

BA-PHALABORWA MUNICIPALITY

2018/19

DRAFT ANNUAL REPORT



THE HOME OF MARULA AND WILDLIFE TOURISM

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CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

MAYOR 'S FOREWORD



The 2018/19 financial year mark our third year in office. In presenting this Annual Report 2018/19, we contend that Ba-Phalaborwa Municipality continues to strive towards delivering services for all its communities, despite a limited resource envelope. The Municipality accelerate its efforts in implementing the overarching strategic focus areas (SFAs) of the Integrated Development Plan (IDP), Budget and the Service Delivery and Budget Implementation Plan (SDBIP). These strategic focus areas have been developed into a clear programme of action, which has seen the Municipality deliver on a range of initiatives, all aimed at improving the living conditions of all our residents. We have worked hard to further ensure that these strategic focus areas and their related objectives are aligned with the strategic intent of the Limpopo Provincial Government ('Province') as well as National Government's National Development Plan (NDP).

The report typically deals with the Municipality's achievements in the year under review and, in so doing hopefully assists in identifying our successes, failures, and challenges. This report is therefore intended to attest to the combined efforts of the administrative and political arms of the Municipality to address gradually the fair and realistic expectations of our residents. The Municipality organised and hosted public participation programmes with the main aim of engaging our communities on key service delivery priorities and to ensure that our stakeholders remain at the centre of democratic local government. Through our 19 fully functional Ward Committees, Imbizos (feedback sessions), MPAC outreach programmes, we have made sure that our Ward Councillors interact with communities and listed to their urgent priorities for improved planning and governance.

Our Constitutional mandate remains Basic Service Delivery and we strive to operate within the legislative framework of Local Government, but without money we cannot fulfil our constitutional mandate regarding service delivery and governance. The municipality every year is experiencing challenges with regard to culture of non-payment of services which contributes to limitations in delivery of quality services. To address this unfortunate situation, debt collection initiatives and partnerships continues with the Mayor and Councillors to actively be more involved in debt collection campaigns. We shall continue to partner with sector departments and civil society organisations to respond to cross cutting social issues affecting our communities.

Details about Local Economic Development and Service delivery are contained elsewhere in this report, but I would like to highlight the following:

- A total of **152** jobs Created through municipal initiatives (EPWP);
- **272** SMMEs supported through municipal Supply Chain Processes.
- **Local Economic Development Forums** are held quarterly (chaired by the Mayor)
- **944** of households connected to electricity
- Upgraded **3.6** km of gravel streets to paving and tar;

2018/19 financial year the municipality achieved Qualified audit opinion which saw Municipality bouncing back to its good performance. It is worth to report that during the year under review Municipality managed to reduce unauthorised, irregular and fruitless expenditure which is a testimony for good governance in supply chain management as compared to the past financial years. We thank the management for implementing the Audit Action Plan as advised by the Auditor General and we are confident that we shall achieve a Clean Audit in the coming financial year.

Our vision requires total commitment to collaboration and partnership, and I am happy to say that the past year has been characterized by close working relationships and a mutual commitment from public and private stakeholders. Development, progress, and co-operation are not once-off occurrences, but rather a series of events which require multiple resources and effective leadership.

I wish to thank Council, ward committees and Community Development Workers for their continued efforts to ensure a sustainable and accountable government for our residents, as well as management team and all staff for their dedicated efforts to ensure that we provide basic services and governance.

My most sincere gratitude is expressed towards our residents, Business, Labour and all stakeholders for their continued support.

On behalf of the Council of Ba-Phalaborwa Municipality I present the 2018/19 Draft Annual Report.

CLLR MM MALATJI
MAYOR

COMPONENT B: EXECUTIVE SUMMARY



1.1. MUNICIPAL MANAGER'S OVERVIEW

The Accounting Officer's Year End Institutional Performance Overview

The format and content of the Annual Report is largely prescribed by Section 46 of the Local Government: Municipal Systems Act (Act 32 of 2000) (MSA) and Sections 121 and 127(2) of the Local Government: Municipal Finance Management Act (Act 56 of 2003) (MFMA). The above legislation compels the Municipality to prepare an Annual Report for each financial year, and the Mayor to table such report in Council

This annual report reflects Ba-Phalaborwa Municipality's strategic focus and provides an overview on performance and Council's financial position for the 2018/2019 financial year. It outlines various programmes managed by the directorates of the municipality and how they have performed in achieving set targets, which are in line with the Integrated Development Plan (IDP), council's budget and long-term vision for Ba-Phalaborwa.

The report also ensures that accountability is upheld, and the clients of the municipality are informed of the decisions that were taken in this period under review.

THE YEAR UNDER REVIEW, HIGHLIGHTS AMONGST OTHERS THE FOLLOWING ACHIEVEMENTS AS PER THE TOP LAYER SDBIP AND 2018/19 ANNUAL PERFORMANCE REPORT:

| Key Performance Area | 2016/17 % Achieved | 2017/18 % Achievement | 2018/19 Total Number of Targets | 2018/19 Target Achieved | 2018/19 Target not Achieved | 2018/19 Target not Performed | 2018/19 % Achievement |
|--|--------------------|-----------------------|---------------------------------|-------------------------|-----------------------------|------------------------------|-----------------------|
| Spatial Rationale | 67% | 67% | 3 | 2 | 1 | 0 | 67% |
| Basic Services Delivery | 50% | 80% | 12 | 10 | 2 | 0 | 83% |
| Municipal Financial Viability | 80% | 86% | 13 | 12 | 1 | 0 | 92% |
| Local Economic Development | 80% | 100% | 6 | 5 | 1 | 0 | 83% |
| Municipal Transformation and Institutional Development | 67% | 91% | 11 | 10 | 1 | 0 | 91% |
| Good Governance and Public Participation | 90% | 93% | 42 | 40 | 1 | 1 | 95% |
| Total | 81% | 90% | 87 | 79 | 7 | 1 | 91% |

The overall Municipal performance:

The municipality had 6 key performance areas with a total number of 87 key performance indicators for the 2018/19 financial year. The municipality managed to record good performance on 79 key performance indicators which constitute to 91% and under performance which constitutes 9%. The 2018/19 Annual Performance Report is attached as annexure for details.

Achievements:

- Upgraded **3.6** km of gravel streets to paving and tar;
- **3** projects implemented EPWP way, thus creating employment opportunities;
- Created **152** jobs through municipal initiatives (EPWP);
- Able to market the municipality through **3** tourism initiatives to grow the local economy;

- **272** SMMEs supported through municipal Supply Chain Processes
- **100%** MIG spent
- **944** of households connected to electricity

Challenges:

The key challenges for the 2018/19 financial year are amongst others the following:

- Low revenue collection
- Reluctance of municipal services use to pay for the services given.
- High number of household debts belonging to non-existing tenants and the deceased in the systems.
- The high number of inactive accounts with debt amounts not closed
- Outdated customer database in the Billing systems.
- Inability to source financing for fleet Management Due Disclaimer of Audit Opinion.
- Lack of Data maintenance by customers.
- Vandalism and Theft of Water Meters in townships and Villages
- High cost of repairs and Maintenance on the aged infrastructure for services delivery.
- Keeping up with the changes and updates of laws and Regulation
- Provision of False information by the indigent's applicant.
- Illegal connection of water in the Villages and Township.
- Old water infrastructure led to poor service delivery.
- Non adherence to By-laws led to vandalism, littering and poor services delivery

CORRECTIVE MEASURES TO IMPROVE PERFORMANCE

Capital expenditure (own funding):

Implementation of own funded capital projects are delayed or not implemented on an annual basis due to low revenue collection and this is largely affected by the starting of the implementation process of projects towards the end of the financial year.

Noting this challenge, the municipality will start planning for implementation of capital projects in the first quarter of the financial year.

The municipality will furthermore intensify the implementation of the credit control policy.

Low revenue collection

During the period under review, the municipality did not perform well in terms of revenue collection, from households' customers, Government customers and Business customers. In order to address low revenue collection, the municipality will embark on the following

- Firstly, to fully implementation of credit control policy
- Secondly, utilizes the service of a debt collector to assist the municipality in collecting the money owed by the customers,
- Thirdly, the Municipality will provide incentives such as reversal interest on overdue debts.
- Implement the Provincial revenue enhancement strategy throughout the 2019/2019 financial year.

The municipality received Qualified Audit opinion for the financial year 2018/19. The audit action plan was developed to address the findings raised by the Auditor General South Africa (AGSA).

The Internal Audit Division and Audit committee recommendations were implemented hence the improvement on the municipal control environment and basis of good governance and accountability.

AMONGST OTHERS THE FOLLOWING ARE ISSUES RAISED IN THE 2018/19 AUDITOR GENERAL'S REPORT:

1. The Property, Plant and Equipment -

- Non-review of residual values and useful lives of assets
- Inadequate records to records all property, plant and equipment
- Verification of physical assets of infrastructure assets

2. Inventories: -

- Municipality included Land properties which do not belong to municipality in its accounting records.

3. Payables from Exchange transactions

The unexplained differences between the records and the annual financial statement of R114 030 495 could not be explained.

4. Other Income

The auditor state that the Municipality did not have adequate systems in place to identify and record revenue.

5. Cash flow Statement

6. Irregular Expenditure

The user of the Annual report may refer to the attached Audit Report to Legislature for detailed information in the reports.

I would like to extend warmest appreciation to our community, Councillors, ward committees, all stakeholders, as well as my management colleagues and their representative staff for their support during this reporting year. The future of this Municipality requires the collective effort of all.

**M.I MOAKAMELA
MUNICIPAL MANAGER**

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

Ba-Phalaborwa Municipality is a Category B municipality established in terms of Section 155 of the Constitution of the Republic of South and strives to achieve the following objects of local government (as enshrined in Section 152 of the Constitution):

- 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.

The Municipality is situated in the North-Eastern part of South Africa in the Limpopo Province. It is one of the five local municipalities in the Mopani District family of municipalities. It has a geographical area of 7461.6 km² that constitutes more than 27% of the Mopani District. It serves as a convenient gateway to the Kruger National Park and the Greater Limpopo Transfrontier Park through the Mozambique Coast.

Key Challenges facing the Municipality

- Fixed Asset Register (Immovable Assets- land management);
- Prior year opening balance – insufficient and appropriate evidence and supporting documents.
- Revenue and Receivable inappropriate and insufficient audit evidence.

In addressing the issues raised by the Auditor General, the municipality developed an action plan with time frames and responsible officials to attend to all issues raised. By the end of the financial year progress on the implementation of Auditor General Action Plan was made. The only outstanding queries was regarding the stands and farms which the municipality together with the Department of Cooperative Governance Human Settlements and

Traditional Affairs developed implementation plan to address the issues on a multi –year basis as they require huge financial resources.

Municipal Key Objectives for 2018-19

- Promotion of local economy;
- Provision of sustainable integrated infrastructure and services;
- Sustain the environmental;
- Improve financial viability;
- Good corporate governance and public participation; and
- Attract, develop and retain best human capital.

Population

The table below compares municipal demographics as presented by Statistics South Africa (STATS SA) in the 2001 Census and the 2011 Census.

Municipal Demographics based on 2001 Census and 2011 Census

| Census 2001 | | Census 2011 | | 2016 Community Survey | |
|----------------|---------------|----------------|---------------|-----------------------|---------------|
| Population | Households | Population | Households | Population | Households |
| 131 098 | 33 529 | 150 637 | 41 115 | 168 937 | 49 100 |

| Population Details | | | | | | | | | |
|--------------------|----------------|---------------|----------------|----------------|---------------|----------------|----------------|---------------|----------------|
| Age | 2009/10 (1996) | | | 2010/11 (2001) | | | 2011/12 (2011) | | |
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| 0-4 | 5 805 | 6 183 | 11 988 | 7 516 | 7 676 | 15 192 | 9 721 | 9 721 | 19 433 |
| 5-9 | 6 260 | 6 447 | 12 707 | 7 203 | 7 654 | 14 857 | 7 536 | 7 848 | 15 384 |
| 10-19 | 6 189 | 6 404 | 12 593 | 7 345 | 7 490 | 14 835 | 7 118 | 7 555 | 14 674 |
| 20-24 | 5 313 | 5 276 | 10 589 | 6 519 | 7 230 | 13 749 | 8 132 | 7 995 | 16 127 |
| 25-29 | 5 196 | 4 640 | 9 836 | 5 924 | 6 390 | 12 314 | 6 842 | 7 371 | 14 195 |
| 30-34 | 4 073 | 4 171 | 8 244 | 4 735 | 5 169 | 9 904 | 5 392 | 6 016 | 11 407 |
| 35-39 | 3 595 | 3 571 | 7 166 | 4 169 | 4 654 | 8 823 | 4 649 | 5 390 | 10 039 |
| 40-44 | 3 155 | 2 833 | 5 988 | 3 681 | 3 865 | 7 546 | 3 886 | 4 395 | 8 282 |
| 45-49 | 2 662 | 2 077 | 4 739 | 3 419 | 3 041 | 6 460 | 3 103 | 3 787 | 6 890 |
| 50-54 | 1 995 | 1 280 | 3 275 | 2 708 | 2 139 | 4 847 | 2 691 | 2 852 | 5 542 |
| 55-59 | 1 390 | 1 100 | 2 490 | 1 783 | 1 212 | 2 995 | 2 415 | 2 252 | 4 667 |
| 60-64 | 725 | 890 | 1 615 | 1 167 | 1 102 | 2 269 | 1 660 | 1 620 | 3 280 |
| 65-69 | 542 | 662 | 1 204 | 495 | 837 | 1 332 | 957 | 1 206 | 2 163 |
| 70-74 | 299 | 333 | 632 | 420 | 657 | 1 077 | 651 | 957 | 1 608 |
| 75-79 | 201 | 276 | 477 | 223 | 297 | 520 | 339 | 632 | 972 |
| 80-84 | 92 | 126 | 218 | 128 | 244 | 372 | 203 | 444 | 647 |
| 85+ | 91 | 137 | 228 | 69 | 139 | 208 | 118 | 321 | 439 |
| Total | 53 198 | 52 089 | 105 287 | 64 356 | 67 180 | 131 536 | 72 923 | 77 572 | 150 529 |

| Socio Economic Status | | | | | | |
|-----------------------|---|-------------------|---|--|---------------------|---------------------------------------|
| Year | Housing Backlog as proportion of current demand | Unemployment rate | Proportion of households with no income | Proportion of population in low-skilled employment | HIV/AIDS prevalence | Illiterate people older than 14 years |
| 2016/17 | | 38.8% | 11% | 56% | 25.2% | 14.6% |
| 2017/18 | | 38.8% | 11% | 56% | 25.2% | 14.6% |

T1.2.4

| Overview of neighborhoods within `Name of Municipality` | | |
|---|------------|------------|
| Settlements Type | Households | Population |
| Towns | | |
| Phalaborwa | 3389 | 13976 |
| Sub-Total | | |
| Townships | | |
| Namakgale | 8398 | 25808 |
| Lulekani | 3843 | 20917 |
| Gravelotte | 757 | 1098 |
| Sub-total | | |
| Rural Settlements | | |
| Selwane | 2932 | 12326 |
| Makhushane | 3550 | 6608 |
| Maseke | 1985 | 7830 |
| Mashishimale | 3967 | 7002 |
| Majeje (incl Benfarm A, B, C, Humulani & Matikoxikaya) | 5315 | 29226 |
| Sub-total | | |
| Informal Settlements | | |
| Kurhula | 544 | |
| Sub-total | | |
| Total | 34680 | 150637 |

T1.2.6

Source: Ba-Phalaborwa Municipality GPS 2012

| Major Natural Resource (Phalaborwa Area) | Natural Resources | |
|--|---|------------------------|
| | Major Natural Resource (Murchison area) | Relevance to Community |
| Magnetite | Mineral sand | Economic (mining) |
| Copper | Antimony | Economic (mining) |
| Vermiculite | Gold | Economic (mining) |
| Nickel | Zinc | Economic (mining) |
| Apatite | Mercury | Economic (mining) |
| Zirconium | Paving and clad stones | Economic (mining) |
| Titanium | Emeralds | Economic (mining) |
| Uranium | Ilmenite | Economic (mining) |

T1.2.7

Ba-Phalaborwa has the highest concentration of minerals deposits in the Mopani District, hence, mining is the largest economic sector in the Municipality and is also the largest employer.

1.3 SERVICE DELIVERY OVERVIEW

INTRODUCTION TO SERVICE DELIVERY

There are larger portions of rural area in Ba-Phalaborwa where currently there is no constant supply of water. The 11% households which has infrastructure but not receiving adequate water supply is at rural area. The new extension next to townships and other rural areas fall under 7% households without infrastructure.

The water purification plant was assessed by Water service authority (Mopani District) together with water board (Lepelle) for upgrading in order to meet the demand.

Upgrading of purification plant is done in phases and also the bulk supply line will be upgraded so that we have enough capacity to supply the entire Ba-phalaborwa. In Selwane the purification plant has been upgraded from 1 ML to 4.7 ML.

Although in other areas there is no infrastructure the Municipality is able to supply water by water truck.

The water quality is gradually increasing in blue drop score year to year. The challenges is the aging infrastructure which increase the bill of water supply by water board. District, water board and local municipality are busy with the strategy to address the water loss and improving on water quality.

Total Capital Expenditure 2017/18 – 2018/19

| Services | Households received services (2017/2018) | Total No of Households have access to basic services | Comment | Households received services (2018/2019) | Total No of Households have access to basic services | Comment |
|-------------------------|--|--|---|--|--|--------------------------------|
| Water connected to yard | 1722 | 43028 | Malungane and kanana water reticulation project was able to complete 1722 households in the 2017/18 financial year. | | | |
| Electricity | 0 | 42316 | No households connected in the 2017/2018 financial year. | 944 connected to electricity | 43260 | None |
| Roads | 1.7 km Gravel upgraded to tar | 127 | Upgrading of 1.1 km road at Benfarm (Phase1) and 0.6 km Tambo (Phase 1) | 3.6km of road at Tshelang kgape to R71 | | Additional allocation received |
| T1.3.1 | | | | | | |

1.4 FINANCIAL OVERVIEW

FINANCIAL OVERVIEW

| Financial Overview – 2018/19 | | | | |
|--------------------------------|----------------|-------------------------|---------------------------|----------------|
| Details | Actual 2017/18 | Original Budget 2018/19 | Adjustment Budget 2018/19 | Actual 2018/19 |
| Income | 281,605 | 377,054 | 378,054 | 394,139 |
| Grants | 176,813 | 137,272 | 137,419 | 184,634 |
| Sub Total | 458,418 | 514,326 | 515,473 | 578,773 |
| Less Expenditure | 540,818 | 514,322 | 514,469 | 556,689 |
| Net Total | -82,400 | 4 | 1 004 | 22,083 |
| Operating Ratios | | | | |
| Detail | % 2017/18 | | % 2018/19 | |
| Employee Cost | 73% | | 93% | |
| Repairs & Maintenance | 31% | | 99% | |
| Finance Charges & Depreciation | 60% | | 100% | |

| Details | | |
|-------------------|---------|---------------|
| | 2017/18 | 2018/19 |
| Original budget | 63,119 | 39,917 |
| Adjustment budget | 64,101 | 61,111 |
| Actual | 46,831 | 50,270 |
| | | T1.4.4 |

COMMENTS ON CAPITAL EXPENDITURE

Water and Sanitation: Ba-Phalaborwa Municipality as a water provider do not budget for capital assets as per the SLA

Electricity: Capital expenditure on electricity projects were at 99% excluding internally funded

Roads: Capital expenditure on roads projects were at 91% excluding internally funded

MIG: The total MIG received for the year was not fully spent.

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

Section 66 of the Local Government: Municipal Systems Act, 32 of 2000 makes provision for staff establishment. The staff establishment must be in line with the powers and functions of the municipality and must make provisions for job descriptions for each position. Ba-phalaborwa Municipality approved its Organizational Structure and the structure is aligned is with the IDP and the powers and functions to be conducted by the municipality. The organogram provides for a staff compliment of 694 with 380 of the positions filled, 314 positions vacant and 38 councillors.

1.6 AUDITOR GENERAL REPORT

Legislation mandates that upon closure of the financial year the municipality must prepare Annual Performance Report and Annual Financial statements and submit to the Auditor General of South Africa for auditing. For the Financial Years 2018/19 the municipality obtained Qualified Audit Opinion. The municipality has laid a good foundation for achieving a clean audit in the coming financial years.

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 confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period. | July |
| 2 | Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting). | |
| 3 | Finalise 4 th quarter Report for previous financial year | |
| 4 | Submit draft Annual Report to Internal Audit and Auditor-General | |
| 5 | Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General. | |
| 6 | Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase | August |
| 7 | Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data | |
| 8 | Municipalities receive and start to address the Auditor General's comments | |
| 9 | Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report | November |
| 10 | Audited Annual Report is made public and representation is invited | |
| 11 | Oversight Committee assesses Annual Report | |
| 12 | Council adopts Oversight report | March |
| 13 | Oversight report is made public | |
| 14 | Oversight report is submitted to relevant provincial councils | |
| T1.7.1 | | |

CHAPTER 2 – GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Local Government: Municipal Structures Act 117 of 1998, provides that a municipality must have a political and administrative component and as such, Ba-phalaborwa Municipality has an established political and administrative component. The political component comprises of the Speaker, Chief Whip, Executive Mayor and Councillors. Politically, the Mayor is the head of the municipality. In managing the affairs of the municipality, the Mayor delegated some of the responsibilities to Members of the Executive Committee who lead different portfolio committees. The Heads of Portfolio committee account to the Mayor on the affairs of their respective

directorates during the Executive Committee meetings, wherein, monthly reports of directorates are discussed. The Executive Committee do oversight on the portfolio committee reports and recommends to council for approval.

The Municipal Manager as the administrative head of the institution deals with the daily affairs of the municipality. All directors appointed and reporting to the Municipal Manager are responsible for the affairs of their respective departments, and on a monthly basis reports are presented to the municipal manager during senior management meetings. The recommendations of senior management are presented to their respective portfolio committees by the responsible directors in order for the portfolio committee chairpersons and members of the portfolio committees to do oversight and take ownership of the reports.

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Mayor is the political head in the institution. The municipality has the political management team comprising of the Mayor, Speaker and Chief Whip which meets on a regular basis to discuss the affairs of the municipality in order to give political direction.

The municipality have established portfolio committees which are led by members of the Executive Committee. The portfolio committees do oversight on all the reports that are to be processed to the executive committee meetings. The municipality further established Municipal Public Accounts Committee which probes the financial reports of the municipality and provides some recommendations and advice for implementation by council. The Audit Committee also do oversight on performance information and provide some opinions and recommendations for implementation.

The annual report is tabled by the Mayor in council and thereafter referred to MPAC for probing. For purposes of transparency, the annual report is published in the municipal website and copies placed in all municipal buildings, to afford members of the public access and to forward their comments. The MPAC after probing, tables a report to Council for approval.

| POLITICAL STRUCTURE | | |
|---------------------|-------------------------------|---|
| Structure | Name of Public Representative | Function |
| MAYOR | Cllr MM Malatji | <ul style="list-style-type: none"> • Presides at meetings of the executive committee; and • Performs the duties, including ceremonial functions, and exercises the powers delegated to by the Council |
| SPEAKER | Cllr E Hlungwani | <ul style="list-style-type: none"> • The Speaker of Council – • Presides at meetings of Council; • Performs the duties and exercises the powers delegated to the Speaker in terms of Section 59 of the Municipal Systems Act; • Must ensure that the Council meet at least quarterly; • Must maintain order during meetings; • Must ensure compliance in the Council and Council committees with the Code of Conduct set out in Schedule 1 of the Municipal Systems Act; and • Must ensure that Council meetings are conducted in accordance with the rules and orders of the Council. |
| CHIEF WHIP | Cllr D Rapatsa | <ul style="list-style-type: none"> • Responsible for political management of Council meetings and committee meetings. Maintains party relations and ensure that political decision-making takes place timeously and diligently. |

COUNCILLORS

Ba-Phalaborwa Municipality have 37 Councillors of which 19 are Ward Councillors and 18 are Proportional Councillors.

T2.1.2

POLITICAL DECISION-TAKING

The municipality has developed the 2018/19 corporate calendar approved by council. The calendar directs all municipal activities including Portfolio Committee, EXCO and Council meetings. The portfolio committees which are led by members of EXCO do oversight on reports of different directorates and recommend their decisions to the Executive Committee Meeting which is chaired by the Mayor. The Executive Committee further plays oversight on the reports of portfolio committees and recommends to Council which take decisions by taking Council Resolutions. The resolutions are decisions taken by politicians for administration to implement.

During 2018/19 financial year 568 Council resolutions were taken and all resolutions were implemented.

7 Ordinary and 9 Special Council meetings were held during the 2018/19 financial year.

11 Ordinary and 5 Special Executive Committee meetings were held during the 2018/19 financial year.

T2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The administrative component of the municipality comprises of Six (6) directorates that is Office of Municipal Manager, Budget and Treasury Office, Planning and Development, Community and Social Services, Technical Services and Corporate Services. The Municipal Manager oversees all financial matters of the institution. The Municipal Manager further has approved delegations of powers wherein all senior managers are delegated responsibilities. The financial matters are delegated to the Chief Financial Officer, Administration and Human Resources matters are delegated to the

Senior Manager: Corporate Services; planning and development issues are delegated to the Senior Manager: Planning & Development; service delivery matters are delegated to the Senior Manager: Technical Services and Community and Social Services.

