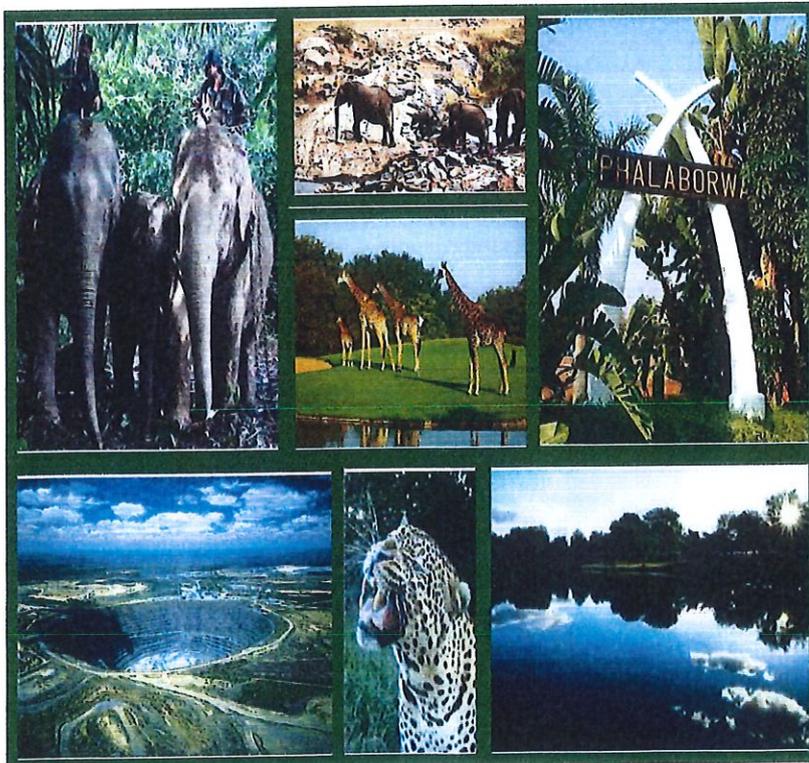


# BA-PHALABORWA MUNICIPALITY

2020/21

ANNUAL REPORT



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## CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

### MAYOR 'S FOREWORD



The 2020/21 financial year mark our fifth and final year in office as political office bearers. In presenting this Annual Report 2020/21, we contend that Ba-Phalaborwa Municipality continues to strive towards delivering services for all its communities. Our specific mandate as Ba-Phalaborwa Municipality, is guided by our Integrated Development Plan.

The purpose of the annual report is to provide a record of the activities for 2019/20, to report on performance against the budget of the Ba-Phalaborwa Municipality, and to promote accountability to the local community for the decisions made throughout the year. The deployment of key strategies was aimed at tackling service delivery that is geared at the provision of refuse collection, electricity, access to roads, water etc. It is important to have a sustainable service delivery in order to attract tourists and to grow local economic development.

We have identified a number of projects aimed at local economic development, but due to budget constraints and the requirements of credible budgeting, these projects could not be budgeted for. Hence, we must continue our efforts to lobby the financial support of both National and Provincial Government in order for us to be able to review and implement our LED Strategy.

Municipality is made of 19 wards with a representation of 190 ward committee members. Ward committees together with ward councillors conducts public meetings in their respective wards and submit monthly reports to the Speaker.

The Covid-19 pandemic has redirected our efforts as local government in terms of connecting with our residents on regular basis, during our public consultative meetings had to be reorganized and done in line with Covid-19 regulations under the new normal. As a municipality we had no choice but to devise means to keep all stakeholders in the loop in terms of our legislative mandate as a developmental local government. Our communication methods moved from being face to face, to take advantage of the social media platforms e.g. Facebook and WhatsApp, and formal meetings held on virtual channels.

Our IDP engagement processes had to be reviewed in terms of consultation to fit the current status quo, and engagements with stakeholders had proven to be worthwhile. As a municipality we needed to soldier on and provide essential services such as water, sanitation, electricity and solid waste removal, as guided by the objects of local government in our Constitution.

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 **107** jobs Created through municipal initiatives (EPWP);
- **462** SMMEs supported through municipal Supply Chain Processes.
- Upgraded **6.8** km of gravel streets to paving and tar (Tambo Phase 2);

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.

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 want to express my sincere thanks to the Municipal Manager and personnel reporting to her for their dedication and hard work. My sincerest thanks to all councillors, ward committees for their unselfish service to the communities of Ba-Phalaborwa. I also want to express my sincere appreciation to our

taxpayers and residents who consistently adhered to paying their dues to the municipality. Let us work together to truly make Ba-Phalaborwa a place of opportunity.

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

On behalf of the Council of Ba-Phalaborwa Municipality I present the 2020/21 Draft Annual Report.

A handwritten signature in black ink, appearing to read 'M.M. Malatji', is written over a horizontal line.

**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 2020/2021 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 2020/21 ANNUAL PERFORMANCE REPORT:

Key Performance Area	2018/19 % Achievement	2019/20 % Achievement	2020/21 Total Number of Targets	2020/21 Target Achieved	2020/21 Target not Achieved	2020/21 Target not Performed	2020/21 % Achievement
Spatial Rationale	67%	100%	2	1	1	0	50%
Basic Services Delivery	83%	83.3%	12	11	1	0	92%
Municipal Financial Viability	92%	92.3%	13	12	1	0	92%
Local Economic Development	83%	100%	4	3	1	0	75%
Municipal Transformation and Institutional Development	91%	55.5%	9	7	2	0	78%
Good Governance and Public Participation	95%	95%	42	39	2	1	93%
<b>Total</b>	<b>91%</b>	<b>89.2%</b>	<b>82</b>	<b>73</b>	<b>8</b>	<b>1</b>	<b>89%</b>

**The overall Municipal performance:**

The municipality had 6 key performance areas with a total number of 82 key performance indicators for the 2020/21 financial year. The municipality managed to record good performance on 73 key performance indicators and 9 on under performance. The 2020/21 Annual Performance Report is attached as annexure for details.

**Achievements:**

- Upgraded 6.8 km of gravel streets to paving and tar;
- 3 projects implemented EPWP way, thus creating employment opportunities;
- Created 107 jobs through municipal initiatives (EPWP);
- 462 SMMEs supported through municipal Supply Chain Processes
- 100% MIG spent and received additional allocation

**Challenges:**

The key challenges for the 2020/21 financial year are amongst others the following:

- Covid-19 pandemic
- Financial Reporting system challenges (SEBATA)
- Illegal electricity connections
- Low revenue collection
- High cost of repairs and Maintenance on the aged infrastructure for services delivery.
- High number of household debts belonging to non-existing tenants and the deceased in the systems.
- 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.
- Mscoa compliant financial system was not effective

## **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 new 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, continue to utilizes the service of a debt collector to assist the municipality in collecting the money owed by the customers,

- Lastly to take part in the Provincial debt forum

**AMONGST OTHERS THE FOLLOWING ARE ISSUES RAISED IN THE 2020/21  
AUDITOR GENERAL'S REPORT:**

The Municipality obtained a Qualified Audit Opinion with 12 qualification paragraphs. The following were findings raised as a basis for the qualification:

- Receivables from exchange transactions
- Receivable from non-exchange transaction
- Property Plant and Equipment
- Payables from exchange
- Unauthorised Expenditure
- Cash and cash Equivalent
- General Expenses
- Investment property
- Agency Services
- Contingencies
- Commitment
- Cash flow

I would like to extend warmest appreciation to our community, the Mayor, 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.



**DR KKL PILUSA  
ACTING 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 Africa 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 km<sup>2</sup> 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**

- Unfunded budget as per the assessment from Provincial Treasury
- Old infrastructure on electricity, Water and Sewerage

The municipality has developed the budget funding plan which was approved by council in order to deal with the issue of unfunded budget, and also has an existing Financial Recovery Plan and the Revenue enhancement strategy

The municipality is also allocating more money on repairs and maintenance of electricity infrastructure in town on a yearly basis and also continuously engaging Mopani district municipality to assist with the refurbishment of old infrastructure on water and sewerage as part of their responsibility.

## Municipal Key Objectives for 2020-21

- Promotion of local economy;
- Provision of sustainable integrated infrastructure and services;
- Sustain the environment
- 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, the 2011 Census and 2016 Community Survey

### Municipal Demographics based on 2001 Census, 2011 Census and 2016 Community Survey

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
<b>Total</b>	<b>53 198</b>	<b>52 089</b>	<b>105 287</b>	<b>64 356</b>	<b>67 180</b>	<b>131 536</b>	<b>72 923</b>	<b>77 572</b>	<b>150 529</b>
Source: Statistics SA 2011							T1.2.2		

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
2017/18		38.8%	11%	56%	25.2%	14.6%
2018/19		38.8%	11%	56%	25.2%	14.6%
2019/20		38.8%	11%	56%	25.2%	14.6%

T1.2.4

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

T1.2.6

Source: Ba-Phalaborwa Municipality GIS 2020

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

Section 152 of the South African Constitution of 1996, local government is the engine of basic service delivery. Local government is charged, among other things, with ensuring the provision of services to communities in a sustainable manner, promoting social and economic development, and promoting a safe and healthy environment (Constitution, 1996).

Ba-Phalaborwa Local Municipality has a duty and a responsibility of distribution of basic resources residents depend on like **water, electricity, sanitation infrastructure, land, and housing.**

Ba-Phalaborwa local Municipality is Water Service Provider. The Municipality is responsible to do the repairs and maintenance of the infrastructure throughout Ba-Phalaborwa jurisdiction. Mopani District Municipality is the water service Authority. Lepelle Northern Water Board supply bulk water to the reservoirs.

BPM has a challenge of ageing of infrastructure and also low water pressure where infrastructure is in place. Mopani District Municipality will be implementing water reticulation projects for areas where there is no water reticulation.

Our municipality has a responsibility to 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. The municipality also has a serious challenge of aging infrastructure which results in poor performance in providing electricity consistently.

The municipality is currently collecting refuse from residential units in all urban areas, businesses, educational institutions and the services are extended to the rural areas of Mashishimale and Makhushane, with the hope of extending our services to other rural areas.

BPM is not a housing authority it is the competency of the Provincial Department of Cooperative Governance, Human Settlement and Traditional Affairs. And as a municipality we rely on the allocation made by GoGHSTA for social housing within our jurisdiction.

As a developmental local government we responsibility to provide Free Basic services in terms of our approved indigent register which is reviewed on annul basis due to applications received.

Total Capital Expenditure 2019/20 – 2020/21 (R'000)						
Services	Households received services (2019/2020)	Total No of Households have access to basic services	Comment	Households received services (2020/2021)	Total No of Households have access to basic services	Comment
Water connected to yard	N/A	N/A	N/A	N/A	N/A	N/A
Electricity	944 connected to electricity	43260	156 connected	156 connected	5274 (Municipal Licensed area)	None
T1.3.1						

## 1.4 FINANCIAL OVERVIEW

### FINANCIAL OVERVIEW

Financial Overview – 2020/21				
Details	Actual 2019/20 (R'000)	Original Budget 2020/21 (R'000)	Adjustment Budget 2020/21 (R'000)	Actual 2020/21 (R'000)
<b>Income</b>	350 623	410 422	399 156	427 766
<b>Grants</b>	182 872	208 783	601 253	252 461
<b>Sub Total</b>	533 495	619 205	757 652	680 227
Less Expenditure	524 960	581 253	589 518	494 802
<b>Net Total</b>	<b>8 535</b>	<b>37 952</b>	<b>63 239</b>	<b>185 425</b>
<b>Operating Ratios</b>				
<b>Detail</b>	<b>% 2019/20</b>		<b>% 2020/21</b>	
Employee Cost	95%		86%	
Repairs & Maintenance	75%		75%	
Finance Charges & Depreciation	100%		100%	

### COMMENTS ON CAPITAL EXPENDITURE

**Water and Sanitation:** Ba-Phalaborwa Municipality is a water service provider, do not budget for capital assets as per the SLA with Mopani District Municipality.

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

Roads: Capital expenditure on roads projects were at 100% including internally funded (Designs of storm water culverts).

MIG: The total MIG received for the year was fully spent and receive additional allocation

### **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 with the IDP and the powers and functions to be conducted by the municipality. The organogram provides for a staff compliment of 694 with 424 of the positions filled, 270 positions vacant and 37 councillors. *(Refer to the attached Annexure 2: Organisational Structure)*

### **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. Auditor General has audited our financial statement submitted on the 31<sup>st</sup> of August 2021 and we receive Qualified Audit Opinion for financial 2020/21

### **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 2020
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 <sup>th</sup> quarter Report for previous financial year	
4	Submit draft Annual Report to Internal Audit and Auditor-General	August 2020
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	

7	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	
8	Municipalities address the Auditor General's comments	
9	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	January 2021
10	Audited Annual Report is made public and representation is invited	
11	Oversight Committee assesses Annual Report	
12	Council adopts Oversight report	March 2021
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, 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 an Oversight report to Council for approval.

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

### COUNCILLORS

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

T2.1.2

## **POLITICAL DECISION-TAKING**

The municipality has developed the 2020/21 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 2020/21 financial year 540 Council resolutions were taken and all resolutions were implemented.

7 Ordinary and 7 Special Council meetings were held during the 2020/21 financial year.

11 Ordinary and 5 Special Executive Committee meetings were held during the 2020/21 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"> <li>➤ Manages special programmes in relation to youth, gender;</li> </ul>
Senior Manager Corporate Services	Mrs S S Mokoena (Acting) Mashale TS (Acting) Dr Pilusa KKL (Appointed)	<ul style="list-style-type: none"> <li>➤ Renders Human Resource Management Services by Skills Development and Training Services;</li> <li>➤ Manages communication and information services to the municipality particularly IT utilization and support services;</li> <li>➤ Provides secretarial services to the Council, the Executive Committee, Section 80 committee, section 79 committees;</li> <li>➤ Provides legal advisory services with regard to policies, by-laws and labour relations as well as interpretation of legislation; and</li> <li>➤ Provides administrative support to the department by rendering support to satellite offices and rendering messenger services and ancillary services.</li> </ul>
Senior Manager Community and Social Services	Mr H Zungu (End of contract) Mr Mokhabokhi NS (Acting) Mr Kanwendo M (Appointed)	<ul style="list-style-type: none"> <li>➤ Manages the parks and cemeteries;</li> <li>➤ Manages the waste management;</li> <li>➤ Attends to environmental management;</li> <li>➤ Manages the library services;</li> <li>➤ Lead and direct strategic objectives of the municipality in relation to health;</li> <li>➤ Regulate and manage traffic, enforce by-laws and educate the public on road safety; and</li> <li>➤ Oversee the management of licensing section and testing station.</li> </ul>
Senior Manager Technical Services	Mr Madiope S (Acting) Mrs Mahumani S (Acting) Mr Baloyi MP (Appointed)	<ul style="list-style-type: none"> <li>➤ Manages engineering services by designing civil engineering structures and rendering mechanical and electrical engineering services;</li> <li>➤ Render project management services by administering contracts for all civil infrastructure projects and amongst others managing local capacity building; and</li> <li>➤ Renders building control services</li> </ul>

## TOP ADMINISTRATIVE STRUCTURE

Structure	Name of Official	Function
		by administering building plans, conducting building inspections and doing minor maintenance on council buildings.
Senior Manager Planning and Development	Mr Maluleke HP (End of contract) MS Chueu M (Acting)	<ul style="list-style-type: none"> <li>➤ Renders spatial planning for land development;</li> <li>➤ Manages land use on behalf of the municipality;</li> <li>➤ Formulates, implements and maintains comprehensive local economic development plans;</li> <li>➤ Promotes tourism, agriculture and alleviation of poverty;</li> <li>➤ Promotes trade and industry;</li> <li>➤ Manages the valuation roll of the municipality;</li> <li>➤ Formulates and implementation of integrated development strategy planning;</li> <li>➤ Manages the municipality's performance management system; and</li> <li>➤ Approves rezoning application in respect of land within the area.</li> </ul>
Chief Financial Officer	Mr T J Mogano (Resigned) Mr Ndzimande A (Acting)	<ul style="list-style-type: none"> <li>➤ Administratively in charge of the budget of the municipality and treasury office;</li> <li>➤ Assist the Municipal Manager in the administration of the municipality's bank accounts and the preparation and implementation of the municipality's budget;</li> <li>➤ Renders fleet management;</li> <li>➤ Manages the revenue collection of the municipality; and</li> <li>➤ Renders supply chain management.</li> </ul>

## 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 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 Managers. 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 2020/21 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 conducts feedback sessions to community members through Mayoral Imbizo. Due to Covid-19 restrictions, 2020-21 IDP/Budget & PMS quarterly Implementation (Imbizo) reports were made available for community inputs. Newspaper Notices were publicized and reports were accessed through (social media platforms) Municipal website, Libraries, Ward WhatsApp groups, Traditional Authorities and all Municipal Offices. 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. Due to the covid-19 regulations the Probing of the 2019/20 Annual report by MPAC was done through virtual and selected stakeholder were invited to attend in an identified community hall. The oversight report on draft annual report was presented to council.

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.

Due to covid-19 regulations, the municipality was unable to conduct public participation meetings on the draft IDP, Budget, PMS and Tariff book. The following were implemented in order to get inputs and comments from the community and stakeholders:

1. A public notice was placed on the municipal website to invite community members and stakeholders to give inputs and comments. Due date for submission of inputs was the 30<sup>th</sup> of April 2020.
2. Announcements were made on radio stations (Thobela FM, Munghana Lonene FM and Capricorn FM) about approval and invitation for comments on the draft IDP, Budget and Tariffs. The announcement was also indicating who to consult for clarity seeking questions.
3. Copies of the draft documents were available on the municipal website, Traditional Authorities and Libraries.

## **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

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 56 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
	T2.5.1

Nature and purpose of meeting	Date of events	Dates and manner of feedback given to community
IDP Steering Committee (Preparatory Phase)	19 March 2020	Meeting serves as consultative meeting and also presentation of the process plan
IDP Steering Committee (Analysis Phase)	10 December 2020	Meeting serves as consultative meeting and also presentation of the Analysis
IDP Steering Committee (Project Phase)	19 March 2021	Meeting serves as consultative meeting and also presentation of the Strategies and projects
IDP Steering Committee (Approval Phase)	21 May 2021	Public participation report on the Draft IDP

Event	Date of events	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
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Mayoral Imbizo	August 2020	Conducted through Social Media Platform	Conducted through Social Media Platform	Conducted through Social Media Platform	No issues raised	None	None
Mayoral Imbizo	November 2020	Conducted through Social Media Platform	Conducted through Social Media Platform	Conducted through Social Media Platform	No issues raised	None	None
Mayoral Imbizo	February 2021	Conducted through Social Media Platform	Conducted through Social Media Platform	Conducted through Social Media Platform	<ul style="list-style-type: none"> <li>- Progress on the allocation of RDP Houses</li> <li>- Patching of potholes</li> <li>- Processes that must be followed to apply for free basic services (indigent)</li> <li>- Progress on landfill site</li> <li>- Municipal annual target for job creation through municipal processes.</li> </ul>	Yes.	Email
IDP/Budget PP	April 2021	Conducted through Social Media Platform	Conducted through Social Media Platform	Conducted through Social Media Platform	<p>The following were raised as issues/inputs/community needs</p> <ul style="list-style-type: none"> <li>- Construct a Bridge – Nyoka bridge</li> <li>- Electrification of Rockview Majeje</li> <li>- Streets lights not working in Town</li> <li>- Replacement of old infrastructure – Spillage/ blocked sewerage and water pipe burst</li> <li>- Patching of potholes in Town, Namakgale and Lulekani</li> <li>- Parks must be maintained</li> <li>- Naming of internal</li> </ul>	Yes	Part of 2021/22 ward needs

					streets - Rehabilitation of Lulekani road from post office - Taring of Matiko-xikaya/ Humulani roads - De-bushing is needed next to Maphutha Malatji Hopital		
Mayoral Imbizo	November 2020	Conducted through Social Media Platform	Conducted through Social Media Platform	Conducted through Social Media Platform	No issues raised		
IDP/Budget PP	<p>Due to Covid-19 regulations, the municipality was unable to conduct public participation meetings on the draft IDP, Budget, PMS and Tariff book. The following were implemented in order to get inputs and comments from the community and stakeholders:</p> <ol style="list-style-type: none"> <li>1. A public notice was placed on the municipal website to invite community members and stakeholders to give inputs and comments. Due date for submission of inputs was the 30<sup>th</sup> of April 2020.</li> <li>2. Announcements were made on radio stations (Thobela FM, Munghana Lonene FM and Capricorn FM) about approval and invitation for comments on the draft IDP, Budget and Tariffs. The announcement was also indicating who to consult for clarity seeking questions.</li> <li>3. Copies of the draft documents were available on the municipal website, Traditional Authorities and Libraries.</li> </ol> <p>The municipality received Government Gazette which is an amendment of directions issued in terms of section 27(2) of the Disaster Management Act, 2002 (Act no.57 of 2002) dated 07 May 2020. In responding to the gazette, the municipality implemented the following:</p> <ol style="list-style-type: none"> <li>1. A second notice was issued inviting general public and other stakeholders to forward their written inputs and comments via emails and municipal Facebook, indicating their full names and ward.</li> <li>2. The Mayor presented a summarized Draft IDP and Budget live on Municipal Facebook page, Thobela FM, Munghana Lonene FM and Capricorn FM</li> </ol>						
	<p><b>Issues raised through the following:</b></p> <ol style="list-style-type: none"> <li>1. <b>Municipal Facebook page</b></li> <li>2. <b>Ward WhatsApp groups</b></li> <li>3. <b>Written submissions</b></li> <li>4. <b>Ward Councillors &amp; ward Committees</b></li> </ol>						

## **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 2021
1.	Information Technology	Non implementation of the disaster recovery plan (Lack of Disaster Recovery site).	Lack of funds (duplicate server).	25	Disaster Recovery Plan in place.  Back-up tapes stored in a fire proof safe and fire suppression installed in the area.	22.5	1. Implement the Disaster Recovery Plan  3. Enter into agreement with another municipality regarding cold hosting of the Disaster Recovery Site	Manager: ICT	31 December 2020	Not done, currently waiting for the Disaster Recovery Site to be established.
2.	Strategic Risk	Low collection of revenue and low revenue streams.	1. Culture of non-payments by residents (mostly in the townships) 2. Lack of new township establishment.	25	1.Imbizo /Awareness conducted to the community. 2. Credit Control & Debt Collection	20	1. Review the financial recovery and revenue enhancement strategy	Chief Financial Officer	30 September 2021	Strategy not yet reviewed however debt collectors have been appointed and are assisting the municipality to collect long outstanding debt.  The municipality perform disconnection and reconnection

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 2021
			3. Inadequate implementation of revenue enhancement strategy 4. Intergovernmental debt (Departmental debts)		Policy. 3. Financial recovery plan & Revenue enhancement Strategy in place. 4. Debt collectors appointed in townships. 5. Data cleansing. 6. Indigent register maintained annually					for the clients that default. No data - cleansing is done
3.	Human Resource	Lack of performance management system ( <i>employees</i> )	1. PMS not cascaded to lower levels ( <i>only Senior Managers are assessed</i> )	25	1. PMS Policy in place. 2. Incentive and reward policy	20	1. Cascade the Performance Management System to lower levels	Manager: Human Resource	30 June 2021	Note yet done. The PMS policy has recently been reviewed.

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 2021
		<i>from level 2 and below).</i>			reviewed.					
4.	Electrical Services	Electricity theft and vandalism of infrastructure. Theft of cables	<ol style="list-style-type: none"> <li>1. Criminal behaviour</li> <li>2. Poor security measures</li> <li>3. Lack of awareness to the employees.</li> <li>4. Economic climate</li> <li>5. insufficient security at the electrical storeroom and stores</li> </ol>	25	<ol style="list-style-type: none"> <li>1. Security guards deployed at Selati Sub Station.</li> <li>2. Monitoring of illegal connections.</li> <li>3. As per Local energy forum decision, theft to be reported to the police and to the forum.</li> </ol>	20	<ol style="list-style-type: none"> <li>1. Report all illegal connection to BTO to impose penalties.</li> <li>2. Staff will be trained as per skills audit.</li> </ol>	Chief Electrical Engineer	Monthly	All illegal connections identified were reported to Budget and Treasury and penalties imposed.
								Chief Electrical Engineer	31 March 2021	Training has been done in the 3rd Quarter of ORHVS which was attended by two Electricians and the Technician Electrical.

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 2021
5.	Strategic Risk	Non-compliance to laws and regulations	Failure to comply with SCM policies and regulations.  Current state of the waste disposal site (Waste not disposed properly).	25	1. Bid specification, evaluation and adjudication committee aligned with the SCM regulations. 2. Investigations conducted. 3. Avoidance of deviations. 4. Service provider appointed at the waste disposal site.	20	1. Implement consequence management.  2. Enforce compliance to SCM legislation and regulations.  3. Adhere to license requirements at the waste disposal site.  4. Develop a new fully compliant land fill site (Foskor budget)	All Senior Managers  All Senior Managers  SM: Community Services  SM: Community Services	Monthly  Monthly  Monthly  30 June 2021	Consequences management is being implemented and cases have been referred to the Disciplinary Committee.  SCM process are being followed for all procurement. Monthly reports compiled.  The landfill site is compliant.  New landfill site has been fenced. The old landfill site operation licence has been extended.

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 2021
6.	Fraud Risks	Vehicle accidents/dents not reported,	No handing over done whenever drivers exchange vehicles.  Lack of accountability by drivers.  Insufficient staff in the fleet office	20	Monthly Inspection are conducted by the Fleet Management Unit.	20	<p>1. Appoint additional staff in the Fleet Management Office.</p> <p>2. Hand over must be done whenever drivers exchange vehicle (<i>Fleet Unit to develop a handover form</i>).</p> <p>3. Regular/Monthly inspection of municipal vehicles to be conducted by the fleet unit.</p>	Senior Manager: Corporate Services  Chief Financial Officer	31 December 2020  31 December 2019	No appointment was done in the 2020/21 financial year.  Handover is done whenever drivers exchange vehicles.  Inspections are done monthly.

