



# DRAFT ANNUAL REPORT 2018/19

MOQHAKA LOCAL MUNICIPALITY

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# Chapter 1

## VOLUME 1

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

#### COMPONENT A: EXECUTIVE MAYOR’S FOREWORD

As we celebrate our maturing democracy, the more we realise that our past has laid a heavy burden on ourselves to create a better living conditions. In the last annual report, we indicated that the municipality has a vision that strives to be a municipality that creates an enabling environment for socio economic growth and sustainable development. We also said we want to build the municipality that has capacity to provide and ensure the provision of services to our communities are sustainable.

May I report that the progress is gradually bearing fruit for the past twelve months the services to our communities has been provided all round despite fleet challenges. Whereas we have delivered, our measuring stick is the extend of satisfaction of our communities. So indeed we may have not reached the peak but we continuously re-engineering our system, process and planning for improved services.

The further challenge that continues to be experienced is the low growth of our economy as it thus had an impact on new developments.

Our aging infrastructure continues to be a challenge that must be addressed now and in the future. The municipality on its own it will not be able to deal with these challenges hence the cooperative governance become crucial.

The existing framework of integrated development planning, complemented by spatial development framework become very critical that joint planning and implementation be commanded.

In terms of the constitution it does require that municipalities must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community and participate in the national and provincial development programmes. So it is clear we have a framework of working together.



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This provision of the constitution is supported by Act No. 16 of 2013 Spatial Planning and land Use Management Act, 2013. This act does provide a mechanism for spheres to ensure an integrated approach to land use and land development that is guided by the spatial planning and land use management systems as embodied in the act. And it does also allow for all government departments to provide their sector inputs and comply with any other prescribed requirements during the preparation or amendment of spatial development frameworks. This legislation requires the municipality to plan ahead of future development and this plan requires the provincial and national government to participate in the local spatial development.

It is therefore critical for the municipality to compile the spatial development framework in time as this will contribute to the attraction of external investment in much needed sites allocation.

As the municipality we have to ensure that we maintain and develop our city to become a city of choice.

In ensuring public participation we have done very well during the IDP review process and Budget consultation almost all the wards participated. We have also been able to consult with NGO's, business people and farmers participated and we are happy that we have also learned and discovered that building relationship with many stakeholders created a lot of interest and clarifying how government works, most participant appreciated and very few has shown dissatisfaction in the time taken to conclude certain process where people have wished that certain administrative decisions can be quickly implemented.

I am humbled to present this annual report of 2018/19 covering the period from 01 July 2018 to 30 June 2019

May I conclude by thanking the Council, Speaker, Council whip, Members of the mayoral committee, Councillors Municipal manager, Directors, Municipal employees, My staff and the People of Moqhaka.

**Executive Mayor**

**Hon, Cllr P.J. Phooko**

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## COMPONENT B: EXECUTIVE SUMMARY

### 1.1 MUNICIPAL MANAGER'S OVERVIEW

Looking back on the 2018/2019 financial year it can be reported with a sense of accomplishment that Moqhaka Local Municipality remained steadfast in delivering on its Constitutional mandate towards the community it serves. Further improving on delivering these services to the best of our ability by optimising the financial, operational and human resources available, and importantly, ensuring compliance to the regulatory and legislative parameters provided.

The above is inter alia achieved through effective administrative governance which in short can be described as the administrative activities concerned with governing and in accordance with the administrative and legislative requirements to give effect to policies and objectives. The importance of financial sustainability cannot be over emphasised, it forms core to the municipality's ability to provide not only sustainable but also quality service to the community. This in turn creates a building block for society and a healthy, growing local economy which ultimately will have a positive effect on the municipality's collection rate and its ability to further improve on delivering its mandate.

Administrative and financial compliance for Local Government is subject to multifaceted regulatory and legislative requirements as well as reporting frameworks. Given the material nature of strictly observing and adhering to these requirements it is of paramount importance that proper and well managed systems are in place and managed in accordance with the timeframes involved.

Reflecting on Moqhaka Local Municipality's commitment towards this goal is the fact that the municipality has for the previous three financial years obtained unqualified audit outcomes which came following gradual improvement from a qualified audit opinion in (2014/2015) to an unqualified audit opinion in (2017/2018) and due to other unforeseen issues, the municipality regressed to a qualified audit opinion in 2018/19. The ultimate aim is obtaining a clean audit report and it should be mentioned that all officials involved are extremely dedicated towards reaching this achievement.

Weekly Audit Steering Committee meetings are conducted to comprehensively address issues as identified in the Audit Action Plan with the objective of further improving on future audit outcomes. This commitment is evident in the reduction of unauthorised, irregular and fruitless expenditure (UIF). Moqhaka Municipality demonstrated good governance and administration through hiring competent staff and also ensuring transparency and accountability.

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As also previously mentioned it should be noted that, in contradiction with other spheres of Government, Local Government's main source of income is its own revenue which means that adequate funding will never be available unless the municipality collects all, or as much as possible revenue owed to it. The budget and consequently the realisation of targets as set out in the IDP as well as the SDBIP are directly linked to the ability of the municipality to generate and collect this revenue therefore directly dependant on the payment rate of the community.

Optimising this requirement did not come without challenges which emanated into cash flow constraints, hence both the revenue and expenditure components of the municipality's finances received in depth consideration which required meticulous management of all expenditure, furthermore the development and honouring of the Eskom payment agreement.

Both political and administrative structures of the municipality were involved in revenue enhancement encouraging the community to honour payment of municipal rates and taxes. This exercise proved fruitful as evident from the municipality's average debt collection rate as at the end of June 2019 which was at 84%, however outstanding debtors as at the end of June 2019 still amounted to R681m of which the main part is for water and sewer services rendered. One of the main constraints in improving revenue collection is the challenges experienced to collect rates & taxes from areas receiving Eskom electricity supply reflecting in the 47% and 48% payment rates of Viljoenskroon and Steynsrus respectively .

Public Participation was conducted on the review of the IDP to solicit inputs from members of the Community and stakeholders in line with requirements of the Municipal Systems Act. The IDP includes municipal vision and mission, assessment of existing level of development, Council's development priorities and objectives, the status of Local Economic Development, Council Development strategies aligned to the National and Provincial sector plans, draft Spatial Development Framework, Council's operational strategies, financial plan including budget projections, Disaster Management Plan and Key Performance Indicators as core components of the plan. The IDP is aligned to the NDP, Free State Development Strategy and importantly the budget.

Focussing on infrastructure development and upgrading, the municipality again achieved 100% spending on all capital grants received from MIG and EPWP. The WSIG expenditure was 98%.

In line with its mandate the municipality focused all available resources towards efficiently addressing operational and routine maintenance requirements. Pothole patching, grading of gravel roads, pipe repairs, unblocking sewer lines, streetlight repairs and replacement of faulty water and electricity meters are amongst the emphasis areas in this regard. The municipality also commissioned the services of specialised service

# Chapter 1

providers to assist in unblocking sewer lines in order to speed up reaction time considering the volume of blockages experienced as well as the risks associated with such.

In promoting radical economic transformation, attracting investment is imperative, further also the development of small, medium and micro enterprises to create and sustain job opportunities within the area. The LED strategy objectives received priority attention and the attraction of investment into Moqhaka was given the precedence required.

I thank the community of Moqhaka for the positive contributions received and to also emphasise Moqhaka Municipality's commitment towards putting the people and their concerns first in ensuring constant contact with communities through effective public participation platforms. The communities are encouraged to actively participate at these platforms and provide their inputs so much needed for the municipality to effectively address their needs.

I also wish to express my sincere gratitude and recognition towards the Honourable Executive Mayor and all members of Council for the leadership and support received, and further towards the management team and all employees for their dedication and hard work throughout the year.

Thank you,

**ACTING MUNICIPAL MANAGER**

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## 1.2 MUNICIPAL FUNCTIONS, POPULATION & ENVIRONMENTAL OVERVIEW

### INTRODUCTION TO BACKGROUND DATA

The area of jurisdiction of the Moqhaka Local Municipality is situated in the southern part of the Fezile Dabi District Municipality. The former Kroonstad, Steynsrus and Viljoenskroon Transitional Local Councils and sections of the Riemland, Kroonkop and Koepel Transitional Rural Councils are included in the Moqhaka Local Municipality.

The general tendency of migration from rural to urban areas is also occurring in the area, as is the case in the rest of the Free State Province. The majority of the rural population is active within the agricultural sector. Regarding the population distribution (see Table 1), the area is largely urbanized (78% urban and 22% rural). In comparison to the other municipalities within the Fezile Dabi District, it appears as if Moqhaka is significantly less urbanised. However, the large rural population of the concerned region is attributed to the fact that the population of the Vierfontein and Renovaal villages as well as the Vaal Reefs hostel complex and informal settlement (see Table 6) is included in the rural population of Moqhaka.

The Greater Kroonstad is the centre of a large agriculture community that plays an important role in the economy of the district. Industrial activities subsequently contribute significantly to the district's economy. The Department of Correctional Services and the School of Engineer's Military bases are situated in the town. Kroonstad has of late become a distinguished holiday destination due to the ultra-modern and popular holiday resort of Kroonpark, adjacent to the Vals River. The urban area is situated adjacent the N1 National Road and located adjacent one of the largest and most important four-way railway junctions in South Africa.

The Viljoenskroon/Rammulotsi urban area is located within an area of extreme agricultural significance. The urban area plays a significant role in providing residential opportunities to the adjacent Goldfields and mining activities in the North West Province. The provincial roads P15/1 and P15/2 from Kroonstad to Klerksdorp in the North West Province extend through the area from north to south. The Steynsrus/Matlwangtlwang urban area is situated approximately 50km east of Kroonstad, 140km west of Bethlehem. The major link road between Bethlehem and Kroonstad stretches adjacent to the urban area. The area is located in an area of agricultural significance and mainly provides services in this regard to the surrounding rural areas. More specialised services are rendered by Kroonstad as a large service centre in close proximity. The accessibility of the town, due to the main road and railway line, further influences growth in the area.

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In addition to the existing formal urban areas, several residential areas and proclaimed town areas are situated in Moqhaka with reference to Renovaal, Vierfontein and the Vaal Reefs hostel complex and settlement. Renovaal was established during 1974 adjacent the Vaal River with the intention to provide residence in the proximity of the gold mining activities in the North West Province. The town was also later marketed as a leisure residential area with recreation potential adjacent the Renoster and Vaal Rivers. Development of the town is, however, extremely latent and only the proposed first phase of the town was established. According to Proclamation No. 167 of 1975, the concerned area represented by General Plan SG No. 459/1974, was proclaimed a township under the name Renovaal.

**Figure 1: Map of Moqhaka**



In addition to the existing formal urban areas, several residential areas and proclaimed town areas are situated in Moqhaka with reference to Renovaal, Vierfontein and the Vaal Reefs hostel complex and settlement. Renovaal was established during 1974 adjacent the Vaal River with the intention to provide residence in the proximity of the gold mining activities in the North West Province. The town was also later marketed as a leisure residential area with recreation potential adjacent the Renoster and Vaal Rivers. Development of the town is, however,

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extremely latent and only the proposed first phase of the town was established. According to Proclamation No. 167 of 1975, the concerned area represented by General Plan SG No. 459/1974, was proclaimed a township under the name Renovaal.

Vierfontein (referred to as “Vierfontein South”) is also a proclaimed town. The area was initially developed to provide residence for workers at the adjacent mine and electricity power station and was owned by Eskom. After mining activities ceased and the power station discontinued, a township establishment was done to formalize the existing town area during 1993. According to Proclamation No. 35 of 1995 (Provincial Gazette of 24 February 1995), the concerned area represented by General Plan SG No. 786/1993, was proclaimed a township under the name Vierfontein. The individual properties were sold and the majority of the inhabitants of Vierfontein are retired residents with a limited number of inhabitants that are employed in Viljoenskroon.

To the north of the town Vierfontein, a sectional title scheme was established that is referred to as “Vierfontein North”. As in the case of Vierfontein, this sectional title scheme also developed to provide residence for workers at the Vierfontein mine and power station, but most of the current inhabitants are also retired. The area was developed by the Dutch Reformed Church who was the initial property owner of the concerned farms. The concerned farms are currently the property of Vierfontein Developers Group Scheme who is also the current home owner’s association.

The Vaal Reefs hostel complex subsequently exists adjacent the Vaal River and in close proximity of Viljoenskroon. The hostels were developed by AngloGold who is the property owner of the concerned farms and provide residence to mine workers of the company. Although mining activities ceased on the Free State side of the Vaal River, the complex still exists and provides housing to approximately 9 000 residents. An informal settlement subsequently developed adjacent the Vaal Reefs hostels, consisting of approximately 720 residents.

Apart from the dominant role agriculture plays in the region, no other significant economic activity exists. The Moqhaka area, like the rest of the Fezile Dabi District, is not considered as a primary tourist destination, although the area is increasingly becoming a favourite weekend destination. The hunting and guesthouse industries displayed an exceedingly rapid growth the past few years. Recreation areas and facilities are predominantly confined to the urban areas. The Kroonpark recreation and holiday resort in Kroonstad attracts interest throughout the region.

The Vaal River borders Moqhaka to the west. The Vals and Renoster Rivers drain through the area towards the Vaal River. These rivers play a significant role in providing the raw water supply to Kroonstad, Steynsrus and Viljoenskroon respectively. The topography of the area is particularly homogeneous with no prominent features

# Chapter 1

and the area is characterised by extremely moderate slopes. The western areas, in the vicinity of Viljoenskroon, are known for various shallow and non-perennial pans.

**Table 1: Overview of Neighbourhoods within Moqhaka Municipality**

Overview of Neighbourhoods within 'Name of Municipality'		
2018/19		
Settlement Type	Households	Population
<b>Towns</b>		
Kroonstad	4 535	12 149
Viljoenskroon	620	7 470
Steynsrus	221	773
Sub-Total	5 376	20 392
<b>Townships</b>		
Maokeng	17 071	78 620
Rammulotsi	7 660	32 751
Matlwangtlwang	1 649	7 021
Brentpark	833	5 845
Sub-Total	27 213	124 237
<b>Rural settlements</b>	0	
Renovaal (359)	0	
Vierfontein (452)	0	
Sub-Total	0	0
<b>Informal settlements</b>	0	
Matlwangtlwang	205	7 021
	0	
Sub-Total	205	7 021
<b>Total</b>	<b>32 794</b>	<b>144 629</b>

## DEMOGRAPHIC AND SOCIO-ECONOMIC PROFILE

The official statistics according to *Statistics South Africa's Census 2001, Community Survey 2007 and Census 2011* were used to provide an overview of the municipality's demographic and socio-economic profile.

**Table 2: Socio Economic Status**

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
2013/14	19%	22%	26%	44%	10%	27%
2014/15	20%	23%	26%	48%	15%	37%
2015/16	21%	24%	26%	52%	0%	44%
2016/17	21%	24%	27%	54%	15%	44%
2018/19	21%	27%	27%	54%	15%	44%



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**Table 3: Census Key Statistics**

	2011	2001
<b>People</b>		
Total population	160,532	167,892
Young (0-14)	27%	28,1%
Working Age (15-64)	66,4%	66,4%
Elderly (65+)	6,5%	5,7%
Dependency ratio	50,5%	51%
Sex ratio	98,1	99,2
Population density	20 persons/km2	n/a
No schooling aged 20+	5,4%	10,9%
Higher education aged 20+	8,6%	6,5%
Matric aged 20+	27,8%	20%
Number of households	45,661	41,514
Average household size	3,2	3,7
Female headed households	40,9%	36,5%
<b>Economy</b>		
Unemployment rate	35,2%	39,9%
Youth unemployment rate	47,2%	54,6%
<b>Living conditions</b>		
Formal dwellings	88,7%	82,5%
Housing owned/paying off	56,1%	61,4%
Flush toilet connected to sewerage	85,6%	65,6%
Weekly refuse removal	84,9%	67,4%
Piped water inside dwelling	57,7%	28,4%
Electricity for lighting	93,3%	83,8%

The number of households and the number of poor households in the municipal area is shown in the graph below:

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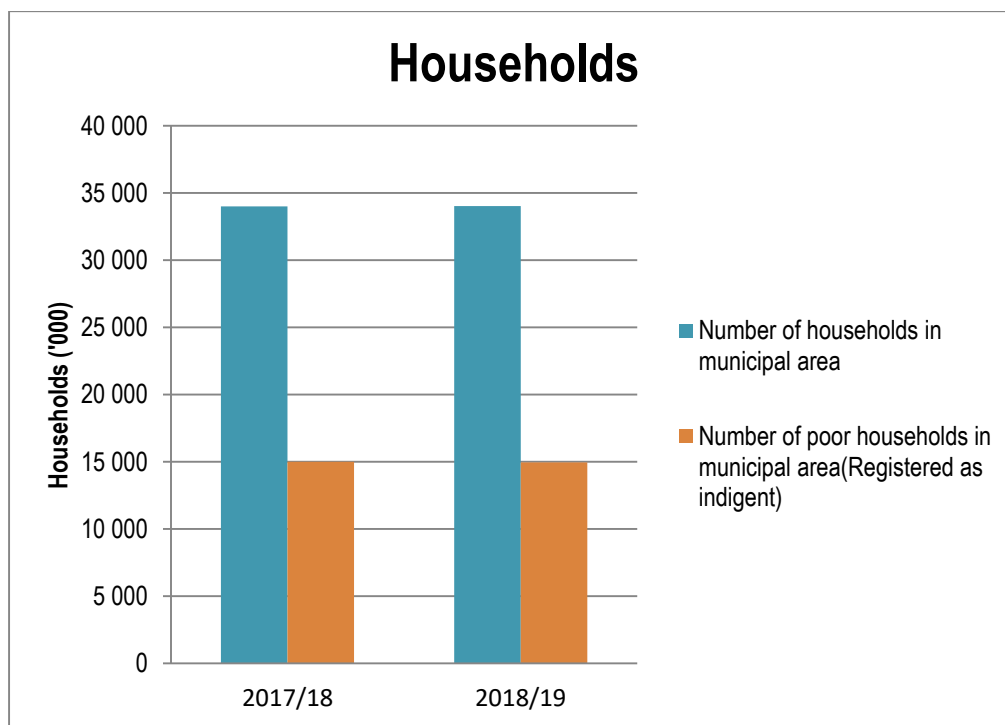


Figure 2: Households

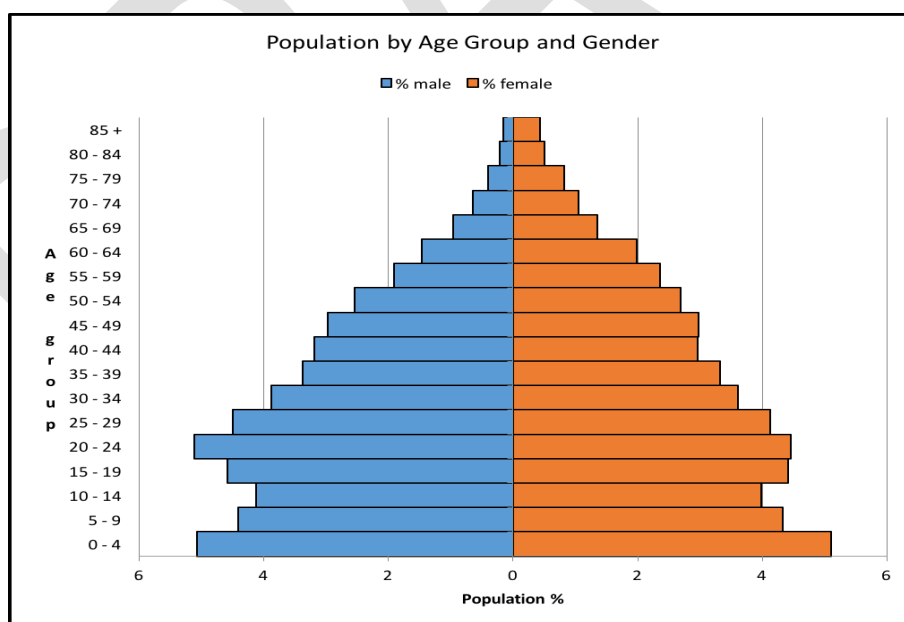
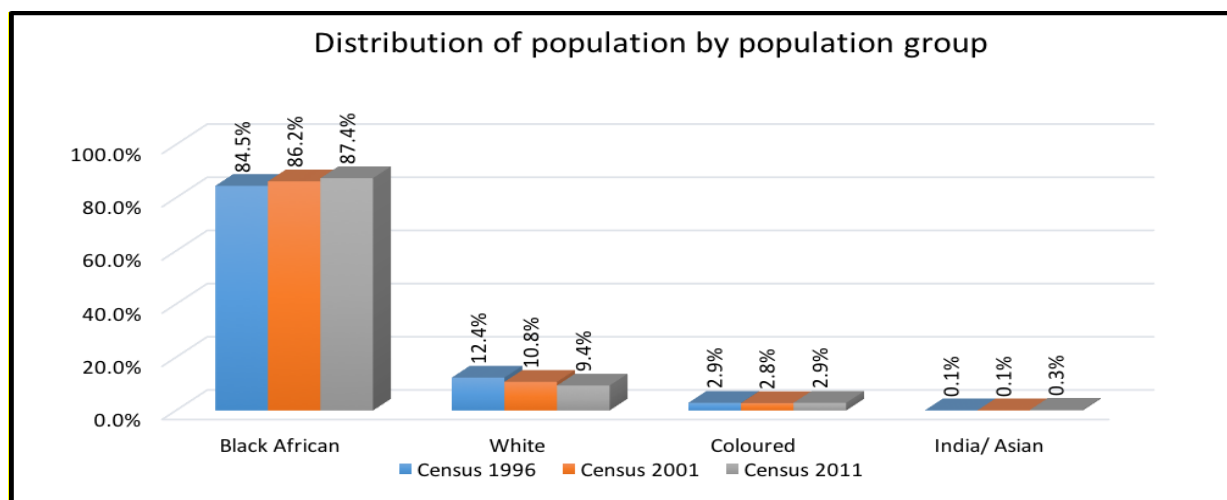


Figure 2: Population by Age and Gender

# Chapter 1

**Table 4: Distribution of Population by Population Group**

	Census 1996	Census 2001	Census 2011
Black African	142 711	144 793	139 970
White	21 010	18 198	14 968
Coloured	4 989	4 693	4 593
Indian or Asian	107	207	533



**Figure 3: Distribution of Population by Population Group**

**Table 5: Distribution of population aged 20 years and older by level of education attained**

	Census 1996	Census 2001	Census 2011
No schooling	14 017	10 512	5 025
Some primary	24 443	24 498	15 522
Completed primary	9 664	9 016	5 096
Some secondary	33 830	33 397	33 450
Grade 12/Std 10	12 023	19 325	25 883
Higher	6 207	6 242	8 022
<b>Total</b>	<b>100 183</b>	<b>102 991</b>	<b>92 997</b>

**Table 6: Distribution of population aged 5-24 years by school attendance**

	Census 1996	Census 2001	Census 2011
Attending	48 765	46 648	37 396
Not attending	16 654	18 690	15 182
<b>Total</b>	<b>64 419</b>	<b>65 338</b>	<b>52 579</b>

## WARD PROFILES

The ward information shown in the tables below was received from Statistics South Africa and provides a breakdown of some of the 2011 Census data according to the 25 wards in Moqhaka.

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**Table 7: Distribution of Population and Population Group by Ward**

FS201: MLM	Black African		Coloured		Indian or Asian		White		Other		Grand Total
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
<b>Total</b>	69 356	70 613	2 257	2 336	353	180	7 181	7 787	330	138	160 532
<b>Ward 1</b>	3 499	4 260	6	10	1	1	4	8	5	-	7 794
<b>Ward 2</b>	3 446	2 961	81	89	31	24	746	786	10	5	8 179
<b>Ward 3</b>	3 321	1 733	213	177	14	12	1 376	1 529	8	4	8 387
<b>Ward 4</b>	3 006	3 456	64	47	-	1	13	10	2	-	6 599
<b>Ward 5</b>	3 290	3 716	9	9	6	-	1	1	12	7	7 050
<b>Ward 6</b>	1 358	1 488	27	29	4	2	20	25	9	2	2 963
<b>Ward 7</b>	3 506	4 135	15	13	4	-	66	76	7	8	7 828
<b>Ward 8</b>	2 226	2 786	22	15	7	-	-	-	2	-	5 058
<b>Ward 9</b>	3 755	3 944	53	66	14	7	31	26	5	3	7 904
<b>Ward 10</b>	2 453	2 837	14	17	6	3	14	58	5	1	5 407
<b>Ward 11</b>	2 175	2 431	11	18	5	-	3	3	2	4	4 654
<b>Ward 12</b>	2 044	2 383	6	6	8	5	3	1	12	2	4 470
<b>Ward 13</b>	2 452	3 011	1 196	1 341	14	1	16	16	11	14	8 073
<b>Ward 14</b>	1 976	2 373	10	15	-	-	1	1	5	-	4 382
<b>Ward 15</b>	2 723	3 051	23	26	2	3	2	1	11	2	5 845
<b>Ward 16</b>	1 814	1 914	118	115	77	44	1 231	1 467	73	22	6 875
<b>Ward 17</b>	597	575	94	104	54	60	1 804	1 943	23	21	5 274
<b>Ward 18</b>	3 326	3 948	24	23	2	-	1	1	10	13	7 349
<b>Ward 19</b>	3 177	3 555	22	29	8	1	1	1	19	2	6 815
<b>Ward 20</b>	3 526	4 058	29	31	21	-	3	4	10	-	7 683
<b>Ward 21</b>	3 097	3 514	16	14	26	-	-	2	22	6	6 697
<b>Ward 22</b>	3 465	3 470	30	22	7	2	223	186	14	4	7 424
<b>Ward 23</b>	1 634	1 401	15	8	-	-	524	550	-	1	4 132
<b>Ward 24</b>	4 804	985	86	50	26	7	146	107	7	2	6 220
<b>Ward 25</b>	2 687	2 630	76	62	18	5	948	983	47	14	7 470

**Table 8: Energy for Cooking per Ward**

FS201: MLM	None	Electricity	Gas	Paraffin	Wood	Coal	Animal dung	Solar	Total
<b>Total</b>	110	140 403	4 140	6 099	7 202	271	547	289	159 061
<b>Ward 1</b>	-	6 709	70	569	166	34	181	6	7 735
<b>Ward 2</b>	9	5 247	269	141	2 006	59	323	1	8 055
<b>Ward 3</b>	1	7 862	274	3	197	-	-	9	8 347
<b>Ward 4</b>	11	6 198	75	210	50	11	12	3	6 569
<b>Ward 5</b>	5	6 720	58	169	13	3	7	-	6 974
<b>Ward 6</b>	6	2 817	59	51	4	9	-	5	2 953
<b>Ward 7</b>	1	7 195	88	197	290	-	-	22	7 794
<b>Ward 8</b>	7	4 821	72	76	17	2	-	6	5 001
<b>Ward 9</b>	4	6 756	101	883	100	15	-	1	7 861
<b>Ward 10</b>	1	5 238	43	40	5	26	-	13	5 365
<b>Ward 11</b>	-	4 432	43	97	9	15	2	15	4 614
<b>Ward 12</b>	8	4 218	42	92	3	24	9	26	4 422
<b>Ward 13</b>	2	7 854	54	76	15	15	-	11	8 027
<b>Ward 14</b>	-	4 292	36	33	4	2	-	2	4 370
<b>Ward 15</b>	8	5 414	120	264	12	1	-	6	5 825

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FS201: MLM	None	Electricity	Gas	Paraffin	Wood	Coal	Animal dung	Solar	Total
Ward 16	5	5 965	395	268	5	2	-	3	6 644
Ward 17	11	4 788	401	7	27	-	-	17	5 251
Ward 18	1	7 033	61	202	18	-	-	9	7 323
Ward 19	3	6 453	60	175	11	6	-	24	6 733
Ward 20	5	6 245	72	1 050	215	-	2	33	7 623
Ward 21	1	5 968	87	426	108	8	7	17	6 622
Ward 22	3	6 393	117	403	376	22	-	19	7 333
Ward 23	13	3 204	140	152	561	8	-	8	4 086
Ward 24	-	2 821	1 126	121	2 130	-	-	6	6 204
Ward 25	2	5 758	277	395	861	9	4	27	7 332

Table 9: Toilet Facilities per Ward

FS201: MLM	None	Flush toilet (connected to sewerage system)	Flush toilet (with septic tank)	Bucket toilet	Other	Total
Total	2 752	136 052	2 347	2 746	2 096	145 994
Ward 1	329	4 965	25	144	72	5 534
Ward 2	658	2 229	685	217	159	3 949
Ward 3	51	8 208	24	8	7	8 298
Ward 4	18	6 003	186	75	83	6 366
Ward 5	9	6 927	22	3	2	6 964
Ward 6	18	2 918	2	-	11	2 949
Ward 7	55	6 999	92	147	76	7 368
Ward 8	10	4 970	21	-	-	5 001
Ward 9	420	6 887	51	101	82	7 541
Ward 10	21	5 318	5	7	5	5 357
Ward 11	-	4 586	6	-	14	4 606
Ward 12	21	4 374	9	-	8	4 412
Ward 13	67	7 830	5	3	121	8 027
Ward 14	24	4 308	18	8	-	4 358
Ward 15	-	5 768	35	-	7	5 810
Ward 16	65	6 542	9	9	16	6 640
Ward 17	10	4 955	92	1	19	5 077
Ward 18	3	7 190	112	-	11	7 317
Ward 19	7	6 584	39	18	45	6 692
Ward 20	52	6 466	47	878	109	7 551
Ward 21	15	6 061	16	375	91	6 557
Ward 22	340	5 013	356	300	217	6 226
Ward 23	247	1 093	198	210	277	2 025
Ward 24	138	5 140	114	12	286	5 690
Ward 25	175	4 718	180	231	378	5 682

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Table 10: Source of Water per Ward

FS201: MLM	Regional/local water scheme (operated by municipality or other water services provider)	Borehole	Spring	Rain water tank	Dam/ pool/ stagnant water	River/ stream	Water vendor	Water tanker	Total
<b>Total</b>	134 641	18 988	199	329	318	156	549	2 716	157 895
<b>Ward 1</b>	7 613	8	-	4	-	-	32	33	7 690
<b>Ward 2</b>	1 606	5 485	31	39	124	14	140	333	7 771
<b>Ward 3</b>	8 013	297	7	-	-	-	19	3	8 339
<b>Ward 4</b>	6 394	38	2	9	-	5	10	69	6 527
<b>Ward 5</b>	6 842	65	-	3	-	-	40	20	6 969
<b>Ward 6</b>	2 902	6	-	3	-	-	3	32	2 946
<b>Ward 7</b>	6 971	485	7	6	4	1	3	286	7 762
<b>Ward 8</b>	4 975	2	-	-	-	-	2	3	4 983
<b>Ward 9</b>	7 595	15	1	8	16	-	8	20	7 664
<b>Ward 10</b>	5 348	-	-	12	-	-	-	-	5 360
<b>Ward 11</b>	4 528	21	-	24	-	4	6	9	4 591
<b>Ward 12</b>	4 358	11	5	12	-	-	2	8	4 396
<b>Ward 13</b>	7 806	16	4	8	-	1	66	19	7 920
<b>Ward 14</b>	4 343	4	-	-	-	-	11	9	4 367
<b>Ward 15</b>	5 760	23	7	3	-	-	1	19	5 814
<b>Ward 16</b>	6 523	11	-	-	1	3	20	10	6 568
<b>Ward 17</b>	4 880	206	-	7	39	83	17	6	5 237
<b>Ward 18</b>	7 249	11	-	11	-	-	9	7	7 287
<b>Ward 19</b>	6 582	13	-	8	7	-	1	96	6 707
<b>Ward 20</b>	7 197	16	92	4	-	-	53	208	7 571
<b>Ward 21</b>	6 560	8	-	1	9	-	12	31	6 621
<b>Ward 22</b>	5 153	1 252	11	26	34	20	14	742	7 252
<b>Ward 23</b>	987	2 652	16	87	41	14	12	235	4 045
<b>Ward 24</b>	23	5 977	12	-	12	1	-	177	6 202
<b>Ward 25</b>	4 433	2 365	4	54	33	8	67	341	7 305

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## 1.3 SERVICE DELIVERY OVERVIEW

### SERVICE DELIVERY OVERVIEW

The Moqhaka Local Municipality (MLM) as a Service Authority within its area of jurisdiction has a Legislative Mandate to provide services in a sustainable, safe and healthy manner. The Municipality is also responsible for the operation, maintenance and upgrading of infrastructure, which include electricity, water, sewer, roads and storm water, and landfill sites.