T2.2.1

| TOP ADMINISTRATIVE STRUCTURE | | |
|--|--------------------------|--|
| Structure | Name of Official | Function |
| Municipal Manager | Ms M I Moakamela | <p>The head of administration and also the Accounting Officer for Ba-Phalaborwa Municipality. Provides guidance and advice on compliance financial and all legislation to the political structures, political office bearers and officials.</p> <ul style="list-style-type: none"> ➤ Manages special programmes in relation to youth, gender; |
| Senior Manager Corporate Services | Mrs P F Nogilana-Raphela | <ul style="list-style-type: none"> ➤ Renders Human Resource Management Services by Skills Development and Training Services; ➤ Manages communication and information services to the municipality particularly IT utilization and support services; ➤ Provides secretarial services to the Council, the Executive Committee, Section 80 committee, section 79 committees; ➤ Provides legal advisory services with regard to policies, by-laws and labour relations as well as interpretation of legislation; and ➤ Provides administrative support to the department by rendering support to satellite offices and rendering messenger services and ancillary services. |
| Senior Manager Community and Social Services | Mr H Zungu | <ul style="list-style-type: none"> ➤ Manages the parks and cemeteries; ➤ Manages the waste management; ➤ Attends to environmental management; ➤ Manages the library services; ➤ Lead and direct strategic objectives of the municipality in relation to health; ➤ Regulate and manage traffic, |

TOP ADMINISTRATIVE STRUCTURE

| Structure | Name of Official | Function |
|--|------------------|---|
| | | <p>enforce by-laws and educate the public on road safety; and</p> <ul style="list-style-type: none"> ➤ Oversee the management of licensing section and testing station. |
| Senior Manager Technical Services | Mr NOC Mdungazi | <ul style="list-style-type: none"> ➤ Manages engineering services by designing civil engineering structures and rendering mechanical and electrical engineering services; ➤ Render project management services by administering contracts for all civil infrastructure projects and amongst others managing local capacity building; and ➤ Renders building control services by administering building plans, conducting building inspections and doing minor maintenance on council buildings. |
| Senior Manager Director Planning and Development | Mr Maluleke HP | <ul style="list-style-type: none"> ➤ Renders spatial planning for land development; ➤ Manages land use on behalf of the municipality; ➤ Formulates, implements and maintains comprehensive local economic development plans; ➤ Promotes tourism, agriculture and alleviation of poverty; ➤ Promotes trade and industry; ➤ Manages the valuation roll of the municipality; ➤ Formulates and implementation of integrated development strategy planning; ➤ Manages the municipality's performance management system; and ➤ Approves rezoning application in respect of land within the area. |
| Chief Financial Officer | Mr T J Mogano | <ul style="list-style-type: none"> ➤ Administratively in charge of the budget of the municipality and treasury office; ➤ Assist the Municipal Manager in the administration of the municipality's bank accounts and the preparation and implementation of the municipality's budget; ➤ Renders fleet management; ➤ Manages the revenue collection of the municipality; and |

TOP ADMINISTRATIVE STRUCTURE

| Structure | Name of Official | Function |
|-----------|------------------|------------------------------------|
| | | ➤ Renders supply chain management. |

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO INTERGOVERNMENTAL RELATIONS

The municipality as the third sphere of government work in corporation with other spheres of government and their related government entities. In terms of provision of services, the municipality work hand in hand with other government institutions. With regard to provision of water, the Mopani District Municipality assist local municipality to be able to provide the service as they are the WSA. Provincial departments also support the municipality. The municipal manager oversees all financial matters of the institution and the municipality further approved delegations of powers wherein all senior managers are delegated responsibilities. The Department of Corporative Governance Human Settlements and Traditional Affairs support the municipality by RDP houses allocations in line with housing needs submitted by the municipality.

Treasury supports the municipality with the management of municipal financial affairs.

The following are intergovernmental relations forums that Ba-phalaborwa Municipality participate in:

District IGR

Based on Section 88 of the Local Government: Structures Act, 1998, calls for cooperation between district and local municipalities that;

- A district municipality and local municipalities within the area of that district municipality must co-operate with one another by assisting and supporting each other;
- A district municipality on request by a local municipality within its area may provide financial, technical and administrative support

services to that local municipality to the extent that that district has the capacity to provide those support services; • A local municipality may provide financial, technical or administrative support services to another local municipality within the area of the same district 3 municipality to the extent that it has the capacity to provide those support services, if the district municipality or that local municipality so requests.

Therefore, Mopani District Municipality convened quarterly IGR that is attended by all Senior Manager . They deal with all issues pertaining to administration and compliance to all legislative frameworks.

Speakers Forum

To ensure effective oversight in the three spheres of government, the speakers forum was established. The Speaker of Limpopo Legislature convenes the Provincial Speaker's Forum to facilitate common understanding towards the speaker's role in the processes of enacting by-laws, review of legislation and other related policies.

The Forum seeks to make a meaningful contribution towards a government that is democratic, accountable and is always of service to its people while ensuring that there's improved institutional support to Municipal Councils.

The forum is composed of all speakers of municipalities in Limpopo including other stakeholders such as the South African Local Government Association (SALGA), Commission for Gender Equality (CGE), Independent Electoral Commission (IEC) and South African Human Rights Commission (SAHRC). The Provincial Speaker's Forum is usually held under a specific theme; hence 2018/19 theme has been: "Strengthening Legislative Support to Local Government.

Therefore, regular attendance to this forum has been supported consistently

Municipal Managers Forum

The Municipal Managers' Forum was created to provide a platform to discuss common issues, share learning and resolve challenges within Local Government to propel local government towards a sustainable future. The SALGA-initiated Municipal Managers' Forum (MMF) remained a democratic platform to spearhead continuous improvement within Local Government. Since its establishment in 2011 , the Forum has become an invaluable peer-learning vehicle that stimulates robust discussion and debate about important local

government issues and creates opportunities for Municipal Managers to interact and engage collectively with key stakeholders.

Therefore, regular engagement between the South African Local Government Association (SALGA) and the administrative executives of municipalities country-wide was necessary. The engagement enabled and encouraged peer-learning through the sharing of knowledge, innovative thinking and public and private sector good practices.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The municipality accounts to the public through various mechanisms as adopted by council. On a quarterly basis, the municipality conduct feedback sessions to community members through Mayoral Imbizos. Furthermore, Ward Councillors account to their respective constituencies through monthly ward committee meetings. On a quarterly basis, the municipality hold Council Meetings wherein, reports and affairs of the municipality are discussed and public members are invited to be part of the planned council meetings.

The municipality also utilizes its website to publish reports, documents etc. (As per the provision of Section 75 of the MFMA). During the probing of the annual report, the MPAC conducts public hearings and in these hearings members of the community are invited to observe the proceedings.

The municipality had an adopted process plan which guides all activities in terms of the preparation of the IDP, Budget and PMS. In line with the approved process plan by Council, the municipality conducts its quarterly Mayoral Imbizos, wherein progress in terms of the implementation of the approved IDP, Budget and PMS is given to the community and at the same time the municipality will do consultation with community members on the development and review of the IDP, Budget and PMS for the next financial year.

Through- out the financial year feedback sessions are conducted on a quarterly basis in order to account to the community on the progress made and furthermore planning for the next financial year as the processes run simultaneously.

The municipality's internal boundaries have 19 wards. Central to public participation is the Ward Councillor and Ward Committee. Ward Committee's term of office runs concurrently with the term of Council. All ward committees are effective and submit monthly reports to Office of the Speaker

T 2.4.0

2.3 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

The municipality has established a unit which deals with communication; the unit is also responsible for marketing the institution and communicating all activities of the municipality.

The municipality accounts to the public through various mechanisms as adopted by council. On a quarterly basis the municipality conduct feedback sessions to community members through Mayoral izimbizo. Furthermore, ward Councillors accounts to their respective constituencies through monthly ward committee meetings. On a quarterly basis the Municipality hold council meetings wherein reports and affairs of the Municipality are discussed and public members are invited in these council meetings.

The Municipality also utilizes its website to publish reports documents etc. (As per the provision of section 75 of the MFMA). During the probing of the annual report MPAC conducts public hearing and in these hearings members of the community are invited to observe the proceedings.

Furthermore, the Municipality puts complaints registers in strategic positions for members of the community and staff members to include their compliments and complaints. The Municipality further employs local Radio station and newspapers to communicate with our communities.

WARD COMMITTEES

Key purpose of ward committees and major issues that the ward committee has dealt with during the year:

- They serve as an official's specialised participatory structure within the Municipality area of jurisdiction
- They assist the ward councillor in identifying conditions, challenges and needs of the residence within the ward
- They disseminate information in the ward concerning municipal affairs
- They receive queries and complaints from residence in the ward concerning municipal service delivery; communicate such queries and complaints to the municipality and advice the community on the municipality's responses
- They interact with other forums and organisations on matters and policies affecting the ward
- They also serve as a mobilising agent for community actions

2.4 IDP PARTICIPATION AND ALIGNMENT

| Nature and purpose of meeting | Date of events | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Dates and manner of feedback given to community |
|-----------------------------------|------------------|---|--|---------------------------------------|---|
| IDP Rep Forum (Preparatory Phase) | 24 July 2018 | 16 | 8 | 27 | Meeting serves as consultative meeting and also presentation of the process plan |
| IDP Rep Forum (Strategies Phase) | 19 March 2019 | 22 | 10 | 30 | Meeting serves as consultative meeting and also presentation of the Analysis |
| IDP Rep Forum (Project Phase) | 20 November 2019 | 27 | 8 | 25 | Meeting serves as consultative meeting and also presentation of the Strategies and projects |
| IDP Rep Forum (Approval Phase) | 21 May 2019 | 15 | 8 | 29 | Meeting serves as consultative meeting and also presentation of the public participation report |

| Nature and purpose of meeting | Date of meeting | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Issues raised by community | Issue addressed (Yes/No) | Dates and manner of feedback given to community |
|-------------------------------|-----------------|---|--|---------------------------------------|--|---|---|
| Mayoral Imbizo | 17/08/2018 | 27 | 19 | 673 | Need for inspection on bulk water projects | Yes. inspection on bulk water projects has been done | Feedback was done through quarterly ward mass meetings , Quarterly Mayoral Imbizos and IDP/Budget public participation meetings |
| | | | | | No monitoring on illegal connection done on Biko water pipes | Yes.Mopani District noted all water challenges | Feedback was done through quarterly ward mass meetings , Quarterly Mayoral Imbizos and IDP/Budget public participation meetings |
| | | | | | Need for Apollo light near ward 15, Dams in Matikoxikaya | Yes.Cllrs have already identified Crime Hot Sports and submitted to the municipality, and Foskor will assist on this matter | Feedback was done through quarterly ward mass meetings , Quarterly Mayoral Imbizos and IDP/Budget public participation meetings |
| | | | | | Damaged road from Lulekani Post office via Matikoxikaya to Majeje | Yes. Grading is done as per the roaster not only during Imbizo | Feedback was done through quarterly ward mass meetings , Quarterly Mayoral Imbizos and IDP/Budget public participation meetings |
| | | | | | Municipality to have more water tanker or fix the old boreholes to accommodate ba-phalaborwa | Yes. There are 3 Borehole that are equipped to solve Maseke water challenge. Eskom will be requested to connect the electricity on such | Feedback was done through quarterly ward mass meetings , Quarterly Mayoral Imbizos and IDP/Budget |

| | | | | | | | |
|----------------|------------|----|----|-----|--|---|---|
| | | | | | community | Boreholes | public participation meetings |
| | | | | | Need for tarring of Selwana road | Yes. Selwana road has been approved to be done in this financial year. PMC advertised, briefing conducted and project is on tendering and | Feedback was done through quarterly ward mass meetings , Quarterly Mayoral Imbizos and IDP/Budget public participation meetings |
| | | | | | Sewerage problem around Lulekani | Yes. Technical Director have investigated on all sewerage challenges | Feedback was done through quarterly ward mass meetings , Quarterly Mayoral Imbizos and IDP/Budget public participation meetings |
| | | | | | Municipality should be aware of the danger caused by sewerage which children are busy playing in | Yes. Technical Director has investigated on all sewerage challenges | Feedback was done through quarterly ward mass meetings , Quarterly Mayoral Imbizos and IDP/Budget public participation meetings |
| | | | | | Need for a switch for an Apollo light which in on day and night | Yes. Investigation has been done | Feedback was done through quarterly ward mass meetings , Quarterly Mayoral Imbizos and IDP/Budget public participation meetings |
| Mayoral Imbizo | 13/11/2018 | 20 | 13 | 779 | Need for culverts | Municipality is busy on this matter but realized that some places does not need culvers but need lower level bridges which need to | Feedback was done through quarterly ward mass meetings , Quarterly Mayoral Imbizos |

| | | | | | | | |
|--|--|--|--|--|--|---|---|
| | | | | | | be budgeted for | and IDP/Budget public participation meetings |
| | | | | | Boreholes not working | Yes. Noted and matter will be referred to MDM | Feedback was done through quarterly ward mass meetings , Quarterly Mayoral Imbizos and IDP/Budget public participation meetings |
| | | | | | Request for re-opening of a passage for trolley usage at the robots to the taxi rank and close the one next to KFC in town as it is danger for pedestrians | yes | Feedback was done through quarterly ward mass meetings , Quarterly Mayoral Imbizos and IDP/Budget public participation meetings |
| | | | | | Weak electricity at Selwana, sometime they spend two day without power | Yes. Eskom knows about the problem and they are busy with it | Feedback was done through quarterly ward mass meetings , Quarterly Mayoral Imbizos and IDP/Budget public participation meetings |
| | | | | | No service delivery in ward 06. Sewage affecting the old man's house (house 633) | Yes. Intervention was done for old infrastructure which affect this man's house | Feedback was done through quarterly ward mass meetings , Quarterly Mayoral Imbizos and IDP/Budget public participation meetings |
| | | | | | No monitoring on ESKOM projects, power lines are low and can be danger to | Yes. Eskom has line Inspectors who are allocated sections to take care | Feedback was done through quarterly ward mass meetings , Quarterly |

| | | | | | | | |
|----------------|------------|----|----|-----|--|---|---|
| | | | | | community | | Mayoral Imbizos and IDP/Budget public participation meetings |
| | | | | | Weak electricity at Selwana, sometime they spend two day without power | Yes. | Feedback was done through quarterly ward mass meetings , Quarterly Mayoral Imbizos and IDP/Budget public participation meetings |
| Mayoral Imbizo | 14/02/2019 | 16 | 11 | 577 | Municipality to rehabilitate dilapidated stadium in Lulekani | Yes. Investigation will be conducted to check if the stadium need maintenance through internal budget or need to | |
| | | | | | There is a need for toilets in the ward | Yes. Municipality is awaiting for allocation from the District Municipality | |
| IDP/Budget PP | 11/04/2019 | 16 | 13 | 58 | Need for a bridge at Humulani in ward 16 | | |
| | | | | | The is a need for Culvers on the road to Cemeteries | Included on the unfunded projects slide | |
| IDP PP | 12/04/2019 | 14 | 20 | 78 | There is a need for RDP houses | The Contractor is on site doing Site establishment for RDP houses to be constructed | |
| | | | | | Need for paving of streets | Submitted as a ward need (page 19) | |
| | | | | | There is a need for extension of Gravelotte Cemeteries | Cemeteries was once registered as a need but community rejected it. It will then be submitted as a need again in the next Financial Year. | |

| | | | | | | | |
|--------|------------|----|----|-----|--|--|--|
| | | | | | There is a need for grading of streets | According to the approved roster for Grader, the grader was available in March for ward 18 but more focus was on roads to Cemeteries or main streets that were affected by heavy roads | |
| | | | | | There is reticulation at Selwana, but no water | Yes. Bulk line project is done – to connect the line to old infrastructure need Mopani to reduce water pressure to avoid bursting of pipes. Water is now available at Nondweni and sometimes illegal connections is affecting water supply | |
| IDP PP | 13/04/2019 | 07 | 14 | 114 | There is a need for grading of streets | According to the approved roster for Grader, the grader was available in March for ward 18 but more focus was on roads to Cemeteries or main streets that were affected by heavy roads | |
| IDP PP | 14/04/19 | 19 | 12 | 23 | No question raised | | |
| IDP PP | 15/04/19 | 17 | 18 | 153 | Want to know who is the water authority between Mopani and municipality | | |
| | | | | | | | |
| IDP PP | 16/04/19 | 21 | 21 | 466 | A complain was raised to say an application for indigents was made for 3 times but still no approval by the municipality | End of May process on indigent will be done and municipality will make sure that community is benefiting | |

| | | | | | | | |
|--|--|--|--|--|---|--|--|
| | | | | | Need for Apollo lights at the Hot Spots | Ward Cllrs submitted Hot Spots, whenever funds are available it will be implemented | |
| | | | | | Uncompleted roads in Ba-Phalaborwa to be attended to | The municipality is faced with low revenue collection, municipality also request Local Mines for implementation of other projects and uncompleted roads are priority. Already PMC has committed to tar Selwana Road. | |
| | | | | | Sewer next to Baptized church need to be attended to | The problem was attended to 2 months back. | |
| | | | | | Ward Cllr identified his street for construction of Speed humps | Speed humps are submitted during ward needs and should be prioritized but whenever community complain we sometimes out of own funding try to implement on hot spots and because of Mechanics on Cllr's street where cars are driven in a high speeds, we then identify his street as a hot spot street | |
| | | | | | Need for Culverts on road from Palesa to Honey Ville | We identified Culverts that are dumped in all wards and because Ward Cllrs already submitted their needs for culverts, some of those culverts will be utilized on official roads. Findings are there are places that need small bridge and such projects need MIG funding and registration of such | |

| | | | | | | | |
|--------|----------|----|----|-----|---|---|---|
| | | | | | | projects will be done | |
| | | | | | | Need for Chemical treatment after De-bushing on steams | We must check with the Department of Forestry if it is allowed to use chemical during De-bushing as this may affect ground water and becomes danger to people and animals |
| IDP PP | 17/04/19 | 06 | 18 | 168 | Need for water | Most of water related challenges will be addressed during MDM Public Participation | |
| | | | | | In page 13, other wards are budgeted for except wards in Lulekani | Municipal Projects are implemented in Phases, projects that are in page 13 are those that are registered for the coming Financial Year, other projects are registered in a long list, and whenever there is money, those projects will be implemented | |
| | | | | | Municipality to block water pipe to Shiloque to enable water supply in Lulekani | Most of water related challenges will be addressed during MDM Public Participation | |
| | | | | | Why Municipality prioritized to purchase Back-up Generator while people are suffering with service delivery | The generator will be utilized during electricity cut off, community will continue receiving services even when power is off. | |
| | | | | | Speed humps in ward 15 are big and need to be reduced | noted | |

| | | | | | | | |
|--------|----------|----|----|-----|---|--|--|
| | | | | | Community requested that water line to Kurhula must not have valve | Most of water related challenges will be addressed during MDM Public Participation | |
| IDP PP | 23/04/19 | | | | Meeting did not take place | | |
| IDP PP | 24/04/19 | | | | What is happening at the new Municipal Dumping site? | Municipality received a license from Department of Environment to close the old dumping site and open the new one, the new dumping site will be opened in the new Financial Year | |
| IDP PP | 25/04/19 | 08 | | 29 | <p>During rainy season school children are unable to cross the streams.</p> <p>There is a serious need for Culverts/Small Bridge at Masehlana and other streams in the ward</p> | Need for Culverts at Masehlana has been identified and will be done – Culverts for ward 10 were wrongly registered and that is why the project was not done. | |
| | | | | | Why Boelang is not prioritized to have Apollo lights like other wards? | Apollo lights done in other wards, Boelang was not part and was not registered. It is now included under unfunded projects – Local Mines are engaged to assist in this matter | |
| | | | | | There is a need for paving | The need is included in the ward 10 priorities and whenever funds are available the need will be implemented | |
| IDP | 26/04/19 | 10 | 11 | 114 | There was a complain about grading of roads which is done after a long time | Municipality is having Grading Program which is followed for grading of all 19 wards – there are 2 (two) | |

| | | | | | | | |
|--|--|--|--|--|--|--|--|
| | | | | | <p>or grading only during funerals but not attending to roads that in bad condition</p> | <p>grader in the Municipality and one is broken, and that is the reason why it took time for grading of streets in all wards.</p> <p>The decision was taken that on Fridays the grader must focus on the roads affected by funerals.</p> | |
| | | | | | <p>Grader driver is rude and want to be paid if requested by community members to attend to roads that urgently need attention</p> | <p>It is the responsibility of the Ward Committee to direct or accompany the Grader</p> | |
| | | | | | <p>Since municipality promised to open the streets at new settlement in the previous IDP Public Participation, even today it has not been done – municipality is given up to the 05/05/2019 or else no election will take place.</p> | <p>Bulldozer is procured for opening of streets in all new settlements in Ba-Phalaborwa and immediately it arrives Matshelapata and Tshabelammatswale will also be taken into consideration</p> | |
| | | | | | <p>There is no monitoring of projects at the Municipality, that is why the Sports Complex in Mashishimale is not completed</p> | <p>Sports Complex has been registered to be implemented in Multi Years. Contractor who was appointed initially gave a code based on the price by then – increase of prices has affected the price of products.</p> | |
| | | | | | <p>There is water Reservoir in ward 08 but there is no</p> | <p>All water challenges were noted on behalf of MDM. BPM is only water providers</p> | |

| | | | |
|--|---|--|--|
| | water | <p>dealing with things like maintenance.</p> <p>MDM will coordinate its IDP Public Participation, urged community members to attend and raise their water challenges and also to find out what is prioritized for their community in the upcoming Financial year</p> | |
| | <p>There is a need for Community Library at Mashishimale but now the need is registered under unfunded projects meaning that education is not prioritized</p> | <p>Libraries are falling under Department of Sports, Arts & Culture and the project should fall under them. During their submissions we will check if Library for Mashishimale Community is prioritized</p> | |

COMPONENT D: CORPORATE GOVERNANCE

2.5 RISK MANAGEMENT

Risk Management is one of Management's core responsibilities in terms of section 62 of the Municipal Finance Management Act (MFMA) and is an integral part of the internal processes of a municipality. It is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the service delivery capacity of a municipality.

Main Priorities:

Implement the risk management policy and risk management strategy to ensure that identified risks are managed to an acceptable level. Organizing and serving as the secretariat of the Risk Management Committee.

Major Achievements: Risk management

To promote good governance and ensure uniform process of managing Risk Management functions in the institution, the municipality has developed the following governing documents.

- Risk Management Policy
- Risk Management Strategy
- Risk Management Charter

The Risk Management Unit conducted Risk Assessments with all departments to identify any risks that might hamper the institution from achieving its planned objectives and came up with mitigations to manage the risks.

The following risk register were developed.

- Strategic Risks Register
- Fraud Risks Register
- Information Technology Risk Register
- Operational Risk Register
- Project Risk Register
- MSCOA Risk Register

The Risk Assessments were conducted to identify areas where fraud and corruption can occur, Fraud Risk Register (*which includes mitigations to address the risks*) was developed to manage the identified risks. Awareness campaigns were conducted to the employees to inform them about the dimensions of fraud and corruption. Fraud and Corruption brochures were distributed to the employees and the public.

Top Ten Risks: Ba-Phalaborwa Municipality

| No | Focus Area | Risk Name | Root Cause of the Risk | Inherent Risk | Current Controls | Residual Risk | Mitigations | Action Owner | Time Scale | Progress as at 30 June 2019 |
|----|------------------------|---|-----------------------------------|---------------|------------------|---------------|---|--------------|------------------|--|
| 1 | Information Technology | Non implementation of the disaster recovery plan. | Lack of funds (duplicate server). | 25 | None | 22.5 | 1. Review the Disaster Recovery Plan (Deployment of Office 365. Sebata EMS etc.) | Manager: ICT | 31 December 2018 | The Plan has been reviewed and partially implemented. |
| | | | | | | | 2. IT Manager and Risk Manager to do physical assessment of Sebata Data Centre environment and DRP processes. | Manager: ICT | Quarterly | The assessment was done on the 23 October 2018 and 11 June 2019. |

| No | Focus Area | Risk Name | Root Cause of the Risk | Inherent Risk | Current Controls | Residual Risk | Mitigations | Action Owner | Time Scale | Progress as at 30 June 2019 |
|----|------------------|--|---|---------------|--|---------------|---|-------------------------------------|--------------|---|
| | | | | | | | 3. Finalise the Phase 2 of Business Continuity Plan (BCP) | Manager: ICT | 30 June 2019 | Currently engaging COGHSTA to assist with the finalization of the plan. |
| 2 | Service Delivery | Electricity theft and vandalism of infrastructure. | 1. Criminal behaviour 2. Poor security measures 3. Lack of awareness to the employees. 4. Economic climate | 25 | 1. Security guards deployed at Selati Sub Station. 2. Monitoring of illegal connections. 3. As per Local energy forum decision, theft to be reported to the police and to the forum. | 22.5 | 1. Issue discussed in the Local Energy Forum meeting. | Chief Engineer: Electrical Services | Monthly | The matter has been discussed in the quarterly Energy Forum meetings. |
| | | | | | | | 2. Report all illegal connection to BTO to impose penalties. | Chief Engineer: Electrical Services | Continuous | Penalties are imposed on all illegal connections identified. |
| 3 | Financial | Low collection of revenue and low revenue streams. | 1. Culture of non-payments by residents (mostly in the townships) 2. Lack of new | 25 | 1. Izimbo's/ Awareness conducted to the community. 2. Credit Control | 22.5 | 1. Review and Implementation of the Credit Control & Debt Collection Policy | Chief Financial Officer | 31 July 2018 | The Credit Control and Debt Collection policy has been reviewed, implementation is in progress. |

| No | Focus Area | Risk Name | Root Cause of the Risk | Inherent Risk | Current Controls | Residual Risk | Mitigations | Action Owner | Time Scale | Progress as at 30 June 2019 |
|----|------------|---|---|---------------|--|---------------|---|--|-----------------------------|--|
| | | | township establishment. 3. Inadequate implementation of revenue enhancement strategy 4. Intergovernmental debt (Departmental debts) | | & Debt Collection Policy. 3. Financial recovery plan & Revenue enhancement Strategy in place. | | 2. Online accounts service to retrieve municipal accounts. 3. Attend and participate in the district & IGR structures. | Chief Financial Officer Chief Financial Officer | Monthly Quarterly | Done, consumers are able to retrieve their accounts online The district & IGR meetings were attended. |
| | | | | | | | 4. Implement financial recovery plan 5. Appointment of debt collectors | Chief Financial Officer Chief Financial Officer | Monthly 31 July 2018 | Implementation of the financial recovery plan is in progress. Debt collectors have been appointed. |
| 4 | Financial | Unfavourable audit outcome (Disclaimer) | 1. Inaccurate opening balances. 2. Loss of supporting documents/Limitati | 25 | 1. Standard Operating procedure (Revenue & Expenditure) | 20 | 1. Implementation of Finance policies and standard | Chief Financial Officer | Monthly | The finance policies and standard operating procedure are in place and implemented. |

| No | Focus Area | Risk Name | Root Cause of the Risk | Inherent Risk | Current Controls | Residual Risk | Mitigations | Action Owner | Time Scale | Progress as at 30 June 2019 |
|----|------------|-----------|---|---------------|---|---------------|---|----------------------|------------|--|
| | | | <p>on of scope</p> <p>3. Unauthorised, Irregular and Fruitless and Wasteful expenditure.</p> <p>4. Misstatements of Financial Statement</p> <p>5. Inaccurate asset register due to land issues.</p> | | <p>2. Monthly Audit Steering Committee Meetings. (Exco/ Management)</p> <p>3 Supply Chain Management Policy</p> <p>4. AG Action plan.</p> | | operating procedure. | | | |
| | | | | | | | <p>2. Implementation and Monitoring of the AG Action Plan and Internal audit recommendation</p> | All Senior Managers' | Quarterly | The AG action plan was approved and implementation is in progress. |

| No | Focus Area | Risk Name | Root Cause of the Risk | Inherent Risk | Current Controls | Residual Risk | Mitigations | Action Owner | Time Scale | Progress as at 30 June 2019 |
|----|------------|-----------|------------------------|---------------|------------------|---------------|---|----------------------------|------------|--|
| | | | | | | | 3. Weekly Technical Steering committee to address audit issues, | Municipal Manager's Office | Monthly | Technical Steering committees were held to address specific matters |
| | | | | | | | 4. All UIF transactions to be recorded and reported and monthly maintenance of UIF register to reduce UIF (using Treasury Format) | Chief Financial Officer | Monthly | The UIF transactions are being recorded and reported using treasury format. Financial disciplinary board in place. |

