finalisation of the report and submit to AC for approval on a round robin basis. ➤ Follow-up Audit Report 4th Quarter 2019/20 and 1st Quarter 2020/21 <ul style="list-style-type: none"> ▪ Management will develop a plan to keep track of Internal Audit findings. ▪ ACAE liaise with management in developing action plan and follow-up be done on a regular basis. ➤ Annual Report on Municipal Internal Controls 2019/20 Assessment of internal control environment be done at the end of December 2020 in order to determine the impact that work from home had on current control within municipality ➤ Risk Management Implementation progress on fraud and corruption risks should be part of fraud risk register to submitted in the next meeting. ➤ Litigation Report For cases that have been running for a long period management will provide update on follow-ups done. ➤ Liquidity Assessment Report <ul style="list-style-type: none"> ▪ Report submitted not liquidity report and is not accepted. ▪ CFO should refer to detailed circular dealing with municipal financial ratios together with required narratives indicating plans of improving liquidity. ▪ Management should utilise 2020 Financial Statements ▪ Liquidity report be submitted in the next meeting. 	All adopted
26 February 2021	<ul style="list-style-type: none"> ➤ Revenue management report – market <ul style="list-style-type: none"> ▪ Final report by service provider will be shared with internal audit. ▪ Final investigation report will be submitted in the next audit committee meeting ➤ Activity report 2nd quarter 2020/2021 <ul style="list-style-type: none"> ▪ Audit of Performance Information 1st quarter 2020/21 be finalised using the initial SDBIP submitted to internal audit and be submitted to audit committee for approval on round robin basis. ▪ Training of risk committee members and risk champions be fast tracked for the implementation of combined assurance. ▪ Advertisement of vacant positions within internal audit be attended to urgently. ▪ The proposed internal audit structure be prioritised in order to address capacity challenges within internal audit and positions of the specialised audits which are performance and its auditors be given more attention ➤ Personal Protective Equipment and Emergency Procurement Audit Report <ul style="list-style-type: none"> ▪ ACAE engage CFO in order to resolve areas of contention for finalisation of the report and submit to AC for approval on a round robin basis. 	All adopted

Appendices

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS		
DATE OF COMMITTEE	COMMITTEE RECOMMENDATIONS DURING 2020/21	RECOMMEN -DATIONS ADOPTED
02 June 2021	<ul style="list-style-type: none"> ➤ Follow-up Audit Report 4th Quarter 2019/20 and 1st Quarter 2020/21 <ul style="list-style-type: none"> ▪ Management will develop a plan to keep track of Internal Audit findings. ▪ ACAE liaise with management in developing action plan and follow-up be done on a regular basis. ➤ Annual Report on Municipal Internal Controls 2019/20 Assessment of internal control environment be done at the end of December 2020 in order to determine the impact that work from home had on current control within municipality ➤ Risk Management Implementation progress on fraud and corruption risks should be part of fraud risk register to submitted in the next meeting. ➤ Litigation Report For cases that have been running for a long period management will provide update on follow-ups done. ➤ Liquidity Assessment Report <ul style="list-style-type: none"> ▪ Report submitted not liquidity report and is not accepted. ▪ CFO should refer to detailed circular dealing with municipal financial ratios together with required narratives indicating plans of improving liquidity. ▪ Management should utilise 2020 Financial Statements. ▪ Liquidity report be submitted in the next meeting. 	All adopted

APPENDIX H – LONG TERM CONTRACTS

LONG TERM CONTRACTS (LARGEST CONTRACTS ENTERED INTO DURING 2019/20)				
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"> ➤ Ribesari General Trading CC ➤ M Ebersohn Truck and Diesel CC ➤ Jam R Engineering Works (Pty) Ltd ➤ Bolekano Building Contractors CC ➤ Khuwait Holdings (Pty) Ltd ➤ JV Creative Fleet Solutions (Pty) Ltd ➤ Earth Moving Equipment Services CC ➤ Ribesari General Trading CC 	Appointment of preferred service providers for general repairs of municipal fleet including supply of services parts on as and when required basis for a period of twenty-four (24) months	13 July 2020	12 July 2022	D Rannona
<ul style="list-style-type: none"> ➤ Sibongile Mashiya (Pty) Ltd ➤ Moemedi Creations (Pty) Ltd ➤ Tsikaku Holdings ➤ Ramlas Holdings (Pty) Ltd ➤ At Joy Communications (Pty) Ltd ➤ EK Construction CC 	Supply and delivery of cold-water meters on as and when required basis for a period of thirty-six (36) months	01 December 2020	01 December 2023	M Tholo
<ul style="list-style-type: none"> ➤ HT Pelatona Projects (Pty) Ltd 	Refurbishment of water pump-stations and security upgrades of pump-stations and reservoir	20 May 2021	20 May 2022	M Tholo
<ul style="list-style-type: none"> ➤ SML – TMA JV 	Appointment of service provider for the provision of multi-disciplinary professional services for the city of Matlosana municipality NDPG phase 2	1 June 2021	1 June 2024	K Dikgwatlhe
<ul style="list-style-type: none"> ➤ VNMM Consulting Engineers CC ➤ Skotane Development Consultants (Pty) Ltd ➤ SCIP Engineering Group (Pty) Ltd ➤ Kiwango Infrastructure and Developments (Pty)Ltd 	Appointment of panel of professional service providers for programme for management, co-ordination and support for the various geographic information system, spatial planning and land use management and human settlement related projects for period of thirty-six (36) months	01 June 2021	01 June 2024	B Choche

APPENDIX I – MUNICIPAL SERVICE PROVIDER PERFORMANCE SCHEDULE

SERVICE PROVIDER PERFORMANCE SCHEDULE					
Purpose	Service Indicators	2019/20	2020/21	2021/22	2022/23
To providing bulk services for the proposed Jouberton / Alabama precinct development (Wards 3, 4, 12 and 37) to improve the social and economic environment	Number of Jouberton / Alabama precinct bulk services (Wards 3, 4, 12 and 37) (electrical - cable; sanitation - pump-station and water - 2Mℓ pressure tower) provided	Target 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	Actual The installing and construction of bulk services for the proposed Jouberton / Alabama precinct development (Wards 3, 4, 12 and 37) in is progress R29 179 415	Target Providing bulk services at the proposed Jouberton / Alabama precinct development (wards 3, 4, 12 & 37) by - casting bowl lift 5 - 6 and roof slab and water tightness of the 2 Mℓ pressure tower; - erecting 4 high mast lights; - installing 2.1 km of 240 mm ² aluminium underground cables; - installing 7 switchgear panels for switching sub-station; - installing 6 miniature sub stations; and - installing 1 motor control centre panel at Jagspruit pump-station by 30 June 2022	R0
To refurbish electrical and mechanical equipment in the Matlosana area (Wards 1 - 39) pump-stations to maintain the existing infrastructure	Number of pump-stations refurbished with electrical and mechanical equipment at the Matlosana area (Wards 1 - 39)	Target 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)	Actual The tender was advertised on the 29 May 2020 and closed on 23 June 2020 R888 524	Target Refurbishing electrical and mechanical equipment at 8 water pump-stations (Jouberton, Ellaton, Rietkuil, Park Street, Khuma ext. 8, Kanana ext. 6, Kanana Booster and Loraine) in the Matlosana area (Wards 1 - 39) by - replacing 7 MCC panels; - refurbishing of 1 MCC panel; - replacing 16 pumps sets; - replacing 23 Soft starters; and - replacing 56 valves by 30 June 2022	R0
		Target Refurbishing electrical and mechanical equipment at 3 water pump-stations (Jouberton, Khuma ext. 8 and Kanana ext. 6) in the Matlosana area (Wards 1 - 39) by - replacing of six (6) pumps; - replacing six (6) motors; - replacing 1 electrical control panel in Jouberton; - replacing 25 valves and 6 soft starters in Jouberton by 30 June 2021. R9 965 919	Actual The refurbishment of the electrical and mechanical equipment at 3 water pump-stations (Jouberton, Khuma ext. 8 and Kanana ext. 6) in the Matlosana area (Wards 1 - 39) not yet completed. The contractor was appointed on the 23/03/2021. 6 Pumps and 6 motors have been ordered. (4 for Khuma Ext 8 and 2 for Kanana Ext 6). R9 077 397		

SERVICE PROVIDER PERFORMANCE SCHEDULE							
Purpose	Service Indicators	2019/20		2020/21		2021/22	2022/23
		Target	Actual	Target	Actual	Target	Target
To improve accessibility and mobility and control and direct the flow of storm-water and prevent road erosion in Jouberton (Phase 9) (Wards 5, 6, 11, 13 and 14)	Km of taxi route constructed (laid) in Jouberton (Phase 9) (Wards 5, 6, 11, 13 and 14)	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 2022 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	Laying of paved 4.453 km of taxi route in Jouberton (Phase 9) (Wards 5, 6, 11, 13 and 14) according to the project plan by - constructing 2.11 km of layer works in Anthodium street; - constructing of 0.698 km layer works for the JB Marks; - constructing 0.604 km of layer works in 6th Street; - constructing 1.041 km of layer works in David Webster street; - laying of 2.291 km paving for Anthodium (1.25 km) and Dawid Webster (1.041 km); - installing 2.221 km kerbing by 30 June 2021 R10 313 318	Paving of 4.453 km of taxi route in Jouberton (Phase 9) (Wards 5, 6, 11, 13 and 14) according to the project plan constructed (laid). R9 135 580	Laying of 2.642 km paved taxi routes in Jouberton (Phase 9)(Wards 5, 6, 11, 13 and 14) by - constructing 0.48 km of layer works in MpiSwiri Street; - installing 2.082 km of kerbing at 6th, JB Marks, Anthorium and MpiSwiri Streets; - installing 4.933 km of edge beams for 6th, JB Marks, Anthorium, David Webster and MpiSwiri Streets; - constructing 2.110 km of storm-water channel at Anthorium Street; and - installing road signs and markings at all above streets according to the project plan by 31 March 2022	R0
To replace and refurbish obsolete high mast lights in Kanana (Phase 2) (Wards 23 - 27) to enhance a safe social economic environment	Number of obsolete and existing high mast lights in Kanana (Phase 2) (Wards 23 - 27) replaced and refurbished	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	Replacing 2 obsolete high mast lights in Kanana (Phase 2) (Wards 23 - 27) by 30 June 2021 R676 019	The 2 obsolete high mast lights in Kanana (Phase 2) (Wards 23 - 27) not completed. The tender was advertised on the 26/03/2021 and closed on 28/04/2021. Project at Bid Evaluation stage. R129 708	Replacing 2 obsolete high mast lights high in Kanana (Phase 2)(Wards 23 - 27) by 31 March 2022	R0

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 TEAM		
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: 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 Member of the NWMF
	Cllr K Ndincede	None
MEMBERS OF MAYORAL COMMITTEE		
Corporate Services	Cllr ML Mojaki	Member of the NWMF
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 CC Member of the MCPF
Chairperson of MPAC	Cllr SPJ Bogatsu	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)
COUNCILLORS		
PR Councillor	Cllr M Babuile	None
Ward Councillor W4	Cllr SOC Barrends	Ya Rona Karona Trading Enterprise LTD PTY -100%
Ward Councillor W28	Cllr CJ Bester	CJ Construction Member of the MCPF
PR Councillor	Cllr PZM Burrell	Chartered Property Empire – Estate Agent– Strictly Commission GEPP Widows Pension
Ward Councillor W12	Cllr MM Chao	LuluCho Pty Ltd – 100%
Ward Councillor W27	Cllr LL Cutswa	None
PR Councillor	Cllr M Coetzee	Philip Coetzee Familie Trust Member of the MCPF
Ward Councillor W16	Cllr A Combrinck	Anumelmig Vullisverwydering CC – 50% Member of the MCPF
PR Councillor	Cllr GLJ Cromhout	Wholesale Manager at Daly Wholesale - ±R480 000.00 Member of the MIBCO Pension Fund
PR Councillor	Cllr PA Hlekiso	None
PR Councillor	Cllr PT Horn	Steinhoff – 12 000 (Shares) Member of MCPF Property: 10 Lily Avenue, Adamayview, Klerksdorp
PR Councillor	Cllr HFC Jordaan	Rigging of Outdoor Signs: R50,00-R3 000,00 per month
PR Councillor	Cllr KB Kali	Dogs of the Road Cabs (Taxi Industry) – Owner Member of the NWMF
Ward Councillor W20	Cllr ME Kamati	None
PR Councillor	Cllr L Khoza	Member of Councillors Pension Fund
Ward Councillor W30	Cllr SP Kloppers	F & VK Besigheid Trust Wonder Transport Pty (2012/083532/07 – Owner Owner Building Rental R97 000-00 p.a.
PR Councillor	Cllr M Koekemoer	None
PR Councillor	Cllr DK Konda	None
PR Councillor	Cllr LM Lebenya-Kortjaas	Member of the MCPF
Ward Councillor W19	Cllr JJ Le Grange	Mitchell & Le Grange Property – 40% Mitchell & Le Grange Property – 50% JJ Le Grange Financial Services – Accounting Member of the MCPF
Ward Councillor W36	Cllr NA Ludidi	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)
Ward Councillor W24	Cllr TM Mabulela	None
PR Councillor	Cllr PC Magwaca	None
PR Councillor	Cllr MC Mahlangu	None
PR Councillor	Cllr W Malefo	None
PR Councillor	Cllr NG Maletse	Member of the MPF
Ward Councillor W11	Cllr MI Mangesi	Thamalalang Close Corporation-80%-2009/119906/23
PR Councillor	Cllr A Meiring	Member of Old Mutual Pension Fund Member of the MCPF
PR Councillor	Cllr LH Methi	Member of MCPF (Deceased)
Ward Councillor W2	Cllr PN Moeng	Titanic Funeral Services – 50%
PR Councillor	Cllr GA Mohoemang	Northern South Pty – 25% Member of the MCPF
Ward Councillor W5	Cllr LD Molefi	Wood Kings Enterprise – 100% (2014/257766/07)
PR Councillor	Cllr PM Molutsi	Member of the Old Mutual Pension Fund
PR Councillor	Cllr SL Mondlane	Multi-Phase Pty (Ltd) – 50%
Ward Councillor W26	Cllr SD Mongale S	None
PR Councillor	Cllr SL Moremi	None
Ward Councillor W1	Cllr G Mqikela	None
PR Councillor	Cllr ME Mosweu	Close Corporation – Mosweu Catering and Transport Services (Pty) Ltd
PR Councillor	Cllr M Motitimi	Motitimi Solution – 100% Social Grant – R400,00
Ward Councillor W23	Cllr SH Nani	Tenting Tuck Shop ±R3 300 per month Member of Metropolitan Pension Fund Member of Old Mutual Pension Fund
PR Councillor	Cllr SN Nkebe	Member of MCPF
PR Councillor	Cllr S Nongqayi	None
Ward Councillor W32	Cllr NB Ntaopane	Aganang (Pty) Ltd – 60% Vry Ntaoza – 20%
Ward Councillor W9	Cllr MJ Ntiane	None
PR Councillor	Cllr GC Oosthuizen	None
Ward Councillor W25	Cllr LM Phakoe	Member GCPF
Ward Councillor W34	Cllr RK Ponisi	None
Ward Councillor W17	Cllr EM Postma	Property: Farm Drogekraal - District Wolmaransstad Property: 24 Heide Street, Flimieda, Klerksdorp

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)
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
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 the GEPP Member of the Councillors Pension Fund
Ward Councillor W15	Swart P J	Member of the Sanlam Pension Fund
PR Councillor	Tsabadze B	None
Ward Councillor W39	Wallhorn W	Choje Enviro – 2010/119456/23 – 50% (please note that CC is being deregistered) Member of the NFMW Property: 2 Saffier Str, Wilkoppies (home registered in mother's name)

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

DISCLOSURES OF FINANCIAL INTERESTS		
PERIOD 1 JULY 2020 TO 30 JUNE OF 2021		
Position	Name	Description of Financial interests* (None or details)
SENIOR MANAGERS		
Municipal Manager	Mr TSR Nkhumise	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)	Vacant	N/A
Director Corporate Support	Ms L Seametso	House Flamwood R1.3m
Director Community Development	Ms MM Molawa	Frankasi Go Makasi SMME decor R5 000 per annum Phamisang 101 – Services & goals – Not yet operational House Greenhills – R 2.0 m Flat Rangate – R 580 000
Director Technical and Infrastructure	Mr R Madimutsa	House Polokwane – R 750 000 House Adamayview R 650 000 Erf Withrey R131 000
Director Public Safety	Mr LJ Nkhumane	Nkhumane – Lesiba Transport Services -Funeral, tombstones and transport ± R60 000 per annum Stand and residential house ± R800 000
Director Local Economic Development	Mr LL Fourie	Makssuccess Bakery – 50% Four AM Enterprise House in Rustenburg – R2.5m Apartments in Potchefstroom R1.2m
Director Planning and Human Settlements	Mr BB Choche	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 2020/21						
						R' 000
Vote description	2019/20	2020/21		2020/21 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments
1.1 - Executive & Council	2 053	25 613	25 613	1 953	12.11	12.11
1.2 - Budget & Treasury Office	886 126	1 103 588	1 180 855	1 034 919	0.07	0.14
1.3 - Corporate Service	162	928	2 574	1 983	(0.53)	0.30
2.1 - Roads	27 466	129 238	128 385	63 455	1.04	1.02
2.2 - Water	789 513	816 265	815 136	851 987	(0.04)	(0.04)
2.3 - Sewer	122 421	141 874	174 874	157 700	(0.10)	0.11
2.4 - Electricity	852 666	1 069 442	1 152 045	953 143	0.12	0.21
2.5 - Housing	4 129	4 452	5 420	3 365	0.32	0.61
3.1 - LED	1	-	-	6	(1.00)	-
3.2 - Market	24 470	20 182	20 832	29 510	(0.32)	(0.29)
4.1 - Community & Social Services	1 879	2 294	2 294	3 137	(0.27)	(0.27)
4.2 - Sport & Recreation	19 584	2 338	2 361	373 396	(0.99)	(0.99)
4.3 - Public Safety	27 806	28 603	28 288	97 138	(0.71)	(0.71)
4.4 - Health	-	-	-	-	-	-
4.5 - Cleansing	214 915	217 126	222 422	225 646	(0.04)	(0.01)
Total Revenue by Vote	2 973 191	3 561 943	3 761 099	3 797 338	9.67	12.18