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 2021
							<p>4. All vehicle accidents to be referred for investigation.</p> <p>5. A joint of municipal vehicles inspection to be conducted every semester by Fleet Manager and Risk Management and the detailed consolidated report presented to management.</p>	<p>Chief Financial Officer</p> <p>Chief Financial Officer</p>	<p>31 December 2020</p> <p>31 December 2020</p>	<p>No accident occurred in the 2020/21 financial year.</p> <p>No joint inspections were done.</p>
7.	Strategic Risks	Unfavourable audit outcome	<p>1. Inaccurate opening balances.</p> <p>2. Loss of supporting documents/Limitation</p>	25	1. Standard Operating procedure (Revenue &	16.25	<p>1. Develop and implement a clean audit strategy led by</p>	All Senior Managers	01 December 2020	<p>Strategy not yet developed however Audit Steering Committee meetings are held to discuss matters relating to the</p>

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 2021
8.	Information Technology	Inadequate implementation of patch management procedures.	<p>of scope</p> <p>3. Unauthorised, Irregular, Fruitless, and Wasteful expenditure.</p> <p>4. Misstatements of Financial Statement</p> <p>5. Inaccurate asset register due to land issues.</p> <p>The WSUS system is not functional.</p> <p>Patches not adequately tested and deployed on the machines/servers.</p>	25	<p>Expenditure)</p> <p>2. Monthly Audit Steering Committee Meetings. (Exco/ Management)</p> <p>3 Supply Chain Management Policy</p> <p>4. AG Action plan.</p> <p>Manual updates are done</p>	16.25	<p>the CFO</p> <p>1. Implementation of the System centre so that the patch management processes can be centrally administered.</p>	Manager: ICT	30 September 2020	System centre is being 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 2021
9.	Operational Risk	Inadequate records management system	<p>Monitoring not performed for security patches that are being applied manually.</p> <p>1. Non utilization of applicable records management procedures by officials.</p> <p>2. Lack of an effective records management system across the institution.</p> <p>3. Lack of fire suppression system and shelves.</p>	25	<p>1. Scanning of backlog onto EDMS system.</p> <p>2. Records management procedures included in the induction program</p> <p>3. Records management policy in place.</p>	16	<p>1. Finalization of the archives in Lulekani</p> <p>2. Centralization of fax to records management section.</p>	<p>Manager: Admin</p> <p>Manager: Admin</p>	<p>30 June 2021</p> <p>30 June 2021</p>	<p>The archive is not yet finalised due to minor works done have to be done.</p> <p>Not yet started. Must finalise the installation of network points.</p>

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 2021
10.	Operational Risk	Land invasion	<ol style="list-style-type: none"> <li>1. Unavailability of land.</li> <li>2. Insufficient awareness to the community</li> </ol>	20	<ol style="list-style-type: none"> <li>1. Issuing notices and court interdicts to the illegal occupants.</li> <li>2. Several land within the municipality have been identified for development and the items have been approved by council.</li> </ol>	16	<ol style="list-style-type: none"> <li>1. Identify and make available municipal land for business use, residential purposes etc.</li> <li>2. Processing applications for land use.</li> </ol>	<p>Manager: Planning and Human Settlements</p> <p>Manager: Planning and Human Settlements</p>	<p>Monthly</p> <p>Monthly</p>	<p>13 Sites were identified and council resolved to dispose them for uses such residential, business etc.</p> <p>34 applications for land use were received and 09 applications were approved.</p>

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 2021
							3. Awareness campaigns to community (all the awareness through Imbizo	Manager: Planning and Human Settlements	Monthly	No awareness was conducted.
							4. Issuing notices and court interdicts to illegal occupants.	Manager: Planning and Human Settlements	Monthly	Municipal invasion and illegal land uses were identified. Notices were sent to perpetrators and legal section was informed and has taken legal steps on

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

No.	Description	2019/20	2020/21
1.	Strategic Risk	9	9
2.	Fraud Risk Register	8	8
3.	Operational Risk Register	24	32
4.	Project Risk Register	4	6
5.	MSCOA Risk Register	3	3
6.	Information Technology Risk Register	4	7

## 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 following were the main priorities for the Internal Audit Activity for the 2020/2021 financial year:

- a) Development, approval and implementation of the Annual Internal Audit Plan that is risk-based and aimed at adding value to the Municipality's objectives and aligned to the Municipality's risk registers.
- b) To ensure that the Internal Audit Activity is independent in providing its services to the Municipality by complying with the approved 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.
- c) 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

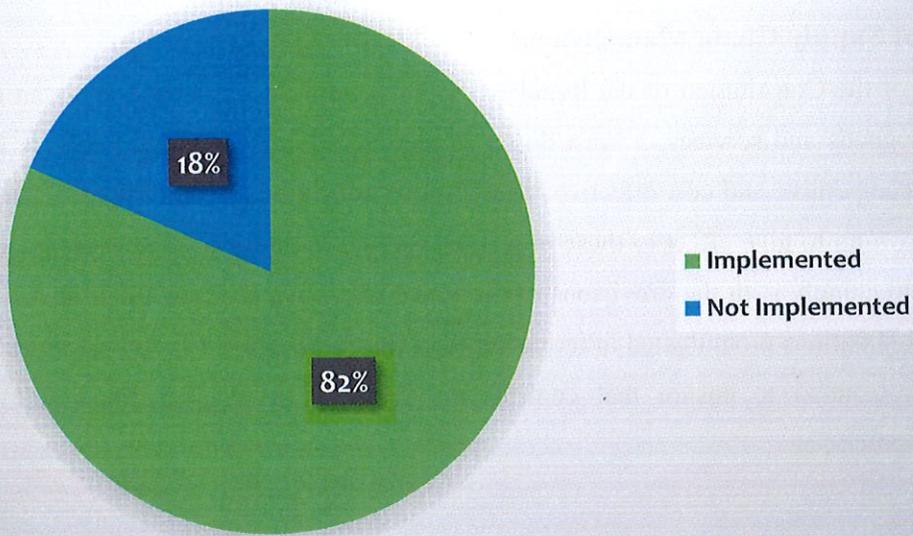
Audit Steering Committee and the Technical Audit Steering Committees were established and meetings held throughout the whole financial year to address issues raised by the Auditor General, Internal Audit and Audit Committee. The Municipality still maintained its audit opinion.

**Below is the summary of the progress by year-end**

Audit Type	Planned Audits per year	Completed YTD	Completed Audits Progress Description (YTD)
Compliance	10	10	4 <sup>th</sup> Quarter AOPO completed. DORA for the 4 <sup>th</sup> quarter completed. 1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> and 4 <sup>th</sup> Quarter FMCMM Completed. 1 <sup>st</sup> Quarter AOPO Completed. AOPO 2 <sup>nd</sup> Quarter, DORA completed, 3 <sup>rd</sup> Quarter AOPO, SDBIP Audit Report completed.
Risk-Based	6	6	COVID-19 Audit completed, Due Diligence Audit Report Completed, Risk Management Audit at reporting stage, Overtime Report completed and project management report
Finance Audits	4	4	SCM Audit, Inventory Audit, Land Audit, Review of MMB Transactions,
Follow-up	8	8	Quarterly AG and IAA Follow-up audits conducted for 4 <sup>th</sup> Quarter, 1 <sup>st</sup> Quarter, 2 <sup>nd</sup> Quarter and 3 <sup>rd</sup> Quarter.
Information Technology	2	2	MSCOA Audit and Data Migration Audit conducted

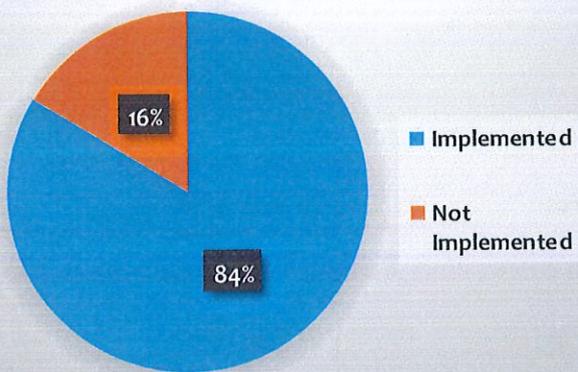
There was an improvement in the implementation of Internal Audit recommendations. In the year under review, the Municipality implemented **82%** of internal audit recommendations as compared to the 58% % implementation in the 2019/2020 financial year.

### Progress Report on implementation of IA recommendations



The Internal Audit Activity was independent during the 2020/2021 financial and operated with an approved Internal Audit Charter which is consistent with the IIA Standards and Code of Ethics. The Internal Audit Activity operated with and Approved Annual Audit Plan, Continuous Development and Internal Audit Methodology. The Internal Audit Activity was able to support the Audit Committee and Audit Steering Committee in the year under review. The Internal Audit Activity was the Secretariat for the Audit Committee and the Audit Steering Committees. Below is the progress on the Audit Committee Resolution Register:

### Overall AC Resolution Register - Including Previous FYs



## 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 gazetted (yes/no)	Date of Publication
Credit control & Debt Collection by-law	Yes	Yes	26 June 2019
Electricity Supply by-law	Yes	Yes	26 June 2019
Hiring of community halls, buildings & other facilities by-law	Yes	Yes	26 June 2019
Impoundment of animals by-law	Yes	Yes	26 June 2019

Indigent subsidy by-law	Yes	Yes	26 June 2019
Property Rates by-law	Yes	Yes	Gazette No 3084 19 June 2020
Tariff By-law 2019/20	Yes	Yes	Gazette No 3084 19 June 2020
Waste Management by-law	Yes	Yes	26 June 2019

**COMMENT ON BY-LAWS:**

**All By-laws public participated and approved by council during 2019/20 were gazetted.**

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	No date available
All current budget related policies	Yes	No date available
The previous annual report (2019/20)	Yes	24 February 2020
The annual report (2019/20) published / to be published	Yes	No date available
All current performance agreements required in terms of section 57 (1) (b) of the MSA and resulting score cards	Yes	No date available
All service delivery agreements (2020/21)	No	
All long term borrowing contracts (2020/21)	No	
All supply chain management contracts above a prescribed value (give value) for (2019/20)	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 (2020/21)	No	
Contracts agreed in (2020/21)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 (2020/21)	No	
All quartely reports tabled in the council in terms of section 52 (d) during (2020/21)	Yes	No date available

Note: MFMA S75 sets out the information that a municipality must include in its website as detailed above. Municipalities are of course encouraged to use 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 a dynamic interaction with the Community and public, whilst as a Municipality we desired to adhere to Government regulations and legislation, thus Section 75 of MFMA and 8 Batho Pele Principles just to name a few, the Municipality has established a website for the municipality that is [www.Ba-Phalaborwa.gov.za](http://www.Ba-Phalaborwa.gov.za) and [www.Phalaborwa.gov.za](http://www.Phalaborwa.gov.za) both re-root the request to the same URL which is our Home Page. The Municipality complies with the 8 Batho Pele Principles specifically Access and Openness and Transparency, Information to assist the Community and the Public, hence our content includes Municipal Leadership, Financial Reports, Annual Reports, Performance Contract for Section 56/57, our address and contact, etc. The Municipal Website is available at all times

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

#### PUBLIC SATISFACTION LEVELS

The Municipality conducted the 2020/21 community satisfaction survey during the month of August 2020. 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 respondents are satisfied with the services and 48% are not satisfied with the services that the municipality is providing.

T2.11.1

RATING SCALE	2018	2019	2020
Highly Satisfied	21%	25%	18%
Satisfied	31%	27%	34%
Highly dissatisfied	23%	21%	22%
Dissatisfied	25%	27%	26%

## 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 repairs and maintenance of the infrastructure throughout Ba-Phalaborwa jurisdiction. Mopani District Municipality is the water service Authority. Lepelle Northern Water supply bulk water to the reservoirs.

T3.1.1

Households					
Description	2016/17	2017/18	2018/19	2019/20	2020/21
	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
Water: (above min level)	12251	12251	12251	12251	12251
<i>Piped water inside dwelling</i>					
<i>Piped water inside yard (but not dwelling)</i>	17216	17216	17216	17216	17216
<i>Using public tap (stand pipes)</i>					3803
<i>Other water supply (within 200m)</i>					
<i>Minimum service level and above sub-total</i>	3803	3803	3803	3803	
Minimum service level and above percentage	33280	33270	33270	33270	33270
	80%	77%	80%	80%	80%
Water; (below min level)	413	413	413	413	413
Using public tap (more than 200m from dwelling)					
Other water supply (more than 200m from dwelling)					
No water supply					
Below minimum service level sub-total	235	235	235	235	235
Below minimum service level percentage	10123	10123	7845	7845	7845
	22.3%	22.3%	19.1%	19.1%	19.1%
<b>Total number of households*</b>	<b>33880</b>	<b>33880</b>	<b>41115</b>	<b>41115</b>	<b>41115</b>
<b>To</b>	<b>include</b>	<b>informal</b>	<b>settlements</b>		
<b>T3.1.3</b>					

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	2016/17	2017/18	2018/19	2019/20	2020/21
	Actual No.				
<b>Formal Settlements</b>					
Total households	43062	43062	41115	41115	41115
Households below minimum service level Proportion of households below minimum service level	9144	9144	7845	7845	7845
<b>T3.1.4</b>					

Water service policy objectives taken from IDP											
Service Objectives  Service indicators (i)	Outline service targets  (ii)	2017/18		2018/19			2019/20			2020/21	
		Target	Actual	Target		Actual	Target		Target		
		*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)	1500	1750	MDM	1500	1750	MDM				MDM

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 2011/12 Budget/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

Job Level	Employees; Water Services						
	2019/20	2020/21		Post No.	Employees No.	Vacancies fulltime equivalence) No.	Vacancies (as a % of total posts) %
Employees No.	Employees No.						
0-3	1	1		1	1	0	0
4-6	4	6		7	6	1	14%
7-9	13	9		17	9	9	53%
10-12	6	13		22	13	4	18%
13-14	8	13		38	13	25	66%
<b>Total</b>	32	41		84	41	39	46%

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 2020/21; Water Services							
R'000							
Details	2017/18	2018/19	2019/20	2020/21			
	Actual	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total operational revenue (excluding tariffs)</b>	128,196	138 968	150 315	136 267	136 267	63 673	47%
Expenditure							
Employees	10,669	11 807	14 053	15 819	15 940	14 388	91%
Repairs and Maintenance	1,814	6 116	9 448	417	15 551	9 428	2 261%
Other	1,690	2 912	395	56 976	55 144	33 504	59%
<b>Total Operational Expenditure</b>	14,174	20 835	25 644	72 582	86 635	57 320	
<b>Net Operational (service) expenditure</b>	114,022	-118133	124 671	63 685	49 632	6 353	
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 areas where there is no water reticulation

T3.1. 10

### 3.2 WASTE WATER (SANITATION) PROVISION

#### INTRODUCTION TO SANITATION PROVISION

Mopani District Municipality as water authority implement the sanitation projects. For 2020/2021 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	2017/18	2018/19	2019/20	2020/21
	Outcome No.	Outcome No.	Actual No.	Actual No.
<b>Sanitation/sewerage; (above minimum level)</b>				
Flush toilet (connected to sewerage)	14070	14070	14070	14070
Flush toilet (with septic tank)	1090	1090	1090	1090
Chemical toilet	208	208	208	208
Pit toilet (ventilated)	10368	10368	10368	10368
Other toilet provisions (above min. service level)	8070	8070	9756	11256
<b>Minimum service level and above sub-total</b>	<b>33792</b>	<b>33806</b>	<b>35492</b>	<b>36992</b>
<b>Minimum service level and above percentage</b>	<b>82%</b>	<b>82%</b>	<b>86%</b>	<b>86%</b>
<b>Sanitation/sewerage; (below minimum level)</b>				
Bucket toilet	10290	7309	5623	5623
Other toilet provisions (below min service level)	10290	7309	5623	5623
No toilet provisions	23.3%	17.8%	13.7%	13.7%
<b>Below Minimum service level sub-total</b>	<b>44082</b>	<b>41115</b>	<b>41115</b>	<b>41115</b>
<b>Below Minimum service level percentage</b>				
<b>Total Households</b>				
<b>*total number of households including informal settlements</b>				
<b>T3.2.3</b>				

**Households; Sanitation service delivery levels below the minimum**

**Households**

Description	2016/17	2017/18	2018/19	2019/20	2020/21		
	Actual	Actual	Actual	Actual			
	No.	No.	No.	No.			
<b>Formal Settlements</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Households</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Households below minimum service level</b>							
<b>Proportion of households below minimum service level</b>							
<b>Informal Settlements</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Households</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Households below minimum service level</b>							
<b>Proportion of households below minimum service level</b>							
<b>Minimum service level</b>							

T3.2.4

**Employees: Sanitation Services**

Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalent)	Vacancies (as a % of total posts)
	No.	No.	No.		%
<b>0-3</b>	1	0	0	0	0%
<b>4-6</b>	3	5	4	1	2%
<b>7-9</b>	9	13	7	6	46%
<b>10-12</b>	22	0	0	0	0%
<b>13-15</b>	24	14	1	13	9%
<b>Total</b>	50	32	12	20	63%

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 2020/21; Sanitation Services**  
R'000

Details	2017/18	2018/19	2019/20	2020/21			
	Actual	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total operational revenue (excluding tariffs)</b>	19,868	21 564	26 630	23 540	23 540	9 227	39%
Expenditure							
Employees	3,048	3 365	4 331	743	4 057	1 675	225%
Repairs and Maintenance	2,485	3 290	3 767	914	914	458	64%
Other	135	1,077	452	3 603	3 604	5	1,11%
<b>Total Operational Expenditure</b>	5,669	7 732	8 550	5 260	8 575	2 138	
<b>Net Operational (service) expenditure</b>	14,199	13,832	18 080	18 280	14 965	7 089	

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 2020/21 Sanitation Services**  
R'000

Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
<b>Total All</b>	N/A	N/A	N/A	N/A	N/A
<b>Project A</b>	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	2017/18	2018/19	2019/20	2020/21
	Actual No.	Actual No.	Actual No.	Actual No.
<b>Energy: (above minimum level)</b>				
Electricity (at least min. service level)	45051	45955	45955	45955
Electricity – prepaid (min. service level)	43622	44566	44566	45955
<b>Minimum service level and above sub- total</b>				
<b>Minimum service level and above percentage</b>				
<b>Energy: (below minimum level)</b>	0		0	0
Electricity (< min. service level)				
Electricity – prepaid (<min. service level)				
Other energy sources	0		0	0
Below minimum service level sub-total	0		0	0
Below minimum service level percentage				
<b>Total number of households</b>	<b>43622</b>	<b>44566</b>	<b>45955</b>	<b>45955</b>
<b>T3.3.3</b>				

Households – Electricity service delivery levels below the minimum					
Households					
	2018/19	2019/20	2020/21		Actual No.
	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	
<b>Formal settlements</b>					
<b>Total households</b>	944	0	0	0	0
Households below minimum service level					
Proportion of households below minimum service level					
<b>Informal settlements</b>	N/A	N/A	N/A	N/A	N/A
<b>Total households</b>	0	0	0	0	0
Households below minimum service level					
Proportion of households below minimum service level					
<b>T3.3.4</b>					

Job Level	2018/19	2019/20	2020/21			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0-3	1	1	2	1	1	50%
4-6	2	1	5	4	1	20%
7-10	13	8	11	9	2	18%
11-12	8	9	20	11	9	45%
13-14	18	11	21	14	7	33%
<b>Total</b>	42	30	58	38	20	34%

Details	2018/19	2019/20	2020/21			Variance to Budget
	Actual	Actual	Original Budget	Adjustment Budget	Actual	
<b>Total operational revenue (excluding tariffs)</b>	<b>95 540</b>	<b>101 081</b>	<b>173 205</b>	<b>175 948</b>	<b>105 277</b>	<b>61%</b>
Expenditure						
Employees	9 239	9 740	11 915	11 915	11 744	99%
Repairs and Maintenance	2 926	1 423	15 000	11 380	10 301	69%
Other	77,607	81 680	117 640	117 630	139 760	119%
<b>Total Operational Expenditure</b>	<b>89 772</b>	<b>92 843</b>	<b>144 555</b>	<b>140 925</b>	<b>161 805</b>	
<b>Net Operational (service) expenditure</b>	<b>14,957</b>	<b>8 238</b>	<b>28 650</b>	<b>35 023</b>	<b>-56 528</b>	

#### Capital Expenditure 2020/21; Electricity Services

R'000

Capital Projects	2019/20	2020/21		Actual Expenditure	Variance from original budget	Total project value
	Budget	Budget	Adjustment Budget			
<b>Total All</b>	12 000	9 500	9 500	8 900	600	9 300

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:

Performance improved from previous year, but aging Infrastructure and weak performance by Service providers remain a challenge

### 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 urban areas townships, Businesses, Schools, industrial and part of the rural areas (Mashishimale R1, R2, R3 as well as some parts of Makhushane) as a pilot project. The municipality currently has one licensed landfill site operational in Phalaborwa valid until 2024 March as well as an approved license to develop new one. The municipality have an Integrated Waste Management Plan that expired in 2020 June and is long overdue for review. Key challenges include enhancement of waste fleet, the development of new landfill site, extension of waste collection to all rural areas, illegal dumping, the rehabilitation of Namakgale, Gravelotte and Phalaborwa landfill site.

T3.4.1

Description	2018/19	2019/20	2020/21
	Outcome No.	Outcome No.	Actual No.
<b><u>Sanitation/sewerage; (above minimum level)</u></b>			
Flush toilet (connected to sewerage)	14070	14070	14070
Flush toilet (with septic tank)	1090	1090	1090
Chemical toilet	208	208	208
Pit toilet (ventilated)	10368	10368	10368
Other toilet provisions (above min. service level)	8070	9756	9756
	<b>33806</b>	<b>35492</b>	<b>35492</b>
Minimum service level and above sub-total			
Minimum service level and above percentage	82%	86%	86%
<b><u>Sanitation/sewerage; (below minimum level)</u></b>			
Bucket toilet			
Other toilet provisions (below min service level)	7309	5623	5623
No toilet provisions			
	<b>10290</b>	<b>10290</b>	<b>10290</b>
Below Minimum service level sub-total	17.8%	13.6%	13.6%
Below Minimum service level percentage	41115	41115	41115
<b>Total Households</b>			

Description	2018/19	2019/20	2020/21
	Actual No.	Actual No.	Actual No.
<b>Solid waste removal: (minimum level)</b>			
Removed at least once a week	22 941	358881	35881
Minimum service level and above sub-total	55,79%	55,79%	55,79%
Minimum service level and above percentage	18174	18174	18174
	44,21%	44,21%	44,21%
<b>Solid waste removal: (below minimum level)</b>			
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			
<b>Total number of households</b>	<b>41115</b>	<b>44082</b>	<b>54055</b>

Description	2018/19	2019/20	2020/21		Actual No.
	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	
<b>Formal settlements</b>	N/A	N/A	N/A	N/A	N/A
Total households	N/A	N/A	N/A	N/A	N/A
Households below minimum service level					
Proportion of household below minimum service level					
<b>Informal settlements</b>	N/A	N/A	N/A	N/A	N/A
Total households	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	2018/19	2019/20	2020/21	Employees No.	Vacancies (fulltime equivalents) %	Vacancies (as a % of total posts)
	Employees	Employees	Posts			
	No.	No.	No.			
0 – 3	0	1	1	0	1	100%
4 – 6	2	5	5	4	1	2%
7 – 9	0	7	1	0	1	100%
10 – 12	7	2	10	7	3	3%
13 – 14	40	47	69	40	29	42%
<b>TOTAL</b>	<b>49</b>	<b>62</b>	<b>86</b>	<b>51</b>	<b>35</b>	<b>41%</b>

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:**

Waste Management Service has improved on access to refuse removal to households by extending to about 3213 households in Makhushane and need five new waste compacters and two skip bin loaders collectors to extend access to waste collection to all rural areas.

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

The compulsory quarterly reports on the operation of the existing landfill site are regularly sent to the Department of Limpopo Economic Development, Environmental and Tourism (LEDET)

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 challenge due to disparities in waste collection, lack of equipment and fleet, lack of waste transfer stations, as well as lack capacity to fully enforce by-laws. The municipality is partnering with stakeholders (Bollanoto Secondary Cooperative, mining community, Department of Limpopo Economic Development, Environment and Tourism, Department of Forestry, Fisheries and the Environment, Thinavhuyo recycling and Institute of Waste Management in South Africa) to combat illegal dumping by improving resources capacity to enhance sustainable environment. There are efforts to do recycling to reduce the volume of waste to the landfill site.

The establishment of new landfill site is on progress, land has been identified, preliminary designs; geotechnical and geohydrological reports were conducted. The perimeter fence is almost complete and after the erection of the fence, Foskor will no longer proceed with the other phases of the project. The municipality will have to find alternative funding mechanisms to proceed with the project to coincide with the expiry of Phalaborwa landfill site license by end of March 2024.

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 36 Houses to Ba-Phalaborwa Municipality for 2020/21 financial year.