| No | Focus Area | Risk Name | Root Cause of the Risk | Inherent Risk | Current Controls | Residual Risk | Mitigations | Action Owner | Time Scale | Progress as at 30 June 2019 |
|----|------------|-----------|------------------------|---------------|------------------|---------------|--|-------------------------|------------------|---|
| | | | | | | | 5. Investigation of the opening balances. | Chief Financial Officer | 31 July 2018 | The opening balance were investigated and necessary journals were submitted to council for write offs. |
| | | | | | | | 6. Preparations of 06 months financial statement and final Financial Statements two weeks prior submission to AG. | Chief Financial Officer | 31 December 2018 | Not done, the municipality does not have capacity to perform the task currently relying on consultants. |
| | | | | | | | 7. Constitute a committee consisting of all managers in finance to pre-review the draft final financial Statements | Chief Financial Officer | 31 July 2018 | Committee not established, however all managers review issues relating to their sections |

| No | Focus Area | Risk Name | Root Cause of the Risk | Inherent Risk | Current Controls | Residual Risk | Mitigations | Action Owner | Time Scale | Progress as at 30 June 2019 |
|----|------------|-----------|------------------------|---------------|------------------|---------------|---|------------------------------|-------------------|---|
| | | | | | | | before external review. | | | |
| | | | | | | | 8. Introduce land administration system and ensure that only land that the municipality has title deeds for remains in the asset register and transfer/sell land that has already being occupied by the | SM: Planning and Development | 30 September 2018 | Land Administration system not yet in place |

| No | Focus Area | Risk Name | Root Cause of the Risk | Inherent Risk | Current Controls | Residual Risk | Mitigations | Action Owner | Time Scale | Progress as at 30 June 2019 |
|----|--------------------|---|---|---------------|--|---------------|---|-------------------------------|-------------------|--|
| | | | | | | | community. | | | |
| | | | | | | | - 9. Develop a procedure manual and checklist for approving journals. | Chief Financial Officer | 30 September 2018 | Done, the Journals are covered by financial Delegations. |
| 5 | Records Management | Loss of documents (Disappearance of documents within the municipality). | 1. Staff removing documents from files. 2. Staff using incorrect file numbers. | 25 | During request of documents copies are issued to prevent loss of documents. Verification of records sent to | 20 | 1. Implementation and usage of the electronic document management system. | Manager: Admin Manager: IT | 30 June 2019 | System procured, records staff trained and the scanner has been delivered. Currently scanning documents for the previous financial years. |

| No | Focus Area | Risk Name | Root Cause of the Risk | Inherent Risk | Current Controls | Residual Risk | Mitigations | Action Owner | Time Scale | Progress as at 30 June 2019 |
|----|------------|---|---|---------------|---|---------------|--|-------------------------|--------------|--|
| | | | <p>3. Misfiling of documents</p> <p>4. Documents received in different offices</p> | | records section. | | 2. All documents should be handed in to records. | Manager: Admin | 30 June 2019 | Memo issued to all staff to submit documents to records management unit. |
| 6 | Financial | Unauthorised, Irregular, fruitless and wasteful expenditures. | <p>1. Inadequate implementation of internal control.</p> <p>2. Payments of suppliers after 30 days</p> <p>3. Non-compliance to SCM policy.</p> <p>4. Overspending of budgets (Non-cash items).</p> <p>5. Inadequate</p> | 25 | <p>1. Reconciliation of non-cash items monthly.</p> <p>2. Register in place to record UIF</p> <p>3. Financial disciplinary board established.</p> <p>4. Submission of UIF to Council & MPAC for</p> | 20 | <p>1. Use of register to record Unauthorized Fruitless and Wasteful Expenditure & reporting/presenting to Senior Management monthly. (Inline with treasury</p> | Chief Financial Officer | Monthly | Register is in place. |

| No | Focus Area | Risk Name | Root Cause of the Risk | Inherent Risk | Current Controls | Residual Risk | Mitigations | Action Owner | Time Scale | Progress as at 30 June 2019 |
|----|------------|-----------|------------------------|---------------|--|---------------|--|-------------------|------------|--|
| | | | contract management | | investigation and write off 5. SCM Policy and procedure manual in place 6. Credit Control Policy | | circular 62) | | | |
| | | | | | | | 2. Cases referred to financial disciplinary board. | Municipal Manager | Monthly | Cases are referred to the financial disciplinary board |
| | | | | | | | 3. Referral of cases for investigations. | Municipal Manager | Monthly | All allegations are investigated. |

| No | Focus Area | Risk Name | Root Cause of the Risk | Inherent Risk | Current Controls | Residual Risk | Mitigations | Action Owner | Time Scale | Progress as at 30 June 2019 |
|----|------------|-----------|------------------------|---------------|------------------|---------------|---|-------------------------|--------------|---|
| | | | | | | | 4. Review of adherence to SCM procedure manuals (Deviations, Splitting of orders, use of three quotes etc.) | Chief Financial Officer | Monthly | Monthly reports are compiled on the SCM transactions. |
| | | | | | | | 5. Departmental Managers to ensure that invoices are submitted on time to Expenditure | Chief Financial Officer | 31 July 2018 | Departments are submitting invoices in time. |

| No | Focus Area | Risk Name | Root Cause of the Risk | Inherent Risk | Current Controls | Residual Risk | Mitigations | Action Owner | Time Scale | Progress as at 30 June 2019 |
|----|--------------------|--|---|---------------|---|---------------|--|--|--------------|--|
| 7 | Records Management | Ineffective performance management system. | 1. Lack of PMS Policy 2. Outdated incentive and reward policy. | 25 | 1. Section 54 and 56 employees sign their performance agreements. 2. Draft PMS policy in place. 3. In the process of reviewing the incentive and reward policy. | 20 | 1. To review and implement the incentive and reward policy and PMS policy. | Manager: Strategic Planning Manager: Office of the MM | 30 June 2019 | The reviewed PMS Policy and Incentives and Rewards Policy was approved by council on the 31st October 2018, implementation is still outstanding. |
| 8 | Local Economy | Unsustainability of LED initiatives | 1. Ineffective LED Strategy | 25 | 1. Approved LED strategy to be reviewed. 2. LED Forum established. 3. Implementation | 20 | 1. Review of the LED strategy. | SM: Planning and Development | 31 May 2019 | LED strategy not reviewed due to financial constraints. |

| No | Focus Area | Risk Name | Root Cause of the Risk | Inherent Risk | Current Controls | Residual Risk | Mitigations | Action Owner | Time Scale | Progress as at 30 June 2019 |
|----|------------------------|--|-------------------------------------|---------------|---|---------------|---|------------------------------|------------------|--|
| | | | | | of Social Labour Plans by mining houses in partnership with the Municipality. | | | | | |
| | | | | | | | 2. Attending the local municipal LED forum. | SM: Planning and Development | Quarterly | One meeting was held. |
| 9 | Information Technology | Inadequate implementation of patch management procedures | The WSUS system was not functional. | 25 | Manual updates were done | 16.25 | 1. Deployment of system centre. | Manager: ICT | 31 December 2018 | The installation of System Centre is done and updates are deployed centrally through the system. |

| No | Focus Area | Risk Name | Root Cause of the Risk | Inherent Risk | Current Controls | Residual Risk | Mitigations | Action Owner | Time Scale | Progress as at 30 June 2019 |
|----|---------------------|--|--|---------------|---|---------------|---|--|------------------|---|
| 10 | Electrical Services | Difficulties in implementing the electricity maintenance plan. | 1. Lack of resources such as budget and material. 2. Delays in procurement. 3. Shortage of staff | 25 | 1. Currently in the process of refurbishment of selati sub-station. 2. Learnerships and interns have been appointed. 3. Request to HR for filling of post has been submitted. | 16.25 | 1. Staff will be trained as per skills audit. | Chief Engineer: Electrical Services | 30 June 2019 | All electricians attended the OHRVS Training. |
| | | | | | | | 2. Material needed for maintenance is identified and should be procured as per procurement plan by SCM. | Chief Engineer: Electrical Services /Manager: SCM | 31 December 2018 | Pool of Contractors for emergencies in place. Tenders for procurement of Mini-sub is out and requisitions submitted for all electrical equipment needed. |

| No | Focus Area | Risk Name | Root Cause of the Risk | Inherent Risk | Current Controls | Residual Risk | Mitigations | Action Owner | Time Scale | Progress as at 30 June 2019 |
|----|------------|-----------|------------------------|---------------|------------------|---------------|---|---|--------------|---|
| | | | | | | | 3. Engage the CFO for any delays in procurement. | Chief Engineer: Electrical Services/ Manager: SCM | Continuous | Engagements are done regarding any challenges experienced |
| | | | | | | | 4. Appointment of key staff in the section as per Nersa requirements. | Manager: HR | 30 June 2019 | The positions were advertised. |
| | | | | | | | 5. Stock items should always be kept in stock. | Chief Engineer: Electrical Services/ Manager: SCM | Continuous | Stock items are procured and kept in main store |

Below please find a comparative summary of the municipality risk registers (*number of risks identified*).

| No. | Description | 2017/18 | 2018/19 |
|-----|--------------------------------------|---------|---------|
| 1. | Strategic Risk | 8 | 8 |
| 2. | Fraud Risk Register | 6 | 6 |
| 3. | Operational Risk Register | 27 | 26 |
| 4. | Project Risk Register | 4 | 3 |
| 5. | MSCOA Risk Register | 5 | 5 |
| 6. | Information Technology Risk Register | 4 | 3 |

2.6 ANTI-CORRUPTION AND FRAUD

Main Priorities

Implement the Anti-fraud and corruption strategy to ensure that measures are put in place to curb fraud and corruption. Create educational awareness to employees and the public on fraud and corruption.

Major Achievements: Anti-Fraud and Corruption

To promote good governance and ensure continuous commitment to the fight against fraud and corruption the Risk Management Unit has developed the below mentioned governance documents;

The following governing documents relating to fraud and corruption were developed.

- Anti-Fraud and Corruption Strategy
- Fraud Prevention Plan
- Investigation Policy
- Donation policy
- Whistle blowing policy
- Access Control Policy
- Loss Control Policy

The Risk Assessments were conducted to identify areas where fraud and corruption can occur, Fraud Risk Register (*which includes mitigations to address the risks*) was developed to manage the identified risks. Awareness campaigns were conducted to the employees to inform them about the dimensions of fraud and corruption. Fraud and Corruption brochures were distributed to the employees and the public.

The municipality is conducting the screening of companies before appointment; this ensures that only legitimate companies or services providers are offered an opportunity. Shortlisted candidates are also vetted before appointment.

2.7 INTERNAL AUDIT

Main Purpose:

The main purpose of the Internal Audit Activity is to help the Municipality achieve its set objectives by providing an independent objective assurance and consulting services to improve risk management, controls and governance processes using a systematic disciplined approach.

Main Priorities:

The main priorities were develop and implement the Annual Internal Audit Plan that it risk-based and aimed at adding value to the Municipality's objectives and aligned to the Municipality's risk registers. Secondly, to ensure that the Internal Audit Activity is independent in providing its services to the Municipality by complying with the approve internal audit Charter which is consistent with the Institute of Internal Auditors Standards, Code of Ethics and Section 165 of the Municipal Finance Management Plan. Finally, to provide support to the Audit Committee and Audit Steering Committees with the aim of ensuring improved audit opinion

Major Achievements:

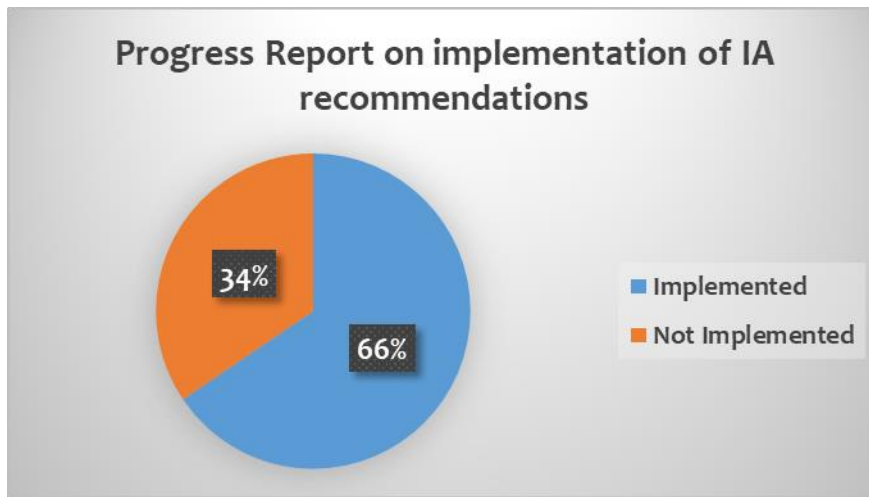
The Internal Audit Plan developed prior the beginning of the financial year under review and was 100% completed by year-end. The Internal Audit Charter was developed and implemented. The Chief Audit Executive confirms that the Internal Audit Activity was independent in the year under review. The EXCO Audit Steering Committee, Management Audit Steering Committee and the Technical Audit Steering Committees were established and

meetings held throughout the whole financial year to address issues raised by the Auditor General, Internal Audit and Audit Committee and this brought about the improvement of the audit opinion.

Below is the summary of the progress by year-end

| Audit Type | Planned Audits for the year | Planned up to 4 th quarter | Completed Audits | Projects In-Progress | | | | Remarks |
|-------------------|-----------------------------|---------------------------------------|------------------|----------------------|-----------------------|-----------------------|-------------|--|
| | | | | Projects at Planning | Projects at Execution | Projects at Reporting | Not Yet Due | |
| Compliance Audits | 10 | 2 | 10 | 0 | 1 | 0 | 0 | 4 th DORA Audit 2017/2018, 4 th Quarter Institutional Performance Report and Draft Annual Report 2017/2018. 1st Quarter AOPO and Review of 1st Quarter Institutional Report completed. 2 nd Quarter DORA completed and Mid-Year Report reviewed. 3 rd Quarter Institutional Performance and AOPO reports completed. 4 th Quarter Institutional Report is in progress. DORA 4 th Quarter is completed |
| Risk Based Audits | 5 | 1 | 2 | 2 | 0 | 0 | 1 | Risk Management Audit Completed. Infrastructure Audit Phase 1 completed. HR completed, Fraud & Corruption Audit Completed and Landfill audits at reporting. |
| Finance Report | 7 | 2 | 5 | 1 | 0 | 1 | 1 | AFS Report issued. FMCMM Reviewed and completed. Expenditure Phase 1 completed, Inventory Cycle Audit completed. Budget Audit completed, SCM Audit completed. |
| IT Audits | 0 | 1 | 1 | 0 | 0 | 0 | 0 | Assessment of status quo on the migration audit. ICT Audits to be removed from the plan |
| Follow-up Audits | 8 | 2 | 12 | 0 | 0 | 0 | 0 | Monthly follow-up done on IA Recommendations. Follow-up of AG Action Plan not done as the AG audit was taking place |
| Total | 30 | 8 | 30 | 3 | 0 | 2 | 3 | |

Internal Audit conducted follow-up audit on internal audit reports issued previous. The Municipality was at **66%** implementation as compared to the 64% implementation in the previous year on Internal Audit recommendations by 30 June 2019.



Audit Steering Committees and Auditor General Findings

Monthly Audit steering committees were held throughout the financial year which were converted to weekly meetings during the audit. This assisted the Municipality to improve its audit opinion from a disclaimer to a qualified audit opinion.

2.8 SUPPLY CHAIN MANAGEMENT

Overview of Supply Chain Management

Section 217 of the Constitution of the Republic of South Africa requires that when an organ of State contracts for goods and services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost effective. The Supply Chain Management Policy of the Municipality has been drawn up to give effect to these principles and the Preferential Procurement Legislation, and furthermore to comply with the provisions of the Local Government: Municipal Finance Management Act and its Regulations promulgated in terms thereof. The SCM policy has recently been reviewed and approved by Council to ensure that controls are tightened to combat fraud and corruption in procurement processes.

Supply Chain Management Unit

Chapter 11 of the MFMA compels the municipalities to establish Supply Chain Management Units and implement the SCM Policy, which gives effect to all SCM functional areas. The Supply Chain Management Unit has been established and operates under a direct supervision of the Chief Financial Officer.

2.9 BY-LAWS

| Newly Developed | Public Participation conducted prior to adoption of By-Laws (Yes/no) | By-Laws gazette (yes/no) | Date of Publication |
|---|--|--------------------------|---------------------|
| By-Law relating to Impoundment of Animals | yes | Gazette no.3010 | 26/06/2019 |
| Credit control & debt collection By-Law | yes | Gazette no.3010 | 26/06/2019 |
| Model electricity supply By-Laws | yes | Gazette no.3010 | 26/06/2019 |
| Electricity Supply By-Laws | yes | Gazette no.3010 | 26/06/2019 |
| Land use application By-Law | yes | Gazette no.3010 | 26/06/2019 |
| Property Rates By-Law | yes | Gazette no.3010 | 26/06/2019 |
| Tariff By-Law | yes | Gazette no.3010 | 26/06/2019 |
| Water services By-Law | yes | Gazette no.3010 | 26/06/2019 |

COMMENT ON BY-LAWS:

By-laws were Gazetted on gazette no. 3010

T2.9.1.1

2.10 WEBSITES

| Municipal website: content and currency of material | | |
|---|--------|--------------------------|
| Documents published on the municipality's /entity's website | Yes/No | Publishing date |
| Current annual and adjustment budgets and all budget related documents | Yes | 13/06/2019 20/03/2019 |
| All current budget related policies | Yes | 13/06/2019 |
| The previous annual report (2017/18) | Yes | 13/06/2019 11/04/2019 |
| The annual report (2017/18) published / to be published | Yes | 24/08/2019 |
| All current performance agreements required in terms of section 57 (1) (b) of the MSA and resulting score cards | Yes | 16/08/2019 |
| All service delivery agreements (2018/19) | No | |
| All long term borrowing contracts (2018/19) | No | |
| All supply chain management contracts above a prescribed value (give value) for (2018/19) | No | |
| An information statement containin a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during (2018/19) | No | |
| Contracts agreed in (2018/19) to which subsection (1) of section 33 apply, subject to subsection (3) of that section | No | |
| PPP agreements referred to in section 120 made in (2018/19) | No | |
| All quartely reports tabled in the council in terms of section 52 (d) during (2018/19) | Yes | 24/06/2019 |
| Note: MFMA S75 sets out the information that a municipality must include in its website as detailed above. Municipalities are of course encouraged touse their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments | | |

T2.10.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS: The Municipal Website serves as dynamic interaction with the Community and public, whilst as Municipality we desired to adhere to Government regulations and legislation, thus Section 75 of MFMA and 8 Batho Pele Principles just to name few, the Municipality has established a website for the municipality that is www.Ba-Phalaborwa.gov.za and www.Phalaborwa.gov.za both re-root the request to same URL which is our Home Page. The Municipality comply to the 8 Batho Pele Principles specifically Access and Openess and Transperancy, Information to assit the Community and the Public, hence our content include Municipal Leadership, Financial Reports, Annual Reports, Perfomance Contract for Section 56/57, our address and contact, etc. The Municipal Websites is available at all times

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

The Municipality conducted the 2018/19 community satisfaction survey during the month of August 2018. The survey was conducted in-house. The municipality used the ward committees as field workers to conduct and gather data. A combination of both qualitative and quantitative research methodologies were used. Questionnaires were used as a tool to gather data. The sampling size was 450 questionnaires (25 questionnaires per Ward) .

52% of the respondent are satisfied with the services and 48% are not satisfied with the services that municipality is providing.

T2.11.1

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

COMPONENT A: BASIC SERVICES

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

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

Ba-Phalaborwa local Municipality is Water Service Provider. The Municipality is responsible to do the maintenance of the infrastructure throughout Ba-Phalaborwa jurisdiction. Lepelle Water Board supply bulk water to the reservoirs.

T3.1.1

| Description | Households | | | | |
|---|------------|------------|------------|------------|------------|
| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| | Actual No. | Actual No. | Actual No. | Actual No. | Actual No. |
| Water: (above min level) | 12251 | 12251 | 12251 | 12251 | |
| <i>Piped water inside dwelling</i> | | | | | |
| <i>Piped water inside yard (but not dwelling)</i> | 17203 | 17216 | 17216 | 17216 | |
| <i>Using public tap (stand pipes)</i> | | | | | |
| <i>Other water supply (within 200m)</i> | | | | | |
| <i>Minimum service level and above sub-total</i> | 3803 | 3803 | 3803 | 3803 | |
| | 33257 | 33270 | 33280 | 33270 | |
| Minimum service level and above percentage | 80% | 77% | 80% | 77% | |
| | 413 | 413 | 413 | 413 | |
| Water; (below min level) | | | | | |
| Using public tap (more than 200m from dwelling) | | | | | |
| Other water supply (more than 200m from dwelling) | | | | | |
| No water supply | 235 | 235 | 235 | 235 | |
| | | | | | |
| Below minimum service level sub-total | 8442 | 9144 | 10123 | 10123 | |
| | | | | | |

| | | | | | |
|--|-------|-------|-------|-------|--|
| Below minimum service level percentage | 20% | 21.2% | 22.3% | 22.3% | |
| Total number of households* | 33880 | | 33880 | 33880 | |
| | 42347 | 43062 | | 43062 | |
| To include informal settlements | | | | | |
| T3.1.3 | | | | | |

The wording “within/more 200m from dwelling” be replaced with “stand pipes” as it challenging to measure.

| Households – water service delivery levels below the minimum Households | | | | | |
|---|------------|------------|------------|------------|------------|
| Description | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| | Actual No. | Actual No. | Actual No. | Actual No. | Actual No. |
| Formal Settlements | | | | | |
| Total households | 42347 | 43062 | 43062 | 43062 | |
| Households below minimum service level | 8442 | 9144 | 9144 | 9144 | |
| Proportion of households below minimum service level | | | | | |
| | | | | | T3.1.4 |

| Water service policy objectives taken from IDP | | | | | | | | | | | |
|--|---|-------------------------|--------|-----------------------|-----------------------|--------|-------------------------|-----------------------|------------------------|---------------|---------------|
| Service Objectives | Outline service targets | 2015/16 | | 2016/17 | | | 2017/18 | | | 2018/19 | |
| | | Target | Actual | Target | | Actual | Target | | Target | | |
| | | *previous year (iii) | (iv) | *previous year (v) | *current year (vi) | (vii) | *current year (viii) | *current Year (ix) | *following year (x) | *current year | *current year |
| Service objectives xxx | | | | | | | | | | | |
| HH without minimum water supply | Addition al households provided with minimum water supply during the year (No. of HH) without supply at year end) | 1000 | | 1500 | 1750 | MDM | 1500 | 1750 | | | |

Note; This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii) must be incorporated in the indicator set for each municipality to which they apply. These are universal municipal indicators. Previous year refers to the targets that were set in the 2011/12Budget/IDP round. Current year refers to the targets set in the 2012/13 Budget/IDP round. Following year refers to the targets set in the 2013/14 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5

sets out the purpose and character of IDPs and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a role. T3.1.6

| Employees; Water Services | | | | | | |
|---------------------------|---------------|---------------|----------|---------------|-------------------------------------|-------------------------------------|
| Job Level | 2016/17 | 2017/18 | 2018/19 | | | |
| | Employees No. | Employees No. | Post No. | Employees No. | Vacancies fulltime equivalence) No. | Vacancies (as a % of total posts) % |
| 0-3 | 0 | 1 | 1 | 1 | 0 | 0% |
| 4-6 | 3 | 7 | 4 | 3 | 1 | 14% |
| 7-9 | 6 | 18 | 13 | 8 | 5 | 36% |
| 10-12 | 10 | 13 | 1 | 0 | 1 | 17% |
| 13-14 | 17 | 19 | 27 | 0 | 27 | 100% |

Totals should equate to those included in the chapter 4 total employee schedule. Employees and posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustment budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.1.7

| Financial performance 2018/19; Water Services | | | | | | | |
|---|----------------|----------------|----------------|-----------------|-------------------|----------------|--------------------|
| R`000 | | | | | | | |
| Details | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | | |
| | Actual | Actual | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total operational revenue (excluding tariffs) | 122,762 | 126,827 | 128,196 | 119 967 | | 138 968 | 19 001 |
| Expenditure | | | | | | | |
| Employees | 9,580 | 9,870 | 10,669 | 13 022 | | 11 807 | 1 214 |
| Repairs and Maintenance | 3,744 | 2,644 | 1,814 | 9 794 | | 6 116 | 3 678 |
| Other | 925 | 1,543 | 1,690 | 24 710 | | 2 912 | 21 798 |
| Total Operational Expenditure | 14,249 | 14,057 | 14,174 | 47 526 | | 20 835 | 26 691 |
| Net Operational (service) expenditure | 108,513 | 112,770 | 114,022 | -72 440 | | -118133 | 45 692 |

Net expenditure to be consistent with summary table T5.1.2 in chapter5. Variances are calculated by dividing the difference between the actual and original budget by the actual T3.1.8

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

Ba-Phalaborwa water supply overall performance is at 80% satisfactory. We have a challenge on the ageing of infrastructure and also low water pressure where infrastructure is in place. Mopani District Municipality will be implementing water reticulation projects for entire area.

T3.1. 10

3.2 WASTE WATER (SANITATION) PROVISION**INTRODUCTION TO SANITATION PROVISION**

Mopani District Municipality as water authority implement the sanitation projects. For 2018/2019 financial year no Sanitation projects was executed by District Municipality. The challenges is ageing infrastructure for sewer main line and reticulation. The existing sewer network is unable to accommodate the current demand from the households.

| Sanitation Service Delivery Levels | | | | |
|---|--------------|--------------|--------------|------------|
| Households | | | | |
| Description | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| | Outcome No. | Outcome No. | Actual No. | Actual No. |
| Sanitation/sewerage; (above minimum level) | 14070 | 14070 | 14070 | |
| Flush toilet (connected to sewerage) | 1090 | 1090 | 1090 | |
| Flush toilet (with septic tank) | 208 | 208 | 208 | |
| Chemical toilet | 10368 | 10368 | 10368 | |
| Pit toilet (ventilated) | 8070 | 8070 | 8070 | |
| Other toilet provisions (above min. service level) | 33792 | 33792 | 33792 | |
| Minimum service level and above sub-total | 82% | 82% | 82% | |
| Minimum service level and above percentage | | | | |
| Sanitation/sewerage; (below minimum level) | | | | |
| Bucket toilet | 9270 | 10290 | 10290 | |
| Other toilet provisions (below min service level) | 9270 | 10290 | 10290 | |
| No toilet provisions | | | | |
| | 43062 | 44082 | 44082 | |
| Below Minimum service level sub-total | | | | |
| Below Minimum service level percentage | | | | |
| Total Households | | | | |
| *total number of households including informal settlements | | | | |

T3.2.3

| Households; Sanitation service delivery levels below the minimum | | | | | | | |
|---|---------|---------|---------|---------|-----------------|-------------------|--------|
| Households | | | | | | | |
| Description | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | |
| | Actual | Actual | Actual | Actual | Original Budget | Adjustment Budget | Actual |
| | No. | No. | No. | No. | No. | No. | No. |
| Formal Settlements | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Total Households | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Households below minimum service level Proportion of households below minimum Service level | | | | | | | |
| Informal Settlements | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Total Households | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Households below minimum service level Proportion of households below Minimum service level | | | | | | | |

T3.2.4

| Employees: Sanitation Services | | | | | |
|--------------------------------|-----------|---------|-----------|---------------------------------|-----------------------------------|
| Job Level | 2017/18 | 2018/19 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalent) | Vacancies (as a % of total posts) |
| | No. | No. | No. | | % |
| 0-3 | 0 | 0 | 0 | 0 | 0% |
| 4-6 | 0 | 3 | 3 | 0 | 0% |
| 7-9 | 4 | 9 | 6 | 3 | 33% |
| 10-12 | 3 | 22 | 18 | 4 | 18% |
| 13-15 | 1 | 25 | 3 | 22 | 88% |
| Total | | | | | |

Totals should equate to those included in the chapter 4 total employee schedule. Employees and posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustment budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.2.7

| Financial performance 2018/19; Sanitation Services | | | | | | | |
|---|---------|---------|---------|-----------------|-------------------|--------|--------------------|
| R`000 | | | | | | | |
| Details | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | | |
| | Actual | Actual | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total operational revenue (excluding tariffs) | 19,576 | 19,921 | 19,868 | 22 146 | | 21 564 | 581 |
| Expenditure | | | | | | | |
| Employees | 774 | 2,066 | 3,048 | 1 541 | | 3 365 | -1 823 |
| Repairs and Maintenance | 1,136 | 1,677 | 2,485 | 6 217 | | 3 290 | 2 927 |
| Other | 469 | 321 | 135 | 4,310 | | 1,077 | 3,233 |
| Total Operational Expenditure | 2,379 | 4.064 | 5,669 | 12 068 | | 7 732 | 4 336 |
| Net Operational (service) expenditure | 17,197 | 15,857 | 14,199 | 10,078 | | 13,832 | 3 754 |
| Net expenditure to be consistent with summary table T5.1.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual | | | | | | | |
| T3.2.8 | | | | | | | |

| Capital Expenditure 2018/19 Sanitation Services | | | | | |
|--|---------|-------------------|--------------------|-------------------------------|---------------------|
| R`000 | | | | | |
| Capital Projects | 2018/19 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total project value |
| Total All | N/A | N/A | N/A | N/A | N/A |
| Project A | N/A | N/A | N/A | N/A | N/A |
| The projects are budgeted for by Mopani District Municipality. | | | | | |
| T3.2.9 | | | | | |

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

No projects implemented for sanitation as per SLA .