The municipality is doing well in terms of access to water and electricity as well as access to sanitation and refuse removal. Access to basic housing remains a challenge as this function is still performed by the Provincial Department of Human Settlements. However, some strides have been made in this regard during the 2018/19 financial year as the Municipality embarked on a process to apply for Level 1 accreditation from the Department of Human Settlement. It is expected that the application of the accreditation will be concluded during the 2019/20 financial year. Once this application has been approved, the Municipality will carry out responsibilities such as beneficiary management, subsidy budget planning and allocation, and priority programme management and administration. The Level one accreditation will empower the Municipality to play a more active role in addressing the backlogs related to access to basic housing.

Moqhaka Municipality has experienced a spike in the demand for housing in recent years. The provision of additional houses would imply the need to upgrade and expand bulk infrastructure to accommodate additional developments. Hence it is envisaged that there will be an increase in capital infrastructure expenditure for the provision of bulk infrastructure and servicing of new stands over the next three financial years. A budget allocation of R1.5million was set aside from the Municipality's own funding for the 2018/19 financial year in order to provide services to 20 erven in Tuinhof, this project is currently underway and it is expected to be completed during the 2019/20 financial year. An additional R3.29 million internal funding is set aside to co-fund the provision of dry sanitation units in Matlwangtlwang, this project is currently under construction and it is expected to be completed during the 2019/20 financial year. Furthermore, the Municipality has received funding through the Municipal Infrastructure Grant (MIG) to service 200 erven in Maokeng, the project will be implemented during the 2019/20 Financial year.

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Various service delivery targets have been set in the municipality's IDP to ensure that access to basic services is realised in line with the national government's target dates. Free basic services are provided to indigent households according to the municipality's indigent policy. These includes 10kl of water, 50kWh electricity, free sanitation and refuse removal per month.

Some of the key achievements by the Municipality in terms of service delivery and infrastructure development targets realised in the 2018/19 financial year:

- Construction of 0.96km paved road and storm water channel to Brentpark Stadium. The project was completed in June 2019,
- Construction of 0.75km paved road and storm water channel in Ntanga Street, Seisoville. The project was completed in June 2019,
- Upgrading of 0.62km internal paved road and storm water channel in Matlwangtlwang. The project was completed in March 2019,
- Construction of 0.395km asphalt road and storm water channel in Constantia near BP garage. The project was completed in January 2019,
- Installation of sewer pipeline and pump station for the 4000 new erven in Rammulotsi, Northleigh. The project was completed in March 2019,

The following projects are currently at the design or construction phase and planned to be completed during the 2019/20 financial year:

- Installation of dry sanitation toilets in Rammulotsi and Matlwangtlwang,
- Construction of water and sewer reticulation for 20 stands in Tuinhof,
- Refurbishment and upgrading of the Viljoenskroon Waste Water Treatment Works,
- Construction of water and sewer reticulation for 200 stands in Seisoville and Brendpark,
- Upgrading of water pump stations in Kroonstad, Viljoenskroon and Steynsrus,
- Upgrading of 7 sewer pump stations in Kroonstad and Viljoenskroon,
- Water Conservation and Water Demand Management,
- Construction of road between Kroonstad and Steynsrus (R76),
- Construction of road between Kroonstad and Viljoenskroon (R76),



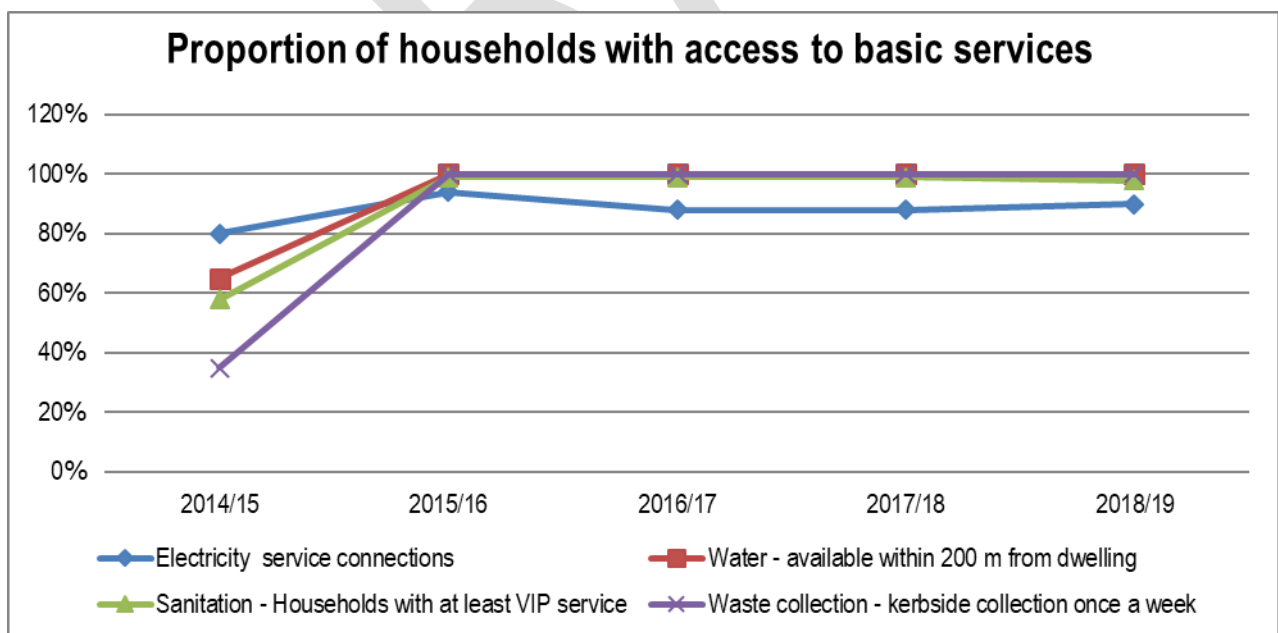
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- Upgrading of road between Viljoenskroon - Vredefort Road (R59),
- Resealing of Maokeng reservoir,
- Upgrading of the reservoir and bulk pipeline in Matlwangtlwang,
- Electrification of houses in Rammulotsi.

## COMMENT ON ACCESS TO BASIC MUNICIPAL SERVICES

By the end of 2018/19 financial year, 100% of the households in the municipal area had access to piped water within 200m from their dwelling. With regard to access to basic sanitation, 98% of households had access to basic sanitation, and 100% of households received a weekly refuse removal service. 100% of the households have access to electricity in the municipality's area of distribution, namely: Maokeng, Kroonstad, Viljoenskroon and Steynsrus. There is a 12.2% backlog of access to electricity in the Eskom distribution area, namely: Rammulotsi and Matlwangtlwang. However, Eskom is currently rolling out an electrification project in Rammulotsi to eradicate the backlog. The municipality has set targets for achieving the national outcomes for basic services in the 2017-2021 approved Integrated Development Plan (IDP).

The figure below shows the progress made with regard to service delivery since 2014/15.



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**Figure 4: Access to services**

## 1.4 FINANCIAL OVERVIEW

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically, equitably and efficiently to the entire community. The Municipal Budget and Reporting Regulations, as well as various circulars as issued by National Treasury has been used as a guiding tool for the budget preparation by Local Government.

The National Treasury's MFMA Circulars No.93 and 94 were used to guide the compilation of the 2019/20 MTREF.

The compilation of the MTREF remains a significant challenge to balance the budget between the limited revenue resources available and the immense need to provide quality basic service delivery to our community. Tariff increases must be limited to be within the affordability levels of our community and must still promote economic growth and to ensure financial sustainability the tariffs must be cost reflective.

The municipality's financial health position continues to deteriorate and as such needs to be stabilised and to strive to continuously better its financial position, complimented by acceptable levels of service delivery at affordable tariffs. The retention/maintenance of sufficient cash-backed reserves is critical for the sustainability of the municipality.

The recently promulgated amendments to the Public Audit Act (2004, amended 2018) increase the powers of the Auditor-General. New powers include setting binding remedial actions if previous recommendations are not implemented, referring material irregularities for further investigation, and issuing a certificate of debt where an accounting officer has failed to recover money. These more robust powers will complement the work of the recently established municipal public accounts committees (MPAC), which are responsible for improving accountability.

### 1.1 mSCOA Implementation

The municipal standard chart of accounts or mSCOA was developed by National Treasury to standardise financial reporting and related information across all municipalities in the country. The Minister of Finance subsequently gazetted the Municipal Regulations on Standard Chart of accounts on the 22 April 2014. These regulations

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provided for full compliance with the standard chart of accounts classification framework and became effective on 1 July 2017.

The Implementation of the national mSCOA establishes a uniform standard and form for all municipalities, that is, the items within their accounting records. This will result in unvarying treatment of these basic items for purposes of definition, planning (budgeting), accounting, reporting, etc. throughout the country. The detailed mSCOA requirements and classification are contained in spreadsheets issued by NT and are also referred to as the mSCOA grid. The grid contains the classification framework for the seven mSCOA segments of Project, Function, Item, Funding, Regional, Costing and Standard Classification. The National Treasury Technical Committee issues regular updates to this grid, with version management, to accommodate requests from municipalities and other regulatory stakeholders.

The Moqhaka Local Municipality has complied with the requirements of the mSCOA Regulations as approved by the Finance Minister. The municipality's mSCOA compliance was further reviewed by the Provincial Treasury on the 25 January 2019. The findings that were raised were corrected during the adjustment budget process of 2018/19 and the remainder of the findings were corrected during the compilation of the Annual Budget of 2019/20.

The National Treasury MFMA Circular No 93 requires the municipalities to make use of mSCOA Version 6.3 of the A1 schedule be used for the compilation of the 2019/20 MTREF. The 2019/20 MTREF was drafted using the version 6.3 of mSCOA as required.

## **Economic Overview**

The South African GDP growth forecast for 2019 has been revised to 1.5 per cent, from an estimated 1.7 per cent at the time of the Medium Term Budget Policy Statement (MTBPS). The weaker outlook projects a slow improvement in production and employment following poor investment growth in 2018, and a moderation in global trade and investment.

South Africa has dropped from 44<sup>th</sup> (2007) on the Global Competitiveness Index. And between 2008 and 2018, South Africa's ranking fell from 35<sup>th</sup> to 82<sup>nd</sup> in the World Bank's Ease of Doing Business report. This has some negative implications on the municipality and the country at large, as we are not in a position to attract international investors including the private sector to work together to finance sustainable social and economic infrastructure projects.

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Crucially, the NDP emphasises the need for a capable state, including well-functioning state-owned companies and municipalities, to anchor sustainable, inclusive and shared growth. Many of the problems experienced at state-owned companies and municipalities can be addressed by introducing more competition, strengthening independent regulatory authorities and introducing strategic equity partners (in the form of Public Private Partnerships-PPP). Complementary efforts to reorganise the state will enhance the capacity of government to implement reforms that can raise living standards for all.

The country's current account deficit as a percentage of GDP widened to 3.8 per cent in the first three quarters of 2018, compared with a deficit of 2.3 per cent over the same period in 2017. Over the medium term, the deficit is expected to widen from 3.4 per cent of GDP in 2019 to 4 per cent in 2021.

The legislation governing local planning and budgeting emphasises community participation in decision-making. The partnership between municipalities and communities relies on the public recognising the value of, and paying for, municipal services. Over the medium term, equitable share allocations, which fund free basic services for low-income households, grow faster than inflation to account for household growth and higher costs of services. But, for most municipalities, own revenues are a larger proportion of their funding than transfers. **Their sustainability depends on how they collect and spend their own revenues.**

Problems in revenue management are the largest contributor to financial distress in local government. Households, followed by commercial customers and government, owe the largest share of outstanding municipal revenue. Weak revenue collection affects payments to suppliers and the sustainability of services, which ultimately cast a significant doubt on the municipality's ability to continue as a going concern

**Table 11: Financial Overview – 2018/19**

Financial Overview: 2018/19				R' 000
Details	Original budget	Adjustment Budget	Actual	
Income:				
Grants	188 893	189 902	260 176	
Taxes, Levies and tariffs	571 957	569 191	416 538	
Other	46 315	49 016	128 981	
<b>Sub Total</b>	<b>807 165</b>	<b>808 109</b>	<b>805 695</b>	
Less: Expenditure	790 573	787 299	891 031	
<b>Net Total*</b>	<b>16 592</b>	<b>20 810</b>	<b>85 336</b>	

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**Table 12: Operating Ratios**

Detail	Operating Ratios	
	2017/18	2018/19
	%	%
Employee Cost	31%	32%
Repairs & Maintenance	5%	4%
Finance Charges	3%	2%
Debt Impairment	9%	11%

## **COMMENT ON OPERATING RATIOS**

All of the above operating ratios depict a favourable status regarding the municipality's expenditure, and are within the norms and standards. Despite the drop in the repairs and maintenance expenditure which is mainly propelled by the decline in the cash collection which ultimately affects the repairs & maintenance budget spending.

**Table 13: Total Capital Expenditure**

Total Capital Expenditure: 2014/15 to 2018/19					
Detail	2014/15	2015/16	2016/17	2017/18	2018/19
Original Budget	57 124	52 756	102 688	76 153	66 283
Adjustment Budget	112 250	56 092	72 094	79 188	70 219
Actual	78 181	56 092	54 215	80 696	89 031

## **1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW**

The municipality had 1 384 approved posts on its organisational structure with 856 employees and a vacancy rate of 50% at the end of the 2018/19 financial year. The highest vacancy rate is found at LED (100%), Security 69%, Infrastructure & PMU and Roads and Storm Water at (72%). The turnover rate stood at 121%. The municipality had a high rate turnover due to a general shortage experienced employees who can do the duties of technicians (e.g. artisans, mechanical and electrical engineers) whilst certain departmental vacancies could not be filled due to the lack of plant and equipment.

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## 1.6 AUDITOR GENERAL REPORT

### AUDITOR-GENERAL REPORT: 2018/19

The Auditor General Report for 2018/19 financial year is fully detailed out in Chapter 6 of the Annual Report.

## 1.7 STATUTORY ANNUAL REPORT PROCESS

According to legislation the Annual Report of a municipality must be tabled in the municipal council on or before 31 January each year. In order to enhance Councils oversight function, the municipality should submit their Annual Reports as soon as possible after the financial year end ideally this ought to be the end of August. Both the draft Annual Financial Statements and the Annual Report were submitted by the end of August to the Auditor-General. Management is currently developing processes and systems in order to ensure that the remaining sections be in place for the 2018/19 Annual Report process. It is expected that the entire process should be concluded by the end of December.

The anticipated process for the creation, submission, review and approval of the 2018/19 Annual Report is set out in the table below.

**Table 14: 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/August
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to Municipal Manager	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Executive Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	September - November
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	
12	Municipalities receive and start to address the Auditor General's comments	January-March
13	Executive Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	March/April
17	Oversight report is made public	

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No.	Activity	Timeframe
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	February/March

## COMMENT ON THE ANNUAL REPORT PROCESS

The municipality has been able to meet the new deadlines as per MFMA Circular No. 63 issued by the National Treasury in September 2012. Substantial progress has been made to align the format and contents of the Annual Report with the guidelines issued by the National Treasury. A concerted effort has been made by the municipality to ensure adherence to the above timelines with the compilation of the unaudited 2018/19 Annual Report.

The municipality appreciates the importance of alignment between the IDP, Budget and Performance Management System and the process to ensure proper alignment is continuously being reviewed and implemented.

## CHAPTER 2 – GOVERNANCE

### INTRODUCTION TO GOVERNANCE

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the communities are heard in decision-making. It is also responsive to the present and future needs of society.

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### 2.1 POLITICAL GOVERNANCE

##### INTRODUCTION TO POLITICAL GOVERNANCE

The Municipality has all the powers assigned to it in terms of the Constitution as well as national and provincial legislation. The Municipality has the right to do anything reasonably necessary for, or incidental to, the effective exercise of its powers.

The executive and legislative authority of the Municipality vest in the Council. The Council takes the decisions of the Municipality except-

- (a) decisions on those matters that it has delegated to a delegated body;
- (b) decisions on those matters that by law have been assigned to a political structure, political office-bearer or employee of the Council.

Section 151 of the Constitution, 1996 states that the executive and legislative authority of a municipality is vested in its municipal council. This is complemented by the Municipal Structures Act and Municipal Systems Act. In terms of section 160(2) of the Constitution, 1996, the following powers may not be delegated by a municipal council and must therefore be exercised by council: passing of by-laws, approval of budgets, imposition of rates and taxes, levies and duties and the raising of loans. The Speaker is appointed by Council and performs her



# Chapter 2

functions in terms of section 37 of the Municipal Structures Act, such as presiding at council meetings and overseeing the work of council committees.

The Council appointed an Audit and Performance Audit Committee which performs its functions in accordance with section 166(2) of the MFMA and the approved audit committee charter. This Committee reports directly to Council and make recommendations to Council in terms of its functions.

The Executive Mayor exercises his responsibilities in terms of the Municipal Structures Act, Municipal Systems Act, and Municipal Finance Management Act and in accordance with any powers and functions so delegated by the Council. The Executive Mayor is assisted by a Mayoral Committee who has been appointed in terms of section 60(1)(a) of the Municipal Structures Act. Members of the Mayoral Committee have been assigned specific areas of responsibility and chair the various portfolio committees. The portfolio committees consist of Councillors and reports directly to the Mayoral Committee. 2.1.0

POLITICAL STRUCTURE	Function
<b>EXECUTIVE MAYOR</b> Cllr P J Phooko	Overall political responsibility for sound governance and service delivery
<b>SPEAKER</b> Cllr M Chakane	Public participation, ward committees and managing Council and Committee meetings
<b>CHIEF WHIP</b> Cllr S V Khiba	Ensures discipline among Councillors; Managing relations between political parties and representation on Committees
<b>MAYORAL COMMITTEE</b> Cllr S B Tladi Cllr M Green Cllr Z S Magadlala Cllr S Mokoena Cllr E R Moletsane Cllr K L Kokami Cllr R Manefeldt Cllr L Mpondo Cllr B. Rooskrans	Corporate Services Portfolio Committee Community and Social Services Portfolio Committee IDP Portfolio Committee Spatial Development and Human Settlement Portfolio Committee Finance Portfolio Committee Technical Services Portfolio Committee Policy Development and Monitoring Portfolio Committee Public Safety Portfolio Committee Local Economic Development Portfolio Committee.

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## **COUNCILLORS**

The municipality has 45 Councillors of which 23 are Ward Councillors and 22 PR Councillors. A full list of Councillors can be found (including committee allocations and attendance at council meetings) in **Appendix A**. Further note that **Appendix B** sets out committees and committee purposes.

## **2.2 ADMINISTRATIVE GOVERNANCE**

### **INTRODUCTION TO ADMINISTRATIVE GOVERNANCE**

Local governments carry a legislated mandate which is to serve the interests of the public through equitable service provision. Local government may be described as that sphere of government closest to its constituents and involved in rendering a wide range of services that materially affect the lives of the inhabitants residing within its area of jurisdiction.

Each municipality must ensure that it administers its affairs to strive to achieve the objectives as set out in the Constitution of the Republic of South Africa:

The constitutional mandate of local governments in South Africa which are to:

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

The above is inter alia achieved through effective administrative governance which in short can be described as the administrative activities concerned with governing and in accordance with the administrative and legislative requirements to give effect to policies and objectives.

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## TOP ADMINISTRATIVE STRUCTURE

POST DESIGNATION		FUNCTION	PERFORMANCE AGREEMENT SIGNED YES/NO
1.	<b>MUNICIPAL MANAGER</b> Mr. M S Mqwathi	Accounting Officer and Head of Administration	Yes
2.	<b>DIRECTOR: CORPORATE SERVICES</b> Mr. M Mthwalo	<i>Human Resources, Auxiliary and Legal Services,; Council Support, Housing and LED</i>	Yes
3.	<b>CHIEF FINANCIAL OFFICER</b> Mr. T Marumo	<i>Expenditure, Revenue, Assets &amp; Liability Management, Budgeting &amp; Reporting</i>	Yes
4.	<b>DIRECTOR: COMMUNITY &amp; EMERGENCY SERVICES</b> Ms. P Tshabalala	<i>Waste Management, Sport &amp; Recreation, Arts &amp; Culture, Public Safety and Parks</i>	Yes
5.	<b>DIRECTOR: TECHNICAL SERVICES</b> Ms. L D Ngwenya	<i>Water, Sanitation, Electricity, Roads &amp; Storm water, and PMU</i>	Yes
6.	<b>ACTING DIRECTOR: LED &amp; PLANNING</b> Mr S T Leie	<i>Local Economic Development, Town and Regional Planning,</i>	Yes

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### INTRODUCTION TO COOPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Moghaka Municipality through the 2018/19 financial year participated in a number of intergovernmental forums. This ensures that the Municipality is kept up to date on key developments in strategic areas of its responsibilities.

Through active participation in these forums and the available platform created the Municipality exchanges ideas and interact with other spheres of government.

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## 2.3 INTERGOVERNMENTAL RELATIONS

### **NATIONAL INTERGOVERNMENTAL STRUCTURES**

The Municipality participated in the following National Structures:

- SALGA
- CIGFARO
- Institute of Traffic Officers (ITLMPO SA)

### **PROVINCIAL INTERGOVERNMENTAL STRUCTURES**

The municipality participated in the following forums:

- Premier's Coordinating Forum (PCF)
- MECLOGA.
- SALGA Working Groups
- Provincial IDP Managers Forum
- Provincial PMS Forum
- Inter-Governmental Relations Forum
- Technical Inter-Governmental Forum (DWS/DOE etc)

The municipality did participate in these structures and this has promoted good inter-governmental relations, best practices and information sharing amongst stakeholders.

### **DISTRICT INTERGOVERNMENTAL STRUCTURES**

The municipality participated in District Intergovernmental Structures such as the District Energy Forum (DEF) etc. which is specifically focused on the relevant service delivery aspects of the relevant service.

This provides a platform for interaction with other Municipalities as well as Sector Departments involved and improves intergovernmental relations between all spheres involved during these engagements.

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## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The municipality improved on the responsibilities mentioned above as indicated in the 2018/2019 IDP by:

- Providing feedback to different communities on issues people raised during the first round of public engagements.
- Providing progress report on funded projects implemented in the different Wards.
- Providing opportunity for communities to making input to the 2018/2019 IDP process.
- Providing Ward Committee an opportunity to prioritise inputs received from the different wards.
- Encouraging Ward Councillors and Ward Committees to do further consultation about community's service delivery priorities.
- Encouraging communities, Stakeholders and individual members of society to make use of the opportunity to do submission regarding the IDP review and budget of the municipality.

The staff is allocated wards to work with and report on their activities. There are also members of ward committees responsible for different sections in their wards. These measures have helped as members of community reports issues related to service delivery at their earliest occurrence.

## 2.4 PUBLIC MEETINGS

### KEY PURPOSES OF WARD COMMITTEES

- Create formal unbiased communication channels and co-operative partnerships between the Municipality and the community within a ward.
- Ensure contact between the Municipality and the community through the relevant feedback mechanisms.
- Act as an advisory body on council policies and matters affecting communities in the ward as requested.
- Make recommendations on matters affecting the ward to the ward councillor.
- Serve as a constructive mobilizing agent for positive community action

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## COMMUNICATION, PARTICIPATION AND FORUMS

The municipality uses loud hailing, print media, posters, Mozolo FM as well as physical delivery of invitation such as IDP/budget which are on semester interval. These meetings are inclusive of representative from Safety, Business, NGO'S, CBO's and all other Stakeholders

**Table 15: Public Meetings**

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Integrated Development Plan		43	35	3289	Yes	Constituency Meetings
Budget Road Show 2019/2020 financial Year	28 May 2019 to 13 May 2019	45	47	3927	Yes	Constituency Meetings
Ward Constituency Meetings	July 2018 to June 2019	45	50	45895	Yes	Constituency Meetings

## COMMENT ON THE EFFECTIVENESS OF PUBLIC MEETINGS HELD

Public Meeting are sitting as Scheduled. Ward Councillors are always availing themselves for this meetings. Issues that are affecting service delivery in respective wards are discussed by the Ward Councillor together with Community in respective wards. Community members are attending the Public meetings even though the attendance at times is not satisfactory. The Public meetings are effective because Community members are getting the opportunity to discuss service delivery issues that are affecting them.

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## 2.5 IDP PARTICIPATION AND ALIGNMENT

**Table 16: IDP Participation and Alignment Criteria**

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 directly to the Section 57 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
*Section 26 Municipal Systems Act 2000	

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

The municipality endeavours to comply with the regulatory frameworks and best practices regarding corporate governance. This includes the establishment of a risk management function, internal audit unit and independent audit committee and the implementation of fraud and anti-corruption policies and measures.

In addition, Moqhaka Municipality follows a comprehensive system of rules and processes that are designed to sustain and enhance optimal end effective organizational management in order to enable the municipality to achieve its Constitutional Mandate.

The Municipal Manager is the accounting officer of the municipality and the head of the administration and reports directly to the Executive Mayor and Council. Directors (section 56 managers') report directly to the Municipal Manager and their performance is managed by the Municipal Managers in terms of the annually signed performance agreements and plans.

Directors are responsible for the management of their respective functions/departments, which include the management of service delivery programs and targets, personnel and budgets. The Municipal Manager ensures accountability by departments through weekly and monthly management meetings and quarterly performance reviews of Directors.

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## 2.6 RISK MANAGEMENT

Section 62 (i) (c) of the Municipal Finance Management Act (MFMA), requires a municipality to have and maintain an effective, efficient and transparent system of risk management. Risk Management has continued to discharge its mandate despite the human resource challenge. Both Chief Risk Officer and the Chairperson for Risk Management Committee resigned in the middle of the year.

The Municipal Manager has committed Municipality to a process of enterprise risk management that is aligned to the principles of good corporate governance, as supported by Section 62(1) (C)(i) of the Municipal Financial Management Act (No. 56 of 2003) and King IV Report (Corporate Governance of South Africa). Risk management is recognised as an integral part of responsible management and therefore, Moqhaka Local Municipality has adopted a comprehensive approach to management of risks. This sound process is clearly outlined in the Risk Management Strategy of the Municipality.

The risk management strategy ensured that the municipality receive early warning signs on service delivery issues. It is evident that this process was aligned to the SDBIP and performance agreements of senior management to close any service delivery gaps that could emerge. Risk Management is important for Moqhaka Local Municipality in a sense that, we rely on this process to ensure that we have reasonable assurance that all the priorities set in our IDP and SDBIP are achieved in that, we identify threats to those objectives. Risk Management helps us to be proactive and ultimately, fosters the development and implementation of internal controls within the organisation which is part of another important element of governance.