T3.5.1

Employees; Housing services							
Job level	2017/18	2018/19	2019/20	2020/21		Vacancies (fulltime equivalents) No.	Vacancies (as % of total posts)
	Employees	Employees	Employees	Posts	Employees		
	No.	No.	No.	No.	No.		
0-3	0	0	0	0	0	0	0%
4-6	5	3	5	2	2	0	0%
7-9	3	2	2	5	2	3	6%
Total	8	5	7	7	4	3	43%

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 2020/21; Housing services							
Details	2017/18	2018/19	2019/20	2020/21		Actual	Variance to budget
	Actual	Actual	Actual	Original Budget	Adjustment budget		
Total revenue operational (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)	N/A	N/A	N/A	N/A	N/A	N/A	N/A

expenditure							
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; 2020/21; Housing services					
R'000					
Capital projects	2020/21				
	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
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 2020/21 financial year. CoGHSTA allocated 36 Houses to Ba-Phalaborwa Municipality for 2020/21 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	%
2017/18			3489		3489		3489		3489	
2018/19			1670		1670		1670		1670	
2019/20			1659		1659		1659		1659	
2020/21			508		508		508		508	
T3.6.3										

Financial performance 2020/21; cost to municipality of free basic services delivered							
Services delivered	2017/18	2018/19	2019/20	2020/21			
	Actual	Actual	Actual	Budget	Adjustment budget	Actual	Variance to budget
Water	520 212..75	N/A	N/A	N/A	N/A	N/A	N/A
Waste water (sanitation)	910 120.58	N/A	N/A	N/A	N/A	N/A	N/A
Electricity	54 274.75	N/A	N/A	N/A	N/A	N/A	N/A
Waste Management (solid waste)	842 529.92	N/A	N/A	N/A	N/A	N/A	N/A
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 km road network. The backlog is estimated at 559.1Km 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				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
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
2019/20	547.9	N/A	2.25km	335.9
2020/21	541.1	N/A	6.8km	388.5

T3.7.2

Asphalted Road Infrastructure					
	Total Asphalted roads	New asphalt roads	Existing asphalt roads re-asphalted	Existing asphalt roads re-sheeted	Asphalt. roads maintained
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	N/A
2019/20	243.8	2.25	N/A	N/A	N/A
2020/21	250.6	6.856	N/A	N/A	N/A

T3.7.3

Cost of construction/maintenance R'000						
	Gravel			Tar		
	New	Gravel-Tar	Maintained	New	Re-worked	Maintained
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
2019/20	R1.5m/km	R6.5m	N/A	R6.5m/km	N/A	N/A
2020/21	R1.5m/km	R6.5m	N/A	R6.5m/km	N/A	N/A

T3.7.4

Employees: roads services							
Job level	2017/18	2018/19	2019/20	2020/21			
	Employee s No.	Employee s No.	Employee s No.	Posts No.	Employee s No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	1	1	1	1	1	0	0%
4-6	0	2	2	2	2	0	0%
7-9	3	3	3	3	3	0	0%
10-12	8	4	2	4	2	2	50%
13-14	8	16	19	26	19	7	27%
<b>Total</b>		26	29	36	29	9	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.

Financial performance 2020/21; Roads and Transport R'000							
Details	2017/18	2018/19	2019/20	2020/21			
	Actual	Actual	Actual	Original budget	Adjustment budget	Actual	Variance to budget
<b>Total operational revenue (excluding tariffs)</b>	47,184	43 557	25 967	32 930	41 921	40 971	158%
<b>Expenditure:</b>							
<b>Employees</b>	16,309	21,267	7 345	6 878	6 878	7 035	102%
<b>Repairs &amp; Maintenance</b>	5,059	11,927	5 163	5 547	9 697	9 197	165%
<b>Other</b>	1,099	114 132	23 044	47 708	47 618	40 498	85%
<b>Total operational expenditure</b>	22,467	147 326	35 552	60 133	64 193	56 730	
<b>Net operational (service) expenditure</b>	-24,716	-103 769	-9 585	-27 203	-22 272	-15 759	

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

Capital expenditure 2020/21: Road Services R'000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
<b>Total all</b>	32 963	41 954	42 050	100%	42 050

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

**COMMENT ON THE PERFORMANCE OF ROADS OVERALL:**

The overall performance of the roads section is not satisfactory as far as routine road maintenance of existing network infrastructure is concerned, but however the main roads in Ba-Phalaborwa includes the R71, R40 whereby SANRAL is busy with the routine road maintenance. The R40 road has been recently been Rehabilitated and R71 is also being maintained as and when required by SANRAL. Due to the challenges on old infrastructure and financial constraints, the road and storm water Masterplan of Ba-Phalaborwa Municipality is outdated, and the section is performing the tasks as best as possible within the limitations. The roads and storm water section is attending to patchwork, sealing and unblocking of storm water drainages and catch pits. Most of our roads are experiencing aggregate loss, which gives the surfaces of our roads a rough texture, The Municipality will then need to make sure that slurry is applied on our roads before most of the roads loses most of the surface or the good texture of the road. In addition, a programme for grading of all main and internal roads is done on daily basis but not effective due to the continuous breakdowns of the graders. Patching sealing and storm water control is an ongoing process, and a schedule is drafted for that and open to be amended as and when required. The municipality is currently busy with upgrading of roads from gravel to tar through MIG.

The upgrading of 6.8km's from gravel to tar of Tambo Phase 2 street paving has reached practical completion.

Development of municipal roads as required	km of municipal roads developed
2016/17	3.2km
2017/18	1.7km
2018/19	3.6km
2019/20	2.25km
2020/21	6.8km
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
- 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 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**

The storm water drainage forms an important component of roads infrastructure where is designed to drain excess rain and ground water from impervious surfaces such as paved streets, parking lots, car parks, foot paths and sidewalks. The roads and storm water 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

### 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.

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

### 3.10 PLANNING

#### Capital expenditure 2020/21: Planning Services

R`000

Capital Projects	2020/21				
	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

#### Employees: Planning Services

Job level	2020/21						
	2017/18	2018/19	2019/20	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	2	1	3	3	2	1	33%
4-6	1	3	8	8	4	4	50%
7-9	1	1	2	2	0	2	100%
13-14	0	0	1	1	0	1	100%
Total	4	5	14	14	6	8	57%

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

Financial performance 2020/21: Planning services

(R'000)

Details	2017/18	2018/19	2019/20	2020/21			
	Actual	Actual	Actual	Original budget	Adjusted budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)	1,703	319	504	11 069	11 069	591	5.3%
Expenditure:							
Employees	6,203	6 981	10 677	8 704	8 704	8 612	99%
Repairs & Maintenance			0	0	0		
Other	1,722	4,158	3 125	6 323	6 323	2 473	39%
Total operational expenditure	7,926	11,139	13 802	15 027	15 027	11 085	
Net operational (service) expenditure	6,223	-10 820	-13 298	-3 958	-3 958	-10 494	
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 (Palabora 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 although under Covid 19 regulations this activity did not happened.

Economic Employment by Sector				
Jobs				
Sector	2017/18	2018/19	2019/20	2020/21
Agric, forestry and fishing	158	141	142	153
Mining and quarrying	88	86	76	98
Manufacturing	80	81	65	72
Wholesale and retail trade	354	355	231	257
Finance, property, etc.	120	112	93	87
Govt, community and social services	120	352	296	310
Infrastructure services	163	128	96	121
<b>T3.11.3</b>				

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

**COMMENT ON LOCAL JOB OPPORTUNITIES:**

**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 created 1160 temporary jobs through the municipality's in-house poverty alleviation and employment programmes, which are EPWP (63), CWP (1035) and Capital projects (62).

**T3.11.4**

Job Creation through EPWP* Projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
2016/2017	8	185
2017/18	N/A	1012
2018/19	4	1195
2019/20		76
2020/21	4	62
*-Extended Public Works Programme		T3.11.6

Employees: Local Economic Development Services							
Job level	2017/18	2018/19	2019/20	2020/21			
	Employees	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
	No.	No.	No.	No.	No.		
0-3	1	1	1	1	1	0	0%
4-6	0	2	2	2	2	0	0%
7-9	0	0	0	1	1	0	0%
<b>Total</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0%</b>

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.

## 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 consist of five (5) fully established libraries as well as two school/community libraries based at Lebeko High School at Mashishimale as well as 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 and tablets for personal use, printing and photocopying services, scanning of documents, user education on library services 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 2020/21: Libraries. (R'000)							
Details	2017/18	2018/19	2019/20	2020/21			
	Actual	Actual	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)	142	171	132	156	156	22	14%
<b>Expenditure:</b>							
Employees	2,851	3 118	2 250	3 534	3 534	2 265	64%
Repairs & Maintenance			-	57	129	129	226%
Other	277	86	148	805	805	43	5.3%
Total operational expenditure	3,129	3 204	2 398	4 396	4 465	2 437	
Net operational (service) expenditure	2,986	3 032	- 2 266	-4 240	-4 309	-2 415	
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 T3.52.5							

**Capital expenditure 2020/21: Libraries.**  
R'000

Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
<b>Total all</b>	N/A	N/A	N/A	N/A	N/A
<b>Project A</b>					
<b>Project B</b>					
<b>Project C</b>					
<b>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)</b> <b>T3.52.6</b>					

**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 Ba-Phalaborwa Municipality has a relationship with the Palabora Foundation with regard to strategic support to our Library Services. The Library Services Development Plan has been development, 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 CREMATORIUMS**

**INTRODUCTION TO CEMETORIES & CREMATORIUMS**

The Municipality have four fully established cemeteries in Gravelotte, Phalaborwa, Namakgale and Lulekani. Gravelotte and Phalaborwa cemeteries are nearing their full capacity. A process is in place to identify new land to develop a new cemetery for Gravelotte and there is a need to look at a viable alternative for Phalaborwa cemetery. There are no crematoriums for in Phalaborwa, however there is provision to store the ashes at Phalaborwa cemetery.

Lulekani cemetery fence need to be extended to cover the entire land allocated by the Tribal Authority to ensure long term use. Namakgale cemetery and the old Lulekani cemetery fence need to be upgraded to ensure the cemeteries are secured. The traditional authorities are also managing variety of cemeteries and they need to be supported to ensure the cemeteries comply with the basic legislative requirements as well as the basic infrastructure.

There is a need for an electronic cemetery management system to enhance record keeping as well as constantly improving by-laws to enhance utilization of burial space. In particular enhancing the lifespan of the cemeteries.

Financial performance 2020/21: Cemeteries and Crematoriums							
R'000							
Details	2017/18	2018/19	2019/20	2020/21			
	Actual	Actual	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)	140	185	139	169	169	190	112%
<b>Expenditure:</b>							
Employees	381	433	1 401	1 384	1 384	826	60%
Repairs & Maintenance	41	291	365	759	723	435	57%
Other	9	-34	380	1 125	1 525	697	62%
<b>Total operational expenditure</b>	<b>431</b>	<b>690</b>	<b>2 146</b>	<b>3 268</b>	<b>3 632</b>	<b>1 958</b>	
<b>Net operational (service) expenditure</b>	<b>291</b>	<b>506</b>	<b>-2 529</b>	<b>-3 099</b>	<b>-3 463</b>	<b>-1 768</b>	
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.

The Municipality doesn't own/have any crematoriums facilities; however, the nearest crematorium is in Nelspruit of which are privately owned.

National Government is continuing to provide guidance in the form of regulations around treatment of deceased persons and funerals. The Municipality has 4 public cemeteries, of which are still actively used for burials. Out of these active cemeteries 2 have reached full capacity. There are however 2 cemeteries with longer term burial opportunities which at the current burial demand are projected to be sufficient for the next 5 years. There is currently no reason to think that COVID-19 burials need to be conducted separately. The Municipality will continue to make use of all available cemetery resources as per normal at this stage.

Only 1 hour is allowed in the cemetery for each burial with not more than 50 people during level 3 in accordance to the directions issued in terms of regulation 10(1) of the regulations made under section 27 (2) of the Disaster Management Act ,2002(Act No.57 of 2002). Undertakers must ensure that the family adheres to the restriction of a maximum of 50 people permitted to attend each burial. This total includes the priest, family members, undertaker staff and guests.

The council employees working at the cemeteries are provided with full disposable PPE to stop the possibilities of infections. In case of COVID 19 burial funeral the Municipality has TLB to cover the grave. No more than two burials are allowed at the same time close to each other. Funeral undertaker must adhere to the time allocated to them.

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.

The Municipality is being encouraged to implement greening interventions and will put in place a greening plan linked to the Integrated Development Plan. From 1 to 30 September every year, the Municipality select one of government institutions, schools, communities, businesses and organisations are reminded and encouraged to participate in community

"greening" to improve the health, conservation of species biodiversity, mitigation of greenhouse gases that lead to global climate change, food security and beauty of the local environment.

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 primary responsibility of the unit is to manage the total security function of the institution to ensure the safety of employees, clients and assets through the implementation of internal controls and coordination with different officials/sectors. The unit falls under the Risk Management Unit.

The Municipality is represented on the Cluster and JOC meetings that are convened by Phalaborwa SAPS. The Municipality processes applications for marches by the Public and approval is given after having a meeting with SAPS. The municipality has outsourced its guarding services to a service provider and the Risk Management Unit is managing them.

## **COMPONENT H: TRAFFIC AND LICENSING**

### **Traffic Law Enforcement.**

This section has worked continually since the start of the COVID 19 pandemic in order to cover the Municipal area by day for law enforcement, visible policing, road safety, emergency response and special duties including COVID reaction plans and monitoring.

The section has performed well under the circumstances. In order to attempt to collect as many outstanding fines as possible as part of the Financial recovery plan, a specialised Warrant of Arrest team was formed and are increasing the payment rate which is very low. This is a countrywide problem and will hopefully end with the full implementation of the Administration of Road Traffic Offences Act (AARTO)

### **Road Marking and Signage Section**

The Phalaborwa weather has and does take its toll on road marking and painted signs which must be replaced, repaired and even washed regularly. The other major concern is the increasing rate of theft of poles and signs, presumably for either use or sale to scrap yards as well as continual vandalism, particularly during school holiday periods.

The matter of street name plate erection and implementation remains a challenge due to budgetary constraints.

The extreme implementation of stand-alone speed humps which need continual painting and signage remains a challenge as there is no traffic calming system in operation or that some of the humps are on Provincial or District roads.

### **Licensing Section (Registration Authority)**

We operate the licensing office as an agent of the Limpopo Department of Transport in terms of an SLA. This is highly regulated and legislated and the unit is under constant performance audit by Province. It is pleasing to note that we have passed all audits with regard finances and general operation with only few queries on minor matters. This unit brings in good income but this could be improved with negotiation at the SLA signing period.

There has however been a considerable loss of income at licensing due to the National Department of Transport allowing the SA Post Office and others to also issue licences for motor vehicles which has reduced our customer base.

### **Testing of Driver's Licences and Examination of Motor vehicle sections.**

The Drivers licence centre is well utilised but needs to be urgently moved to a more suitable site due to legislative concerns. This process is currently underway, and when completed will allow additional testing and thus reduced queues and waiting times

## TRAFFIC LAW ENFORCEMENT PERFORMANCE AREAS

Activities	2019/2020	2020/2021	Comments
Notices Issued	1343 R580 016	1286 R384 920	New fines system installed and tested in November 2019.  All officers on roadblock duty virtually permanently for COVID 19
Notices Withdrawn	94 775	233	Withdrawn on court roll
Notices Outstanding	1315 R565 459	1035 R310 085	
Notices Paid	R38 160	R31 050	
% of Monthly Priority Enforcement Completed	85%	100%	Some events not held due to bad weather and/or staff shortages in 2019.  Majority of special roadside ops not planned due to all staff on permanent roadblocks
Arrive Alive Campaigns held	Joint campaign held with Province and District December 2019	0	Some campaigns not held due to COVID 19 considerations and risks.

## TRAFFIC ROAD MARKING AND SIGNAGE PERFORMANCE AREAS

Activities	2019/2020	2020/2021	Comments
KM's of Road Painting Completed	8,528	8,279	Limited staff – On Rotation
New signs Erected	51	31	Majority of suppliers closed during COVID 19.
Damaged Signs Repaired and some poles also replaced	183	165	
Illegal Posters Removed	35	67	
Covid 19 Social Distancing Marking	525 meters	0	Civic Centre, Licensing and Phalaborwa, Namakgale and Lulekani Taxi Ranks

## LICENSING (REGISTRATION AUTHORITY) PERFORMANCE AREAS

Activities (Transactions Concluded}	2019/2020	2020/2021	Comments
Application for Learners Licences	1126	1343	Licensing closed for 3 months at the start of the

			COVID 19 outbreak
Application for Professional Driving Permit	1200	1359	
Application for Roadworthy Test	731	23	
Application for Drivers Licence	292	4090	
Certification of Roadworthiness	753	20	
Duplicate Registration/Deregistration Certificate	151	118	
Issue Drivers Licences (including Renewals)	6025	6697	
Issue Learners Licences	347	255	
Issue Temporary Drivers Licences	2304	1345	
Licensing of Motor Vehicles	15268	18730	Licences available from Post Office and other sources reducing our income
Registration and Licensing Arrears and Penalties	6532	10404	
Registration of Motor Vehicles	3872	4093	
Outstanding Infringements	452	571	
<b>Transaction fees</b>	<b>13124</b>	<b>15873</b>	
80% of Fees Due to Province	9599343.94	12429715.91	
20% of fees due to Council	2392337.09	3113812.80	
Direct Income Not Shared	1829672	1869795	No price increase for years
Outstanding Infringements Paid to Road Traffic Infringement Agency	203913.40	267752.85	
Transaction Fees paid to Road Traffic Management Corporation	869154	1237320	

### TESTING (DRIVERS LICENCE AND ROADWORTHY TESTING CENTRES}

ACTIVITIES (TRANSACTIONS CONCLUDED)	2019/2020	2020/2021	COMMENTS
Application for Learners Licences	1061	1185	
Learners Licence Issued	321	235	
Learners Licence Unsuccessful	739	782	

Learners Licence Deferred	24	118	
Learners Applicants Who Did Not Turn up	29	50	
Application for Drivers Licence	782	974	
Drivers Licence Issued	508	705	
Drivers Licence Unsuccessful	217	256	
Drivers Applicants Who Did Not Turn Up	20	11	
Drivers licence Test Deferred	37	12	
Application for Professional Driving Permits	1079	1227	
Application for Roadworthy	545	20	RWC closed due to Covid 19 April to end June 2020, Passing of the testing officer and over 60year old Pit Assistant not working.2 Private Testing Stations Operating in Phalaborwa
Vehicles That Passed The Test	509	20	
Vehicles For Retest	35	0	
Discontinue Notice Issued due to Roadworthiness	110	122	
Discontinue Notice Issued due to Accident Damage	80	120	

The Roadworthy centre is currently closed due to a shortage of staff. There are currently two vacancies and the pit assistant is over 60 and has co-morbidity problems. We do however have two private test stations in the area that supply the required service to the public.

### **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 stakeholders in and outside the municipal jurisdiction, including the District Municipality 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 by conducting Disaster Risk Assessments and Disaster Impact Assessment, By Responding to Disaster Incidents and Provision of Relief materials.

**Major Achievements:**

Ba-Phalaborwa has managed to provide shelter, tents, mattresses and blankets to the public affected disaster as and when it happens. The Disaster Management Plan is in place for Ba-Phalaborwa Municipality and the Risk Assessment Review was Conducted.

The Municipal Disaster Management Unit was involved in the following potential disaster prone activities in conjunction with the All the first Responders:

- ✓ 2020/21 COVID 19 Roadblocks;
- ✓ Awareness campaigns; Several disaster management meetings i.e., District Command Council, District JOC. District Disaster Management Forum, Fire Protection Association, South African Police Cluster meetings and others; Joint operation committees, Local Command Councils.
- ✓ 2020/21 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	2017/18	2018/19	2019/20	2020/21			
Job Level	Employees No.	Employees No.	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	1	2	1		1		
4-6	1	12	1		1		
7-9	2	17	2		2		
10-12	0	1	0		0		
<b>Total</b>	<b>4</b>	<b>32</b>	<b>4</b>		<b>4</b>		

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

Employees: Disaster management, Animal Licensing and control, control of public							
Job level	2017/18	2018/19	2019/20	2020/21			
Job Level	Employees	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
	No.	No.	No.	No.	No.		
0-3	1	2	1	1	1	0	0%
4-6	1	12	1	1	1	0	0%
7-9	2	17	2	3	2	1	3%
10-12	0	1	0	0	0	0	0%
<b>Total</b>	<b>4</b>	<b>32</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>1</b>	<b>2%</b>

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

In terms of the National Sport and Recreation Act no 110 of 1998, section 3 (a), a municipality may carry out sporting or recreational activities or activities relating to physical education, sport and recreation, including training programmes and development of leadership qualities. The Sport, Arts and Culture unit supports the activities that are initiated by the Department of Sport Arts and Culture for district, provincial and national as per MOU signed by the BPM and the Department of Sport Arts and Culture. BPM organizes activities such as Indigenous games, Club development games, Visual and Performing Arts and South African Football Association activities that are done from streams/wards level of BPM and the Mayors Cup annually. BPM has a sports confederation/council and Arts and Culture council, which are in place. Ba-Phalaborwa Municipality is utilising the MIG funding for developing sport facilities of a good standard and to be conducive for the community.

The sport Arts and culture unit consists of only one employee who is a Co-ordinator/Officer responsible for Mayoral Programmes and sport arts and culture activities.

Ba-Phalaborwa municipality maintain the following Sports facilities, Lulekani Stadium and Namakgale Stadium. However, it must be noted that the revenue collected from these facilities does not cover the maintenance needed in this facilities. More revenue needs to be budget to maintain these facilities.

T3.68.0

### 3.17 SPORT AND RECREATION

Capital expenditure 2020/21: Sport and Recreation R'000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Construction of Selwane Sports Complex	6 518	8 095	7 292	112%	
Namakgale Stadium	5 345	4 978	4 037	76%	
<b>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)</b>					
<b>T3.68.5</b>					

### 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	2017/18	2018/19	2019/20	2020/21			
Job Level	Employees	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
	No.	No.	No.	No.	No.		
0-3	27	5	10	11	11	0	0%
4-6	75	14	25	26	25	1	4%
7-9	93	11	17	19	18	1	5%
10-12	55	2	2	4	3	1	3%
13-14	139	16	24	30	21	9	3%
<b>Total</b>	<b>395</b>	<b>48</b>	<b>78</b>	<b>90</b>	<b>78</b>	<b>23</b>	<b>26%</b>

### 3.19 FINANCIAL SERVICES

Debt recovery												
Details of the types of account raised and recovered	2017/18			2018/19			2019/20			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	106,413.63	113,609	41%	110617437.43	132629278.00	5	127692797.61	48%	61447642.91	95114067.33	55%	52312737.03
Electricity – B												
Electricity – C	78,911	96,754	86%	71141187.61	101882030.00	102%	75376092.49	86%	65088386.58	105277282.93	71%	74746870.88
Water – B												
Water – C												
Sanitation												
Refuse	18,114	38%	15152046.30	19074821.00	37%		17010161.4	36%	6102643.66	16032398.03	30%	4809719.41
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	2017/18	2018/19	2019/20	2020/21			
Job Level	Employees	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
	No.	No.	No.	No.	No.		
0-3	6	4	5	6	5	1	17%

4-6	32	18	17	29	21	8	28%
7-9	25	9	9	23	8	15	65%
10-12	5	2	2	4	2	2	50%
13-14	1	0	0	1	0	1	100%
Total	68	33	33	63	36	27	43%

### 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 forty -one (41) employees during the financial year 2019/20. 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 thirty –three (33) training interventions were implemented.  
  
The Municipality also has a Bursary Scheme which assist to capacitate Municipal employees. A total number of twenty-five (25) were awarded Bursaries for the financial year 2020/21, however, only fifteen (15) learners were able to register with recognised institutions
3. Twelve (12) injuries on duty were reported in the 2020/21 financial year.
4. The Local labour forum is functional and deals with matters of mutual interest.  
  
Twenty-one (21) meetings were held in the 2020/21 financial year
5. The 2021/22 Organogram was reviewed and approved on the 27th of May 2021 as per council resolution no. 260/21.

Employees: Human Resource Services								
Job level	2016/17	2017/18	2018/19	2019/20	2020/21			
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	5	4	1	2%
<b>TOTAL</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>100%</b>
<b>T3.71.4</b>								

Financial performance 2020/21: Human Resource Services							
Details	2017/18	2018/19	2019/20	2020/21			
	Actual	Actual		Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)	368	449	480	171	171	535	312%
<b>Expenditure:</b>							
Other Employees	3,925	3,984	4 318	5 307	5 307	4 913	93%
Repairs & Maintenance							
Other	10,999	7 922	7 390	12 093	13 134	7 830	65%
<b>Total operational expenditure</b>	<b>14,924</b>	<b>11 906</b>	<b>11 708</b>	<b>17 400</b>	<b>18 441</b>	<b>12 743</b>	
Net operational (service) expenditure	-14,557	-11 457	-11 228	-17 229	-18 270	-12 208	
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							
<b>T3.71.5</b>							

#### COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

The Human Resources services has not performed well in terms of skills development in 2020/21 financial year. Workplace Skills Plan submission to LGSETA was submitted to LGSETA on the 28 April 2021. A total number of eighteen (18) training interventions were implemented at the cost of R1 600 623.89 of the total budget R4 071 676.58.

The labour relations was not doing quite well, the Local Labour Forum has been sitting but with little progression when it comes to discussing issues.

The organogram for the year 2021/22 was approved on the 27 May 2021 as per council resolution no. 260/21.

In terms of the 2020/21 SDBIP, the municipality achieved its target of recruitment. Forty-one (41) employees were recruited.

3.72.1

### COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

The labour relations was not doing quite well, the Local Labour Forum has been sitting but with little progression when it comes to discussing issues.

The organogram for the year 2021/22 was approved on the 27 May 2021 as per council resolution no. 260/21.

In terms of the 2020/21 SDBIP, the municipality achieved its target of recruitment. Forty-one (41) employees were recruited.