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

Ba-Phalaborwa Municipality distribute electricity to Phalaborwa town, while the rest of the Municipal area is under license from Eskom, and a small part under Greater Tzaneen Municipality.

T3.3.1

| Electricity Service Delivery Levels | | | | |
|---|------------|------------|------------|------------|
| Households | | | | |
| Description | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| | Actual No. | Actual No. | Actual No. | Actual No. |
| Energy: (above minimum level) | | | | |
| Electricity (at least min. service level) | 42316 | 42316 | 45051 | 45955 |
| Electricity – prepaid (min. service level) | 42316 | 42316 | 43622 | 44566 |
| Minimum service level and above sub- total | | | | |
| Minimum service level and above percentage | | | | |
| Energy: (below minimum level) | 746 | 746 | 0 | |
| Electricity (< min. service level) | | | | |
| Electricity – prepaid (<min. service level) | | | | |
| Other energy sources | 746 | 746 | 0 | |
| Below minimum service level sub-total | 1.7% | 1.7% | 0 | |
| Below minimum service level percentage | | | | |
| Total number of households | 43062 | 43062 | 43622 | 44566 |

T3.3.3

| Households – Electricity service delivery levels below the minimum | | | | | |
|--|------------|------------|---------------------|---------------------|------------|
| Households | | | | | |
| | 2016/17 | 2017/18 | 2018/19 | | |
| | Actual No. | Actual No. | Original Budget No. | Adjusted Budget No. | Actual No. |
| Formal settlements | | | | | |
| Total households | 0 | 42316 | 641 | 944 | 944 |
| Households below minimum service level | 0 | 0 | | | |
| Proportion of households below minimum service level | | | | | |
| Informal settlements | N/A | N/A | N/A | N/A | N/A |
| Total households | N/A | 42316 | 0 | 0 | 0 |
| Households below minimum service level | | | | | |
| Proportion of households below minimum service level | | 0 | | | |

| Employees; Electricity Services | | | | | | | |
|---------------------------------|------------------|------------------|------------------|--------------|------------------|---|---|
| Job Level | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | | |
| | Employees No. | Employees No. | Employees No. | Posts No. | Employees No. | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % |
| 0-3 | 1 | 1 | 1 | 2 | 1 | 1 | 50% |
| 4-6 | 5 | 4 | 4 | 6 | 2 | 4 | 66% |
| 7-10 | 12 | 9 | 12 | 18 | 13 | 5 | 27% |
| 10-12 | 13 | 10 | 11 | 12 | 8 | 4 | 33% |
| 13-14 | 2 | 5 | 5 | 19 | 18 | 1 | 5% |
| Total | 33 | 33 | 33 | 57 | 42 | 15 | 26% |

Totals should equate to those included in the chapter 4 total employee schedule. Employees and posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustment budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.3.6

| Financial performance 2017/18; Electricity Services R'000 | | | | | | | |
|--|----------------|---------------|---------------|--------------------|----------------------|---------------|-----------------------|
| Details | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | | Variance to Budget |
| | Actual | Actual | Actual | Original Budget | Adjustment Budget | Actual | |
| Total operational revenue (excluding tariffs) | 103,369 | 99,995 | 113,929 | 130 699 | 130 699 | 95 540 | 35 159 |
| Expenditure | | | | | | | |
| Employees | 9,104 | 9,993 | 8,950 | 10 538 | | 9 239 | 1 298 |
| Repairs and Maintenance | 7,406 | 2,454 | 6,143 | 5 164 | | 2 926 | 2 238 |
| Other | 89,386 | 86,544 | 79,612 | 110,386 | | 77,607 | 32,779 |
| Total Operational Expenditure | 105,896 | 98,991 | 94,706 | 126 088 | | 89 772 | 36 315 |
| Net Operational (service) expenditure | - 2,527 | 1,004 | 19,223 | 22,588 | | 14,957 | 7,631 |

Net expenditure to be consistent with summary table T5.1.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual

T3.3.7

| Capital Expenditure 2018/19; Electricity Services | | | | | | |
|--|---------|---------|-------------------|--------------------|-------------------------------|---------------------|
| R`000 | | | | | | |
| Capital Projects | 2017/18 | 2018/19 | | | | |
| | | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total project value |
| Total All | 11,195 | 10,694 | 15,694 | 12,366 | 1,672 | 12,366 |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) | | | | | | T3.3.8 |

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

Electricity provision in the municipal area is through ESKOM with the Department of Energy as the main implementer. Phalaborwa town is the only area which is supplied by the municipality. Ba-Phalaborwa Municipality strives to improve reliable service to the residents of Phalaborwa within financial constraints.

Areas Electrified during the financial year was Bufferzone, Hectoville and Kurhula.

The program for upgrading of substation started and main sub was completed.

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

Waste management is one of the key thrust that promote sustainable development. The municipality is currently collecting refuses from residential units all townships, Businesses, Schools, industrial and part of the rural areas as a pilot project. The municipality currently has one licensed landfill site which is in operation and an approved license to develop new one. The municipality managed to buy two brand new refuse compactors during 2017/18 financial year.

T3.4.1

| Sanitation Service Delivery Levels | | | | | |
|---|--------------|--------------|--------------|--------------|---------------|
| Description | Households | | | | |
| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| | Outcome No. | Outcome No. | Outcome No. | Outcome No. | Actual No. |
| Sanitation/sewerage; (above minimum level) | | | | | |
| Flush toilet (connected to sewerage) | 14070 | 14070 | 14070 | 14070 | 14070 |
| Flush toilet (with septic tank) | 1090 | 1090 | 1090 | 1090 | 1090 |
| Chemical toilet | 208 | 208 | 208 | 208 | 208 |
| Pit toilet (ventilated) | 10368 | 10368 | 10368 | 10368 | 10368 |
| Other toilet provisions (above min. service level) | 8070 | 8070 | 8070 | 8070 | 8070 |
| | 33792 | 33792 | 33792 | 33792 | 33792 |
| Minimum service level and above sub-total | | | | | |
| Minimum service level and above percentage | 82% | 82% | 82% | 82% | 82% |
| Sanitation/sewerage; (below minimum level) | | | | | |
| Bucket toilet | | | | | |
| Other toilet provisions (below min service level) | 7324 | 9270 | 10290 | 10290 | 10290 |
| No toilet provisions | 7324 | 9270 | 10290 | 10290 | 10290 |
| | | | | | |
| Below Minimum service level sub-total | 41116 | 43062 | 44082 | 44082 | 44082 |
| Below Minimum service level percentage | | | | | |
| Total Households | | | | | |
| *total number of households including informal settlements | | | | | T3.2.3 |

| Solid waste service delivery levels | | | | | |
|---|--------------|--------------|--------------|--------------|---------------|
| Description | households | | | | |
| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| | Actual No. | Actual No. | Actual No. | Actual No. | Actual No. |
| Solid waste removal: (minimum level) | | | | | |
| Removed at least once a week | 1 | 1 | 1 | 1 | |
| Minimum service level and above sub-total | 22 941 | 22 941 | 22 941 | 22 941 | 22 941 |
| | 55,79% | 55,79% | 55,79% | 55,79% | 55,79% |
| Minimum service level and above percentage | | | | | |
| | 18174 | 18174 | 18174 | 18174 | 18174 |
| | 44,21% | 44,21% | 44,21% | 44,21% | 44,21% |
| Solid waste removal: (below minimum level) | | | | | |
| Removed less frequently than once a week | | | | | |
| Using communal refuse dump | | | | | |
| Using own refuse dump | | | | | |
| Other rubbish disposal | | | | | |
| No rubbish disposal | | | | | |
| Below minimum service level sub-total | | | | | |
| Below minimum service level percentage | | | | | |
| Total number of households | 41115 | 41115 | 41115 | 41115 | 41115 |
| | | | | | T3.4.2 |

| Households: solid waste service delivery levels below the minimum | | | | | | | |
|---|---------|---------|---------|---------|------------|----------|--------|
| Description | 2014/15 | 2015/16 | 2016/17 | 2017/18 | Households | | |
| | Actual | Actual | Actual | Actual | Original | Adjusted | Actual |
| | No. | No. | No. | No. | Budget | Budget | No. |
| | | | | | No. | No. | |
| Formal settlements | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Total households | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Households below minimum service level | | | | | | | |
| Proportion of household below minimum service level | | | | | | | |
| Informal settlements | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Total households | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Households below minimum service level | | | | | | | |
| Proportion of household below minimum service level | | | | | | | |

T3.4.3

| Employees: Waste Disposal and Other Services | | | | | | | |
|--|-----------|-----------|-----------|---------|-----------|-----------------------------|-------------------------|
| Job Level | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | | |
| | Employees | Employees | Employees | Posts | Employees | Vacancies | Vacancies |
| | No. | No. | No. | No. | No. | (fulltime equivalents) % | (as a % of total posts) |
| 0 - 3 | 1 | 1 | 1 | 1 | 0 | 1 | 100% |
| 4 - 6 | 4 | 4 | 3 | 5 | 2 | 3 | 60% |
| 7 - 9 | 0 | 0 | 0 | 1 | 0 | 1 | 100% |
| 10 - 12 | 9 | 10 | 1 | 10 | 7 | 3 | 30% |
| 13 - 14 | 50 | 54 | 47 | 68 | 40 | 28 | 41% |
| TOTAL | | 69 | 0 | 85 | 49 | 36 | 42% |

Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

The Waste Management Service has improved on refuse removal to the community as the Municipality has acquired two refuse removal compactors

The department has since acquired two (2) brand new refuse removal compactors to replace some of the aging fleet. Albeit this new acquisition of refuse removal compactors, there is still a need to replace the current obsolete refuse removal vehicles. Improved service delivery can be accomplished if more compactor type of refuse removal vehicles are acquired because by compacting the waste, they can carry more loads to the landfill site with minimal trips as well.

The municipality has been issued with the license to operate and rehabilitate the existing landfill site in Phalaborwa as well as a license to establish a new landfill site.

The compulsory quarterly reports on the operation of the existing landfill are sent to the Department of Environmental Affairs (DEA)

The compulsory quarterly reports on the operation of the existing landfill are sent to the South African Waste Information Centre (SAWIC) .

Illegal dumping is a scourge which costs the municipality a lot of money to maintain and control

The process of establishing a new landfill site is underway and the first phase of constructing a perimeter fence and the access controlled entrance is in progress.

T3.4.10

3.5. HOUSING

INTRODUCTION TO HOUSING

Ba-Phalaborwa Municipality is not a housing authority. Housing function in the municipality is the competency of the Provincial Department of Cooperative Governance, Human Settlements and Traditional Affairs. Ba-Phalaborwa Municipality assists the provincial Department of CoGHSTA with the facilitation of provision of housing to promote sustainable human settlements within the municipal area. The municipality thus relies on housing allocations by CoGHSTA as the competent housing authority to initiate, plan and implement

programmes and projects aimed at addressing housing backlogs within the municipal area. CoGHSTA allocated 200 Houses to Ba-Phalaborwa Municipality for 2018/19 financial year.

T3.5.1

| Employees; Housing services | | | | | | | |
|-----------------------------|------------------|------------------|---------|--------------|------------------|---|--|
| Job level | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | | |
| | Employees No. | Employees No. | | Posts No. | Employees No. | Vacancies (fulltime equivalents) No. | Vacancies (as % of total posts) % |
| 0-3 | 1 | 1 | 0 | 0 | 0 | 0 | 0% |
| 4-6 | 2 | 3 | 5 | 5 | 3 | 2 | 40% |
| 7-9 | 3 | 3 | 3 | 4 | 2 | 2 | 50% |
| Total | 6 | 7 | 8 | 9 | 5 | 4 | 44% |

Totals should equate to those included in the chapter 4 total employee schedule. Employees and posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustment budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.7.7

| Financial performance 2017/18; Housing services | | | | | | | |
|--|---------|---------|---------|--------------------|----------------------|--------|-----------------------|
| Details | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | | |
| | Actual | Actual | Actual | Original Budget | Adjustment budget | Actual | Variance to budget |
| Total operational revenue (excluding tariffs) | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Expenditure | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Employees | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Repairs & Maintenance | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Other | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Total operational expenditure | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Net operational (service) expenditure | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by actual

T3.5.5

| Capital expenditure; 2018/19; Housing services | | | | | | |
|--|---------|----------------------|-----------------------|--|-----|------------------------|
| | | | | | | R`000 |
| Capital projects | 2018/19 | | | | | Total project value |
| | Budget | Adjustment budget | Actual expenditure | Variance from original budget | | |
| Total All | N/A | N/A | N/A | N/A | N/A | N/A |
| | N/A | N/A | N/A | N/A | N/A | N/A |

| | | | | | |
|--|-----|-----|-----|-----|-----|
| Project A | N/A | N/A | N/A | N/A | N/A |
| Project B | N/A | N/A | N/A | N/A | N/A |
| Project C | N/A | N/A | N/A | N/A | N/A |
| Project D | N/A | N/A | N/A | N/A | N/A |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) | | | | | |
| T3.5.6 | | | | | |

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

Since the municipality is not a housing authority, there were no human settlements projects implemented by the municipality during the 2018/19 financial year. CoGHSTA allocated 200 Houses to Ba-phalaborwa Municipality for 2018/19 financial year

T3.5.7

3.6 FREE BASIC SERVICES

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The municipality has an approved indigent policy that guides activities to be followed when registering households. Indigent registration is performed yearly and assessment is conducted throughout to review and check changes in customer income.

The policy outlines categories of indigent qualification. The qualification process is done through ward councillors with all 19 wards covered.

All qualifying indigents are then captured on the municipal financial management system for benefits allocations on a monthly basis. There are challenges experienced whereby indigent’s consumption exceeds the allocated services levels, due to the fact that the municipality has no system in place to disconnect when the free basic service consumption levels are exhausted. Furthermore, consumers are not collecting their municipal paid-up (free) electricity tokens from Eskom, leading to unnecessary wasteful expenditures.

T3.6.1

| Free basic services to low income households | | | | | | | | | | |
|--|----------------------|--|--------|-----------------------|--------|------------------------|--------|-------------------|--------|---|
| | Number of households | | | | | | | | | |
| | Total | Households earnings less than R1.100 per month | | | | | | | | |
| | | Free basic water | | Free basic sanitation | | Free basic electricity | | Free basic refuse | | |
| | | Total | Access | % | Access | % | Access | % | Access | % |
| 2014/15 | 41115 | 41115 | 2886 | | 2886 | | 3674 | | 2886 | |

| | | | | | | | | | |
|---------|-------|-------|------|--|------|------|--|------|--------|
| 2015/16 | 41115 | 41115 | 1119 | | | 3529 | | 3529 | |
| 2016/17 | | | 3489 | | 3489 | 3489 | | 3489 | |
| 2017/18 | | | 3489 | | 3489 | 3489 | | 3489 | |
| 2018/19 | | | | | | 3867 | | 3148 | |
| | | | | | | | | | T3.6.3 |

| Financial performance 2018/19; cost to municipality of free basic services delivered | | | | | | | | |
|--|------------|--------------|-------------|---------|-------------------|--------|---|--------|
| Services delivered | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | | | |
| | Actual | Actual | Actual | Budget | Adjustment budget | Actual | Variance to budget | |
| Water | 321 036.48 | 786 226.20 | 520 212..75 | N/A | N/A | N/A | The water is function of Mopani District Municipality | |
| Waste water (sanitation) | 756 624.96 | 356 949.60 | 910 120.58 | N/A | N/A | N/A | The Waste Water (Sanitation) is the function of Mopani District Municipality | |
| Electricity | 129 463.00 | 2 703 107.60 | 54 274.75 | N/A | N/A | N/A | This cannot be quantified all the indigent receiving free basic do not have accounts with municipality. | |
| Waste Management (solid waste) | 652 184.88 | 307 011.60 | 842 529.92 | N/A | N/A | N/A | This could not be quantified this is rendered in a pool. | |
| Total | | | | | | | | |
| | | | | | | | | T3.6.4 |

COMPONENT B: ROAD TRANSPORT

3.7 ROADS

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

INTRODUCTION TO ROAD TRANSPORT

The municipality has a total of 802.1 road network. The backlog is estimated at 559.1 roads including storm water drainage. The municipality does have an approved Road Master Plan but the municipality is unable to implement the plan due to financial constraints.

Gravel road infrastructure

Kilometers

80

| | Total gravel roads | New gravel roads constructed | Gravel roads upgraded to tar | Gravel graded/maintained roads |
|---------|--------------------|------------------------------|------------------------------|--------------------------------|
| 2014/15 | 567 | N/A | 3.5km | 1049 |
| 2015/16 | 562.7 | N/A | 7.8km | 816 |
| 2016/17 | | N/A | 3.2km | 733.1 |
| 2017/18 | 551.6 | N/A | 1.7km | 493.7 |
| 2018/19 | 550.1 | N/A | 3.6km | 996 |
| | | | | T3.7.2 |

| Asphalted Road Infrastructure | | | | | |
|-------------------------------|-----------------------|-------------------|-------------------------------------|-----------------------------------|--------------------------|
| | Total Asphalted roads | New asphalt roads | Existing asphalt roads re-asphalted | Existing asphalt roads re-sheeted | Asphalt maintained roads |
| 2014/15 | 227.5 | 3.5 | N/A | N/A | |
| 2015/16 | 235.3 | 7.8 | N/A | N/A | 1.4 |
| 2016/17 | 238.5 | 3.2 | N/A | N/A | 1.8 |
| 2017/18 | 241.7 | 1.7 | N/A | N/A | N/A |
| 2018/19 | 240.2 | 1.5 | N/A | | N/A |
| | | | | | T3.7.3 |

| Cost of construction/maintenance | | | | | | | R`000 |
|----------------------------------|----------|------------|------------|----------|-----------|------------|--------|
| | Gravel | | | Tar | | | |
| | New | Gravel-Tar | Maintained | New | Re-worked | Maintained | |
| 2014/15 | N/A | N/A | N/A | N/A | N/A | N/A | |
| 2015/16 | R 1m/km | R 6m | R 0.5m/km | R 6m/km | R 4.5m/km | R3.5/km | |
| 2016/17 | R1.5m/km | R6.5m | R0.75m/km | R6.5m/km | R5m/km | R4m/km | |
| 2017/18 | R1.5m/km | R6.5m | N/A | R6.5m/km | N/A | N/A | |
| 2018/19 | R1.5m/km | R6.5m | N/A | R6.5m/km | N/A | N/A | |
| | | | | | | | T3.7.4 |

| Employees: roads services | | | | | | | |
|---------------------------|-----------|-----------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job level | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | | |
| | Employees | Employees | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | No. | No. | % |
| | | | | | | | |

| | | | | | | | |
|--------------|-----------|-----------|---|-----------|-----------|-----------|------------|
| 0-3 | 1 | 1 | 1 | 1 | 1 | 0 | 0% |
| 4-6 | 1 | 2 | 0 | 2 | 2 | 0 | 0% |
| 7-9 | 3 | 3 | 3 | 3 | 3 | 0 | 0% |
| 10-12 | 7 | 6 | 8 | 4 | 4 | 0 | 0% |
| 13-14 | 17 | 10 | 8 | 29 | 16 | 13 | 45% |
| Total | 37 | 22 | | 39 | 26 | 13 | 33% |

Totals should equate to those included in the chapter 4 total employee schedule. Employees and posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustment budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.7.7

Financial performance 2018/19; Roads and Transport
R'000

| Details | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | | |
|--|---------|---------|---------|-----------------|-------------------|----------|--------------------|
| | Actual | Actual | | Original budget | Adjustment budget | Actual | Variance to budget |
| Total operational revenue (excluding tariffs) | 52,571 | 31,017 | 47,184 | 32 665 | 32 665 | 43 557 | 10 892 |
| Expenditure: | | | | | | | |
| Employees | 4,432 | 5,023 | 16,309 | 21,709 | | 21,267 | 442 |
| Repairs & Maintenance | 1,794 | 2,947 | 5,059 | 17,336 | | 11,927 | 5 409 |
| Other | 24,043 | 28,419 | 1,099 | | | 114 132 | 67 483 |
| Total operational expenditure | 30,269 | 36,389 | 22,467 | 220,660 | | 147 326 | 73 334 |
| Net operational (service) expenditure | 22,302 | -5,372 | -24,716 | -172 185 | | -103 769 | -68 415 |
| Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual | | | | | | | |

T3.7.8

Capital expenditure 2018/19: Road Services

R'000

| Capital Projects | 2018/19 | | | | |
|--|---------|-------------------|--------------------|-------------------------------|---------------------|
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total project value |
| Total all | 17,681 | 22, 931 | 20,439 | 2,758 | 20,439 |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) | | | | | |

T3.7.9

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The performance of the Road Section is not satisfactory as far as maintenance of existing infrastructure is concerned, mainly due to the challenges on old infrastructure and financial constraints. However, a road sand storm water Masterplan has been developed, and the section is performing the tasks as best as possible within the limitations. There is also a programme for grading of all main and internal roads that is done every day. Patching and sealing of potholes is an ongoing process, and a schedule is drafted for that. The municipality is currently busy with upgrading of roads from gravel to tar:

Tshelang Gape road to R71 road

| Development of municipal roads as required | km of municipal roads developed |
|--|---------------------------------|
| 2014/15 | 3.5 km |
| 2015/16 | 7.8 km |
| 2016/17 | 3.2km |
| 2017/18 | 1.7km |
| 2018/19 | 3.6km |
| T3.7.10 | |

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

Public transport within the Ba-Phalaborwa area of responsibility is shared as follows:

- Two short haul bus companies transporting within and between the urban zones:
 - Great North Transport
 - Sokisi Transport
- There is also a few long distance hauliers operating between Phalaborwa and Gauteng:
 - City to City
 - Translux
 - Citi Liner
- An application has also been received for bus services from Ba-Phalaborwa to Zimbabwe and return.
- Taxi services are provided by the following taxi associations:

- Phalaborwa Taxi Association
- Namakgale Taxi Association
- Lulekani Taxi Association
- Namakgale Long Distance Taxi Association.

The above mentioned transport service providers are part of the Phalaborwa Transport Forum chaired by the Portfolio Committee Chairperson or his/ her delegate and Senior Manager Community and Social Services is the Secretariat. Meetings are held on a quarterly basis, with representatives also expected to attend the Mopani District Transport Forums. These meetings are not well attended at all and a concerted effort is in progress to increase participation.

All busses and Taxis are subjected to Stand Licences and Ranking facilities and are checked on a continuous basis for compliance and roadworthiness.

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

Storm water drainage forms an important component of roads infrastructure, and is essential for protecting road surfaces and making roads safe. The roads section staff has developed a systematic inspection process as well as unscheduled inspections in response to the community's advice. It is either conducted routinely after heavy or consistent rains, on call from public emergency inspection, the section is reporting any risks or any maintenance issues they may observe as they move around the Municipality in the course of their duties.

T3.9.1

COMPONENT C: PLANNING AND DEVELOPMENT

INTRODUCTION TO PLANNING AND DEVELOPMENT

Ba-Phalaborwa Municipality has a Spatial Development Framework that is supported by the Land Use Management System and aligned to the IDP. There is also the SPLUMA which is the National Act and it has been supported by Municipal Council Resolutions. There are major unplanned developments taking place along the R71 road which is the main activity corridor that serves as a strategic access route to the nodal points Namakgale, Lulekani and Phalaborwa Town.

According to Statistics SA, Census 2011, the rural population of Mukhushane, Selwane, Mashishimale, Majeje and Maseke constitutes 65.5% of the total population within Ba-Phalaborwa Municipality. It must also be noted that a community Survey was conducted in 2011 and the process concluded that the population of Ba-phalaborwa stands at 168 937. The result and the implication of the statistics is the potential for high demand of basic services, and the need for the provision of socio-economic services and facilities in the rural areas.

In order to complement the mission of the municipality, particularly on managing the environment for future sustainable economic growth, and supporting the values of the municipality, the Planning and Development Department embarked on an intense process of research and stakeholder engagement to address land development challenges faced by the municipality in relation to property vesting, land tenure upgrading and law enforcement.

The review of the LED strategy commenced during the 2013/14 financial year, giving effect of strategic interventions and recommendations in relation to economic opportunities, strengths and weaknesses within the municipal area. The municipality is in the process of reviewing the strategy.

Ba-Phalaborwa Municipality promotes local economic empowerment through the implementation of the Expanded Public Works Program (EPWP) and the Community Works Programme (CWP) which is intended to create short term employment and alleviate poverty. The Municipality did exceptionally well with regard to SMME support, empowerment and job creation through the municipal Supply Chain Management policy amongst other Key Performance Indicators.