The top five strategic risks are as follows:

NO	Strategic risks	Control Satisfaction Level: (internal control assessment)	Risk Level
1	Financial Sustainability	Weak	High
2	Services Delivery Failures	Unsatisfactory	High
3	Ageing & Aged Infrastructure	Weak	High
4	Health, Safety & Security risks and Environmental welfare	Unsatisfactory	High
5	Fraud, Theft and Corruption	Unsatisfactory	High



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## 2.7 ANTI-CORRUPTION AND FRAUD

Fraud and Corruption represent a significant potential risk to the Municipality's assets, service delivery efficiency and reputation. The Municipality will not tolerate corrupt or fraudulent activities, whether internal or external to the institution and will vigorously pursue and prosecute any parties which engage in such practices or attempt to do so by all legal means available. We have established risk management and audit committees to assist monitor risk areas within the municipality. Employees and community's members are also encouraged to report all incidents relating to fraud and corruption to the national hotline 0800 701 701 alternatively, they can SMS to 39772. As the Municipality we will ensure that all incidents reported are followed up and investigated. Disciplinary board was established to assist with the investigations on matters of financial misconduct. It should be referred to Appendix G for the audit committee recommendations.

## 2.8 SUPPLY CHAIN MANAGEMENT

### **Supply chain Management Policy to comply with Prescribed Framework**

Section 112. (1) of the supply chain management policy of a municipality or municipal entity must be fair, equitable, transparent, competitive and cost- effective and comply with a prescribe regulatory framework for municipal supply chain management.

### **Review of SCM Policy**

Moqhaka Local Municipality adopted its Supply Chain Management Policy on the 27 February 2007. This was in compliance with Section 111 of the Municipal Finance Management Act (Act No. 56 of 2003).

In compliance with Regulation 3, of reviewing, adoption and amendment of Supply Chain Management Policy, the process of reviewing the Supply Chain Management Policy was completed and approved on 30 June 2019. Both the Political leadership and the management of the municipality have been workshopped on the Policy.

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## **Supply chain Management Unit**

SCM Reg.3 states the following

- Each Municipality must establish a Supply Chain Management Unit to implement its supply chain management policy;
- An SCM Unit must, where possible, operate under the direct supervision of the Chief Financial Officer or an official to whom this duty has been delegated in terms of Section 82 of the act.

The Supply Chain Management unit is under the direct supervision of the CFO. There is an organisational structure in place to allow for the establishment of the unit.

However, the structure developed does not allow for the proper establishment of all the elements of supply chain. The Supply Chain Management Unit in terms of the legislation is responsible for the following prescribed functions:

- Demand management;
- Acquisition management;
- Disposal management;
- Logistics management;
- Performance management; and
- Risk Management

## **Establishment an Annual Procurement Plan**

Section 10.2 of the MLM SCM Policy: The Supply chain management shall after consultation with the SDBIP of the municipality, compile a schedule of capital projects in respect of each financial year. The schedule of capital projects must be for a financial year and be reviewed when the IDP is reviewed. During consultations between SCM and all other departments, all reasonable efforts shall be made to determine:

- a. The desired date and time at which a specific project must be awarded;
- b. The desired date and time when the implementation or delivery of goods and services must take place;
- c. The place where delivery must be effected;
- d. The quantity and quality of any goods to be supplied; and
- e. any other relevant matter.

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The Range of SCM Threshold is as follows:

## Purchase Value

## Required Process

Petty Cash Up to R2 000 [VAT included]

one (1) verbal quotation from the list of suppliers on the municipal data base Approved by the Head of Department

R2001 to R30 000.00 [VAT included]

At least three (3) formal written price quotations (on a rotational basis from the list of suppliers on the municipal data base)

R30 001 to R200 000 [VAT included] Competitive Bidding

At least three (3) formal written price quotations (which will be obtained by the Request for Quotations (RFQ's) seven (7) days advertisements

Over R200 000 [VAT included]

Competitive Bidding Process

## Bid Committees

The following bid committees are established to allow for the smooth implementation of the competitive bidding process:

- Bid Specification Committee;
- Bid Evaluation Committee; and
- Bid Adjudication Committee

Members of all bid committees were appointed by the Accounting Officer, (procurement above R200, 000) are dealt with by all three (3) bid committees.

## SCM Personnel

There are currently two (2) full time and two (2) finance interns employed in the Supply Chain Unit and Six (6) full time officials are at Logistics.

## Challenges

- SCM Structure was reviewed to address staff shortages. Awaiting council approval of the new structure.
- SCM Functions are not yet centralised due to staff shortages.

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## Reporting

- All Monthly and Quarterly SCM Reports are submitted on time to Provincial and National Offices for compliance Purposes.
- The municipality only do business with Suppliers on Municipal Data Base and CSD.

The following table provides a view in terms of the deviations that were incurred during the 2018/19 financial year;

DESCRIPTION	NUMBER OF DEVIATIONS 2019	NUMBER OF DEVIATIONS 2018	% Movement	DEVIATIONS 2019	DEVIATIONS 2018	% Movement
Emergency	26	17	53%	R 1 915 190	R 1 457 912	31%
Sole Supplier	88	83	6%	R 4 673 782	R 1 145 529	308%
Urgent	44	136	-68%	R 1 431 223	R 8 088 939	-82%
	158	236		R 8 020 195	R 10 692 380	

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## 2.9 BY-LAWS

**Table 17: By-laws introduced**

By-laws Introduced during 2018/19					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
SPLUMA By-Laws		Yes	Febr/March 2019	No	
Standing Rules and Orders By-Law		Yes	Febr/March 2019	No	
				No	
Keeping of Bees By-Law		Draft By-Law		No	
Graffiti By-Laws		Draft By-Law		No	
Public Parks By-Law		Draft By-Law		No	
Keeping of Dogs Control By-Law		Draft By-Law		No	
<i>*Note: See MSA section 13.</i>					<i>T 2.9.1</i>

### COMMENT ON BY-LAWS

Extensive public participation processes are followed in Viljoenskroon, Rammulotsi, Kroonstad, Maokeng, Steynsrus and Matlwangtlwang when by-laws are developed. Both Councillors as well as officials from the user departments and legal section attend these public participation processes. The processes of developing additional by-laws are continued with.

The enforcement of by-laws is done by the Departments responsible for performing the functions to which the by-laws relate as well as by the Security Section of the Council.

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**Table 18: List of Bylaws Developed**

LIST OF BY-LAWS DEVELOPED
SPLUMA By-Laws
Standing Rules and Orders By-Law
Keeping of Bees By-Law
Graffiti By-Laws
Public Parks By-Law
Keeping of Dogs Control By-Law

## 2.10 WEBSITE

A municipal website <http://www.moqhaka.gov.za/> is a key communication mechanism in terms of service offering, information sharing and public participation and should be an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies.

Below is a website checklist to indicate the compliance to Section 75 of the MFMA:

**Table 19: Municipal Website: Content and Currency of Material**

Municipal Website: Content and Currency of Material	2017/18	2018/19
Documents published on the Municipality's / Entity's Website	Yes / No	Yes / No
Current annual and adjustments budgets and all budget-related documents	Yes	No
All current budget-related policies	Yes	Yes
The previous annual report	Yes	Yes
The annual report (2018/19) published/to be published	Yes	Yes (Draft)
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2018/19) and resulting scorecards	Yes	No
All service delivery agreements	No	No
All long-term borrowing contracts	No	No
All supply chain management contracts above a prescribed value (give value) for 2018/19	No	No
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No	No
Contracts agreed in 2018/19 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	No
Public-private partnership agreements referred to in section 120	No	No
All quarterly reports tabled in the council in terms of section 52 (d)	Yes	Yes

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## COMMENT ON MUNICIPAL WEBSITE CONTENT AND ACCESS

The municipality's website is managed and maintained by the ICT section. ICT has greatly improved in terms of managing and compliance of the municipality's website.

Delays and challenges were experienced with the timely receipt of documents from the user departments.

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

No formal surveys have been undertaken by the municipality to determine the levels of community or public satisfaction with the municipality in general and service delivery matters in particular.

The inability to conduct surveys is directly related to financial and human capacity constraints experienced by the municipality and should be addressed going forward.

**Table 20: Satisfaction Surveys undertaken**

Satisfaction Surveys Undertaken during: 2018/19				
Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%)*
<b>Overall satisfaction with:</b>	No surveys conducted			
(a) Municipality				
(b) Municipal Service Delivery				
(c) Mayor				
<b>Satisfaction with:</b>				
(a) Refuse Collection				
(b) Road Maintenance				
(c) Electricity Supply				
(d) Water Supply				
(e) Sanitation Supply				
(f) Information supplied by municipality to the public				
(g) Opportunities for consultation on municipal affairs				

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

### **INTRODUCTION**

The municipality as a Service Authority within its area of jurisdiction has a legislative mandate to provide services in a safe and healthy environment. The Technical Services Department is responsible for the operation and maintenance of infrastructure which include electricity, water services, roads and storm water. The Technical Services Department also provides support services such as the mechanical workshop and the Project Management Unit (PMU).

The Technical Services Department plays a pivotal role in terms of facilitation and coordination of services provided by Provincial and National Departments. The municipality has adopted a five-year IDP Plan which is a strategic document aiding in the developments within the municipality. Sector plans are also included which gives effect to the strategies and objectives in the IDP. The IDP is further informed by both the National and Provincial development strategies.

The purpose of this section of the report is to provide information in respect of the core responsibilities, objectives, achievements as well as challenges faced by the Technical Department during the 2018/19 financial year.

### **COMPONENT A: BASIC SERVICES**

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

The provision of basic infrastructure involves the provision of new infrastructure in terms of planning and implementation, operation, maintenance and upgrading of existing infrastructure. A summary of what each component of basic service entails is indicated below:



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## 1. Water and waste water services

- Water purification Plants,
- Storage dams,
- Water reservoirs,
- Water and sewage reticulation networks,
- Sewerage treatment Plants,
- Water and sewer pump stations.

## 2. Roads, storm water, railways and public works

- Roads design, construction and maintenance,
- Storm water drainage system,
- Railway sidings and maintenance,
- Bridges and culverts.

## 3. Electricity

- Electricity Distribution,
- Electricity network maintenance and upgrading,
- Electricity Consumption Care,
- Public lighting.

## 4. Solid waste management

- Refuse removal,
- Street cleansing,
- Management of public ablution facilities,
- Management and maintenance of landfill sites.

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## Objectives and Achievements

Strategic objectives are set out in planning and budgeting tools such as IDP and SDBIP in order to properly plan and achieve targets. Priority areas regarding basic service delivery are as follows:

- Access to water,
- Water loss,
- Water quality,
- Access to sanitation,
- Access to electricity,
- Energy efficiency,
- Access to refuse removal,
- Access to municipal surfaced roads,
- Storm water management.

## Departmental Challenges

- Institutional and organizational development:
  - Inadequate attraction and retention of skilled competent personnel,
  - Prolonged recruitment processes,
  - Inadequate training and development of staff.
- Infrastructure maintenance and development:
  - Outdated technology and aged infrastructure,
  - Inadequate infrastructure capacity to meet supply demand,
  - Increasing theft and vandalism of infrastructure,
  - Limited preventative maintenance,
  - Decaying infrastructure,
  - Heavy motor vehicular movement through and around CBD,
  - High distribution losses (water and electricity).
- Machinery, equipment and fleet:

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- Shortage of machinery, equipment and fleet,
  - High average age of municipal fleet,
  - Most fleet out of useful lifespan,
  - Prolonged turnaround time in terms of repairs and continued breakages,
  - Limited maintenance equipment,
  - Delayed processing time of purchase request in terms of maintenance and repairs,
  - Shortage of vehicles and machinery causing low productivity and low morale of staff cascading into serious delays in service delivery.
- Financial Constraints:
  - Insufficient maintenance budget,
  - Insufficient capital budget appropriated (own funding),
  - Lack of consumables and sundry items,
  - Supplier / municipal relations dented as a results of paying suppliers later than 30 days,
  - Long processing period of purchase orders.
- Natural Hazards:
  - rainfall and flooding causes delay in project implementation and flooding of residential areas,
  - drought, leading to inadequate raw water supply and thereby negatively affecting the Municipality's mandate of providing basic water service to its communities,
  - extensive damage to infrastructure (decaying roads surfaces and potholes) and facilities / property.
- Compliance to Regulations:
  - Inadequate monitoring and measuring equipment and processes to facilitate compliance.
- Bulk Supply Services:
  - Inadequate bulk raw water supply Steynsrus due to the below average rainfall,
  - Inadequate electricity bulk supply in Viljoenskroon,
  - Rapidly deteriorating condition of roads network including main roads,
  - Excessive demand for land which will require budget for bulk infrastructure upgrading.

# Chapter 3

## 3.1. WATER PROVISION

### INTRODUCTION TO WATER PROVISION

Municipalities have a Constitutional responsibility for providing sustainable and viable water services to the communities within their areas of jurisdiction. Moqhaka local municipality is both a Water Services Authority (WSA) and a Water Services Provider (WSP). According to the Water Services Act No. 108 of 1997, Water Services Authority means any municipality, including a district or rural council responsible for ensuring access to water services. The WSA is both the owner of the works and is the elected representative of the customers. The Water Services Provider (WSP) means a person or organization that provides water services to the consumers or to another water services institution.

Water supplied by water services providers intended to be used for drinking or domestic purposes (potable water) must be of a quality consistent with SANS 241 (Specifications for Drinking Water), as may be amended from time to time.

Basic water supply facility is:

The infrastructure necessary to supply 25 litres of potable water per person per day supplied within 200 metres of a household and a minimum flow of 10 litres per minute (in the case of communal water points) or 6000 litres of potable water supplied per formal connection per month (in case of yard or house connections).

Basic water supply service is:

The provision of a basic supply facility, the sustainable operation of the facility (available for at least 350 days per year and not interrupted for more than 48 consecutive hours per incident) and the communication of good water use, hygiene and related practices.

The top three priorities for water provision are:

1. Sufficient water supply for communities.

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2. Connections to individual stands with provision for indigents.
3. Provision of water within legal requirements (Water within Blue drop and SANS 241 standards).

The challenge in water supply remains the balance between the available raw water and demand from the community. Although we have three dams and one weir in the Vals river with an off channel storage dam in Kroonstad, an off channel storage dam in Steynsrus and depend on the Renoster River in Viljoenskroon with water that can be augmented from the Vaal River when required we still have a challenge when flow in the river is minimal as in the case of a drought or even low rainfall during certain times of the year.

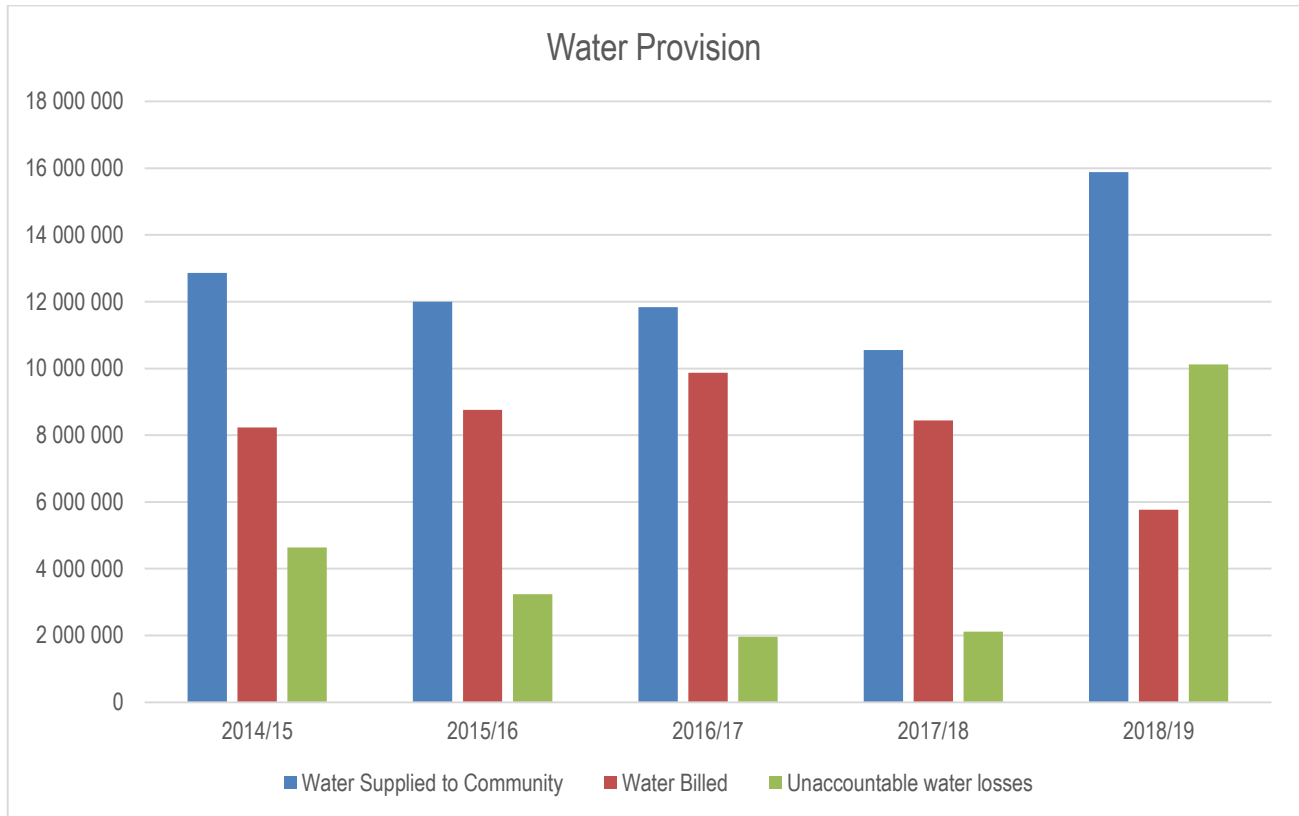
In Steynsrus there is an RBIG project (upgrading of the Steynsrus water treatment works and construction of a bulk raw water pipeline) that was completed in July 2017 which aimed at addressing the raw water shortfall, while in Viljoenskroon there are ongoing studies to increase supply in the area. Another challenge experienced in Kroonstad is the silting of the dams in the river which reduces the available capacity of water.

The blue drop status of the Municipality improved from 54.93% in 2012 to 60.16% in 2014 and it is expected to improve when we are accesses by the Department of Water and Sanitation which has not been done in the past 4 years. Due to the recent refurbishment of the water treatment works and the appointment of process controllers for the Kroonstad water treatment works that are in line with regulation 16.

The Steynsrus water treatment works was upgraded during the 2015/16 financial year under the RBIG project funded by DWS who appointed Rand Water as implementing agent. This project is looking at the holistic water supply issues in Steynsrus to try and eliminate future water shortages in the area. The upgrading of the Kroonstad treatment works was completed in 2016/17 financial year and it is expected that the better quality of water from both the works will also contribute to an increase in the blue drop status.

All formal areas of Moqhaka available for occupation are provided with water networks with pre-installed connections and consumers moving onto unconnected stands are connected on application.

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**Figure 5: Total use of water**

## COMMENT ON WATER USE BY SECTOR:

Water demand currently exceeds the supply in both Steynsrus as well as Viljoenskroon due to the following:

1. In Steynsrus the raw water supply from the Vals River is affected by the fact that the seasonal flow in the river is unreliable and the limited raw water storage capacity in the off channel storage dam cannot keep up with the demand that originated from the installation of waterborne toilets in Matlwangtlwang. A project funded by DWS (RBIG) is currently running to increase the availability of raw water in the area. The project is continuing with investigations on methods to augment the existing raw water supply.

# Chapter 3

2. In Viljoenskroon the placement of residents in the Northleigh is placing pressure on the water supply as the treatment works can only provide a limited volume of water thus placing the supply under pressure and impacting on supply and pressure. Because of this some high lying areas are without water during certain periods of the day, the consultant has completed the study and the recommendation is to construct a pressure tower that will increase the water supply in high lying areas.

**Table 21: Water Service Delivery Levels**

Water Service Delivery Levels						
Description	Ref	Households				
		2014/15	2015/16	2016/17	2017/18	2018/19
		Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
<b><u>Water: (above min level)</u></b>						
Piped water inside yard (but not in dwelling)		13 560	13 661	33 380	34 011	34 020
Using public tap (within 200m from dwelling )	2	205	205	205	0	605
Other water supply (within 200m)	4	0	0	0		0
<i>Minimum Service Level and Above sub-total</i>		13 765	13 866	33 585	34 011	34 625
<i>Minimum Service Level and Above Percentage</i>		100%	100%	100%	100%	100%
<b><u>Water: (below min level)</u></b>						
Using public tap (more than 200m from dwelling)	3	0	0	0	0	0
Other water supply (more than 200m from dwelling)	4	0	0	0	0	0
No water supply		0	0	0	0	0
<i>Below Minimum Service Level sub-total</i>		0	0	0	0	0
<i>Below Minimum Service Level Percentage</i>		0%	0%	0%	0%	0
<b>Total number of households*</b>	5	<b>13 765</b>	<b>13 866</b>	<b>33 585</b>	<b>34 011</b>	<b>34 625</b>
* - To include informal settlements						T 3.1.3

# Chapter 3

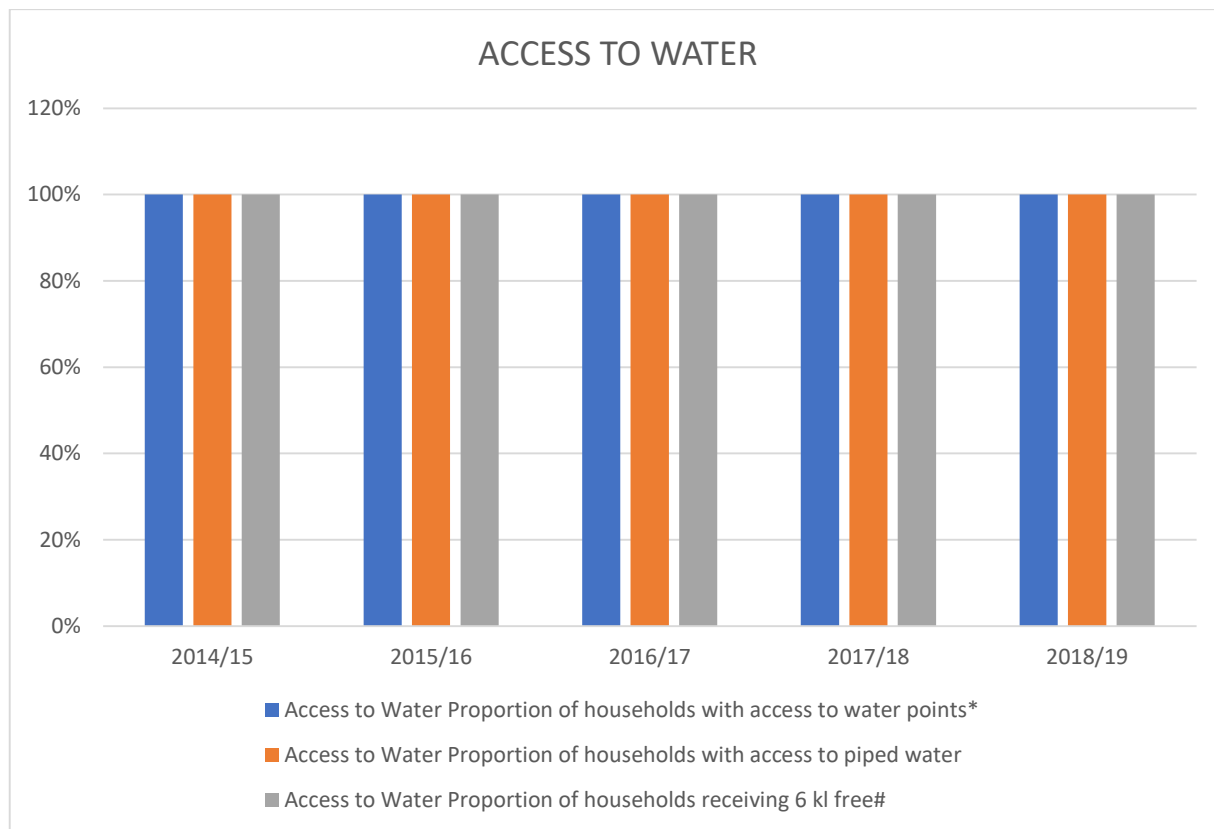
Table 22: Households - Water Service Delivery Levels

Households - Water Service Delivery Levels below the minimum						
Description	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
<b>Formal Settlements</b>						
Total HH				33 380	33 380	34 625
Households below minimum service level		14 560	13 661	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
<b>Informal Settlements</b>						
Total households		205	205	205	205	587
Households ts below minimum service level		205	205	0	0	0
Proportion of households ts below minimum service level	0%	100%	100%	0%	0%	0%

Figure 6: Access to water



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***Note: All households in the municipal area of responsibility have access to water.***

# Chapter 3

## Policy Objectives taken from IDP and SDBIP

### Municipal Scorecard Perspective: Basic Service Delivery

**KPA:** Basic Service Delivery and Infrastructure Investment

**IDP Priority 1:** Water provision

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
TL 16	By ensuring access to portable water by 2019 to include small holdings and surrounding plots	Basic Service Delivery	No of HH in formal settlements including plots and small holdings that meet the minimum water services standard	Number of HH with access to water within 200m	Director Technical Services	33 585	34 011	33 585	34 625	Target achieved	None	Evaluation Roll Report	The Municipality maintained its performance.
TL 158	By reducing water lost in the municipal distribution area	Basic Service Delivery	To reduce water loss in distribution. (MFMA Circular 71)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100	Director Technical Services	8%	30%	26%	32%	Target not achieved	Continue with the replacement/ installation of water meters.  Replacement of asbestos cement pipes. There is currently no funding secured for the project, but a	Billing and Purchase information, flow meter readings and calculations	The municipality decreased its performance in the 2018/19 financial year compared to the last two financial years.

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
											business plan has been submitted to the Department of Water and Sanitation for the 2020/21 financial year.			
TL 159	By ensuring that water quality is monitored throughout the supply network to ensure compliance with applicable standards	Basic Service Delivery	Number of samples taken to measure the water quality	Sum of samples taken	Director Technical Services	40	233	160	1538	Target Achieved	None	Laboratory Reports		The Municipality increased its performance. Outstanding performance by the Directorate

# Chapter 3

**Table 23: Employees Water Services**

Employees: Water Services						
Job Level	2016/17	2017/18	2018/19			
	Employees	Employees	Posts	Employees	Vacancies (fulltime)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	1	0	1	1	0	0%
4 - 6	5	5	6	6	0	0%
7 - 9	14	15	17	17	0	0%
10 - 12	8	10	26	10	16	62%
13 - 15	3	81	81	81	0	0%
16 - 18	71	21	28	28	0	0%
19 - 20	0	6	0	0	0	0%
Total	102	138	159	143	16	10%
T3.1.7						

**Table 24: Financial Performance Water Service**

Financial Performance 2018/19: Water Services						
R'000						
Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	85 839	98 250	160 435	162 457	100 966	-59%
Expenditure:						
Employees	14 398	14 229	17 041	17 061	15 996	-7%
Repairs and Maintenance	9 950	4 705	7 882	7 882	3 475	-127%
Other	34 890	22 090	35 290	36 957	25 295	-40%
Total Operational Expenditure	56 238	42 202	60 213	61 900	44 766	-35%
Net Operational Expenditure	(29 601)	(56 048)	(100 222)	(100 557)	(56 200)	-78%
T 3.1.8						

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**Table 25: Capital Expenditure Water Service**

<b>Capital Expenditure 2018/19: Water Services</b>					
<b>Capital Projects</b>	<b>2018/19</b>				
	<b>Budget</b>	<b>Adjustment Budget</b>	<b>Actual Expenditure</b>	<b>Variance from original budget</b>	<b>Total Project Value</b>
Total All	-	-	-	0%	0

## **COMMENT ON WATER SERVICES PERFORMANCE OVERALL:**

A number of capital projects were implemented during the 2018/19 financial year in order to improve water provision within Mophaka and reduce overall water losses. The project for the installation of water meters in Maokeng funded through MIG was initiated in June 2018 has been completed March 2019. This project was intended to replace water meters in households that are currently sharing a meter and households without meters, thereby drastically improving the measurements of real consumption within the area and reduce unaccountable water losses. The Municipality is also continuously replacing faulty and leaking water meters through repairs and maintenance budget in an effort to eliminate water losses and to enhance revenue.

The Municipality also embarked on a project to upgrade water pump stations across all three towns of the Municipality during the 2018/19. The project was critical in order to ensure uninterrupted water supply to the community of Kroonstad and to do away with aged infrastructure that was no longer efficient. The project has been completed and official handover was done February 2019.

The refurbishment of Viljoenskroon water treatment works was completed in 2018/19 financial year and the outcome of the project was to improve the quality and quantity of water supplied to the Viljoenskroon/Rammulotsi community. This project was funded by the Department of Water and Sanitation through the Water and Sanitation Infrastructure Grant Programme.

Municipality implemented a Water Conservation and Water Demand Management (WCWDM) project within Kroonstad aimed at reducing water losses. This project entailed: installation of telemetry systems in the reservoirs within Kroonstad/Maokeng in order to remotely monitor reservoir levels and therefore reduce

# Chapter 3

incidents of overflowing reservoirs or critically low reservoirs, replacing an asbestos cement bulk pipeline (400mm  $\phi$ ) from Maokeng reservoir distributing water to the community of Maokeng, and replacing bulk leaking valves. The project is completed and handover was done January 2019. The municipality intends to embark on a similar project in Viljoenskroon and Steynsrus in future once funding has been sourced for the project.