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

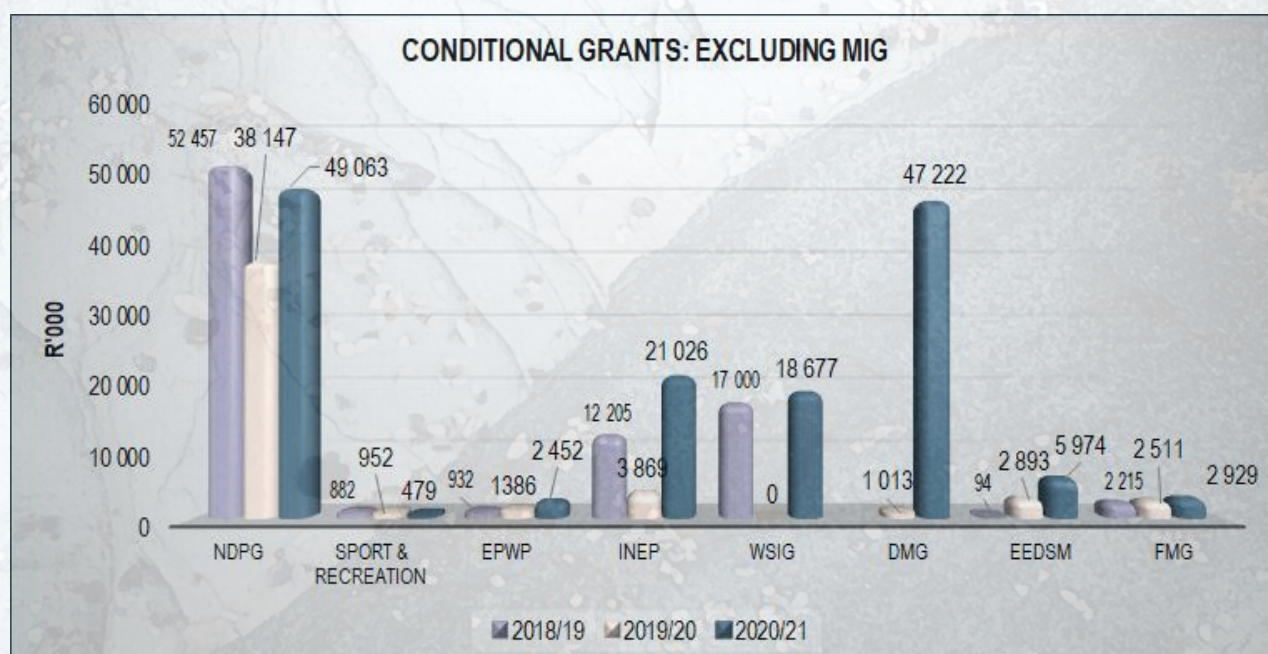
REVENUE COLLECTION PERFORMANCE BY SOURCE 2020/21						
						R '000
Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments
Property rates	329 582	480 060	485 342	425 503	(13)%	(14)%
Property rates - penalties & collection charges						
Service Charges - electricity revenue	778 657	994 684	1 052 751	808 903	(23)%	(30)%
Service Charges - water revenue	603 420	674 306	670 306	653 368	(3)%	(3)%
Service Charges - sanitation revenue	112 769	123 230	151 230	118 153	(4)%	(28)%
Service Charges - refuse revenue	137 033	149 367	149 367	140 058	(7)%	(7)%
Service Charges - other	–	–	–	–	0%	0%
Rentals of facilities and equipment	4 437	5 593	7 661	4 242	(32)%	(81)%
Interest earned - external investments	15 939	10 536	10 536	7 987	0%	0%
Interest earned - outstanding debtors	352 476	372 714	388 567	383 250	3%	(1)%
Dividends received	–	–	–	–	0%	0%
Fines	9 104	28 684	27 734	24 893	(15)%	(11)%
Licences and permits	6 146	7 720	8 210	8 749	12%	6%
Agency services	10 505	–	–	14 934	100%	100%
Transfers recognised - operational	435 815	480 796	554 960	719 998	33%	23%
Other revenue	179 989	71 453	73 701	487 300	85%	85%
Gains on disposal of PPE	–	–	–	–	0	0
Environmental Protection	–	–	–	–	0	0
Total Revenue (excluding capital transfers and contributions)	2 975 872	3 399 142	3 580 365	3 797 338	10,49%	5,71%

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

CONDITIONAL GRANTS: EXCLUDING MIG 2020/21					
R' 000					
Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
Neighbourhood Development Partnership Grant	40 000	50 000	49 063	(0,18)	0,02
Other Specify:					
Sport & Recreation	823	823	479	0,72	0,72
EPWP	2 092	2 092	2 452	(0,15)	(0,15)
INEP	24 251	24 251	21 021	0,15	0,15
WSIG	16 000	21 000	18 677		
Disaster Management Grant	0	71 371	47 222	(1,00)	0,51
EEDSM	4 000	6 600	5 974	(0,33)	0,10
FMG	3 000	3 000	2 929	0,02	0,02
TOTAL	90 166	179 137	147 817	(0,39)	0,21

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* 2020/21				
R '000				
Description	2019/20	2020/21		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure
Capital expenditure by Asset Class	112 696	162 800	239 525	191 472
Infrastructure - Total				
Infrastructure: Road transport - Total	18 494	40 648	58 102	49 600
<i>Roads, Pavements & Bridges</i>	18 494	40 648	58 102	49 600
Infrastructure: Electricity - Total	30 304	39 899	76 267	58 141
<i>Generation</i>	30 304	39 899	76 267	58 141
Infrastructure: Water - Total	41 636	11 792	33 961	26 709
<i>Water purification</i>	41 636	11 792	33 961	26 709
Infrastructure: Sanitation - Total	5 563	23 147	49 707	38 703
<i>Sewerage purification</i>	5 563	23 147	49 707	38 703
Infrastructure: Other - Total	–	2 284	0	0
<i>Waste Management</i>	–	2 284	0	0
Community - Total	16 699	45 030	21 488	18 319
<i>Recreational facilities</i>	9 818	25 734	14 434	12 193
<i>Other</i>	6 887	19 296	7 054	6 126
TOTAL CAPITAL EXPENDITURE ON NEW ASSETS	112 696	162 800	239 525	191 472

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: 2020/21					
					R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
ELECTRICITY	-	12 276	10 707	-15%	100%
Electrical Alabama Ext 5 Phase 3	-	12 276	10 707	-15%	100%
SANITATION / SEWERAGE	-	41 837	34 361	-22%	100%
Refurbish Electrical & Mechanical Equipment: Sewer Pump-Stations	-	20 837	18 119	-15%	100%
Upgrading Hartebeesfontein Waste-Water Treatment Works	-	21 000	16 242	-29%	100%
ROADS AND STORM-WATER	-	42 257	35 627	-19%	100%
Jouberton Taxi Rank	-	19 206	15 299	-26%	100%
Jouberton Pave Taxi Routes & Storm-water Drainage	-	10 313	9 136	-13%	100%
Jouberton Alabama Internal Services & Infrastructure	-	12 738	11 192	-14%	100%
SPORTS, ARTS & CULTURE	25 734	14 433	12 193	-18%	-111%
New Sports Complex in Khuma	25 734	14 433	12 193	-18%	-111%
TOTAL	25 734	110 803	92 888	-19%	72%

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD

CAPITAL PROGRAMME BY PROJECT BY WARD: 2020/21		
		R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)
SANITATION/SEWERAGE		
Refurbish Electrical & Mechanical Equipment: Sewer Pump-Stations	All	No
Upgrading Hartebeesfontein Waste-Water Treatment Works	1	No
ELECTRICITY		
Electrical Alabama Ext 5 Phase 3	4	No
STORM-WATER		
Jouberton Taxi Rank	37	No
Jouberton Pave Taxi Routes & Storm-water Drainage	5, 6, 11, 13 and 14	No
Jouberton Alabama Internal Services & Infrastructure	37	No
SPORTS, ARTS & CULTURE		
New Sports Complex in Khuma	31	No

**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

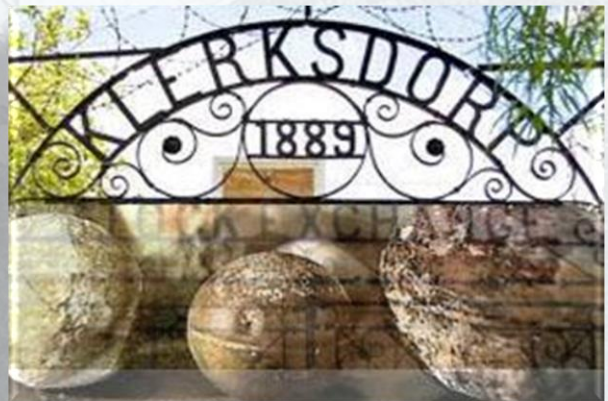
The electricity access backlog in the ESKOM jurisdiction is as follows:

AREA	BACKLOG
Tigane	3 003
Khuma	4 527
Kanana	5 885
TOTAL	13 415

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

No loans or grants were made by the City of Matlosana during the 2020/21 financial year

List of Acronyms



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
AR	Annual Report
BAC	Bid Adjudication Committee
BCX	Business Connexion Ltd
BCEA	Basic Conditions of Employment Act
BEC	Bid Evaluation Committee
BEP	Bucket Eradication Programme
BSC	Bid Specification Committee
BTO	Budget and Treasury Office
CBD	Central Business District
CBP	Community Based Plan
CC	Closed Corporation
CC	Council Committee resolution
CCTV	Closed-circuit television
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
CWP	Community Work Programme
CPA	Community Property Association
CRR	Capital Replacement Reserve
CRU	Community Residential Unit
DAMG	Disaster Assessment Management Grant
DBSA	Development Bank of South Africa
DCD	Director Community Development
DCS	Director Corporate Support
DEFF	Department of Environment, Forestry and Fisheries
DKKDM	Dr Kenneth Kaunda District Municipality
DLCA	Driving License Card Account
DLED	Director Local Economic Development
DMRE	Department of Mineral Resources and Energy
DoRA	Division of Revenue Act
DPHS	Director Planning and Human Settlements
DPS	Director Public Safety
DRP	Disaster Recovery Plan
DRM	District Risk Management

List of Acronyms

LIST OF ACRONYMS	
Acromyn	Description
DTI	Director Technical and Infrastructure
DTI	Department of Trade and Industry
DWAF	Department of Water Affairs
EECF	Employment Equity Consultative Forum
EEDSM	Energy Efficiency Demand Side Management
EFT	Electronic Fund Transfer
ELRS	Electricity Loss Reduction Strategy
EPWP	Extended Public Works Programme
ERA	Electricity Regulatory Authority
FIFO	First-in, first-out
FMG	Financial Management Grant
FMG	Financial Markets Group
FNB	First National Bank
GAMAP	Generally Accepted Municipal Accounting Practice
GIS	Geographical Information System
G/L	General Ledger
GRAP	Generally Accepted Accounting Practice
HDF	Housing Development Fund
HHs	Households
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
INEP	Integrated National Electrification Program
IOD	Injury on Duty
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
LUMS	Land Use Management Scheme
MATLOSANA	Klerksdorp, Orkney, Stilfontein and Hartbeesfontein
MFPM	Matlosana Fresh Produce Market
MAYCO	Mayoral Committee
mSCOA	Municipal Standard Chart of Accounts
ME's	Municipal Entities
MEC	Member of the Executive Council
MEGF	Municipal Employee Gratuity Fund
MCPF	Municipal Councillors Pension Fund

List of Acronyms

LIST OF ACRONYMS	
Acromyn	Description
MIG	Municipal Infrastructure Grant
MISA	Municipal Infrastructure Support Agent
MFMA	Municipal Financial Management Act
MM	Municipal Manager
MSA	Municipal Systems Act
NERSA	National Energy Regulator of South Africa
NFMW	National Fund for Municipal Workers
NRS	National Regulatory Standard
NW	North-West
OHC	Occupational Health Centre
OHS	Occupational Health and Safety
PAA	Public Audit Act of South Africa
PAC	Performance Audit Committee
PFMC	Pension Fund for Municipal Councillors
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
RDP	Rural Development Plan
RMU	Ring Main Unit
ROI	Return on Investment
RTMC	Road Traffic Management Corporation
SAFA	South African Football Association
SALA PF	South African Local Authorities Pension Fund
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
SLA	Service Level Agreement
SPLUMA	Spatial Planning and Land Use Management
STR	Small Town Regeneration
TLB	Tractor-Loader-Backhoes
UIFW	Unauthorised, irregular, fruitless and wasteful
VAT	Value Added Tax
VMR	Village Main Reef
WCA	Workers Compensation Assistance
WSP	Workplace Skills Plan
WWTP	Waste Water Treatment Plant

VOLUME II

Annual Financial Statements for the year ended 30 June 2021



City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

General Information

Nature of business and principal activities

To provide democratic and accountable government to the local communities,
To ensure sustainable service delivery to communities,
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.

The entity's operations are governed by the Local Government: Municipal Structures Act 117 of 1998, the Local Government: Municipal Systems Act 32 of 2000, the Local Government: Municipal Finance Management Act 56 of 2003, and various other acts and regulations.

Mayoral committee

Executive Mayor

M.M.E Kgaile

Speaker

R.W Ntozini

Councillors

K. Ndincede (Single Whip)

M.F Nthaba

T.O Vilakazi

F.I Tagaree

M.L Mojaki

S.D Montoedi

L.M Lebenya-Kortjaas

I.N Matetoane

P.F Mabeli

S.J Daemane

S.P.J Bogatsu

T.G Khoza

Chief Finance Officer (CFO)

B.O Kgoete

Accounting Officer

T.S.R Nkhumise

Registered office

Bram Fischer Street
Klerksdorp
2571

Business address

Bram Fischer Street
Klerksdorp
2570

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

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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
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)
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), 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 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 2022 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 is 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 have been examined by the municipality's external auditors and their report is presented on page 371.

The annual financial statements set out on pages 371 to 453, which have been prepared on the going concern basis, were approved by the accounting officer on 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 2021

Statement of Financial Position as at 30 June 2021

Figures in Rand	Note(s)	2021	2020 Restated*
Assets			
Current Assets			
Inventories	8	33 292 848	45 578 303
Other financial assets	6	-	643 828
Receivables from exchange transactions	9	2 339 410	212 523
VAT receivable	11	182 654 104	164 901 578
Consumer debtors	12	559 745 371	564 053 729
Other receivables	7	35 375	29 274
Cash and cash equivalents	13	242 485 375	300 578 049
		1 020 552 483	1 075 997 284
Non-Current Assets			
Investment property	2	256 971 224	259 370 021
Property, plant and equipment	3	5 120 095 296	5 001 770 442
Intangible assets	4	1 297 383	1 297 383
Heritage assets	5	9 975 309	10 092 897
Other financial assets	6	10 776 439	9 636 897
Eskom Deposit		37 830 777	37 076 362
Other receivables	7	-	32 755
Nature reserve wild stock		1 731 150	1 995 400
		5 438 677 578	5 321 272 157
Total Assets		6 459 230 061	6 397 269 441
Liabilities			
Current Liabilities			
Other financial liabilities	14	3 153 240	2 838 624
Payables from exchange transactions	15	2 119 240 918	1 680 875 667
Consumer deposits	16	38 965 147	36 633 558
Employee benefit obligation	18	17 375 000	19 947 000
Unspent conditional grants and receipts	17	42 709 421	43 668 378
Housing Project Liability	20	46 190 174	174 563 618
		2 267 633 900	1 958 526 845
Non-Current Liabilities			
Other financial liabilities	14	44 155 564	54 400 000
Employee benefit obligation	18	310 998 000	290 406 000
Provisions	19	127 223 050	124 485 450
		482 376 614	469 291 450
Total Liabilities		2 750 010 514	2 427 818 295
Net Assets		3 709 219 547	3 969 451 146
Accumulated surplus		3 709 219 547	3 969 451 146