T3.10.0

Capital expenditure 2018/19: Planning Services

R`000

| | |
|-------------------------|----------------|
| Capital Projects | 2018/19 |
|-------------------------|----------------|

3.10 PLANNING

| Employees: Planning Services | | | | | | | |
|------------------------------|------------------|------------------|------------------|--------------|------------------|--|---|
| Job level | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | | |
| | Employees No. | Employees No. | Employees No. | Posts No. | Employees No. | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % |
| 0-3 | 0 | 1 | 2 | 1 | 1 | 0 | 0% |
| 4-6 | 6 | 1 | 1 | 3 | 3 | 0 | 0% |
| 7-9 | 1 | 0 | 1 | 4 | 1 | 3 | 75% |
| 13-14 | 8 | | 0 | 1 | 0 | 1 | 100% |
| Total | 16 | | 4 | 9 | 5 | 4 | 44% |

Totals should equate to those included in the chapter 4 total employee schedule. Employees and posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustment budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.
T3.10.4

| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total project value | |
|-----------|--------|-------------------|--------------------|-------------------------------|---------------------|--|
| Total all | N/A | N/A | N/A | N/A | N/A | |
| Project A | N/A | N/A | N/A | N/A | N/A | |
| Project B | N/A | N/A | N/A | N/A | N/A | |
| Project C | N/A | N/A | N/A | N/A | N/A | |
| Project D | N/A | N/A | N/A | N/A | N/A | |

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)
T3.10.6

| Financial performance 2018/19: Planning services | | | | | | | |
|--|---------|---------|---------|-----------------|-------------------|---------|--------------------|
| Details | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | | |
| | Actual | Actual | Actual | Original budget | Adjustment budget | Actual | Variance to budget |
| Total operational revenue (excluding tariffs) | 2,361 | 1,491 | 1,703 | 66 | 66 | 319 | -253 |
| Expenditure: | | | | | | | |
| Employees | | 6,403 | 6,203 | 10 504 | | 6 981 | 3 522 |
| Repairs & Maintenance | | - | | | | | |
| Other | | 1,015 | 1,722 | 6,323 | | 4,158 | 2,165 |
| Total operational expenditure | | 7,418 | 7,926 | 16,827 | | 11,139 | 5,687 |
| Net operational (service) expenditure | | -5,927 | 6,223 | -16,761 | | -10 820 | 5,434 |

Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual
T3.10.5

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The Planning and Human Settlements section manages and controls the use of land within the municipal area. The biggest challenge faced by the municipality in relation to physical planning is illegal developments and land invasions. The municipality has embarked on a law enforcement process by issuing out notices to illegal developers and land invaders as per Section 30, of the Land Use Management Scheme.T3.10.7

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

The Local Economic Development Unit is charged with the responsibility to maximise the economic potential of municipality and enhance the resilience of micro-economic growth through creating an enabling environment for increased local economic growth, employment creation and development initiatives within the context of sustainable development.

It is responsible for the consolidation of the local economic trends and tourism development initiatives in the municipal area, and most of the service delivery recommendations are reported under Technical and Community Services such as: the provision of water, roads, electricity and waste management

Despite being a gateway to one of South Africa and the region's tourist destination, the Kruger National Park and the Great Limpopo Transfrontier Park and home to most of SA's copper and phosphate supplies (Palaborwa Copper & Foskor), the competitive strengths are yet to contribute to the upliftment of the poverty in the area particularly from the previously disadvantaged communities.

It is a fact that wildlife and scenic beauty is number one tourist activity out of the best ten activities in South Africa as it is rated by South African Tourism 2016. And is alluded that if you're looking for a Big Five safari experience in South Africa you can go to almost any province in South Africa, but the Kruger National Park remains an iconic tourism draw card. Game view is rated number one tourist activity in South Africa.

It is important to highlight that BPM is fast becoming a contender in the MICE (meetings, incentives, conferences and events) industry, given an increase in annual calendar events Marula festivities, Spring Festival, Phangweni Vibes Summer Festival and F21 Half marathon.

| Economic Employment by Sector Jobs | | | | | |
|---------------------------------------|----------------|---------------|---------|---------|---------|
| Sector | 2014/15 No. | 2015/16 No | 2016/17 | 2017/18 | 2018/19 |
| Agric, forestry and fishing | 1,120 | 144 | 144 | 158 | 141 |
| Mining and quarrying | 5,501 | 80 | 101 | 88 | 86 |
| Manufacturing | 3,090 | 76 | 106 | 80 | 81 |
| Wholesale and retail trade | 2,954 | 281 | 295 | 354 | 355 |
| Finance, property, etc. | 1,358 | 103 | 103 | 120 | 112 |
| Govt, community and social services | 6,214 | 316 | 318 | 120 | 352 |
| Infrastructure services | 2,139 | 167 | 131 | 163 | 128 |
| | | | | | |
| | | | | | |

T3.11.3

Source: Stats SA, Quarterly Labour Force Survey, 2nd Quarter 2019

COMMENT ON LOCAL JOB OPPORTUNITIES:

Ba-Phalaborwa Local Municipality has always strived to create an enabling environment in its main economic sectors (tourism, mining, agriculture and manufacturing).

BPM has managed to create 1195 temporary jobs through the municipality's in-house poverty alleviation and employment programmes, which are EPWP, CWP and Capital projects.

T3.11.4

| Job Creation through EPWP* Projects | | |
|-------------------------------------|----------------------|---|
| Details | EPWP Projects No. | Jobs created through EPWP projects No. |
| 2014/15 | N/A | 412 |
| 2015/16 | N/A | 218 |
| 2016/2017 | 8 | 185 |
| 2017/18 | N/A | 1012 |
| 2018/19 | 4 | 1195 |
| *-Extended Public Works Programme | | T3.11.6 |

| Employees: Local Economic Development Services | | | | | | | |
|--|------------------|------------------|------------------|--------------|------------------|---|---|
| Job level | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | | |
| | Employees No. | Employees No. | Employees No. | Posts No. | Employees No. | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % |
| 0-3 | 1 | 1 | 1 | 1 | 1 | 0 | 0% |
| 4-6 | 2 | 0 | 0 | 2 | 2 | 0 | 0% |
| 7-9 | 1 | 0 | 0 | 1 | 0 | 1 | 100% |
| Total | 4 | 1 | 1 | 4 | 3 | 1 | 25% |

Totals should equate to those included in the chapter 4 total employee schedule. Employees and posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustment budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.11.8

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria.

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

The department consists of the following divisions:

- Environmental Health
- Parks and Cemeteries
- Library Services
- Traffic and Licensing

T3.52.0

3.12 LIBRARIES.

INTRODUCTION TO LIBRARIES.

Library Services has five (5) fully established libraries as well as a school/community library based at Lebeko High School at Mashishimale. A new school/community library is being established at Prieska Combined School at Prieska village. The services rendered include: free membership, print and electronic information resources, audio-visuals, free public internet services, inter-library loans, and free access to computers for personal use, printing and photocopying services, scanning of document user education and library outreach programmes.

Key library services priorities include improving access to library services, bridging the digital divide, enhancing collection development and management strategies, improving training and development of library staff, as well as improving and sustaining stakeholder relations. Provision of computers and user education in all the five fully established libraries; enhance stakeholder participation to increase funding, as well as improving the municipal library outreach services will help achieve these goals. The municipality has to find alternative funding mechanism for new libraries needed by the various communities.

With regard to the archives the municipality's priorities include: enhancing space capacity of the current archives to improve compliance to record keeping legislative requirements.

The archives at Lulekani has been completed. The fire detection and suppression system has been installed and some shelves.

The Licensing Section has moved some of its documents to the archives facility with the expectation of acquiring the Zippel files to complete their relocation of their documents.

T3.52.1

Financial performance 2018/19: Libraries.

| Details | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | | |
|---|---------|---------|---------|-----------------|-------------------|--------|--------------------|
| | Actual | Actual | Actual | Original budget | Adjustment budget | Actual | Variance to budget |
| Total operational revenue (excluding tariffs) | 6,092 | 116 | 142 | 148 | 148 | 171 | 23 |
| Expenditure: | | | | | | | |
| Employees | | 2,388 | 2,851 | 3 117 | | 3 118 | -1 |
| Repairs & Maintenance | | - | | | | | |
| Other | | 234 | 277 | 861 | | 86 | 775 |
| Total operational expenditure | | 2,622 | 3,129 | 3 978 | | 3 204 | 774 |
| Net operational (service) expenditure | | -2,506 | 2,986 | 3 829 | | 3 032 | 797 |

Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual

T3.52.5

Capital expenditure 2018/19: Libraries.

R`000

| Capital Projects | 2018/19 | | | | |
|------------------|---------|-------------------|--------------------|-------------------------------|---------------------|
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total project value |
| Total all | N/A | N/A | N/A | N/A | N/A |
| | N/A | N/A | N/A | N/A | N/A |
| Project A | N/A | N/A | N/A | N/A | N/A |
| Project B | N/A | N/A | N/A | N/A | N/A |
| Project C | N/A | N/A | N/A | N/A | N/A |

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)

T3.52.6

COMMENT ON THE PERFORMANCE OF LIBRARIES OVERALL

The Library Services section functions very well. There are employees who have been seconded to the Municipality by the Provincial Department of Arts and Culture. The BaPhalaborwa Municipality has a relationship with the Palabora Foundation with regard to strategic support to our Library Services. The Library Services Development Plan has been developed, submitted to management and also approved by Council. A Library Committee has been established to enhance public participation.

T3.52.7

3.13 CEMETORIES AND CREMATORIALS

INTRODUCTION TO CEMETORIES & CREMATORIALS

The Municipality is able to provide graves on demand. The Municipality is faced with challenges regarding the provision of graves during public holidays due to the fact that payments for the grave has to be done in the Budget and Treasury Office, whilst the allocation is done by the Community and Social Services Department resulting into challenges in control systems.

It will become difficult for the municipality to function as the cemeteries are reaching their capacity which is caused by the families who build extra-large structures on the graves. The graves are being vandalised since they are not fenced.

The provision of cemetery services to tribal authorities is also a challenge because communal areas are not proclaimed towns, therefore it is not a municipal function to of municipalities. However, the municipality is assisting with water provision and road grading.

| R'000 | | | | | | | |
|--|---------|---------|---------|-----------------|-------------------|--------|--------------------|
| Details | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | | |
| | Actual | Actual | Actual | Original budget | Adjustment budget | Actual | Variance to budget |
| Total operational revenue (excluding tariffs) | 121 | 130 | 140 | 161 | 161 | 185 | 24 |
| Expenditure: | | | | | | | |
| Employees | 291 | 349 | 381 | 658 | | 433 | 226 |
| Repairs & Maintenance | 125 | 83 | 41 | 694 | | 291 | 402 |
| Other | 218 | 89 | 9 | 500 | | -34 | 466 |
| Total operational expenditure | 634 | 521 | 431 | 1 852 | | 690 | 1 161 |
| Net operational (service) expenditure | | - 513 | 291 | 1 692 | | 506 | 1 186 |
| Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual | | | | | | | |
| T3.55.5 | | | | | | | |

COMMENT ON THE OVERALL PERFORMANCE OF CEMETERIES & CREMATORIUMS SERVICES:

The Municipality is able to provide graves on demand. The Municipality is faced with challenges when it comes to the provision of graves during public holidays because the payment for the grave has to be done in Budget and Treasury Office, whilst the allocation is done by Community and Social Services department. There is a challenge when it comes to control because the communities do not follow the by-laws.

The cemeteries will fill before the estimated time because of some families unlawfully extend the standard allocated graves and build huge structures protruding from the allocated graves

There is also a problem when it comes to fencing of cemeteries as there are no funds. Graves are being vandalized.

The provision of cemetery services to tribal authorities is also a challenge as it is not the function of municipalities. However, we assist by providing water and grading.

T3.55.7

COMPONENT E: ENVIRONMENTAL PROTECTION

3.14 BIO-DIVERSITY, LANDSCAPE (INCL.OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

Environmental and Bio-diversity Management is fragmented within the Municipality with all Directorates being responsible for their own special talents and key performance Areas. It is and has been for some time a strategic intervention of this Municipality to form an Environmental Unit with overall responsibility and coordinating functions. Due to the current unstable financial situation and austerity measures this could however not be implemented but remains a target.

There is also no Environmental Management Plan and Framework in place for the same reasons and it is now obvious that in terms of legislation and processes prevalent we must now plea with the Provincial and National authorities for assistance.

This institution has for 10 years been an active player in the cleanest town and later the Greenest town competition strategy. We have always either been first or second in our district as well as province and have also placed highly in the National competition. This highlights the importance attached to the Environment and Bio-Diversity which has been mainstreamed to all sections and is now included in their operational and maintenance key performance areas.

The area has a number of well controlled parks with lawns and cultivated gardens as well as a number of Parks that have been left in a semi wild state to propagate the green lung effect and maintain open areas. These areas are receiving limited control such as grass cutting and alien plant control. The last scenario present is a number of parks and open areas that are not controlled and left to be wild to preserve the bio-diversity. There are however major challenges with this strategy which include deforestation, poaching and land invasion. The lack of awareness with regards Traditional Authority owned land and the misuse thereof is of great concern with strategies to combat this in the process of formulation.

The concept of only developing “dry” parks that do not require much water or maintenance has also been accepted by this institution as the norm.

T3.60.1

COMPONENT F: HEALTH

3.15 HEALTH INSPECTION, FOOD AND ABBATOIR LICENCING AND INSPECTION, ETC

INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND INSPECTIONS, ETC

Mopani District Municipality has transferred the Environmental Health Practitioner Services from local municipalities to the District Municipalities. At this stage these functions are provided by Mopani District Municipality.

T3.64.1

COMPONENT G: SECURITY AND SAFETY

The Municipality is represented on the Cluster and JOC meetings that are convened by Phalaborwa SAPS. Applications for marches by the Public are also handled by the Municipality where approval is given after having a meeting with SAPS.

The municipality has established a Community Safety Forum (CSF) in terms of the Policy of the Civilian Secretariat of Police under the auspices of the South African Police Service.

A Community Safety Plan has been developed by the municipality as prescribed by the Policy.

3.16 OTHER (DISASTER MANAGEMENT)

Disaster Management Function:

Ensure community well-being.

Main Purpose:

To administer a comprehensive disaster management program in partnership with all local and neighboring stakeholders outside the municipal jurisdiction aimed at saving lives, protection of properties, safeguarding government's properties, operating emergency and disaster units, staff composition, administration and the protection of the environment.

Main Priorities:

Developing a Municipal Disaster Resistant area.

Major Achievements:

Ba-Phalaborwa has managed to provide shelter, tents, mattresses and blankets to the public affected disaster as and when it happens.

The Municipal Disaster Management Unit was involved in the following potential disaster prone activities in conjunction with the South African Police:

- ✓ 2018/19 Marula Festivities;
- ✓ Premiers' visit;
- ✓ Cholera awareness campaigns; Several disaster management meetings i.e., Kruger National Park Disaster Management Forum, Fire Protection Association, South African Police Cluster meetings and others;
- ✓ 2018/19 municipally organized events

Constraints Experienced:

The approved Disaster Management Plan calls for the appointment of a Risk Reduction Officer and an Awareness and Response officer.

| Employees: Disaster management, Animal Licensing and control, control of public | | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|--------------------------------------|-------------------------------------|
| Job level | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | | |
| Job Level | Employees | Employees | Employees | Posts | Employees | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % |
| | No. | No. | No. | No. | No. | | |
| 0-3 | 2 | 1 | 1 | 2 | 2 | 0 | 0% |
| 4-6 | 12 | 12 | 1 | 12 | 12 | 0 | 0% |
| 7-9 | 28 | 23 | 2 | 29 | 17 | 12 | 41% |
| 10-12 | 6 | 3 | 0 | 1 | 1 | 0 | 0% |
| Total | 50 | 39 | 4 | 44 | 32 | 12 | 27% |

Totals should equate to those included in the chapter 4 total employee schedule. Employees and posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustment budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.
T3.66.4

COMPONENT H: SPORT AND RECREATION

INTRODUCTION TO SPORT AND RECREATION

Sport and Recreation is not a Section per se, as the unit consists of only one employee who is a Co-ordinator responsible for Mayoral Programmes. There are also no statistics, but calendar events such as Mayoral Marathon, etc. were held during the financial year. The Sport Council, which caters for all sporting codes, is in place.

T3.68.0

3.17 SPORT AND RECREATION

| Capital expenditure 2018/19: Sport and Recreation | | | | | |
|---|------------|-------------------|--------------------|-------------------------------|---------------------|
| | | | | | R`000 |
| Capital Projects | 2018/19 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total project value |
| Construction of Selwane Sports Complex | 12 683 901 | 22 433 901 | 19 862 845 | 2 571 056 | |
| Namakgale Stadium | 500 000 | 0 | 499 080 | 920 | |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) | | | | | |
| T3.68.5 | | | | | |

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

INTRODUCTION TO CORPORATE POLICY OFFICES, Etc

Due to financial constraints, the Municipality does not have a corporate policy office. Policies are developed by the various departments and quality assured by the legal unit with

subsequent approval by Council. A master file containing all the policies is maintained by the Corporate Services Department.

T3.69.0

3.18 EXECUTIVE AND COUNCIL

The Ba-Phalaborwa Municipal Council is headed by the Speaker and this is the legislative authority of the Municipality. The Executive committee is headed by the Mayor, assisted by the Municipal Manager. The appointed Senior Managers deal with the day- to- day running of their respective directorates. The roles and responsibility of Politicians and the Administration are clearly defined in the approved delegation of Authority. The Development of the delegation of Authority is reviewed and approved yearly by Council.

| Employees: The Executive and Council | | | | | | | |
|--------------------------------------|-----------|-----------|------------|-----------|-----------|----------------------------------|-----------------------------------|
| Job level | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | | |
| Job Level | Employees | Employees | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | No. | No. | % |
| 0-3 | 6 | 5 | 27 | 6 | 5 | 1 | 16% |
| 4-6 | 21 | 16 | 75 | 19 | 14 | 5 | 26% |
| 7-9 | 21 | 12 | 93 | 20 | 11 | 9 | 45% |
| 10-12 | 4 | 3 | 55 | 4 | 2 | 2 | 50% |
| 13-14 | 31 | 18 | 139 | 31 | 16 | 15 | 48% |
| Total | 83 | 54 | 395 | 80 | 48 | 32 | 40% |

3.19 FINANCIAL SERVICES

| Debt recovery | | | | | | | | | | | | |
|--|----------------|---|---|----------------|---|---|----------------|---|---|----------------|---|---|
| Details of the types of account raised and recovered | 2015/16 | | | 2016/17 | | | 2017/18 | | | 2018/19 | | |
| | Billed in year | Estimated outturn for accounts billed in year | Estimated proportion of accounts billed that were collected % | Billed in year | Estimated outturn for accounts billed in year | Estimated proportion of accounts billed that were collected % | Billed in year | Estimated outturn for accounts billed in year | Estimated proportion of accounts billed that were collected % | Billed in year | Estimated outturn for accounts billed in year | Estimated proportion of accounts billed that were collected % |
| Property Rates | 68,106 | 100,165 | 29% | 90683 | 106776 | 54% | 106,41363 | 113,609 | 41% | 110617437.43 | 132629278.00 | 5 |
| Electricity – B | | | | | | | | | | | | |
| Electricity – C | 94,111 | 105,666 | 70% | 99797 | 116655 | 87% | 78,911 | 96,754 | 86% | 71141187.61 | 101882030.00 | 102% |

| | | | | | | | | | | | | |
|------------|--------|--------|-----|-------|-------|-----|--------|--------|-----|-------------|-------------|-----|
| Water – B | 0 | 0 | 0 | 0 | 0 | | | | | | | |
| Water – C | 0 | 0 | 0 | 0 | 0 | | | | | | | |
| Sanitation | 0 | 0 | 0 | 0 | 0 | | | | | | | |
| Refuse | 13,789 | 15,974 | 39% | 13081 | 17029 | 44% | 14,806 | 18,114 | 38% | 15152046.30 | 19074821.00 | 37% |
| Other | | | | | | | | | | | | |

B-Basic, C-Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them T3.70.2

| Employees: Financial Services | | | | | | | |
|-------------------------------|-------------------|------------------|------------------|--------------|------------------|---|---|
| Job level | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | | |
| Job Level | Employee s No. | Employees No. | Employees No. | Posts No. | Employees No. | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % |
| 0-3 | 6 | 5 | 6 | 6 | 4 | 2 | 33% |
| 4-6 | 30 | 24 | 32 | 28 | 18 | 10 | 36% |
| 7-9 | 17 | 15 | 25 | 25 | 9 | 16 | 64% |
| 10-12 | 10 | 0 | 5 | 3 | 2 | 1 | 33% |
| 13-14 | 1 | 0 | 1 | 1 | 0 | 1 | 100% |
| Total | 64 | 44 | 68 | 63 | 33 | 30 | 48% |

3.20 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The Human Resource Section deals with the following:

Recruitment, Selection and Benefits;

- Recruitment and selection
- Personnel administration
- Skills Development;
- Occupational Health and Safety;
- Labour Relations;
- Organisational Development; and
- Employee Wellness.

1. The Human Resources recruited **Twenty three (23)** employees during the financial year 2018/19. This includes both **external and internal movements**.
2. The Human Resources was able to develop and submit the Workplace Skills Plan in line with the LGSETA time frames. A total number of forty (40) training interventions were implemented.

The Municipality also has a Bursary Scheme which assisted to capacitate

Municipal employees. A total number of twenty five (25) were awarded

Bursaries for the financial year 2018/19, however, only fifteen (15) learners were able

to register with recognised institutions

3. There was a total number of six (6) injuries on duty reported in the 2018/19 financial year.
4. The Local labour forum is functional and deals with matters of mutual interest.
Thirteen (13) meetings comprising of five special meetings and eight (8) ordinary meetings were held in the 2018/19 financial year.
5. The 2018/19 Organogram was reviewed and approved on the 30 May 2019 as per council resolution no. 231/19 and further the changing of names in respect of the Budget and Treasury department was approved as part of the reviewed organogram as per council resolution no. 332/19.

| Employees: Human Resource Services | | | | | | | | |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|--------------------------------------|-------------------------------------|
| Job level | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | | |
| Job Level | Employees | Employees | Employees | Employees | Posts | Employees | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % |
| | No. | No. | No. | No. | No. | No. | | |
| 0-3 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0% |
| 4-6 | 2 | 2 | 2 | 2 | 4 | 2 | 2 | 50% |
| 7-10 | 4 | 4 | 4 | 4 | 6 | 4 | 2 | 33% |
| TOTAL | 8 | 7 | 7 | 7 | 11 | 7 | 4 | 36% |
| T3.71.4 | | | | | | | | |

| Financial performance 2018/19: Human Resource Services | | | | | | | |
|--|---------|---------|---------|-----------------|-------------------|--------|--------------------|
| Details | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | | |
| | Actual | Actual | | Original budget | Adjustment budget | Actual | Variance to budget |
| Total operational revenue (excluding tariffs) | - | 244 | 368 | 155 | 155 | 449 | 294 |
| Expenditure: | | | | | | | |
| Other Employees | 3,447 | 3,673 | 3,925 | 4,282 | | 3,984 | 298 |
| Repairs & Maintenance | - | - | | | | | |
| Other | 4,138 | 8,497 | 10,999 | 12,673 | | 7,922 | 4,751 |
| Total operational expenditure | 7,585 | 12,170 | 14,924 | 16,955 | | 11,906 | 5,049 |
| Net operational (service) expenditure | 7,585 | -11,926 | 14,557 | 16,800 | | 11,457 | 5,343 |

Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual T3.71.5

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

The Human Resources services has performed well in terms of skills development in that the 2018/19 Workplace Skills was submitted in compliance to the time frame of submission, the same was implemented in that a total number of fifty-one (51) training interventions were implemented at the cost of R1 616 475,00 of the total budget R3 870 415.

The labour relations is quite well in that the Local Labour Forum sat on a monthly basis to discuss issues of mutual interest. The Organogram for 2019/20 was approved however, the municipality did not perform very well in terms of recruitment due to financial constraints.

In terms of the 2018/19 SDBIP, the municipality achieved its target of recruitment. Twenty-three (23) employees were recruited against the target of twenty (20)

3.72.1

SERVICE STATISTICS FOR ICT SERVICES

- Provide ICT support to the Municipality;
- Manage of Information Security;
- Provide effective maintenance and support services;
- Coordinate of network connectivity;
- Provide effective use of systems and Website; and
- Distribution and allocation of IT equipment.

T3.72.2

| Employees: ICT Services | | | | | | | |
|-------------------------|-----------|-----------|-----------|----------|-----------|----------------------------------|-----------------------------------|
| Job level | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | | |
| | Employees | Employees | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | No. | No. | % |
| 0-3 | 1 | 1 | 1 | 1 | 1 | 0 | 0% |
| 4-6 | 2 | 3 | 3 | 4 | 3 | 1 | 25% |
| 7-9 | 0 | 0 | 0 | 1 | 0 | 1 | 100% |
| Total | 3 | 4 | 4 | 6 | 4 | 2 | 33% |

Totals should equate to those included in the chapter 4 total employee schedule. Employees and posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustment budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.
T3.72.4

| Financial performance 2018/19: ICT Services | | | | | | | |
|---|---------|---------|---------|-----------------|-------------------|--------|--------------------|
| Details | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | | |
| | Actual | Actual | Actual | Original budget | Adjustment budget | Actual | Variance to budget |
| Total operational revenue (excluding tariffs) | | | | 0 | 0 | 0 | 0 |
| Expenditure: | | | | | | | |
| Other Employees | 1,712 | 1,587 | 1,855 | 2 045 | | 1 976 | 69 |
| Repairs & Maintenance | 183 | 447 | 12 | 17 | | 4 | 13 |
| Other | 664 | 290 | 1,689 | 1,811 | | 1,170 | 641 |
| Total operational expenditure | 2,559 | 2,324 | 3,556 | 3 873 | | 3 150 | 723 |
| Net operational (service) expenditure | -2,559 | - 2,324 | 3,556 | 3 873 | | 3 150 | 723 |
| Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual T3.72.5 | | | | | | | |

| Capital expenditure 2018/19: ICT Services | | | | | | R`000 |
|---|---------|-------------------|--------------------|-------------------------------|---------------------|-------|
| Capital Projects | 2018/19 | | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total project value | |
| Total all | 1.850 | 1. 850 | 227 354 | 1 622 646 | 1, 850 | |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) T3.72.6 | | | | | | |

3.21 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The ICT unit is enabling unit in every organisation, that means it support all the unit in the organisation to be effective and efficient to achieve the Municipal objectives, therefore the ICT unit in the municipality was able to :

Mimecast application for email security installed

- Renew the Sophos Anti-virus and Firewall subscription
- SLA signed with Letaba wireless
- Approved DRP in Place
- Attend to all call logged at our help desk
- 15% down time for E-mail and Internet
- Outlook Anywhere for email availability
- Active Microsoft Enterprise Agreement
- 95 % Virus Free environment
- 4 Quarterly ICT steering committee meeting held
- Active Service Level Agreement with SITA for web maintenance
- 100% Web content update

T3.72.7

3.22 PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

The Municipality has established a Risk Management Committee, identify risks, mitigate them and ensure that internal controls are strengthened, this is in line with the MFMA section 62(i) (c). The Municipality has appointed Risk officer as part of maintaining effective, efficient and transparent system of financial and risk management.

The municipality also has a legal section which deals with advising the municipality as whole on all law related matters including litigations.

T3.73.1

SERVICE STATISTICS FOR PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

Legal statistics.