## 3.2 WASTE WATER (SANITATION) PROVISION

### INTRODUCTION TO SANITATION PROVISION

MLM residents enjoy 99% sanitation service coverage and 100% water service provision. In alignment with the National Policy and Emergency Housing Service Guidelines, the municipality met the minimum level of service for sanitation. This included the provision of a basic sanitation infrastructure facility necessary to provide a sanitation service which is safe, reliable, private, protected from the weather, ventilated, keeps smells to the minimum, is easy to keep clean, minimises the risk of the spread of sanitation-related diseases by facilitating the appropriate control of disease-carrying flies and pests, and enables safe and appropriate treatment and/or removal of human waste and wastewater in an environmentally sound manner.

Sanitation needs are determined via the consumer base on the ground. Shortages and spillages are monitored and future needs are based on results. Further inputs from the community and political offices are compared with departmentally identified issues and included in the IDP as needed. National government targets are also included in future planning.

The top three priorities with regard to sanitation are:

1. Access to sanitation for all
2. Connections to individual stands
3. Reduction of spillages

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MLM has taken great efforts towards the reduction of spillages, through the replacement of several collapsed sewer pipelines and refurbishment/upgrading of sewer pump stations.

Efforts made towards improving the Municipality's Green Drop Score include refurbishment of the Kroonstad Waste Water Treatment Works (WWTW), Refurbishment of the Steynsrus Waste Water Treatment Works, Refurbishment of the Viljoenskroon Waste Water Treatment Works, refurbishment of pump stations, and the appointment of experienced process controllers to mend the Kroonstad WWTW.

**Table 26: Sanitation Service Delivery**

Sanitation Service Delivery Levels					
Description	2014/15	2015/16	2016/17	2017/18	2018/19
	Outcome	Outcome	Outcome	Outcome	Outcome
	No.	No.	No.	No.	No.
<b><u>Sanitation/sewerage: (above minimum level)</u></b>					
Flush toilet (connected to sewerage)	30 939	30 939	32 078	32 078	32 128
Flush toilet (with septic tank)	450	450	450	450	450
Chemical toilet	0	0	0	0	0
Pit/dry sanitation toilet (ventilated)	1 200	1 200	1 200	1 200	1 460
Other toilet provisions (above min.service level)					
<i>Minimum Service Level and Above sub-total</i>	32 589	32 589	33 728	33 728	34 038
<i>Minimum Service Level and Above Percentage</i>	98,8%	99,1%	99,2%	99,4%	98,3%
<b><u>Sanitation/sewerage: (below minimum level)</u></b>					
Bucket toilet	198	98	50	0	0
Other toilet provisions (below min.service level)	205	205	205	205	205
No toilet provisions					
<i>Below Minimum Service Level sub-total</i>	403	303	255	205	205
<i>Below Minimum Service Level Percentage</i>	1,2%	0,9%	0,8%	0,6%	0,6%
<b>Total households</b>	<b>32 992</b>	<b>32 892</b>	<b>33 983</b>	<b>33 933</b>	<b>34 243</b>
<b>*Total number of households including informal settlements</b>					

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**Table 27: Sanitation Service Delivery below the Minimum**

<b>Households - Sanitation Service Delivery Levels below the minimum</b>					
<b>Description</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	<b>Actual No.</b>	<b>Actual No.</b>	<b>Actual No.</b>	<b>Actual No.</b>	<b>Actual No.</b>
<b>Formal Settlements</b>					
Total households	<b>32 589</b>	<b>32 589</b>	<b>32 589</b>	33 728	<b>34 625</b>
Households below minimum service level	200	198	35	0	587
Proportion of households below minimum service level	0.61%	0.61%	0.11%	0%	1,7%
<b>Informal Settlements</b>					
Total households	<b>205</b>	<b>205</b>	<b>205</b>	<b>205</b>	<b>205</b>
Households below minimum service level	205	205	205	205	205
Proportion of households below minimum service level	100%	100%	100%	100%	100%
<b>T 3.2.4</b>					

*Note: All informal settlements in Rammulotsi were formalised and the only informal settlement is currently in Matlwangtlwang in Steynsrus that consist of 205 households.*



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## Policy Objectives taken from IDP and SDBIP

**Municipal Scorecard Perspective:** Service Delivery

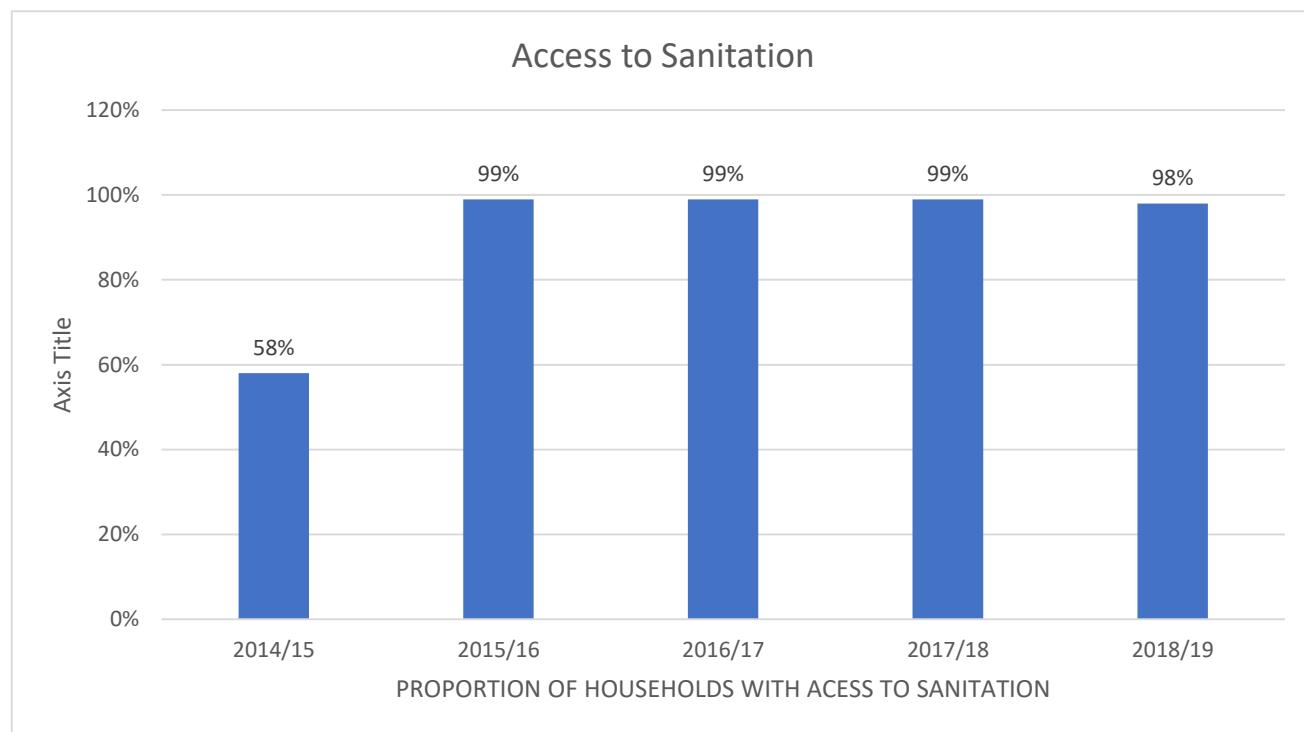
**KPA:** Basic Service Delivery and Infrastructure Investment

**IDP Priority 2:** Sanitation provision

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 15	By ensuring that access to Sanitation is maintained throughout the municipality.	Basic Service Delivery	Number of HH with access to basic sanitation services	Sum of HH with access to basic sanitation.	Director Technical Services	32 498	34 011	33 095	34 029	Target achieved	None	Evaluation Roll Report		The Municipality maintained its performance
TL 157	By expanding sanitation services to cover any back log and roll it out to newly established settlements	Basic Service Delivery	Number of HH without access minimum sanitation standards	Sum of HH without access minimum sanitation.	Director Technical Services	56	0	647	596	Target achieved	None	Project completion certificates		The Municipality increased its performance

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**Figure 7: Access to sanitation**



**Table 28: Employees: Sanitation Service**

Employees: Sanitation Services						
Job Level	2016/17	2017/18	2018/19			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	Refer to Table 23.					
4 - 6						
7 - 9						
10 - 12						
13 - 15						
16 - 18						
19 - 20						
<b>Total</b>						

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**Table 29: Financial Performance 2018/19: Sanitation Service**

Financial Performance 2018/19: Sanitation Services						
R'000						
Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	42 573	40 835	45 654	45 654	45 220	-1%
Expenditure:						
Employees	20 743	21 661	23 856	23 856	23 715	-1%
Repairs and Maintenance	9 722	11 106	17 591	17 591	4 498	-291%
Other	13 547	1 286	12 732	12 732	1 486	-757%
Total Operational Expenditure	44 102	34 053	54 179	54 179	29 699	-82%
Net Operational Expenditure	1 439	-6 782	8 525	8 525	-15 521	155%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						
T 3.2.8						

**Table 30: Capital Expenditure 2018/19: Sanitation Service**

Capital Expenditure 2018/19 Sanitation Services					
R' 000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	–	–	–	0%	

## COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL

The biggest challenge with regard to sanitation is frequent sewer spillages as a results of foreign objects thrown into the sewer network, collapsed sewer pipes, and malfunctioning sewer pumpstations. These spillages pose health risks to the surrounding communities of Moqhaka and also pollute our water resources. Community awareness programs through ward meetings are conducted to make the community aware of the negative impact of throwing foreign objects in the sewer network. Where it is found that spillages occur as a result of infrastructure damage the required repairs are done to reduce such spillages.

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In order to deal with malfunctioning pump stations, an MIG funded project was implemented during the 2018/19 financial for the upgrading of sewer pump stations in Kroonstad and Viljoenskroon. The project will be completed during the first quarter of 2019/20 financial year.

Another MIG funded project aimed at proving bulk sewer network and pump station for the 4000 future development in Northleigh has been completed and official handover was done in June 2019. The project scope of work entails a bulk pipeline and new sewer pump station.

In order to eliminate the backlog related to access to sanitation in formal areas of Moqhaka, a project funded and implemented by Rand Water Foundation has been implemented for the past 3 financial years for the installation of on-site dry sanitation toilets in Rammulotsi and Matlwangtlwang. This type of sanitation technology is especially suitable in areas that experiences water shortages such as Steynsrus. The Municipality will be rolling out the project again in the 2019/20 financial year within Matlwangtlwang to provide sanitation to new developments as there are currently water challenges in Steynsrus/Matlwangtlwang.

# Chapter 3

## 3.3 ELECTRICITY

### INTRODUCTION TO ELECTRICITY

The Municipality as a Service Authority within its area of jurisdiction has a Legislative Mandate to provide services in a safe and healthy environment. The Electricity section is also responsible for operation, maintenance, extension and upgrading of the infrastructure. In so doing it promotes and catalysis the economic development within the area. Service provision is mainly development, extension and maintenance of infrastructure. However, the municipality has an infrastructural base that is in a state of decay, with a large percentage of aged and out dated technology. The backlogs in terms of maintenance and upgrading are colossal and the available resources are simply not adequate for the task at hand.

#### Core Responsibilities

- Providing quality and uninterrupted supply of electricity to all domestic, business, industrial and rural consumers within its area of distribution.
- Maintaining the electricity distribution network in order to adhere to the prescribed standards.
- Upgrading of the electricity distribution network in order to accommodate population growth as well as business and industrial development.
- Monitoring electricity consumption of consumers by means of effective metering and visual inspections in order to minimize electricity losses.
- Maintaining of all public lighting and traffic lighting.
- Providing accurate feedback to the monitoring authority National Electricity Regulator South Africa (NERSA) pertaining to quality of service and quality of supply in order to adhere to license conditions.

Overall the Electricity Section has during the 2018/19 financial year addressed various challenges mainly relating to the high and medium voltage supply and reticulation and in the process improving quality and security of supply to the community with limited resources. It should however be emphasised that due to the insufficient resources such as budget, personnel, vehicles and equipment such as vehicles etc. the routine maintenance on the existing infrastructure are neglected which is a point of concern. Note must be taken that with the scares resources available the following objectives were achieved:

- Replacement of faulty meters

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- New electricity connections
- Attending to general daily complaints
- Maintenance of public lighting

**Table 31: Electricity Service Delivery Levels**

Electricity Service Delivery Levels					
Description	2014/15	2015/16	2016/17	2017/18	2018/19
	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
<b><u>Energy: (above minimum level)</u></b>					
Electricity (at least min.service level)	1 831	1 765	1 765	1 329	1 952
Electricity - prepaid (min.service level)	14 138	26 875	27 015	28 201	28 969
<i>Minimum Service Level and Above sub-total</i>	15 969	28 649	28 780	29 530	30 921
<i>Minimum Service Level and Above Percentage</i>	70.5%	87,3%	87,8%	88.0%	89,3%
<b><u>Energy: (below minimum level)</u></b>					
Electricity (< min.service level)	43	4 154	4 154	4 014	3 704
Electricity - prepaid (< min. service level)	6 625	0	0	0	
Other energy sources	0	0	0	0	
<i>Below Minimum Service Level sub-total</i>	6 668	4 154	4 014	4 014	3 704
<i>Below Minimum Service Level Percentage</i>	29.5%	12.7%	12,2%	12.0%	10,7%
<b>Total number of households</b>	22 637	32 794	32 794	33 544	34 625
					<b>T 3.3.3</b>

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**Table 32: Households - Electricity Service Delivery Levels below the minimum**

Households - Electricity Service Delivery Levels below the minimum					
Description	2014/15	2015/16	2016/17	2017/18	2018/19
	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
<b>Formal Settlements</b>					
Total households	22 637	32 794	32 794	33 544	34 625
Households below minimum service level		3 949	3 809	3 809	11 578
Proportion of households below minimum service level	0%	12%	12%	11%	33%
<b>Informal Settlements</b>					
Total households	0	0	205	205	205
Households ts below minimum service level	0	0	205	205	205
Proportion of households ts below minimum service level	0%	0%	100%	100%	100%
T 3.3.4					

# Chapter 3

## Policy Objectives taken from IDP and SDBIP

**Municipal Scorecard Perspective:** Service Delivery

**KPA:** Basic Service Delivery and Infrastructure Investment

**IDP Priority 4:** Electricity and Energy

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
TL 5	To expand the electrification programme to any remaining areas and roll out solar energy in any identified areas at prescribed standards	Basic Service delivery	Number of HH in municipal supply area that meet agreed electricity service standards (connected to the national grid)	Sum of HH with access to electricity (connected to the National Grid)	Director Technical Services	23 077	25 774	24 040	25 783	Target achieved	None	Evaluation Roll Report	The Municipality maintained its performance.
TL 148	To form partnerships with Sector Departments to assist with the development of Energy Master Plan	Basic Service Delivery	Progress made towards the development of the master plan	Sections concluded towards the development of the master plan.	Director Technical Services	NEW KPI	50%	95%	100%	Target achieved	None	Master plan Council resolution - Item 29: Adoption of Energy Master Plan of 30 August 2018	The Municipality increased its performance.
TL 149	By rolling out electrification of newly established settlements and those	Basic Service delivery	Number of HH without access to minimum electricity standards	Sum of HH without access to minimum electricity services	Director Technical Services Director Technical Services	351	0	0	0	Target achieved. All households have access to electricity.	None	Built layout drawing showing all occupied households	The municipality maintained its performance.



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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
	with a back log											with access to electricity		
TL 151	Reduce electricity losses by improving inspections and maintenance .	Basic Service Delivery	% Electricity distribution losses.(KWH billed/KWH acquired) (MFMA Circular 71)	(Number of Electricity Units Purchased and / or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and / or Generated) × 100	Director Technical Services	16.29%	18.56%	16. %	17%	Target not achieved. Includes 4% line losses.	This is a desktop exercise and figure could change depending on the financial reporting system. Busy replacing faulty meters and bypassed meters and currently busy with tender for smart metering.	Meter inspection/installation/replacement report (Meter numbers of faulty and bypassed meters) and financial records of purchases and billings		The Municipality has not been able to meet this target for the last three financial years. However there has been an improvement in reducing the losses compared to the 2018/19 financial year.

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**Table 33: Employees Electricity Services**

<b>Employees: Electricity Services</b>						
<b>Job Level</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>			
	<b>Employees</b>	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
0 - 3	1	1	1	1	0	0%
4 - 6	3	2	7	1	6	86%
7 - 9	19	19	30	18	12	40%
10 - 12	4	3	17	3	14	82%
13 - 15	20	15	20	15	5	25%
16 - 18	10	15	35	15	20	57%
19 - 20	0	0	0		0	0%
<b>Total</b>	<b>57</b>	<b>55</b>	<b>110</b>	<b>53</b>	<b>57</b>	<b>52%</b>
<i>T 3.3.6</i>						

**Table 33: Financial Performance: Electricity Services**

<b>Financial Performance 2018/19: Electricity Services</b>						
<b>R'000</b>						
<b>Details</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>			
	<b>Actual</b>	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance to Budget</b>
<b>Total Operational Revenue</b>	269	260 240	318 482	322 191	275 037	-16%
Expenditure:						
Employees	15	16 343	19 449	19 450	17 738	-10%
Repairs and Maintenance	12	22 429	35 601	37 254	20 219	-76%
Other	76	184 429	245 692	245 692	186 912	-31%
<b>Total Operational Expenditure</b>	<b>103</b>	<b>223 201</b>	<b>300 742</b>	<b>302 396</b>	<b>224 869</b>	<b>-34%</b>
<b>Net Operational Expenditure</b>	<b>-167</b>	<b>-37 039</b>	<b>-17 740</b>	<b>-19 795</b>	<b>-50 168</b>	<b>65%</b>
<i>T 3.3.7</i>						

# Chapter 3

**Table 34: Capital Expenditure: Electricity Services**

<b>Capital Expenditure 2018/19: Electricity Services</b>					
<b>R' 000</b>					
<b>Capital Projects</b>	<b>2018/19</b>				
	<b>Budget</b>	<b>Adjustment Budget</b>	<b>Actual Expenditure</b>	<b>Variance from original budget</b>	<b>Total Project Value</b>
Total All	5 590 652	0	5 590 652	0%	
Installation of 7 high mast lights in Mqohaka LM (Maokeng)	4 065 929		4 065 929	0%	
Installation of 2 high mast lights in Mqohaka LM (Rammulotsi)	1 524 723		1 524 723	0%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					<i>T 3.3.8</i>

## COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL

The operation of the Electricity Section is totally dependent on the annual operating budget allocation. The main source of income is electricity sales.

The project “INSTALLATION OF 7 HIGH MAST LIGHTS IN MOQHAKA” to the value of R 5 650 652 was funded by the Municipal Infrastructure Grant (MIG), was started in the 2018/19 financial year and completed in the 2018/19 financial year.

On 23 February 2019 at approximately 10:30 a major interruption was experienced at the Municipal Main Substation due to a fire inside the 6.6kV switching room. Both 10 MV transformers were also damaged. The cables inside the switching room provided electricity to the entire industrial area, a portion of Maokeng, Brentpark, the Sewer works and some small holdings and farms. The cause of the fire was apparently due to a contractor damaging the medium voltage cable feeding Brentpark. With the high fault level so close to the substation it caused damage beyond repair to the 6.6kV switching room and transformers. The electricity supply was restored to all consumers but it must be noted that the unserviceability of the substation and transformers cause immense strain on the system and over loading of supply cables occur. The claim and all requested information was submitted to the insurance company. To date the insurance company did not provide any feedback regarding the claim.

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Street lights and High mast lights are repaired on a daily basis however the process are slow due to limited resources. A service provider was appointed to assist with the repair and maintenance of public lighting.

Challenges are experienced with meters that are being tampered with, meters that become faulty and the unavailability of meters due to stock depletion. Approximately 3000 blocked prepaid meters were identified to be inspected / replaced. To assist in the backlog of replacing / inspection of suspected faulty meters service providers were appointed. In total 2903 faulty electricity meters were replaced / repaired / inspected for the financial year of which 2477 were done by a Service provider.

Constraints:

- Shortage of vehicles (Mechanical problems with vehicles and standing time involved)
- Shortage of staff
- Shortage of materials (including critical stock items in the Stores) and equipment
- Non-payment of service providers
- Theft and attempted theft of cable and transformers
- Ageing infrastructure (Risk of service disruptions)
- Overworking of staff due to staff shortages, this in turn negatively impact on the health of employees.

## 3.4 WASTE MANAGEMENT

### INTRODUCTION TO WASTE MANAGEMENT

The Solid Waste Management mandate is derived from Chapter 2, Section 24 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). The National Environmental Management: Waste Act (NEMWA), 2008 (Act 59 of 2008) is the core legislative guide for the delivering a quality Solid Waste Management service. The Section is comprised of the following divisions; Refuse Removal, Street Cleansing, Public Toilets and Landfill sites.

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## VISION

To create a better environment, activate cooperation between the municipality and the community towards better solid waste management, protection and sustainability of the environmental and natural resources, and contribute to improve the quality of life.

## MISSION

Optimal use of resources, building capacity to contribute into sustainable development, development of policies to improve the level of services by addressing the challenges of solid waste management, and promote community awareness and partnership.

Table 35: Solid Waste Service Delivery Levels

Solid Waste Service Delivery Levels					
Description	2014/15	2015/16	2016/17	2017/18	2018/19
	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
<b><u>Solid Waste Removal: (Minimum level)</u></b>					
Removed at least once a week	32 464	32 794	32 794	34 011	34 020
<i>Minimum Service Level and Above sub-total</i>	32 464	32 794	32 794	34 011	34 020
<i>Minimum Service Level and Above percentage</i>	100,0%	100,0%	100,0%	100,0%	100,0%
<b><u>Solid Waste Removal: (Below minimum level)</u></b>					
Removed less frequently than once a week					
Using communal refuse dump					
Using own refuse dump	0	0	0	0	0
Other rubbish disposal					
No rubbish disposal					
<i>Below Minimum Service Level sub-total</i>	0	0	0	0	0
<i>Below Minimum Service Level percentage</i>	0,0%	0,0%	0,0%	0,0%	0,0%
<b>Total number of households</b>	<b>32 464</b>	<b>32 794</b>	<b>32 794</b>	<b>34 011</b>	<b>34 020</b>
					<i>T 3.4.2</i>

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**Table 36: Households - Solid Waste Service Delivery Levels**

Households - Solid Waste Service Delivery Levels below the minimum					
Description	2014/15	2015/16	2016/17	2017/18	Households 2018/19
	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
<b>Formal Settlements</b>					
Total households	32 214	32 589	33 147	34 011	34 020
Households below minimum service level	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%
<b>Informal Settlements</b>					
Total households	400	205	205	205	0
Households ts below minimum service level	0	0	0	0	0
Proportion of households ts below minimum service level	0%	0%	0%	0%	0%
					<i>T 3.4.3</i>

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## Policy Objectives taken from IDP and SDBIP

**Municipal Scorecard Perspective:** Service Delivery

**KPA:** Basic Service Delivery and Infrastructure Investment

**IDP Priority 7:** Solid Waste Management

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 17	By ensuring access to solid waste removal services to all HH within the municipal area by 2019.	Basic Service Delivery	Number of households in municipal area with access to refuse removal	Sum of households in municipal area with access to refuse removal.	Director Community Services	33 147	34 011	33 147	34 625	Target achieved	None	Evaluation Roll Report		The Municipality maintained its performance
TL 135	To ensure that the IWMP is implemented as approved.	Basic Service Delivery	The licensing of the new landfill site for Viljoenskroon. By June 2019	Landfill site licenced by 30 June 2019.	Director Community Services	NEW KPI	NEW KPI	30 June	30 June	Target achieved.	None	Landfill site licence		This is a new KPI therefore comparison could not be done.
TL 136	To ensure that the IWMP is implemented as approved.	Basic Service Delivery	Rehabilitation of the old landfill site in Viljoenskroon	Landfill site rehabilitated by 30 June 2019	Director Community Services	NEW KPI	NEW KPI	1	0	Target not achieved. Awaiting commencement of the	Appoint Service Provider.	None		This is a new KPI therefore comparison could not be done.

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
			on by 30 June 2019.							erection of the new landfill site and appointment of Service Provider.				
TL 138	To curb the incidence of illegal dumping in the municipal area	Basic Service Delivery	Number of fines issued to perpetrators by law enforcement/ Peace Officers	Sum of fines issued	Director Community Services	NEW KPI	4	4	4	Target achieved.	None	Fines issued.		The municipality maintained its performance as the target was achieved since the 2016/17 financial year.



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## Policy Objectives taken from IDP and SDBIP

**Municipal Scorecard Perspective:** Governance

**KPA:** Good Governance and Public Participation

**IDP Priority 7:** Solid Waste Management

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 137	To curb illegal dumping in the municipal area by implementing the Integrated Waste Management strategy.	Good Governance and Public Participation	Review strategy on how to deal with illegal dumping. Strategy approved by Director on or before 30 Jun 2019.	Date Strategy approved	Director Community Services	30 June	30 June	30 June	30 June	Target achieved	None	Signed strategy.		The municipality maintained its performance.
TL 139	To curb the incidence of illegal dumping in the municipal area	Good Governance and Public Participation	Number of waste awareness campaigns conducted.	Sum of awareness sessions held	Director Community Services	NEW KPI	6	4	2	Target not achieved. We could not achieve this target due to unrest within Moqhaka.	Conduct awareness campaigns in the next financial year as scheduled.	Attendance Register		The municipality decreased its performance as the target was not achieved

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
														in this financial year.

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**Table 37: Employees: Waste Management Services**

<b>Employees: Solid Waste Management Services</b>						
<b>Job Level</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>			
	<b>Employees</b>	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
0 - 3	1	1	1	1	0	0%
4 - 6	1	1	1	1	0	0%
7 - 9	0	0	1	1	0	0%
10 - 12	3	18	23	19	4	17%
13 - 15	20	73	71	71	0	0%
16 - 18	84	28	19	19	0	0%
19 - 20	0	0	7	1	6	86%
<b>Total</b>	<b>109</b>	<b>121</b>	<b>123</b>	<b>113</b>	<b>10</b>	<b>8%</b>
						<b>T3.4.5</b>

**Table 38: Employees: Waste disposal and Other Services**

<b>Employees: Waste Disposal and Other Services</b>						
<b>Job Level</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>			
	<b>Employees</b>	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
0 - 3	1	1	0	0	0	0%
4 - 6	3	1	0	0	0	0%
7 - 9	8	3	1	1	0	0%
10 - 12	15	3	2	2	0	0%
13 - 15	15	9	14	12	2	14%
16 - 18	21	9	13	13	0	0%
19 - 20	30	0	3	1	2	67%
<b>Total</b>	<b>93</b>	<b>26</b>	<b>33</b>	<b>29</b>	<b>4</b>	<b>12%</b>
						<b>T3.4.6</b>

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**Table 39: Financial Performance 2018/19: Waste Management Services**

Financial Performance 2018/19: Solid Waste Management Services						
R'000						
Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	28 490	9 184	46 647	44 100	31 441	248%
Expenditure:						
Employees	19 588	23 466	17 174	17 038	22 536	24%
Repairs and Maintenance	1 463	2 216	789	1 513	1 339	41%
Other	9 721	22 828	7 798	6 355	3 036	-157%
<b>Total Operational Expenditure</b>	30 772	75 021	25 758	24 906	26 911	4%
<b>Net Operational Expenditure</b>	2 282	28 326	-20 886	-19 194	-4 530	561%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						
T 3.4.7						

**Table 41: Financial Performance 2018/19: Waste Disposal and Other Services**

Financial Performance 2018/19: Waste Disposal and Other Services						
R'000						
Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	0	111	0	0	0	0%
Expenditure:						
Employees	4 977	6 399	4404	5937	5938	26%
Repairs and Maintenance	3 579	424	171	205	205	17%
Other	950	6 627	399	2278	704	43%
<b>Total Operational Expenditure</b>	9 506	13 450	4974	8277	6847	27%
<b>Net Operational Expenditure</b>	9 506	13 339	4974	8277	6847	27%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						
T 3.4.8						

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**Table 42: Capital Expenditure: Waste Management Services**

<b>Capital Expenditure 2018/19: Waste Management Services</b>					
<b>R' 000</b>					
<b>Capital Projects</b>	<b>2018/19</b>				
	<b>Budget</b>	<b>Adjustment Budget</b>	<b>Actual Expenditure</b>	<b>Variance from original budget</b>	<b>Total Project Value</b>
Total All	0	0	0	0%	0

## COMMENT ON THE OVERALL PERFORMANCE OF WASTE MANAGEMENT SERVICES

To achieve the standards of the National Waste Management Act, 2008 (Act no. 59 of 2008) as amended, Refuse Removal is done according to a fixed weekly schedule. Every household and business is serviced at least once a week.

The three (3) top delivery areas are:

Refuse collection

Refuse transportation to landfill sites

The maintenance of landfill sites

## Street Cleansing

Street Cleansing in the Central Business District (CBD) areas is done according to a fixed daily schedule. The shift system which was introduced in the 2015/16 financial year is continuously showing improvements on the cleanliness of the Kroonstad CBD. Some businesses are failing to cooperate but through the By-laws enforcement the municipality is at the top of the game. Most businesses do not have refuse storage facilities on their premises and end up using the street bins meant for the public and street hawkers. Pending the approval of the reviewed structure, the Street Cleansing service will be extended to the shopping centres in the townships.