* See Note 52 & 53

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Performance

Figures in Rand	Note(s)	2021	2020 Restated*
Revenue			
Revenue from exchange transactions			
Market dues		19 749 348	18 548 049
Service charges	21	1 720 481 790	1 631 878 998
Rendering of services		-	1 572
Rental of facilities and equipment		4 242 213	4 437 462
Licence fees		8 749 133	6 146 370
Agency fees		14 934 246	10 505 057
Connections and Reconnections		45 987 959	9 618 438
Rental income		3 000 606	1 918 996
Insurance fees		4 848 006	4 487 436
Other income		14 518 098	7 292 604
Interest received	22	391 236 456	337 972 619
Total revenue from exchange transactions		2 227 747 855	2 032 807 601
Revenue from non-exchange transactions			
Property rates	23	425 503 361	329 582 322
Interest from Property Rates		40 881 153	30 442 255
Donations received	26	358 314 355	190 192 689
Transfer revenue			
Government grants & subsidies	24	719 998 457	567 153 692
Fines, Penalties and Forfeits		24 893 254	9 104 000
Total revenue from non-exchange transactions		1 569 590 580	1 126 474 958
Total revenue	25	3 797 338 435	3 159 282 559
Expenditure			
Employee related costs	27	(681 193 597)	(653 761 744)
Remuneration of councillors	28	(36 495 510)	(34 575 201)
Depreciation and amortisation	29	(391 923 365)	(393 232 097)
Impairment loss/ Reversal of impairments	30	(25 629 724)	(20 019 506)
Finance costs	31	(102 794 811)	(109 215 601)
Rental and lease expenditure		(85 173 911)	(79 850 743)
Debt Impairment	33	(1 149 479 591)	(835 011 553)
Revenue Loss		(9 836 700)	(11 573 029)
Repairs and maintenance		(139 844 478)	(146 920 880)
Bulk purchases	34	(1 115 809 958)	(1 030 160 444)
Contracted services	35	(80 487 920)	(75 905 280)
General expenses	36	(214 629 412)	(166 491 800)
Total expenditure		(4 033 298 977)	(3 556 717 878)
Operating deficit		(235 960 542)	(397 435 319)
Loss on disposal of assets and liabilities	26	(21 746 006)	(18 278 238)
Fair value adjustments		495 714	605 832
Actuarial gains and losses	18	2 948 000	51 574 254
Inventories losses/write-downs		(5 968 767)	(119 361)
		(24 271 059)	33 782 487
Deficit for the year		(260 231 601)	(363 652 832)

* See Note 52 & 53

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	4 251 731 986	4 251 731 986
Adjustments		
Correction of errors	81 371 992	81 371 992
Balance at 01 July 2019 as restated*	4 333 103 978	4 333 103 978
Changes in net assets		
Deficit for the year	(363 652 832)	(363 652 832)
Total changes	(363 652 832)	(363 652 832)
Restated* Balance at 01 July 2020	3 969 451 148	3 969 451 148
Changes in net assets		
Surplus for the year	(260 231 601)	(260 231 601)
Total changes	(260 231 601)	(260 231 601)
Balance at 30 June 2021	3 709 219 547	3 709 219 547

* See Note 52 & 53

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Cash Flow Statement

Figures in Rand	Note(s)	2021	2020 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		1 535 931 257	1 520 653 046
Grants		719 039 500	511 304 998
Interest income		112 685 558	56 625 635
Other receipts		105 554 792	55 575 636
		<u>2 473 211 107</u>	<u>2 144 159 315</u>
Payments			
Employee costs		(721 476 191)	(681 465 762)
Suppliers		(1 447 559 033)	(1 268 782 538)
Finance costs		(70 934 211)	(78 113 717)
VAT received		41 744 152	3 130 868
		<u>(2 198 225 283)</u>	<u>(2 025 231 149)</u>
Net cash flows from operating activities	38	274 985 824	118 928 166
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(196 793 207)	(104 426 069)
Purchase of investment property	2	-	(2 899 410)
Purchase of other intangible assets	4	-	(639 434)
Movement in financial assets		-	25 000 000
Movement of wildstock		440 799	87 975
Security deposit paid to Eskom movement		(754 415)	(19 504 155)
Net cash flows from investing activities		(197 106 823)	(102 381 093)
Cash flows from financing activities			
Movement of other financial liabilities		(9 929 820)	(13 779 653)
Movement in consumer deposits		2 331 589	3 288 393
Movement in HDA		(128 373 444)	5 500 872
Net cash flows from financing activities		(135 971 675)	(4 990 388)
Net increase/(decrease) in cash and cash equivalents		(58 092 674)	11 556 685
Cash and cash equivalents at the beginning of the year		300 578 049	289 021 364
Cash and cash equivalents at the end of the year	13	242 485 375	300 578 049

* See Note 52 & 53

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

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	20 000 000	-	20 000 000	19 749 348	(250 652)	
Service charges	1 915 229 679	70 812 429	1 986 042 108	1 720 481 790	(265 560 318)	Note 1
Rendering of services	2 000	-	2 000	-	(2 000)	
Rental of facilities and equipment	4 130 043	1 418 291	5 548 334	4 242 213	(1 306 121)	Note 2
Agency services	10	-	10	-	(10)	
Licences and permits	7 680 006	-	7 680 006	8 749 133	1 069 127	
Commissions received	15 000 000	-	15 000 000	14 934 246	(65 754)	
Royalties received	26 280 081	11 254 734	37 534 815	45 987 959	8 453 144	
Rental income	1 517 567	650 000	2 167 567	3 000 606	833 039	
Discount received	300 000	613 793	913 793	4 848 006	3 934 213	
Other income	44 832 196	2 589 776	47 421 972	14 518 098	(32 903 874)	Note 3
Development charges	-	14 000 000	14 000 000	-	(14 000 000)	Note 4
Interest received	343 250 077	15 852 619	359 102 696	391 236 456	32 133 760	Note 5
Total revenue from exchange transactions	2 378 221 659	117 191 642	2 495 413 301	2 227 747 855	(267 665 446)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	480 059 797	5 282 237	485 342 034	425 503 361	(59 838 673)	Note 6
Indirect taxes (VAT, customs duty)	40 000 000	-	40 000 000	40 881 153	881 153	
Donations received	-	-	-	358 314 355	358 314 355	Note 7
Transfer revenue						
Government grants & subsidies	643 596 000	78 098 000	721 694 000	719 998 457	(1 695 543)	
Fines, Penalties and Forfeits	20 064 522	(1 414 444)	18 650 078	24 893 254	6 243 176	
Total revenue from non-exchange transactions	1 183 720 319	81 965 793	1 265 686 112	1 569 590 580	303 904 468	
Total revenue	3 561 941 978	199 157 435	3 761 099 413	3 797 338 435	36 239 022	
Expenditure						
Personnel	(651 290 200)	(15 080 541)	(666 370 741)	(681 193 597)	(14 822 856)	Note 8
Remuneration of councillors	(38 988 000)	-	(38 988 000)	(36 495 510)	2 492 490	
Depreciation and amortisation	(420 711 192)	-	(420 711 192)	(391 923 365)	28 787 827	Note 9
Impairment loss/ Reversal of impairments	-	-	-	(25 629 724)	(25 629 724)	Note 10
Finance costs	(3 537 000)	-	(3 537 000)	(102 794 811)	(99 257 811)	Note 11
Lease rentals on operating lease	(40 782 000)	(6 785 094)	(47 567 094)	(85 173 911)	(37 606 817)	
Debt Impairment	(968 658 700)	72 649 400	(896 009 300)	(1 149 479 591)	(253 470 291)	Note 12
Collection costs	-	-	-	(9 836 700)	(9 836 700)	
Repairs and maintenance	(121 504 000)	(47 460 591)	(168 964 591)	(139 844 478)	29 120 113	
Bulk purchases	(940 553 280)	15 000 000	(925 553 280)	(1 115 809 958)	(190 256 678)	Note 13
Contracted Services	(43 674 000)	(41 607 995)	(85 281 995)	(80 487 920)	4 794 075	
General Expenses	(152 675 567)	(46 918 823)	(199 594 390)	(214 629 412)	(15 035 022)	Note 14

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

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						
Total expenditure	(3 382 373 939)	(70 203 644)	(3 452 577 583)	(4 033 298 977)	(580 721 394)	
Operating deficit	179 568 039	128 953 791	308 521 830	(235 960 542)	(544 482 372)	
Loss on disposal of assets and liabilities	-	-	-	(21 746 006)	(21 746 006)	
Fair value adjustments	-	-	-	495 714	495 714	
Actuarial gains/losses	-	-	-	2 948 000	2 948 000	
Inventories losses/write-downs	-	-	-	(5 968 767)	(5 968 767)	
	-	-	-	(24 271 059)	(24 271 059)	
Deficit before taxation	179 568 039	128 953 791	308 521 830	(260 231 601)	(568 753 431)	
Capital expenditure	162 800 300	76 724 667	239 524 967	191 472 532	(48 052 435)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	16 767 739	52 229 124	68 996 863	(451 704 133)	(520 700 996)	

Note 1 - A number of customers in Business and Government were working from home as a result of COVID 19. The consumption was reduced as a result of schools and creches and other institutions which consume in bulk but were periodically closed during COVID.

Note 2 - Slow collection of income from rental of municipal facilities due to COVID19 restrictions.

Note 3 - Deviations are due to COVID- 19 disruptions.

Note 4 - The bulk connection from HDA project was not received from the contractor as anticipated.

Note 5 - This is due to non-payment of services. The interest charged increases as the debtors book grows and also low spending on grant funds received.

Note 6 - Poor collection rate from rates and taxes due to relatively weak Economic activities on Micro and Macro level.

Note 7: - The Municipality does not budget for donations.

Note 8: - The variance is due to overtime worked during the year and recruitment of additional officials.

Note 9 - This is due to Capital and WIP projects not completed.

Note 10 - The Municipality does not budget for impairment.

Note 11 - The variance is due to interest charged on outstanding creditors.

Note 12 - Increase in non-payments of consumer accounts. There were no debts written off.

Note 13 - Under budgeting on payments of Eskom and Midvaal bulk purchases.

Note 14 - Insufficient Budget due to low collection and increased spending on operating expenditure due to COVID 19.

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).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.3 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.

Allowance for slow moving, damaged and obsolete stock

Management makes an estimate of the selling price and direct cost to sell to determine the net realisable value of inventory items. Allowance for obsolete stock is recognised when stock is slow moving and/or will not be used. The difference between the cost of inventory and the net realisable value is recognised in the statement of financial performance.

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

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 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.

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

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 19 - Provisions.

Useful lives of waste and water network and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the waste water and water networks. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the recoverable amount. Significant debtors are individually assessed for impairment and insignificant debtors are grouped and impaired as a portfolio.

Useful lives and residual values

The entity's management determines the estimated useful lives and related depreciation charges for assets as noted in accounting policies 1.5 and 1.6.

This estimate is based on industry norm.

Management will increase the depreciation charge prospectively where useful lives are less than previously estimated useful lives.

Management will decrease the depreciation charge prospectively where useful lives are more than previously estimated useful lives.

Where changes are made to the estimated residual lives, management also makes these changes prospectively.

Trade receivables, loans and other receivables

The entity assesses its trade receivables, loans and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Where the impairment for trade receivables, loans and other receivables is calculated on a portfolio basis, these are based on historical loss ratios. These annual loss ratios are applied to the balances in the portfolio. The impairment is measured as the difference between the

receivables' carrying amount and the present value of the estimated future cash flows discounted at the effective interest rate, computed at initial recognition. The impairment loss is recognised in surplus or deficit when there is objective evidence that it is impaired.

Employee benefit obligations

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The entity determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price. Where there is no active market, fair value is determined using valuation techniques. Such valuation techniques include using recent arm's length market transactions, reference to current market values of other similar instruments, discounted cash flow analysis and option pricing models.

Accounting Policies

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 accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:

Item	Useful life
Property - land	indefinite

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

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.

Accounting Policies

1.5 Property, plant and equipment (continued)

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

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	Straight line	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	Straight line	
• 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, the useful life and the depreciation method of each asset is 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.

Accounting Policies

1.5 Property, plant and equipment (continued)

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.

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 accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

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

Accounting Policies

1.6 Intangible assets (continued)

Intangible assets have an indefinite useful life.

The factors that was taken into account to determine that the Intangible assets have a indefinite useful life was:

- (a) The asset could be efficiently managed by another management team
- (b) There are not a lot of competitors or potential competitors that would be able through their action to effect the lifespan of the intangible assets
- (c) There is very little if any maintenance expenditure associated with the intangible assets to keep deriving service potential from the intangible assets
- (d) The useful life of the assets is not dependant on the useful life of other assets of the municipality.

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.

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).

Accounting Policies

1.8 Financial instruments

Classification

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

- Financial assets measured at fair value.
- 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.

Accounting Policies

1.8 Financial instruments (continued)

Impairment of financial assets

At each end of the reporting period the municipality assesses all financial assets, other than those at fair value through surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the municipality, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in surplus or deficit - is removed from equity as a reclassification adjustment and recognised in surplus or deficit.

Impairment losses are recognised in surplus or deficit.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in surplus or deficit except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Receivables from exchange transactions

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and receivables.

Payables from exchange transactions

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

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.

Accounting Policies

1.8 Financial instruments (continued)

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the municipality's accounting policy for borrowing costs.

Derecognition

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.

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 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Accounting Policies

1.9 Statutory receivables (continued)

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses are recognised in surplus or deficit.

In estimating the future cash flows, an municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

1.10 VAT

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

Accounting Policies

1.11 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of 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.

1.12 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

1.12 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.

1.13 Construction contracts and receivables

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

Cost plus or cost based contract is a construction contract in which the contractor is reimbursed for allowable or otherwise defined costs and, in the case of a commercially-based contract, an additional percentage of these costs or a fixed fee, if any.

Fixed price contract is a construction contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output, which in some cases is subject to cost escalation clauses.

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The entity assesses the terms and conditions of each contract concluded with customers to establish whether the contract is a construction contract or not. In assessing whether the contract is a construction contract, an entity considers whether it is a contractor.

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by .

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected deficit is recognised as an expense immediately.

1.14 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.

Accounting Policies

1.14 Impairment of 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 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.

1.15 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.

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.

Accounting Policies

1.16 Employee benefits

Short-term and long-term employee benefits

The cost of all short-term employee benefits is recognised in the period during which the employee renders the related service. The Entity recognises the expected cost of performance bonuses only when the Entity has a present legal or constructive obligation to make such payment, and if a reliable estimate can be made.

The Entity provides long-service leave to eligible employees, payable on completion of years of employment. The Entity's liability is based on an actuarial valuation. Any unwinding of discount is charged to the statement of financial performance as an employee-related cost. Actuarial gains and losses on the long-term incentives are fully accounted for in the statement of financial performance. The projected unit credit method has been used to value the obligation

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.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the entity is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

Other post retirement obligations

The entity provides post-retirement health care benefit to retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Accounting Policies

1.17 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Leave and bonus accrual:

- liabilities for annual leave and bonus are recognised as they accrue to employees. The liability is based on the total accrued leave days at year end for the leave accrual and the bonus accrual based on the initial inception of the service month.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

Accounting Policies

1.17 Provisions and contingencies (continued)

A contingent liability is:

- (a) a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality; or
- (b) a present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

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

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, a 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.

1.18 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.

1.19 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Accounting Policies

1.19 Revenue from exchange transactions (continued)

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions 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 similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

Accounting Policies

1.20 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rates, including collection charges and penalties interest

Revenue from rates, including collection charges and penalty interest, is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- there has been compliance with the relevant legal requirements.

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognised are processed or additional rates revenue is recognised.

Fines

Revenue from the issuing of fines is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

The municipality has two types of fines: spot fines and summonses. There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. An estimate is made for the revenue amount collected from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses is recognised when the public prosecutor pays over to the entity the cash actually collected on summonses issued.

Levies

Levies are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

Levies are based on declarations completed by levy payers. The estimate of levies revenue when a levy payer has not submitted a declaration are based on the following factors:

- the extent and success of procedures to investigate the non-submission of a declaration by defaulting levy payers;
- internal records maintained of historical comparisons of estimated levies with actual levies received from individual levy payers;
- historical information on declarations previously submitted by defaulting levy payers; and
- the accuracy of the database of levy payers as well as the frequency by which it is updated for changes.

Changes to estimates made when more reliable information becomes available are processed as an adjustment to levies revenue.

Accounting Policies

1.20 Revenue from non-exchange transactions (continued)

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.

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 programme 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 re-imbursement 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.

1.21 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.

1.22 Investment income

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

1.23 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.

1.24 Comparative figures

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

Accounting Policies

1.25 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.

1.26 Fruitless and wasteful expenditure

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.27 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.28 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.

1.29 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.

1.30 Segment 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.

1.31 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 2020/07/01 to 2021/06/30.

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 R5 000 000 as material variances that require explanations.

Accounting Policies

1.32 Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.33 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.

1.34 Comparative information

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

1.35 New standards and interpretations

Application of all of the GRAP standards listed below will be effective from a date to be announced by the Minister of Finance.