The municipality is currently handling four types of legal cases which are:

1. Cases against the municipality (19 in number);

2. Cases by the municipality against others (8 in number);
3. Cases by the municipality against residents who contravene the municipality's Town Planning Scheme and the Building Regulations and Standards Act (5 in number); and
4. Labour related cases (9 in number)

T3.73.2

| Financial performance 2018/19: Property; legal; Risk Management and Procurement Services | | | | | | | |
|---|---------|---------|---------|-----------------|-------------------|--------|--------------------|
| R`000 | | | | | | | |
| Details | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | | |
| | Actual | Actual | Actual | Original budget | Adjustment budget | Actual | Variance to budget |
| <u>Total operational revenue (excluding tariffs)</u> | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Expenditure:</u> | | | | | | | |
| <u>Other Employees</u> | | 6,423 | 1,059 | | | | |
| <u>Repairs & Maintenance</u> | | 1,422 | | | | | |
| <u>Other</u> | | 18,400 | 6,067 | | | | |
| <u>Total operational expenditure</u> | | 26,245 | 7,127 | | | | |
| <u>Net operational (service) expenditure</u> | | -26,245 | 7,127 | | | | |
| Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual | | | | | | | |
| T3.73.5 | | | | | | | |

| Capital expenditure 2018/19: Property; legal; Risk Management and Procurement Services | | | | | |
|--|---------|-------------------|--------------------|-------------------------------|---------------------|
| R`000 | | | | | |
| Capital Projects | 2018/19 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total project value |
| <u>Total all</u> | N/A | N/A | N/A | N/A | N/A |
| | | | | | |

| | | | | | |
|---|-----|-----|-----|-----|-----|
| Project A | N/A | N/A | N/A | N/A | N/A |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) | | | | | |
| T3.73.6 | | | | | |

CHAPTER 4 - ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

INTRODUCTION

It is a requirement in terms of the Municipal Systems Act to review the organisational structure on a yearly basis in order to align it with our IDP for the purpose of keeping necessary resources to use for the delivery of services.

In terms of the approved organisational structure for the financial year 2019/20, the structure reflected a total number of 694 positions out of which three hundred and eighty (380) positions were filled and three hundred and fourteen (314) were vacant.

TURNOVER

A total number of twenty two (22) employees left the organisation in the financial year 2018/19 as follows: -

| | | |
|-------------------|----------|-----------|
| Resignations | = | 3 |
| Early retirement: | = | 6 |
| Normal retirement | = | 7 |
| Death exit | = | 5 |
| Ill-health | = | 1 |
| TOTAL | = | 22 |

T4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

| Description | Employees | | | | | | | | | |
|--|------------------|--------------------|------------------|--------------------|------------------|--------------------|--------------------|------------------|------------------|----------------|
| | 2015/16 | | 2016/17 | | 2017/18 | | 2018/19 | | | |
| | No. of employees | No. Approved posts | No. of employees | No. Approved posts | No. of employees | No. Approved posts | No. Approved posts | No. of employees | No. of vacancies | % of vacancies |
| Water | 42 | | 70 | 107 | 43 | 107 | 107 | 44 | 63 | 58% |
| Legal | 2 | | 2 | 2 | 2 | 2 | 2 | 2 | 0 | 0% |
| Electricity | 33 | | 32 | 58 | 29 | 58 | 58 | 20 | 38 | 65% |
| Waste Management | 69 | | 52 | 86 | 55 | 86 | 86 | 50 | 36 | 41% |
| Housing | 6 | | 8 | 24 | 7 | 16 | 8 | 4 | 4 | 50% |
| Finance | 42 | | 40 | 64 | 33 | 64 | 63 | 33 | 30 | 48% |
| Roads & Stormwater | 37 | | 22 | 39 | 22 | 38 | 40 | 24 | 16 | 40% |
| Building Services | | | 25 | 31 | 28 | 31 | 39 | 19 | 20 | 51% |
| Project Management unit | | | 2 | 3 | 3 | 3 | 4 | 3 | 1 | 25% |
| ICT | 3 | | 4 | 6 | 4 | 6 | 6 | 4 | 2 | 33% |
| Strategic Planning | 5 | | 3 | 4 | 4 | 5 | 13 | 8 | 5 | 38% |
| Local Economic Development | 2 | | 1 | 4 | 1 | 4 | 4 | 3 | 1 | 25% |
| Library | 12 | | 7 | 22 | 7 | 22 | 22 | 10 | 12 | 54% |
| Community & social services (parks & Cemetery) | 56 | | 51 | 87 | 49 | 89 | 88 | 52 | 36 | 41% |
| Disaster Management | 34 | | 3 | 5 | 4 | 5 | 5 | 4 | 1 | 20% |
| Security & safety (Traffic & licensing) | | | 32 | 44 | 32 | 44 | 45 | 34 | 11 | 24% |
| Special programs | | | 3 | 3 | 2 | 3 | 3 | 2 | 1 | 33% |
| Human Resources | 8 | | 7 | 11 | 7 | 11 | 11 | 7 | 4 | 36% |
| Executive and Council support | 52 | | 49 | 82 | 20 | 62 | 84 | 51 | 33 | 39% |
| Audit and risk management | | | | | | | 6 | 6 | 0 | 0% |
| Totals | 421 | | 414 | 682 | 401 | 683 | 694 | 380 | 314 | 45% |

Headings follow the order of services as set out in Chapter 3. Service totals should equate to those included in the chapter 3 employee schedules. Employee and approved posts numbers are as at 30 June.

| Vacancy Rate: 2018/19 | | | |
|--|----------------------------------|--|---|
| Designation | *Total approved posts No. | *Variances (Total time that vacancies exist using fulltime equivalents) No. | *Variances (as a proportion of total posts in each category)% |
| Municipal Manager | 1 | 0 | 0% |
| CFO | 1 | 0 | 0% |
| Other S57 Managers (excluding Finance Posts) | 4 | 0 | 0% |
| Other S57 Managers (Finance posts) | 0 | 0 | 0% |
| Municipal Police | 0 | 0 | 0% |
| Fire Fighters | 0 | 0 | 0% |
| Senior Management: Levels 1-3 (excluding Finance Posts) | 21 | 5 | 24% |
| Senior Management: Levels 1-3 (Finance Posts) | 5 | 2 | 40% |
| Highly skilled supervision: Levels 4-6 (excluding Finance posts) | 75 | 15 | 20% |
| Highly skilled supervision: Levels 4-6 (Finance posts) | 28 | 11 | 39% |
| Total | | | |

Note: *for posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T4.1.2

| Turn-over Rate | | | |
|----------------|---|---|-----------------|
| Details | Total Appointments as of beginning of financial year No. | Terminations during the financial year No. | Turn-over Rate* |
| 2014/15 | 29 | 30 | 0,7% |
| 2015/16 | 25 | 24 | 0,9% |
| 2016/17 | 8 | 22 | 2,8% |
| 2017/18 | 11 | 28 | |
| 2018/19 | 23 | 22 | 95% |

*Divide the number of employees who have left the organization within a year, by total number of employees who occupied posts at the beginning of the year

T4.1.3

COMMENT ON VACANCIES AND TURNOVER:

The municipality managed to fill 23 positions for 2018/19 financial year and has achieved its target in terms of the SDBP. However, the termination is also very high at 22 hence a high vacancy rate.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Ba-Phalaborwa municipality acknowledges that the employees are its most important assets, without which we will not be able to achieve our objectives. The needs of the IDP dictate the workforce of the municipality. As a result, the municipality workforce is managed through the review of the organogram on an annual basis in order to align with the functions of the municipality in achieving its strategic objectives. MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998. In implementing such the Municipality should be realistic for these programmes to be achievable. They should be based on accurate information with regard to race, gender and disability and reflect the demographics within the Municipality.

T4.2.0

4.2 POLICIES

| HR Policies & Plans | | | | |
|---------------------|---|-------------|------------|---|
| | Name of Policy | Completed % | Reviewed % | Date adopted by council or comment on failure to adopt |
| 1 | Affirmative Action | N/A | N/A | N/A |
| 2 | Code of Conduct for employees | | 100% | Adopted as per council resolution no. 507/18 (29/11/2018) |
| 3 | Delegations, Authorisation & Responsibility | 100% | 100% | The reviewed Delegations of Powers was approved by Council on 29/6/2017 Resolution 265/17 |
| 4 | Overtime Policy | N/A | N/A | Adopted as per council resolution no. 495/16 |
| 5 | Housing accommodation policy | N/A | N/A | N/A |
| 6 | Cell phone and 3g card policy | 100% | 100% | The review of the policy was referred back by Council on 29/6/2017 Resolution Nr 298/17. Council approved it on 31/8/2017 Resolution 380/17A. |
| 7 | Internal Communication policy | N/A | N/A | N/A |
| 8 | Funeral Policy | N/A | 100% | Adopted as per council resolution no. 493/16 |
| 9 | Disciplinary Code and Procedures | N/A | N/A | N/A |
| 10 | Essential Services | N/A | N/A | N/A |
| 11 | Employee Assistance / Wellness | N/A | 100% | Adopted as per council resolution no. 142/17 |
| 12 | Employment Equity | N/A | N/A | N/A |
| 13 | Staff Provisioning policy | N/A | 100% | Adopted as per Council Resolution 509/18 (29/11/2018) |
| 14 | Vehicle Transport policy | N/A | N/A | Adopted as per council resolution no.422/17 (31/10/17) |

| | | | | |
|----|---|-----|------|---|
| 15 | Induction Manual | N/A | N/A | Adopted as per council resolution no. 24/18 (25/10/18) |
| 16 | Grievance Procedures | N/A | N/A | N/A |
| 17 | HIV/Aids | N/A | N/A | N/A |
| 18 | Training and Development policy | N/A | N/A | Adopted as per council resolution no. 271/15 (30/07/15) |
| 19 | Job satisfaction survey | N/A | N/A | Adopted as per council resolution no. 356/15 (30/09/15) |
| 20 | Leave forfeiture policy | N/A | 100% | Adopted as per council resolution no. 296/17 |
| 21 | Occupational Health and Safety policy | N/A | N/A | Adopted as per council resolution no. 489/17 (14/12/17) |
| 22 | Organisational Rights | N/A | N/A | N/A |
| 23 | Performance Management and Development | N/A | N/A | N/A |
| 24 | Recruitment, Selection and Appointments | N/A | 100% | Adopted as per Council Resolution 508/198 (31/10/2018) |
| 25 | Sexual Harassment | N/A | N/A | Adopted as per council resolution no. 496/16 |
| 26 | Staff Study Bursary Policy | N/A | 100% | Adopted as per council resolution no. 488/17 (27/11/17) |
| 27 | Experiential learning policy | N/A | N/A | Adopted as per council resolution no. 23/18 (25/01/18) |
| 28 | Smoking policy | | 100% | Adopted as per council resolution no. 299/17 |
| 29 | Uniforms and Protective Clothing | N/A | 100% | Adopted as per council resolution no. 220/16 (26/05/26) |
| 30 | Information Technology | N/A | N/A | N/A |
| 31 | Succession Planning policy | | 100% | Adopted as per council resolution no.494/16 |
| 32 | Human Resources Procedure Manual | N/A | N/A | N/A |
| 33 | Mayoral Bursary Policy | | 100% | Adopted as per council resolution no.121/19 (30/04/19) |
| 34 | Overtime policy | N/A | 100% | Adopted as per council resolution no. 396/19 (31/07/19) |
| 35 | Acting on higher position | | 100% | Adopted as per Council Resolution 468/18 (31/10/2018) |
| 36 | Exit policy | N/A | 100% | Adopted as per Council Resolution no. 221/16 (27/05/16) |
| 37 | Employee Transfer policy | N/A | 100% | Adopted as per Council Resolution 467/18 (31/10/2018) |
| 38 | Rental policy | N/A | 100% | Adopted as per council resolution no. 492/16 (14/12/16) |
| 39 | Probationary Period policy | | 100% | Adopted as per council resolution no. 429/14 (27/11/14) |
| 40 | Relocation policy | | 100% | Adopted as per Council Resolution no. 396/14 (30/10/14) |
| 41 | COIDA policy | | 100% | Adopted as per Council resolution no. 490/17 (14/12/17) |

4.3 INJURIES, SICKNESS AND SUSPENSIONS

| Number and cost of injuries on duty | | | | | | |
|--|----------------------------|------------------------------|--|---|-------------------------------|----------------|
| Type of injury | Injury leave taken Days | Employees using injury leave | Proportion employees using sick leave % | Average injury leave per employee Days | Total estimated cost R`000 | |
| Required basic medical attention only | 36 | 7 | | 8 | | |
| Temporary total disablement | 1 | | | | | |
| Permanent disablement | 0 | | | | | |
| Fatal | 0 | | | | | |
| Fatal | 0 | | | | | |
| Total | 37 | 7 | | 8 | | |
| T4.3.1 | | | | | | |
| Number of days and cost of sick leave (excluding injuries on duty) | | | | | | |
| Designations | Total sick | Proportion of sick leave | Employees using sick | Total employees | *Average sick leave | Estimated cost |

| | leave Days | without medical certification % | leave No. | in post* No. | per employees Days | R`000 |
|--|---------------|--|--------------|-----------------|--------------------------|-------|
| MM & SEC 57 Managers | 57 | 0 | 6 | 6 | 9,5% | |
| Management (level 3-5) | 345 | 7% | 30 | 62 | 11,5 | |
| Highly skilled production (levels 6-8) | 972 | 25% | 75 | 115 | 8.4% | |
| Skilled level (level 9-12) | 234 | 4% | 33 | 59 | 7.09% | |
| Lower skilled (level 13-14) | 533 | 5% | 64 | 147 | 8.3% | |
| MM & SEC 57 Managers | | | | | | |
| Total | 2141 | | 208 | 389 | | |

COMMENT ON INJURY AND SICK LEAVE:

The municipality has proven to be managing injuries on duty in compliance to the Occupational Health and Safety Act. This is evidenced by the less number of injuries on duty reported which is seven minor injuries.

T4.3.4

Number and period of suspensions

| Position | Nature of alleged misconduct | Date of suspension | Details of disciplinary action taken or status of case and reasons why not finalized | Date finalized |
|----------|------------------------------|--------------------|--|----------------|
| | | | | |

T4.3.5

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The Municipality developed the Workplace Skills Plan in terms of the Skills Development Act and submitted to the LGSETA as per the requirement. In terms of the Workplace Skills Plan, a total number of ninety training interventions were planned and the municipality was able to implement fifty-one training interventions.

Of the total budget of R3 870 415.00, the municipality was able to spend R1 616 475. The underspending was due to the delay in the appointment of Service Providers.

4.4 SKILLS DEVELOPMENT AND TRAINING

| Skills Matrix | | | | | | | | | | | | | | |
|--|--------|--------------------------------------|--|---------------------|--------|--|---------------------|--------|-------------------------|---------------------|--------|---------------------|---------------------|--------|
| Management | Gender | Employees in post as at 30 June 2019 | Number of skilled employees required and actual as at 30 June 2019 | | | | | | | | | | | |
| | | No. | Learnerships | | | Skills programme & other short courses | | | Other forms of training | | | Total | | |
| | | | Actual 30 June 2018 | Actual 30 June 2019 | Target | Actual 30 June 2018 | Actual 30 June 2019 | Target | Actual 30 June 2018 | Actual 30 June 2019 | Target | Actual 30 June 2018 | Actual 30 June 2019 | Target |
| Municipal Manager | F | 1 | | | | 1 | | 1 | | | | | | |
| Chief Financial Officer | M | 1 | | | | | | | 1 | | 1 | | | |
| Snr Manager: Corporate Services | F | 1 | | | | | | | | | | | | |
| Snr Manager: Community & Social Services | M | 1 | | | | | | | 1 | | 1 | | | |
| Snr Manager Technical Services | M | 1 | | | | | | | | | | | | |
| Snr Manager Planning and Development | M | 1 | | | | | | | | | | | | |
| Sub Total | 6 | 6 | | | | | | | | | | | | |
| Total | 6 | | | | | 1 | | 1 | 2 | | 2 | | | |

| 000rap Financial competency development: progress report | | | | | | |
|---|--|---|--------------------------------|---|--|--|
| Description | A Total number of officials employed by municipality (Regulation 14 (4)(a) and (c)) | B Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)) | Consolidated: Total of A and B | Consolidated: competency assessment completed for a and B (regulation 14(4)(b) and (d)) | Consolidated: Total number of officials whose performance agreements comply with regulation 16 (Regulation 14(4)(f)) | Consolidated: Total Number of officials that meet prescribed competency levels (Regulation 14(4)(a)) |
| Financial officials | 14 | 0 | 14 | 14 | 0 | 14 |
| Accounting officer | 1 | 0 | 1 | 1 | 1 | 1 |
| Chief Financial Officer | 1 | 0 | 1 | 1 | 1 | 1 |

| | | | | | | |
|-----------------------------------|-----------|----------|-----------|-----------|-----------|-----------|
| Senior Managers | 5 | 0 | 5 | 5 | 5 | 5 |
| Any other financial officials | 8 | 0 | 8 | 8 | 0 | 8 |
| Supply Chain Management officials | 4 | 0 | 4 | 4 | 0 | |
| Heads of SCM units | 1 | 0 | 1 | 1 | 0 | 0 |
| SCM senior managers | 1 | 0 | 1 | 1 | 1 | 1 |
| Total | 35 | 0 | 35 | 35 | 35 | 35 |

*This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007) T4.5.2

| Skills Development Expenditure | | | | | | | | | | |
|---|--------|---|--|-----------------|---|-----------------|-------------------------|-----------------|------------|-----------------|
| Management Level | Gender | Employees as at the beginning of the financial year | Original Budget and Actual Expenditure on skills development 2018/19 | | | | | | | |
| | | | Learnerships | | Skills programmes & other short courses | | Other forms of training | | Total | |
| | | | No. | Original Budget | Actual | Original Budget | Actual | Original Budget | Actual | Original Budget |
| MM and S54 & 56 Managers | F=1 | 1 | 0 | 0 | 20 000 | 8 999 | 15000 | 4083.33 | 35 000 | 13082.33 |
| | M=2 | 2 | 80 000 | 62 000 | 0 | 0 | 0 | 0 | 80 000 | 62 000 |
| Legislators, senior officials and managers | F = 36 | F=36 | 80 000 | 19 300 | 0 | 0 | 0 | 0 | 170 000 | 19 300 |
| | M= 35 | M=35 | 80 000 | 19 300 | 40 000 | 30 500 | 20 000 | 10 243 | 160 000 | 109 843 |
| Professionals | F=41 | F=41 | 0 | 0 | 80 000 | 74 500 | 60 000 | 21960 | 220 000 | 96 460 |
| | M=27 | M=27 | 50 000 | 40 002 | 80 000 | 74 500 | 60 000 | 32940 | 320 000 | 1 474.42 |
| Technicians and associate professionals | F = 15 | F=15 | 0 | 0 | 40 000 | 30 000 | 15 000 | 12500. | 55000 | 12650 |
| | M= 22 | M=22 | 0 | 0 | 40 000 | 30 000 | 15 000 | 12500 | 55000 | 12650 |
| Clerks | F =8 | F = 8 | 0 | 0 | 0 | 0 | 100 000 | 94 500 | 100 000 | 94 500 |
| | M=0 | M = 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Service and sales workers | F = 15 | F= 15 | 0 | 0 | 40 000 | 32 296 | 20 000 | 7 238 | 60 000 | 39 534 |
| | M=22 | M=22 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Plant and machine operators and assemblers | F =13 | F =13 | 0 | 0 | 50 000 | 812500 | 0 | 0 | 50 000 | 81250 |
| | M=15 | M=15 | 0 | 0 | 50 000 | 812500 | 0 | 0 | 50 000 | 81250 |
| Elementary occupation | M=12 | M=12 | 0 | 0 | 60 000 | 74 500 | 0 | 0 | 60 000 | 74 500 |
| | F=18 | F=18 | 0 | 0 | 60 000 | 74 500 | 0 | 0 | 60 000 | 74 500 |
| Sub Total | F=147 | F=147 | 80 000 | 19300 | 290 000 | 1032 795.000 | 110 000 | 140 281.000 | 750 000.00 | 336 290 000 |
| | M=135 | M=135 | 210 000 | 121 302 | 270 000 | 102200 0.000 | 75 000 | 55 683.000 | 750 000.00 | 381 251.000 |
| *% and *R value of municipal salaries (original budget) allocated for workplace skills plan | | | | | | | R2 8m | | | |

T4.5.3

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

The Municipality successfully implemented the MFMA program with thirty (30) learners placed on the MFMA program in the 2018/19 financial year comprised of fourteen councillors and sixteen employees. All the employees have received their certificate of competency.

T4.5.4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

The Workforce expenditure is controlled by making sure that all vacancies that appears on the Organisational Structure are budgeted for.

T4.6

4.5 EMPLOYEE EXPENDITURE

| Number of employees whose salaries were increased due to their positions being upgraded | | |
|---|-----------|-------|
| Beneficiaries | Gender | Total |
| Lower skilled (level 14) | 6 Males | 11 |
| | 5 Females | |
| Highly skilled production (levels 9-7) | 1 Female | 1 |
| Highly skilled supervision (level 6-4) | 1 Male | 1 |
| Senior management (levels 3-1) | | |
| MM & S57 | | |
| Total | | 13 |

Those with disability are shown in brackets `(x)` in the number of beneficiaries column as well as in the numbers at the right hand side

T4.6.2

| Employees appointed to posts not approved | | | | |
|---|-------|---------------------|---------------|---|
| Department | Level | Date of appointment | No. appointed | Reason for appointment when no established post exist |
| N/A | N/A | N/A | 0 | |

T4.6.4

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

No position was upgraded nor downgraded pending the finalisation of the job evaluation process.

T4.6.5

CHAPTER 5 – FINANCIAL PERFORMANCE**INTRODUCTION**

The municipality's financial performance is assessed mainly on its financial potential and capacity of estimated revenue base to be collected, which is billing information. The municipality's financial health depicts a favourable position, however, revenue collection is not sufficient to fund the expenditures incurred.

The municipality has set funds aside during the 2018/19 financial year to fund its capital programmes, but due to non-payment of services, not all planned projects were implemented.

All the 2018/19 programmes funded from grants were implemented without any challenges.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE**INTRODUCTION TO FINANCIAL STATEMENTS**

The financial health of the municipality is not favourable when comparing the repayment/bulk payable to the water board. The ratio depicts insolvency if the entire balances of bulk water have to be paid by the local municipality. The municipality is operating without working capital; it means current collection is used to fund activities without any reserves

T5.1.0

114

5.1. STATEMENTS OF FINANCIAL PERFORMANCE

| Financial Summary | | | | | | | | | | | |
|--|-----------------|----------------------|-----------------|----------------|------------------|-----------------|----------------------|----------------|----------------|------------------|-----------------|
| Description | 2016/17 | Current year 2017/18 | | | 2017/18 Variance | | Current year 2018/19 | | | 2018/19 Variance | |
| | Actual | Original Budget | Adjusted Budget | Actual | Original Budget | Adjusted budget | Original | Adjusted | Actual | Original | Adjusted budget |
| Financial Performance | | | | | | | | | | | |
| Property Rates | 90,683 | 113,609 | 113 609 | 106 414 | 7 195 | 7 195 | 132 629 | 132 629 | 110 617 | 22 012 | 22 012 |
| Service charges | 108,144 | 142,239 | 142 239 | 118 357 | 23 882 | 23 882 | 149 778 | 149 778 | 110 693 | 39 085 | 39 085 |
| Investment revenue | 20,541 | 538 | 1 038 | 2 064 | 1 526 | 1 026 | 77 427 | 77 427 | 23 103 | 54 324 | 54 324 |
| Transfers recognised – operational | 113,973 | 129,937 | 129 737 | 128 605 | 1 132 | 1 132 | 137 272 | 137 419 | 136 100 | 1 172 | 1 319 |
| Other own revenue | 22,521 | 1 732 | 1 732 | 3 707 | 1 975 | 1 975 | 1 899 | 1 899 | 67 570 | (65 671) | (65 671) |
| Total revenue (excluding capital transfers and contributions) | 355,862 | 475,672 | 475 472 | 359 147 | 35 710 | 35 710 | 499 005 | 499 152 | 448 083 | 50 922 | 50 922 |
| Employees costs | 120,135 | 143,682 | 143 261 | 135 383 | 8 299 | 8 299) | 149 973 | 148 280 | 142 284 | 7 689 | 5 996 |
| Remuneration of councillors | 13,160 | 14,804 | 14,804 | 14 365 | 439 | 439 | 16 684 | 17 684 | 15 017 | 1 667 | 2 667 |
| Depreciation & asset impairment | 284,299 | 70,117 | 70,117 | 71 669 | (1 552) | (1 552) | 71 633 | 71 633 | 74 076 | (2 443) | (2 443) |
| Finance charges | 320 | 745 | 745 | 483 | 262 | 262 | 745 | 545 | 294 | 451 | 251 |
| Bulk purchases | 81,354 | 98,163 | 98,163 | 75 016 | 23 147 | 23 147 | 96 000 | 96 000 | 77 376 | 18 624 | 18 624 |
| Other expenditure | 93,593 | 95 758 | 97 409 | 78 722 | 17 036 | 17 036 | 92 174 | 92 940 | 85 098 | 7 076 | 7 842 |
| Total Expenditure | 592,861 | 423 269 | 424 499 | 375 638 | 47 631 | 47 631 | 427 209 | 427 082 | 394 145 | 33 064 | 32 937 |
| Surplus (deficit) | -236,999 | 52 403 | 50 973 | -16 491 | -11 921 | -11 921 | 71 796 | 72 070 | 53 938 | 17 858 | 17 985 |
| Capital Recognition | 29,096 | 47,219 | 48,201 | 48 207 | | | 29 865 | 50 311 | 48 534 | (18 669) | 1 777 |

| | | | | | | | | | | | |
|--|----------------|---------------|---------------|------------------|---------------|----------------|------------------|------------------|----------------|------------------|------------------|
| Surplus (deficit) for the year | 207,903 | 16,504 | 5 184 | -64 698 | -11921 | -11921 | 101 661 | 122 381 | 39 728 | 58 469 | 53 475 |
| Capital expenditure & funds sources | | | | | | | | | | | |
| Capital expenditure | | | | | | | | | | | |
| Transfers recognised – capital | 29,100 | 47,219 | 48,208 | 48,208 | | | 29 865 | 50 311 | 48 534 | (18 669) | 1 777 |
| Internally generated funds | 9,543 | 15,900 | 0 | 8 812 | 7 088 | 8 812 | 10 052 | 10 800 | 4 928 | 5 124 | 5 872 |
| Total source of capital funds | 38,643 | 63,119 | 64,101 | 43 ,679 | | | 39 917 | 61 111 | 53 462 | -13 545 | 7 649 |
| Financial position | | | | | | | | | | | |
| Total current assets | 428 259 | 0,48 | -0,36 | 599,754 | | 390 053 | 633 789 | 633 789 | 360 342 | 273 447 | 273 447 |
| Total non- current assets | 906 257 | -0,19 | -0,19 | 1,070,539 | | 895 930 | 821 610 | 821 610 | 1 151 702 | (330 092) | (330 092) |
| Total current liabilities | 239 428 | 1,00 | 1,00 | 3,060 | | 287 518 | 103 777 | 103 777 | 355 018 | (251 241) | (251 241) |
| Total non-current liabilities | 239 288 | 1,00 | 0,92 | 215,050 | | 246 929 | 232 175 | 232 175 | 241 067 | (8 892) | (8 892) |
| Community wealth/equity | 855 799 | -0,56 | -0,81 | 1,438,268 | | 751 536 | 1 791 351 | 1 791 351 | 915 959 | (316 778) | (316 778) |
| Cash flows | | | | | | | | | | | |
| Net cash from (used) operating | 53 957 | 19,15 | 11,81 | 47,857 | | 58 635 | 59 486 | 62 027 | 91 340 | (31 854) | (29 313) |
| Net cash from (used) investing | -39 117 | 1,21 | 1,22 | (47,219) | | -52 476 | (39 917) | (46 111) | (45 737) | (12 267) | (6 703) |
| Net cash from (used) financing | -8 871 | 1,00 | 1,01 | - | | -15 386 | (20 400) | (20 400) | (17 388) | (2 873) | (2 873) |
| Cash/cash equivalents at the year end | 17,028 | 0,89 | 0,93 | 1,899 | | 7 810 | 1 068 | 23 729 | 36 026 | (34 958) | (12 297) |
| Cash backing/surplus | | | | | | | | | | | |

| | | | | | | | | | | |
|--------------------------------------|---------|-------|-------|--------------|--|--------|--|---------|--|--|
| reconciliation | | | | | | | | | | |
| Cash and investments available | 11 069 | 0,89 | 0,93 | 17 038 | | | | 36 026 | | |
| Balance – surplus (shortfall) | 17,037 | 0,89 | 0,93 | 7 810 | | | | 36 026 | | |
| Asset management | | | | | | | | | | |
| Asset register summary (WDV) | 854,720 | -0,23 | -0,23 | 870,237 | | | | 812 906 | | |
| Depreciation & asset impairment | 100,228 | -0,33 | 0,34 | 70,117 | | 0 | | 74 076 | | |
| Repairs and maintenance | 6,416 | -2,19 | -1,99 | 25,406 | | 21 084 | | 20 793 | | |

Variations are calculated by dividing the difference between actual & original /adjustments budget by the actual. Table is aligned to MBRR table 1

5.2 GRANTS

| Grant Performance | | | | | | | | | | | |
|--|----------------|----------------|------------------------|------------------|-------------------------|-----------------------------|----------------|------------------------|------------------|-------------------------|-----------------------------|
| Description | 2016/17 | 2017/18 | | 2017/18 variance | | 2018/19 | | | 2018/19 Variance | | |
| | Actual | Budget | Adjustment s budget | Actual | Original budget % | Adjustment s budget % | Budget | Adjustment s budget | Actual | Original budget % | Adjustment s budget % |
| Operating transfers and grants | | | | | | | | | | | |
| National Government: | | | | | | | | | | | |
| Equitable share | 110,235 | 120 392 | - | 120 392 | 100% | 100% | 132 485 | 132 485 | 132 485 | 100% | 100% |
| Finance Management grant | 1,810 | 2,145 | - | 2,145 | 100% | 100% | 2 215 | 2 215 | 2 215 | 100% | 100% |
| Municipal systems improvement | - | | | | | | n/a | n/a | n/a | n/a | n/a |
| EPWP | 1,000 | 1,000 | | 1,000 | 100% | 100% | 1 000 | 1 000 | 1 000 | 100% | 100% |
| Total operating transfers & grants | 113,045 | 123,537 | | 123,537 | 100% | 100% | 135 700 | 135 700 | 135 700 | 100% | 100% |
| Variations are calculated by dividing the difference between actual and original/adjustments budget by actual | | | | | | | | | | | |
| T5.2.1 | | | | | | | | | | | |

COMMENT ON OPERATING TRANSFERS AND GRANTS:

The municipality is the recipient of the following grants: Municipal Infrastructure Grants, Integrated Electricity Grant and EEDSM. The government grants allocations are done through Division of Revenue Act (DORA) include the following amongst others Equitable Shares, Municipal Infrastructure Grants (MIG), Financial Management Grants (FMG), Local Government sector education training authority grant (LGSETA) Expanded public works programme grant (EPWP), Integrated National Electrification Grants (INEG).