## Refuse removal

The municipality is striving to service all households in the municipal area of service. Every household is serviced at least once a week. The municipality have waste management by-laws but the community fails to comply. The shortage of Law Enforcement officials makes it difficult to effectively enforce the by-laws. The by-laws clearly

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specify the type of containers to be used for refuse but the community fails to comply leading to their refuse not being removed. When the refuse is not removed they resort to illegal dumping.

Below is the illustration, in pictures, where illegal dumping was cleaned and refuse placed in a non-compliant container



**Illegal dumping being cleaned in front of the church in Ward 7. One of the refuse containers left by the refuse removal team because it was non-compliant.**

In most cases the community uses correct refuse receptacles but place foreign stuff in the receptacles. Such instances are when bricks, stones and/or soil are placed in the receptacles. These objects increase the weight of the receptacle and make it difficult for the employees to carry the receptacles. When this happens the community will complain that their refuse was not removed and on investigating why these challenges will be identified. Figure 2 below shows a refuse bin that was filled with soil and very little acceptable refuse. Note the time when the picture was taken, just after receiving the complaint was received.



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**Refuse bin filled with soil and very little acceptable refuse, Ward 12**

Refuse points. The Solid Waste Management section visit schools and other governmental institutions to address the matters of waste management. This can be clearly seen in the picture below where the Manager: Solid Waste addressed the learners of Lovedale Primary School in Ward 7.



**Learners at Lovedale Primary School participating on Waste management presentation**

Learners from different schools within the municipality visit the municipality to ask for assistance with their community service which is part of their curriculum. In the picture below learners from one of the secondary

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school in Kroonstad were assisted by the Superintendent: Solid Waste to clean an illegal dumping area next to Tuinhof. The area was left in a very neat condition but hardly a week after the cleaning illegal dumping was identified on the same spot.

Learners from different schools within the municipality visit the municipality to ask for assistance with their community service which is part of their curriculum. In the picture below learners from one of the secondary school in Kroonstad were assisted by the Superintendent: Solid Waste to clean an illegal dumping area next to Tuinhof. The area was left in a very neat condition but hardly a week after the cleaning illegal dumping was identified on the same spot.



## **Grade 12 learners cleaning illegal dumping spots as part of their community service session**

The Solid Waste Management division participated in the Thuma Mina cleaning campaign that took place in Ward 3 in September 2018. A number of illegal dumping spots were cleaned. The figure below shows the before and after captions on one (1) of the spots that were cleaned.



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**The before and after caption of the illegal dumping spot in Ward 3**



Public meetings are also sometimes convened by Ward councillors where the Solid Waste Management division is invited to address the community on waste management matters. Figure 6 below indicates a community meeting in Ward 4 where community was addressed on waste management matters.



## Landfill Sites

It is a great achievement that at last the license for the new Viljoenskroon landfill site has been issued just before the end of the 2018/19 financial year. Two (2) of the three (3) landfill sites of the municipality, Kroonstad and

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Steynsrus, are permitted for operations. The Kroonstad landfill site is the only landfill site of the municipality that is reporting to the South African Waste Information Centre (SAWIC). The Viljoenskroon landfill site is licensed for closure and rehabilitation. The closure and rehabilitation will only start when the new landfill is developed and ready to receive waste. When operated in line with the National Environmental Management: Waste Act, 2008, it is even easier to control and monitor the activities of the recyclers and waste pickers. The picture below is of the Steynsrus landfill site.



Recyclers and waste pickers at the Steynsrus landfill site

The Director: Community and Social Services together with the Manager: Solid Waste attended a community meeting in Ward 10 on 29 August 2018 when the community sharply raised their concerns about the forever burning Kroonstad landfill site. The concerns received the undivided attention from the Ward Councillor, the Director: Community and Social Services and the Manager: Solid Waste. The required vehicles were hired and the operations at the landfill site drastically improved. Since the hiring of the vehicles the burning at the landfill site was reduced by 99 percent. It is unfortunate that when there was this improvement, there were community

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protests for the relocation of the landfill site. Figure 8 below illustrates the community meeting in Ward 10 and the beginning of the improvements at the landfill site.

## OVERALL PERFORMANCE OF SOLID WASTE MANAGEMENT

### Refuse removal

1. There have been a number of challenges at refuse removal which influence each other, for an example:
  - a) The age of vehicles leads to frequent breakdown of vehicles.
  - b) The frequent breakdown of vehicles leads to poor refuse removal service delivery.
  - c) Poor refuse removal service leads to increased uncontrolled illegal dumping which cannot be removed due to unavailability of required vehicles.
2. The above will be addressed by the recent tender that went out for the procurement of all municipal vehicles suitable for both refuse removal and cleaning of illegal dumping spots.

### Landfill sites

1. There has been a lot of improvement at the Kroonstad landfill site but much can still be done with the availability of vehicles.
2. The Viljoenskroon and Steynsrus landfill sites are in a very bad shape since the service provider left site.
3. The landfill sites are also understaffed, making it difficult for the section to be fully in control.
4. Fence is vandalised on all three (3) landfill sites. This makes it difficult to control the movement at the landfill sites.

### Street cleansing

1. The challenges at Refuse Removal flow over to Street Cleansing because when the refuse bins in the CBD are full and not removed, the Street Cleansing personnel have nowhere to store the refuse they collected.
2. The shift system in Kroonstad is experiencing serious challenges due to working with one Supervisor. Incorporation of the shift system into the organisational structure will remedy the challenge as an extra needed Supervisor will be appointed.

With all the challenges mentioned above the Solid Waste Management is doing the best they can with the limited resources its disposal.

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## 3.5 HOUSING

### INTRODUCTION TO HOUSING

Extensive development occurred in Moqhaka since 1990, houses were built, additional land was purchased, planned, pegged and infrastructure services were provided.

According to the Municipality's Housing Sector Plan (2006) the housing backlog for 1994/95 is 12960, this backlog is determined according to 1994/95 IDP, and is calculated in terms of the number of temporary structures erected on sites and informal backyard dwellers.

Since 1994 a total of 10195 houses (RDP) have been delivered which leaves the backlog without growth at 2765. Additional to the indicated backlog there are informal settlements in our area accommodating approximately 232 families.

The Moqhaka Municipality is not accredited by the National Department of Human Settlements and is therefore dependent on housing allocations made annually by the Free State MEC for Human Settlements. These allocations are funded administered by the Free State Department of Human Settlements.

**Table 43: Households - Access to basic housing**

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
992011/12	30 239	28 473	94%
2012/13	30 469	29 687	97%
2013/14	31 520	31 347	99%
2014/15	31 520	31 347	99%
2015/16	32 794	32 544	99%
2016/17	32 794	32 544	99%
2018/19	33 391	33 159	99%

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## Policy Objectives taken from IDP and SDBIP

**Municipal Scorecard Perspective:** Local Economic Development

**KPA:** Local Economic Development

**IDP Priority 5:** Housing

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 21	To review the Housing Sector Plan.	Local Economic Development	HSP reviewed and approved by Director on before 31 May 2019.	Housing Sector Plan.	Director LED	0	0	1 Review per annum	1	Target achieved	None	Approved Housing Sector Plan		The municipality improved its performance

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**Table 44: Employees: Housing**

Employees: Housing Services						
Job Level	2016/17	2017/18	2018/19			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	1	1	1	1	0	0%
4 - 6	1	1	1	1	0	0%
7 - 9	1	1	1	1	0	%
10 - 12	2	2	2	2	0	0%
13 - 15	0	0	0	0	0	0%
16 - 18	8	8	8	8	0	0%
19 - 20	0	0	0	0	0	0%
Total	13	13	13	13	0	100%

**Table 45: Financial Performance: Housing**

Financial Performance 2018/19: Housing Services						
						R'000
Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	4 352	-	8 611	8 611	10 534	18%
Expenditure:						
Employees	4 430	5 367	4 750	4 750	5 495	14%
Repairs and Maintenance	-	-	5	5	-	0%
Other	5	27	44	44	12	-267%
<b>Total Operational Expenditure</b>	4 435	5 394	4 749	4 749	5 507	14%
<b>Net Operational Expenditure</b>	83	5 394	-3 862	-3 862	-5 027	23%
						T 3.5.5

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**Table 46: Capital Expenditure: Housing**

Capital Expenditure 2018/19: Housing Services					
R' 000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	0

## 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

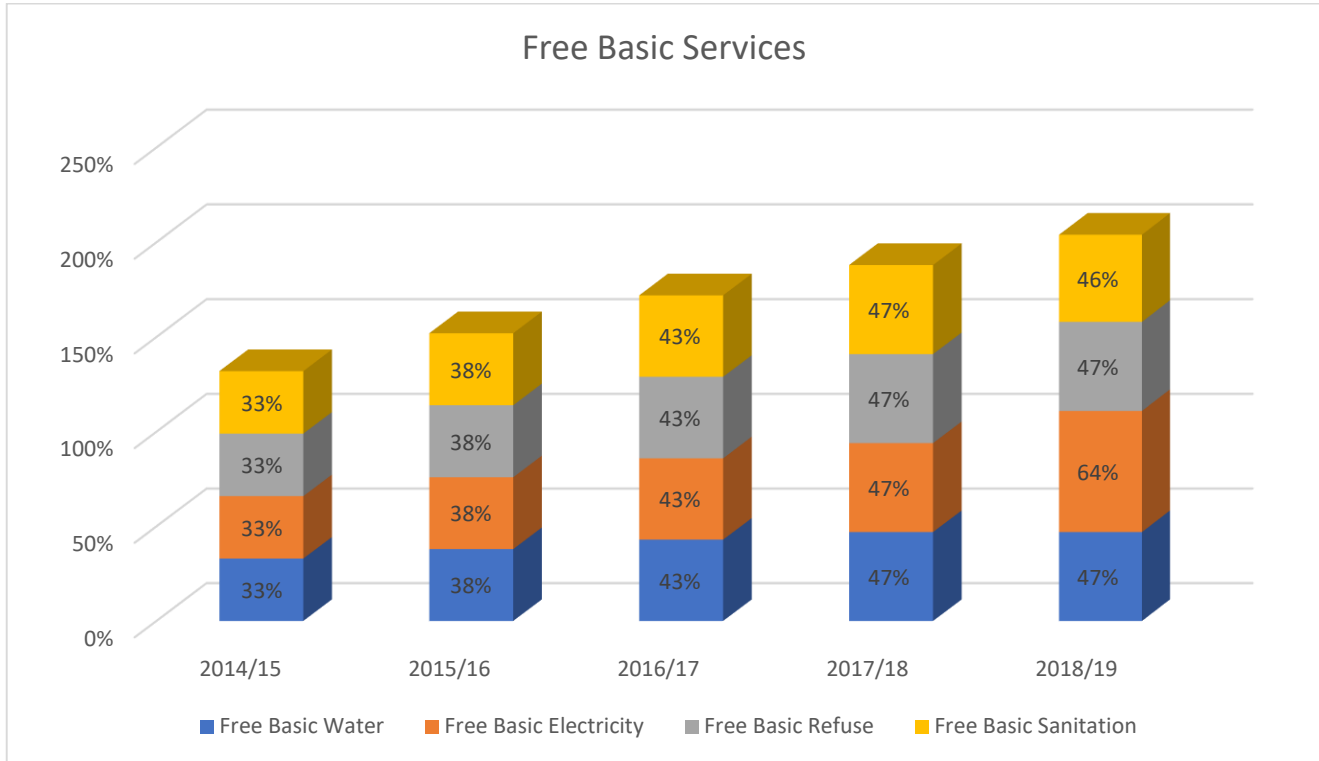
### INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The municipality provides 10kl of water per household per month, free sanitation and refuse removal as well 50 units of electricity per indigent household per month.

The policy on the indigent households extends to the child headed families and any other households with circumstances that may be approved by the Municipality to try and alleviate the poverty the households find themselves in.

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**Figure 8: Free Basic Services**



**Table 47: Free Basic Services**

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R3,200 per month								
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse		
		Total	Access	%	0	%	Access	%	Access	%
2014/15	31 520	31 520	10 494	33%	10 494	33%	10 494	33%	10 494	33%
2015/16	32 794	32 794	12 551	38%	12 551	38%	12 551	38%	12 551	38%
2016/17	32 794	32 589	14 145	43%	14 145	43%	14 145	43%	14 145	43%
2017/18	32 794	31 668	15 013	47%	15 013	47%	15 013	47%	15 013	47%
2018/19	32 794	32 131	14 945	47%	14 945	46%	14 945	64%	14 945	47%
T 3.6.3										



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**Table 48: Financial Performance: Free Basic Services**

<b>Financial Performance 2018/19: Cost to Municipality of Free Basic Services Delivered</b>						
<b>Services Delivered</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>			
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance to Budget</b>
Water	12 212	9 793	22 709	22 709	14 747	-53.99%
Waste Water (Sanitation)	12 527	9 202	13 561	13 561	14 123	3.98%
Electricity	9 283	7 695	9 804	9 804	9 276	-5.69%
Waste Management (Solid Waste)	8 114	11 588	14 535	14 535	11 100	-30.94%
Total	42 136	38 289	60 609	60 609	49 247	-23.07%

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## Policy Objectives taken from IDP and SDBIP

### Municipal Scorecard Perspective: Municipal Financial Viability

#### KPA: Municipal Financial Viability

#### IDP Priority: Free Basic Services

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 10	To implement an effective and efficient system of expenditure and supply chain management.	Municipal Financial Viability and Management	% of registered indigent Households that receive free basic services	No of households registered as indigent/Total No of HH X100	Chief Financial Officer	NEW KPI	49%	≤30%	45%	Target not achieved	The Municipality is currently busy with Indigent verification process which will assist in ensuring that the Indigent Register only contains those households that qualify.	BS506 Report		The municipality did not achieved its target however there was movement from 49% to 45%
TL 13	To implement an effective and efficient system of expenditure and supply chain management.	Municipal Financial Viability and Management	Rand value of free basic services to indigent households as a % of the equitable share	Rand value of free basic services/by the equitable share X 100	Chief Financial Officer	NEW KPI	28%	≤30%	18.25%	Target achieved	Non	Section 52(d)		The municipality improved its performance

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
TL 14	To implement an effective and efficient system of expenditure and supply chain management.	Municipal Financial Viability and Management	Rand value of free basic services to indigent households	Sum of value of free basic services to indigent households services.	Chief Financial Officer	NEW KPI	R50 499 798	≤R44 000 000	R65 059 418	Target not achieved	The Municipality is currently busy with Indigent verification process which will assist in ensuring that the Indigent Register only contains those households that qualify.	Section 52(d)	The municipality performance decreased as the rand value of basic services to indigent households increased.

# Chapter 3

## COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

Total number of indigent households increased from 15 013 in 2018/19 to 14 945 in 2018/19 financial year. Indigent households currently account for 47% of the total households in the Municipality pending verification. The Municipality endeavours to register poor and qualifying households on daily basis.

## COMPONENT B: ROAD TRANSPORT

### INTRODUCTION TO ROAD TRANSPORT

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

### INTRODUCTION TO ROAD TRANSPORT

The road strategy of Moqhaka Local Municipality is to maintain all roads in the municipal area according to the municipal road maintenance and renewal policy. The Municipality use a new approved Road maintenance and renewal policy as well as the latest RRAMS Report as guideline to ensure that the correct maintenance is done on the roads which are identified by visual inspections through the RRAMS Program. With materials is available the productivity of the road maintenance teams was above average and set targets. Yellow machines plant and other equipment are still a huge challenge for gravel road maintenance, but with good planning and proper supervising the targets set out to maintain gravel roads was reached

**Table 49: Kilometre Roads in Moqhaka**

TOWN	TAR ROADS (Km)	BRICK PAVING ROADS (Km)	GRAVEL ROADS (Km)	TOTAL ROAD LENGTH FOR EACH TOWN (Km)
KROONSTAD	228.67	28.596	159.63	416.896
VILJOENSKROON	40.678	20.414	129.062	190.154
STEYNSRUS	4.9	17.89	63.556	86.346
TOTAL	274.25	66.9	359.25	693.4 KM ROADS

# Chapter 3

## 3.7 ROADS

### INTRODUCTION TO ROADS

All roads were visually inspected and a visual assessment was done for each road according to the TMH engineering guidelines. reviewed by a consultant appointed on a GIS system by the RRAMS project which was funded by the district municipality. The program was used for planning of road maintenance and a road maintenance plan was submitted with the IDP to council.

The following road construction was done in the municipal area for the 2018 / 2019 financial year:

- ✓ One road in Matlwangtlwang was upgraded from an unpaved road to a paved road by implementing a project funded by MIG for the amount of R4253330.45.
- ✓ Two roads were upgraded from unpaved roads to paved in Brentpark to the amount of R 7226258.38
- ✓ One road was upgraded from a unpaved road to a paved road in Seeisoville to the amount of R 7255452.77.
- ✓ A section of 190m unfinished road project was completed by the Technical Department by installing brick paving.
- ✓ Business plans were prepared and submitted to sector departments for possible funding to upgrade unpaved roads to paved roads in the previously disadvantaged areas as identified through the Municipal IDP process.

A road upgrade and maintenance plan was submitted to council with the IDP and was approved by council.

Targets set out for road maintenance were reached and more roads were maintained as targeted. The maintenance work was properly planned, supervised and quality control measures were implemented. The community were also assisted with the maintenance of roads where funerals were held.

The Road Section also concentrated with maintenance on main routes, roads around schools, roads around churches and businesses.

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**Table 50: Gravel Road Infrastructure**

Gravel Road Infrastructure				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2013/14	373,7	0,0	7,8	251,0
2014/15	369,6	0,0	4,1	136,0
2015/16	329,0	0,0	2,6	509,0
2016/17	326,0	0,0	3,0	200,7
2017/18	359,3	31,4	1,9	409,0
2018/19	275,906	0,0	2,484	739,2
				T 3.7.2

**Table 51: Tarred Road Infrastructure**

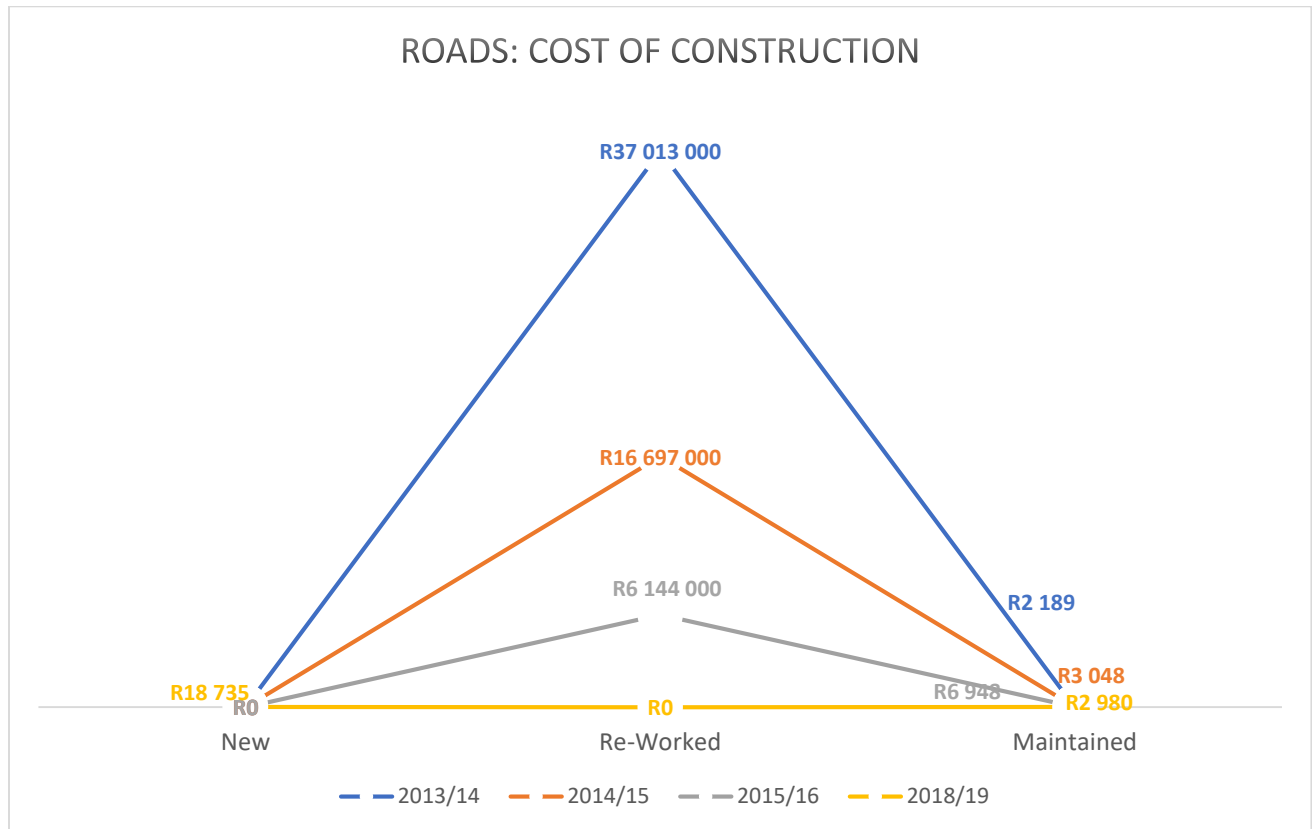
Tarred Road Infrastructure					
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2014/15	469,3	4,1	0,0	0,0	0,0
2015/16	287,0	2,6	0,0	1,6	287,0
2016/17	287,0	0,0	0,0	0,0	287,0
2017/18	274,3	0,0	4,0	0,0	603,9
2018/19	306,1	2,5	0,0	0,0	297,1
					T 3.7.3

**Table 52: Cost of Construction/Maintenance**

Cost of Construction/Maintenance						
R' 000						
	Roads			Tar		
	New	Re-Worked	Maintained	New	Re-worked	Maintained
2013/14	R0	R37 013 000	R2 189	0	0	1939
2014/15	R0	R16 697 000	R3 048	0	0	2618
2015/16	R0	R6 144 000	R6 948	0	0	0
2016/17	R0	R0	R7 559			0
2017/18	R6 565	R0	R4 324	0	0	604
2018/19	R18 735	R0	R2 980			2980
T 3.7.4				T 3.7.4		

# Chapter 3

Figure 10: Roads: Cost of Construction/Maintenance



# Chapter 3

## Policy Objectives taken from IDP and SDBIP

**Municipal Scorecard Perspective:** Service Delivery

**KPA:** Basic Service Delivery and Infrastructure Investment

**IDP Priority 3:** Roads

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 150	By ensuring that Capital project are rolled out in terms of approved project plan	Basic Service Delivery	Number of capital infrastructure projects completed.	Number of infrastructure projects completed	Director Technical Services	NEW KPI	NEW KPI	4	9	Target achieved.	None	Projects Completion Certificates		This is a New KPI no comparison could be made.
TL 152	By using the Roads and Storm water Maintenance Plan as building blocks towards the development for Roads Master Plan	Basic Service Delivery	Approval and progress made towards developing Roads Master Plan	Approved Roads Master Plan. Approval by the Director.	Director Technical Services	NEW KPI	100%	100%	100%	Target achieved	None	RRAMS report for Moqhaka LM		The Municipality maintained its performance
TL 153	By ensuring that newly built roads are built with storm water drainage and mobilize funding for rehabilitation,	Basic Service Delivery	km gravel roads maintained and or re-gravelled	Sum of km roads maintained and or gravelled	Director Technical Services	160km	486.48km	115km	752.84km	Target achieved	None	Technical Reports		The Municipality increased its performance. Outstanding performance by the Directorate



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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
	refurbishment and replacement of ageing infrastructure												
TL 154	By developing and implementing a maintenance programme specific to potholes	Basic Service Delivery	m² of potholes patched	Sum of m² of potholes patched	Director Technical Services	29 030m²	43 247.79 m²	25 500 m²	28 715.74m²	Target achieved	None	Technical Reports	Although the m² patched in this financial year were less than those in the 2018/19 financial year. The municipality achieved above the target that was set. Outstanding performance by the Directorate.
TL 155	By identifying and prioritising access, connector and strategic roads to be developed	Basic Service Delivery	KMs of new paved roads to be built	Sum of km new paved roads built	Director Technical Services	3.5 km	5.9km	1.5km	2,5012 km	Target achieved	None	Completion certificates	The Municipality increased its performance compared to the last two financial years. Outstanding performance by the Directorate.

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**Table 53: Employees: Road Services**

Employees: Road Services						
Job Level	2016/17	2017/18	2018/19			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	1	1	1	1	0	0%
4 - 6	2	1	3	1	2	67%
7 - 9	4	3	10	3	7	70%
10 - 12	12	14	15	15	0	0%
13 - 15	23	15	36	12	24	67%
16 - 18	19	16	92	18	74	80%
19 - 20	0	4	5	5	0	0%
Total	61	54	162	55	107	66%
T3.7.7						

**Table 54: Financial Performance: Road Services**

Financial Performance 2018/19 Road Services						
Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>606</b>	<b>492</b>				0%
Expenditure:						
Employees	12 438	12 790	11 157	16 093	10 729	-4%
Repairs and Maintenance	10 184	6 724	8 000	8 520	2 694	-197%
Other	2 241	1 800	158	158	45	-251%
<b>Total Operational Expenditure</b>	<b>24 683</b>	<b>21 314</b>	<b>19 315</b>	<b>24 771</b>	<b>13 468</b>	<b>-43%</b>
<b>Net Operational Expenditure</b>	<b>24 257</b>	<b>24 257</b>	<b>8 158</b>	<b>8 678</b>	<b>2 739</b>	<b>-198%</b>
T 3.7.8						

# Chapter 3

**Table 55: Capital Expenditure: Road Services**

Capital Expenditure 2018/19: Road Services					
R' 000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	18 734	0	18 734	0%	0
Brentpark construction of 0,96km of pave road and storm water channel to rentpark Staduim	7 226	0	7 226	0%	
Matlwangtlwang construction 0,62km pave road with v-channel storm water drainage	4 253	0	4 253	0%	
Seeisoville construction of 0,750km pave road and storm water drainage at Ntanga Street	7 255	0	7 255	0%	
					T 3.7.9

## COMMENT ON THE PERFORMANCE OF ROADS OVERALL

The road maintenance performance for the 2018 / 2019 financial year were properly planned and controlled. Most of the roads in the previous disadvantage areas were maintained to assist the poorest of the poor with better access to their homes as well as to schools, clinics and shops.

Business plans were submitted for MIG funding and funding was received for three main projects. A total of 2.174km of gravel roads were upgraded to brick paving roads and 739km of gravel road maintenance was done by the Technical Department.

The Technical Department had constructed 190m of Brick paving road departmentally to complete an unfinished project.

A total amount of R18 735 041.60 MIG grant funding was spent during the 2018/2019 financial year to construct new brick paving roads.

# Chapter 3

## 3.8 TRANSPORT

The municipality does not perform this function.

## 3.9 WASTE WATER (STORMWATER DRAINAGE)

### INTRODUCTION TO STORMWATER DRAINAGE

The Municipal storm water network consists of the following types of storm water systems.

- 1) Underground storm water pipes
- 2) Open concrete V-channels
- 3) Open soil storm water channels
- 4) Culverts and bridges

Challenges are a shortage of funds and equipment to address the backlogs.