Management has considered all the of the listed GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

- GRAP 18 Segment Reporting.
- GRAP 1 (amended): Presentation of Financial Statements 01 April 2020
- GRAP 34: Separate Financial Statements 01 April 2020
- IGRAP 1 (revised): Applying the Probability Test on Initial Recognition of Revenue 01 April 2020
- Directive 7 (revised): The Application of Deemed Cost 01 April 2020
- GRAP 18 (as amended 2016): Segment Reporting 01 April 2020

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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2. Investment property

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	256 971 224	-	256 971 224	259 370 021	-	259 370 021

Reconciliation of investment property - 2021

	Opening balance	Disposals	Total
Investment property	259 370 021	(2 398 797)	256 971 224

Reconciliation of investment property - 2020

	Opening balance	Additions	Disposals	Total
Investment property	260 855 721	5 710 086	(7 195 786)	259 370 021

Pledged as security

No assets 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 2021

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment

	2021		2020	
	Cost / Valuation	Accumulated depreciation and impairment	Carrying value	Cost / Valuation
Land	96 565 318	-	96 565 318	26 742 924
Community Infrastructure	1 094 985 292	(674 273 837)	420 711 455	1 072 743 996
Buildings	1 510 221 788	(7 160 540 222)	4 349 681 566	1 100 374 693
Other property, plant and equipment	468 814 975	(270 542 511)	198 272 464	476 149 675
	177 869 974	(123 005 481)	54 864 493	185 834 183
Total	3 348 457 347	(8 228 362 051)	5 120 095 296	2 861 845 471
				(7 860 075 029)
				5 001 770 442

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Disposals accumulated depreciation	Disposals: Accumulated impairment	Depreciation	Impairment loss	Total
Land	26 742 924	69 860 982	(38 588)	-	-	-	-	96 565 318
Community Infrastructure	464 892 843	34 668 441	(12 427 146)	5 418 103	162 876	(51 837 237)	(20 166 425)	420 711 455
Buildings	4 225 343 832	447 266 519	(37 419 434)	25 896 648	3 018 285	(310 372 023)	(4 052 261)	4 349 681 566
Other property, plant and equipment	224 535 729	29 500	(7 364 200)	4 347 926	1 652 561	(23 635 243)	(1 293 809)	198 272 464
	60 255 114	1 373 289	(9 337 487)	7 592 736	1 165 033	(6 078 860)	(105 332)	54 864 493
	5 001 770 442	553 198 731	(66 586 855)	43 255 413	5 998 755	(391 923 363)	(25 617 827)	5 120 095 296

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Disposals accumulated depreciation	Disposals: Accumulated impairment	Depreciation	Impairment loss	Total
Land	29 734 704	3 717	(2 995 497)	-	-	-	-	26 742 924
Community	500 258 861	17 106 780	(1 130 389)	731 944	208 995	(52 283 348)	-	464 892 843
Infrastructure	4 288 861 890	273 979 299	(24 218 452)	17 367 549	18 081	(311 941 113)	(18 723 422)	4 225 343 832
Buildings	250 186 599	20 150	(7 239 510)	3 735 431	1 814 966	(23 981 907)	-	224 535 729
Other property, plant and equipment	60 749 084	5 296 217	(85 895)	57 551	665	(5 025 729)	(736 779)	60 255 114
	5 129 791 138	296 406 163	(35 669 743)	21 892 475	2 042 707	(393 232 097)	(19 460 201)	5 001 770 442

Pledged as security

No assets are pledged as security.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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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:

Anti- tampering pillar boxes	296 710	296 710
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
Alabama Substation	34 251 045	34 251 045
Municipal Service Centre (Thusong Centre)	1 837 738	1 837 738
Jouberton Event Space (Open Air Amphitheatre and Play Park)	518 948	518 948
	41 724 709	41 724 709

Anti -Tampering Pillar Boxes - There is a delay caused in the finalization of this project as there was community protest against the installation of the Anti-Tampering Pillar Boxes. Once a way forward is determined, this project will be completed. The Anti-Tamper Pillar boxes is in storage in the stores until a further decision made.

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.

Alabama Substation - This project is neither halted nor delayed, this project will only be completed once the Construction of 88KV Medium Voltage Loop-in-loop out Line in Alabama Substation project have been completed, which is currently not completed and remain in WIP, as these two mentioned projects run in conjunction with each other.

Jouberton Central Park Development - Project is in inception phase and delayed, 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 delayed, 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 delayed, 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 2021

	Included within Infrastructure	Included within Community	Total
Opening balance	410 670 106	37 509 034	448 179 140
Additions/capital expenditure	441 312 895	33 976 210	475 289 105
Transferred to completed items	(230 058 356)	-	(230 058 356)
	621 924 645	71 485 244	693 409 889

Reconciliation of Work-in-Progress 2020

	Included within Infrastructure	Included within Community	Total
Opening balance	293 673 625	21 997 170	315 670 795
Additions/capital expenditure	264 179 109	15 511 864	279 690 973
Transferred to completed items	(147 182 628)	-	(147 182 628)
	410 670 106	37 509 034	448 179 140

City of Matlosana

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Figures in Rand	2021	2020
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3. Property, plant and equipment (continued)

Expenditure incurred to repair and maintain property, plant and equipment

Repairs and maintenance

The municipality's amount is R158,137,549 (2019-20 R 133,794,850) 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

	2021			2020		
	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	5 227 284	(3 929 901)	1 297 383

Reconciliation of intangible assets - 2021

	Opening balance	Total
Computer software, other	1 297 383	1 297 383

Reconciliation of intangible assets - 2020

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

Factors considered in determining assets with indefinite useful lives

- The asset could be efficiently managed by another management team
- There are not a lot of competitors or potential competitors that would be able through their action to effect the lifespan of the intangible asset
- There is very little if any maintenance expenditure associated with the intangible assets to keep deriving service potential from the intangible assets
- The useful life of the assets is not dependant on the useful life of other assets of the municipality

Pledged as security

No assets are pledged as security.

Restricted title

There are no restrictions on the title to assets.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

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Figures in Rand	2021	2020
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5. Heritage assets

	2021			2020		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Museum collectable, monuments and heritage sites	9 987 289	(11 980)	9 975 309	10 652 211	(559 314)	10 092 897

Reconciliation of heritage assets 2021

	Opening balance	Disposals	Disposals: Accumulated impairment	Impairment loss	Total
Museum collectable, monuments and heritage sites	10 092 897	(664 922)	559 314	(11 980)	9 975 309

Reconciliation of heritage assets 2020

	Opening balance	Impairment losses	Total
Museum collectable, monuments and heritage sites	10 652 211	(559 314)	10 092 897

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.

Pledged as security

No assets are pledged as security.

Restricted title

There are no restrictions on the title to assets.

6. Other financial assets

Designated at fair value

Investments

10 776 439 10 280 725

The municipality has reclassified financial assets from amortised cost to fair value in the current year. The Sanlam Capital Guaranteed Fund is a unit trust which is comprised of stock exchange securities in which investors can buy units. The units trusts are measured at fair value using quoted market prices.

Non-current assets

Designated at fair value

10 776 439 9 636 897

Current assets

Designated at fair value

- 643 828

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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6. Other financial assets (continued)

Financial assets at fair value

Fair value hierarchy of financial assets at fair value

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements. The fair value hierarchy have the following levels:

Level 1 represents those assets which are measured using unadjusted quoted prices in active markets for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 applies inputs which are not based on observable market data.

Fair values of financial assets measured or disclosed at fair value

Class 1	10 776 439	10 280 725
The unit trusts are measured based on the fair value of quoted market prices.		

Fair value of financial assets measured or disclosed at fair value

Sanlam Capital guaranteed fund - 040710409X0	674 682	643 828
Sanlam Capital guaranteed fund - 040644725X0	10 101 757	9 636 897
	10 776 439	10 280 725

7. Other receivables

Loan to Klerksdorp Rolbalklub

Short term portion of loan	35 375	29 274
Long-term portion of loan	-	32 755
	35 375	62 029

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.

8. Inventories

Consumable stores	29 473 242	39 754 747
Water	3 382 978	2 840 982
Fuel (Diesel, Petrol)	374 739	2 916 746
Museum stores - at authorised value	61 889	65 828
	33 292 848	45 578 303

Inventories recognised as an expense during the year	24 175 367	28 711 630
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Inventories write downs recognised as an expense during the year 2020/21 (5,968,767) and 2019/20 (R119,361).

Inventory pledged as security

No inventory is pledged as security.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
9. Receivables from exchange transactions		
Receivables	6 613 428	3 721 548
Impairment of other receivables	(4 274 018)	(3 509 025)
	2 339 410	212 523
Trade and other receivables impaired		
As of 30 June 2021, trade and other receivables of R 4 274 018 (2020: R 3 509 025) were impaired and provided for.		
Reconciliation of provision for impairment of trade and other receivables		
Opening balance	(3 512 424)	(2 461 962)
Provision for impairment	(794 415)	(1 050 462)
	(4 306 839)	(3 512 424)
10. Receivables from non-exchange transactions		
Fines (statutory receivable)	68 536 449	45 870 304
Impairment of fines	(68 536 449)	(45 870 304)
	-	-
Receivables from non-exchange (statutory receivable) transactions impaired		
As of 30 June 2021, other receivables from non-exchange transactions of R 68 536 449 (2020: R 45 870 304) were impaired and provided for.		
The amount of the provision was R 22 666 145 as of 30 June 2021 (2020: R 6 519 382).		
Reconciliation of provision for impairment of receivables from non-exchange (statutory receivable) transactions		
Opening balance	(45 870 304)	(39 350 922)
Provision for impairment	(22 666 145)	(6 519 382)
	(68 536 449)	(45 870 304)
11. VAT receivable		
Value Added Tax	182 654 104	164 901 578
12. Consumer debtors		
Gross balances		
Rates (Statutory receivables)	336 873 337	268 481 320
Electricity	466 955 591	386 200 595
Water	1 851 425 324	1 513 969 133
Sewerage	246 870 105	210 910 138
Refuse	475 870 104	406 101 053
Other service charges	177 090 678	143 542 994
Value added tax on consumer debtors	445 843 326	363 015 336
Interest on overdue accounts	1 598 450 595	1 226 980 087
	5 599 379 060	4 519 200 656

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
12. Consumer debtors (continued)		
Less: Allowance for impairment		
Rates (Statutory receivables)	(303 197 590)	(240 971 185)
Electricity	(420 258 259)	(290 107 950)
Water	(1 666 346 474)	(1 314 368 970)
Sewerage	(222 191 586)	(189 299 076)
Refuse	(428 299 461)	(364 489 611)
Other service charges	(159 405 535)	(128 834 756)
Value added tax on consumer debtors	(401 274 267)	(325 818 703)
Interest on overdue accounts	(1 438 660 517)	(1 101 256 676)
	(5 039 633 689)	(3 955 146 927)
Net balance		
Rates (Statutory receivables)	33 675 747	27 510 135
Electricity	46 697 332	96 092 645
Water	185 078 850	199 600 163
Sewerage	24 678 519	21 611 062
Refuse	47 570 643	41 611 442
Other service charges	17 685 143	14 708 238
Value added tax on consumer debtors	44 569 059	37 196 633
Interest on overdue accounts	159 790 078	125 723 411
	559 745 371	564 053 729
Included in above is receivables from exchange transactions		
Electricity	44 029 791	48 269 660
Water	174 501 910	189 224 919
Sewerage	23 268 184	26 360 811
Refuse	44 852 062	50 756 939
Other service charges	16 673 334	15 300 018
Value added tax on consumer debtors	43 462 878	43 713 811
Interest on overdue accounts	150 658 348	160 734 403
	497 446 507	534 360 561
Included in above is receivables from non-exchange transactions (taxes and transfers)		
Rates (statutory receivables)	31 751 236	29 693 168
Net balance	529 197 743	564 053 729
Rates (Statutory receivables)		
Current (0 -30 days)	28 480 184	24 092 351
31 - 60 days	12 544 110	11 089 155
61 - 90 days	9 233 368	8 485 793
91 - 120 days	286 615 675	224 814 021
Provision for bad debts	(303 197 590)	(240 971 185)
	33 675 747	27 510 135
Electricity		
Current (0 -30 days)	126 118 233	102 979 297
31 - 60 days	17 346 232	21 790 059
61 - 90 days	12 304 154	12 791 521
91 - 120 days	311 186 972	248 639 718
Provision for bad debts	(420 258 259)	(290 107 950)
	46 697 332	96 092 645

City of Matlosana

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Figures in Rand	2021	2020
12. Consumer debtors (continued)		
Water		
Current (0 -30 days)	109 066 209	87 009 184
31 - 60 days	39 662 981	43 480 026
61 - 90 days	36 206 365	31 563 026
91 - 120 days	1 666 489 769	1 351 916 896
Provision for bad debts	(1 666 346 474)	(1 314 368 969)
	185 078 850	199 600 163
Sewerage		
Current (0 -30 days)	7 105 217	6 185 917
31 - 60 days	4 780 073	4 490 001
61 - 90 days	4 033 645	4 019 029
91 - 120 days	230 951 170	196 215 191
Provision for bad debts	(222 191 586)	(189 299 076)
	24 678 519	21 611 062
Refuse		
Current (0 -30 days)	11 288 602	10 824 345
31 - 60 days	8 364 158	8 260 623
61 - 90 days	7 747 303	7 783 525
91 - 120 days	448 470 041	379 232 560
Provision for bad debts	(428 299 461)	(364 489 611)
	47 570 643	41 611 442
Other services		
Current (0 -30 days)	11 434 258	5 702 417
31 - 60 days	7 751 480	13 718 554
61 - 90 days	7 907 718	1 436 455
91 - 120 days	149 997 355	122 685 568
Provision for bad debts	(159 405 668)	(128 834 756)
	17 685 143	14 708 238
Value added tax on consumer debtors		
Current (0 -30 days)	19 866 712	14 969 773
31 - 60 days	11 641 000	11 925 324
61 - 90 days	10 186 142	8 616 298
91 - 120 days	419 437 323	327 503 941
Provision for bad debts	(416 562 118)	(325 818 703)
	44 569 059	37 196 633
Interest on overdue accounts		
Current (0 -30 days)	39 365 116	33 809 064
31 - 60 days	45 214 141	30 130 887
61 - 90 days	31 598 137	30 903 335
91 - 120 days	1 482 273 140	1 132 136 801
Provision for bad debts	(1 438 660 456)	(1 101 256 676)
	159 790 078	125 723 411

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
12. Consumer debtors (continued)		
Reconciliation of allowance for impairment		
Balance at beginning of the year	(3 955 146 927)	(3 232 827 255)
Contributions to allowance	(1 210 701 176)	(901 724 321)
Debt impairment written off against allowance	126 214 414	179 404 649
	(5 039 633 689)	(3 955 146 927)

Property rates (Statutory receivable)

Included in consumer debtors above, are amounts receivable by the municipality as a result of Rates levied and billed as per the Municipal Property Rates Act No. 6 of 2004.

The rates are calculated using the value of the property and the applicable tariff which is based on the usage of the property, this will also be subject to any applicable rebates based on the nature of the consumer.

The rates receivables have been impaired collectively with other consumer debtors and a discount rate of 7% (based on the prevailing prime lending rate as at 30 June 2021) was applied to the estimated future cash flows.

Consumer debtors pledged as security

None of the consumer receivables were pledged as security for any financial liability.

13. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	68 500	68 500
Bank balances	3 620 314	9 517 623
Short-term deposits	238 796 561	290 991 926
	242 485 375	300 578 049

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand 2021 2020

13. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2021	30 June 2020	30 June 2019	30 June 2021	30 June 2020	30 June 2019
ABSA Bank - Cheque Account - 4060008684	406 245	400 297	389 625	406 245	400 297	389 625
ABSA Bank - Cheque Account - 01000100176	7 025 734	10 324 628	15 862 478	(475 307)	9 392 198	1 266 222
ABSA Bank - Cheque Account - 950164379 (Council water)	367 680	2 902 105	720 680	2 568 086	(2 132 186)	(1 786 726)
ABSA Bank - Cheque Account - 950000090 (Market)	970 662	1 706 688	1 532 203	970 662	1 706 688	1 532 203
ABSA Bank - 407826177 - Call Account	25 952 017	48 034 555	36 414 174	26 045 411	48 034 555	36 414 174
ABSA Bank - 4081494682 - Call Account	27 889 522	24 302 221	26 647 514	27 973 184	24 302 221	26 647 514
ABSA Bank - 4086111223 - Call Account	1 475 978	1 432 435	54 190 524	1 479 921	1 432 435	54 190 524
ABSA Bank - 4073033854 - Call Account	9 160 399	17 198	9 870 223	9 174 925	17 198	9 870 223
ABSA Bank - 9056825047 - Call Account	3 776 708	9 162 685	9 959 650	3 789 287	9 162 685	9 959 650
ABSA Bank - 9074204063 - Call Account	3 476 738	1 145 556	5 220 459	3 483 260	1 145 556	5 220 459
ABSA Bank - 9090072264 - Call Account	42 047 625	11 780 787	18 173 936	42 124 482	11 780 787	18 173 936
Investec Bank - 1400057452500 Call Account	6 950 101	6 723 740	6 354 116	6 950 101	6 723 740	6 354 116
FNB - 71037411669 - Collateral	51 847	49 237	45 750	51 847	49 237	45 750
Nedbank Bank - 03/7881151374 - Call Account	57 761 051	188 329 511	120 512 876	57 922 465	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)	152 091	150 627	147 323	150 627	150 627	148 317
FNB - 62879341700 - Call Account	59 787 675	-	-	59 787 675	-	-
Total	247 266 073	306 476 270	306 055 531	242 416 871	300 509 549	288 952 863

14. Other financial liabilities

At amortised cost

DBSA Loans	16 020 739	19 183 209
Refer to appendix A for more detail on long-term liabilities.		
Redefine	31 288 065	38 055 415
The loan is interest free and is repayable as Redefine is a municipality debtor.		
	47 308 804	57 238 624

Total other financial liabilities

47 308 804 57 238 624

Non-current liabilities

At amortised cost	44 155 564	54 400 000
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Current liabilities

At amortised cost	3 153 240	2 838 624
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City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
15. Payables from exchange transactions		
Trade payables	1 810 636 114	1 375 408 448
Payments received in advanced	75 849 217	77 899 205
Accrued leave pay	116 487 409	112 119 493
Retentions	30 976 472	20 571 571
Agency Fee Payable	70 298 284	83 499 651
Sundry creditors	14 842 795	11 226 672
Housing : Absa bank account	150 627	150 627
	2 119 240 918	1 680 875 667
16. Consumer deposits		
Water and Electricity	38 965 147	36 633 558
17. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
Municipal Infrastructure Grant	63 120	32 360 219
Integrated National Electrification Programme (INEP)	3 315 010	90 555
Financial Management Grant (FMG)	71 140	169 250
Department of Water Affairs and Forestry (DWAF)	276 464	276 464
Water Services Infrastructure Grant (WSIG)	2 322 186	-
Expanded Public Works Programme (EPWP)	237 299	597 030
Fire Grant	557 326	557 326
Library Grant	2 391 284	1 853 918
Neighbourhood Development Partnership Grant (NDPG)	3 589 877	2 652 712
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	10 221	10 035
Disaster Management Grant (COVID)	24 149 223	-
Energy Efficiency Demand Side Management (EEDSM)	731 811	106 409
	42 709 421	43 668 378

See note 24 for reconciliation of grants from National/Provincial Government.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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18. Employee benefit obligations

Reconciliation of employee benefit obligations -2021

Reconciliation of employee benefit obligations - 2021

	Opening Balance	Additions	Utilised during the year	Total
Continuous medical aid contribution	258 886 000	43 991 000	(13 566 000)	289 311 000
Long service awards	51 467 000	8 065 000	(20 470 000)	39 062 000
	310 353 000	52 056 000	(34 036 000)	328 373 000

Reconciliation of employee benefit obligations - 2020

	Opening Balance	Additions	Utilised during the year	Total
Continuous medical aid contribution	287 022 505	35 474 583	(63 611 088)	258 886 000
Long service awards	52 033 187	8 269 247	(8 835 434)	51 467 000
	339 055 692	43 743 830	(72 446 522)	310 353 000

Carrying values

Non - current liabilities	310 998 000	290 406 000
Current liabilities	17 375 000	19 947 000
	328 373 000	310 353 000

Post retirement medical aid plan

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current conditions of service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

In accordance with the requirements of GRAP 25, the projected unit credit method has been applied. The assumption underlying the funding method is that the employer's post employment medical scheme costs in respect of an employee should be fully recognised by the time that the employee reaches fully accrued age. The valuation has been made with reference Actuarial Society of South Africa (ASSA) guidelines, in particular, the Advisory Practice Note 207, and is consistent with the requirements of GRAP 25.