3.72.1

### SERVICES FOR ICT

- 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	2017/18	2018/19	2019/20	2020/21			
	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	
4-6	3	3	2	4	2	2	
7-9	0	0	1	1	0	1	
<b>Total</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>1</b>	<b>1</b>	

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 2019/20: ICT Services  
(R'000)**

Details	2017/18	2018/19	2019/20	2020/21			
	Actual	Actual	Actual	Original budget	Adjustment budget	Actual	Variance to budget
<b>Total operational revenue (excluding tariffs)</b>		0	0	0	0	0	0
<b>Expenditure:</b>							
<b>Other Employees</b>	1,855	1 976	2 667	2 319	2 319	2 447	106%
<b>Repairs &amp; Maintenance</b>	12	4	15	18	18	6	33%
<b>Other</b>	1,689	1,170	1 531	1 018	1 018	639	63%
<b>Total operational expenditure</b>	3,556	3 150	4 213	3 355	3 355	3 092	
<b>Net operational (service) expenditure</b>	3,556	3 150	-4 213	-3 355	-3 355	-3 092	
<b>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</b>							
<b>T3.72.5</b>							

**Capital expenditure 2020/21: ICT Services  
R'000**

Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
<b>Total all</b>	N/A	N/A	N/A	N/A	N/A
<b>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)</b>					
<b>T3.72.6</b>					

### 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:

- Layer 2 Switch Board
- 15 Laptop received and configured
- Disaster Recovery MoU signed Between BPM and GGM
- Radio Links Replaced at all sites
- 6 ICT policies reviewed
- SLA signed with Inzalo Extended for 12 months
- Rene Attend to all call logged at our help desk
- 5 % down time for E-mail and Internet

- Outlook Anywhere for email availability
  - Active Microsoft Enterprise Agreement
  - 98 % Virus Free environment
  - 3 Quarterly ICT steering committee meeting held
  - 100% Web content update
- w the Sophos Anti-virus and Firewall subscription

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 (18 in number);
2. Cases by the municipality against others (9 in number);
3. Cases by the municipality against residents who contravene the municipality's Town Planning Scheme and the Building Regulations and Standards Act (11 in number); and
4. Labour related cases (6 in number)

T3.73.2

**Financial performance 2020/21: Property; legal; Risk Management and Procurement Services**

R'000

Details	2017/18	2018/19	2019/20	2020/21			
	Actual	Actual	Actual	Original budget	Adjustment budget	Actual	Variance to budget
<b>Total operational revenue (excluding tariffs)</b>	0	0	0	0	0	0	0
<b>Expenditure:</b>							
<b>Other Employees</b>	1,059		4 376	1 236	1 236	1 167	94%
<b>Repairs &amp; Maintenance</b>							
<b>Other</b>	6,067		6 702	6 717	6 667	6 979	104%
<b>Total operational expenditure</b>	7,127		11 078	7 953	7 903	8 146	102%
<b>Net operational (service) expenditure</b>	7,127		-11 078	-7 953	-7 903	-8 146	

**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 2020/21: Property; legal; Risk Management and Procurement Services**

R'000

Capital Projects	2020/21				
	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					

**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 2020/21, the structure reflected a total number of 694 positions out of which four hundred and twenty-four (424) positions were filled and two hundred and seventy (270) were vacant.

#### TURNOVER

A total number of twenty-three (23) employees left the organisation in the financial year 2020/21 as follows: -

Resignations	=	2
Early retirement:	=	7
Normal retirement	=	4
Death exit	=	5
Dismissal	=	0
End of contract	=	5
<b>TOTAL</b>	=	<b>23</b>

T4.0.1

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees										
Description	2017/18		2018/19		2019/20		2020/21			
	No. of employees	No. of Approved posts	No. of employees	No. of Approved posts	No. of employees	No. of Approved posts	No. of employees	No. of employees	No. of vacancies	% of vacancies
Water	43	107	44	107	107	51	108	53	55	51%
Legal	2	2	2	2	2	2	2	2	0	0%
Electricity	29	58	20	58	58	16	58	38	20	34%
Waste Management	55	86	50	86	86	45	86	46	40	47%
Housing	7	16	4	8	16	7	7	4	3	43%

Finance	33	64	33	63	64	33	63	36	27	71%
Roads & Stormwater	22	38	24	40	38	27	38	27	11	29%
Building Services	28	31	19	39	39	17	31	17	14	
Project Management unit	3	3	3	4	3	3	4	4	0	0%
ICT	4	6	4	6	6	4	6	4	2	33%
Strategic Planning	4	5	8	13	3	2	14	6	8	57%
Local Economic Development	1	4	3	4	3	3	4	4	0	0%
Library	7	22	10	22	22	5	22	9	13	59%
Community & social services (parks & Cemetery)	49	89	52	88	88	59	89	51	38	43%
Disaster Management	4	5	4	5	5	4	5	3	2	4%
Security & safety (Traffic & licensing)	32	44	34	45	44	32	44	32	12	27%
Special programs	2	3	2	3	3	3	3	3	0	0%
Human Resources	7	11	7	11	11	7	11	8	3	38%
Executive and Council support	20	62	51	84	52	84	93	71	22	24%
Audit and risk management			6	6	6	6	6	6	0	0%
Totals	401	683	380	694	655	412	694	424	270	39%

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.  
5r

Vacancy Rate: 2020/21			
Designation	*Total approved posts	*Variances (Total time that vacancies exist using fulltime	*Variances (as a proportion of total posts in each category)%

	No.	equivalents) No.	
Municipal Manager	1	0	
CFO	1	1	
Other S57 Managers (excluding Finance Posts)	3	1	
Other S57 Managers (Finance posts)	1	1	
Municipal Police	0	0	
Fire Fighters	0	0	
Senior Management: Levels 1-3 (excluding Finance Posts)	20	3	
Senior Management: Levels 1-3 (Finance Posts)	5	1	
Highly skilled supervision: Levels 4-6 (excluding Finance posts)	89	22	
Highly skilled supervision: Levels 4-6 (Finance posts)	28	8	
<b>Total</b>	<b>148</b>	<b>38</b>	

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

<b>Turn-over Rate</b>			
<b>Details</b>	<b>Total Appointments as of beginning of financial year No.</b>	<b>Terminations during the financial year No.</b>	<b>Turn-over Rate*</b>
2016/17	8	22	2,8%
2017/18	11	28	
2018/19	23	22	95%
2019/20	17	12	71%
2020/21	41	23	56%

\*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 forty-one (41 positions for 2020/21 financial year and has achieved its target in terms of the SDBIP. However, the termination of twenty-three (23) employees results in the low reduction of our 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	
Code of Conduct for employees	100%	100%	Approved by council in May 2021 resolution 259/21	
Overtime Policy		100%	Approved by council on 31 JULY 2017 resolution R396/17	
Housing accommodation policy		100%	Approved by council on 30 March 2014 resolution R107/14	
Cell phone and 3g card policy		100%	Approved by council on 30 March 2017 resolution 380/17	
Funeral Policy		100%	Approved by council on May 2021 resolution 259/21	
Employee Assistance / Wellness		100%	Approved by council on 30 July 2015 resolution R355/15	
Staff Provisioning policy		100%	Approved by council on 30 MAY 2018 resolution R509/18	
Vehicle Transport policy		100%	Adopted by council on R 508/198 on 31/10/18	
Induction Manual		100%	Approved by council on 15 JULY 2017 resolution 354/17	
HIV/Aids				
Training and Development policy		100%	Approved by council on 23 Feb 2015 resolution 271/15	
Leave forfeiture policy		100%	Approved by council On 12 May 2018 resolution 296/18	
Occupational Health and Safety policy		100%	Approved by council on 24 March 2017 resolution 489/17	
Recruitment, Selection and Appointments		100%	Approved by council in May 2021 as per council Resolution 259/21	
Sexual Harassment		100%	Approved by council on 30 May 2018 resolution 496	
Staff Study Bursary Policy		100%	Approved by council the on 14 December 2017 resolution 488/17	
Experiential learning policy		100%	Approved by council on 30 June 2018 resolution 23/18	
Smoking policy		100%	Approved by council on 17 June 2017 resolution 299/17	
Uniforms and Protective Clothing		100%	Approved by council on 30 March 2016 resolution 220/16	
Succession Planning policy		100%	Approved by council on March R 494/16	
Human Resources Procedure Manual		100%	Approved by council on 30 June 2017 resolution 107/17	
Mayoral Bursary Policy		100%	Approved by council on 23 June 2017 resolution R121/17	

Overtime policy		100%	Approved by council on 30 June 2017 resolution 295/17
Acting on higher position		100%	Approved by council on 30 June 2018 resolution R395/18
Exit policy		100%	Approved by council on 24 May 2016 resolution R221/15
Employee Transfer policy		100%	Approved by council 30 June 2018 resolution R467/18
Rental policy		100%	Approved by council May 2021 resolution 259/21
Probationary Period policy		100%	Approved by council 30 June 2018 resolution 509/18
Relocation policy		100%	Approved by council on 30 June 2016 resolution 396/16
COIDA policy		100%	Approved by council on 30 June 2017 R 490/17

**Comments on policies:**

The municipality did not approve the policies as is required due to the non-progression of the Local Labour Forum during the LLF meetings during the consultative processes.

**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	13	5	0	0.4%	
Temporary total disablement	0		0	0%	
Permanent disablement	21	1	0	0.05%	
Fatal	0	1	0	0%	
<b>Total</b>	<b>34</b>	<b>7</b>	<b>0</b>		

**T4.3.1**

Number of days and cost of sick leave (excluding injuries on duty)						
Designations	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per employees Days	Estimated cost R'000
MM & SEC 57 Managers	03	0	02	04	50%	03
Management (level 3-5)	363	8	28	62	45.16%	363
Highly skilled production (levels 6-8)	600	19	63	118	53.39%	600
Skilled level (level 9-12)	91	03	13	60	21.66%	91
Lower skilled (level 13-14)	378	04	57	1530	37.25%	378
<b>Total</b>	<b>1435</b>	<b>34</b>	<b>163</b>	<b>397</b>	<b>207.46%</b>	<b>1435</b>

**COMMENT ON INJURY AND SICK LEAVE:**

The municipality had eleven minor and one major injuries on duty for the financial year 2020/21. Investigations on the injuries were made to ensure that safety of employees at the work place is guaranteed in compliance to the Occupational Health and Safety Act. A total number of two hundred and seven (207) injury on duty sick leave has been recorded. The high number of injury on duty sick leave was a result of the major injury T4.3.4

## 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 seventy (92) training interventions were planned and the municipality was able to implement thirty-three training interventions due to COVID-19.

Of the total budget of R3 071 676,00 the municipality was able to spend R1 360 755,00. Due to COVID19 restrictions and supply chain process are very slow.

#### 4.4 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management	Gender	Employees in post as at 30 June 2021	Number of skilled employees required and actual as at 30 June 2021											
		No.	Learnerships			Skills programme & other short courses			Other forms of training			Total		
			Actual 30 June 2020	Actual 30 June 2021	Target	Actual 30 June 2020	Actual 30 June 2021	Target	Actual 30 June 2021	Actual 30 June 2021	Target	Actual 30 June 2020	Actual 30 June 2021	Target
Municipal Manager	F	1	N/A			N/A			N/A			N/A		
Chief Financial Officer	M	1	N/A			N/A			N/A			N/A		
Snr Manager: Corporate Services	M	1	N/A			N/A			N/A			N/A		
Snr Manager: Community & Social Services	M	1	N/A			N/A			N/A			N/A		
Snr Manager Technical Services	M	1	N/A			N/A			N/A			N/A		
Acting Snr Manager Planning and Development	M	1	N/A			N/A			N/A			N/A		
Sub Total			N/A			N/A			N/A			N/A		
Total														

**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))
<b>Financial officials</b>	<b>22</b>	<b>0</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>22</b>
<b>Accounting officer</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Chief Financial Officer</b>						
<b>Senior Managers</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Any other financial officials</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>
<b>Supply Chain Management officials</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>
<b>Heads of SCM units</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>SCM senior managers</b>						
<b>Total</b>	<b>33</b>	<b>0</b>	<b>33</b>	<b>4</b>	<b>4</b>	<b>33</b>

\*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 2020/21							
			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	0	0	0	0	0	0
	M=2	2	0	0	0	0	0	0	0	0
Legislators, senior and managers	F = 36	F=36	93500	93500	0	0	0	0	93500	93500
	M= 35	M=35	168300	168300	0	0	0	0	168300	168300
Professionals	F=41	F=41	93500	93500	23372,60	23372,60	0	0	116872	116872
	M=27	M=27	56100	56100	30886,60	30886,60	0	0	86986	86986
Technicians and associate professionals	F = 15	F=15	0	0	0	0	0	0	0	0
	M= 22	M=22	0	0	10643.15	10643,15	0	0	10643.15	10643,15
Clerks	F=8	F = 8	56100	56100	5843,15	5 843,15	0	0	61943.15	61943.15
	M =0	M = 0	18700	18700	11686,30	11686,30	0	0	30 386.30	30386,30
Service and sales workers	F = 15	F= 15	0	0	0	0	0	0	0	0
	M=22	M=22	0	0	0	0	0	0	0	0
Plant and machine operators and asse40 579mblers	F=13	F=13	0	0	0	0	0	0	0	0
	M=15	M=15	0	0	0	0	0	0	0	0
Elementary occupation	M=12	M=12	0	0	111600	111600	0	0	111600	111600
	F=18	F=18	0	0	55800	55800	0	0	55800	55800

Sub Total	F=147	F=147	243100	184300	140815	140815	0	0	388915	383915	
	M=135	M=135	243100	243100	92529,75	226459,20	0	0	200615	341472	
*% 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 2020/21 financial year comprised of nine (9) councillors and twenty-one (21) employees. There was a delay in the submission of Portfolio of Evidence due to COVID-19. However, the program is in the final stage of completion.

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)	N/A	N/A
	N/A	N/A
	N/A	N/A
Highly skilled production (levels 9-7)	N/A	N/A
	N/A	N/A
Highly skilled supervision (level 6-4)	N/A	N/A
	N/A	N/A
Senior management (levels 3-1)	N/A	N/A
	N/A	N/A
MM & S57	N/A	N/A
		N/A
Total		N/A

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

None	None	None	None	None
<b>T4.6.4</b>				

**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, except for those who were moved due to internal adverts.

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 2020/21 financial year to fund its capital programmes, but due to non-payment of services, not all planned projects were implemented.

All the 2020/21 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

## **5.1. STATEMENTS OF FINANCIAL PERFORMANCE**

Financial Summary (R'000)													
Description	2018/19		Current year 2019/20			2019/20 Variance			Current year 2020/21			2020/21 Variance	
	Actual		Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted budget	Original	Adjusted	Actual	Original	Adjusted budget	
<b>Financial Performance</b>													
Property Rates	110 617		22 012	22 012	118 577	139 526	139 526	139 526	134 526	95 114	68%	70%	
Service charges	110 693		39 085	39 085	114 862	159 710	159 710	171 195	171 195	121 310	71%	71%	
Investment revenue	23 103		54 324	54 324	2 968	2 202	2 702	2 702	2 702	2 718	100%	100%	
Transfers recognised – operational	136 100		1 172	1 319	155 950	156 352	156 352	173 541	206 127	203 359	117%	99%	
Other own revenue	67 570		-65 671	-65 671	1 371	89 204	84 204	96 999	90 372	63 987	66%	71%	
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>448 083</b>		<b>50 922</b>	<b>50 922</b>	<b>431 704</b>	<b>547 292</b>	<b>547 292</b>	<b>542 494</b>	<b>604 922</b>	<b>486 488</b>			
Employees costs	142 284		7 689	5 996	146 832	158 214	158 214	167 897	167 897	145 210	86%	86%	
Remuneration of councillors	15 017		1 667	2 667	18 867	18 868	18 868	20 053	20 053	15 304	76%	76%	
Depreciation & asset impairment	74 076		-2 443	(2 443)	68 284	75 358	75 358	75 358	75 358	74 024	98%	98%	
Finance charges	294		451	251	266	575	575	2 753	2 753	18 641	677%	677%	
Bulk purchases	77 376		18 624	18 624	77 795	100 992	100 992	109 172	109 172	86 758	79%	79%	
Other expenditure	85 098		7 076	7 842	65 728	97 707	97 707	165 681	165 681	105 152	63%	63%	
<b>Total Expenditure</b>	<b>394 145</b>		<b>33 064</b>	<b>32 937</b>	<b>377 772</b>	<b>274 809</b>	<b>274 809</b>	<b>540 914</b>	<b>540 914</b>	<b>445 089</b>			
<b>Surplus (deficit)</b>	<b>53 938</b>		<b>17 858</b>	<b>17 985</b>	<b>20 619</b>	<b>10 800</b>	<b>14 714</b>	<b>1 580</b>	<b>1 580</b>	<b>41 399</b>			
<b>Capital Recognition</b>	<b>48 534</b>		<b>(18 669)</b>	<b>1 777</b>	<b>26 860</b>	<b>37 425</b>	<b>41 489</b>	<b>47 865</b>	<b>47 474</b>	<b>47 507</b>	<b>99%</b>	<b>100%</b>	
<b>Surplus (deficit) for the year</b>	<b>39 728</b>		<b>58 469</b>	<b>53 475</b>	<b>47 479</b>	<b>48 225</b>	<b>56 203</b>	<b>49 445</b>	<b>49 054</b>	<b>88 906</b>			
<b>Capital expenditure &amp; funds sources</b>													
<b>Capital expenditure</b>													

Financial Summary (R'000)													
Description	2018/19		Current year 2019/20			2019/20 Variance			Current year 2020/21			2020/21 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted budget	Actual	Original Budget	Adjusted budget	Original	Adjusted	Actual	Original
Transfers recognised – capital	48 534	(18 669)	1 777	23 096	37 424	41 488	35 239	47 474	47 507	135%	100%		
Internally generated funds	4 928	5 124	5 872	5 522	10 800	9 800	2 743	2 743	2 743	100%	100%		
<b>Total source of capital funds</b>	<b>53 462</b>	<b>-13 545</b>	<b>7 649</b>	<b>28 618</b>	<b>48 224</b>	<b>51 288</b>	<b>37 982</b>	<b>50 217</b>	<b>50 250</b>	<b>132%</b>	<b>100%</b>		
<u>Financial position</u>													
Total current assets	360 342	273 447	273 447	1 318 998	791 503	791 503	627 686	657 478	369 453	59%	56%		
Total non- current assets	1 151 702	(330 092)	-330 092	900 233	900 233	900 233	1 203 528	1 207 763	1 268 040	105%	105%		
Total current liabilities	355 018	-251 241	-251 241	9 431	107 231	107 231	152 978	200 352	571 710	373%	285%		
Total non-current liabilities	241 067	-8 892	-8 892	159 769	288 769	288 769	356 623	356 623	216 315	61%	61%		
Community wealth/equity	<b>915 959</b>	<b>-316 778</b>	<b>-316 778</b>	<b>2 050 031</b>	<b>1 295 735</b>	<b>1 295 735</b>	<b>1 640 221</b>	<b>1 245 712</b>	<b>849 470</b>	<b>52%</b>	<b>68%</b>		
<u>Cash flows</u>													
Net cash from (used) operating	91 340	-31 854	-29 313	2 220 887	57 844 990	57 844 990	485 929	38 835	422 587	87%	1088%		
Net cash from (used) investing	-45 737	(12 267)	-6 703	25 279 380	- 48 225 000	52 288 776	(45 963)	(50 198)	(55 715)	121%	111%		
Net cash from (used) financing	-17 388	-2 873	-2 873	-	10 000 000	10 000 000	0	(20 400)	(9 929)	0%	49%		
<b>Cash/cash equivalents at the year end</b>	<b>36 026</b>	<b>(34 958)</b>	<b>(12 297)</b>	<b>19 837 674</b>	<b>28 348 748</b>	<b>4 443 786</b>	<b>449 491</b>	<b>23 016</b>	<b>69 320</b>	<b>15%</b>	<b>301%</b>		
<u>Cash backing/surplus reconciliation</u>													

Financial Summary (R'000)													
Description	2018/19		Current year 2019/20			2019/20 Variance			Current year 2020/21			2020/21 Variance	
	Actual		Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted budget	Actual	Original	Adjusted	Actual	Original	Adjusted budget
Cash and investments available	17 038			36 026	55 598	18 543	18 543		37 647	77 902	69 320	184%	89%
<b>Balance – surplus (shortfall)</b>	<b>7 810</b>			<b>36 026</b>	<b>8 535</b>	<b>48 224</b>	<b>56 202</b>	<b>138 344</b>		<b>114 759</b>			
<b>Asset management</b>													
Asset register summary (WDV)	870,237			812 906	845 242	850 726	850 726		1 203 528	1 207 763	872 607	73%	72%
Depreciation & asset impairment	70,117		0	74 076	50 444	75 358	75 358		75 358	75 358	73 933	98%	98%
Repairs and maintenance	25,406		21 084	20 793	16 667	22 222	22 222		30 874	32 324	23 968	74%	74%

Variances 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 (R'000)											
Description	2018/19		2019/20 variance			2020/21			2020/21 Variance		
	Actual	Budget	Adjustments budget	Actual	Original budget %	Adjustments budget %	Budget	Adjustments budget	Actual	Original budget %	Adjustments budget %
<b>Operating transfers and grants National Government:</b>											
Equitable share	132 485	132 485	132 485		100%	100%	162 853	195 936	195 936	120%	100%
Finance Management grant	2 215	2 215	2 215	150 929	100%	100%	3000	3000	2 331	78%	78%
Municipal systems improvement	n/a	n/a	n/a	1 957	n/a	n/a	n/a	n/a			
EPWP	1 000	1 000	1 000	n/a	100%	100%	1 099	1 099	1 099	100%	100%
				1 142							
<b>Total operating transfers &amp; grants</b>	<b>135 700</b>	<b>135 700</b>	<b>135 700</b>	<b>154 028</b>	<b>100%</b>	<b>100%</b>	<b>166 952</b>	<b>200 035</b>	<b>199 366</b>	<b>119%</b>	<b>100%</b>

Variations are calculated by dividing the difference between actual and original/adjustments budget by actual

T5.2.1



### 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

Financial Summary (R'000)													
Description	2018/19		Current year 2019/20			2019/20 Variance			Current year 2020/21			2020/21 Variance	
	Actual		Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted budget	Original	Adjusted	Actual	Original	Adjusted budget	
<b>Financial Performance</b>													
Property Rates	110 617		22 012	22 012	118 577	139 526	139 526	139 526	134 526	95 114		68%	
Service charges	110 693		39 085	39 085	114 862	159 710	159 710	171 195	171 195	121 310		71%	
Investment revenue	23 103		54 324	54 324	2 968	2 202	2 702	2 702	2 702	2 718		100%	
Transfers recognised operational	136 100		1 172	1 319	155 950	156 352	156 352	173 541	206 127	203 359		117%	
Other own revenue	67 570		-65 671	-65 671	1 371	89 204	84 204	96 999	90 372	63 987		66%	
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>448 083</b>		<b>50 922</b>	<b>50 922</b>	<b>431 704</b>	<b>547 292</b>	<b>547 292</b>	<b>167 897</b>	<b>167 897</b>	<b>145 210</b>		<b>86%</b>	
Employees costs	142 284		7 689	5 996	146 832	158 214	158 214	20 053	20 053	15 304		76%	
Remuneration of councillors	15 017		1 667	2 667	18 867	18 868	18 868	75 358	75 358	74 024		98%	
Depreciation & asset impairment	74 076		-2 443	(2 443)	68 284	75 358	75 358	2 753	2 753	18 641		677%	

Finance charges	294	451	251	266	575	109 172	109 172	86 758	79%	79%
Bulk purchases	77 376	18 624	18 624	77 795	100 992	165 681	165 681	105 152	63%	63%
Other expenditure	85 098	7 076	7 842	65 728	97 707	540 914	540 914	445 089		
<b>Total Expenditure</b>	<b>394 145</b>	<b>33 064</b>	<b>32 937</b>	<b>377 772</b>	<b>274 809</b>	<b>167 897</b>	<b>167 897</b>	<b>145 210</b>	<b>86%</b>	<b>86%</b>
Surplus (deficit)	53 938	17 858	17 985	20 619	10 800	1 580	1 580	41 399		
Capital Recognition	48 534	(18 669)	1 777	26 860	37 425	47 865	47 474	47 507	99%	100%
Surplus (deficit) for the year	39 728	58 469	53 475	47 479	48 225	49 445	49 054	88 906		
<u>Capital expenditure &amp; funds sources</u>										
Capital expenditure										
Transfers recognised – capital	48 534	(18 669)	1 777	23 096	37 424	35 239	47 474	47 507	135%	100%
Internally generated funds	4 928	5 124	5 872	5 522	10 800	2 743	2 743	2 743	100%	100%
<b>Total source of capital funds</b>	<b>53 462</b>	<b>-13 545</b>	<b>7 649</b>	<b>28 618</b>	<b>48 224</b>	<b>37 982</b>	<b>50 217</b>	<b>50 250</b>	<b>132%</b>	<b>100%</b>
<u>Financial position</u>										
Total current assets	360 342	273 447	273 447	1 318 998	791 503	627 686	657 478	369 453	59%	56%
Total non-current assets	1 151 702	(330 092)	-330 092	900 233	900 233	1 203 528	1 207 763	1 268 040	105%	105%
Total current liabilities	355 018	-251 241	-251 241	9 431	107 231	152 978	200 352	571 710	373%	285%
Total non-current liabilities	241 067	-8 892	-8 892	159 769	288 769	356 623	356 623	216 315	61%	61%
Community wealth/equity	915 959	-316 778	-316 778	2 050 031	1 295 735	1 640 221	1 245 712	849 470	52%	68%
<u>Cash flows</u>										

Net cash from (used) operating	91 340	-31 854	-29 313	2 220 887	57 844 990	57 844 990	485 929	38 855	422 587	87%	1088%
Net cash from (used) investing	-45 737	(12 267)	-6 703	- 279 380	- 288 776	- 288 776	(45 963)	(50 198)	(55 715)	121%	111%
Net cash from (used) financing	-17 388	-2 873	-2 873	-	10 000 000	10 000 000	0	(20 400)	(9 929)	0%	49%
<b>Cash/cash equivalents at the year end</b>	<b>36 026</b>	<b>(34 958)</b>	<b>(12 297)</b>	<b>- 19 837 674</b>	<b>28 348 748</b>	<b>4 443 786</b>	<b>449 491</b>	<b>23 016</b>	<b>69 320</b>	<b>15%</b>	<b>301%</b>
<u>Cash backing/surplus reconciliation</u>											
Cash and investments available	17 038			55 598	18 543	18 543	37 647	77 902	69 320	184%	89%
<b>Balance – surplus (shortfall)</b>	<b>7 810</b>			<b>8 535</b>	<b>48 224</b>	<b>56 202</b>					
<u>Asset management</u>											
Asset register summary (WDV)	870,237			845 242	850 726	850 726	1 203 528	1 207 763	872 607	73%	72%
Depreciation & asset impairment	70,117			50 444	75 358	75 358	75 358	75 358	73 933	98%	98%
Repairs and maintenance	25,406			16 667	22 222	22 222	30 874	32 324	23 968	74%	74%

Variances are calculated by dividing the difference between actual & original /adjustments budget by the actual. Table is aligned to MBRR table 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 (R'000)

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			2017/18	2018/19	2019/20	2020/21
			44 303	43 055	219 383	394 701
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			2017/18	2018/19	2019/20	2020/21
			210,296	407 045	408 425	406 867
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	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	280 599	274 690	395 492	405 622	404 311	339 671
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 2020/21**

	Original budget	Adjustment budget	Actual	Budget variance
Repairs and maintenance expenditure	30 874	32 324	23 968	78%

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 2020/21 (R'000)

Details	2017/18	2018/19	2019/20	2020/21				
	Actual	Actual	Actual	Original Budget (OB)	Adjustment Budget	Actual	Actual to OB Variance (%)	Actual to Adjustment Variance (%)
<i>Source of finance</i>								
Grants and subsidies	48 201	17,497	180 333	208 783	253 992	252 461	121%	99%
Other	15 900		5 522	2 723	2 723	2 723	100%	100%
<b>Total</b>	<b>64 101</b>			<b>211 506</b>	<b>256 715</b>	<b>255 184</b>		
<i>Percentage of finance</i>								
External Loans								
Public contributions and donations								
Grants and subsidies	0.75		0.93			100%		
Other	0.25		0.56					
<b>Capital Expenditure</b>								
Water and Sanitation								
Electricity	15,250		8 792	5 000	8 243	8 181	163%	99%
Housing								
Roads and storm water	32,951		18 720	42 345	41 954	39 327	93%	94%
Other	15,900		1 107	10 723	2 723	2 723	25%	100%
<b>Total</b>	<b>64 101</b>							
<i>Percentage of expenditure</i>								
Water and Sanitation								
Electricity	0.24		0.73			99%		
Housing								
Roads and storm water	0.51		0.52			94%		
Other	0.25		0.33			100%		
<b>T5.6.1</b>								

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* 2020/21 R'000					
Name of project	Current year			Variance current year	
	Original budget	Adjustment budget	Actual expenditure	Original variance (%)	Adjustment variance (%)
A- Upgrading of Benfarm					
B Mashishimale multi-Sport Complex	3 865	2 257	2 245	58%	99%
C-- Selwane Sport Complex	6 518	8 095	7 292	111%	90%
D Tambo Phase 2	14 511	25 752	25 752	177%	100%

*Projects with the highest capital expenditure in 2020/21	
Name of project – A	Mashishimale sports complex
Objective of project	To promote sports activities in the rural villages
Delays	Time lost due to Covid-19 National Lockdown
Future challenges	None
Anticipated citizen benefits	The entire area of Mashishimale, Maseke and Makhushane
Name of project – B	Tshelang gape to R71 upgrading of Streets
Objective of project	Improved storm-water drainage, access to households, public facilities and overall improved transportation system
Delays	None
Future challenges	None
Anticipated citizen benefits	The community of Namakgale & Makhushane ward 2 & 19
Name of project – C	Selwane sport complex
Objective of project	To promote sports activities in the rural villages
Delays	Time lost due to National lockdown, which delayed the process of acquiring additional funding with CoGHSTA
Future challenges	The completion of the project will be further that planned.
Anticipated citizen benefits	The residents of Selwane village , Ward 18 & 19

Name of project – D	Benfarm upgrading of Streets
Objective of project	Improved storm-water drainage, access to households, public facilities and overall improved transportation system
Delays	None
Future challenges	None
Anticipated citizen benefits	The residents of Benfarm village.