**Table 56: Storm water Infrastructure**

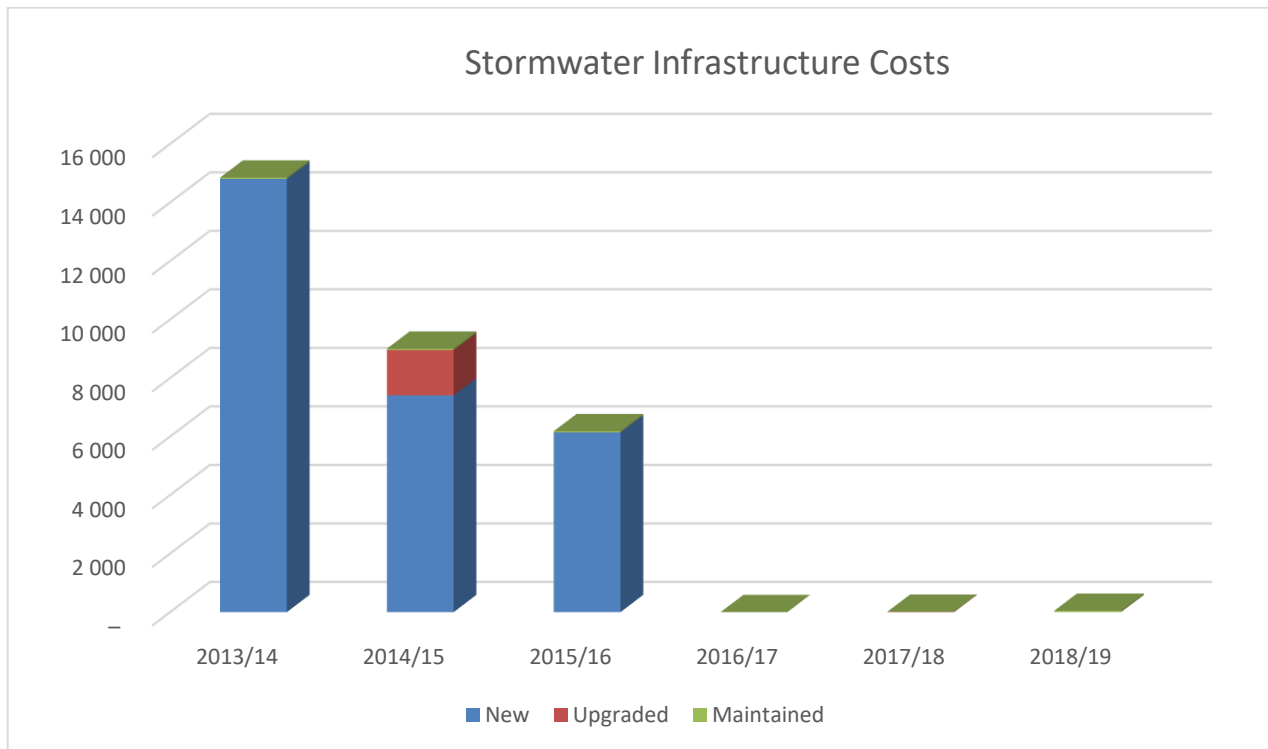
Storm Water Infrastructure				Kilometres
	Total Storm Water measures	New Storm Water measures	Storm Water measures upgraded	StormWwater measures maintained
2014/15	465,0	4,0	6,0	12,3
2015/16	469,0	2,6	0,0	3,7
2016/17	469,9	0,9	0,0	4,1
2017/18	470,8	0,0	0,9	4,1
2018/19	473,0	2,2	0,0	0,3
				T 3.9.2

**Table 57: Cost of Storm water Construction/Maintenance**

Cost of Construction/Maintenance				R' 000
	Stormwater Measures			
	New	Upgraded	Maintained	
2013/14	14 805	–	47	
2014/15	7 410	1 550	46	
2015/16	6 144	–	40	
2016/17	236	-	63	
2017/18	-	14 273	96	
2018/19	–	1 577	46	
				T 3.9.3

# Chapter 3

**Figure 8: Storm water: Infrastructure Cost**



# Chapter 3

## Policy Objectives taken from IDP and SDBIP

**Municipal Scorecard Perspective:** Service Delivery

**KPA:** Basic Service Delivery and Infrastructure Investment

**IDP Priority 3:** Storm water

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
TL 156	By ensuring that newly built roads are built with storm water drainage and mobilize funding for rehabilitation, refurbishment and replacement of ageing infrastructure	Basic Service Delivery	Kms of storm water drainages built, rehabilitated, or replaced in addition to existing one	Sum of km storm water drainage installed in addition to current one	Director Technical Services	1.118km	3.4km	1km	2,636 km	Target achieved	None	Project Completion certificates	The municipality performed above the set target. Outstanding performance by the Directorate

# Chapter 3

**Table 58: Employees: Storm water Services**

Employees: Road Services						
Job Level	2016/17	2017/18	2018/19			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	Roads Services employees also perform the storm water function, Included in the Roads Services employees in table 53 above					0%
4 - 6						50%
7 - 9						82%
10 - 12						36%
13 - 15						12%
16 - 18						20%
19 - 20						93%
Total						59%

**Table 59: Financial Performance: Storm water Services:**

Financial Performance 2018/19: Storm Water Services						
						R'000
Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	Included in table 54					
Expenditure:						
Employees						0%
Repairs and Maintenance						0%
Other						0%
<b>Total Operational Expenditure</b>						0%
<b>Net Operational Expenditure</b>						0%

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**Table 60: Capital Expenditure: Storm water Services**

Capital Expenditure 2018/19: Stormwater Services					
R' 000					
Capital Projects	Budget	Adjustment Budget	2018/19 Actual Expenditure	Variance from original budget	Total Project Value
Total All	1 577	0	1 577	0%	0
Gelukwaarts construction 0,395 km tar road and storm water crossing	1 577	0	1 577	0%	
					T 3.7.9

## COMMENT ON PERFORMANCE OF STORMWATER DRAINAGE OVERALL

The Technical Department did maintain the storm water network and cleaned several existing storm water channels and manholes. The Technical Department appointed a service provider to upgrade a low water structure to a proper bridge in the Constantia area to the total amount of R15 555 000. R11 55 000 of the mentioned funding was funded by MIG and R4 500 000 was funded out of own funding.

The municipality did submit business plan to sector departments for possible funding to address the above mentioned backlogs.



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## COMPONENT C: PLANNING AND DEVELOPMENT

### INTRODUCTION TO PLANNING AND DEVELOPMENT

This component includes planning and local economic development.

### 3.10 PLANNING

#### INTRODUCTION TO PLANNING

The planning landscape in South Africa changed during 2013 with the promulgation of the Spatial Planning and Land Use Management Act, 2013 (No 16 of 2013), also referred to as SPLUMA. In terms of this Act Local Governments became and forthwith will be the authority of first instance and all development application must be considered on local level by the Municipal Planning Tribunal, whereas in the past this type of applications was considered by the provincial authorities. The Act was, however, only made effective with effect from 1 July 2015. No applications could, however, be received and/or considered before the Municipality's by-laws on Planning were in place. These by-laws were promulgated in the Provincial Gazette of 27 November 2015 and since then the new era of planning started in Moqhaka.

The Spatial Planning Department is striving to ensure that the long-term planning of the Municipality caters for the development of the town along the five SPLUMA development principles mentioned in Section 7 of SPLUMA, viz spatial justice, spatial sustainability, efficiency, spatial resilience and good administration. This ensures that the Municipality not only grows in population, but also develops an economy that can sustain the growth in numbers.

In terms of the organisational structure approved by Council on 27 May 2015 the Building Survey Section was moved from Technical Services and with the Planning Section, form the Spatial Planning Department. The three top priorities of the Spatial Planning Department are to (i) compile a Spatial Development Framework (SDF), which encapsulates the long term spatial vision of the Municipality, (ii) compile a Land Use Scheme (LUS), which governs the use of each parcel of land situated in the jurisdiction area of the Municipality and (iii) attend to building plans on a continuous basis so as to ensure the continuous growth and development of the Municipality.

Drafts of both the SDF and LUS has been compiled and was public participated and will be submitted to Council for approval during the 2019/20. In terms of the third priority the Department did perform well and will even perform better in the next year as additional human resources were obtained. Measures have been put in place to ensure that the Spatial Planning Department is further capacitated in terms of human resources as well as equipment to ensure it excels the coming year

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**Table 61: Applications for Land Use Development**

Applications for Land Use Development									
Detail	Formalisation of Townships			Rezoning			Built Environment		
	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19
Planning application received	N/A	N/A	N/A	2	21	8	235	267	253
Determination made in year of receipt	N/A	N/A	N/A	1	0	5	0	0	170
Determination made in following	N/A	N/A	N/A	1	0	18	14	14	18
Applications withdrawn	N/A	N/A	N/A	0	1	7	7	14	34
Applications outstanding at year	N/A	N/A	N/A	0	0	3	0	0	49
									T 3.10.2

**Table 62: Employees: Urban Planning & Property Management**

Employees: Urban Planning & Property Management						
Job Level	2016/17	2017/18	2018/19			
	Employees	Employees	Posts	Employees	Vacancies (fulltime No.)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	1	2	3	2	1	33%
4 - 6	1	0	2	0	2	100%
7 - 9	3	3	7	3	4	57%
10 - 12	0	0	2	2	0	0%
13 - 15	2	2	0	0	0	0%
16 - 18	0	0	0	0	0	0%
19 - 20	0	0	0	0	0	0%
Total	7	7	14	7	7	50%
						T 3.10.4

# Chapter 3

**Table 63: Financial Performance: Urban Planning & Property Management**

Financial Performance 2018/19: Urban Planning & Property Management						
R'000						
Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	(2 851)	(1 147)				0%
Expenditure:						
Employees	2 322	2 063	2 262	1 716	1 528	-48%
Repairs and Maintenance	798	368	42	7	-	0%
Other	4 853	99	254	232	11	-2209%
<b>Total Operational Expenditure</b>	7 973	2 530	2 558	1 955	1 539	-66%
<b>Net Operational Expenditure</b>	10 824	3 677	2 558	1 955	1 539	-66%
T 3.10.5						

**Table 64: Capital Expenditure 2018/19: Urban Planning & Property Management**

Capital Expenditure 2018/19: Urban Planning & Property Management					
R' 000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original	Total Project Value
Total All	100	100	0	0%	0
GPS Machine	55	55	0	0%	
Machinery	4	4	0	0%	
Office equip	45	45	0	0%	
				0%	
T 3.10.6					

## COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

In terms of capital the Spatial Planning Department did not have any capital projects for the 2018/19 year.

In terms of operating expenditure of the Spatial Planning Department the variance between the budgeted amount and the actual expenditure is 35.80% and can mainly be attributed to maintenance to the buildings to the tune of R3 000 000 that could not be undertaken due to problems in respect of the cash flow of the Council

# Chapter 3

and the agreement that was reached with ESKOM in respect of the repayment of the amount owed to them. A further contributing factor is that the Planning Section is not yet functioning as it is not on capacity yet.

In terms of operating revenue, the variance (25%) was due to financial corrections that had to be made on specifically the outdoor advertising accounts, but in essence the revenue was still better than originally anticipated.

## 3.11 LOCAL ECONOMIC DEVELOPMENT

### INTRODUCTION TO ECONOMIC DEVELOPMENT

With the population of Moqhaka being 160532, the total number of people employed is 36040, unemployed people are 19554 and economically not active are 51074. The unemployment rate is 27.3% for males and 44.3% for females respectively. The most unemployed are the youths with 47, 2%. (Source: Stats SA,)

It is clear from the above stats that the current challenges facing young South African is the desire to have a better life. Over half of the country is under 39-years-old and 72% of unemployed South Africans are under the age of 34. Youths face several key challenges: unemployment, drug and alcohol abuse, xenophobia and access to quality education. Young people are vulnerable to many health risks. Racism and discrimination remain serious concerns. Teenage pregnancy, alcoholism and drugs are a massive threat and so is suicide.

Moqhaka LED Strategy put emphasis to job creation with more focus on youths. The strategy also focuses on SMMEs as playing pivotal role to economic development, job creation and poverty alleviation. This has resulted in accelerated support for small businesses to tackle triple challenges in South Africa.

The council embarked on several programmes that assist these small business, they range from training, workshops, purchase of equipment and the provision of working facilities. One of the project that not only put dignity to local youths in the Kroonstad CBD is Taxi Rank Hair Salon. This is an informal business where the council provided a well-furnished working environment for twenty (20) women who were doing manicure, bradding and other hair related activities as part of their job and source of income.

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The project has a good social impact to beneficiaries in that unlike before, they have a good working environment that attract more clients than before.

## COMMENT ON LOCAL JOB OPPORTUNITIES

Considering the host of local uncertainties that have been playing out over the past few months, namely the closure of big retail shops such as Edgars, CAN and other retail shops to name but a few, it is difficult to provide prospects of economic growth in this area due to its unpredictability. The situation worsened following the closure of De Beers Diamond Mine that saw more than 700 people went on job hunting and such, volatility remains.

Because of job losses in Moqhaka, we started to see household income under pressure and individual unable to pay municipal services. However, optimism has improved following the 2019 elections that saw Cyril Ramaphosa elected as the President and put more emphasis on Tourism development.

Our hope to bring about long-term economic growth and job creation will eventually see the light at the end of the tunnel because the council has just appointed a service provider to develop Moqhaka Tourism Sector and implementation plan. This plan assist us develop tourism products and taking advantage of the location as well as competitive edge of this municipality. Our long-term plan must include the attraction of investors to develop Kroonstad airport, which is believed, has a potential to be upgraded in to a cargo platform. This however will require a political will.

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Table 65: Jobs Created during 2018/19 by LED Initiatives

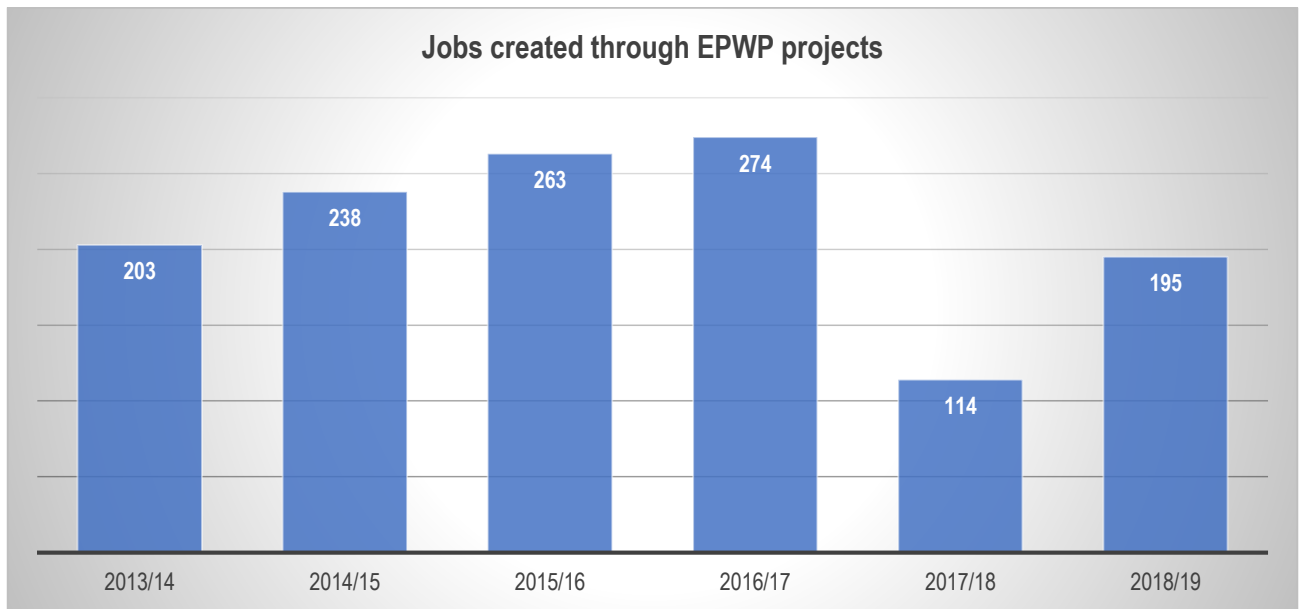
Jobs Created during 2018/19 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)				
2015/16	13	0	0	
2016/17	0	0	0	
2017/18	38	0	0	
2018/19	195		195	
Initiative A (2018/19)	None	None	None	
Initiative B (2018/19)	None	None	None	
Initiative C (2018/19)	None	None	None	
T 3.11.5				

Table 66: Jobs Created through EPWP projects

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
2013/14	6	203
2014/15	10	238
2015/16	13	263
2016/17	10	274
2017/18	7	114
2018/19	13	195
* - Extended Public Works Programme	T 3.11.6	

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**Figure 9: Jobs created through EPWP Projects**



# Chapter 3

## Policy Objectives taken from IDP and SDBIP

**Municipal Scorecard Perspective:** Local Economic Development

**KPA:** Local Economic Development

**IDP Priority 7:** LED

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
TL 22	Explore the potential for the tourism sector in creating sustainable jobs and income for communities	Local Economic Development	Develop Tourism master plan by July 2018	Submit the draft of tourism plan by July 2018 and review annually	Director LED	0	0	Draft plan approved	0	Target not achieved.	Appoint Director Led so that he/she can drive processes	None	There have been no movement regarding this KPI
TL 23	To explore commercialisation within the agriculture sector for optimum socio-economic benefits by the local	Local Economic Development	Develop agricultural development plan and review annually by July 2018	Submit the draft of agricultural plan before by July 2018	Director LED	0	0	Draft Plan approved	0	Target not achieved	Appoint Director Led so that he/she can drive processes	None	There have been no movement regarding this KPI



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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
	communities.													
TL 46	Establishing a LED Forum comprising all key role-players in the area	Local Economic Development	LED Forum established	1 LED Forum	Director LED.	NEW KPI	0	1	0	Target not achieved. There was no Director in LED	Acting Director Appointed. Improvement expected in the next financial year.	None		There has been no improvement regarding this target. It remains not achieved for two financial years.
TL 47	Create an environment that promotes the development of the local economy and facilitate job creation.	Local Economic Development	Number of jobs created through the municipality's LED, EPWP and other initiatives (Reg 796)	Sum of jobs created per year	Director LED.	NEW KPI	38	50	52	Target achieved	None	Contracts of employment.		The municipality increased its performance.

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**Table 67: Employees: LED Services**

Employees: Local Economic Development Services						
Job Level	2016/17	2017/18	2018/19			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	0	0	1	0	1	100%
4 - 6	1	1	6	1	5	83%
7 - 9	0	0	3	0	3	100%
10 - 12	0	0	0	0	0	0%
13 - 15	0	0	0	0	0	0%
16 - 18	0	0	0	0	0	0%
19 - 20	0	0	0	0	0	0%
Total	1	1	10	1	9	90%
						T 3.11.8

**Table 68: Financial Performance : LED Services**

Financial Performance 2018/19: Local Economic Development Services						
						R'000
Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0	0%
Expenditure:		0	0			
Employees	612	543	1102	1102	788	-40%
Repairs and Maintenance	0	0	0	0	0	0%
Other	42	18	2679	2679	6	-44550%
Total Operational Expenditure	654	561	3781	3781	7947	52%
Net Operational Expenditure	654	561	3781	3781	7947	52%
						T 3.11.9

**Table 69: Capital Expenditure : LED Services**

Capital Expenditure 2018/19: Economic Development Services					
					R' 000
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
There were no capital projects.	0	0	0	0%	0

# Chapter 3

## **COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:**

Local Economic Development is in a critical challenge for much of the municipalities in the Free State Province, Moqhaka is no exception. The year under review, saw Moqhaka local Municipality struggling to focus on the capacity to identify opportunities for and to exploit competitive advantage that can be harnessed, bring about change economic development, and improve the life of local citizens. These opportunities include but not limited to Tourism and enterprise development.

Council has adopted SMMES / Co-operative Strategy as a tool improve small businesses to contribute to local economy. The Council is also in the process of developing Tourism Strategy that will unlock tourism potential of this council. It envisaged the two tools will help towards the improvement of local economy.

## **COMPONENT D: COMMUNITY & SOCIAL SERVICES**

### **INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES**

The libraries function has been transferred to the Provincial Government. The municipality only have the Civic Theatre. The Civic Theatre is a Community based Arts and Culture venue that promotes arts in its diversity in order to enhance social cohesion through cross cultural activities to advance tolerance and celebrate heritage.

### **3.12 CIVIC THEATRE, ARTS AND CULTURE**

The Civic Theatre was built between 1973 and officially opened 12 June 1976 during the uprising of the youth. It is situated 1000 metres from the Central Business District, have 688 capacities Auditorium and multipurpose Allen-Rautenbach-hall with  $\pm$  300 people seats including tables. The Entertainment-hall upper level with balcony could accommodate  $\pm$  30 people minimum for board room meetings and mini functions.

The key Strategic objective of the Civic theatre are the following:

- To promote Arts and Culture, music, drama/theatre, poetry, language in school and community
- Partnership with government department and NGO's

# Chapter 3

- Enhance social cohesion through Arts and culture activities.
- Creating vibrancy within our locality to advance Tourism.

The key Strategic objective of the Civic theatre are the following:

- \* To promote Arts and Culture, music, drama/theatre, poetry, language in school and community  
Partnership with government department and NGO's
- \* Enhance social cohesion through Arts and culture activities.
- \* Creating vibrancy within our locality to advance Tourism.

# Chapter 3

## Policy Objectives taken from IDP and SDBIP

**Municipal Scorecard Perspective:** Community Development and Social Cohesion

**KPA:** Community Development and Social Cohesion

**IDP Priority 10:** Arts and Culture

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 116	To optimize community participation in Arts and Culture.	Local Economic Development	Number of arts and culture activities and events held in the municipal area	Number of activities held	Director Community Services	22	11	6	15	Target over achieved.	None	Execution List and reports submitted to Council		The municipality improved its performance in this financial year.
TL 117	To upgrade the existing facilities to for use by the community	Municipal Transformation and Institutional Development	Progress made towards the implementation of the strategy.	Reports on progress made with the implementation of the approved strategy.	Director Community Services	NEW KPI	NEW KPI	4	4	Target achieved.	None	Signed Reports		This is a new KPI comparison could not be done
TL 118	To upgrade the existing facilities to for use by the community	Municipal Financial Viability and management	Number of business plans developed for funding of the strategy for the upgrading of the Civic Theatre and submitted to donors annually.	Sum of business plans approved and submitted	Director Community Services	3 Business plans per annum	3 Business plans per annum	3 Business plans per annum	2 Business plans per annum	Target not achieved.	Submit 3 business plans for funding as required.	Business Plans approved by Director and submitted to Donors.		Performance was maintained.

# Chapter 3

**Table 70: Employees: Civic Theatre**

Employees: Civic Theatre						
Job Level	2016/17	2017/18	2018/19			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0	0%
4 - 6	1	1	1	1	0	0%
7 - 9	1	1	1	1	0	0%
10 - 12	1	1	1	1	0	0%
13 - 15	0	0	0	0	0	0%
16 - 18	3	3	4	4	0	0%
19 - 20	0	0	0	0	0	0%
Total	6	6	7	7	0	0%
T 3.13.4						

**Table 71: Financial Performance: Civic Theatre**

Financial Performance Year 2018/19: Civic Theatre						
R'000						
Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	150	152	151	151	125	-21%
Expenditure:						
Employees	1417	15084	1 579	1 579	1 784	11%
Repairs and Maintenance	99	14748	601	601	141	-326%
Other	579	29832	245	245	7	-3400%
Total Operational Expenditure	2 095	29832	2 425	2 425	1 932	-26%
Net Operational Expenditure	1945	29680	2 274	2 274	1 807	-26%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						
T 3.12.5						

**Table 40: Capital Expenditure: Civic Theatre**

Capital Expenditure 2018/19 : Civic Theatre					
R' 000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	0

# Chapter 3

## **CIVIC THEATRE, ARTS AND CULTURE PERFORMANCE OVERALL**

The Civic Theatre is continuously giving access for the Theatre and the Allen Rautenbach hall to all community to utilise for events of different variety. The following activities are being held annually e g: musical shows, commercial fun functions. There was a general maintenance done on the stage, upper level dressing rooms and Allen Rautenbach hall bar.

### **3.13 PARKS AND CEMETERIES**

#### **INTRODUCTION TO PARKS AND CEMETERIES**

The function of this section is to provide and maintain well-kept Parks, Recreation, Cemeteries as well as neat, tidy and regular cut pavements, under developed open spaces and arboriculture projects. In doing so a pleasant environment is created for all citizens of the broader Moqhaka area.

#### **KEY- OBJECTIVES**

##### **Parks section**

The aim is to develop and maintain all parks, open spaces and conserved areas.

##### **The key areas:**

- ✓ Planning, design and landscaping, road island beautifications, water features, master plan, regular park and cemetery development and to enhance safety in parks;
- ✓ Park utilization management;
- ✓ Parks and open spaces maintenance;
- ✓ Horticultural projects;
- ✓ Conservation, rehabilitation, enhancement of ecosystems;
- ✓ Invader species control;
- ✓ Infra structural maintenance;
- ✓ Nursery operations;
- ✓ Project Management and facilities management.

# Chapter 3

## CEMETERY SECTION

The aim is to open graves in time for funerals and to keep proper record of registers and archives according to by-laws and legislation and to well-maintained cemeteries.

- ✓ The key areas:
- ✓ Cemeteries management;
- ✓ Burials and archival records, booking procedures;
- ✓ Cemeteries maintenance;
- ✓ Expansion of cemeteries;
- ✓ Pauper and Indigent Graves;
- ✓ Finding Burial sites;
- ✓ Heroes Acre;
- ✓ Heritage Cemeteries;
- ✓ Maintenance and Tourism on war graves;

## PARKS AND CEMETERIES: CHALLENGES

- ✓ It is a real challenge to developed parks and open spaces.
- ✓ Due to a lack of water is it not possible to develop parks at all or at such a standard that it is pleasant and joy able to be use by the community;
- ✓ With limited resources and equipment, it is a case of impossible to maintain parks, open spaces and sidewalks;
- ✓ operational skills, knowledge and appointment of key positions is needed for the development and beautification of road islands and/or the overall horticulturist projects. Currently it is at point zero;
- ✓ expansion of cemeteries was not done in time;
- ✓ Cemeteries in use are the only sites that can be maintained on a regular basis.
- ✓ Old cemeteries are cleaned at least once a year during the winter seasons and then additional employment is needed to assist with it.
- ✓ The finding of burial sites is a challenge due to registers burned during unrest in the 1980's;
- ✓ Archives are limited and do not comply with legislation;



# Chapter 3



Once a well maintained park been damaged and untidy caused by illegal dumping



**Rammulotsi Cemetery**



**Maintained Traffic Islands**

# Chapter 3

## SERVICE STATISTICS FOR PARKS AND CEMETERIES & BIODIVERSITY

SERVICE OBJECTIVES	SERVICE TARGETS	2016/17	2017/18	2018/19
<b><u>PARKS</u></b>				
1. Planning designing & Landscaping beautification of road islands.	NONE	0 %	0%	0%
2. Parks development	NONE	0 %	0%	0%
3. Parks and open spaces maintenance	Cutting grass at least once a year wherever illegal dumping did not appear.	100%	100%	10%
4. Infrastructure maintenance	NONE	70%	30%	0%
5. Nursery operations	NONE	40%	10%	0%
<b><u>CEMETERIES</u></b>				
1. Burials & Archival records	Record keeping not up to date due to a shortage of personnel and there are no archives.	0%	20%	20%
2. Cemetery maintenance	Sites been clean at least once a year.	100%	100%	100%
3. Expansion of cemeteries	One cemetery almost full, no expansion.	0%	0%	0%
4. Infrastructure maintenance	Facilities have a high rate of vandalism and breakages.	60%	50%	30%
<b><u>BIODIVERSITY</u></b>				
Controlling of Invasive & problem plants	NONE	0%	0%	0%

# Chapter 3

## Policy Objectives taken from IDP and SDBIP

Municipal Scorecard Perspective: Basic Service Delivery

KPA: Community Development and Social Cohesion (Service Delivery)

IDP Priority 13: Parks and Cemeteries

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
TL 119	Removing of invasive plants as scheduled in the Biodiversity Act.	Basic Service Delivery	Establishment of a Bio-Diversity Unit in all three the towns	Unit established on the organogram	Director Community Services	NEW KPI	The unit established	The unit be established	0	Target not achieved. Unit established on the structure not yet approved.	Submit structure for approval as required.	Quarterly Report and Council Resolution.	The municipality maintained its performance.
TL 120	Expansion of cemeteries	Basic Service Delivery	Number of expansion of cemeteries	Sum of cemeteries expanded	Director Community Services	NEW KPI	0	2	0	Target not achieved due to budget constraints.	Provide adequate budget in the next financial year.	None	The municipality did not improve as this was not achieved in the last two financial years.
TL 121	Effective maintenance of cemeteries	Basic Service Delivery	Fencing of cemeteries	Sum of fencing of cemeteries	Director Community Services	NEW KPI	0	1	0	Target not achieved due to budget constraints.	Provide adequate budget in the next financial year.	None	The municipality did not improve as this was not achieved in the last two financial years.
TL 124	Effective maintenance of cemeteries	Basic Service Delivery	Number of ablution blocks at cemeteries developed.	Sum of ablution facilities at cemeteries developed and upgraded	Director Community Services	NEW KPI	0	1 per annum	0	Target not achieved due to insufficient cash-flow	Provide sufficient budget in the next financial year.	None	This KPI has not been achieved in the last two financial years. The department must budget sufficiently .

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**Table 73: Employees: Parks and Cemeteries**

Employees: Parks and Cemeteries						
Job Level	2016/17	2017/18	2018/19			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	1	1	1	1	0	0%
4 - 6	2	1	0	1	-1	0%
7 - 9	3	5	5	4	1	20%
10 - 12	2	9	15	4	11	73%
13 - 15	11	43	52	38	14	27%
16 - 18	63	17	34	27	7	21%
19 - 20	0	0	44	0	44	100%
Total	82	76	151	75	76	50%
T 3.13.4						

**Table 74: Financial Performance: Parks and Cemeteries**

Financial Performance 2018/19: Parks and Cemeteries						
R'000						
Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	986	1 097	1 077	930	1 322	18%
Expenditure:						
Employees	15 191	18 090	4 176	4 075	4 010	-4%
Repairs and Maintenance	1 238	1 351	459	2 103	977	53%
Other	1 095	0	-		-	0%
Total Operational Expenditure	17 523	19 441	4 635	6 178	4 987	7%
Net Operational Expenditure	16 537	18 344	3 558	5 248	3 665	3%
T 3.13.5						

**Table 75: Capital Expenditure: Parks and Cemeteries**

Capital Expenditure 2018/19 : Parks and Cemeteries					
R' 000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	850 000	30 000	583 427	-46%	0
Computers	100 000	0	64 000	-56%	100000
Slashers	750 000	0	500 000	-50%	700000
Brush cutters	0	30 000	19 427	100%	19427

# Chapter 3

## COMMENT ON PARKS AND CEMETERIES PERFORMANCE OVERALL

There have been a number of challenges at Parks and Cemeteries which had an adverse effect on service delivery as expected. The following were challenges as follows:

The section is understaffed, and the delay in the finalisation of the review of the organisational structure add to the challenge.

Secondly, the age of vehicles leads to frequent breakdown of vehicles. Lastly the frequent breakdown of vehicles leads to poor service delivery.

The last two above will be addressed by the recent tender that went out for the procurement of all municipal vehicles. Despite all the challenges the service is still rendered although not to what the section would want it to be.

### 3.14 SPECIAL PROGRAMMES

#### INTRODUCTION TO SPECIAL PROGRAMMES

The purpose of the special programmes are aimed at office of the executive mayor to make an intervention within the vulnerable member of the community who may not on their own being able to overcome some challenges of life. This programme covers a variety of activities, including old age person, orphans, educational, training and skilling, supporting the economic project, transportation, health matters, sporting and arts and culture.