Changes in the present value of the defined benefit obligation:

Opening balance	258 886 000	287 022 505
Service cost	7 600 000	9 321 683
Interest cost	25 580 000	26 152 900
Actuarial loss/ (gain)	10 811 000	(51 111 811)
Expected contributions	(13 566 000)	(12 499 277)
	289 311 000	258 886 000

Key financial assumptions

	2021	2020
Discount rate	9.93%	10.14%
Health care cost inflation rate	6.72%	6.24%
Net discount rate	3.01%	3.67%

Key demographic assumptions

Average retirement age	62	62
Proportion with a spouse dependant at retirement	55%	55%
Proportion of in-service non-members joining a scheme by retirement and continuing with the subsidy at retirement	15%	15%
Mortality during employment	SA 85-90 light	SA 85-90 light
Mortality post- employment	PA(90) -1	PA(90) -1

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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18. Employee benefit obligations (continued)

Sensitivity analysis

The table below indicates, for example, that if medical inflation is one percentage point greater than the long-term assumption made, the liability will be 15% greater than that shown.

Sensitivity analysis on accrued liability	Change	Eligible employees	Continuation members	Total	% change
Central assumptions		138.561	150.750	289.311	
Health care inflation rate	+1%	167.868	164.598	332.466	15%
	-1%	115.411	138.680	254.091	-12%
Discount rate	+1%	116.201	139.109	255.310	-12%
	-1%	167.200	164.297	331.497	15%
Post employment mortality	+1 yr	134.722	145.180	279.902	-3%
	-1 yr	142.369	156.370	298.739	3%
Average retirement age	-1 yr	150.494	150.750	301.244	4%
Membership continuation	-10%	119.885	150.750	270.635	-6%

Sensitivity analysis on current- service and interest costs for the year ending 30/06/2021	Change	Current Svc. Cost	Interest cost	Total	% change
Central assumptions	-	7 600 000	25 580 000	33 180 000	-
Health care inflation rate	+1%	9 413 000	29 251 000	38 664 000	17%
	-1%	6 192 000	22 553 000	28 745 000	-13%
Discount rate	+1%	6 303 000	24 896 000	31 199 000	-6%
	-1%	9 274 000	26 294 000	35 568 000	7%
Post-employment mortality	-1 yr	7 795 000	26 387 000	34 182 000	3%
Average retirement age	-1 yr	8 163 000	26 634 000	34 797 000	5%
Membership continuation	-10%	6 088 000	23 135 000	29 223 000	-12%

Long service awards

The municipality operates an unfunded defined benefit plan for all its employees. Under the plan, a long-service award is payable after 10 years of continuous service, and every 5 years of continuous service thereafter, to employees. The provision is an estimate of the long-service based on historical staff turnover.

Changes in the present value of the defined benefit obligation:

	2021	2020
Opening balance	51 467 000	52 033 187
Service cost	4 192 000	4 382 262
Interest cost	3 543 000	3 886 985
Actuarial loss/(gain)	330 000	(462 443)
Expected benefits	(6 381 000)	(8 372 991)
Change in earnings definition	(14 089 000)	-
	39 062 000	51 467 000
	39 062 000	51 467 000

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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18. Employee benefit obligations (continued)

The expected vesting is the total value of the long-service awards that were expected to be awarded to eligible employees over the year, based on the data at the previous valuation date. Employees are usually entitled to take this award in whole or in part as cash, with the remainder taken as leave.

At the previous valuation, employees' costs to council were provided to determine the Rand value of the long service award provision. At this valuation, it was established that the long service award earnings definition is used in practice. The impact of this change in the long service awards earnings definition is disclosed above.

Key financial assumptions	2021	2020
Discount rate	8.98%	7.33%
General earnings inflation rate (long-term)	5.74%	3.92%
Net effective discount rate	3.07%	3.28%
Key demographic assumptions	2021	2020
Average retirement age	62	62
Mortality during employment	SA 85-90 light	SA 85-90 light

The table below indicates that if earnings inflation is one percentage point greater than the long-term assumption made, the liability will be 6% higher than the results shown.

Sensitivity analysis on the unfunded accrued liability	Change	Liability	% Change
Central assumptions		39 062 000	
General earnings inflation rate	+1%	41 375 000	6%
	-1%	36 941 000	-5%
Discount rate	+1%	36 854 000	-6%
	-1%	41 514 000	6%
Average retirement age	+2 yrs	42 984 000	10%
	-2 yrs	34 669 000	-11%
Withdrawal rates	x2	31 802 000	-19%
	x0.5	43 846 000	12%

Sensitivity analysis on current-service and interest costs for year ending 30/06/2021	Change	Current- Svc. Cost	Interest cost	Total	% change
Central assumptions		4 192 000	3 543 000	7 735 000	
General earnings inflation rate	4	4 518 000	3 722 000	8 290 000	7%
		3 899 000	3 333 000	7 232 000	-7%
Discount rate	+1%	3 925 000	3 779 000	7 704 000	0%
	-1%	4 493 000	3 269 000	7 762 000	0%
Average retirement age	+2 yrs	4 553 000	3 903 000	8 456 000	9%
	-2 yrs	3 794 000	3 135 000	6 929 000	-10%
Withdrawal rates	x2	3 121 000	2 827 000	5 948 000	-23%
	x0.5	4 955 000	4 019 000	8 974 000	16%

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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19. Provisions

Reconciliation of provisions - 2021

	Opening Balance	Additions	Total
Environmental rehabilitation	124 485 450	2 737 600	127 223 050

Reconciliation of provisions - 2020

	Opening Balance	Additions	Total
Environmental rehabilitation	123 423 450	1 062 000	124 485 450

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 9.31% is the weighted average cost of capital (WACC) calculated for both the Klerksdorp and Hartbeesfontein landfill sites.
- The scheduled dates of total closure and rehabilitation are anticipated to be between 2025 and 2038

20. Housing Project Liability

The City of Matlosana entered into a catalytic project with the department of Human Settlements (the principal) and MXN Development Construction (Pty) Ltd (the contractor) in order to make land available for development. The municipality acts as an agent in this arrangement and receives money from the department which it then uses to pay the contractor.

The municipality will benefit from the infrastructure projects and hence costs incurred as part of this arrangement are capitalised as part of infrastructure assets and the associated revenue is recognised as a donation.

Reconciliation of Amounts received from the department of Human Settlements

Opening balance	174 563 618	169 062 744
Receipts	200 000 000	200 000 000
Utilised	(328 373 444)	(194 499 126)
	46 190 174	174 563 618

Reconciliation of the Housing project liability

Amount due to the Department of Human Settlements	11 337 013	130 650 090
Amount due to MXN Development Construction	34 853 161	43 913 528
	46 190 174	174 563 618

21. Service charges

Sale of electricity	808 902 641	778 656 965
Sale of water	653 367 941	603 420 127
Sewerage and sanitation charges	118 153 055	112 768 991
Refuse removal	140 058 153	137 032 915
	1 720 481 790	1 631 878 998

City of Matlosana

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
22. Investment revenue		
Interest revenue		
Bank	7 986 782	15 939 033
Interest charged on trade and other receivables	383 249 674	322 033 586
	391 236 456	337 972 619
23. Property rates		
Rates received		
Total rates received	425 503 361	329 582 322
Valuations		
Residential	1 233 658 160	6 584 553 816
State	1 026 072 100	934 593 203
Municipal	957 243 344	730 638 615
Agricultural	2 368 036 801	1 510 722 900
Business	6 143 224 897	5 060 687 775
	11 728 235 302	14 821 196 309

Valuations on land and buildings are performed every 5 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 was implemented on 01 July 2020.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
24. Government grants and subsidies		
Operating grants		
Equitable share	466 536 000	429 952 835
National: Expanded Public Works Program (EPWP)	2 451 731	1 385 970
Financial Management Grant (FMG)	2 928 859	2 510 749
Disaster Management Grant (COVID)	47 221 777	1 013 000
Library Grant	278 634	754 182
Museum Grant	199 814	197 850
	519 616 815	435 814 586
Capital grants		
Municipal Infrastructure Grant (MIG)	105 645 349	86 428 782
Integrated National Electrification Programme Grant (INEP)	21 021 546	3 869 445
Neighbourhood Development Partnership Grant (NDPG)	49 062 835	38 147 288
Water Services Infrastructure Grant (WSIG)	18 677 814	-
Energy Efficiency Demand Side Grant (EEDS)	5 974 098	2 893 591
	200 381 642	131 339 106
	719 998 457	567 153 692
Municipal Infrastructure Grant		
Balance unspent at beginning of year	32 360 219	51 505 143
Current-year receipts	75 828 000	87 489 000
Conditions met - transferred to revenue	(105 645 350)	(86 428 781)
Rollover denied	(2 479 749)	(20 205 143)
	63 120	32 360 219
Conditions still to be met - remain liabilities (see note 17).		
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	90 555	9 794 880
Current-year receipts	24 246 000	3 960 000
Conditions met - transferred to revenue	(21 021 545)	(3 869 446)
Roll over denied	-	(9 794 879)
	3 315 010	90 555
Conditions still to be met - remain liabilities (see note 17).		
The purpose of the grant is to implement the Integrated National Electrification Programme by providing capital subsidies to municipalities to address the electrification backlog of all existing and planned residential dwellings and the installation of relevant bulk infrastructure.		
Financial Management Grant		
Balance unspent at beginning of year	169 250	-
Roll over denied	(169 251)	-
Current-year receipts	3 000 000	2 680 000
Conditions met - transferred to revenue	(2 928 859)	(2 510 750)
	71 140	169 250
Conditions still to be met - remain liabilities (see note 17).		

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
24. 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 17).		
The purpose of the grant is to provide water to support economical, social and environmental sectors.		
WSIG		
Current-year receipts	21 000 000	-
Conditions met - transferred to revenue	(18 677 814)	-
	2 322 186	-
Conditions still to be met - remain liabilities (see note 17).		
The purpose of the grant is to provide water services.		
EPWP		
Balance unspent at beginning of year	597 030	1 105 112
Current-year receipts	2 092 000	1 983 000
Conditions met - transferred to revenue	(2 451 731)	(1 385 970)
Other	-	(1 105 112)
	237 299	597 030
Conditions still to be met - remain liabilities (see note 17).		
Fire		
Balance unspent at beginning of year	557 326	557 326
Conditions still to be met - remain liabilities (see note 17).		
Library		
Balance unspent at beginning of year	1 853 918	1 828 100
Current-year receipts	816 000	780 000
Conditions met - transferred to revenue	(278 634)	(754 182)
	2 391 284	1 853 918
Conditions still to be met - remain liabilities (see note 17).		
The purpose of the grant is to provide for Library Services.		
NDPG Grant		
Balance unspent at beginning of year	2 652 712	22 542 680
Current-year receipts	50 000 000	40 800 000
Conditions met - transferred to revenue	(49 062 835)	(38 147 288)
Roll over denied	-	(22 542 680)
	3 589 877	2 652 712

City of Matlosana

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
24. Government grants and subsidies (continued)		
Conditions still to be met - remain liabilities (see note 17).		
District MEYMP		
Balance unspent at beginning of year	213 176	213 176
Conditions still to be met - remain liabilities (see note 17).		
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 17).		
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 17).		
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	10 035	7 885
Current-year receipts	200 000	200 000
Conditions met - transferred to revenue	(199 814)	(197 850)
	10 221	10 035
Conditions still to be met - remain liabilities (see note 17).		
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.		
Disaster Assessment Management Grant (COVID)		
Current-year receipts	71 371 000	1 013 000
Conditions met - transferred to revenue	(47 221 777)	(1 013 000)
	24 149 223	-
Conditions still to be met - remain liabilities (see note 17).		
The purpose of the grant is to assist the Municipality and community in reducing the financial burden caused by the COVID 19 pandemic.		

City of Matlosana

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
24. Government grants and subsidies (continued)		
EEDSM		
Balance unspent at beginning of year	106 409	6 905 022
Current-year receipts	6 599 500	3 000 000
Conditions met - transferred to revenue	(5 974 098)	(2 893 591)
Roll over denied	-	(6 905 022)
	731 811	106 409

Conditions still to be met - remain liabilities (see note 17).

The purpose of the grant is to provide for electricity.

25. Revenue

Sale of goods	19 749 348	18 548 049
Rendering of services	-	1 572
Service charges	1 720 481 790	1 631 878 998
Rental of facilities and equipment	4 242 213	4 437 462
Licences and permits	8 749 133	6 146 370
Commissions received	14 934 246	10 505 057
Royalties received	45 987 959	9 618 438
Rental income	3 000 606	1 918 996
Discount received	4 848 006	4 487 436
Other income	14 518 098	7 292 604
Interest received - investment	391 236 456	337 972 619
Property rates	425 503 361	329 582 322
Indirect taxes (VAT, customs duty)	40 881 153	30 442 255
Other taxation revenue	358 314 355	190 192 689
Government grants & subsidies	719 998 457	567 153 692
Fines, Penalties and Forfeits	24 893 254	9 104 000
	3 797 338 435	3 159 282 559

The amount included in revenue arising from exchanges of goods or services are as follows:

Sale of goods	19 749 348	18 548 049
Service charges	1 720 481 790	1 631 878 998
Rendering of services	-	1 572
Rental of facilities and equipment	4 242 213	4 437 462
Licences and permits	8 749 133	6 146 370
Commissions received	14 934 246	10 505 057
Royalties received	45 987 959	9 618 438
Rental income	3 000 606	1 918 996
Discount received	4 848 006	4 487 436
Other income	14 518 098	7 292 604
Interest received - investment	391 236 456	337 972 619
	2 227 747 855	2 032 807 601

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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25. Revenue (continued)

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue

Property rates	425 503 361	329 582 322
Indirect taxes (VAT, customs duty)	40 881 153	30 442 255
Other taxation revenue	358 314 355	190 192 689

Transfer revenue

Government grants & subsidies	719 998 457	567 153 692
Fines, Penalties and Forfeits	24 893 254	9 104 000

1 569 590 580	1 126 474 958
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26. Donations Received

Heading

Infrastructure donated from the Department of Human Settlements	287 762 544	183 410 371
Farm lands donated from Department of Human Settlements	69 860 982	5 056 044
Donation of Mini-Substation	-	321 862
Donation of Vodacom Water Sensors	-	585 200
Donation of Vodacom Electricity Sensors	544 400	765 600
Donation of Transformer Upgrade	120 000	-
Other donations	26 430	53 612

358 314 356	190 192 689
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City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
27. Employee related costs		
Basic	422 103 571	405 226 527
Medical aid - company contributions	46 738 818	37 436 868
UIF	3 495 200	3 499 215
WCA	2 826 453	2 631 263
SDL	5 183 535	3 478 246
Accrued leave pay movement	4 367 917	14 039 504
Defined contribution plans	(13 566 000)	(3 177 594)
Travel, motor car, accommodation, subsistence and other allowances	12 622 933	12 861 657
Overtime payments	55 990 580	53 207 492
Long-service awards	(2 189 000)	(3 990 729)
13th Cheques	33 169 043	31 477 874
Compensation and danger allowance	9 471 375	-
Housing benefits and allowances	6 858 276	6 696 584
Professional membership fees	231 284	224 034
Pension Fund	83 593 196	80 503 929
Leave paid out	9 288 449	8 619 546
Cellphone allowance	1 007 967	1 027 328
	681 193 597	653 761 744

Remuneration of Municipal Manager - TSR Nkhumise

Annual Remuneration	1 208 058	1 128 288
Car and other allowances	272 160	272 160
Cellphone allowance	24 000	24 000
Contributions to UIF, Medical and Pension Funds	15 375	-
	1 519 593	1 424 448

TSR Nkhumise was appointed as Municipal Manager from May 2017 to date.