Name of project – E	Refurbishment of Namakgale Stadium
Objective of project	To promote sports activities in the rural villages
Delays	Delays with the appointment of a contractor due to the National Lockdown and a limited funds
Future challenges	None
Anticipated citizen benefits	The residents of Namakgale Stadium Ward 4, 1, 5, 7 and 19

## 5.6 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

Service Backlogs as at 30 June 2021				
	*service level above minimum standard		**service level below minimum standard	
	No. HHs	%HHs	No. HHs	%HHs
<b>Water</b>	Mopani District Municipality function	Mopani District Municipality function	Mopani District Municipality function	Mopani District Municipality function
<b>Sanitation</b>	Mopani District Municipality function	Mopani District Municipality function	Mopani District Municipality function	Mopani District Municipality function
<b>Electricity</b>	45955	7%	0	0
<b>Waste management</b>	1659		1659	
<b>Housing</b>	2924		N/A	N/A

% 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 is 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.

T5.9.0

## 5.7 CASH FLOW

Cash Flow Outcomes(R'000)						
Description	2017/18	2018/19	2019/20	2020/21		
	Audited Outcome	Audited Outcome	Actual	Original Budget	Adjusted Budget	Actual
<b>Cash Flow From Operating Activities</b>						
<b>Receipts</b>	413 977	503 913				
Ratepayers and other	233 910	265 507	61 448	277 149	231 978	152 949
Government – operating	129 789	187 536	154 443	173 541	206 124	203 359
Government – Capital	48 207	48 534	28 429	35 239	47 474	49 103
Interest	2 071	2 335	2 968	0	26 500	2 968
<b>Payments</b>						
Suppliers and employees	-255 690	(364 013)	(229 621)	(470 469)	(470 469)	323 970
Finance charges	-286	(25 215)	(291)	(2 753)	(2 753)	18 641
Transfers and grants						
<b>Net Cash From (Used) operating activities</b>	<b>83 608</b>	<b>91 340</b>	<b>61 737</b>	<b>485 929</b>	<b>38 855</b>	<b>79 976</b>
<b>Cash flows from investing activities</b>	-					
<b>Receipts</b>	-					
Proceeds on disposal of PPE	1 736		(19 892)			
<b>Payments</b>	-					
Capital Assets	-48 207	(45 737)	(25 279)	(45 963)	(50 198)	(55 715)
<b>Net Cash From (Used) investing activities</b>	<b>-52 475</b>	<b>(52 183)</b>	<b>(25 279)</b>	<b>(45 963)</b>	<b>(50 198)</b>	<b>(55 715)</b>

<b>Cash flows from financing activities</b>						
<b>Receipts</b>	-	-				
Increase (decrease) in consumer deposits	-	-				
<b>Payments</b>						
Net Cash From (Used) financing activities	-15 386	(17 388)	(24 088 272)	(20 400)	(20 400)	(9 929)
<b>Net Increase/(Decrease) in cash</b>	-9 227	28 215	18 961	439 966	(31 743)	14 332
Cash/cash equivalents at the year begin	17 037	36 026	36 026	9 525	54 759	54 987
Cash/cash equivalents at the year end	-7 810		54 987	449 491	23 016	69 320
<b>Source: MBRR SA7 T5.9.1</b>						

## 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 (R'000)					
Investment type	2016/17	2017/18	2018/19	2019/20	2020/21
	Actual	Actual	Actual	Actual	Actual
<b>Municipality</b>	-		N/A	N/A	N/A
Securities – National Government	-		N/A	N/A	N/A
Listed Corporate Bonds	-		N/A	N/A	N/A
Deposits –bank	3,007	9 928 083	19,903,374	56 672 566	69,319,706
Deposits public investment commissioners	-		N/A	N/A	N/A
Deposits- corporation for public	-		N/A	N/A	N/A

deposits					
Bankers' acceptance certificates	-		N/A	N/A	N/A
Negotiable certificates of deposit – banks	-		N/A	N/A	N/A
Guaranteed endowment policies (sinking)	-		N/A	N/A	N/A
Repurchase agreements – banks	-		N/A	N/A	N/A
Municipal bonds	-		N/A	N/A	N/A
Other	-		N/A	N/A	N/A
<b>Municipality sub-total</b>	<b>3,007</b>	<b>9 928 083</b>	<b>19,903,374</b>	<b>56 672 566</b>	<b>69,319,706</b>
<b>Municipal Entities</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Securities – National Government				N/A	N/A
Listed Corporate Bonds			N/A	N/A	N/A
Deposits –bank			N/A	N/A	N/A
Deposits public investment commissioners			N/A	N/A	N/A
Deposits- corporation for public deposits			N/A	N/A	N/A
Bankers' acceptance certificates			N/A	N/A	N/A
Negotiable certificates of deposit – banks			N/A	N/A	N/A
Guaranteed endowment policies (sinking)			N/A	N/A	N/A
Repurchase agreements – banks			N/A	N/A	N/A
Municipal bonds			N/A	N/A	N/A
Other			N/A	N/A	N/A
Entities sub-total			N/A	N/A	N/A
<b>Consolidated total:</b>	<b>3,007</b>	<b>9 928 083</b>	<b>N/A</b>	<b>56 672 566</b>	<b>69,319,706</b>
<b>T5.10.4</b>					

**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 2020/21 financial year.

T5.11.1

## **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 have undertaken 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

The audit report confirms GRAP compliance when audit is done, but according to the Audit report on the financial statements for 2020/21 ,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 2021 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.

T5.13.1

## 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. Due to Covid-19 pandemic, there is a delay from AG to finalise the audit

### COMPONENT B: AUDITOR-GENERAL OPINION 2019/20

#### 6.1 AUDITOR GENERAL REPORT 2019/20

Auditor-General Report on Financial Performance 2019/20	
Audit Report status:	Qualified
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Irregular and unauthorised expenditure	Action Plan was developed and implemented
Reconciliation of property plant and equipment	
Investment property	
T6.1.1	

#### 6.2 AUDITOR GENERAL REPORTS 2020/21

Auditor-General Report on Financial Performance 2020/21	
Audit Report status:	Qualified
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Expenditure management	AG Action Plan has been developed Service provider to assist with the compilation of Grap compliance Fixed Asset Register and Annual Financial Statement was appointed for a three-year period
Revenue management	
Annual Financial Statement	
Procurement and Contracts management	
Consequent management	
T6.1.1	

Auditor-General Report on service delivery Performance 2020/21	
Audit Report status:	Qualified
Non-Compliance Issues	
Supporting evidence-Portfolio of evidence on performance	Remedial Action Taken Action Plan has been developed
Adjustment of material misstatements	

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"> <li>Service delivery &amp; infrastructure</li> <li>Economic development</li> <li>Municipal transformation and institutional development</li> <li>Financial viability and management</li> <li>Good governance and community participation</li> </ul>
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".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	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	Committee Allocated	*Ward and/or Party Represented	Percentage Council Meetings Attendance	Percentage apologies for non-attendance	Percentage absent without apology
	FT/PT			%	%	%
Cllr E Hlungwani	FT	Speaker Chairperson of the Rules Committee	ANC	99%	1%	0%
Cllr MM Malatji	FT	Mayor	ANC	100%	0%	0%
Cllr D Rapatsa	FT	Chief Whip Chairperson of the Ethics Committee	ANC	99%	1%	0%
Cllr SP Mashumu	PT	Member of the Executive Committee; Member of Budget & Treasury Portfolio; Member of the Rules Committee	EFF	94%	4%	2%
Cllr MM Malesa	PT	Member of Executive Committee; Chairperson of Planning and Development Portfolio Committee	ANC	100%	0%	0%
Cllr S De Beer	PT	Member of the Executive Committee; Chairperson of Community & Social Services Portfolio; Member of the Ethics Committee	DA	98%	2%	0%
Cllr MS Magomane	FT	Member of Executive Committee; Chairperson of Municipal Services & Infrastructure Portfolio	ANC	98%	2%	0%
Cllr SL Mohlala	FT	Member of the Executive Committee; Chairperson of Budget & Treasury Portfolio	ANC	99%	1%	0%
Cllr T Nkuna	FT	Member of the Executive Committee; Chairperson of Governance & Administration	ANC	98%	2%	0%

		Portfolio				
Cllr NJ Mampuru	PT	Member of Municipal Public Accounts Committee; Member of the Ethics Committee	ANC	99%	1%	0%
Cllr PK Mashego	PT	Member of Planning & Development Portfolio	ANC	100%	0%	0%
Cllr LM Matlala	PT	Member of Budget & Treasury Portfolio	ANC	97%	2%	1%
Cllr MJ Valoyi	PT	Member of Governance & Administration Portfolio	ANC	99%	1%	0%
Cllr ST Mkansi	PT	Member of Municipal Public Accounts Committee	ANC	96%	2%	2%
Cllr KA Peta	PT	Member of Municipal Public Accounts Committee	ANC	97%	2%	1%
Cllr TC Malatjie	PT	Member of Municipal Public Accounts Committee; Member of the Rules Committee	ANC	98%	2%	0%
Cllr VM Rapatsa	PT	Member of Community & Social Services Portfolio	ANC	98%	1%	1%
Cllr SM Shayi	PT	Member of Municipal Public Accounts Committee	ANC	97%	2%	1%
Cllr JA Williamson	PT	Member of Municipal Infrastructure & Services	DA	99%	1%	0%
Cllr KP Mhlari	PT	Member of Municipal Public Accounts Committee	ANC	99%	1%	0%
Cllr EA Mokoena – Mashele	PT	Member of Municipal Infrastructure & Services	ANC	99%	1%	0%
Cllr R Makasela	PT	Member of Budget & Treasury Portfolio	ANC	97%	2%	1%
Cllr ME Mokgalaka	PT	Member of Municipal Infrastructure & Services	ANC	99%	1%	0%
Cllr PS Dikgale Cllr E Nyathi	PT	Member of Community & Social Services Portfolio	ANC	100%	0%	0%
Cllr A Ngobeni	PT	Member of Community & Social Services Portfolio; Member of the Rules Committee	ANC	97%	1%	2%

Cllr B Ramothwala	PT	Member of Municipal Public Accounts Committee	DA	99%	0%	1%
Cllr DR Bayana	PT	Member of Municipal Public Accounts Committee; Member of the Rules Committee	ANC	97%	3%	0%
Cllr GH Lamola	PT	Member of Planning & Development Portfolio	EFF	97%	3%	0%
Cllr KO Pilusa	PT	Chairperson of Municipal Public Accounts Committee	ANC	97%	1%	2%
Cllr MMA Mathebula	PT	Member of Governance & Administration Portfolio	ANC	98%	2%	0%
Cllr NA Sono Cllr MP Mailula	PT	Member of Planning & Development Portfolio; Member of the Rules Committee	ANC	95%	4%	1%
Cllr MS Sekwakwa	PT	Member of Municipal Infrastructure & Services	EFF	97%	2%	1%
Cllr RJ Mphogo	PT	Member of Governance & Administration Portfolio	DA	100%	0%	0%
Cllr A N Mmola	PT	Member of Governance and Administration	EFF	98%	2%	0%
Cllr TS Ndhlovu	PT	Member of Community & Social Services Portfolio	EFF	90%	9%	1%
Cllr Z Ndhlovu	PT	Member of Governance & Administration Portfolio; Member of the Ethics Committee	EFF	97%	2%	1%
Cllr SK Shai	PT	Member of the Rules Committee	COPE	95%	4%	1%

## 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	To monitor the implementation of the municipal IDP/Budget/PMS,

Planning Portfolio	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	Function applicable to Municipality (Yes/No)*	Function applicable to Entity (yes/no)
Municipal Functions		
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
Firefighting 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 councillor elected committee members	ward and ward	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	0
Ward 2	Malesa MM	yes	11	11	0
Ward 3	Mashego PK	yes	11	11	02
Ward 4	Matlala LM	yes	11	11	0
Ward 5	Valoyi MJ	yes	11	11	0
Ward 6	Mkansi ST	yes	11	11	01
Ward7	Peta KA	yes	11	11	0
Ward 8	Malatji TC	yes	11	11	0
Ward 9	Rapatsa VM	yes	11	11	0
Ward 10	Shayi SM	yes	11	11	0
Ward 11	De Beer SR	yes	11	11	0
Ward 12	Williamson JA	yes	11	11	0
Ward 13	Mhlarhi KP	yes	11	11	0
Ward 14	Mokoena-Mashele EA	yes	11	11	01
Ward 15	Makasela R	yes	11	11	01
Ward 16	Nkuna T	yes	11	11	0
Ward 17	Mokgalaka ME	yes	11	11	0
Ward 18	Magomane MS	yes	11	11	0
Ward 19	Dikgale PS Nyathi E	yes	11	11	<b>02</b>

## APPENDIX E-WARD INFORMATION

Capital Projects: Seven Largest in 2020/21 (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	November 2020	R 46 000 000
17 & 18	Construction of Selwane Sports Complex	2015 October	March 2021	R 45 518 378,36

19	Upgrade of gravel road to tar - Tshelang Gape to R 71	2016 Feb	February 2020	R 23 220 000,00
TF.1				

## APPENDIX F –RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2020/21

Resolution	Status
That AC approve the minutes of the meeting held on the 22 <sup>nd</sup> June 2020	Implemented
That all Audit Committee resolutions be implemented by 15 <sup>th</sup> September 2020	Implemented
That target dates of AFS Preparation Plan be updated in line with the new deadlines for the AFS submission to AG which is 31 October 2020.	Implemented
That management take advantage of the extension of submission of the AFS and improve the implementation of the AG Action Plan and submit the report by 16 September 2020	Implemented
That audited figures be included in the performance reports.	Implemented
That the UIFW expenditure register YTD be provided in AC meeting arranged after the 16 <sup>th</sup> September 2020	Implemented
That where there are disputes, the UIFW expenditure should still be recorded in the register and only be removed after being cleared.	Implemented
That IAA conducted a completeness test on the UIFW Expenditure Register ensuring that all AG identified UIFW expenditures identified are included in the register.	Implemented
That POE for the 4 <sup>th</sup> quarter Institutional Performance report be provided to IAA for audit.	Implemented
The Covid-19 Compliance report to include the number of people who are over the age of 60 and number of people with underlying conditions.	Implemented
That the ICT Manager check the impact of the Covid-19 on the Disaster Recovery Plan	<b>Not implemented</b>
That the Internal Audit Strategic Plan be presented in the next AC meeting after considering the 2020/2021 risk register	Implemented
That an assurance report on progress reported on the risk register be provided in the next AC meeting.	Implemented
That management priorities Strategic Risk Register, IT Risk Register, Service Delivery Risks and Project Risk Register when developing the Combined Assurance Plan.	Implemented
That the Manager Risk Management be included in the IA reports distribution list as for risk consideration.	Implemented

That Audit committee notes the delay by management on provision of management comments on internal audits which affect the effectiveness of the Internal Audit Unit.	Implemented
That management speed up the process of providing comments on the following reports to internal audit: MSCOA and Data Migration Audit and MMB Contract review	Implemented
That the CAE inform the Municipal Manager of any delay by management to provide comments on internal audit reports so that the Municipal Manager can intervene	Implemented
That the Audit Committee <b>approves</b> the progress of <b>100%</b> implementation of the Internal Audit Plan	Implemented
That AC approve the review of the 2020/2021 SDBIP Audit.	Implemented
That Audit Committee notes the findings raised on the review of the 2020/2021 SDBIP Audit	Implemented
That AC approve the Due Diligence Assessment on the Maintenance of the GRAP Compliant Fixed Assets Register Review.	Implemented
That AC approve the Overtime audit report.	Implemented
That AC approve the progress report on the FMCMM report.	Implemented
That the Audit Committee <b>note</b> and <b>approve</b> the progress of <b>58%</b> implementation of the follow-up report on the Internal Audit Recommendations	Implemented
That Audit Committee approves 22% AG Action plan implemented.	Implemented
That management provide comments on the MSCOA and Data Migration audit report and the final report be presented by 16 September 2020.	Implemented
That a final Audit Report with comments on MSCOA and Data Migration be presented in the next AC meeting.	Implemented
That the consolidated AC Evaluation form for 2019/2020 be presented in the in the next meeting.	Implemented
That a meeting needs to be scheduled after the 16 September 2020 to deal with all outstanding issues before consideration of 1 <sup>st</sup> quarter 2020/21 normal audit committee meeting.	Implemented
That the assessments of Senior Management Performance will be done in October 2020 as all is ready and POE has been audited.	Not implemented
That the ICT Manager keep records of user acceptance as approved by the end users as evidence that the system is functioning as required.	Implemented
The AC advised that all UIFW raised by the AG be clearly indicated in the register.	Not implemented
That the report by the Internal Audit be considered in preparing the UIFW Expenditure Register.	Implemented
That the UIF register be presented in the next AC meeting.	Implemented
That all outstanding POEs from departments be provide to ensure the report is complete.	Implemented
The AC advised that a completed 2019/2020 Draft Annual Performance Report be presented with the draft 2019/2020 AFS.	Implemented
That the finance part on the 2019/2020 Draft Annual Performance Report be aligned to the draft Annual Financial Statements.	Implemented

That all service providers responsible for capital and operational projects should be assessed.	Not implemented
That the CFO consider the DORA findings in the AFS preparations.	Implemented
That management attend to the issues raised by the Internal Audit on the Draft Annual Performance Report.	Implemented
That the Consolidated Audit Committee Consolidated Evaluation Report be recommended to Council for approval.	Implemented
That the Audit Committee meeting to review the 2019/2020 Annual Financial Statements be held between the 12 and the 14 October 2020.	Implemented
That when the team present the draft AFS next week on the 12 <sup>th</sup> October 2020, a clear report on how AG findings were resolved should be presented.	Implemented
That the updated AG Action Plan be presented with the draft AFS next week on the 12 October 2020	Implemented
That draft 2019/2020 AFS will be sent to the AC by Saturday the 10 <sup>th</sup> October 2020	Implemented
That the ICT related findings be updated and also submitted with draft 2019/2020 draft AFS	Implemented
The AC noted the draft 2019/2020 AFS and advised that the CFO should attend to matters of concern prior submission	Implemented
That the complete set of AFS should be submitted to the AC to give assurance that all has been attended to.	Implemented
That the CFO update the AG Action Plan in line with the AFS and submit the updated AG action Plan to AC by Monday 02 November 2020.	Implemented
That all issues raised by the IAA be addressed prior submission of the report to the AG.	Implemented
That the financial part of the draft APR be aligned with the draft 2019/2020 AFS	Implemented
That management implement all IAA recommendations prior submission of the APR to the AG	Implemented
That AC approve the minutes of the meeting held on the <b>27th October 2020</b>	Implemented
That AC approve the minutes of the meeting held on the <b>06 October 2020</b>	Implemented
That AC approve the minutes of the meeting held on the <b>28 September 2020</b>	Implemented
That the Engagement letter and the strategy be shared with the AC	Implemented
That the CAE forwards the AG finding and the landfill report.	Implemented
That CFO provide progress report on Sebata FMS.	Implemented
That Management investigate and check other legal views on whether the interdicts stops the municipality from appointing a security company.	Implemented
That information that is not substantiated be revised to align with available audited POE prior submission to Council.	Implemented

That AC notes the 1 <sup>st</sup> Quarter HR report and recommended for approval by Council	Implemented
That AC notes the ICT report and recommended for approval by Council	Implemented
That BTO prepare Midyear and 3 <sup>rd</sup> Quarter Financials on Caseware	Not implemented
That the AC <b>approves</b> the progress of 22% implementation of the Internal Audit Plan	Implemented
That the AC <b>note</b> and <b>approve</b> the progress of 58% implementation of the follow-up report on the Internal Audit.	Implemented
That the AC <b>approves</b> the Internal Audit Reports on Follow-up on Internal Audit Reports, AG Action Plan, Progress Report on FMCMM and Review of Annual Performance Report	Implemented
That AC approve the minutes of the meeting held on the 10 December 2020 taking into consideration of corrections indicated.	Implemented
That progress of 91% for the 2020/2021 Financial Year AC resolutions be noted and 74% implemented AC resolution for previous years be noted.	Implemented
That the CAE will outsource the external assessment of the Internal Audit Activity towards the end of 2020/2021	Not implemented
That progress be reported in the next AC meeting on the Security Contract.	Not implemented
That management continue with efforts to ensure that the Municipality has a cold side hosting and report in the next meeting.	Not implemented
That the Auditor General Audit Strategy be approved.	Implemented
That the AG provide the copy of the Engagement Letter and the risks identified on internal audit reports and some auditors will come to verify the assets and this will not disadvantage the Municipality.	Implemented
That the AG has a process in place to ensure that verification of PPE is done.	Implemented
That management assess the performance of the Sebata Service provider	Not implemented
That non-financial information be reported as the Municipality is sorting out the financial information	Implemented
That the real reason for irregular expenditure on turn-key contracts be investigated and recorded on the register because the project is not irregular for being a turn-key project.	Not implemented
That management advertise the FMS contract since the application is not producing desired outcomes.	Implemented
That the Mid-Year Performance Report (Section 52) be noted.	Implemented
That the report be recommended for Council approval subject to receiving the Mid-Year report after the AC meeting.	Implemented
That the Litigation Register be noted after matter 19 is correctly classified	Implemented
AC <b>approves</b> the progress of 37% implementation of the Internal Audit Plan	Implemented
That grants received for the Mid-Year ending 31 December 2020 of R170 854 000 be noted and	Implemented

unspent grants for MIG and FMG of R1 900 000 and R723 000 be noted.	
That AC <b>approves</b> the Internal Audit Report on 2 <sup>nd</sup> Quarter Institutional Performance Report.	Implemented
That the AC <b>note</b> and <b>approve</b> the progress of 63% implementation of the follow-up report on the Internal Audit.	Implemented
That the AC <b>approve</b> the MSCOA and Data Migration Audit Report	Implemented
That AC ratify and approve the minutes of the meeting held on the 29 <sup>th</sup> January 2021	Implemented
That the CFO to sends schedule of proposed adjustments for both AFS and disclosure to the AG, 19 <sup>th</sup> March 2021.	Implemented
That all findings issued be responded to and send to the AG over the weekend.	Implemented
That the MM summon service provider contracted for AFS preparation to come onsite to honour the SLA and provide audit support	Implemented
That the AC Draft 2020/2021 Reviewed SDBIP be noted and recommended to Council for approval	Implemented
That the AC notifies council that several councillors have yet to declare their interest.	Implemented
That the RMC provide progress report on the municipality's Ethics framework.	Implemented
That management do everything possible to engage properly with the AG in order to find a solution to the issues that have been raised, as well as to address issues as soon as possible.	Implemented
That service providers be called on-site to assist the municipality improve on audit.	Implemented
That management adjust and submit adjusted AFS to AG on approved adjustments by 15 <sup>th</sup> April 2021.	Implemented
That an updated management letter with 17 missing comafs be submitted to management.	Implemented
That root causes on the AG action plan be populated prior submission of the report to Council	Implemented
That the Municipality ensure that the SLA's on service providers to assist with preparation of AFS be clear on audit support before and during the audit and also number of staff to be present at the Municipality.	Not Implemented
That SLAs address timeframes in terms of completion of tasks prior submission to the AG.	Not Implemented
That Audit Committee approves 95% AC resolutions implemented, 5% not implemented resolution for the current financial year.	Implemented
That Audit Committee approves 81% implemented and 19% not implemented for overall AC Resolutions including previous years.	Implemented
That the Audit Committee approve the 2021/2022 – 2023/2024 Internal Audit Strategic Plan	Implemented
That the CAE report in the next meeting on how the Municipality is implementing the Combined Assurance Plan	Implemented
That the 2021/2022 Annual Audit Plan be approved.	Implemented
That an audit to review Finance Reports be conducted especially taking note of the challenges of BTO not being able to produce financial reports.	Implemented
That the 2021/2022 Internal Audit Charter be approved.	Implemented