Service statistics for special programmes;

Number of programmes on youth participated in/held:	10
Number of programmes on women participated in/held:	15
Number of programmes on disabled participated in/held:	3
Number of programmes children participated in/held:	11
Number of programmes on HIV/AIDS participated in/held:	10
Number of programmes on old age person participated in/held:	3
Number of programmes on educational matters participated in/held:	4
Number of programmes on sporting, arts and culture participated in/held:	5

# Chapter 3

## **COMMENTS ON THE PERFORMANCE OF SPECIAL PROGRAMMES OVERALL**

The overall performance of these programmes does make a difference to the people who have been assisted these is shown by some of the members of the community who come and thanks the municipality to have assisted them.

What is critical is for the municipality to integrate with provincial department on their programs as some also do same. The most critical discovery through this programme is for us as municipality to up root a culture of dependence to young people that is they must from early stage to independent so that they assist their parents in the early age.

The special programmes are the activities and/or assistance the office of the executive mayor may decide to undertake and this also include campaigns either local, provincial and national

## **COMPONENT E: ENVIRONMENTAL PROTECTION**

### **INTRODUCTION TO ENVIRONMENTAL PROTECTION**

Top priority of the municipality is to formulate policies and procedures aimed at conserving the natural resources, preserving the current state of natural environment and where possible, reversing its degradation.

### **SERVICE STATISTICS FOR ENVIRONMENTAL PROTECTION**

Environmental master plan to be submitted to council before the implementation takes place.

## **3.15 POLLUTION CONTROL**

The Municipality does not perform the above functions



# Chapter 3

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

The key areas:

- ✓ Monitoring and controlling of invasive species;
- ✓ Monitoring programs and projects in line with the protection of the ecosystems and to consider biodiversity in all aspects of planning at local level;
- ✓ Environmental conservation including Biodiversity management and awareness;
- ✓ Arboriculture program.



Trees damaged by strong wind

# Chapter 3

## COMPONENT F: HEALTH

This component includes: clinics; ambulance services; and health inspections. The Municipality does not perform the above function.

## COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

### 3.17 SECURITY SERVICES

Security Services' mandate is derived from Chapter 7 of the Constitution of the Republic of South Africa, 1996 (Act No.108 of 1996). The department has functions to develop security related policies and procedures for the Council and monitor the implementation of the following:

- Security policy
- Vetting policy
- Fraud/corruption policy
- Access and key control procedure
- Utilization of Council vehicle procedure

Municipal Security Service Data		
	Details	2018/19
1	Number of key points visited	18 244
2	Number of by-law infringements attended	354
3	Number of Security Officers in the field on an average day	9
4	Number of Security Officers on duty per day	3



# Chapter 3

**Table 76: Employees: Security Services**

Employees: Security Services						
Job Level	2016/17	2017/18	2018/19			
	Employees	Employees	Posts	Employees	Vacancies (fulltime No.)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	1	1	1	1	0	0%
4 - 6	2	2	5	2	3	60%
7 - 9	6	4	2	4	-2	-100%
10 - 12	5	6	22	5	17	77%
13 - 15	7	7	34	10	24	71%
16 - 18	3	3	0	0	0	0%
19 - 20	0	0	0	0	0	0%
Total	24	23	64	22	42	66%

**Table 77: Financial Performance: Security Services**

Financial Performance 2018/19: Security Services						
R'000						
Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	-	0%
Expenditure:						
Employees	6 805	9 281	10 654	7 458	8 638	-23%
Repairs and Maintenance	118	2 405	859	889	386	-123%
Other	21 677	25 505	29 683	32 595	20 027	-48%
Total Operational Expenditure	28 600	37 191	41 196	40 942	29 051	-42%
Net Operational Expenditure	28 600	37 191	41 196	40 942	29 051	-42%
T 3.19.5						

**Table 78: Capital Expenditure Security Services**

Capital Expenditure 2018/19: Security Services					
R' 000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditur	Variance from	Total Project
Total All	5 000	0	4 999	0%	0
Own funds					
Replace 32 Channel DVR CCTV	5 000	0	4 999	0%	

# Chapter 3

## COMMENT ON THE PERFORMANCE OF SECURITY SERVICES OVERALL:

Currently the Alarms system is provided by service provider who is appointed on a month-to-month basis, the tender process is in progress. The physical security is also provided by service provider is appointed on a month-to-month basis and the tender process is in progress.

Security Services attended to several unrest related incidents that occurred in all three administrative units of Moqhaka Local Municipality. Security Services were part of the Hlasela actions that was conducted together with the SAPS and other role players.

Security Services was involved in several investigations and crime prevention actions.

Several people were arrested for copper cable theft. There is shortage of permanent security personnel in all three administrative units.

### 3.18 TRAFFIC SERVICES

The mandate of Traffic Management emanates from a number of pieces of legislations which among others is; National Road Traffic Act, Act 93 of 1996 which provides the following:

- Fitness of drivers
- Fitness of vehicles
- Operator fitness
- Road Safety
- Dangerous goods.
- Road traffic signs and general speed limit
- Accidents and accident reports
- Reckless or negligent driving, inconsiderate driving, driving while under the influence of intoxicating liquor or a drug having a narcotic effect and miscellaneous offences
- Presumptions and legal procedure

# Chapter 3

The Criminal Procedures Act, Act 51 of 1977 which provides the following:

- Search Warrants and entering of premises
- Securing the attendance of the accused in Court
- Arrests
- Serving of Summonses
- Issue of written notice to appear in Court

As a result, the section strives to provide an effective traffic service to substantially reduced the number of road traffic accident injuries and deaths on all roads within the area of Jurisdiction of Moqhaka Local Municipality.

To actively promote traffic safety, order and mobility by maintaining committed goals directed law enforcement, traffic control and conduct public information and road safety awareness programs.

- Traffic Management issued a total of 7475 fines.
- Traffic Management executed 133 Warrants of Arrest.
- Except from their normal duties 245 roadblocks were conducted of which some included the South African Police Service, Provincial Traffic and Road Safety.
- Chief Traffic Officer was elected on the Executive Committee of the ITMPLOSA for Northern Free State Region.
- Chief Traffic Officer was elected as the Chairperson for law enforcement for the Fezile Dabi District.
- Traffic Officers received training on stock theft.
- Seven Officers completed the training at Matjhabeng Traffic Training Academy and was appointed at Traffic Officers.
- Administrative staff (P. Radebe, M. Ramasia and P. Moreki) received training on the Traffic System.
- First Aid Training was attended by D. Majavu, P. Ramaele and M. Masiu.
- Four taxi drivers were arrested for fraud. In possession of false license discs and was found guilty. One person was arrested for providing false information and was found guilty.
- The service provider for the back office left Traffic Management before the Service Level Agreement expired which had an influence on the 3rd Quarter KPI's.
- The current traffic patrol vehicles are redundant and un-roadworthy which is a risk to Traffic Officers performing their duties.

# Chapter 3

- Management can render a proper law enforcement if the section can be fully staffed and regular training can be provided as law enforcement has amendments on regular basis.
- Mqohaka Traffic Management is one of the few, if not the only, in the Fezile Dabi District using the technology of the scanner and laptop during roadblocks to trace offenders with outstanding fines and Warrants of Arrest



Awareness Campaign with South African Police Service



Road Safety Awareness Campaign



Operation Hlasela

❓ Roadblock conducted and Warrants of Arrest executed

# Chapter 3

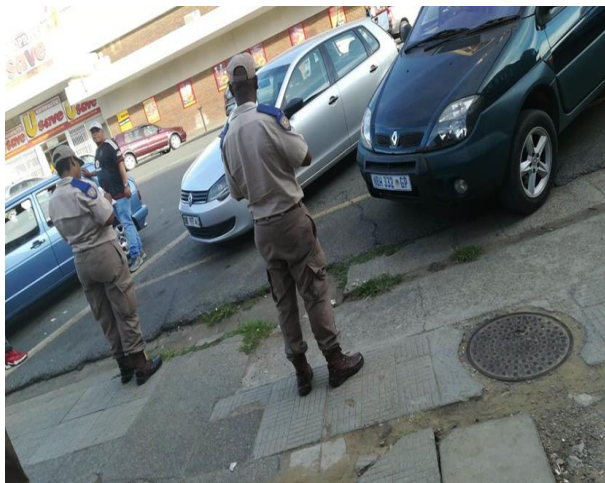


Smalldeed Road -Maokeng



South Road - Kroonstad

## Foot Patrol



Central Business District

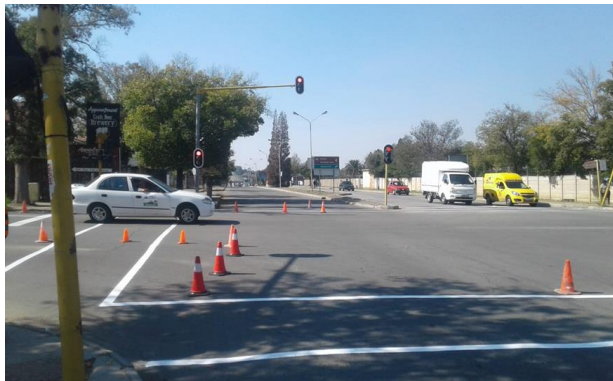


Steynsrus

Traffic Management is also responsible for road markings and the erection of traffic signs.



# Chapter 3



Kroonstad



Rammulotsi



Viljoenskroon



Steynsrus

## SERVICE STATISTICS FOR TRAFFIC SERVICES

Table 79: Service Statistics: Traffic Services

Traffic Service Data					
	Details	2016/17	2017/18	2018/19	2019/20
		Actual No.	Actual	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	690	688	650	600
2	Number of by-law infringements attended	12 404	13 338	14 000	14 200
3	Number of police officers in the field on an average day	21	21	21	26
4	Number of police officers on duty on an average day	18	18	18	22

# Chapter 3

## Policy Objectives taken from IDP and SDBIP

**Municipal Scorecard Perspective:** Municipal Development

**Municipal KPA:** Community Development and Social Cohesion (Service Delivery)

**IDP Priority 12:** Traffic Law Enforcement

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
TL 130	Draft and submit By-Laws to Council for approval and implementation	Basic Service Delivery	Number of by-law enforcement operations held	Sum of all by-law operations held	Director Community Services	5	9	8 per annum	99	Target over achieved	None	Date events were held and No. of violations issued	The municipality improved its performance. Good performance by the Directorate.
TL 131	To ensure the provision of an effective and efficient law enforcement service to increase public safety.	Basic Service Delivery	Number of fines issued against law transgressors	Number of tickets issued to transgressors	Director Community Services	5 243	14 436	4500	7 604	Target over achieved.	None	Revenue reports from financial system	The municipality maintained its performance. Outstanding performance by the Directorate.
TL 133	To provide an effective and efficient Traffic Law Enforcement Service to the residents of Moghaka local municipality in collaboration with other stakeholders	Basic Service Delivery	Number of law enforcement operations conducted	Sum of all events held	Director Community Services	NEW KPI	252	100 per annum	170	Target over achieved	None	Date events were held and No. of violations issued	The municipality maintained its performance. Good performance by the Directorate.

# Chapter 3

## Policy Objectives taken from IDP and SDBIP

**Municipal Scorecard Perspective:** Municipal Development

**Municipal KPA:** Community Development and Social Cohesion (Good Governance)

**IDP Priority 12:** Traffic Law Enforcement

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
TL 134	To conduct Road Safety Education and Communication Campaigns within Moqhaka local municipality in collaboration with the Free State Department of Police, Roads and Transport	Good Governance and Public Participation	Number of road safety Education and communication campaigns conducted	Sum of all events held	Director Community Services	NEW KPI	8	4 per annum	8	Target achieved	None	Date events were held and attendance registers	The municipality maintained its performance. Good performance by the Directorate.



# Chapter 3

**Table 8041: Employees: Traffic Services**

<b>Employees: Traffic Services</b>						
<b>Job Level</b>	<b>2016/17 Employees</b>	<b>2017/18 Employees</b>	<b>2018/19</b>			
	<b>No.</b>	<b>No.</b>	<b>Posts No.</b>	<b>Employees No.</b>	<b>Vacancies (fulltime equivalents) No.</b>	<b>Vacancies (as a % of total posts) %</b>
0 - 3	1	1	1	1	0	0%
4 - 6	2	2	2	1	1	50%
7 - 9	6	3	4	4	0	0%
10 - 12	6	4	14	10	4	29%
13 - 15	13	11	5	4	1	20%
16 - 18	6	5	5	5	0	0%
19 - 20	0	0	0	0	0	0%
<b>Total</b>	<b>34</b>	<b>26</b>	<b>31</b>	<b>25</b>	<b>6</b>	<b>19%</b>
<i>T 3.20.4</i>						

**Table 81: Financial Performance: Traffic Services**

<b>Financial Performance 2018/19: Traffic Services</b>						
<b>Details</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>			
	<b>Actual</b>	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance to Budget</b>
<b>Total Operational Revenue</b>	368	491	2 821	2 821-	693	-307%
<b>Expenditure:</b>						
Employees	9 192	9 177	9 508	9 508	10 444	99%
Repairs and Maintenance	194	223	1 079	424	235	4%
Other	361	532	170	863	595	74%
<b>Total Operational Expenditure</b>	<b>9 747</b>	<b>9 932</b>	<b>10 757</b>	<b>10 795</b>	<b>11 274</b>	<b>99%</b>
<b>Net Operational Expenditure</b>	<b>9 379</b>	<b>9 441</b>	<b>7 936</b>	<b>7 974</b>	<b>10 581</b>	<b>99%</b>
<i>T 3.20.5</i>						

# Chapter 3

**Table 82: Capital Expenditure: Traffic Services**

Capital Expenditure 2018/19: Traffic Services					R' 000
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	0

## COMMENT ON TRAFFIC SERVICE PERFORMANCE OVERALL

1. Moqhaka Traffic Management is one of the few, if not the only, in the Fezile Dabi District using the technology of the scanner and laptop during roadblocks to trace offenders with outstanding fines and Warrants of Arrest.
2. Traffic Management can render a proper law enforcement if the section can be fully staffed and regular training can be provided as law enforcement has amendments on regular basis.
3. The current traffic patrol vehicles are redundant and un-roadworthy which is a risk to Traffic Officers performing their duties.
4. The service provider for the back office left Traffic Management before the Service Level Agreement expired which had an influence on the 3rd Quarter KPI's.

## 3.19 FIRE

### INTRODUCTION TO FIRE SERVICES

Fire Services in the Republic of South Africa and in particular in Moqhaka are regulated in terms of National Legislation. The top priorities as defined in the Fire Brigade Services Act, Act 99 of 1987, are as follows:

- (a) preventing the outbreak or spread of fire;
- (b) fighting or extinguishing fire
- (c) the protection of life or property against fire or other threatening danger
- (d) the rescue of life or property from fire or other danger;

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## SERVICE STATISTICS FOR FIRE SERVICES

Table 83: Service Statistics: Fire Services

Fire Service Data					
	Details	2016/17	2017/18	2018/19	2019/20
		Actual No.	Actual No.	Actual No.	Estimate No.
1	Total fires attended in the year	139	209	228	260
2	Total of other incidents attended in the year	214	134	124	155
3	Average turnout time - urban areas	15 min	15	15	15
4	Average turnout time - rural areas	60 min	60	60	60
5	Fire fighters in post at year end		31	31	31
6	Total fire appliances at year end	1	1	1	1
7	Average number of appliance off the road during the year	2	2	2	2
					T 3.21.2

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## Policy Objectives taken from IDP and SDBIP

**Municipal Scorecard Perspective:** Municipal Development

**Municipal KPA:** Basic Service Delivery

**IDP Priority 15:** Fire fighting

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
TL 128	To provide professional fire service within Steynsrus/Matlwanglwang and Viljoenskroon/Rammulotsi	Basic Services Delivery	To establish satellite fire stations in Steynsrus/Matlwanglwang by June 2019 and Viljoenskroon/Rammulotsi by June 2021.	Progress Report submitted by 30 June 2019	Director Community Services	0	0	30 June	0	Target not achieved there were no funds throughout the year for implementation.	KPI to be included in the IDP and SDBIP of the next financial year.	None	The municipality did not improve its performance. The KPI remains not achieved.
TL 129	To provide an effective and efficient fire service in Moqhaka to ensure dxcommunity safety.	Basic Service Delivery	Number of premises inspected for fire safety and compliance	Sum of premises inspected for fire safety and compliance	Director Community Services	153	202	140	363	Target over achieved.	None.	List of premises inspected and signed by owner of premises	The municipality increased its performance. Outstanding performance by the Directorate.

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Policy Objectives taken from IDP and SDBIP

Municipal Scorecard Perspective: Municipal Development

Municipal KPA: Community Development and Social Cohesion

IDP Priority 15: Fire fighting

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
TL 127	To provide professional fire service within Steynsrus/Matlwangtlwang and Viljoenskroon / Rammulotsi	Municipal Financial Viability and management	Number of Business Plans submitted to both the District Municipality and Free State Province to request funding for establishment of fire station	Sum of business plans submitted	Director Community Services	NEW KPI	0	2 x per annum (1X FDDM and 1x Province)	0	Target not achieved.	Submit in the next financial year.	None	The municipality did not improve its performance. The KPI remains not achieved.

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**Table 84: Employees: Fire Services**

Employees: Fire Services						
Job Level	2016/17	2017/18	2018/19			
Fire Fighters	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
Administrators	No.	No.	No.	No.	No.	%
Chief Fire Officer & Deputy	1	1	1	1	0	0%
Other Fire Officers	5	5	5	5	0	0%
0 - 3	1	0	1	1	0	0%
4 - 6	5	5	5	5	0	0%
7 - 9	11	12	12	12	0	0%
10 - 12	20	19	19	19	0	26%
13 - 15	0	0	0	0	0	0%
16 - 18	0	4	4	4	0	0%
19 - 20	4	0	0	0	0	0%
Total	47	41	47	47	0	0%
T 3.21.4						

**Table 85: Financial Performance: Fire Service**

Financial Performance 2018/19: Fire Services						
Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	700	568	937	937	599	-56%
Expenditure:						
Employees	12 899	7 369	15 478	14973	14077	-10%
Repairs and Maintenance	314	1 201	723	618	297	-143%
Other	495	194	1 436	1411	506	-184%
<b>Total Operational Expenditure</b>	13 808	8 764	17 637	17002	14880	-19%
<b>Net Operational Expenditure</b>	13 008	8 764	16700,00	16065,00	14281	-17%
T 3.21.5						

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**Table 86: Capital Expenditure: Fire Service**

<b>Capital Expenditure 2018/19: Fire Services</b>					
<b>R' 000</b>					
<b>Capital Projects</b>	<b>2018/19</b>				
	<b>Budget</b>	<b>Adjustment Budget</b>	<b>Actual Expenditure</b>	<b>Variance from original budget</b>	<b>Total Project Value</b>
Total All	500 000	0	4 958 980	90%	0
Purchasing Major Fire Engine	500 000	0	4 958 980	90%	

## COMMENT ON FIRE SERVICE PERFORMANCE OVERALL

Prevention, combating and extinguishment of fire is of most importance for the Fire Service. Fire Safety is of the utmost importance. Through scrutiny of building plans for new buildings or structures as well as additional building work performed on buildings, structures and premises the Fire Service aspire to reduce the loss of lives and property. Fire Service By-Laws were approved by Council and promulgated. During the past year, inspections done in order to create a safer community for all residents:

<b>Inspections Done</b>	<b>Total</b>
Building premises	479
Premises for the handling of Flammable Liquids and Gasses	21
Building plans approved	119
Building plans not approved	14
<b>GRAND TOTAL</b>	<b>634</b>

Firefighting and extinguishment of fires only accomplished partly. Insufficient machinery and equipment are the main contributors. There being no infrastructure and facilities in the outskirt towns of Steynsrus/Matlwangtlwang and Viljoenskroon/Rammulotsi contributes to the fact that the Service is only partly accomplished. The lack of Fire Services in the outskirt towns results in an extremely high response time of up to 60 minutes from Head Quarter in Kroonstad. This response time is even higher when incidents occur on the border with Dr. Kenneth Kaunda District Municipality Ngwathe municipality and Thabo Mofutsanyane District Municipality. During the year under review the 50% deposit for the new Fire Engine was paid and towards the end of the financial year, the outstanding amount was paid.

The Fire Service responded to a total of 352, showing a slight increase from the previous year's 343 calls for assistance which ranged from building fires, (formal and informal), motor vehicles, rescue operation and entrapments to good intent (pot of food left on stove).

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Firefighting and extinguishment of fires could only be accomplished partly as a result of insufficient machinery and equipment. Further to that there is no infrastructure and facilities in the outskirt towns of Steynsrus/Matlwangtlwang and Viljoenskroon/Rammulotsie. The lack of Fire Services in the outskirt towns results in an extremely high response time of up to sixty (60) minutes from Head Quarters in Kroonstad. This response time is even higher when incidents on the border with Northwest have to be attended to. In order to address this challenge Council has already placed an order with an accredited service provider to manufacture a major Fire engine for Moqhaka.

The Fire Service responded to a total of three hundred and forty-three (343) calls for assistance which ranged from building fires - formal and informal, motor vehicles, rescue operation and entrapments to good intent (pot of food left on stove).

The Fire Service participate in forums such as Cluster meeting where role players such as South African Police Services (SAPS), South African Defence Force (SANDF), Provincial Traffic Services, Local Traffic Services, Department of Justice and other non-governmental organizations are present. Moqhaka Fire Service forms part of the Fezile Dabi District Municipality Chief Fire Officers forum. Fire Service also forms an integral part of the Joint Planning Centre (JPC) where all fuel depots and National Key Points (NKP) have representation.

## 3.20 OTHER (DISASTER MANAGEMENT & OTHER)

### INTRODUCTION TO DISASTER MANAGEMENT

The mandate of Disaster management emanates from the Disaster Management Act no 57 of 2002 and the Disaster management act amendment act No 16 of 2015.

The act provides for the following:

- An integrated and co-ordinated disaster management policy that focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery and rehabilitation;
- The establishment and functioning of national, provincial and municipal disaster management centres;



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- Disaster management volunteers; and
- Matters incidental thereto.

## **DEVELOPMENTS**

Moqhaka Local Municipality have one Disaster Management Coordinator position provision on its structure for many years. The function always had a supporting role from Fezile Dabi District Municipality. A Disaster Management Coordinator was appointed in November 2018. A proposed disaster management centre to comply with the Disaster Management Act as well as the Disaster Management Amendment Act has been prepared for consideration and approval by council to comply Disaster Management act and Disaster amendment act. A Proposed structure for the disaster management centre and the associated budget has been compiled.

### **Storm Disaster**

The municipality was hit by a storm on the 22<sup>nd</sup> September 2018. Damages associated with the storm were roof tops of houses, schools, churches and further damages to the electricity and sewage network

### **Damage Assessments**

A damage assessment was instituted through the Disaster Management Joint Operation centre and 226 houses were assessed to determine the severity of the damages as well as the associated costs. The estimated costs of damages on individual community assets were **R 9 029 412, 81**(Public works assessment report). This excludes costs on municipality properties and infrastructure.

### **Stakeholder Participation**

Stakeholders that rendered assistance during the storm disaster were Technical services, Fire Services, Housing Section (Municipal Departments), SANDF, Social Development, Kroonstad CPF, Checkers store, Red Cross, SASSA, Human Settlement Department, Provincial Disaster Management Centre, Fezile Dabi, individual volunteers Donors as well as Municipality appointed service providers.

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## Stakeholder Interventions

- SASSA: Provision of Food Parcels
- Department of Social Development: Provision of counselling, Soup Kitchen and Blankets
- Kroonstad CPF: Provision of Soup kitchen, Curry and Rice
- Red Cross: Provision of blankets
- Fezile Dabi: Provision of manpower
- Department of Public works: Physical and technical Damage assessment
- Department of Human Settlement:
- Municipality Appointed Service Providers: Supply of Silage
- Checkers Stores: Provision of Soup Kitchen
- Provincial Disaster Management centre: Provision and facilitation of logistics services
- Volunteers and Donors: Fundraising and installation of plastic roofing.

## Declaration and Classification of Disaster storm

A local Disaster storm was declared through the Free State Provincial Gazette no 85 on the 26<sup>th</sup> October 2018. A team from the National Disaster Management Centre visited the affected areas and classify the disaster accordingly. The disaster was finally classified as an incident by the National Disaster Management Centre.

## Declaration of Drought Disaster

A Provincial declaration of drought disaster was done for the whole province. The municipality subsequently declared a local drought disaster. The disaster management centre is awaiting the PDMC and the NDMC to come and confirm the extent of the drought disaster.

## Establishments and Meetings with representation

Activities	Progress
Moqhaka Disaster Management Advisory forums	One meeting to review Disaster plan was held
SAPS cluster institutional meeting	Attended 3 JOC meetings
Joint Planning Committee Meeting.	Attended one quarterly meeting

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Fire Safety Meeting	One meeting attended
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## Incorporation of Call Centre into Disaster Management Centre

The emergency call centre was incorporated to Disaster Management Centre with effect from May 2019. This brought nine (9) employees to the disaster centre. The call centre staff complement has since been included in the proposed structure of Disaster Management Centre.

## Challenges & Proposed Solutions

CHALLENGES	PROPOSED SOLUTIONS
Shortage of personnel	Establishment of an Operational Disaster Management centre
Office space	Relocate all personnel occupying offices in Disaster Centre Building.
Limited Red Crescent NGO's in the municipal area	Promote registration of Disaster management related NGO's and NPO's in Moqhaka Municipality

**Table 87: Service Statistics for Disaster Management**

In the timeframe involved there were no Disasters declared.

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Policy Objectives taken from IDP and SDBIP

Municipal Scorecard Perspective: Municipal Development

Municipal KPA: Community Development and Social Cohesion

IDP Priority 15: Disaster Management

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
TL 126	To ensure that the municipality have an approved Disaster Management Plan for implementation in the event of such a disaster occurring	Good Governance and Public Participation	Disaster Management Plan for the municipality reviewed and approved by the Provincial Disaster Management Committee annually.	Date DMP approved	Director Community Services	0	0	30 June	30 June	Partially achieved. Disaster Management plan reviewed but not yet approved by Provincial Committee	Submit to the Provincial Committee for approval.	Daft Disaster Management Plan	There is slight improvement in this area as the reviewed plan is available but awaiting approval.

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**Table 88: Employees Disaster Management**

Employees 2018/19: Disaster Management						
Job Level	2016/17	2017/18	2018/19			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	0	0	1	1	0	0%
4 - 6	0	0	0	0	0	0%
7 - 9	0	0	0	0	0	0%
10 - 12	0	0	0	0	0	0%
13 - 15	0	0	0	0	0	0%
16 - 18	0	0	0	0	0	0%
19 - 20	0	0	0	0	0	0%
Total	0	0	1	1	0	0%

**Table 89: Employees: Call Centre**

Employees 2018/19: Call Centre						
Job Level	2016/17	2017/18	2018/19			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0	0%
4 - 6	0	0	0	0	0	0%
7 - 9	0	0	0	0	0	0%
10 - 12	7	9	9	9	0	10%
13 - 15	0	0	0	0	0	0%
16 - 18	0	0	0	0	0	0%
19 - 20	0	0	0	0	0	0%
Total	7	9	9	9	0	0%

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**Table 90: Financial Performance: Disaster Management**

Financial Performance 2018/19: Disaster Management						
R'000						
Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0	0
Expenditure:	0	0	0	0	0	0
Employees	0	0	0	0	0	0
Repairs and Maintenance	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>Total Operational Expenditure</b>	0	0	0	0	0	0
<b>Net Operational Expenditure</b>	0	0	0	0	0	0

**Table 91: Financial Performance: Call Centre**

Financial Performance 2018/19: Call Centre						
R'000						
Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	-	-	-	-	-	0%
Expenditure:						
Employees	2 725	2 292	3 016	3 396	3 888	22%
Repairs and Maintenance		1	5	5	5	0%
Other	74	2	583	584	2	-29050%
<b>Total Operational Expenditure</b>	2 799	2 295	3 604	3 985	3 895	7%
<b>Net Operational Expenditure</b>	2 799	2 295	3 604	3 985	3 895	7%
T 3.22.5						

**Table 92: Capital Expenditure : Disaster Management**

Capital Expenditure 2018/19: Disaster Management					
R' 000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	0

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**Table 93: Capital Expenditure: Call Centre**

Capital Expenditure 2018/19 Call Centre					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
No capital projects for the year under review.					

## COMMENT ON DISASTER MANAGEMENT PERFORMANCE OVERALL

The Disaster management plan has been reviewed by stakeholders in compliance with the disaster management plan and wait for the Council's approval. A budget for 2019 – 2020 financial year has been prepared and subsequently approved in line with the IDP, SDBIP and provisions of MFMA and the PFMA. A level two and subsequently level 3 Disaster management plan development has been proposed and recommended for development.

## COMPONENT H: SPORT AND RECREATION

### 3.21 SPORT AND RECREATION

#### INTRODUCTION TO SPORT AND RECREATION

##### Overview

The Sport and Recreation division is mainly responsible for the upgrading and development of sports facilities which comply with national and international standards, with the exclusive purpose of developing the different sporting codes. In Moqhaka the sport facilities are in a very poor condition which led the community members to lose interest in sport. It is the Municipality's responsibility to provide sport and recreation facilities to community members. The biggest challenge is the allocation of funds for sport.