Remuneration of Chief Financial Officer - NM Grond

Annual Remuneration	1 001 323	385 421
Contributions to UIF, Medical and Pension Funds	10 899	2 522
	1 012 222	387 943

NM Grond was appointed as Chief Financial Officer from 1st of March 2020 and resigned on the 30th of April 2021.

Remuneration of acting Chief Financial Officer- TO Sekgala

Annual Remuneration	-	378 464
Car and other allowances	-	246 373
	-	624 837

MS TO Sekgala was the acting Chief Financial Officer from February 2019 to February 2020.

Remuneration of Director Public Safety - LJ Nkhumane

Annual Remuneration	1 099 854	1 075 694
Car Allowance	36 000	-
Contributions to UIF, Medical and Pension Funds	109 654	91 011
Other	-	2 996
	1 245 508	1 169 701

LJ Nkhumane was appointed as Director Public Safety from February 2018 to date.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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27. Employee related costs (continued)

Remuneration of Director Corporate Services - L Seametso

Annual Remuneration	1 221 013	1 156 263
Contributions to UIF, Medical and Pension Funds	13 548	11 471
Other	1 697	-
	1 236 258	1 167 734

L Seametso was appointed as Director Corporate Services from February 2018 to date.

Remuneration of Director of Local Economic Development - LL Fourie

Annual Remuneration	987 040	932 636
Car Allowance	144 000	144 000
Other	-	8 476
Performance Bonuses	202 722	89 906
	1 333 762	1 175 018

LL Fourie was appointed as the Director of Local Economic Development from the 1st of March 2019 to date.

Remuneration of Director Planning and Human Settlements - BB Choche

Annual Remuneration	1 213 589	1 136 505
Car Allowance	240 000	240 000
Contributions to UIF, Medical and Pension Funds	15 018	12 886
Other	-	3 032
	1 468 607	1 392 423

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	1 309 589	1 232 505
Car Allowance	144 000	144 000
Contributions to UIF, Medical and Pension Funds	15 018	13 221
Other	-	21 810
	1 468 607	1 411 536

R Madimutsa has been appointed as Director Technical and Infrastructure from February 2018 to date.

Remuneration of Director Community Development - MM Molawa

Annual Remuneration	982 608	927 799
Car Allowance	144 000	144 000
Contributions to UIF, Medical and Pension Funds	213 768	94 690
Other	-	1 495
	1 340 376	1 167 984

MM Molawa was appointed as Director Community Development from February 2018 to date.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
27. Employee related costs (continued)		
Remuneration of acting chief financial officer - BO Kgoete		
Annual Remuneration	159 962	-
Car and other Allowance	29 351	-
Contributions to UIF, Medical and Pension Funds	59 400	-
	248 713	-

BO Kgoete was appointed acting Chief Financial Officer from May 2021 to date.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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28. Remuneration of councillors

Executive Mayor	1 127 727	1 051 128
Speaker	913 314	849 782
Councillors	34 454 469	32 674 291
	36 495 510	34 575 201

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.

The salaries, allowances and benefits of councillors are within the upper limits of the framework envisaged in section 219 of the Constitution of South Africa.

Remuneration of Executive Mayor - ME Kgaile

Annual Remuneration	709 086	656 562
Councillors pension contributions	102 424	98 484
Cellphone allowance	44 400	44 400
Travel Allowance	271 817	251 682
	1 127 727	1 051 128

ME Kgaile became the Mayor from August 2016 to date.

Remuneration of Speaker - RW Ntozini

Annual Remuneration	554 496	507 969
Councillors pension contributions	79 685	78 787
Cellphone allowance	44 400	44 400
Contributions to UIF, Medical and Pension Funds	17 280	17 280
Travel Allowance	217 453	201 345
	913 314	849 781

Remuneration of the Chief Whip - MV Chinga

Annual Remuneration	507 146	492 420
Councillors pension contributions	73 117	78 846
Cellphone allowances	44 400	44 400
Travel Allowance	194 406	188 761
	819 069	804 427

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
28. Remuneration of councillors (continued)		
Remuneration of Councillors and Mayoral Committee Members		
Annual Remuneration	20 076 965	19 847 536
Councillors pension contributions	1 802 086	1 640 804
Cellphone allowances	3 259 700	3 326 300
Medical aid contribution	328 320	328 320
Travel Allowance	8 111 642	7 270 768
	33 578 713	32 413 728
29. Depreciation and amortisation		
Property, plant and equipment	391 923 365	393 232 097
30. Impairment of assets		
Impairments		
Property, plant and equipment	25 617 744	19 460 192
The assets that were impaired can be summarized as follow: For immovable assets (Infrastructure etc) the impairment was triggered by a change in the condition. 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.		
Heritage assets	11 980	559 314
For heritage assets, the impairment was triggered, either by a condition change during the physical verification, and or through the impairment of all heritage assets that could not physically be verified during this years physical verification.		
	25 629 724	20 019 506
31. Finance costs		
Interest on employee benefits	29 123 000	30 039 885
Non-current borrowings	1 883 367	2 292 288
Interest on landfill site	2 737 600	-
Other interest paid	69 050 844	76 883 428
	102 794 811	109 215 601
32. Rental and lease expenditure		
Lease of refuse removal trucks	8 318 016	11 493 202
Lease of printing equipment	11 555 241	12 625 527
Hire of Plant and Equipment	65 300 654	55 732 014
	85 173 911	79 850 743
33. Debt impairment		
Impairment of receivables from exchange transactions	764 993	1 050 462
Impairment of consumer debtors	1 126 048 453	827 441 709
Impairment of receivables from non-exchange transactions	22 666 145	6 519 382
	1 149 479 591	835 011 553

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
34. Bulk purchases		
Electricity	746 597 082	691 072 797
Water	369 212 876	339 087 647
	1 115 809 958	1 030 160 444

Electricity (losses in units)	200 802 291	173 025 441
Electricity (losses as %)	34%	29%
Water (losses in units)	14 776 983	11 549 714
Water (losses as %)	42%	34%

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.

35. Contracted services

Financial and Asset Management Services	12 698 687	11 846 015
Debt collection and Meter reading Services	26 025 306	17 496 236
Security Services	36 281 144	33 942 771
Other Contractors	5 482 783	12 620 258
	80 487 920	75 905 280

Contracted services are mandated services in terms of the Local Government : Municipal Structures Act 117 of 1998, a municipal by-law or the Integrated Development Plan that the municipality is expected to have the capacity and expertise to deliver but are being outsourced instead.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
36. General expenses		
Advertising	1 040 112	1 873 698
Auditors remuneration	8 376 874	7 526 807
Bank charges	8 526 514	9 133 930
Casual workers	9 226 000	8 654 000
Cleaning	689 268	27 200
Commission paid	15 808 087	14 307 208
Community development and training	404 765	186 934
Legal and professional fees	44 430 335	15 313 320
Consumables	4 046 144	7 537 397
Discount allowed	760 923	892 638
Entertainment	1 308 242	6 413 556
Indigent costs	34 620 464	28 435 222
Insurance	16 286 806	11 777 967
VIP Toilets	8 067 689	-
Marketing	553 837	1 419 316
Medical expenses	474 404	558 695
Meter readings	1 663 925	1 339 125
Motor vehicle expenses	19 968 031	13 638 643
Other miscellaneous	9 206 168	7 098 278
Postage and courier	3 070 509	4 974 274
Printing and stationery	4 752 913	3 733 363
COVID related expenses	1 811 088	-
Protective clothing	4 652 846	6 514 782
Research and development costs	80 808	95 174
Refuse	-	1 062 000
Royalties and license fees	1 134 692	995 914
Subscriptions and membership fees	7 126 189	6 111 336
Telephone and fax	6 001 923	5 783 041
Title deed search fees	224 730	241 609
Training	206 363	688 311
Transport and freight	17 601	158 062
Traffic fines management	91 162	-
	214 629 412	166 491 800
37. Revenue loss		
Income loss		
Total loss incurred	9 836 700	11 573 029

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.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
38. Cash generated from operations		
Deficit	(260 231 601)	(363 652 832)
Adjustments for:		
Depreciation and amortisation	391 923 365	393 232 097
Gain on sale of assets and liabilities	21 746 006	18 278 238
Fair value adjustments	(495 714)	(605 832)
Impairment loss on PPE	25 629 724	20 019 506
Debt impairment	1 149 479 591	835 011 553
Non cash donations	(358 314 355)	(190 192 689)
Employee benefits	18 020 000	(28 702 690)
Movements in provisions	2 737 600	1 062 000
Movement in leave accrual	4 367 916	14 039 504
Wild stock adjustment	(176 545)	191 425
Stock adjustment	5 527 972	(99 231)
Changes in working capital:		
Inventories	6 757 483	4 614 000
Receivables from exchange transactions	(2 891 880)	1 885 210
Consumer debtors	(1 121 740 095)	(926 047 742)
Other receivables from non-exchange transactions	(22 666 145)	(6 519 382)
Other receivables	26 654	22 386
Payables from exchange transactions	433 997 331	445 754 482
VAT	(17 752 526)	(43 513 143)
Unspent conditional grants and receipts	(958 957)	(55 848 694)
	274 985 824	118 928 166

39. Other revenue

Agency Fees	14 934 246	10 505 057
Connections and Reconnection fees	45 987 959	9 618 438
Rental income	3 000 606	1 918 996
Discount received	4 848 006	4 487 436
Other income	14 518 098	7 292 604
	83 288 915	33 822 531

40. Auditors' remuneration

Fees	8 376 874	7 526 807
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41. Financial instruments disclosure

Categories of financial instruments

2021

Financial assets

	At fair value	At amortised cost	Total
Other financial assets	9 975 309	-	9 975 309
Receivables from exchange transactions	-	2 339 410	2 339 410
Other receivables	-	35 375	35 375
Consumer debtors	-	559 745 371	559 745 371
Cash and cash equivalents	-	242 485 375	242 485 375
Eskom deposits	-	37 830 777	37 830 777
	9 975 309	842 436 308	852 411 617

Financial liabilities

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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41. Financial instruments disclosure (continued)

	At amortised cost	Total
Consumer deposits	38 965 147	38 965 147
Other financial liabilities	47 308 804	47 308 804
Trade and other payables from exchange transactions	2 119 240 916	2 119 240 916
Department of Local Government and Human Settlements	46 190 174	46 190 174
	2 251 705 041	2 251 705 041

2020

Financial assets

	At fair value	At amortised cost	Total
Other financial assets	10 280 725	-	10 280 725
Receivables from exchange transactions	-	212 523	212 523
Other receivables	-	62 029	62 029
Consumer debtors	-	564 053 729	564 053 729
Cash and cash equivalents	-	300 578 049	300 578 049
Eskom deposits	-	37 076 362	37 076 362
	10 280 725	901 982 692	912 263 417

Financial liabilities

	At amortised cost	Total
Consumer deposits	36 633 558	36 633 558
Other financial liabilities	57 238 624	57 238 624
Trade and other payables from exchange transactions	1 680 875 670	1 680 875 670
Department of Local Government and Human Settlements	174 563 618	174 563 618
	1 949 311 470	1 949 311 470

42. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Property, plant and equipment	246 880 215	201 524 714
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Total capital commitments

Already contracted for but not provided for	246 880 215	201 524 714
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This committed expenditure relates to plant and equipment and will be financed by National Treasury.

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	12 280 359	23 994 778
- in second to fifth year inclusive	10 428 897	25 741 479
	22 709 256	49 736 257

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 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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43. Going concern

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.

We draw attention to the fact that at 30 June 2021, the municipality reported an operating deficit of R235 960 542 and at this date the municipality's total current liabilities exceeded its total current assets by R1 247 081 417. The municipality also impaired 90% of its current debtors due to poor revenue collection. These factors causes uncertainty relating to the municipalities' ability to operate as a going concern.

The municipality plans to address the above cash flow shortages through enhanced revenue collection and a resultant consistency in the payment of creditors, when they become due.

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.

44. Events after the reporting date

There were no material events that required an adjustment to the annual financial statements after the reporting date.

45. Unauthorised expenditure

Opening balance	2 590 381 551	2 046 897 086
Unauthorised expenditure current year	642 450 889	543 484 465
	3 232 832 440	2 590 381 551

The over expenditure for the 2021 financial year is primarily due the impairment on the consumer debtors, revenue loss and bulk purchases. 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.

Unauthorised expenditure incurred in the 2021 financial year relates to the following:

Budget and treasury office	121 636 311	364 004 697
City electrical engineering	161 558 868	-
Cleansing	12 551 941	16 526 122
Community services	29 821 691	33 389 440
Council general	-	4 505 512
Market	10 394 842	20 703 970
Public safety	92 645 957	5 491 495
Sewerage	24 207 409	-
Sports Arts and Culture	393 120	-
Water section	189 240 749	98 863 229
	642 450 888	543 484 465

46. Fruitless and wasteful expenditure

Opening Balance Fruitless and wasteful expenditure	338 257 965	272 673 138
Current year fruitless and wasteful	274 306	65 584 827
Write off of fruitless and wasteful by council	(253 026 001)	-
	85 506 270	338 257 965

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.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
47. Irregular expenditure		
Opening balance	3 198 457 848	2 996 800 916
Add: Irregular Expenditure - current year	329 356 553	178 714 804
Irregular expenditure identified in the current year relating to prior periods	137 526 988	-
Add: Correction of error - Irregular expenditure omitted in 2020	-	22 942 128
	3 665 341 389	3 198 457 848

Analysis of expenditure awaiting condonation per classification

Bid composition not constituted	34 015 567	80 460 100
Order splitting	8 179 212	6 772 291
Three quotes not attached	925 165	1 121 056
Non disclosure of interest	14 248 325	3 675 822
No seven days advertisement	9 513 728	7 638 232
Regulation 32 appointment	5 032 804	4 145 253
Contravention of SCM Regulation 36	13 029 938	5 988 459
Contravention of SCM Policy	214 278 832	50 424 843
Contracts expired	24 772 910	41 430 877
Tenders not advertised for the minimum period required	142 887 060	-
	466 883 541	201 656 933

City of Matlosana

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Notes to the Annual Financial Statements

Figures in Rand		2021	2020
47. Irregular expenditure (continued)			
Contracts under review for potential non-compliance with procurement laws and supply chain regulations (with expenditure to-date)			
COM/SCM/T/36/2019/2020	Appointment of multiple service providers for hire of plant and equipment on as and when required basis for a period of 36 months	36 585 311	
COM/SCM/T/08/2020/2021	Appointment of service providers for VAT review and recovery in the City of Matlosana for a period of 36 months	27 899 583	
COM/SCM/T/31/2019/2020	CONSTRUCTION OF 11KV FEEDER LINE FOR ALABAMA SUBSTATION EXTENSION 4 & 5 EFFECTIVE 12/10/2020	2 433 628	
COM/SCM/T/35/2019/2020	ELECTRIFICATION OF ALABAMA EXTENSION 5 PHASE 1-KLERKSDORP EFFECTIVE 09/09/2020	12 074 462	
COM/SCM/T/18/2019/2020	UPGRADING OF MECHANICAL AND ELECTRICAL EQUIPMENT IN KANANA PHASE 1 EFFECTIVE 14/09/2020	6 922 084	
COM/SCM/T/35/2019/2020	SUPPLY AND DELIVERY OF PLASTIC REFUSE REMOVAL BINS WITH LOOSE LIDS FOR A PERIOD OF THREE YEARS ON AS AND WHEN REQUIRED BASIS EFFECTIVE 15/02/2021	1 552 500	
COM/SCM/T/33/2020/2021	CONSTRUCTION OF VIP LATRINES IN KOSH PHASE 1 EFFECTIVE 09/03/2021	15 710 637	
COM/SCM/T/31/2020/2021	REFURBISHMENT OF WATER PUMP STATIONS AND RESERVOIRS EFFECTIVE 23/03/2021	35 997 618	
COM/SCM/T/40/2020/2021	APPOINTMENT OF SERVICE PROVIDER FOR RISK MANAGEMENT AND INSURANCE FOR A PERIOD OF THIRTY-SIX (36) MONTHS EFFECTIVE 21/06/2021	18 552 038	
COM/SCM/T/51/2020/2021	SUPPLY AND ERECTION OF 358 MESH FENCING AROUND STILFONTEIN EFFECTIVE 24/06/2021	480 000	
		158 207 861	

Disciplinary steps taken/criminal proceedings

No disciplinary action has been taken as investigations are in progress for all irregular expenditure.