That the 2021/2022 Continuous Development Plan be approved.	Implemented
That more training be planned for Internal Audit Staff on ICT to build capacity in-house.	Implemented
That the 2021/2022 Internal Audit Methodology be approved	Implemented
That the 2021/2022 Quality Assurance and Improvement Program be approved.	Implemented
That AC and IAA evaluations forms be consolidated and presented in the next AC meeting.	Implemented
That Manager in the Office of the MM be included as a standing invitee.	Implemented
That the 2021/2022 AC schedule of meetings be circulated after the AC meeting to all AC members	Implemented
That the CFO ensure that all managers in Finance Department do their work and not just wait for the service providers.	Implemented
That the draft 2021/2022 SDBIP be noted and recommended for approval by the Mayor after correcting all raised matters.	Implemented
That KPI 1.1.2 on Tribunal be reviewed and clarify days whether is days of receipt or what.	Implemented
That KPA on Basic Service Delivery must be attend to in details as the figures on the budget part are not adding up.	Not Implemented
That the Human Resource report be corrected to indicate correct vacancy information of senior management.	Implemented
That non-compliance causing BTO to not produce section 71 report be reported in the compliance checklist	Not Implemented
That in future the reports for ICT should be presented to AC even though they never were presented to ICT Steering Committee.	Implemented

## APPENDIX G—LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into 2020/21)					
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 2020/21)

R'000					
Name & Description of project	Name of Partner (s)	Initiation date	Expiry date	Project manager	Value 2020/21
NONE					
TH.2					

## APPENDIX H- DISCLOSURES OF FINANCIAL DISCLOSURES

Disclosures of Financial Interests		
Period 1 July 2020 to 30 June 2021		
Position	Name	Description of financial interest* (Nil/or details)
Speaker	Cllr E Hlungwani	<ul style="list-style-type: none"> <li>Star Link (PTY) LTD (Director)</li> </ul>
Mayor	Cllr MM Malatji	<ul style="list-style-type: none"> <li>Nil</li> </ul>
Chief Whip	Cllr D Rapatsa	<ul style="list-style-type: none"> <li>Helele Mosadi Trading and Project (Director)</li> </ul>
Member of Exco	Cllr SP Mashumu	<ul style="list-style-type: none"> <li>Not Submitted</li> </ul>
Member of Exco	Cllr MM Malesa	<ul style="list-style-type: none"> <li>Nil</li> </ul>
Member of Exco	Cllr S De Beer	<ul style="list-style-type: none"> <li>Not Submitted</li> </ul>
Member of Exco	Cllr MS Magomane	<ul style="list-style-type: none"> <li>Nil</li> </ul>
Member of Exco	Cllr SL Mohlala	<ul style="list-style-type: none"> <li>Nil</li> </ul>
Member of Exco	Cllr T Nkuna	<ul style="list-style-type: none"> <li>Nil</li> </ul>
Councillor	Cllr NJ Mampuru	<ul style="list-style-type: none"> <li>Nil</li> </ul>
Councillor	Cllr PK Mashego	<ul style="list-style-type: none"> <li>Nil</li> </ul>
Councillor	Cllr LM Matlala	<ul style="list-style-type: none"> <li>Nil</li> </ul>
Councillor	Cllr MJ Valoyi	<ul style="list-style-type: none"> <li>Nil</li> </ul>
Councillor	Cllr T Mkansi	<ul style="list-style-type: none"> <li>Nil</li> </ul>
Councillor	Cllr KA Peta	<ul style="list-style-type: none"> <li>Ramaseding Catering Services</li> </ul>
Councillor	Cllr T Malatjie	<ul style="list-style-type: none"> <li>Nil</li> </ul>
Councillor	Cllr VM Rapatsa	<ul style="list-style-type: none"> <li>Not Submitted</li> </ul>
Councillor	Cllr SM Shayi	<ul style="list-style-type: none"> <li>Nil</li> </ul>
Councillor	Cllr JA Williamson	<ul style="list-style-type: none"> <li>Not Submitted</li> </ul>

Councillor	Cllr Dikgale Cllr Nyathi	• Nil
Councillor	Cllr KP Mhlari	• Nil
Councillor	Cllr EA Mokoena - Mashele	• Nil
Councillor	Cllr R Makasela	• Nil
Councillor	Cllr ME Mokgalaka	• Not Submitted
Councillor	Cllr A Ngobeni	• Baduzah Enterprise (PTY) LTD ( <i>Director</i> ) • Baduzah Liquor Restaurant
Councillor	Cllr B Ramothwala	• Nil
Councillor	Cllr DR Bayana	• Not Submitted
Councillor	Cllr GH Lamola	• Nil
Councillor	Cllr KO Pilusa	• Pilusa Empire (Director)
Councillor	Cllr MMA Mathebula	• Nil
Councillor	Cllr NA Sono( <b>Deceased</b> ) Cllr MP Mailula	• Nil
Councillor	Cllr NB Maake	• Not Submitted
Councillor	Cllr RJ Mphogo	• Not submitted
Councillor	Cllr A N Mmola	• Not submitted
Councillor	Cllr TS Ndhlovu	• Not submitted
Councillor	Cllr Z Ndhlovu	• Nil
Councillor	Cllr SK Shai	• Nil
PR Councillor	PR Cllr MS Sekwakwa	• Not submitted

#### MUNICIPAL ADMINISTRATORS

Municipal Manager	MI Moakamela	• 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 SS Mokoena KKL Pilusa	• Nil • Nil

Chief Financial Officer	TJ Mogano  AT Ndzimande	<ul style="list-style-type: none"> <li>• TJ Mogano Investments (<i>Director</i>)</li> <li>• Shares at RSA Retail Bonds</li> <li>• Nil</li> </ul>
Senior Manager Planning	HP Maluleke  Chueu M (Acting)	<ul style="list-style-type: none"> <li>• <i>Director or partnership in the following companies;</i></li> <li>- Landmark Consulting.</li> <li>- KHPJ Property Development</li> <li>- Nil</li> </ul>
Senior Manager Community	H Zungu  Mokhabukhi S (Acting)  MJ Kanwendo	<ul style="list-style-type: none"> <li>• Nil</li> <li>• Nil</li> <li>• Nil</li> </ul>
Senior Manager Technical Services	NOC Mdungazi  Mahumane S (Acting)  Madiope S (Acting)  PM Baloyi	<ul style="list-style-type: none"> <li>• Nil</li> <li>• Nil</li> <li>• Nil</li> <li>• Not Submitted</li> </ul>
*Financial interests to be disclosed even if they incurred for only part of the year		

## APPENDIX I : REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

AFS Attached

### APPENDIX I (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Vote Description	2017/18	2018/19	2019/20	2020/21	
	Actual	Actual	Actual	Original Budget	Adjusted Budget
EXECUTIVE AND COUNCIL					
BUDGET AND TREASURY DEPT	274 689	274 689	298	356 085	379 171
CORPORATE SERVICES	1 454	1 454	291 603	752	486
COMMUNITY AND SOCIAL SERVICES	34 492	34 492	1 064	44 462	43 462
PLANNING AND DEVELOPMENT	319	319	34 399	11 069	11 069

TECHNICAL SERVICES DEPT	148 286	148 286	504	206 834	218 569
<b>Total Revenue by vote</b>	<b>459 240</b>		127 047		
			<b>454 915</b>		

## APPENDIX I (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source								
Description	2017/18	2018/19	2019/20	2020/21			2020/21 Variance	
	Actual	Actual		Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
Property Rates	110 337	110 617	141 850 344	139 526	134 526	95 114 067	68%	70%
Service charges electricity revenue	106 250	95 540	130 868 593	151 124	151 124	105 277 283	70%	70%
Service Charges refuse revenue	14 442	15 152	19 382 942	20 070 880	20 070 880	16 032 398	80%	80%
Rentals of facilities and equipment	575	655	315 081	581 034	314 876	5 219	0,86%	1,59%
Interest earned	2 064	2 335	2 967 703	2 702 136	2 702 136	2 718 496	100%	100%
Investment Interest earned outstanding debtors	22 094	20 768	27 806 948	65 033 940	60 033 940	19 818 069	30%	33%
Fines	-1 502	2 088	864 248	1 339 843	339 843	301 201	22%	89%
Licence and permits	12 080	2 826	2 645 086	14 366 361	14 366 361	5 689 723	40%	40%
Agency services	2 771	5 744	6 015 271	2 992 190	2 992 190	9 050 768	302%	302%
Transfers recognised operational	128 328	136 100	154 590 564	173 540 550	206 126 550	203 358 819	117%	99%
Other revenue	4 988	67 941	1 813 550	12 685 254	12 685 254	1 941 671	15%	15%
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>459 766</b>	<b>489 120 330</b>	<b>583 962 759</b>	<b>605 282 601</b>	<b>459 307 714</b>		

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(R'000)						
Details	Budget	Adjustment Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment Budget	
Finance Management grant	3 000	3 000	2 331	78%	78%	
EPWP	1 099	1 099	1 099	100%	100%	
EEDSMG	5 000	4 500	3 993	80%	89%	
INEP	5 000	8 243	8 181	164%	99%	
<b>Total</b>	<b>14 099</b>	<b>13 599</b>	<b>15 604</b>			

\*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	2020/21(R'000)			Planned capital expenditure(R'000)		
	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by asset class</b>						
<b>Infrastructure – Total</b>	37 963 210	49 325 258	47 507 479	32 020 750	40 285 700	26 827 717
Infrastructure: Road transport – Total	17 234 257	25 752 300	25 752 300	24 372 050	19 376 700	14 372 003
Infrastructure: Electricity – Total	5 000 000	8 243 298	8 180 625	20 000 000	5 909 000	7 000 000
<i>Other</i>	15 728 953	15 329 660	13 574 553	7 628 700	15 000 000	5 455 714

## APPENDIX L – CAPITAL PROGRAMME BY PROJECT 2020/21

Capital Programme by Project 2020/21					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act-Adj) %	Variance (Act-OB) %
<b>Water</b>	N/A	N/A	N/A	N/A	N/A
“Project A”					
“Project B”					
“Project C”					
<b>Sanitation /Sewerage</b>	N/A	N/A	N/A	N/A	N/A
“Project A”					
“Project B”					
<b>Electricity</b>					
“Project A”					
“Project B”					
<b>Housing</b>	N/A	N/A	N/A	N/A	N/A
“Project A”					
“Project B”					
<b>Refuse Removal</b>					
“Project A”					
“Project B”					
<b>Storm Water</b>					
“Project A”					
“Project B”					
<b>Economic Development</b>	N/A	N/A	N/A	N/A	N/A
“Project A”					
“Project B”					
<b>Sports, Arts &amp; Culture</b>	N/A	N/A	N/A	N/A	N/A
“Project A”					
“Project B”					
<b>Environment</b>	N/A	N/A	N/A	N/A	N/A
“Project A”					
“Project B”					
<b>Health</b>	N/A	N/A	N/A	N/A	N/A
“Project A”					
“Project B”					
<b>Safety &amp; Security</b>					
“Project A”					
“Project B”					
<b>ICT and other</b>					
“Project A”					
“Project B”					
TN					

## APPENDIX M – ANNUAL PERFORMANCE REPORT 2020/21 FY

# 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

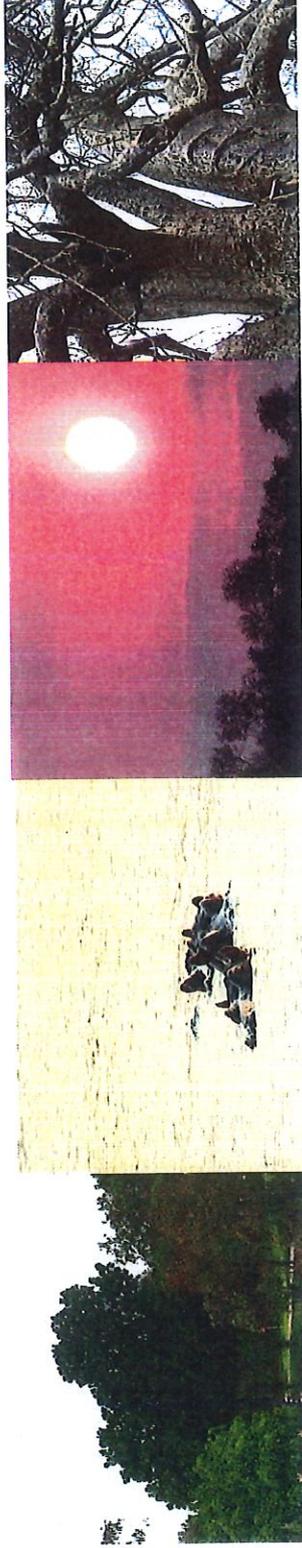
## **ANNEXURES TO THE ANNUAL REPORT**

- 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**

# BA-PHALABORWA LOCAL MUNICIPALITY



## 2020 /21 ANNUAL PERFORMANCE REPORT



*The Home of Marula and Wildlife Tourism*

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## Introduction

The development, implementation and monitoring of a Service Delivery and Budget Implementation Plan (SDBIP) is a requirement of the Municipal Finance Management Act, Act 56 Of 2003. The SDBIP gives effect to the Integrated Development Plan (IDP) and Budget of a Municipality and will be possible if the Budget is aligned to the IDP. The SDBIP is a management plan for implementing the IDP through the approved Budget.

The SDBIP is a twelve months implementation plan that binds the executive and administration to align their activities to the strategic objectives of the institution. It provides the basis for measuring performance in service delivery against quarterly targets and implementing the budget based on monthly revenue and expenditure projections. It assists the accounting officer, the executive, council and the community in their respective oversight responsibilities, since it serves as an implementation and monitoring tool.

In the interest of good governance and better accountability, the SDBIP should determine and be aligned with the performance agreements of the Municipal Manager and Senior Managers. The SDBIP is, therefore,, defined as **an action plan with revenue projections, expenditure estimates and allocations of resources to priority issues**. The SDBIP has targets for the implementation of projects and/or activities. Monthly, quarterly, half-yearly and annual **targets with allocated resources and responsible persons** are clearly set in the SDBIP.

## Legislation

Section 1 of the MFMA defines the SDBIP as:

*"a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality's delivery of services and the execution of its annual budget and which must include (as part of the top-layer) the following:*

- (a) *projections for each month of-*
  - (i) *revenue to be collected, by source; and*
  - (ii) *operational and capital expenditure, by vote;*
- (b) *service delivery targets and performance indicators for each quarter"*

Section 69(3)(a) of the MFMA requires the accounting officer to submit a draft SDBIP to the mayor no later than 14 days after the approval of the budget and drafts of the performance agreements as required in terms of Section 57(1)(b) of the Municipal Systems Act.

Section 53 (1) (c) (ii) requires that a municipality's Service Delivery and Budget Implementation Plan be **approved by the Mayor within 28 days after the approval of the budget**. Although the SDBIP is not required to be approved by council, **it should be tabled before council and made public** for information and for purposes of monitoring.

Despite the legislated deadlines, MFMA Circular No. 13 states that "[a] municipality should ideally **publish its draft SDBIP with its draft budget as supporting documentation to assist its budget hearing process normally held at the end of March or in April.**" In order for a municipality to comply with the provisions of this statement, the **mayor will need to approve the draft top-layer SDBIP by mid-March.**

The Mayor must also ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators as set out in the SDBIP are made public within 14 days after approval. The SDBIP is a dynamic document that may (at lower layers of the plan) be continually revised by the municipal manager and other top managers, as actual performance after each month or quarter is taken into account. However, **the top-layer of the SDBIP and its targets cannot be revised without notifying the council**, and if there is to be changes in service delivery targets and performance indicators, this must be with the approval of the council, following approval of an adjustments budget (Section 54(1)(c) of MFMA). The contemplated council approval is meant to avoid a situation where service delivery targets may be revised downwards in the event that there is poor performance.

## Methodology and Content

The IDP objectives need to be quantified and translated into key performance indicators. The budget is then aligned to the objectives, projects and activities to enable the SDBIP to serve as a monitoring tool for service delivery.

The SDBIP is a layered plan that comprises the top layer as well as the lower layer SDBIP. The top layer deals with consolidated service delivery targets and time frames for top management, whereas the lower layer consists of detailed outputs that are broken down into smaller outputs and then linked and assigned to middle and lower managers.

The following are the minimum required components of a top-layer SDBIP:

- (a) Monthly projections of revenue to be collected for each source
- (b) Monthly projections of expenditure (operating and capital) and revenue for each vote
- (c) Quarterly projections of service delivery targets and performance indicators for each vote
- (d) Ward information for expenditure and service delivery
- (e) Detailed capital works plan broken down by ward over three years

The diagram below shows the process for approving the SDBIP including how the departmental SDBIPs roll up into the draft SDBIP:

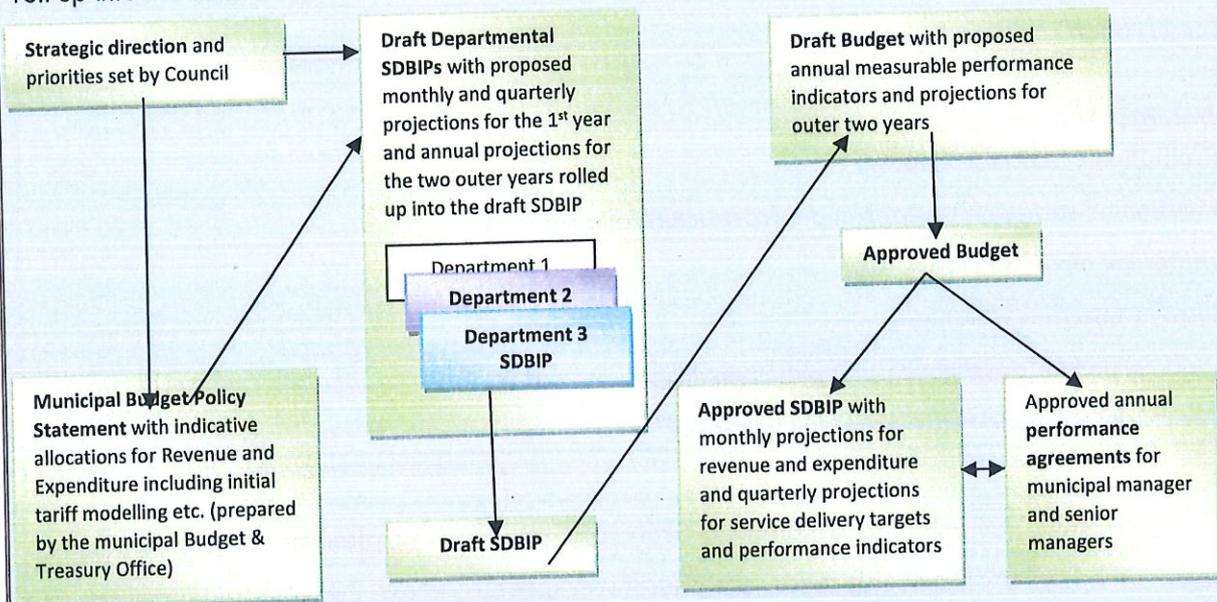


Diagram adapted from MFMA Circular No. 13 of 31 January 2005

## Strategic Intent

The Municipality held a strategic session from 04 to 06 December 2019 to review its strategic intent in the IDP and in preparation for IDP, Budget and SDBIP for 2020/21 financial year.

**The Strategic Intents are as follows**

**Vision:**

*"Provision of quality services for community well-being and tourism development"*

**Mission Statement:**

*"To provide quality infrastructure and affordable services, promote sustainable economic growth, financial viability, sound administration and accountable governance".*

**Values:**

*"Efficiency and effectiveness;*

*Accountability;*

*Innovation and creativity;*

*Professionalism and hospitality;*

*Transparency and fairness;*

*Continuous learning; and*

*Conservation conscious".*

**Strategic Objectives:**

*"Promotion of Local economy;*

*Provision of sustainable integrated infrastructure and services;*

*Sustain the environment;*

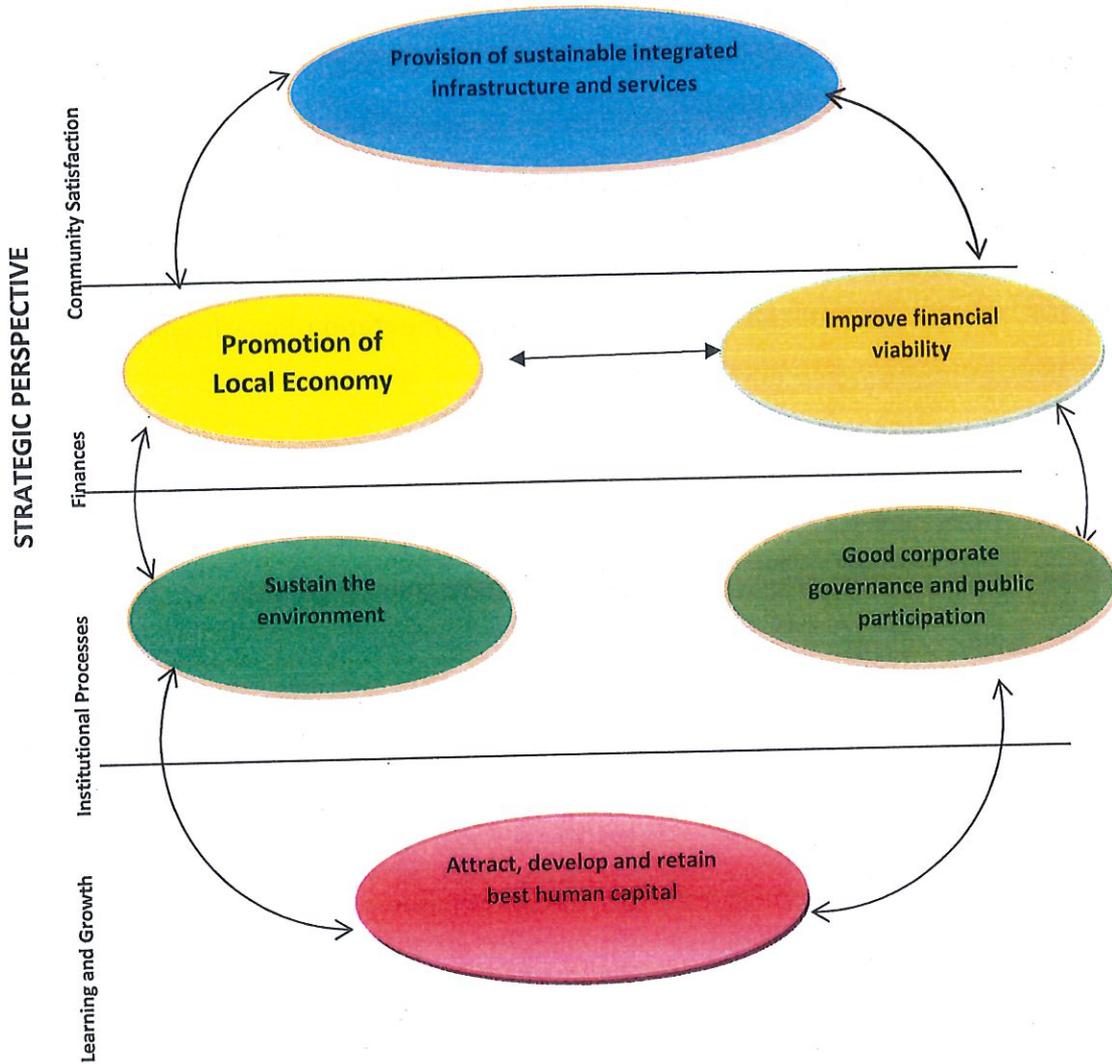
*Improve financial viability;*

*Good corporate governance and public participation; and*

*Attract, develop and retain best human capital".*

The Municipality has adopted a Balanced Scorecard approach to planning and performance assessment. The strategic objectives are therefore spread across the four perspectives as indicated through the strategy map below

### THE HOME OF MARULA WILDLIFE TOURISM



## **The Accounting Officer's Year End Institutional Performance Overview**

This Annual Performance Report has been compiled in line with the provisions of Section 46 of the Local Government: Municipal Systems Act 32 of 2000 which mandates a municipality to prepare an Annual Performance Report for each financial year reflecting the performance of the municipality and of each external service provider during the financial year.

The Annual Performance Report is based on targets set for the implementation of the 2020/21 IDP through the Service Delivery Budget and Implementation Plan. The key performance indicators are classified according to the five key performance areas of local government and are aligned to the municipal objectives as outlined in the IDP

This report will record progress made by the municipality in fulfilling its objectives as reflected in the IDP, the Budget and the Service Delivery Implementation Plan. It will also reflect on the challenges encountered during the financial year.