T5.2.2

5.3 ASSET MANAGEMENT**TREATMENT OF THE THREE LARGEST ASSETS****Assets 1**

| | | | | | | |
|--|--|---------|---------|---------|---------|---------|
| Name | Investment Property | | | | | |
| Description | Land | | | | | |
| Asset Type | Land site | | | | | |
| Key staff involved | Community, Strategic Planning, Technical (PMU) and Budget and treasury department and asset department | | | | | |
| Staff responsibilities | Planning, Implementation, monitoring and Facilitate Payment maintenance of asset | | | | | |
| Asset Value | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| | 42 999 | 42 999 | 43 858 | 43 055 | 44 303 | 43 055 |
| Capital implications | Transfer of an Asset, right to use, control and manage asset | | | | | |
| Future purpose of asset | For rental earnings, capital appreciation and Future economic or Social benefits | | | | | |
| Describe key issues | Conflict of Land and Eviction of Land | | | | | |
| Policies in place to manage asset | Valuation roll inclusion, Investment and asset register policy in place | | | | | |

Assets 2

| | | | | | | |
|--|--|---------|---------|---------|---------|---------|
| Name | Land and Building | | | | | |
| Description | Improvements on Land | | | | | |
| Asset Type | Building | | | | | |
| Key staff involved | Community, Strategic Planning, Technical (PMU) and Budget and treasury department and Asset department | | | | | |
| Staff responsibilities | Planning, Implementation, monitoring and Facilitate Payment and Safe guarding of assets | | | | | |
| Asset Value | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| | | 440 174 | 256 403 | 221 925 | 210,296 | 407 045 |
| Capital implications | Funding Mechanisms | | | | | |
| Future purpose of asset | Investment For Improvements and Future economic or Social benefits, owner occupier | | | | | |
| Describe key issues | valuation roll not complying to asset register and value for money | | | | | |
| Policies in place to manage asset | Valuation roll, Investment and asset register policy in place | | | | | |

Asset 3

| | | | | | | |
|--|---|---------|---------|---------|---------|---------|
| Name | Roads | | | | | |
| Description | Infrastructure Roads | | | | | |
| Asset Type | Pavement Road | | | | | |
| Key staff involved | Community, Strategic Planning, Technical (PMU) and Budget and treasury department | | | | | |
| Staff responsibilities | Planning, Implementation, monitoring and Facilitate Payment | | | | | |
| Asset Value | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| | 399 399 | 398 623 | 280 599 | 274 690 | 395 492 | 405 622 |
| Capital implications | Road, Sidewalk and Traffic Signs maintenance, funding mechanisms | | | | | |
| Future purpose of asset | Service Delivery and For Improvements and Future economic or Social benefits | | | | | |
| Describe key issues | Value For Money, Development of a Road Safety Strategy and Action Plan | | | | | |
| Policies in place to manage asset | Asset register policy in place | | | | | |

T5.3.2

COMMENT ON ASSET MANAGEMENT:

The Municipality has assets management unit or division, which is fully capacitated. The Municipality maintains the assets register and ensure the safeguarding of all the assets are required by Municipal Finance Management Act (MFMA).All the assets are fully insured .The Municipality is using the Generally Accepted Accounting practises to recognise , measure , value ,disclosure and presentation of its assets .The Municipality has developed the Asset Management Policy , Assets Maintenance plan .

T5.3.3

Repair and maintenance expenditure 2018/19

| | Original budget | Adjustment budget | Actual | Budget variance |
|--|------------------------|--------------------------|---------------|------------------------|
| Repairs and maintenance expenditure | 21,084 | 21,084 | 11,951 | 9,133 |
| | | | | T5.3.4 |

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The Municipality repairs and maintenance expenditure is for repairing and maintaining the roads infrastructure, electricity infrastructure, Municipal building and maintenance and repairing of other assets of the municipality such as motor vehicles, computers equipment and other assets with the service potential. The purchases of assets through the repairs and maintenance are reclassified to main assets.

T5.3.4.1

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.4 CAPITAL EXPENDITURE AND SOURCES OF FINANCE

| Capital Expenditure – funding sources 2018/19 | | | | | | | | |
|---|---------------|---------------|---------------|----------------------|-----------------|--------|---------------------------|---------------------------------|
| Details | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | | | |
| | Actual | Actual | Actual | Original Budget (OB) | Adjusted Budget | Actual | Actual to OB Variance (%) | Actual to Adjusted Variance (%) |
| <i>Source of finance</i> | | | | | | | | |
| Grants and subsidies | 40,425 | 29,100 | 48 201 | 188,478 | 184, 634 | 17,497 | 3,844 | |
| Other | 11,943 | 9,543 | 15 900 | | | | | |
| Total | 52,368 | 38,643 | 64 101 | | | | | |
| <i>Percentage of finance</i> | | | | | | | | |
| External Loans | | | | 0 | 2, 282 | | | |
| Public contributions and donations | | | | | | | | |
| Grants and subsidies | 0,77 | 0,75 | 0.75 | | | | | |
| Other | 0,23 | 0,25 | 0.25 | | | | | |
| Capital Expenditure | | | | | | | | |
| Water and Sanitation | | | | 10,694 | 8,471 | | | |
| Electricity | 12,129 | 5,782 | 15,250 | | | | | |
| Housing | | | | 22, 431 | 20,084 | | | |
| Roads and storm water | 37,142 | 32,554 | 32,951 | 23,634 | 19,831 | | | |
| Other | 3,097 | 306 | 15,900 | | | | | |
| Total | 52,368 | 38,643 | 64 101 | | | | | |
| <i>Percentage of expenditure</i> | | | | | | | | |
| Water and Sanitation | | | | | | | | |
| Electricity | 0,23 | 0,15 | 0.24 | | | | | |
| Housing | | | | | | | | |
| Roads and storm water | 0,71 | 0,84 | 0.51 | | | | | |
| Other | | 0,06 | 0.25 | | | | | |
| | | | | | | | | T5.6.1 |

COMMENT ON SOURCES OF FUNDING:

The Municipality's source of funding consist government grants and its own revenue through provision of services, which are the sales of electricity, property rates charges, rental of Municipal facilities, charging of fines and penalties. The government grants allocations are done through Division of Revenue Act (DORA) include the following amongst others Equitable Shares, Municipal Infrastructure Grants (MIG), Financial Management Grants (FMG), Local Government sector education training authority grant (LGSETA) Expanded public works programme grant (EPWP), Integrated National Electrification Grants (INEG).

T5.6.1.1

5.5 CAPITAL SPENDING ON 5 LARGEST PROJECTS

| Capital expenditure of 5 largest projects* 2018/19 | | | | | | R`000 |
|--|---|-------------------|--------------------|-----------------------|-------------------------|-------|
| Name of project | Current year | | | Variance current year | | |
| | Original budget | Adjustment budget | Actual expenditure | Original variance (%) | Adjustment variance (%) | |
| A- Upgrading of Benfarm | R 6 148 929 | R 6 448 929 | 5 747 497 | 7% | 11% | |
| B Mashishimale multi-Sport Complex | 12 683 901 | 22 433 901 | 19 862 845 | 36% | 11% | |
| C-- Selwane Sport Complex | 5 117 410 | 4 278 095 | 4 278 095 | 16% | 0 | |
| D Tambo Phase 2 | 500 000 | | 499 080 | 1% | 0 | |
| E--Tshelang gape to R71 | 5 414 910 | 11 204 225 | 10 413 557 | 48% | 7% | |
| *Projects with the highest capital expenditure in 2018/19 | | | | | | |
| Name of project – A | Mashishimale sports complex | | | | | |
| Objective of project | To promote sports activities in the rural villages | | | | | |
| Delays | None | | | | | |
| Future challenges | None | | | | | |
| Anticipated citizen benefits | The entire area of Mashishimale, Maseke and Makhushane | | | | | |
| Name of project – B | Tshelang gape to R71 | | | | | |
| Objective of project | To improve Storm water drainage and access to the yard by public | | | | | |
| Delays | Procurement of materials by contractor. | | | | | |
| Future challenges | | | | | | |
| Anticipated citizen benefits | The community of Namakgale zone C (long T) | | | | | |
| Name of project – C | Selwane sportcomplex | | | | | |
| Objective of project | To promote sports activities in the rural villages | | | | | |
| Delays | Limited budget | | | | | |
| Future challenges | The project will take long to be completed due to limited budget. | | | | | |
| Anticipated citizen benefits | The residents of selwane village | | | | | |
| Name of project – D | Benfarm upgrading of street | | | | | |
| Objective of project | To improve Storm water drainage, access to the yard by public and quality of bus route. | | | | | |

| | |
|------------------------------|-----------------------------------|
| Delays | Limited budget |
| Future challenges | |
| Anticipated citizen benefits | The residents of Benfarm village. |

5.6 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

| Service Backlogs as at 30 June 2019 | | | | |
|-------------------------------------|---------------------------------------|------|--|------|
| | *service level above minimum standard | | **service level below minimum standard | |
| | No. HHs | %HHs | No. HHs | %HHs |
| Water | MDM | MDM | MDM | MDM |
| Sanitation | MDM | MDM | MDM | MDM |
| Electricity | | | | |
| Waste management | | | | |
| Housing | | | | |

% HHs are the service above/below minimum standard as a proportion of total HHs. `housing` refers to *formal and ** informal settlements T

T5.8.2

COMMENT ON BACKLOGS:

The backlog is 559.1m of gravel road to be upgraded to tarred/paving. The Municipality has a plan to construct or upgrade not less than 5km per financial year which will be informed by the MIG allocation.

T5.8.4

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The municipality's cash flow management consist of government grants and own revenue through the provisions of the Municipal services. The municipality have working capital, any surplus are taken to reserves as carried over from one financial year to the other. The surplus reported above cannot are not used to complete a capital project but are used for day to activities unless the relate to unspent grants which requires the approval from National Treasury as roll over.

The municipality has appointed services of the debt collector in order to maximise revenue in the township. The municipality maintain investment register for which the transfer to call accounts are shown , the principal amounts and the interest earned are shown on the register .

5.7 CASH FLOW

Cash Flow Outcomes

| Description | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | |
|--|-----------------|-----------------|----------|-----------------|-----------------|-----------|
| | Audited Outcome | Audited Outcome | Actual | Original Budget | Adjusted Budget | Actual |
| Cash Flow From Operating Activities | | | | | | |
| Receipts | | | 413 977 | | | 503 913 |
| Ratepayers and other | 204,060 | 220,349 | 233 910 | 255 000 | 255 000 | 265 507 |
| Government – operating | 112,920 | 113,973 | 129 789 | 137 272 | 137 419 | 187 536 |
| Government – Capital | 56,992 | 29,096 | 48 207 | 29 865 | 50 311 | 48 534 |
| Interest | 4,111 | 20,541 | 2 071 | 28 967 | 28 967 | 2 335 |
| Dividends | - | - | | | | |
| Payments | | | | | | (364 038) |
| Suppliers and employees | -308,903 | -385,859 | -255 690 | (390 873) | (390 873) | (364 013) |
| Finance charges | -1,215 | -320 | -286 | (745) | (545) | (25 215) |
| Transfers and grants | | | | | | |
| Net Cash From (Used) operating activities | 67,965 | -2,221 | 83 608 | 59 486 | 80 279 | 91 340 |
| Cash flows from investing activities | - | - | - | | | |
| Receipts | - | - | - | | | |
| Proceeds on disposal of PPE | - | - | 1 736 | | | |
| Payments | - | - | - | | | |
| Capital Assets | -52,368 | 19,132 | -48 207 | | | (45 737) |
| Net Cash From (Used) investing activities | -52,368 | 19,132 | -52 475 | | | (52 183) |
| Cash flows from financing activities | | | | | | |
| Receipts | - | - | - | | | |
| Increase (decrease) in consumer deposits | - | - | - | | | |
| Payments | | | | | | |
| Net Cash From (Used) financing activities | -7,774 | -10,952 | -15 386 | | | (17 388) |
| Net Increase/(Decrease) in cash | 7,823 | 5,959 | -9 227 | | | 28 215 |
| Cash/cash equivalents at the year begin | 3,246 | 11,069 | 17 037 | | | 36 026 |

| | | | | | |
|---------------------------------------|--------|--------|--------|--|--|
| | | | | | |
| Cash/cash equivalents at the year end | 11,069 | 17,028 | -7 810 | | |
| Source: MBRR SA7 T5.9.1 | | | | | |

5.8 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

The Ba-Phalaborwa Municipality does not have borrowing and long term investment. The Municipality has long outstanding debt with Lepelle Northern Water and such debt is classified as long terms loan and is being paid every month .the twelve (12) instalment are classified as short-term loan whereas all the outstanding payment will be presented as the long-term loan. The cash and cash equivalent in the call accounts which is transferred from the current accounts and is earning the interest at rate determined by the Standard Bank of South Africa are not long term investment.

T5.10.1

| Municipal and Entity investments | | | | | |
|--|---------|---------|---------|-----------|------------|
| Investment type | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| | Actual | Actual | Actual | Actual | Actual |
| Municipality | - | - | - | | N/A |
| Securities – National Government | - | - | - | | N/A |
| Listed Corporate Bonds | - | - | - | | N/A |
| Deposits –bank | 531 | 7,084 | 3,007 | 9 928 083 | 19,903,374 |
| Deposits public investment commissioners | - | - | - | | N/A |
| Deposits- corporation for public deposits | - | - | - | | N/A |
| Bankers acceptance certificates | - | - | - | | N/A |
| Negotiable certificates of deposit – banks | - | - | - | | N/A |
| Guaranteed endowment policies (sinking) | - | - | - | | N/A |
| Repurchase agreements – banks | - | - | - | | N/A |
| Municipal bonds | - | - | - | | N/A |
| Other | - | - | - | | N/A |
| Municipality sub-total | 531 | 7,084 | 3,007 | 9 928 083 | 19,903,374 |
| Municipal Entities | N/A | N/A | N/A | N/A | N/A |
| Securities – National Government | | | | | |
| Listed Corporate Bonds | | | | | N/A |

| | | | | | |
|--|-----|-------|-------|-----------|----------------|
| Deposits –bank | | | | | N/A |
| Deposits public investment commissioners | | | | | N/A |
| Deposits- corporation for public deposits | | | | | N/A |
| Bankers acceptance certificates | | | | | N/A |
| Negotiable certificates of deposit – banks | | | | | N/A |
| Guaranteed endowment policies (sinking) | | | | | N/A |
| Repurchase agreements – banks | | | | | N/A |
| Municipal bonds | | | | | N/A |
| Other | | | | | N/A |
| Entities sub-total | | | | | N/A |
| Consolidated total: | 531 | 7,084 | 3,007 | 9 928 083 | N/A |
| | | | | | T5.10.4 |

COMMENT ON BORROWING AND INVESTMENTS:

The Ba-Phalaborwa Municipality does not have borrowing and long term investment. The Municipality has long outstanding debt with Lepelle Northern Water and such debt is classified as long terms loan and is being paid every month. the twelve (12) instalment are classified as short-term loan whereas all the outstanding payment will be presented as the long-term loan. The cash and cash equivalent in the call accounts which is transferred from the current accounts and is earning the interest at rate determined by the Standard Bank of South Africa are not long term investment.

T5.10.5

5.9 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

No Public Private Partnership entered into for 2018/19 financial year.

COMPONENT D: OTHER FINANCIAL MATTERS

5.10 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The municipality has an approved supply chain management policy derived from the model supplied by National Treasury. The policy with its treasury notes guides together with other related pieces of legislation are used when procuring goods and services. The supply chain management officials are undertaking courses of minimum competency as prescribed by National Treasury guides. There is no interference by Councillors or whatsoever reported so far. Management has taken an initiative to ensure that all officials dealing with bid committees must attend refresher courses done by a Supply Chain practitioner from the National Treasury for better understanding and make use of the policies and guides in respect of supply chain management.

T5.12.1

5.11 GRAP COMPLIANCE

GRAP COMPLIANCE

According to the Audit report on the financial statements ,in the his /her opinion , except for the possible effects of the matter described in the basis for qualified opinion section of the report , the financial statements present fairly ,in all material respects, the financial position of the Ba-Phalaborwa Local Municipality as at 30 June 2019 and its financial performance and cash flows for the year ended, in accordance with the applicable financial reporting framework and the requirements of the South African General reporting accounting practices (SA STANDARDS OF GRAP),Municipal Finance Management Act of South Africa ,2003(ActNo.56 of 2003)MFMA and Division of Revenue Act of South Africa 2018 (Act No.1 of 2018) DoRA.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A

INTRODUCTION

The Constitution in Section 188 (1) (b), states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA, S45 states that the results of performance measurement... must be audited annually by the Auditor-General. According to the Audit report on the financial statements ,in the his /her opinion , except for the possible effects of the matter described in the basis for qualified opinion section of the report , the financial statements present fairly ,in all material respects, the financial position of the Ba-Phalaborwa Local Municipality as at 30 June 2019 and its financial performance and cash flows for the year ended, in accordance with the applicable financial reporting framework and the requirements of the South African General reporting accounting practices (SA STANDARDS OF GRAP),Municipal Finance Management Act of South Africa ,2003(ActNo.56 of 2003)MFMA and Division of Revenue Act of South Africa 2018 (Act No.1 of 2018) DoRAT6.0.1

6.1 AUDITOR GENERAL REPORTS 2018/19

| Auditor-General Report on Financial Performance 2018/19 | |
|---|------------------------------|
| Audit Report status*: | Qualified |
| Non-Compliance Issues | Remedial Action Taken |
| Irregular and unauthorised expenditure | Action Plan be developed |
| Reconciliation of property plant and equipment | |
| Investment property | |
| T6.1.1 | |

COMPONENT B: AUDITOR-GENERAL OPINION 2018/19

The Auditor have audited the financial statements of Ba-Phalaborwa Local Municipality set out on pages 1 to 117, which comprise the statement of financial position as at 30 June 2019. The statements of financial performance, statements of changes in net assets, cash flow statements and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

According to the Audit report on the financial statements ,in the his /her opinion , except for the possible effects of the matter described in the basis for qualified opinion section of the report , the financial statements present fairly ,in all material respects, the financial position of the Ba-Phalaborwa Local Municipality as at 30 June 2019 and its financial performance and cash flows for the year ended, in accordance with the applicable financial reporting framework and the requirements of the South African General reporting accounting practices (SA STANDARDS OF GRAP),Municipal Finance Management Act of South Africa ,2003(ActNo.56 of 2003)MFMA and Division of Revenue Act of South Africa 2018 (Act No.1 of 2018) DoRA.

6.2 AUDITOR GENERAL REPORT 2017/18

| Auditor-General Report on Financial Performance 2018/19 | |
|---|--|
| Audit Report status*: | Qualified |
| Non-Compliance Issues | Remedial Action Taken |
| Procurement and contract management | AG Action plan was developed and implemented |
| Expenditure management | |
| Revenue management | |
| Consequence management | |
| Annual Financial statement, Annual Performance report and annual report | |
| Strategic Planning and Performance Management | |
| T6.1.1 | |

| Auditor-General Report on service delivery Performance 2018/19 | |
|---|------------------------------|
| Audit Report status*: | Qualified |
| Non-Compliance Issues | Remedial Action Taken |
| Achievement against the indicators were not adequately designed and implemented | Action Plan be developed |
| Indicator descriptions was not clearly defining the source of information and method of calculations. | |
| Comparison of the year under review and previous year was not corresponding | |

| | |
|---|--|
| 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 community participation |
| 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 immunization, 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: | 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. Section 1 of the MFMA defines a "vote" as: 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 b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned |

GLOSSARY

APPENDICES

APPENDIX A-COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

| Councillors, Committees Allocated and Council Attendance | | | | | | |
|--|----------------------------------|---|---------------------------------|--|---|-----------------------------------|
| Council Members | Full Time/Part Time FT/PT | Committee Allocated | *Ward and/ or Party Represented | Percentage Council Meetings Attendance | Percentage apologies for non-attendance | Percentage absent without apology |
| | | | | % | % | % |
| Cllr E Hlungwani | FT | Speaker Chairperson of the Rules Committee | ANC | 94% | 6% | 0% |
| Cllr MM Malatji | FT | Mayor | ANC | 100% | 0% | 0% |
| Cllr D Rapatsa | FT | Chief Whip Chairperson of the Ethics Committee | ANC | 78% | 17% | 6% |
| Cllr SP Mashumu | PT | Member of the Executive Committee; Member of Budget & Treasury Portfolio; Member of the Rules Committee | EFF | 56% | 22% | 22% |
| Cllr MM Malesa | PT | Member of Executive Committee; Chairperson of Planning and Development Portfolio Committee | ANC | 89% | 11% | 0% |
| Cllr S De Beer | PT | Member of the Executive Committee; Chairperson of Community & Social Services Portfolio; Member of the Ethics Committee | DA | 94% | 6% | 0% |
| Cllr MS Magomane | FT | Member of Executive Committee; Chairperson of Municipal Services & Infrastructure | ANC | 78% | 17% | 6% |

| | | Portfolio | | | | |
|---------------------------|----|---|-----|------|-----|-----|
| Cllr SL Mohlala | FT | Member of the Executive Committee; Chairperson of Budget & Treasury Portfolio | ANC | 72% | 28% | 0% |
| Cllr T Nkuna | FT | Member of the Executive Committee; Chairperson of Governance & Administration Portfolio | ANC | 89% | 11% | 0% |
| Cllr NJ Mampuru | PT | Member of Municipal Public Accounts Committee; Member of the Ethics Committee | ANC | 89% | 11% | 0% |
| Cllr PK Mashego | PT | Member of Planning & Development Portfolio | ANC | 100% | 0% | 0% |
| Cllr LM Matlala | PT | Member of Budget & Treasury Portfolio | ANC | 89% | 6% | 6% |
| Cllr MJ Valoyi | PT | Member of Governance & Administration Portfolio | ANC | 100% | 0% | 0% |
| Cllr ST Mkansi | PT | Member of Municipal Public Accounts Committee | ANC | 100% | 0% | 0% |
| Cllr KA Peta | PT | Member of Municipal Public Accounts Committee | ANC | 67% | 22% | 11% |
| Cllr TC Malatjie | PT | Member of Municipal Public Accounts Committee; Member of the Rules Committee | ANC | 78% | 17% | 6% |
| Cllr VM Rapatsa | PT | Member of Community & Social Services Portfolio | ANC | 83% | 17% | 0% |
| Cllr SM Shayi | PT | Member of Municipal Public Accounts Committee | ANC | 78% | 17% | 6% |
| Cllr JA Williamson | PT | Member of Municipal Infrastructure & Services | DA | 78% | 22% | 0% |
| Cllr KP Mhlari | PT | Member of Municipal Public Accounts Committee | ANC | 83% | 6% | 11% |
| Cllr EA Mokoena – Mashele | PT | Member of Municipal Infrastructure & Services | ANC | 100% | 0% | 0% |

| | | | | | | |
|--------------------|----|---|-----|------|-----|-----|
| Cllr R Makasela | PT | Member of Budget & Treasury Portfolio | ANC | 72% | 22% | 6% |
| Cllr ME Mokgalaka | PT | Member of Municipal Infrastructure & Services | ANC | 83% | 17% | 0% |
| Cllr PS Dikgale | PT | Member of Community & Social Services Portfolio | ANC | 89% | 6% | 6% |
| Cllr A Ngobeni | PT | Member of Community & Social Services Portfolio; Member of the Rules Committee | ANC | 50% | 28% | 22% |
| Cllr B Ramothwala | PT | Member of Municipal Public Accounts Committee | DA | 94% | 6% | 0% |
| Cllr DR Bayana | PT | Member of Municipal Public Accounts Committee; Member of the Rules Committee | ANC | 100% | 0% | 0% |
| Cllr GH Lamola | PT | Member of Planning & Development Portfolio | EFF | 39% | 33% | 28% |
| Cllr KO Pilusa | PT | Chairperson of Municipal Public Accounts Committee | ANC | 83% | 17% | 0% |
| Cllr MMA Mathebula | PT | Member of Governance & Administration Portfolio | ANC | 72% | 28% | 0% |
| Cllr NA Sono | PT | Member of Planning & Development Portfolio; Member of the Rules Committee | ANC | 72% | 22% | 6% |
| Cllr NB Maake | PT | Member of Municipal Infrastructure & Services | EFF | 56% | 44% | 11% |
| Cllr RJ Mphogo | PT | Member of Governance & Administration Portfolio | DA | 78% | 22% | 0% |
| Cllr A N Mmola | PT | Member of Governance and Administration | EFF | 50% | 33% | 17% |
| Cllr TS Ndhlovu | PT | Member of Community & Social Services Portfolio | EFF | 50% | 33% | 17% |
| Cllr Z Ndhlovu | PT | Member of Governance & Administration Portfolio; Member of the Ethics Committee | EFF | 50% | 22% | 28% |

| | | | | | | |
|--------------|----|-------------------------------|------|-----|-----|----|
| Cllr SK Shai | PT | Member of the Rules Committee | COPE | 89% | 11% | 0% |
|--------------|----|-------------------------------|------|-----|-----|----|