Additional Note

Irregular expenditure is calculated inclusive of VAT while the figures disclosed above have been presented in this set of AFS exclusive of VAT.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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48. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Opening balance	22 688 975	19 328 604
Current year subscription / fee	7 126 189	7 354 357
Prior period adjustment	-	(1 000 000)
Amount paid - current year	(7 000 000)	(2 993 986)
	22 815 164	22 688 975

Audit fees

Opening balance	2 696 169	1 340 381
Current year subscription / fee	9 817 149	4 740 575
Amount paid - current year	(6 689 361)	(3 384 787)
	5 823 957	2 696 169

PAYE,SDL and UIF

Opening balance	7 220 535	6 932 604
Current year subscription / fee	100 088 958	84 949 032
Amount paid - current year	(99 347 440)	(84 661 101)
	7 962 053	7 220 535

Pension and Medical Aid Deductions

Opening balance	13 595 987	13 270 596
Current year subscription / fee	219 759 634	213 663 639
Amount paid - current year	(219 704 771)	(213 338 248)
	13 650 850	13 595 987

The prior year amount for pension and medical aid deduction paid was incorrectly disclosed as R239 593 528 and the amount for the 2020 subscription was disclosed as R239 919 785, this consequently led to the overstatement of the forementioned amounts by R8 102 285 and R7 702 315 respectively.

VAT

VAT receivable	182 654 104	164 901 578
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Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2021:

30 June 2021	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Councillor Sithole SL	974	26 480	27 454
Councillor Qankase VS	-	21 781	21 781
Councillor Mophethe LE/MV	27 277	-	27 277
Councillor Bogatsu SPJ/MM	12 894	17 799	30 693
Councillor Nani SH	11 787	33 323	45 110
Councillor Mosweu ME	19 698	-	19 698
Councillor Matetoane NI	16 302	8 249	24 551
Councillor Burrell BR/KC	2 893	8 335	11 228
Councillor Methi HL	5 743	29 793	35 536
Councillor Mqikela G	8 094	11 249	19 343

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
48. Additional disclosure in terms of Municipal Finance Management Act (continued)		
Councillor Ndela N	941	73 909
Councillor Ponisi RK	1 652	10 101
Councillor Thaba ME	3 863	22 958
Councillor Magwaca XS/KM	2 158	8 173
Councillor Moeng PN	-	137
Councillor Mongale SD & JP	-	727
	114 276	273 014
	387 290	

30 June 2020

	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Councillor Bogatsu SPJ	12 894	17 799	30 693
Councillor Burrell BR/KC	4 200	11 397	15 597
Councillor Matetoane NI	16 307	31 595	47 902
Councillor Methi HL	544	5 712	6 256
Councillor Methi HL	1 097	15 556	16 653
Councillor Mosweu ME	19 698	16 640	36 338
Councillor Mqikela G	8 094	11 249	19 343
Councillor Nani SH	11 787	33 323	45 110
Councillor Ndela N	941	73 909	74 850
Councillor Ponisi RK	1 031	10 101	11 132
Councillor Qankase J	824	32 781	33 605
Councillor Sithole SL	974	26 480	27 454
Councillor Moeng PN	815	137	952
Councillor Mophethe LE/MV	27 277	-	27 277
Councillor LE Grange JJ	5 190	-	5 190
Councillor Ross KL/WAJ	856	-	856
	112 529	286 679	399 208

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

30 June 2021

	Highest outstanding amount
Councillor Bogatsu SPJ	15 951
Councillor Burrell BR/KC	10 311
Councillor Magwaca XS/KM	651
Councillor Melete NG	10 281
Councillor Matetoane NI	38 691
Councillor Methi HL	14 329
Councillor Moeng PN	137
Councillor Mongale SD & JP	727
Councillor Mophethe LE/MV	24 323
Councillor Mosweu ME	15 153
Councillor Mqikela G	11 249
Councillor Nani SH	33 238
Councillor Ndela N	67 429
Councillor Nongqayi PT&S	25 000
Councillor Ntaopane NB/MA	21 524
Councillor Thaba ME	3 393
Councillor Ntozini RW	3 052
Councillor Ponisi RK	9 420
Councillor Qankase J	29 117
Councillor Sithole SL	24 406
	358 382

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
48. Additional disclosure in terms of Municipal Finance Management Act (continued)		
30 June 2020		
		Highest outstanding amount
Councillor Nani SH		45 111
Councillor Methi HL		22 909
Councillor Ponisi RK		11 132
Councillor M Coetzee		-
Councillor Mqikela G		19 343
Councillor Matetoane NI		47 902
Councillor JS Tsabedze		-
Councillor JP Mongale		-
Councillor Moeng PNJ		953
Councillor Mosweu ME		36 338
Councillor Bogatsu SPJ		30 693
Councillor PA Hlekiso		-
Councillor Shuping		-
Councillor ME Moletle		-
Councillor M Babuile		-
Councillor Sithole SL		-
Councillor PM Molotsi		-
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 LE Ross		856
		394 021

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
49. Contingent assets and liabilities		
The certainty and timing of the of the outflow of economic resources related the contingent liabilities listed below is uncertain. The amounts listed below have been provided by the legal experts handling the respective cases and it was deemed impracticable to include the legal costs to be incurred due to the complicated nature of the cases they are handling and uncertainty of the time frames required to conclude these cases.		
There is no possibility of any reimbursement for the cases listed below.		
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 T/A GOROGANG PLANT HIRE / City of Matlosana Gorogang terminated its agreement with the City of Matlosana and issued summons claiming for the amount of R1572 713.20	14 154 419	14 500 000
The City of Matlosana has a Counter claim R14 154 418.77.		
City of Matlosana / Munmap (Pty) Ltd Maximum Profit Recovery (Pty) Ltd The City of Matlosana wrongfully paid R1 300.000.00 to Munmap after realising the mistake that was done, the City of Matlosana instituted legal action against Munmap to recover R1 300.000.00. The Attorneys report that they are still following the matter with the sheriff's board	1 255 516	655 516
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. The matter is currently suspended until further notice.	19 315 132	19 315 132
City of Matlosana / Great Champs Trading GREAT CHAMPS TRADING (GCT) is a former tenant of the Municipality. It occupied premises belonging to the Municipality at the Matlosana Market. GTC have an outstanding debt arising from occupancy of rental space from the Municipality market.	76 639	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	2 887 462	2 887 462
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. This matter is suspended until further notice.	24 000 000	24 000 000
City of Matlosana / IMATU		

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
49. Contingent assets and liabilities (continued)		
This matter relates to o.b. V.E Mqobongo Mqobongo/Case No : JR 1099/16. The case was concluded in the current year.	-	500 000
City of Matlosana/ M Muianga		
Eviction and cancellation of lease agreement. The case has been settled.	-	19 565
Contingent liabilities	-	-
Owamajola Trading Enterprises JV// City of Matlosana		
Issued summons against the municipality for alleged damages suffered for being appointed for the disconnection and reconnection of electricity supply to defaulters for a period of R36 months and not receiving an instruction from the Municipality.	300 000 000	-
Mataka & Morathi Attorneys/ Matlosana Local Municipality - Case No: 2334/15		
Litigation and claims between the plaintiff and the municipality for non- payment of services allegedly rendered.	84 200	84 200
Owamajola / City of Matlosana		
The plaintiff sued the City of Matlosana for non-payment for services 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). This matter has been settled.	-	26 041
CITY OF MATLOSANA & OTHER / D & K PROJECTS FINANCE (PTY) LTD		
Litigation matter- Mahikeng- case number : 03/2020. The plaintiff's attorneys of record served a Notice of Withdrawal as Attorneys of Record. To date, no Notice of appearance of Record filed by an alternative legal practitioner has been received, therefore no contingent liability is raised as at 30 June 2021.	-	3 154 179
Nicolaas Johannes Myburg / City of Matlosana		
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. The matter was settled and therefore no contingent liability will be raised as at 30 June 2021.	-	1 468 120
SO MATSHIDISO // CITY OF MATLOSANA		
Action instituted against the Municipality for alleged damages for potential loss of profits as a result of the municipality alleged failure to appoint the plaintiff as a service provider following the advertisement of the tender.	63 447 354	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

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
49. Contingent assets and liabilities (continued)		
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. The matter was resolved and therefore no contingent liability is raised in the current year.	-	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.	17 391 228	17 391 228
HL MATLALA T\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	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	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	4 325 232
Moore Stephens/ City of Matlosana		
The plaintiff's institution legal process against the City of Matlosana for payment for service rendered. This matter was settled and will therefore not be a contingent liability in the current year	5 108 173	5 108 173
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

City of Matlosana

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
49. Contingent assets and liabilities (continued)		
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. The attorneys shall determine if the liquidator still persist with the claim.	1 015 000	1 015 000
Invula Roads and Civil / City of Matlosana		
The claimant instituted legal action against the City of Matlosana for services rendered	268 383	268 383
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	150 000
MMT MT Trading Enterprise// City of Matlosana		
The Plaintiff's issued summons for services rendered against City of Matlosana	1 100 000	1 100 000
City of Matlosana // VM Tlaphisi		
VM Tlaphisi instituted summons to City of Matlosana	810 000	810 000
Kgwadi ya Madiba JV//City of Matlosana		
Claimant referred the dispute matter for adjudication relating to breach of contract and repudiation and respect of contracts for construction of Jouberton taxi rank	57 715 367	-
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 // Khuma councillors & Mr Morebudi		
Various combined summons	15 130 090	-
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
Murray & Dickson Construction (Pty) Ltd / City of Matlosana Local Municipality		
Dispute for adjudication relating to extension of time for the works .	3 080 670	-
City of Matlosana / MS MOKAKE		
Litigation matter- Mahikeng- case number : M197/20. This matter is areview application and there is therefore no contingent liability.	-	100 000
Aqua Transport / City of Matlosana		
Action by Aqua Transport demanding payment for alleged breach of contract.	11 337 551	-

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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50. Change in estimate

Property, plant and equipment

The change in estimated useful lives of various assets of the municipality has resulted in the following decreases in depreciation for the mentioned categories for the financial year.

Property, plant and equipment

The change in estimated useful lives of various assets of the municipality has resulted in the following decreases in depreciation for the mentioned categories for the financial year.

	2021	2020
Buildings	204 310	-
Infrastructure - Roads and storm water	6 767 159	18 336 933
Infrastructure - water and sewer	1 424 374	1 563 566
Infrastructure - Electricity	776 647	2 854 707
Other property, plant and equipment	3 133 123	2 646 482
	12 305 613	25 401 688

51. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the and includes a note to the annual financial statements.

Emergencies	3 602 338	6 189 006
Impractical and impossible to follow SCM processes	33 572	-
	3 635 910	6 189 006

52. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020			
52. Prior-year adjustments (continued)					
Statement of financial position					
2020					
	Note	As previously reported	Correction of error	Re-classification	Restated
Inventories		45 764 513	(186 210)	-	45 578 303
Receivables from exchange transactions		4 781 713	(4 569 190)	-	212 523
VAT receivable		195 040 276	(30 138 698)	-	164 901 578
Investment property		257 100 275	2 269 746	-	259 370 021
Property, plant and equipment		4 688 571 708	313 198 735	-	5 001 770 443
Heritage		9 941 212	151 685	-	10 092 897
Payables from exchange transactions		(1 805 993 888)	125 118 218	-	(1 680 875 670)
Employee Benefits		-	(120 168)	(310 232 834)	(310 353 002)
Department of Local Government and Human Settlements		-	(174 563 618)	-	(174 563 618)
Other financial liabilities		(82 049 249)	27 649 249	-	(54 400 000)
Provisions		(434 718 284)	-	310 232 834	(124 485 450)
Accumulated Surplus		(3 710 641 395)	(258 809 749)	-	(3 969 451 144)
		(832 203 119)	-	-	(832 203 119)

Statement of financial performance

2020

	Note	As previously reported	Correction of error	Re-classification	Restated
Service Charges		1 626 428 016	5 450 982	-	1 631 878 998
Indemnity Income		-	3 666 340	-	3 666 340
Other income		9 239 965	(1 126 266)	-	8 113 699
Interest received		369 020 706	-	(31 048 087)	337 972 619
Interest from Property Rates		-	-	30 442 255	30 442 255
Property rates		334 342 738	(4 760 416)	-	329 582 322
Donations received		6 726 274	183 466 415	-	190 192 689
Employee related costs		(643 219 203)	(10 542 541)	-	(653 761 744)
Remuneration of councillors		(34 588 007)	12 806	-	(34 575 201)
Depreciation and amortisation		(388 912 965)	(4 319 131)	-	(393 232 096)
Impairment loss		(23 032 668)	3 013 162	-	(20 019 506)
Finance costs		(79 008 903)	(30 206 698)	-	(109 215 601)
Rental of equipment and lease expenditure		(61 359 119)	(18 491 624)	-	(79 850 743)
Repairs and maintenance		(135 693 451)	(11 227 429)	-	(146 920 880)
Contracted services		(49 469 589)	(26 435 691)	-	(75 905 280)
General expenditure		(222 252 991)	37 482 953	18 278 238	(166 491 800)
Loss on disposal of assets and liabilities		-	-	(18 278 238)	(18 278 238)
Fair value adjustments		-	-	605 832	605 832
Actuarial gains/losses		-	51 574 254	-	51 574 254
Inventory losses / write-downs		-	(119 361)	-	(119 361)
Surplus/ (Deficit) for the year		708 220 803	177 437 755	-	885 658 558

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020		
52. Prior-year adjustments (continued)				
Cash flow statement				
2020				
	Note	As previously reported	Correction of error	Restated
Cash flow from operating activities				
Sale of goods and services		1 338 942 378	181 710 668	1 520 653 046
Interest income		57 231 467	(605 832)	56 625 635
Other receipts		60 030 726	(4 345 434)	55 685 292
Employee costs		(692 470 398)	11 004 636	(681 465 762)
Suppliers		(1 012 270 615)	(256 511 923)	(1 268 782 538)
Finance costs		(79 008 903)	895 186	(78 113 717)
VAT received		(73 651 814)	76 782 682	3 130 868
		(401 197 159)	8 929 983	(392 267 176)
Cash flow from investing activities				
Purchase of property, plant and equipment		(87 638 033)	(16 897 692)	(104 535 725)
Purchase of investment property		-	(2 899 410)	(2 899 410)
Movement in financial assets		24 394 168	605 832	25 000 000
		(63 243 865)	(19 191 270)	(82 435 135)
Cash flow from financing activities				
Movement in other financial liabilities		(18 540 068)	4 760 415	(13 779 653)
Net receipts from Human Settlements		-	5 500 872	5 500 872
		(18 540 068)	10 261 287	(8 278 781)

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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53. Prior period errors

Error 1:

In the prior year, the sale of land register included amounts linked to properties that had already transferred and hence should have not been owing anything as at year end, this led to an overstatement of the receivables from exchange transactions related to sale of land of R1 203 635 and overstatement of accumulated surplus of the same amount

Error 2

In the prior year the receivables from exchange transactions were overstated by R1 302 697 due to an invalid balance and this consequently led to the accumulated surplus being overstated by the same amount.

Error 3

There was an understatement of the donations received in 2020 by an amount of R56 044 which also led to the investment property being understated by the same amount.

Error 4

The opening of the Post Medical Aid contributions provision was understated in the prior year by R120 166 and this consequently led to the overstatement of accumulated surplus by the same amount,

Error 5

In the prior year, GRAP 25 was incorrectly applied and the employee benefits were incorrectly classified as provisions and this classification error led to the understatement of employee benefits by R310 353 000 and overstatement of provisions by the same amount. Consequently the incorrect application of GRAP led to the understatement of interest cost by R30 039 855, actuarial gain by R51 111 811 and overstatement of employee costs by R21 534 369.

Error 6

Included in the trade payables was a amount that was incorrectly recorded in the prior years and this led to trade payables being understated by R113 843 910, sundry creditors being understated by R190 223 506 and accumulated surplus being overstated by R76 379 596.48.

Error 7

in 2020 there were some incorrect entries made towards creditors and this led to payables from exchange being misstated as follows:

Payables from exchange transactions were understated by R12 616 217.65

Repairs and maintenance expenses were overstated by R1 898 601.19

General expenses were understated by R5 673 903

Accumulated surplus was overstated by R8 602 370.

Error 8

There was a classification error in 2020 between trade payables and sundry payables of R129 602 249 but this did not affect payables from exchange transactions.

Error 9

Due to various errors in accounting treatment for the principal debt from the department of Human Settlements and classification errors between sundry and trade creditors, the following areas were misstated:

Sundry creditors were overstated by R35 109 491, trade creditors were understated by R52 689 375, the Human Settlements payable was overstated by 23 504 536 and accumulated surplus was overstated by R5 945 020

Error 10

After receiving legal advice from our attorneys it was concluded that the Municipality does not in any legal nor constructive way owe money to Shiva Uranium (Pty) Ltd and no claim has been received from them for this money hence the liability should have never been recognised in the prior periods, hence our financial liabilities were overstated by R32 409 664 and accumulated surplus was understated by the same amount.

Error 11

During the preparation of the fixed asset register, prior year errors were identified in respect to Property, plant and equipment, Land stock, Investment property and the Heritage assets. These errors comprised off:

>Gain identified in the current year

>Additions incurred in the previous year only identified in the current year

>Classification errors

>Duplications

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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53. Prior period errors (continued)

>Fully depreciated assets due to incorrect useful lives being applied

>Assets with R0 carrying values at 30 June 2020 still in use

The adjustments were made retrospectively and the effect thereof was:

-An overstatement of inventories by R185 987

-an overstatement of Property Plant and Equipment of R15 974 966

-an understatement of heritage assets by R151 685

-an understatement of investment property by R475 143.4.

-an understatement of payables from exchange transactions by R3 945 972 and

-an overstatement of accumulated surplus.