### **Achievements:**

- **The municipality managed to upgrade gravel road to tar for 6.8km**
- **462 SMME's were supported through Municipal Supply Chain processes**
- **100% MIG spent**

## PERFORMANCE ANALYSIS OF KEY PERFORMANCE AREAS

The table below illustrates the performance of each Key Performance Area of Ba-Phalaborwa Municipality against the National Key Performance Areas (NKPAs).

Key Performance Area	2018/19 % Achievement	2019/20 % Achievement	2020/21 Total Number of Targets	2020/21 Target Achieved	2020/21 Target not Achieved	2020/21 Target not Performed	2020/21 % Achievement
Spatial Rationale	67%	100%	2	1	1	0	50%
Basic Services Delivery	83%	83.3%	12	11	1	0	92%
Municipal Financial Viability	92%	92.3%	13	12	1	0	92%
Local Economic Development	83%	100%	4	3	1	0	75%
Municipal Transformation and Institutional Development	91%	55.5%	9	7	2	0	78%
Good Governance and Public Participation	95%	95%	42	39	2	1	93%
<b>Total</b>	<b>91%</b>	<b>89.2%</b>	<b>82</b>	<b>73</b>	<b>8</b>	<b>1</b>	<b>89%</b>

## Monthly projections of revenue for each source

Sources of Revenue	Actual (30 June 2020)	Annual Target (01 Jul 2020 – 30 June 2021)	Annual Actual Performance (R'000)	Variance (R'000)	Remarks	Challenges	Corrective Measures	Evidence required
Property Rates	141,850	134,526	99,548	34,978	The municipality collected 73% of budgeted revenue this is a result of decrease in the value of property on the supplementary valuation roll received from the valuer. In Addition the municipality provides a relief measure in respect of payment of the rates in form of rebates.	Culture of non payment by customers	Public awarenes through imbizo's and other media platforms	Financial Report
Service charges – electricity	130,869	151,125	104,220	46,904	69% of the budgeted income on electricity was collected The under collection was a result of continuous loadshedding in the country and it affected the collection of revenue	Illegal connection (both prepaid and conventional customers) which impact on revenue	Meter audit	Financial Report
Service Charges – Refuse	19,383	20,071	16,730	3,340	83% of the budgeted income on refuse was collected . The land sold to customer is yet to be developed (i.e Namakgale zone )	New areas yet to be billed (Namakgale Zone D)	Develop the area and start rendering the municipal services	Financial Report
Rental of Facilities and Equipment	430	315	517	(202)	Increase in number of tenant renting the municipal property	n/a	n/a	Financial Report
Interest on external Investments	8,927	2,702	2,710	(8)	Immaterial differences	n/a	n/a	Financial Report
Interest Earned – Outstanding Debtors	30,775	60,034	25,003	35,031	The interest earned on outstanding debtors was over budgeted .Consumers are still taking longer to pay outstanding amount . The interest earned in 2020 was R27 806 948	Furthermore, interest is also reversed (in a form of discount) when customers settle accounts And the council has rebates on property rates & also indigent subsidy which reduce the interest charged	Culture of non payment by customers Culture of non payment by customers The Interest earned on outstanding debtors was over budgeted as in the prior year more interest was charged on outstanding that it was budgeted.Consumers are still taking longer to pay	Financial Report
Fines	864	340	313	27	The municipality collected 100.4% of the traffic fines . The traffic fines were under budgeted due to culture on none payment of traffic fines by the offenders	None	The municipality collected 100.4% of the traffic fines The traffic fines were underbudgeted due to culture on none payment of traffic fines by the offenders	Financial Report

Licenses and Permits	2,645	14,366	5,690	8,677	The under collection is as a results of grace period to renew license by minister of transport due to Covid 19 travelling restriction and this affected collection	Low collection of Revenue due to lock down and the National Government has extended the expiry date of licences and permits	The under collection is as a results of extension of grace period to renew license by minister of transport due to Covid 19 travelling restriction and this affected collection	Financial Report
Agency services	6,015	2,992	1,216	1,776	Slow payments by consumer which had an adverse impact on the agency fee collection from mopani	The Agency fee is based on the collection of revenue for water & sewerage	Enforce Credit Control Measures, develop a revenue protection unit in line with the enhancement strategy	Financial Report
Transfers recognised - operational	182,872	201,826	200,650	1,176	The municipality received additional fund during budget adjustment	None	None	Financial Report
Transfers recognised - capital	163	49,457	49,099	358	Imaterial Difference	None	None	Financial Report
Other Revenue	1,814	12,685	1,729	10,957	The municipality contracted less project in the current year due lockdown restrictions	The variance was due to the following i) Low payment for rental of facilities ii) low turn out for highering of Municipal property	Introduce a rebate to encourage people /customers to use Municipalities venues	Financial Report
<b>Total Revenue by Source</b>	<b>526,606</b>	<b>650,439</b>	<b>507,425,291.0</b>	<b>143,014</b>				<b>Financial Report</b>

**Monthly projections of Expenditure (Operating and Capital) and Revenue by vote: Annual 2020/21**

Expenditure and Revenue by Vote	Opex Actual (30 June 2020)	Opex Annual Target (01 Jul 2020-30 Jun 2021)	Opex Actual performance (R'000)	Opex Remarks/challenges/corrective measures	Capex Actual (30 June 2019)	Capex Annual Target (01 Jul 2020 - 30 Jun 2021)	Capex Actual performance	Capex Remarks/challenges/corrective measures	Revenue Actual (30 June 2018)	Revenue Annual Target (01 Jul 2020 - 30 Jun 2021)	Revenue Actual performance	Revenue Remarks/challenges/corrective measures	Evidence required
	(R'000)	(R'000)	(R'000)		(R'000)	(R'000)			(R'000)	(R'000)			
Executive and council	60,777	63,658	52,455	11,203	-	-	-	-	298	-	-	-	Finance Reports
Budget and Treasury	166,724	104,311	42,427	61,884	-	-	-	-	317,672	379,171	339,421	Rebates on property rates	Finance Reports
Corporate Services	24,277	55,933	44,044	11,889	-	-	-	-	0	486	343	Low turn out for rental of facilities	Finance Reports
Community and Social Services	78,639	89,229	100,968	(11,739)	-	-	-	-	325	43,462	28,716	Extension of expiry of licence and permits	Finance Reports
Public Safety	29,620	20,264	12,854	7,411	-	-	-	-	18,674	11,069	583	Develop the area and start rendering the municipal services	Finance Reports
Economic and Environmental	21,538	120,283	76,994	43,289	-	-	-	-	11,069	11,069	583	Low development of residential & business area	Finance Reports
Road Transport	98,759	100,019	76,994	23,025	27,129	41,954	36,377	5,578	33,629	42,621	36,965	Extension of expiry of licence and permits	Finance Reports
Electricity	156,685	156,105	113,324	42,781	7,779	8,243	2,812	5,432	173,205	175,948	113,726	Start with meter audit for electricity	Finance Reports
Waste Management	8,589	8,569	6,157	2,411	-	-	-	-	25,463	25,463	22,898	New sites, yet to be developed	Finance Reports
<b>Total by Vote</b>	<b>645,607</b>	<b>718,370</b>	<b>526,217</b>	<b>192,153</b>	<b>34,908</b>	<b>50,198</b>	<b>39,188</b>	<b>89,386</b>	<b>580,335</b>	<b>689,289</b>	<b>543,235</b>		

**Results for 2020/21 Annual Performance as per Key Performance Areas**

<i>Under-Performance</i>	<b>0 - 49%</b>
<i>Partially achieved</i>	<b>50 - 74%</b>
<i>Good Performance</i>	<b>75 - 100%</b>
<i>Over achieved</i>	<b>Over 100%</b>
<i>No performance</i>	

**Note:**

1. **Over achievement Standards does not apply to compliance targets**
2. **Over achievement standards applies to service delivery targets and core business of the municipality**

# **KPA 1: Spatial Rationale**

KPA 1: Spatial Rationale

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01/July 2019-30/June /20)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Actual Performance (01 Jul 2020 – 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/ Interventions	Evidence Required
<b>1.1 Spatial Planning</b>														
1.1.1	Governance and Administration	Sustain the environment	Number of supplementary valuation roll reviewed by 30/06/2021	Acting Senior Manager Planning & Development	1	1	1	Opex	1	0	Supplementary roll reviewed and approved by council	None	None	Supplementary valuation roll and Council resolution.
1.1.2	Governance and Administration	Sustain the environment	Turnaround time of land use & development applications submitted to Mopani Planning Tribunal by 30/06/2021	Acting Senior Manager Planning & Development	22 applications received and 13 applications approved	22 applications received and 13 applications approved	Within 60 days of receipt (Application submitted within 60 days of receipt )	Opex	6 applications were received and not submitted to Mopani Tribunal	6	The 6 applications received was not submitted within 60 days	The Municipality of Mopani Tribunal and the Tribunal was not functional. The Tribunal was appointed during fourth	The Tribunal was appointed and functional now and all 6 applications received are submitted	Submission Register within 60 days.

KPA 1: Spatial Rationale

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01/July 2019- 30/June /20)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Actual Performance (01 Jul 2020 – 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/ Interventions	Evidence Required
												quarter and the application were submitted after the appointment of new Tribunal.		

**KPA 2:**  
**BASIC SERVICE DELIVERY**

KPA 2: SERVICE DELIVERY

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019-30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Performance (01 Jul 2020 - 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/Interventions	Evidence Required
2.1 Electricity														
2.1.1	Technical infrastructure	Provision of sustainable integrated infrastructure and service	% on reduction of electricity losses each quarter by 30/06/2021	Senior Manager Technical Services	-8.4%	-8.4%	1%	OPEX	4.2%	3.2%	Improved losses recorded	None	None	BPM billing to consumers. Eskom bill and distribution loss
2.1.2	Technical infrastructure	Provision of sustainable integrated infrastructure and service	Expenditure on electricity capital funding spent per quarter by 30/06/2021	Senior Manager Technical Services	R 7 310 014.00	R 7 310 014,00	R 9 500 000,00	INEP EESDM	R9 144 353,11	(355 646.89)	The tender was lower than the grant allocated. Therefore there was a saving of R356 000,00	None	None	Payment Certificates and Expenditure Reports
2.1.3	Technical infrastructure	Provision of sustainable integrated infrastructure and service	Number of HH with access to electricity in Municipal Licenced area (Phalaborwa Town) by 30/06/2021	Senior Manager Technical Services	5274	5274	5274	OPEX	5274	0	5274 Households have access to electricity (Municipal Licences Area)	None	None	BPM billing to consumers.
2.1.4	Technical infrastructure	Provision of sustainable integrated infrastructure and service	Number of indigent f HH receiving free basic electricity by 30/06/2021	Senior Manager Technical Services	1658	1658	1658	OPEX	506	-1152	Community not buying electricity due to illegal connections	Community not buying electricity due to illegal connections	Continue to conduct awareness campaign to encourage community to register for indigent	Indigent register

KPA 2: SERVICE DELIVERY

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019-30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Performance (01 Jul 2020 - 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/Interventions	Evidence Required	
<b>2.2 Roads &amp; Storm Water</b>															
2.2.1	Technical infrastructure	Provision of sustainable integrated infrastructure and services	Number of km of gravel roads upgraded to tar by 30/06/2021 Upgrading of Tambo Phase 2 6.8km	Senior Manager Technical Services	22.5km	2.25km	6.8km	MIG	6.863km	0.063km	6.863 km of road was upgraded from gravel to tar	none	none	Project Report. Projects completion certificates	
2.2.2	Technical infrastructure	Provision of sustainable integrated infrastructure and service	Expenditure on roads capital funding spent per quarter by 30/06/2021	Senior Manager Technical Services	R14 300 000,0	R 14 300 000,0	R23 784 826,00	CAPEX	R25 752 300,12	(R) 967 474,12	There was a rollover amount allocated	None	None	Payment Certificates and Expenditure Reports	
<b>2.3 Parks and Cemetry</b>															
2.3.1	Protect Environment and Community Well being	Sustain the Environment	Number of quarterly reports on maintenance of developed parks by 30/06/2021	Senior Manager Community Services	4	4	4	OPEX	4	0	Continuous maintenance of parks	none	none	Maintenance plan and Inspection reports	
2.3.2	Protect Environment and Community Well being	Sustain the Environment	Number of cemetery maintained by 30/06/2020 (Phalaborwa, Lulekani, Namakgale and Gravelote	Senior Manager Community Services	4	4	4	OPEX	4	0	Continuous maintenance of cemetery	none	none	Maintenance plan and Inspection reports	
<b>2.4 Waste Management</b>															
2.4.1	Protect Environment and Community Well being	Sustain the Environment	Number of quarterly reports submitted for maintenance of Phalaborwa landfill site by 30/06/2021	Senior Manager Community Services	4	4	4	OPEX	4	0	Continuous maintenance of land fill	none	none	Quarterly report to council and council resolution	

KPA 2: SERVICE DELIVERY

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019-30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Actual Performance (01 Jul 2020 - 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/ Interventions	Evidence Required
2.4.2	Protect Environment and Community Well being	Sustain the Environment	Number of urban Households with access to basic waste removal services ,Phalaborwa town , Gravelote ,Namakgale and Lulekani by 30/06/2021	Senior Manager Community Services	12631	12631	12631	OPEX	12605	-26	Improve clean health and environment	Inability to review the households with access to waste removal.	Review the list of the number of households with access of waste removal compare with valuation roll and billing report in order to align	confirmation of waste collection by ward councillors /valuation roll and collection schedule
2.4.3	Protect Environment and Community Well being	Sustain the Environment	Number of rural Households with access to basic waste removal services (Makhushane/ Mashishimale) by 30/06/2021	Senior Manager Community Services	17415	17415	17415	OPEX	17556	141	Improve clean health and environment	None	None	Confirmation of waste collection by ward councillors
2.4.4	Protect Environment and Community Well being	Sustain the Environment	Number of indigent Households receiving free basic waste removal service by 30/06/2021	Acting Chief Financial Officer	541	541	541	OPEX	506	-35	None	Community members are not applying for free basic services	Continuous Community awareness through different media platforms to apply for indigent	Indigent Register

## **KPA 3:**

# **MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT**

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019-30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Actual Performance (01 Jul 2020 - 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/Interventions	Evidence Required	
<b>3.1 Financial Management</b>															
3.1.1	Good governance and administration	Good corporate governance and public participation	Number of approved budget planning schedule by 31/08/2020 (Legislated date)	Acting Chief Financial Officer	1	1	1	OPEX	1	0	Budget planning schedule was approved by council on the 30 July 2020.	None	None	approved budget planning schedule and Council resolution	
3.1.2	Good governance and administration	Good corporate governance and public participation	Number of approved 2021/22 Draft Budget by Council by 31/03/2021 (3 months before the start of the new financial year)	Municipal Manager	1	1	1	OPEX	1	0	None	None	None	Draft Budget document; Council Resolution	
3.1.3	Good governance and administration	Good corporate governance and public participation	Number of approved 2021/22 Final Budget by Council by 31/05/2021 (1 month before the start of the new financial year)	Municipal Manager	1	1	1	OPEX	1	0	2021/22 Final Budget was approved by council on 27 May 2021	None	None	Final Budget approved by Council. Council resolution	
3.1.4	Good governance and administration	Good corporate governance and public participation	Number of reviewed budget related policies by 30/06/2021	Acting Chief Financial Officer	21	21	21	OPEX	23	+2	23 were approved	None	None	Approved budget related policies and Council resolution	
3.1.5	Good governance and administration	Good corporate governance and public participation	Number of Supply Chain structures / Committees members appointed by 07/07/2020	Municipal Manager	3	3	3	OPEX	3	0	Appointments were done on the 06/07/2020 and amendments done when changes in personnel	None	None	Appointments of bid committees members.	

KPA 3: Municipal Financial Viability and Management

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019-30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Actual Performance (01 Jul 2020 - 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/Interventions	Evidence Required
3.1.6	Governance and administration	Improve financial viability	Number of quarterly movable asset verifications conducted by 30/06/2021	Acting Chief Financial Officer	4	4	4	OPEX	4	0	were effected. The Asset Verification report for Fourth Quarter was finalised by the 31 of August 2021 for the year ended in June 2021	None	None	Quarterly assets verifications reports
3.1.7	Governance and administration	Improve financial viability	Number of monthly strings uploaded using the LG Portal within 10 days at end of each month by Treasury by 30/06/2021	Acting Chief Financial Officer	12	12	12	OPEX	12	0	None	None	None	Monthly strings ,Proof of submission within 10 days
3.1.8	Governance and administration	Improve financial viability	% of improvement in revenue collection monthly (improvement from 65 to 80% by 30/06/2021 budget year	Acting Chief Financial Officer	71%	71%	80%	OPEX	65%	-15%	None	Credit Control measure not taken due to COVID 19	Develop a Revenue Protection Unit	Quarterly reports on revenue collection
3.1.9	Governance and administration	Improve financial viability	% of Debt collected by 30/06/2021	Acting Chief Financial Officer	2%	2%	80%	OPEX	3%	-77%	Credit Control measure not implemented fully due to lack of capacity in the Technical department (Discommissio	Lack of capacity (Dedicated Personnel)	Make use of the current Debt collectors	Quarterly reports on current debt collection

KPA 3: Municipal Financial Viability and Management

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019-30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Actual Performance (01 Jul 2020 -30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/Interventions	Evidence Required
3.1.10	Good governance and administration	Good corporate governance and public participation	Number of updated indigent register by 30/06/2021	Acting Chief Financial Officer	1	1	1	OPEX	1	0	None	None	None	Updated indigent register
3.1.11	Good governance and administration	Improve financial viability	Expenditure spent quarterly on MIG by 30/06/2021	Acting Chief Financial Officer	R24 722 000,00	R42 372 924,00	R40 822 497,00	CPEX	R40 918 404,00	(R95 907)	MIG allocated was spent in full. The grant was over spent.	None	None	Finance reports, MIG monitoring report/ payment certificates
3.1.12	Good governance and administration	Improve financial viability	% of quarterly Municipal Capital Budget spent by 30/06/2021	Acting Chief Financial Officer	82%	82%	100%	OPEX	98%	2%	98% Municipal Capital Budget spent	None	None	Finance reports
3.1.13	Good governance and administration	Improve financial viability	% of quarterly Municipal Personnel Budget spent by 30/06/2021	Acting Chief Financial Officer	82%	82%	100%	OPEX	87%	13%	None	Due to covid 19. The municipal employees were not travelling	None	Expenditure report

## **KPA 4:**

# **LOCAL ECONOMIC DEVELOPMENT**

KPA 4: Local Economic Development

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019-30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Performance (01 Jul 2020 - 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/Interventions	Evidence Required	
<b>4.1 Job creation</b>															
4.1.1	Economic	Promotion of local economy	Number of jobs created quarterly through capital Projects by 30/06/2021 (Temporary jobs)	Senior Manager Technical Services	94	94	105	CAPEX	44	-61	Both Selwane and Mashishimal e-sports complex were approached in the last phase when we start the financial year.	The two projects was about to complete as was on the last phase when we start the financial year.	To create more opportunities in the next financial year	ID Numbers, payment registers, Employment contract	
4.1.2	Economic	Promotion of local economy	Number of full time equivalent jobs created quarterly through EPWP	Senior Manager Technical Services	58	58	63	OPEX	63	0	Target achieved	None	None	ID Numbers, payment registers, Employment contract	
4.1.3	Economic	Promotion of local economy	Number of quarterly LED Forums meetings held by 30/06/2021	Acting Senior Manager Planning and Development	2	2	2	OPEX	1	-1	The Municipality was unable to have LED meeting due to Covid 19 regulations	Covid 19 regulations And lack of resources from stakeholders to conduct virtual meetings	Invite stakeholders without ICT resources to attend the forum in BPM arranged venue within interactive resources	Invitations, Attendance register and minutes	
<b>4.2 Enterprise Support</b>															
4.2.1	Economic	Promotion of local economy	Number of SM/MEs supported quarterly through the municipal SCM (procurement) by 30/06/2021	Acting Chief Financial Officer	272	272	100	OPEX & CAPITAL	462	+362	Target achieved	None	None	System/Inventory Expenditure report	

**KPA 5:**

**Municipal Transformation and  
Institutional Development**

KPA 5: Municipal Transformation and Institutional Development

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019-30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Actual Performance (01 Jul 2020 - 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/Interventions	Evidence Required
<b>5.1 Organisational Design &amp; Human Resource</b>														
5.1.1	Good governance and administration	Attract, develop and retain best human capital	Number of reviewed Municipal Organisational structure by 30/06/2021	Senior Manager Corporate Services	1	1	1	OPEX	1	0	Reviewed and approved on the 27 <sup>th</sup> May 2021 as per Council resolution no. 260/21	None	None	Council Resolution on Reviewed organizational structure with dates.
5.1.2	Good governance and administration	Good corporate governance and public participation	Number of HR Policies Reviewed per quarter by 30/06/2021	Senior Manager Corporate Services	6	6	2	OPEX	6	0	The following Four (4) policies were approved on the 27 <sup>th</sup> May 2021 as per council resolution no. 259/21. Funeral Policy Code of conduct for employees	None	None	Council Resolutions on Reviewed policies and copies of Reviewed Policies.

KPA 5: Municipal Transformation and Institutional Development

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019-30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Actual Performance (01 Jul 2020 - 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/Interventions	Evidence Required
5.1.3	Good governance and administration	Attract, develop and retain best human capital	Number of prioritised vacant positions to be filled per quarter by 30/06/2021	Senior Manager Corporate Services	23	23	20	OPEX	40	20	Rental policy Staff retention strategy Two more policies were approved on the 30 <sup>th</sup> June 2021 as follows:- Leave policy (Res no. 319/21) COVID-19 danger allowance policy (Res no. 320/21) Cashier X3 SNR Officer – Staffing. SNR Records Officer. Assistant Superintendent.	None	None	Appointment letters; appointment register, Proof of Disadvantaged Employees

KPA 5: Municipal Transformation and Institutional Development

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019 - 30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Actual Performance (01 Jul 2020 - 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/Interventions	Evidence Required	
											Waste Environmental X2 Registry Clerk Street light attendant Messenger x1 Electrician x2 Technician Electrical Driver (Water Tanker) Traffic Officer X2 Manager: Revenue & Debt Management. Superintendent: Operation & maintenance Technicians				

KPA 5: Municipal Transformation and Institutional Development

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019-30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Actual Performance (01 Jul 2020 - 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/Interventions	Evidence Required
											Mechanical PA to the Mayor Superintendent: Parks and cemetery Refuse Compact or Municipal Finance (interns) X 4 Accountant Miscellaneous X1 Accountant Creditors Accountant Payroll Accountant Expenditure X1 Senior Manager community services Senior			

KPA 5: Municipal Transformation and Institutional Development

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019-30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Actual Performance (01 Jul 2020 - 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/Interventions	Evidence Required
<b>5.2. Employment Equity</b>														
5.2.1	Good governance and administration	Good corporate governance and public participation	Number of employees from previously disadvantaged groups appointed in the three highest levels of management as	Senior Manager Corporate Services	5	1	1	OPEX	4	+3	Manager: Revenue and debt Management Snr Manager: Corporate	None	None	Appointment letters; appointment register, Proof of Disadvantaged Employees

KPA 5: Municipal Transformation and Institutional Development

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019-30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Actual Performance (01 Jul 2020 – 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/Interventions	Evidence Required
			per EEP(PL 0,2,3) by 30/06/2021								Senior Manager: Community and Social Services Senior Manager: Technical Services			

5.3 Skills Development

5.3.1	Good governance and administration	Attract, develop and retain best human capital	Number of Reviewed and submitted Skills Development Plan by 30/04/2021 (Number of people trained in terms of Work Skills Plan)	Senior Manager Corporate Services	1	1	1	OPEX	1	1	The workplace skills plan was submitted on the 28 April 2021	None	None	WSP & proof of submission to LG SETA
5.3.2	Good governance and administration	Attract, develop and retain best human capital	Amount of Municipal budget allocated and spent on work skills development per quarter 30/06/2021 (1% legislation)	Senior Manager Corporate Services	R1 639 028	R1 639 028	R4 071 676.58	OPEX	R1 360 755.12	R2 710 921.46	Covid 19 regulations affected training programme	Covid 19 regulations affected training programme	Trainings will be conducted in line with Covid 19 regulations	Expenditure reports, implementation reports

5.4 Performance Management System

5.4.1	Good governance and administration	Good corporate governance and	Number of S54&56 signing	Municipal Manager	6	6	6	OPEX	6	0	None	None	None	Copies of signed
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KPA 5: Municipal Transformation and Institutional Development

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019-30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Actual Performance (01 Jul 2020 – 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/Interventions	Evidence Required	
	administration	public participation	of Annual Performance Agreements by 30/07/2020 (One month after the start of each financial year											Performance Agreements with dates complying the legislated time line & submission letters to COGHSTA.	
5.4.2	Good governance and administration	Good corporate governance and public participation	Number of Individual Performance Assessments of Managers conducted to review their performance by 30/06/2021 (Mid – year /Annual)	Municipal Manager	0	0	2	OPEX	0	-2	The assessment was planned for 31 March 2021 but due to covid 19 restrictions was unable to conduct	Covid 19 restriction affected the planned assessments.	The assessment planned to be conducted by the end of September 2021	Approved Schedule of Individual Performance Assessments, records, attendance registers and Scorecards and reports	
<b>5.5 OHS</b>															
5.5.1	Good governance and administration	Good corporate governance and public participation	Number of schedule Institutional OHS quarterly meetings by 30/06/2021	Senior Manager Corporate Services	3	4	4	OPEX	4	0	The meeting held in July 2021 but was for the month June 2021	None	None	Quarterly Reports, minutes and attendance registers	

**KPA 6:**

**GOOD GOVERNANCE & PUBLIC PARTICIPATION**

KPA 6: Good Governance and Public Participation

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019-30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Actual Performance (01 Jul 2020 – 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/Interventions	Evidence Required	
<b>6.1 Council and Executive Management</b>															
6.1.1	Good governance and administration	Good corporate governance and public participation	Number of scheduled quarterly Council meetings held by 30/06/2021	Senior Manager Corporate Services	16	16	6	OPEX	14	8	21/07/2020 (S) 30/07/2020 (O) 27/08/2020 (O) 30/09/2020 (S) 29/10/2020 (O) 27/11/2020 (S) 17/12/2020 (S) 28/01/2021 (O) 25/02/2021 (S) 18/03/2021 (S) 31/03/2021 (O) 29/04/2021 (O) 27/05/2021 (S) 30/06/2021 (O)	None	None	Minutes of council meetings, attendance registers	
6.1.2	Good governance and administration	Good corporate governance and public participation	Number of scheduled monthly Exco meetings by 30/06/2021	Senior Manager Corporate Services	16	16	11	OPEX	16	5	21/07/2020 (S) 29/07/2020 (O) 26/08/2020 (O) 29/09/2020 (O)	None	None	Minutes of EXCO meetings, attendance registers	

KPA 6: Good Governance and Public Participation

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019-30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Actual Performance (01 Jul 2020 – 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/Interventions	Evidence Required
6.1.3	Good Governance and administration	Good corporate governance and public participation	Number of scheduled quarterly MPAC meetings held as per legislation by 30/06/2021	Municipal Manager	9	9	4	OPEX	14	10	29/10/2020 (O) 25/11/2020 (O) 26/11/2020 (S) 17/12/2020 (S) 27/01/2021 (O) 24/02/2021 (O) 18/03/2021 (S) 30/03/2021 (O) 31/03/2021 (S) 28/04/2021 (O) 26/05/2021 (O) 29/06/2021 (O) Meeting held on 01 July 2020[special meeting], 03 July 2020[public hearing], 20 July 2020[committee meeting] 26 Oct 2020[project visit], 09 Nov 2020[committee meeting],	None	None	Council Approved MPAC schedule of meetings/Attendance registers

KPA 6: Good Governance and Public Participation

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019-30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Performance (01 Jul 2020 - 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/Interventions	Evidence Required
6.1.4	Good governance and administration	Good corporate governance and public participation	% of MPAC quarterly Resolutions implemented by 30/06/2021	Municipal Manager	53%	53%	100%	OPEX	68%	-32%	12 Nov 2020[MPAC strat plan], 16 march 2021[committee meeting] 06 april 2021[project visit] 28 April 2021[committee meeting], 30 april 2021[committee meeting], 17-19 may 2021[working session], 31 May 2021[special meeting] 21 june 2021[special meeting] 23 June 2021 (Public Hearing), 29 june 2021[special meeting]	There is delay in implementing register due to Covid 19 restrictions	Investigations still need to be written off/condone by Council to be held during	Resolution register

KPA 6: Good Governance and Public Participation

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019-30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Actual Performance (01 Jul 2020 - 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/Interventions	Evidence Required
6.1.5	Good governance and administration	Good corporate governance and public participation	Number of scheduled monthly senior management meetings held by 30/06/2021	Municipal Manager	11	11	11	OPEX	14	+3	14 Jul 2020, 11 Aug 2020, 24 Aug 2020, 08 Sep 2020, 13 Oct 2020, 10 Nov 2020, 09 Dec 2020, 13-14 Jan 2021, 09 Feb 2021, 17 Mar 2021, 09 Apr 2021, 13 May 2021, 08 Jun 2021		first quarter (August)	Minutes of Senior Management meetings, attendance registers
6.1.6	Good governance and administration	Good corporate governance and public participation	Number of scheduled monthly Portfolio Committee meetings held by 30/06/2021	Municipal Manager	55	55	55	OPEX	62	07 (special meetings)	BTO - (12 ordinary meeting), CSS (12 Ordinary meetings), TS - (12 Ordinary & 1x Special), DPD (12 Ordinary & 1x Special), CORS (12 Ordinary & 4x Special)	None	None	Minutes of Portfolios meetings, attendance registers POE submitted.