APPENDIX B-COMMITTEES AND COMMITTEE PURPOSES

| Committees (other than Mayoral/Executive Committee) and Purposes of committees | |
|--|--|
| Municipal Committee | Purpose of Committee |
| Finance Portfolio | To monitor the implementation of the municipal IDP/Budget/PMS, strategic objectives and programmes within the functional area of their committee and recommend to the Executive Committee |
| Infrastructure Development, Roads, Public Transport and Water Services Portfolio | To monitor the implementation of the municipal IDP/Budget/PMS, strategic objectives and programmes within the functional area of their committee and recommend to the Executive Committee |
| Economic Development, Human Settlement & Spatial Planning Portfolio | To monitor the implementation of the municipal IDP/Budget/PMS, strategic objectives and programmes within the functional area of their committee and recommend to the Executive Committee |
| Corporate Services and Shared Services Portfolio | To monitor the implementation of the municipal IDP/Budget/PMS, strategic objectives and programmes within the functional area of their committee and recommend to the Executive Committee |
| Community & Social Services Portfolio | To monitor the implementation of the municipal IDP/Budget/PMS, strategic objectives and programmes within the functional area of their committee and recommend to the Executive Committee |
| Local Labour Forum | To negotiate and consult on matters of mutual concern to the employer in order to stabilise labour unrest. |
| Municipal Public Accounts Committee | To exercise oversight over the executive functionaries of Council and to ensure good governance in the municipality. |
| Audit Committee | Advise the municipal council, the political office bearers, the accounting officer and the management of the municipality or municipal entity on matters relating to: Internal financial control and internal audits; Risk management; Accounting policies; The adequacy, reliability and accuracy of financial reporting and information; Performance management; Effective governance; |
| ICT Steering Committee | To advise the accounting officer and Management on issues relating to ICT |
| District ICT Forum | Sharing of Good Governance Practices |

APPENDIX C–THIRD TIER ADMINISTRATIVE STRUCTURE

| Municipal/Entity Functions | | |
|---|---|--|
| Municipal Functions | Function applicable to Municipality (Yes/No)* | Function applicable to Entity (yes/no) |
| Constitution schedule 4, Part B functions | | |
| Air Pollution | No | District |
| Building Regulations | Yes | No |
| Child Care facilities | no | No |
| Electricity and gas reticulation | Yes | No |
| Fire fighting services | No | District |
| Local tourism | Yes | No |
| Municipal airports | Yes | No |
| Municipal planning | Yes | No |
| Municipal Health Services | No | No |
| Municipal Public Transport | No | No |
| 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 | Yes | No |
| Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related | No | No |
| Storm water management systems in built up areas | Yes | No |
| Trading regulations | Yes | No |
| Water and sanitation services limited to potable water supply systems and domestic waste water and sewage disposal systems | No | District |
| <i>Continued next page</i> | | |

| Municipal/Entity Functions | | |
|--|---|--|
| Municipal Functions | Function Applicable to Municipality (Yes/No)* | Function Applicable to entity (Yes/No) |
| Constitution schedule 5, Part B Functions: | | |
| Beaches and amusement facilities | No | No |
| Billboards and the display of advertisements in public places | Yes | No |
| Cemeteries, funeral parlours and crematoria | Yes | No |
| Cleansing | No | No |
| Control of public nuisance | Yes | No |
| Control of undertakings that sell liquor to the public | No | No |
| Facilities for the accommodation, care and burial of animals | No | No |
| Fencing and fences | Yes | No |
| Licensing of dogs | Yes | No |
| Licensing and control of undertakings that sell food to the public | No | District |
| Local amenities | Yes | No |
| Local sport facilities | Yes | No |
| Markets | Yes | No |
| Municipal abattoirs | No | No |
| Municipal parks and recreation | Yes | No |
| Municipal roads | Yes | No |
| Noise pollution | Yes | No |
| Pounds | Yes | No |

| | | |
|---|-----|----|
| Public places | Yes | No |
| Refuse removal, refuse dumps and solid waste disposal | Yes | No |
| Street trading | Yes | No |
| Street lighting | Yes | No |
| Traffic and parking | Yes | No |
| *if municipality: indicate (yes or No); * if entity: provide name of entity | | TD |

APPENDIX D – WARD REPORTING

| Functionality of Ward Committees | | | | | |
|----------------------------------|---|--------------------------------|---|--|---|
| Ward Name (Number) | Name of ward councillor and elected committee members | Committee established (Yes/No) | Number of monthly committee meetings held during the year | Number of monthly reports submitted to Speakers office on time | Number of quarterly public ward meetings held during year |
| Ward 1 | Mampuru NJ | yes | 11 | 11 | 07 |
| Ward 2 | Malesa MM | yes | 11 | 11 | 16 |
| Ward 3 | Mashego PK | yes | 11 | 11 | 08 |
| Ward 4 | Matlala LM | yes | 11 | 11 | 06 |
| Ward 5 | Valoyi MJ | yes | 11 | 11 | 07 |
| Ward 6 | Mkansi ST | yes | 11 | 11 | 12 |
| Ward7 | Peta KA | yes | 11 | 11 | 07 |
| Ward 8 | Malatji TC | yes | 11 | 11 | 2 |
| Ward 9 | Rapatsa VM | yes | 11 | 11 | 5 |
| Ward 10 | Shayi SM | yes | 11 | 11 | 10 |
| Ward 11 | De Beer SR | yes | 11 | 11 | 0 |
| Ward 12 | Williamson JA | yes | 11 | 11 | 0 |
| Ward 13 | Mhlarhi KP | yes | 11 | 11 | 05 |
| Ward 14 | Mokoena-Mashele EA | yes | 11 | 11 | 04 |
| Ward 15 | Makasela R | yes | 11 | 11 | 04 |
| Ward 16 | Nkuna T | yes | 11 | 11 | 03 |
| Ward 17 | Mokgalaka ME | yes | 11 | 11 | 05 |

| | | | | | |
|---------|-------------|-----|----|----|------|
| Ward 18 | Magomane MS | yes | 11 | 11 | 03 |
| Ward 19 | Dikgale PS | yes | 11 | 11 | 04 |
| | | | | | WaTE |

APPENDIX E-WARD INFORMATION

| Capital Projects: Seven Largest in 2018/19 (Full List at Appendix N) | | | | | R`000 |
|--|---|--------------|-----------|-----------------|-------|
| Ward No | Project Name & Detail | Start Date | End Date | Total Value | |
| 8,9 & 10 | Construction Mashishimale Sports Complex | 2014 June | 2018 July | R 39 199 735,49 | |
| 17 & 18 | Construction of Selwane Sports Complex | 2015 October | 2020 July | R 38 194 006,99 | |
| 19 | Upgrade of gravel road to tar - Tshelang Gape to R 71 | 2016 Feb | 2020 July | R 23 220 000,00 | |
| | | | | | TF.1 |

APPENDIX F –RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2018/19

| Municipal Audit Committee Recommendations | | |
|---|--|--|
| Date of Committee | Committee recommendations during 2018/19 | Recommendations implemented (enter Yes); not implemented (provide explanation) |
| 25 August 2018 | That month to month renewal of contract be stopped. | No |
| 25 August 2018 | That the Migration Audit be done after migration has taken place. | No |
| 25 August 2018 | That the test run be done in April 2018. | No |
| 25 August 2018 | That IA conduct a high level assessment after April 2018. | Yes |
| 25 August 2018 | That by end of March 2018 both the 2016/2017 Annual Assessment and the 2017/2018 Mid-Year Assessment be conducted. | No |
| 20 September 2018 | That RMC give assurance on the progress made on a quarterly basis starting in the 1 st quarter of 2018/2019 and provide a report to the AC. | Yes |

| | | |
|------------------|--|-----|
| 14 November 2018 | That SCM processes be checked in relation to the renewal of the CIGICELL contract. | Yes |
| 14 November 2018 | That a report on long outstanding debtors be provided to the AC | Yes |
| 14 November 2018 | That debt collectors impact analysis be performed | Yes |
| 14 November 2018 | That depreciation be processed monthly | Yes |
| 14 November 2018 | That value for money assessment be conducted on electronic filing system contract | No |
| 14 November 2018 | That a formalized performance assessment of service providers be developed | Yes |
| 14 November 2018 | That a substantive review be performed on ICT risk register | Yes |
| 22 February 2019 | That the Interim AFS be prepared and submitted with the 3 rd quarter reports. | Yes |
| 22 February 2019 | That a detailed report on the EDMS be provided in the next AC meeting. | Yes |
| 22 February 2019 | That detailed findings as per management letter be referenced to the finding and sent to AC for review. | Yes |
| 22 February 2019 | That compliance related findings be included in the compliance checklist of each department. | Yes |
| 22 February 2019 | That Mid-term risk assessment be done utilizing the AG Action Plan | Yes |
| 22 February 2019 | That performance of debt collectors be done per service provider. | Yes |
| 22 February 2019 | That the Senior Manager: Planning and Development prepare report indicating effective start dates, timelines of the tender and local content and other processes to be follow. | No |
| 22 February 2019 | That a report on valuation roll be provided to AC in the next AC meeting. | Yes |
| 25 June 2019 | That the MSCOA SEBATA EMS system be live on the 01 July 2019 as promised by SEBATA. | No |
| 25 June 2019 | That the CAE to ensure that an external assessment is conducted either through National Treasury, LPT or externally. | No |
| 25 June 2019 | That paragraphs addressing Combined Assurance and the involvement of the CAE on the Disciplinary Board be indicated in the IA Charter and the independence thereof. That the IA Charter be approved with additions made and presented to Council for approval | Yes |
| | | |
| | | |

APPENDIX G–LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

| Long Term Contracts (20 Largest Contracts Entered into 2018/19) | | | | | | |
|---|--|------------------------|-------------------------|-----------------|----------------|------|
| Name of service provider (entity of municipal department) | Description of services rendered by the service provider | Start date of contract | Expiry date of contract | Project Manager | Contract Value | |
| NONE | | | | | | |
| | | | | | | TH.1 |

| Public Private Partnerships Entered into 2018/19) | | | | | | R`000 |
|---|---------------------|-----------------|-------------|-----------------|---------------|-------|
| Name & Description of project | Name of Partner (s) | Initiation date | Expiry date | Project manager | Value 2018/19 | |
| NONE | | | | | | |
| | | | | | | TH.2 |

APPENDIX H- DISCLOSURES OF FINANCIAL DISCLOSURES

Disclosures of Financial Interests

Period 1 July 2018 to 30 June 2019

| Position | Name | Description of financial interest* (Nil/or details) |
|----------------|------------------------------|---|
| Speaker | CLlr E Hlungwani | <ul style="list-style-type: none"> Star Link (PTY) LTD (Director) |
| Mayor | CLlr MM Malatji | <ul style="list-style-type: none"> Nil |
| Chief Whip | CLlr D Rapatsa | <ul style="list-style-type: none"> |
| Member of Exco | CLlr SP Mashumu | <ul style="list-style-type: none"> Powtricks Construction and Projects (<i>Director</i>) |
| Member of Exco | CLlr MM Malesa | <ul style="list-style-type: none"> Nil |
| Member of Exco | CLlr S De Beer | <ul style="list-style-type: none"> Nil |
| Member of Exco | CLlr MS Magomane | <ul style="list-style-type: none"> Nil |
| Member of Exco | CLlr SL Mohlala | <ul style="list-style-type: none"> Nil |
| Member of Exco | CLlr T Nkuna | <ul style="list-style-type: none"> Nil |
| Councillor | CLlr NJ Mampuru | <ul style="list-style-type: none"> Nil |
| Councillor | CLlr PK Mashego | <ul style="list-style-type: none"> Nil |
| Councillor | CLlr LM Matlala | <ul style="list-style-type: none"> Nil |
| Councillor | CLlr MJ Valoyi | <ul style="list-style-type: none"> Nil |
| Councillor | CLlr T Mkansi | <ul style="list-style-type: none"> Nil |
| Councillor | CLlr KA Peta | <ul style="list-style-type: none"> Ramaseding Catering Services |
| Councillor | CLlr T Malatjie | <ul style="list-style-type: none"> Nil |
| Councillor | CLlr VM Rapatsa | <ul style="list-style-type: none"> Nil |
| Councillor | CLlr SM Shayi | <ul style="list-style-type: none"> Nil |
| Councillor | CLlr JA Williamson | <ul style="list-style-type: none"> Nil |
| Councillor | CLlr KP Mhlari | <ul style="list-style-type: none"> Nil |
| Councillor | CLlr EA Mokoena - Mashele | <ul style="list-style-type: none"> Nil |
| Councillor | CLlr R Makasela | <ul style="list-style-type: none"> Nil |
| Councillor | CLlr ME Mokgalaka | <ul style="list-style-type: none"> Makuphabjene Brick Yard |
| Councillor | CLlr PS Dikgale | <ul style="list-style-type: none"> Keagile Trading (<i>Director</i>) |
| Councillor | CLlr A Ngobeni | <ul style="list-style-type: none"> Baduzah Enterprise (PTY) LTD (<i>Director</i>) |

| | | |
|------------|--------------------|--|
| | | <ul style="list-style-type: none"> • Baduzah Liquor Restaurant |
| Councillor | CLlr B Ramothwala | <ul style="list-style-type: none"> • Nil |
| Councillor | CLlr DR Bayana | <ul style="list-style-type: none"> • Shares at Welkom Yizani Investments and Sasol Inzalo |
| Councillor | CLlr GH Lamola | <ul style="list-style-type: none"> • Nil |
| Councillor | CLlr KO Pilusa | <ul style="list-style-type: none"> • Nil |
| Councillor | CLlr MMA Mathebula | <ul style="list-style-type: none"> • Nil |
| Councillor | CLlr NA Sono | <ul style="list-style-type: none"> • Nil |
| Councillor | CLlr NB Maake | <ul style="list-style-type: none"> • Nil |
| Councillor | CLlr RJ Mphogo | <ul style="list-style-type: none"> • Shares at Ba-Phalaborwa Health Profession Forum |
| Councillor | CLlr A N Mmola | <ul style="list-style-type: none"> • |
| Councillor | CLlr TS Ndhlovu | <ul style="list-style-type: none"> • Nil |
| Councillor | CLlr Z Ndhlovu | <ul style="list-style-type: none"> • Nil |
| Councillor | CLlr SK Shai | <ul style="list-style-type: none"> • Nil |

MUNICIPAL ADMINISTRATORS

| | | |
|---------------------------------------|---------------------|---|
| Municipal Manager | MI Moakamela | <ul style="list-style-type: none"> • Municipal Electoral Officer at the Independent Electoral Commission. • Board member at Greater Tzaneen Economic Development Agency (Municipal Entity). |
| Senior Manager: Corporate Services | FP Nogilana-Raphela | <ul style="list-style-type: none"> • |
| Chief Financial Officer | TJ Mogano | <ul style="list-style-type: none"> • TJ Mogano Investments (<i>Director</i>) • Shares at RSA Retail Bonds |
| Senior Manager Planning | HP Maluleke | <ul style="list-style-type: none"> • <i>Director or partnership in the following companies;</i> <ul style="list-style-type: none"> - Landmark Consulting. - KHPJ Property Development |
| Senior Community Manager | H Zungu | <ul style="list-style-type: none"> • Nil |

| | | | |
|--|--------------|---|----|
| Senior Manager Technical Services | NOC Mdungazi | - | - |
| *Financial interests to be disclosed even if they incurred for only part of the year. see MBRR SA34A | | | TJ |

APPENDIX I : REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

AFS Attached

APPENDIX I (I): REVENUE COLLECTION PERFORMANCE BY VOTE

| Revenue collection performance by vote | | | | | | | | |
|--|----------------|----------------|----------------|-----------------|-----------------|------------------|-----------------|--------------------|
| Vote Description | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | 2018/19 Variance | | Adjustments Budget |
| | Actual | Actual | Actual | Original Budget | Adjusted Budget | Actual | Original Budget | |
| EXECUTIVE AND COUNCIL | - | | | | | | | |
| BUDGET AND TREASURY DEPT | 193,504 | 226,792 | 292,222 | 326,377 | 326,377 | 274,689 | (51,688) | (51,688) |
| CORPORATE SERVICES | 1133 | 586 | 651 | 682 | 682 | 1,454 | 772 | 772 |
| COMMUNITY AND SOCIAL SERVICES | 26,163 | 29,018 | 39,181 | 41,257 | 41,257 | 34,492 | (6,765) | (6,765) |
| PLANNING AND DEVELOPMENT | 7 | 1,491 | 62 | 66 | 66 | 319 | 253 | 253 |
| TECHNICAL SERVICES DEPT | 124,375 | 127,072 | 191,557 | 175,810 | 177,151 | 148,286 | (27,524) | (28,865) |
| Total Revenue by vote | 345,182 | 384,958 | 523,673 | 544,191 | 546,532 | 459,240 | (84,952) | (86,293) |

Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3
TK.1

APPENDIX I (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

| Revenue Collection Performance by Source | | | | | | | | |
|--|----------------|----------------|---------|-----------------|-------------------|----------------|------------------|-------------------|
| Description | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | | 2018/19 Variance | |
| | Actual | Actual | | Original Budget | Adjustment Budget | Actual | Original Budget | Adjustment Budget |
| Property Rates | 65,594 | 90,683 | 110 337 | 113 609 | 132 629 | 110 617 | 22 012 | 22 012 |
| Service charges – electricity revenue | 87,608 | 95,066 | 106 250 | 124 121 | 130 699 | 95 540 | 35 159 | 35 159 |
| Service Charges – refuse revenue | 11,405 | 13,078 | 14 442 | 18 119 | 19 079 | 15 152 | 3 927 | 3 927 |
| Rentals of facilities and equipment | 265 | 245 | 575 | 500 | 527 | 655 | (128) | (128) |
| Interest earned – Investment | 277 | 518 | 2 064 | 538 | 2 093 | 2 335 | (1 242) | (242) |
| Interest earned – outstanding debtors | 29,899 | 20,023 | 22 094 | 72 042 | 75 334 | 20 768 | 54 566 | 54 566 |
| Fines | 8,823 | 313 | (1 502) | 451 | 474 | 2 088 | (1 614) | (1 614) |
| Licence and permits | 2,257 | 2,417 | 12 080 | 11 922 | 12 475 | 2 826 | 9 649 | 9 649 |
| Agency services | 5,325 | 12,739 | 2 771 | 2 701 | 2 844 | 5 744 | (2 900) | (2 900) |
| Transfers recognised – operational | 87,633 | 113,973 | 128 328 | 129 937 | 137 419 | 136 100 | 1 172 | 1 319 |
| Other revenue | 7,328 | 6,707 | 4 988 | 1 732 | 1 899 | 67 941 | (66 042) | (66 042) |
| Total Revenue (excluding capital transfers and contributions) | 306,414 | 355,862 | | 514 326 | 515 473 | 459 766 | 54 559 | 55 706 |

Variance are calculated by dividing the difference between actual and original/adjustment budget by the actual. This table is aligned to MBRR table A4
TK.2

APPENDIX J: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

| Conditional Grants: Excluding MIG | | | | | | |
|-----------------------------------|--------|-------------------|--------|----------|-------------------|---|
| Details | Budget | Adjustment Budget | Actual | Variance | | Major conditions applied by donor (continue below if necessary) |
| | | | | Budget | Adjustment Budget | |
| Finance Management grant | 2,145 | 2,145 | 2,145 | 0 | 0 | |

| | | | | | |
|--------|--------|--------|--------|--------|--------|
| EPWP | 1,000 | 1,000 | 1,000 | 0 | 0 |
| EEDSMG | 5,000 | 5,000 | 4,852 | 97.04% | 97.04% |
| INEP | 9,000 | 9,000 | 7,806 | 86.73% | 86.73% |
| Total | 17,145 | 17,145 | 15,803 | 92.17% | 92.17% |

*this includes neighbourhood development partnership grant, public transport infrastructure and systems Grant and any other grant excluding municipal infrastructure grant (MIG) which is dealt with in the main report, see T5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. TL

APPENDIX K: CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

| Capital expenditure – New Assets programme* | | | | | | |
|---|-----------------|-------------------|--------------------|-----------------------------|--------|--------|
| Description | 2018/19 | | | Planned capital expenditure | | |
| | Original Budget | Adjustment Budget | Actual Expenditure | FY + 1 | FY + 2 | FY + 3 |
| Capital expenditure by asset class | | | | | | |
| Infrastructure – Total | | | | | | |
| Infrastructure: Road transport – Total | 18 181 | 22 431 | 20 084 | 11 389 | | |
| Infrastructure: Electricity – Total | 4 500 | 10 694 | 8 471 | 12000 | | |
| <i>Other</i> | | | | | | |

APPENDIX L – CAPITAL PROGRAMME BY PROJECT 2018/19

| Capital Programme by Project 2018/19 | | | | | |
|--------------------------------------|-----------------|-------------------|--------|----------------------|---------------------|
| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act-Adj) % | Variance (Act-OB) % |
| Water | N/A | N/A | N/A | N/A | N/A |
| “Project A” | | | | | |
| “Project B” | | | | | |
| “Project C” | | | | | |
| Sanitation /Sewerage | N/A | N/A | N/A | N/A | N/A |
| “Project A” | | | | | |
| “Project B” | | | | | |
| Electricity | | | | | |
| “Project A” | 4 500 | 10 694 | 8 471 | (2 223) | (3 971) |
| “Project B” | N/A | N/A | N/A | N/A | N/A |
| Housing | | | | | |
| “Project A” | | | | | |
| “Project B” | 0 | 0 | 0 | 0 | 0 |
| Refuse Removal | N/A | N/A | N/A | N/A | N/A |

| | | | | | |
|-----------------------------------|--------|--------|--------|---------|---------|
| "Project A" | | | | | |
| "Project B" | | | | | |
| Storm Water | 18 181 | 22 431 | 20 084 | (2 347) | 1 903 |
| "Project A" | | | | | |
| "Project B" | | | | | |
| Economic Development | N/A | N/A | N/A | N/A | N/A |
| "Project A" | | | | | |
| "Project B" | | | | | |
| Sports, Arts & Culture | N/A | N/A | N/A | N/A | N/A |
| "Project A" | | | | | |
| "Project B" | | | | | |
| Environment | N/A | N/A | N/A | N/A | N/A |
| "Project A" | | | | | |
| "Project B" | | | | | |
| Health | N/A | N/A | N/A | N/A | N/A |
| "Project A" | | | | | |
| "Project B" | | | | | |
| Safety & Security | 52 | 52 | 14 | (38) | (38) |
| "Project A" | | | | | |
| "Project B" | | | | | |
| ICT and other | 1 850 | 1 850 | 261 | (1 589) | (1 589) |
| "Project A" | | | | | |
| "Project B" | N/A | N/A | N/A | N/A | N/A |
| TN | | | | | |

APPENDIX M – ANNUAL PERFORMANCE REPORT 2018/19 FY

SEE ATTACHED 2018/19 ANNUAL PERFORMANCE REPORT

List of Acronyms

| | |
|----------|--|
| EXCO | Executive Committee |
| AG | Auditor General |
| MIG | Municipal Infrastructure Grant |
| BPM | Ba-Phalaborwa Municipality |
| COGHSTA | Corporative Governance, Human Settlement and Traditional Affairs |
| COGTA | Corporative Governance and Traditional Affairs |
| CDW | Community Development Workers |
| LLF | Local Labour Forum |
| AC | Audit Committee |
| AG | Auditor General |
| EXCO | Executive Committee |
| GEAR | Growth, employment and redistribution |
| GIS | Geographical Information System |
| GDP | Growth Development Product |
| IDP | Integrated Development Plan |
| SDBIP | Service Delivery and Budget Implementation Plan |
| IT | Information Technology |
| IGR | Inter-Governmental Relations |
| ICT | Information and Communication Technology |
| ISCOR | Institute for International Security and Conflict Resolution |
| IDP | Integrated Development Plan |
| KNP | Kruger National Park |
| LED | Local Economic Development |
| LEGDP | Limpopo Employment and Growth Development |
| LUMS | Land Use Management Scheme |
| MDM | Mopani District Municipality |
| MPCC | Multi-Purpose Community Centre |
| MPAC | Municipal Public Accounts Committee |
| MSA | Municipal Structures Act |
| NDPG | Neighbourhood Development Partnership Grant |
| SDF | Spatial Development Framework |
| SDI | Spatial Development Initiatives |
| STATS SA | Statistics South Africa |
| SANRAL | South African National Road Agency |
| MEC | Member of Executive Council |
| SAPS | South African Police Service |
| SALGA | South African Local Government Association |
| SMME | Small Medium and Micro Enterprise |
| PMC | Phalaborwa Mining Company |
| PMS | Performance Management System |
| MFMA | Municipal Finance Management Committee |
| DORA | Division of Revenue Act |
| GRAP | Generally Recognise Accounting Practise |
| KPI | Key Performance Indicator |
| KPA | Key Performance Area |
| LGSETA | Local Government Sector Education Training Authority |
| LUMS | Land Use Management System |
| SDF | Spatial Development Framework |
| SPLUMA | Spatial Planning Land Use Management Act |

| | |
|------|---------------------------------|
| EPWP | Expanded Public Works Programme |
| CWP | Community Workers Programme |
| CFO | Chief Finance Officer |
| IA | Internal Audit |
| SCM | Supply Chain Management |

ANNEXURES TO THE ANNUAL REPORT

- 1. PERFORMANCE REPORT**
- 2. ORGANISATIONAL STRUCTURE**
- 3. ATTENANDANCE REGISTER
FOR COUNCIL MEETING**
- 4. AUDITOR GENERAL REPORT**
- 5. AUDITED ANNUAL FINANCIAL
STATEMENT**
- 6. AUDIT COMMITEEE REPORT**