Error 12

It was noticed in the current year that our financial instruments which were classified as "held at amortised cost" were actually "held at fair value" and hence the finance income which was recognised in the prior year was incorrect and it should have been recorded as a fair value gain. This error led to an overstatement of finance income of R605 832 and understatement of fair value gains by the same amount.

Error 13

VAT receivable was incorrectly debited with an amount of R379,592.35 and consequently this resulted in the overstatement of VAT receivable and understatement of general expenses.

Error 14

The treatment of VAT in the prior years specifically regarding payments made to MXN Development Construction (Pty) Ltd was incorrect and led to the VAT receivable being overstated by R31 519 643 and the amount due to the Department of Human Settlements being overstated by the same amount.

Error 15

During the inclusion of the MXN project in the financial statements, management identified properties which were not previously included in the accounting records of the municipality, this led to an understatement of investment property by R1 738 559, an understated of land by R175 612 and an overstatement of accumulated surplus of R1 914 171|

Error 16

There was an error in the recognition of the interest and audit fees related to the invoices from the Auditor General and this resulted in the understatement of auditor's remuneration by R139 283, finance cost by R166 812, VAT receivable by R20 892 and trade creditors by R326 987.

Error 17

Revenue from indemnity money received from insurers was not correctly accounted for and this led to the overstatement of sundry creditors by R3 952 703, understatement of other income by R3 666 340 and understatement of accumulated surplus by R286 363.

Error 18

In the prior year, the disclosure of the intangible assets was incorrect as it understated the cost by R3 929 901 and the accumulated amortisation by the same amount, the carrying amount was however correctly disclosed.

Error 19

Impairment of Heritage assets was not properly considered and this led to the understatement of impairment cost by R539 314 and overstatement of heritage assets by the same amount.

Error 20

There were legacy balances in receivables from exchange transactions that had not been substantiated nor changed over the past three years and hence were overstating the amount disclosed as receivables from exchange transaction by R1 135 033 and also overstated the accumulated surplus by the same amount.

Error 21

An error in the accounting for sale of land was only discovered in the current year and this had the impact of understating the other income by R946 097 and understating the receivables from exchange transactions by the same amount.

Error 22

Allocation mistakes were made regarding repayment arrangement of the loan from Redefine for the construction of the access road which led to the other financial liabilities being understated by R4 760 415 and the property rates being overstated by R4

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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53. Prior period errors (continued)

760 415 as well.

Error 23

There was a salary journal that was processed in the prior year that cannot be substantiated and hence has been reversed and this journal resulted in the understatement of the sundry creditors and employee costs by R12 857 719.

Error 24

There were a number of cut-off and classification errors that were identified in the current year after an extensive review and these errors resulted in the following misstatements:

- >Understatement of contracted services by R4 192 019.38
- >Overstatement of General expenditure by R184 190
- >Understatement of Rentals and Lease Expenditure by R18 491 624
- >Overstatement of Repairs and Maintenance expenditure by R7 756 910
- >Understatement of sale of electricity by R5 450 982
- >Understatement of trade creditors by R10 413 069 and
- >Understatement of VAT receivable by R1 121 507.

Error 25

In the AFS for 2019/2020 irregular expenditure movement was incorrectly captured in the AFS, this has updated in the current year, irregular expenditure was thus overstated by R796 810 due this error.

The opening balance in the 2019/2020 irregular expenditure register was understated by an amount of R28 710. The register has been updated in the current year therefore no adjustment needs to be made on the face of the AFS as the amount was correctly disclosed.

There was also instances on non compliance that resulted in irregular expenditure relating to the prior period that was omitted in 2020 and this resulted in the understatement of irregular expenditure of R22 942 129

Error 26

As a result of errors identified in the current year relating to expenses, the unauthorised expenditure for the 2020 financial period was understated by R62 045 373.76.

Error 27

Work-in-progress for the catalytic project funded by the Department of Human Settlements was not included in the fixed asset register and this resulted in the understatement of property, plant and equipment of R328 998 088, understatement of accumulated surplus of R146 430 759.13, understatement of donations income of R183 410 371 and understatement of depreciation by R843 041.

Error 28

The revenue loss from the market was incorrectly disclosed on the statement of financial performance as an item below the operating deficit, this led to the understatement of the operating deficit by the R11 573 029.

The adjustments were made retrospectively and the effect thereof were as follows:

Statement of financial position

Increase (decrease) in property, plant and equipment	- 313 198 735
Increase (decrease) in investment property	- 2 269 746
Increase (decrease) in inventories	- (186 210)
Increase (decrease) in receivables from exchange transactions	- (4 569 190)
Increase (decrease) in heritage assets	- 151 685
Increase (decrease) in VAT receivable	- (30 518 291)
(Increase) decrease in the payables from exchange transactions	- 125 118 218
(Increase) decrease in the employee benefits	- (310 473 168)
(Increase) decrease in the Department of Local Government and Human Settlements payable	- (174 563 618)
(Increase) decrease in other financial liabilities	- 27 649 249
(Increase) decrease in the provisions	- 310 353 000
Net (Increase) decrease in accumulated surplus	- 258 809 749

City of Matlosana

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
53. Prior period errors (continued)		
Statement of financial performance		
Increase (decrease) in other income	-	(1 126 266)
Increase (decrease) in service charges	-	5 450 982
Increase (decrease) in indemnity income	-	3 666 340
Increase (decrease) in interest received	-	(605 832)
Increase (decrease) in donations received	-	183 466 415
Increase (decrease) in property rates	-	(4 760 416)
(Increase) decrease in employee related costs	-	(10 542 541)
(Increase) decrease in remuneration of councillors	-	12 806
(Increase) decrease in depreciation and amortisation	-	(4 319 131)
(Increase) decrease in impairment loss	-	3 013 162
(Increase) decrease in rental of equipment and lease expenditure	-	(18 491 624)
(Increase) decrease in finance costs	-	(30 206 698)
(Increase) decrease in repairs and maintenance	-	(11 227 429)
(Increase) decrease in contracted services	-	(26 435 691)
(Increase) decrease in general expenditure	-	55 381 599
(Increase) decrease in loss on disposal of assets	-	(18 278 238)
Increase (decrease) in fair value adjustment	-	605 832
(Increase) decrease in actuarial gains and losses	-	51 574 254
(Increase) decrease in inventory losses	-	(119 361)
Net change in Deficit for the year	-	177 437 755
Cash flow statement		
Cash flow from operating activities		
Increase (decrease) Sale of goods and services	-	181 710 668
Increase (decrease) Interest income	-	(605 832)
Increase (decrease) Other receipts	-	(4 345 434)
Increase (decrease) Employee costs	-	11 004 636
Increase (decrease) Suppliers	-	(256 511 923)
Increase (decrease) Finance costs	-	895 186
Increase (decrease) VAT received	-	76 782 682
	-	8 929 983
Cash flow from investing activities		
Increase (decrease) Purchase of property plant and equipment	-	(16 897 692)
Increase (decrease) Purchase of investment property	-	(2 899 410)
Increase (decrease) Movement in financial assets	-	605 832
	-	(19 191 270)
Cash flow from financing activities		
Increase (decrease) in other financial liabilities	-	4 760 415
Increase (decrease) Net receipts from Human Settlements	-	5 500 872
	-	10 261 287

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

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Figures in Rand	2021	2020
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54. 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 IM Semonyo

Councillor IN Matetoane

Councillor J Qankase

Councillor JJ le Grange

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 PF Mabeli

Councillor PJ Swart

Councillor PM Molutsi

Councillor PN Moeng

Councillor OP Horn

Councillor RK Ponisi

Councillor RW Ntozini

Councillor AN Ludidi

Councillor EM Postma

Councillor S Nongqayi

Councillor K Ndicede

Councillor PZM Burrel

Councillor TO Vilakazi

Councillor SD Mongale

Councillor SD Montoedi

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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54. Related parties (continued)

Councillor SH Nani
Councillor SJ Daemane
Councillor KL Ross
Councillor SL Mondlane
Councillor SL Moremi
Councillor SL Sithole
Councillor SM Steyn
Councillor SOW 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 LG Solomon
Councillor W Malefo
Councillor DK Konda
Councillor D Roodt
Councillor FI Tagaree

Remuneration of Mayoral Committee members and councillors

	Remuneration	Total (R)
Executive Mayor	1 127 727	1 127 727
Mayoral Committee Members and Councillors	34 519 353	34 519 353
Speaker	913 309	913 309
	36 560 389	36 560 389

Key management information

Class	Description	Amount
Municipal Manager	TSR Nkhumise	R 1 519 592
Chief Financial Officer	NM Grond appointed from the 1st of March 2020 and resigned on the 30th of April 2021	R 1 012 222
Acting Chief Financial Officer	BO Kgoete appointed Acting CFO from the 1st of May 2021 to date	R 248 713
Director Public Safety	LJ Nkhumane	R 1 245 508
Director Economic Development	LL Fourie	R 1 333 762
Director Planning and Human Settlements	BB Choche	R 1 468 607
Director Technical and Infrastructure	R Madimutsa	R 1 468 607
Director Community Development	MM Molawa	R 1 340 376
Director Corporate Services	L Seametso	R 1 236 258

City of Matlosana

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55. Risk management

Capital risk management

The municipality's objectives when managing capital are to safeguard the municipality's ability to continue as a going concern in order to provide services for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the municipality consists of debt, which includes the borrowings disclosed in Note 14, 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		2 267 633 898	1 958 526 848
Non-current liabilities		482 376 614	469 291 450
		2 750 010 512	2 427 818 298
Less: Cash and cash equivalents	13	242 485 375	300 578 049
Net debt		2 507 525 137	2 127 240 249
Total equity		3 709 219 547	3 710 641 399
Total capital		6 216 744 684	5 837 881 648

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 . 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 2021 and 2020, 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.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

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Figures in Rand	2021	2020
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55. Risk management (continued)

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:

Financial instrument	2021	2020
Other financial assets	9 975 309	10 280 725
Consumer debtors	559 745 371	564 053 731
Other receivables	35 575	62 029
Cash and cash equivalents	242 485 375	300 657 222

The municipality is exposed by a guarantee for a loan at DBSA and is secured by the Nedbank investment as disclosed in Note 11 .

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

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56. Segment information

General information

Segment surplus or deficit, assets and liabilities

2021

Following a change in the composition of its reportable segments, the corresponding items of segment information for earlier periods has been restated.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2021

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Figures in Rand

56. Segment Information

Segment Information for the year ended 30 June 2021

	BUDGET AND TREASURY OFFICE	CORPORATE GOVERNANCE	COMMUNITY SERVICES	LOCAL ECONOMIC DEV & MARKETING,TOU RISM	HOUSING	CIVIL ENGINEERING	WATER SECTION	CITY ELECTRICAL ENGINEERING	SEWERAGE	CLEANSING	HEALTH	COUNCIL GENERAL	MARKET	PUBLIC SAFETY	SPORTS AND CULTURE	Grand Total
Revenue																
Revenue from exchange transactions																
Market Dues	-	-	-	-	-	-	-	-	-	-	-	-	(19 749 348)	-	-	(19 749 348)
Service Charges	-	-	(710)	-	(666)	(3 395 139)	-	(808 902 841)	(118 153 055)	(140 058 153)	-	-	-	-	-	(1 720 481 791)
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	(8 749 133)	(74 519)	(4 242 213)
License fees	-	-	-	-	-	-	-	-	-	-	-	-	-	(14 934 246)	-	(14 934 246)
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	(43 867 869)	-	(43 867 869)
Connections and reconnections	-	-	(18 592)	-	-	-	-	(45 506 510)	(52 127)	-	-	-	(2 792 826)	(11 750)	-	(3 000 006)
Rental income	(4 848 006)	-	(177 437)	-	-	-	-	-	-	-	-	-	-	-	-	(5 025 443)
Insurance fees	(4 446 891)	-	-	-	-	-	-	(36 362)	-	(362 757)	-	-	-	-	-	(4 815 009)
Other income	(1 964 459)	-	(2 958 827)	-	(1 131 802)	(543 036)	-	(15 221)	-	-	(362 757)	(1 952 719)	(124 140)	(885 192)	(116 892)	(4 518 097)
Interest received	(89 763 990)	-	-	-	-	-	-	(43 041 471)	(3 403 393)	(85 225 421)	-	-	(60 767)	-	-	(391 236 456)
Total revenue from exchange transactions	(99 057 987)	(1 983 051)	(3 136 974)	(565)	(4 496 941)	(543 036)	(823 554 799)	(897 486 984)	(121 608 575)	(225 646 331)	(3 779 013)	(1 952 719)	(3 779 013)	(24 560 321)	(191 211)	(2 227 747 854)
Revenue from non-exchange transactions																
Property rates	(425 503 361)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(425 503 361)
Interest from Property rates	(40 881 153)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(40 881 153)
Donations, grants and subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Costs, grants and subsidies	(469 464 859)	-	-	-	-	(61 780 616)	(28 432 052)	(55 067 122)	(36 096 604)	-	-	-	(7 044 834)	(47 221 777)	(359 314 355)	(719 993 458)
Fines, Penalties and Forfeits	-	-	-	-	-	-	-	(588 749)	-	-	-	-	-	(24 304 505)	-	(24 893 254)
Total revenue from non-exchange transactions	(935 848 373)	-	-	-	-	(61 780 616)	(28 432 052)	(55 655 871)	(36 096 604)	-	-	-	(7 044 834)	(71 526 282)	(373 204 948)	(1 569 590 580)
Total revenue	(1 034 907 360)	(1 983 051)	(3 136 974)	(565)	(4 496 941)	(62 323 652)	(851 986 851)	(953 142 855)	(157 705 179)	(225 646 331)	-	(1 952 719)	(10 823 847)	(96 086 602)	(373 396 159)	(3 797 338 435)
Expenditure																
Employee related costs	69 373 041	42 896 532	58 097 929	7 349 906	12 705 975	63 966 714	41 904 962	53 170 355	47 604 853	68 068 503	16 606 745	30 033 131	10 919 651	115 438 657	43 059 840	681 193 595
Rentation of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36 435 510
Depreciation and amortisation	3 056 903	5 592 652	-	1 983 686	4 148 063	61 486 753	108 329 401	386 846	49 423 142	-	14 895 353	31 119 819	3 948 016	75 463 281	32 089 450	391 923 965
Impairment loss - Reversal of Impai	-	-	-	-	-	-	-	-	25 617 744	11 980	-	-	-	-	-	25 629 724
Finance costs	98 173 844	-	-	-	-	2 737 600	-	-	-	-	-	1 883 367	-	-	-	102 794 811
Rental and lease expenditure	6 391 175	-	58 687 844	-	-	-	221 635	-	-	8 318 016	-	-	-	-	-	85 173 910
Debt impairment	206 910 718	-	-	-	-	-	376 867 159	-	51 313 199	76 677 189	-	-	-	-	-	1 149 479 591
Revenue loss	-	-	-	-	-	-	-	437 611 326	-	-	-	-	-	-	-	9 836 700
Repairs and maintenance	11 810 384	280 606	3 027 495	9 421	13 368	15 270 556	6 362 545	54 236 929	8 278 720	27 947 155	9 154	226 429	2 739 001	7 268 991	2 333 726	139 844 478
Bulk purchases	4 094 086	-	158 748	-	-	-	369 212 876	746 597 082	-	139 634	-	-	-	-	-	1 115 809 958
Contracted Services	-	-	-	-	-	-	25 102 746	-	1 432 026	-	454 260	-	-	36 333 954	-	80 487 920
General expenses	69 520 370	6 344 380	4 778 888	1 297 837	725 774	5 809 085	1 569 609	40 653 255	12 465 412	8 105 106	377 372	48 132 800	4 505 859	7 938 127	2 005 737	214 629 410
Total expenditure	469 330 520	12 217 638	66 662 774	3 290 944	4 887 205	85 033 994	888 165 970	1 279 485 439	148 530 243	121 199 079	15 736 138	142 113 053	21 102 156	127 034 353	36 428 913	4 033 288 974
Operating (Surplus) / Deficit	(565 576 840)	10 234 586	63 515 801	3 290 379	390 264	22 980 342	36 179 119	326 342 584	(9 174 936)	(104 447 252)	15 736 138	140 160 334	10 278 310	30 947 750	(336 967 246)	235 960 539
Loss on disposal of assets and liabi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21 746 006
Fair value adjustments	(495 714)	-	-	-	-	35 000	8 575 894	1 802 440	-	-	-	-	-	-	-	(495 714)
Actuarial gains - losses	0	-	-	-	-	-	-	-	-	-	-	-	0	-	-	0
Inventories losses - write-downs	5 968 767	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5 968 767
(Surplus) / Deficit for the period	(558 805 014)	10 234 586	63 515 801	3 290 379	390 264	23 015 341	44 755 013	328 145 025	(9 174 936)	(104 447 252)	15 736 138	150 194 232	10 278 310	30 947 750	(336 967 246)	263 179 597

Schedule of external loans as at 30 June 2021

Loan Number	Redeemable	Balance at Tuesday, 30 June 2020	Received during the period	Redeemed written off during the period	Balance at Wednesday, 30 June 2021	Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
		Rand	Rand	Rand	Rand	Rand	Rand
NW13637	30 Sep 2020	311 590	-	311 590	-	-	-
103677/1	1 Nov 2025	18 871 619	-	2 850 880	16 020 739	-	-
		19 183 209	-	3 162 470	16 020 739	-	-
		19 183 209	-	3 162 470	16 020 739	-	-
Total external loans							

Development Bank of South Africa

DBSA @ 15.60%
DBSA @ 14.75%



**Final consolidation of this report was done
by the Performance Management Unit**

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