6.2 Public Participation and Ward Committees

6.2.1	Good governance and administration	Good corporate governance and public participation	Number of IDP REP Forum meetings held by 30/06/2021	Municipal Manager	3	3	1	OPEX	0	-1	Due to lack of resources for members	Covid 19 restrictions and lack of resources for virtual	The forum will be divided into two groups	Attendance registers, agendas, invitations
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KPA 6: Good Governance and Public Participation

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019-30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Performance (01 Jul 2020 – 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/Interventions	Evidence Required
6.2.2	Good governance and administration	Good corporate governance and public participation	Number of IDP Steering Committee meetings held by 30/06/2021	Municipal Manager	4	4	4	OPEX	4	0	Continue in holding this meeting	None	None	Attendance registers, agendas, invitations
6.2.3	Good governance and administration	Good corporate governance and public participation	Number of consolidated monthly reports of Ward Committee meetings scheduled and convened by 30/06/2021 (Functionality of ward committees)	Municipal Manager	7	7	11	OPEX	11	0	11 (monthly Bathopele committee meetings) & 11 Consolidated ward committee reports	None	None	Consolidated monthly report (Minutes of ward committee meetings and attendance register)
6.2.4	Good governance and administration	Good corporate governance and public participation	Number of quarterly Mayoral Izimbizos and public participation by 30/06/2021	Municipal Manager	4	4	4	OPEX	4	0	The Mayor presented the report via Social media platforms and Imbizo report and query/inputs submission forms were also made	None	None	Attendance registers, Imbizo reports

KPA 6: Good Governance and Public Participation

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019-30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Actual Performance (01 Jul 2020 – 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/Interventions	Evidence Required
6.2.5	Good governance and administration	Good corporate governance and public participation	% of complains resolved quarterly by 30/06/2021	Municipal Manager	94.3%	94.3%	100%	OPEX	76%	-24%	Some of issues raised are not directly related to municipal service but rendered by other government departments	Those issues are not directly related to municipal services	Those issues raised involving government department are referred to relevant departments	Complains register, batho pele report
											available to community members			

6.3 Corporate Governance

6.3.1	Good governance and administration	Good corporate governance and public participation	Number of Audit Committee quarterly meetings held by 30/06/2021	Municipal Manager	8	8	7	OPEX	10	+3	There were special meetings to address Performance Audit Committee items	None	None	Copies of approved minutes, attendance registers
6.3.2	Good governance and administration	Good corporate governance and public participation	Number of approved Audit Charter by 30/06/2021	Municipal Manager	1	1	1	OPEX	1	0	Audit Committee Charter approved on the 30 June 2021	None	None	Approved Audit Committee Charter

KPA 6: Good Governance and Public Participation

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019-30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Performance (01 Jul 2020 - 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/Interventions	Evidence Required
6.3.3	Good governance and administration	Good corporate governance and public participation	Number of Audit Steering Committee quarterly meetings held by 30/06/2021	Municipal Manager	12	12	12	OPEX	22	10	None	None	None	Approved minutes and attendance registers. (Exco and Management)
6.3.4	Good governance and administration	Good corporate governance and public participation	Number of Risk-based Audit Plan reviewed by 30/06/2021	Municipal Manager	1	1	1	OPEX	1	0	Risk-Based Audit Plan approved by Council on the 30 June 2021	None	None	Approved Risk-based audit plan.
6.3.5	Good governance and administration	Good corporate governance and public participation	% Implementation of IA Plan per quarter by 30/06/2021	Chief Executive Audit	100%	100%	100%	OPEX	100%	0	None	None	None	Audit Committee Report to Council.
6.3.6	Good governance and administration	Good corporate governance and public participation	% Implementation of Internal Audit Action Plan by 30/06/2021	Municipal Manager	66%	66%	80%	OPEX	82%	+2%	None	None	None	Internal Audit Follow-up Report
6.3.7	Good governance and administration	Good corporate governance and public participation	Number of quarterly Audit Performance Committees resolutions and Reports presented to Council by 30/06/2021	Chief Executive Audit	6	6	4	OPEX	5	+1	None	None	None	Audit Committee Reports
6.3.8	Good governance and administration	Good corporate governance and public participation	% implementation of Audit	Municipal Manager	57%	57%	80%	OPEX	86%	+6%	None	None	None	Audited Audit Committee Resolution

KPA 6: Good Governance and Public Participation

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019-30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Actual Performance 2020 - 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/Interventions	Evidence Required
			Committee Resolutions											Register
6.3.9	Good governance and administration	Good corporate governance and public participation	% of Community satisfaction with public services by 30/10/2020	Acting Senior Manager Planning & Development	52%	52%	100%	OPEX	86%	+6%	None	None	None	Community Satisfaction Survey Report
6.3.10	Good governance and administration	Good corporate governance and public participation	Number of 2019/20 AFS and Annual Performance Report submitted to AG by 31/08/2020	Municipal Manager	1	1	1	OPEX	1	0	None	None	None	Submission letter and copy of final AFS
6.3.11	Good governance and administration	Good corporate governance and public participation	Number of developed AG Action Plan approved to address the 2019/20 AG Report findings by 31/03/2021.	Municipal Manager	1	1	1	OPEX	0	0	None	None	None	Approved AG Action Plan by Council
6.3.12	Good governance and administration	Good corporate governance and public participation	% of quarterly implementation on AG Action Plan by 30/06/2021	Municipal Manager	40%	40%	30%	OPEX	18%	-12%	Issues raised will be addressed when developing the SDBIP for next financial year	Supporting document aligning with the kpi	Issues raised during audit will be addressed in the coming financial year 2021/22	Audited AG Action Plan and Portfolio of Evidence
6.3.13	Good governance and administration	Good corporate governance and public	Number of monthly Local Labour Forum	Senior Manager Corporate	13	11	11	OPEX	19	+8	None	None	None	LLF minutes and attendance register.

KPA 6: Good Governance and Public Participation

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019-30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Performance (01 Jul 2020 - 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measure s/ Interventions	Evidence Required
		participation	meetings held by 30/06/2021	Services										
<b>6.4 Risk Management, Fraud &amp; Anti-Corruption</b>														
6.4.1	Good governance and administration	Good corporate governance and public participation	Number of reviewed fraud and anti-corruption strategy approved by 30/06/2021	Municipal Manager	1	1	1	OPEX	1	0	The strategy was approved by council on 27 May 2021 /resolution number 258/21.	None	None	Approved fraud and Anti-Corruption strategy by council (Council resolution)
6.4.2	Good governance and administration	Good corporate governance and public participation	Number of Reviewed Institutional Strategic Risk Register approved by 30/06/2021	Municipal Manager	1	1	1	OPEX	1	0	The strategic risk register was approved by council on 27 May 2021/ Council resolution number 258/21.	None	None	Approved Institutional Strategic Risk register
6.4.3	Good governance and administration	Good corporate governance and public participation	Number of quarterly Institutional Risk Management Committee meetings held by 30/06/2021	Municipal Manager	4	4	4	OPEX	5	+1	Meetings held on the 17/08/2020 14/09/2020 09/11/2020 05/02/2021 17/05/2021	None	None	Minutes of the Risk Committee meeting and attendance register
6.4.4	Good governance and administration	Good corporate governance and public participation	% of fraud and corruption cases reported and investigated within 30	Municipal Manager	100%	100%	100%	Opex	-	-	No case was reported in the financial year.	None	None	Investigation reports

KPA 6: Good Governance and Public Participation

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019-30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Actual Performance (01 Jul 2020 – 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/Interventions	Evidence Required
			working days by 30/06/2021.											

6.5 HIV/AIDS

6.5.1	Good governance and administration	Provision of sustainable integrated infrastructure and services	Number of quarterly outreach programmes conducted by 30/06/2021	Municipal Manager	18	18	16	OPEX	5	-11	Due to COVID-19 regulations Out of 16 outreach programmes 5 were conducted due	Target not reached due to the COVID-19 restrictions	Initiate strategies for outreach programme i.e. facebook page, virtual session or where possible physical	Outreach programmes reports Outreach programmes reports
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6.6 Security management

6.6.1	Governance and Administration	Good corporate governance and public participation	Number of quarterly Security Management reports for Safeguarding of Council Assets by 30/06/2021	Municipal Manager	4	4	4	OPEX	4	0	1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> and 4 <sup>th</sup> quarter reports were submitted.	None	None	Security Management Reports
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6.7 Disaster Management

6.7.1	Governance and Administration	Good corporate governance and public participation	Number of quarterly disaster awareness campaigns conducted by	Municipal Manager	4	4	4	OPEX	6	0	19 Aug 16 Sept 30 Dec 31 Dec 27 Jan 24 Mar	None	None	Invitations, Agenda, Attendance register and reports
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KPA 6: Good Governance and Public Participation

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019-30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Actual Performance (01 Jul 2020 - 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/Interventions	Evidence Required
<b>6.8 Performance Management System</b>														
6.8.1	Governance and Administration	Good corporate governance and public participation	Number of Mid-Year Budget and Performance Assessment Report submitted to council by 31/03/2021	Municipal Manager	1	1	1	OPEX	1	0	None	None	None	Council approval and resolution
6.8.2	Governance and Administration	Good corporate governance and public participation	Number of 2019/20 Draft Annual Report approved by 31/01/2021	Municipal Manager	1	1	1	OPEX	1	0	The report was submitted to Council in 31 March 2021 due to delay by AG in finalising the audit because of Covid	None	None	Council Approved 2019/20 Draft Annual Report with Council Resolution
6.8.3	Governance and Administration	Good corporate governance and public participation	Number of Oversight Report on 2019/20 Draft Annual Report approved by 31/03/2021	Municipal Manager	1	1	1	OPEX	1	0	The report was submitted to Council in 31 May 2021 due to delay by AG in finalising the audit because of Covid	None	None	Council Approved Oversight Report and Council Resolution
6.8.4	Good governance and administration	Good corporate governance and public participation	Number of reviewed 2020/2021 SDBIP	Municipal Manager	1	1	1	OPEX	1	0	None	None	None	Reviewed SDBIP signed by the Mayor and council resolution

KPA 6: Good Governance and Public Participation

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019-30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Actual Performance (01 Jul 2020 - 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/Interventions	Evidence Required
6.8.5	Good governance and administration	Good corporate governance and public participation	approved by 31/03/2021 Number of Draft 2021/22 SDBIP submitted to the Mayor for approval by 14/06/2021 (14 days after the adoption of the IDP and Budget)	Municipal Manager	1	1	1	OPEX	1	0	None	None	None	2021/22 Draft SDBIP approved by the Mayor (Signed and Dated)
6.8.6	Good governance and administration	Good corporate governance and public participation	Number of approved Final 2021/22 SDBIP (28 days after the adoption of the IDP and Budget) approved by mayor	Municipal Manager	1	1	1	OPEX	1	0	Approved by 30 June 2021	None	None	2021/22 Draft SDBIP approved by the Mayor (Signed and Dated)
<b>6.9 Integrated Development planning</b>														
6.9.1	Governance and Administration	Good corporate governance and public participation	Number of reviewed IDP/Budget/PMS/MPAC Framework and Process Plan approved by 31/07/2020	Municipal Manager	1	1	1	OPEX	1	0	Approved by council on the 30 July 2020	None	None	Council Approved IDP, Budget, PMS Process Plan
6.9.2	Governance and Administration	Good corporate governance and public participation	Number of 2021/22 Draft IDP approved by 31/03/2021	Municipal Manager	1	1	1	OPEX	1	0	Approved by council on the 31 March 2021	None	None	Council resolution (Council approve 2021/22 Draft IDP)

KPA 6: Good Governance and Public Participation

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	2019/20 Performance (01 July 2019-30/June 2020)	Baseline (30/06/20)	Annual Target 30/06/21	Budget	Annual Actual Performance (01 Jul 2020 - 30 Jun 2021)	Actual Performance Variance	Remarks	Challenges	Corrective Measures/Interventions	Evidence Required	
6.9.3	Governance and Administration	Good corporate governance and public participation	Number of 2021/22 Final IDP approved by 28/05/2021	Municipal Manager	1	1	1	OPEX	1	0	Approved by council on the 27 May 2021	None	None	Council resolution (Council approve 2021/22 Final IDP)	
<b>6.10 Communication</b>															
6.10.1	Governance and Administration	Advance good corporate governance	Number of Communication Strategy reviewed and approved by Council by 30/06/2021	Municipal Manager	1	1	1	OPEX	1	0	Reviewed & approved by council on the 27 May 2021	None	None	Approved Communication strategy and Council resolution	
6.10.2	Governance and Administration	Advance good corporate governance	% for submission of information for publishing on the website as according to legislation checklist by 30/06/2021	Municipal Manager	100%	100%	100%	OPEX	100%	100%	None	None	None	Legislation checklist	
6.10.3	Governance and Administration	Advance good corporate governance	Number of quarterly Local Communicators Forum held by 30/06/2021	Communication Manager	4	4	4	OPEX	4	0	15 Sep 2020 17 Nov 2020 16 Mar 2021 09 Jun 2021	None	None	Invitations, Minutes. And attendance register	

# **CAPITAL PROJECTS PER RESPONSIBLE MANAGER**

Vote No.	Responsible Manager	Project Name	Total Capital Budget (R'000)	Budget Revised	Planned Start Date	Planned Completion Date	Ward No.	Annual Actual Performance (01 Jul 2020 – 30 Jun 2021)	Remarks	Challenges	Corrective Measures/Interventions	Evidence required
<b>Electricity</b>												
	Senior Manager Technical	Electrification Namakgale D and Selwane	R5000 000,00	R0	01/07/20	30/06/21	18, 1	Project is completed and outstanding is energizing by Eskom and connection by Contractor	Project is completed	Project to be energized and connection	Eskom to energize the project and contractor to connect	Bid Committees minutes and registers, advertisements, Progress reports and Completion report and Completion Certificate
	Senior Manager Technical	Replacement of Streets lights	R4 500 000,00	R0	01/07/20	30/06/21	all	The Project is completed, retention items is outstanding	Project is completed	Items on outstanding work to be done	Defects to be attended	Bid Committees minutes and registers, advertisements, Progress reports and Completion report and Completion Certificate
<b>MIG</b>												
	Senior Manager Technical	Tambo phase 2 street paving	R6 923 569,00	R23 784 826,00	01/07/20	30/06/21	13	The project is at Practical completion stage, only road furniture is in progress	Practical completion stage, only road furniture in progress	Litigation issue not resolved	Litigations issues to be speedily resolved	Progress reports and Completion report and Completion Certificate

	Senior Manager Technical	Refurbishment of Namakgale Stadium	R 12 990 761,00	R5 094 481,00	01/07/20	30/06/21	18	Construction still in progress	Project still in construction stage	Phase 2 of the project commenced in July 2021		Progress reports and Completion report and Completion Certificate
	Senior Manager Technical	Mashishimale Sports Complex	R2 230 231,00	R2 256 751,00	01/07/20	30/06/21	8/9/10	Project completed	None	None	None	Progress reports and Completion report and Completion Certificate
	Senior Manager Technical	Selwane Sport Complex	R8 094 889,00	R 0	01/07/20	30/06/21	18	Construction still in progress	Project still in progress	Late response from Eskom for installation of transformer	Request for extension of time on the project	Progress reports and Completion report and Completion Certificate

# Assessment for service providers

# Ratings

Rating	Description of rating
1	Poor Performance
2	Fair Performance
3	Good Performance
4	Very Good Performance
5	Performance Above Expectations

Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider
Valuation Roll 2019 - 2023	General valuation roll and Supplementary valuation Roll	DDP Valuers (PTY) (LTD)	Ba- Phalaborwa Municipality	16-01-2019	01-06-2023	R2 300 000.00	General valuation completed and Supplementary 1 to 3 has been completed currently working on supplementary 4	Omissions of properties and difficulties of finding ownerships of unregistered properties	Good  Poor, Fair, Good, Very good & Above expectations
Transfer of Namakgale D,C and Lulekani A	Transfer of Namakgale D,C and Lulekani A	Mahumani INC.	Ba-Phalaborwa Municipality	July 2020	End of 2022 FY		Namakgale-D completed and busy with Namakgale-C resurveying completed.	Double registration of some properties in Namakgale -C-Some properties are registered in both the old the new number.	Very Good Performance
Meter reading	Meter Reading & Maintenance	Baatshuma	Ba- Phalaborwa Municipality	01-10-2018	30-09-2020		Service provider is taking monthly meter readings	Lack of Funding for fixing of faulty meters	Good
Sale of Prepaid Electricity	Selling of Prepaid Electricity	CGCELL	Ba- Phalaborwa Municipality	29-01-2020	28-01-2023		The service provider is selling prepaid electricity through vendors (Shoprite, Garages, Spar & etc)	None	Good
Debt Collection	Collection of Debt	NICS, Phakhmani, HRES, Medaco, &	Ba-	26-09-2018	25-09-2020	Rate - 12.78% on the collection	Not satisfactory, the collection rate	- Culture of non-payment -Lack of Technical team to enforce	Poor

VAT recovery and Reconciliations	LBNC	Phalaborwa Municipality	01-01-2019	31-12-2021	Rate of 12.5% including vat of all successful Vat recovery on behalf of the municipality	is low. However for farms the collection rate is good	credit control	Good
VAT recovery and Reconciliations	PK financials Consultants	Ba-Phalaborwa Municipality	01-12-2018	31-01-2022	Operational budget	There is daily operation which is done according to the requirements of landfill site license.	Monitoring of underground water, No road signage illustration to the landfill site. Requisition has been made on resuscitating/recommissioning landfill site borehole and requisition has been made for road signage and will be implemented in the new financial year.	Good
Provision of service to the waste disposal site in Ba-Phalaborwa	Theuwedi trading enterprise	Ba-Phalaborwa Municipality	01-07-2017	30-06-2021	R8M	The project has not been implemented completely due to technical and system challenges thus making the municipality to fail to comply on submission section 71 among others	Replacement of the system with a new system	Poor
Provision of Enterprise Management System -EMS	Seabata / Inzalo	Ba-Phalaborwa Municipality	01-10-2020	30-09-2023	R2M	The project is still active and the Municipality saving on Telkom lines	Some sites still need to be connect to our network as extension of our telephone system	Very Good
Supply and installation of Voice Over IP-VoIP	Advance Voice system	Ba-Phalaborwa Municipality	01-08-2017	30-09-2021	R1.5M	32 Multi-functions Machines supplied	NO challenges. Specification committee appointed	Very Good
Provision of Labour saving Machines	Nashua	Ba-Phalaborwa Municipality	01/03/2021	30/05/2023	R 44 941 439,69	Physical progress - 15% Time elapsed - 15%	Process of obtaining the construction work permit from Dept. of Labour was tedious, permit was only issued 26 May 2021. Contractor has appointed	Fair
Refurbishment of Namakgale stadium	TP NOKO (Contractor)	MIG			MIG		INFRAPROJECTS (Consultants)	Fair



Mashishimale Sports Complex	Installation, High mast lights, soccer pitch grassing and irrigation.	LEBP (Contractor)  Uranus Consulting engineers (Consultant)	MIG  MIG	16/01/2015	26/02/2021	R45 653 785,05	Phase 1, 2 complete  Project have been handed over to the municipality	field, install service cable	Poor  Poor
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# ANNUAL PERFORMANCE APPROVAL

<b>Approval by the Mayor</b>	<p>The Annual Performance Report is hereby compiled in terms of Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular 11 on annual reporting. This report covers the performance information from 01 July 2020 to 30 June 2021 and focuses on the Implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development and Plan (IDP). This Report reflects actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for 2020/2021.</p>
<b>Monitoring Implementation of the SDBIP</b>	<p>Progress against the objectives set out in the SDBIP will be monitored and reported on a monthly, quarterly, half-yearly and annual basis.</p>
<b>Signatures</b>	<p style="text-align: center;"><b>2020/21 Annual Performance Report Compiled by:</b></p> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;">         -----  <b>M.I. Moakamela</b>  <b>Municipal Manager</b> </div> <div style="text-align: center;">         -----  <b>Date</b> </div> </div> <p style="text-align: center; margin-top: 20px;"><b>2020/21 Annual Performance Report Approved by:</b></p> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;">         -----  <b>Cllr M.M. Malatji</b>  <b>Mayor</b> </div> <div style="text-align: center;">         -----  <b>Date</b> </div> </div>

# Annexure A

## Methodology

Ba-Phalaborwa Municipality uses the cumulative method on reporting the actual on the Service Delivery Budget Implementation Plan.

## Technical Definitions

### BPM

BPM stands for Ba-Phalaborwa Municipality

### HH

Household

### Urban Areas

The urban areas refers to Phalaborwa, Namakgale, Lulekani and Gravelotte.

### Reduction in water losses

This is calculated as follows:  $\text{Lepelle bill less BPM bill} / \text{Lepelle bill} \times 100$ .

### Reduction in electricity losses

This is calculated as follows:  $\text{Eskom bill less BPM bill} / \text{Eskom bill} \times 100$ .

### 2.1 Kilometres of roads upgrade from gravel to tar/paving

This relates 0.8 Benfarm, Tambo phase 1 0.7 km and Tshelang gape 0.6

### Rehabilitation

Replacement of old road surface (tar) with a new one.

### Site Establishment/ Set-up Construction Site

Arrangement of offices, bringing the machinery and equipment onsite.

### Tourism Initiatives Activities

**September Tourism Month** – Spring Day, Orchid Show, Heritage Day Celebration, 2 Tourism workshops and Marathon.

**Tourism Indaba** – Procurement of promotional materials

**SPLUMA – Spatial Planning Land Use Management Act 2013**

**SPLUMA Applications**

Number of development (land use) applications received/ applications processed in terms of SPLUMA

**% Debt Coverage**

This is calculated by  $A = B - C/D$

Where - “A” represents debt coverage, “B” represents total operating revenue received, “C” represents operating grants, “D” represents debt service payments (i.e. interest + redemption) due within the financial year

**Outstanding Service Debtors to Revenue**

This is calculated by  $A = B/C$

“A” represents outstanding service debtors to revenue

“B” represents total outstanding service debtors

“C” represents annual revenue actually received for services;

**Cost Coverage Ratio**

This is calculated by  $A = B + C/D$

Where - “A” represents cost coverage

“B” represents all available cash at a particular time, “C” represents investments

“D” represents monthly fixed operating expenditure