- To operate fully, there is a need for skilled field officers, e.g groundmen/women, sport coordinator and sport related equipment to allow the municipality to comply with the “rule of the game”
- Two community halls were burned due to unrest;
- One community hall could not be upgraded and was an electricity risk to use;
- Vandalism is a challenge in the maintenance of infrastructure, the financial conditions cannot keep up with the rate thereof;
- Corroded and old underground infrastructure at the olympic swimming pool are under upgrading;



**Vandalism at Ablutions**



**Upgrading at Swimming Pool**



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## SERVICE STATISTICS SPORT AND RECREATION

SERVICE OBJECTIVES	SERVICE TARGETS	2016/17	2017/18	2018/19
1,Infrastructure maintenance	Facilities was burned during unrest and have to be close down. Some facilities could not be maintained at all due to insufficient budget and lack of commitment to sign appointment letters.	80%	30%	0%
2. Sport development	No progress.	0%	0%	0%
3. Maintenance sport fields	No proper maintenance and the preparing for events not on standard. There is a lack of water. Three stadiums closed down.	60%	40%	10%

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## Policy Objectives taken from IDP and SDBIP

**Municipal Scorecard Perspective:** Municipal Development

**KPA:** Community Development and Social Cohesion(Service Delivery)

**IDP Priority 9:** Sport and Recreation and Community Facilities

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
TL 122	Effective maintenance of recreational facilities.	Basic Service Delivery	Upgrading of community halls.	Sum of Community Halls upgraded.	Director Community Services	NEW KPI	NEW KPI	1	0	Target not achieved due to budget constraints.	Provide adequate budget in the next financial year.	None	This is a new KPI comparison could not be done
TL 123	Effective maintenance of recreational facilities.	Basic Service Delivery	Provision of basic services at Phomolong Stadium (Connections of electricity, Water and Sewerage)	Technical reports	Director Community Services	NEW KPI	0	1	0	Target not achieved. The department requests that this KPI be moved to Technical Services as it is not responsible for provision of basic services.	Move the KPI to Technical Services.	None	The target has not been achieved for the last two financial years.
TL 125	Development of Parks for heritage and Recreation purposes	Basic Service Delivery	Number of areas identified for parks	The number of the parks for developing	Director Community Services	NEW KPI	1	2	0	Target Not achieved due to unavailability of budget	Budget sufficiently in the next financial year.	None	This KPI has not been achieved in the last two financial years.

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**Table 94: Employees: Sport and Recreation**

Employees: Sport and Recreation						
Job Level	2016/17	2017/18	2018/19			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	0	0	1	0	1	100%
4 - 6	1	0	2	1	1	50%
7 - 9	1	1	2	1	1	50%
10 - 12	2	2	7	3	4	57%
13 - 15	0	0	3	15	-12	-400%
16 - 18	15	21	0	4	-4	0%
19 - 20	6	0	26	0	26	100%
Total	25	24	41	24	17	41%
						T 3.23.3

**Table 95: Financial Performance: Sport and Recreation**

Financial Performance 2018/19: Sport and Recreation						
R'000						
Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	136		345	266	104	-232%
Expenditure:						
Employees	3 706		4 176	4 075	4 010	-4%
Repairs and Maintenance	201		459	2 103	977	53%
Other	246					0%
Total Operational Expenditure	4 153		4 635	6 178	4 987	7%
Net Operational Expenditure	4 017		4 290	5 911	4 883	12%
						T 3.23.4

**Table 96: Capital Expenditure: Sport and Recreation**

Capital Expenditure 2018/19: Sport and Recreation					
R' 000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
There were no capital Projects	0	0	0	0%	0

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## **COMMENT ON SPORT AND RECREATION PERFORMANCE OVERALL**

There have been a number of challenges at Sports, Art and Culture which had an adverse effect on service delivery. The following were challenges;

- The section is grossly understaffed,
- There is a delay in the finalisation of the review of the organisational structure.
- The frequent breakdown of vehicles and shortage of equipment leads to the low standard of service delivery.

The vehicles issue will be addressed by the recent tender that went out for the procurement of all municipal vehicles. Despite all the challenges the service is still rendered although not to what the section would want it to be.

## **KROONPARK HOLIDAY RESORT**

Kroonstad is situated at the centre of South Africa and the resort was established to attract tourist from all over the country to its centre.

The resort boast state of the out facilities including conference facilities to cater for government and business to utilize. Two mains annual events are hosted at the park , i.e. the bikers poison rally and the Free state Beach party which do not really make meaningful impact for business in the area as they are only hold in December month. The resort has a heated warm water swimming pool which should be seen promoting swimming as sport throughout the year.

The deteriorating state of the resort is a serious concern that the municipality is looking into and consider revitalizing it through Private Public Partnership. This will assist mobilising private business to market and promote the park as a business that will ultimately be self-sustainable and generate profit.

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## Policy Objectives taken from IDP and SDBIP

**Municipal Scorecard Perspective:** Municipal Development

**KPA:** Community Development and Social Cohesion

**IDP Priority 9:** Sport and Recreation and Community Facilities

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
TL 48	To support the expansion of the tourism potential of Kroonpark Holiday Resort	Local Economic Development	Develop a marketing strategy for the resort and submit to the Director for approval	Marketing strategy developed and submitted to Director for approval	Director LED	NEW KPI	0	1	0	Target not achieved. There was no Director LED.	Acting Director was appointed. Improvement expected in the next financial year.	None	The municipality did not improve its performance as the target was not achieved.
TL 49	To support the expansion of the tourism potential of Kroonpark Holiday Resort	Local Economic Development	% Occupancy of chalets	Number of days that chalets were occupied in measurement period relative to days in measurement period x Number of chalets and calculating an average for the year	Director LED.	10%	27.5%	10%	26.5%	Target over achieved.	None	Financial Systems Reports	Although the target was achieved performance declined by 1%

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 50	To support the expansion of the tourism potential of Kroonpark Holiday Resort	Local Economic Development	% of occupancy of Caravan sites	Number of days that Caravan/Camping sites were occupied in measurement period relative to days in measurement period x Number of Caravan/Camping sites and calculating an average for the year	Director LED.	2%	4%	3%	6.5%	Target achieved	None	Financial Systems Report		The municipality increased its performance
TL 51	To support the expansion of the tourism potential of Kroonpark Holiday Resort	Local Economic Development	Number of day visitors at Kroonpark	Sum of day visitors at Kroonpark for the period 01 July 2018 to 30 June 2019	Director LED.	NEW KPI	21 088	24 500	22 535	Target not achieved. The Resort needs upgrading	Upgrade the facilities at the Resort	Financial systems Report		The municipality increased its performance . However the target has not been achieved for the last two financial years.
TL 52	To support the expansion of the	Local Economic Development	Number of chalets renovated	Sum of chalets renovated	Director LED.	0	0	10	0	Target not achieved due to	Budget adequately to allow for	None		There has been no movement

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
	tourism potential of Kroonpark Holiday Resort									financial constraints.	renovations.			in the last three financial years.
TL 53	To support the expansion of the tourism potential of Kroonpark Holiday Resort	Local Economic Development	Number of ablution facilities renovated	Sum of ablution facilities upgraded	Director LED.	NEW KPI	NEW KPI	1	0	Target not achieved due to financial constraints.	Revenue enhancement required.	None		The target was not achieved due to financial constraints. Revenue enhancement must be prioritised.
TL 54	To support the expansion of the tourism potential of Kroonpark Holiday Resort	Local Economic Development	Number of annual entertainment activities held	Sum of events held	Director LED.	9	6	6	4	Target partly achieved. The target could not be met due to cancellations. The Resort must be upgraded to attract clients.	Upgrade the Resort	Promotional material and approvals of events.		Performance declined due to the poor condition of the Resort. The municipality must consider upgrading the Resort.
TL 55	To support the expansion of the tourism	Local Economic Development	Revenue per available chalet	[revenue] divided by [Number of available chalets] for	Director LED.	R10 484 .08	R11 923	R12 000	R37 394	Target over achieved	None			Achieved above target.

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
	potential of Kroonpark Holiday Resort			each quarter and calculating an average for the year								Financial System Report		
TL 56	To support the expansion of the tourism potential of Kroonpark Holiday Resort	Local Economic Development	Revenue per Caravan site	[revenue] divided by [Number of available Caravan/camping sites] for each quarter and calculating an average for the year.	Director LED.	R649.35	R794.85	R800	R1373.85	Target over achieved	None	Financial System Report		Achieved above target.



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**Table 97: Employees: Kroonpark**

Employees: Kroonpark						
Job Level	2016/17	2017/18	2018/19			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	1	0	1	0	1	100%
4 - 6	1	1	2	2	0	0%
7 - 9	0	2	2	1	1	50%
10 - 12	7	3	7	6	1	14%
13 - 15	1	14	14	14	0	0%
16 - 18	29	15	15	13	2	13%
19 - 20	0	0	2	2	0	0%
Total	39	35	43	38	5	12%
						T 3.23.3

**Table 98: Financial performance: Kroonpark**

Financial Performance 2018/19: Kroonpark						
						R'000
Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	4	4	5	5	3	-67%
Expenditure:						
Employees	7	8	8	8	9	11%
Repairs and Maintenance	1	1	2	2	1	-100%
Other	2	2	1	0	0	0%
Total Operational Expenditure	10	11	11	10	10	-10%
Net Operational Expenditure	5	7	6	5	7	14%
						T 3.23.4

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**Table 99: Capital Expenditure: Kroonpark**

Capital Expenditure 2018/19: Kroonpark					
R' 000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	0

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

### 3.22 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councillors; and municipal manager).

#### INTRODUCTION TO OFFICE OF THE EXECUTIVE MAYOR

The office of the Executive Mayor is to give political direction to the Municipality in terms of the political mandate as enshrined in various policies adopted by the Council. The office is also ensuring various national and provincial legislations are complied with. The other most critical role is for the Executive Mayor to make sure the needs of the community are implemented in terms of the Integrated Development programmes.

#### SERVICE STATISTICS FOR THE OFFICE OF THE EXECUTIVE MAYOR

Number of MAYCO committee meetings held:	4
Number of quarterly stakeholder meetings convened:	10

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## Policy Objectives taken from IDP and SDBIP

**Municipal Scorecard Perspective:** Governance

**KPA:** Good Governance and Community Participation

**IDP Priority 28:** Corporate and Democratic Governance

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
TL 18	To ensure that all key municipal stakeholder is engaged.	Good Governance and Public Participation.	Number of constituency report back meetings convened by Councillors for improved communication on service delivery including IDPs, SDBIP	Number of constituency report back meetings held	Manager Office of Speaker	4	4	4	4	Target achieved	None	Attendance Registers and Minutes of the Meetings.	The Municipality maintained its performance
TL 19	To ensure that functional ward committees are established.	Good Governance and Public Participation.	Number of meetings per ward per quarter	Number of meetings held from 1 Jul to 30 Jun	Manager Office of Speaker	92	92	92	92	Target achieved	None	Attendance Registers and Minutes of the Meetings.	The Municipality maintained its performance
TL 20	To ensure that functional ward committees are established.	Good Governance and Public Participation.	Number of ward profiles developed and submitted	Sum of completed ward profiles submitted	Manager Office of Speaker	NEW KPI	0	23	0	0	Target Not achieved.	Develop ward profiles for all wards as required.	There has been no movement regarding this KPI

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**Table 100: Employees: Office of the Executive Mayor**

Employees: Office of the Executive Mayor						
Job Level	2016/17	2017/18	2018/19			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	4	3	2	3	-1	-50%
4 - 6	6	3	8	3	5	63%
7 - 9	0	0	0	0	0	0%
10 - 12	1	1	3	1	2	67%
13 - 15	0	0	0	0	0	0%
16 - 18	0	0	0	0	0	0%
19 - 20	0	0	0	0	0	0%
Total	11	7	13	7	5	38%
						T 3.24.4

**Table 101: Financial Performance: Office of the Executive Mayor**

Financial Performance 2018/19: Office of the Executive Mayor						
R'000						
Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	-	0%
Expenditure:						
Employees	5 287	8 885	8 386	8 368	9 858	15%
Repairs and Maintenance	138	106	2 133	2 566	1 922	-11%
Other	2 109	2 304	2 413	2 357	1 090	-121%
Total Operational Expenditure	7 534	11 295	12 932	13 291	12 870	0%
Net Operational Expenditure	7 534	11 295	12 932	13 291	12 870	0%
						T 3.24.5

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**Table 102: Capital Expenditure: Office of the Executive Mayor**

Capital Expenditure 2018/19: The Executive and Council					
					R' 000
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					0

## COMMENT ON THE OVERALL PERFORMANCE OFFICE OF THE EXECUTIVE MAYOR

The performance of the offices has been as follows, the members of the mayoral committee are playing advisory role to the executive mayor and this has been very smooth and also their relation with the portfolios they chair. Most of their recommendations from the portfolios to the executive mayor has been very developmental and service oriented.

The office also has kept good relation with the offices of the speaker, council whip and municipal manager. The members of mayoral committee are also interacting closely with directors and they monitor service delivery and make intervention where necessary on behalf of the executive mayor. What also excel in this office is a minimal non-compliance with council policies and legislation.

The staff in the office are young people who are eager to explore and learned good administrative principles of Batho Pele. Thus far administration in the office has been very good.

Interaction with members of the community has been very professional with exceptional cases which we managed with care.

The office does assist members of the public who have difficulties with administration inquiries we have been able to address them.

It is clear that more effort will be put to par excellence.

## INTRODUCTION TO OFFICE OF THE SPEAKER

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The Office of the Speaker is responsible for effective Public Participation within the jurisdiction of Moqhaka Local Municipality. The Office is ensuring that the wellness of Councillors is always being looked after. The Speaker is responsible for sitting and running of the Municipal Council meetings. The functioning of all Council Committees and attendance Councillors to respective Committees that they have been allocated to.

The Office is also responsible for the functioning of the Ward Committees. This include: training of Ward Committee Members, day to day operations of the Ward Committees in respective Wards, sitting of Ward Committee meetings, monthly Ward Committee reports by respective Wards and participation in all Municipal Programs.

The Office was responsible of ensuring that Ward Committees help the Municipality to identify community members that we stealing the Municipal electricity by reporting culprits and also identifying water meters that were leaking as Municipality was losing a lot of money due to water lose.

## ***SERVICE STATISTICS FOR THE OFFICE OF THE SPEAKER***

### **Number of public participation meetings held:**

Number of ward committees established:	23
Number of ward committee meetings held:	235
Number of council meetings convened:	13
Number of CDWs employed:	0

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**Table 103: Employees: Office of the Speaker**

Employees: Office of the Speaker						
Job Level	2016/17	2017/18	2018/19			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	0	2	2	2	0	0%
4 - 6	6	4	4	4	0	0%
7 - 9	0	0	0	0	0	0%
10 - 12	0	0	0	0	0	0%
13 - 15	0	0	0	0	0	0%
16 - 18	0	0	0	0	0	0%
19 - 20	0	0	0	0	0	0%
Total	6	6	6	6	0	0%
T 3.24.4						

**Table 104: Financial Performance: Office of the Speaker**

Financial Performance 2018/19: Office of the Speaker						R'000
Details	2016/17	2017/18	2018/19			Variance to Budget
	Actual	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	-	-	-	-	-	0%
Expenditure:						
Employees	2 949	4 208	4 424	4 777	5 236	16%
Repairs and Maintenance	33	25	63	62	49	-29%
Other		1 553	1 730	1 248	843	-105%
Total Operational Expenditure	4 029	5 786	6 157	6 087	6 128	0%
Net Operational Expenditure	4 029	5 786	6 157	6 087	6 128	0%
T 3.24.5						

## INTRODUCTION TO THE OFFICE OF THE MUNICIPAL MANAGER

The main focus for the Office of the Municipal Manager is and has always been service delivery to the community of Moqhaka.

This can only be achieved through efficient administrative governance and oversight in order to optimise the available resources and also adhere to regulations, policies, procedures etc, not only in terms of good financial

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management but also inter alia infrastructure management & maintenance, asset management, housing, community services but to name a few.

Monitoring by the office is achieved amongst other through structures such as the weekly Broad Management Meeting as well as the weekly Audit Steering Committee meeting which are standing arrangements.

These meetings serve as a platform for effective communication and feedback on issues raised with the main purpose of always improving in all aspects of the municipality's mandate.

Our commitment towards achieving and sustaining this goal is evident in the continued unqualified audit outcome and the dedication to even further improve on this.

## SERVICE STATISTICS FOR THE OFFICE OF THE MUNICIPAL MANAGER

Number of senior management meetings held:	Incorporated into BM
Number of broad management meetings held:	40
Number of quarterly stakeholder meetings convened:	4



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## Policy Objectives taken from IDP and SDBIP

**Municipal Scorecard Perspective:** Governance

**KPA:** Good Governance and Public Participation

**IDP Priority 28:** Corporate and Democratic Governance

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 24	To ensure that the customer care policy is approved and implemented.	Good Governance and Public Participation.	Complete a customer satisfaction survey by end of March and submit report with recommendations to Council	Number of surveys conducted and Number of reports submitted to council	Municipal Manager	0	0	1	0	Target not achieved due to lack of capacity	Request assistance from Stats SA,	None		There has been no movement for the past three financial years. The target remains not achieved.
TL 25	To ensure that the customer care policy is approved and implemented.	Good Governance and Public Participation.	% of customer complaints handled within 24 hrs.	Number of complaints received/Number of complaints resolved within 24 hours	Municipal Manager	75%	50%	85%	50%	Target Not achieved. The target is not accurately measurable due to delayed feedback from departments	System should incorporate direct communication function with ground teams.	Complaints Register.		There has been no movement for the past two financial years. The target remains not achieved.
TL 26	To facilitate the optimal functioning of Council.	Good Governance and Public Participation.	Annual Report tabled in council on or before 31 Jan annually	Date annual report tabled	Municipal Manager	31 Jan	30 Jan	31 Jan	30 Jan	Target achieved	None	Council Minutes and Resolution		The municipality maintained it

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
														performance
TL 27	To facilitate the optimal functioning of Council.	Good Governance and Public Participation.	Annual review of IDP completed before the end of May annually.	Date annual review completed	Municipal Manager	31-May	31-May	31 May	31 March	Target Achieved	None	Council Minutes and Resolution		The Municipality maintained its performance.
TL 28	To facilitate the optimal functioning of Council.	Good Governance and Public Participation.	% of Council Resolutions implemented within prescribed timeframe stipulated on resolution register	Number of council resolutions implemented within time frame divided by total Number of resolutions	Municipal Manager	85%	85%	85%	85%	Target achieved	None	Resolutions Register		The Municipality maintained its position.
TL 29	To facilitate the optimal functioning of Council.	Good Governance and Public Participation.	IDP Process plan adopted by Council by 31 August annually.	Date Process plan approved by Council	Municipal Manager	15 Aug	15 Aug	31 Aug	31 Aug	Target achieved	None	Council Resolution		The Municipality maintained its performance
TL 30	To facilitate the optimal functioning of Council.	Good Governance and Public Participation.	IDP Completed/reviewed and adopted by Council by 30 June annually.	Date IDP adopted by Council	Municipal Manager	30 June	30 June	30 June	28 June	Target Achieved	None	Council Resolution		The Municipality maintained its performance and met the target.

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 31	To ensure a fully functional Audit Unit.	Good Governance and Public Participation.	Implementation of the approved audit action plan.	Percentage of audit issues attended to /by management as per action plan.	Municipal Manager	NEW KPI	NEW KPI	100%	92%	Target not achieved	Speed up the implementation of the Audit action plan in the next financial year.	Progress report on implementation of the Audit Action Plan.		The municipality did not achieve its target. Improvement is expected in the next financial year.
TL 32	To ensure a fully functional Audit Unit.	Good Governance and Public Participation.	Develop a risk based audit plan with an internal audit plan (RBAP) (MFMA - Section 165(2)(a)) and submit to the Audit Committee by 31 Aug annually.	RBAP with internal audit programme submitted to the Audit Committee by 31 August annually.	Municipal Manager	15 Aug	15 Aug	31 Aug	31 Aug	Target achieved	None	Minutes of Audit Committee		The Municipality maintained its performance.
TL 33	To ensure a fully functional Audit Unit.	Good Governance and Public Participation.	Number of audit committee meetings held per annum	Sum of audit committee meetings held	Municipal Manager	3 Per Annum	3 Per Annum	4 Per Annum	5	Target achieved.	None	Agendas and Minutes of meetings		The Municipality improved its performance compare to the last two financial years

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 34	To ensure a fully functional Audit Unit.	Good Governance and Public Participation.	Internal Audit charter reviewed and completed annually (reviewed charters must be approved by the Audit Committee before the end of June annually)	Date IA Charter approved	Municipal Manager	0	30 June	30 June	0	Target not achieved the Audit and Performance Committee did not sit before the end of June.	Internal Audit Charter will be approved in the next Audit Committee meeting.	None		The Municipality did not meet its performance target. Improvement is expected in the next financial year.
TL 35	To ensure a fully functional Audit Unit.	Good Governance and Public Participation.	Audit action plan developed to address AG Findings and submitted to council for approval on or before 28 Feb annually	Date Audit action plan submitted to council for approval	Municipal Manager	31 Jan	31 Jan	28 Feb	28 Feb	Target achieved	None	Council Resolution		The Municipality maintained its performance. The target is normally set for January. It was reviewed to 28 Feb 2019
TL 36	To ensure a fully functional Audit Unit.	Good Governance and Public Participation	Number of internal audit reports produced	Sum of IA reports produced	Municipal Manager	NEW KPI	NEW KPI	15	17	Target over achieved.	None	Internal Audit Reports		This is a new KPI no comparison could be made.
TL 37	To ensure a fully functional Audit Unit.	Good Governance	Number of performance audits undertaken	Sum of performance audits	Municipal Manager	2	2	2		Target achieved	None	Performance audit reports and minutes of		The Municipality maintained

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
		and Public Participation							2			Audit and Performance Committee		its performance.
TL 38	To facilitate the optimal functioning of Council.	Good Governance and Public Participation	Approval of the SDBIP before the legislative deadline	Date SDBIP approved by EM	Municipal Manager	1 X Approved SDBIP per annum	1 X Approved SDBIP per annum	1 X Approved SDBIP per annum	1 X Approved SDBIP per annum	Target Achieved.	None	Approved SDBIP.		The Municipality maintained its performance.
TL 39	To facilitate the optimal functioning of Council.	Good Governance and Public Participation.	Submit quarterly reports to council on the actual performance in terms of the Top Layer SDBIP	Number of SDBIP Top Layer performance reports submitted to council	Municipal Manager	0	4	4	4	Target achieved.	None.	Fourth Quarter Report and Council Resolution.		The Municipality maintained its performance.
TL 40	To facilitate the optimal functioning of Council.	Good Governance and Public Participation.	Submit the previous financial year annual report at the end of Aug annually	Annual Report	Municipal Manager	1	1	1	1	Target achieved.	None	Proof of submission to AG.		The Annual Report was submitted to Auditor General on time as required
TL 41	To facilitate the optimal functioning of Council.	Good Governance and Public Participation.	Conduct performance assessments' of the Directors.	Sum of performance assessments conducted	Municipal Manager	NEW KPI	NEW KPI	4	0	Target Not Achieved	None	None		This is a new KPI therefore comparison could not be done.
TL 42	To ensure that an effective and efficient risk management	Good Governance and Public Participation.	Risk register compiled and updated quarterly and	Sum of Risk register quarterly updates	Municipal Manager	4	2	4	4	Target achieved	None	Approved Risk Registers		The municipality improved its performance

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
	function is established.		approved by MM											e for this financial year..
TL 43	To ensure that an effective and efficient risk management function is established.	Good Governance and Public Participation.	Number of RMC meetings held	Sum of RMC meetings held	Municipal Manager	2	2	4	3	Target almost achieved. The Chairperson of the Committee resigned. Awaiting the appointment of the chairperson.	Appoint Chairpersons of the Committee	Attendance Registers and minutes of meetings.		Although the municipality did not achieve this target performance improved from 2 meetings in the 2018/19 financial year to 3 meetings in 2018/19 Financial year.
TL 44	To ensure that an effective and efficient risk management function is established.	Good Governance and Public Participation.	Approved fraud prevention and anti-corruption strategy annually reviewed on or before 30 June	Date plan approved	Municipal Manager	0	0	30 June	0	Target not achieved. Draft strategy available but was referred back at Broad Management	Resubmit strategy to Broad Management for Discussion.	None		The municipality has not submitted the strategy for approval on time for the last three financial years. Improvement is expected in

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
														the next financial year.
TL 45	To ensure that an effective and efficient risk management function is established.	Good Governance and Public Participation.	Risk management strategy, that includes fraud prevention plan, and policy reviewed and approved on or before 30 September annually	Date risk register approved	Municipal Manager	30 Sept	30 Sept	30 Sept	0	The strategies and policies have been reviewed by the Risk Management Section but, have not been tabled and approved by council.	To be submitted to the next Risk Committee Meeting, and then subsequently to Council for approval.	Approved Risk Management Strategy.		The municipality regressed In the last 2 financial years the strategy was approved timeously.
TL 57	Effective management and supervision of the SDBIP on the KPI's of the( Top layer and Departmental KPIs>	Good Governance and Public Participation.	80% of the KPIs have been met.	Number of KPIs met/by the total number of KPIs set.	Director LED.	NEW KPI	NEW KPI	80%	33%	Target not achieved.	Appoint Director LED.	Second quarter performance assessment report		This is a new KPI comparison could not be done
TL 58	Promote Sound risk management practices within the Directorate	Good Governance and Public Participation	Compiling and ensure compliance with the directorate action plan to address the residual risk.	Signed Action Plan	Director LED.	NEW KPI	0	1	0	No risks were identified for LED.	None	None		The municipality must include Local Economic Development in the Risk Register

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
TL 59	Promote Sound risk management practices within the Directorate	Good Governance and Public Participation	Submission of complete and signed reports on status of implementation of action plan to address risks.	Signed Quarterly Reports.	Director LED.	NEW KPI	0	4	0	No Risks identified for LED.	None	None	The municipality must include Local Economic Development in the Risk Register
TL 60	Promote Sound risk management practices within the Directorate	Good Governance and Public Participation	Attend and support risk committee meetings.	Quarterly attendance Registers.	Director LED.	NEW KPI	0	4	0	There were no risk identified for LED.	None	None	There were no risks identified for LED.
TL 61	To facilitate the optimal functioning of management.	Municipal Transformation and Institutional Development.	Develop an annual schedule of directorate meetings for approval by the Municipal Manager.	Annual schedule submitted and approved by 30 June annually	Director LED.	NEW KPI	NEW KPI	30 June	0	Target not achieved.	Develop schedule in the next financial year.	None	This is a new KPI comparison could not be done
TL 62	To facilitate the optimal functioning of management.	Municipal Transformation and Institutional Development.	Number of monthly directorate meetings held.	Sum of directorate meetings held.	Director LED.	NEW KPI	NEW OKPI	10	1	Target not achieved. Appoint Director LED	Department to hold meetings as required. Appoint of Director LED is important to ensure monitoring	Agendas and Minutes of Meetings.	This is a new KPI comparison could not be done



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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
											of the SDDIP.			
TL 63	To facilitate the optimal functioning of management.	Municipal Transformation and Institutional Development.	Number of quarterly reports submitted to Council.	Sum of reports submitted to Council	Director LED.	NEW KPI	NEW KPI	4	11	Target achieved.	None	Council Minutes.		This is a new KPI comparison could not be done
TL 79	Evaluate the performance of all service providers with contracts of 12 months or longer.	Good Governance and Public Participation	Number of assessments conducted on service providers annually.	Sum of performance assessments conducted.	Chief Financial Officer	NEW KPI	NEW KPI	4	1	Target not achieved	Evaluate service providers as required.	Signed Performance Assessment form		This is a new KPI no comparison could be made
TL 80	Effective management and supervision of the SDBIP on the KPI's of the( Top layer and Departmental KPIs>	Good Governance and Public Participation	80% of the KPIs have been met.	Number of KPIs met/by the total number of KPIs set.	Chief Financial Officer	NEW KPI	NEW KPI	80%	52%	Target not achieved.	Constant monitoring of the SDBIP is required	Second Quarter Performance Assessment Report.		This is a new KPI no comparison could be made
TL 81	Promote Sound risk management practices within the Directorate	Good Governance and Public Participation	Compiling and ensure compliance with the directorate action plan to address the residual risk.	Signed Action Plan	Chief Financial Officer	0	1	1	1	Target achieved	None	Signed Action Plan		The Municipality maintained its performance
TL 82	Promote Sound risk management practices within the Directorate	Good Governance and Public Participation	Submission of complete and signed reports on status of implementation	Signed Quarterly Reports.	Chief Financial Officer	NEW KPI	2	4	3	Target almost achieved.	Attend meeting as required.	Signed quarterly report		The municipality improved its performance compared

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
			n of action plan to address risks.											to last financial year
TL 83	Promote Sound risk management practices within the Directorate	Good Governance and Public Participation	Attend and support risk committee meetings.	Quarterly attendance Registers.	Chief Financial Officer	NEW KPI	2	4	3	Target almost achieved	Meeting for quarter 3 did not sit. The Risk Committee did not have a Chairpersons.	Attendance register attached as proof of attendance		The Municipality improved its performance compared to last financial year.
TL 84	To facilitate the optimal functioning of management.	Municipal Transformation and Institutional Development	Develop an annual schedule of directorate meetings for approval by the Municipal Manager.	Annual schedule submitted and approved by 30 June annually	Chief Financial Officer	NEW KPI	NEW KPI	30 June	28 June	Target achieved.	None	Signed schedule of meetings		This is a new KPI comparison could not be done
TL 85	To facilitate the optimal functioning of management.	Municipal Transformation and Institutional Development	Number of monthly directorate meetings held.	Sum of directorate meetings held.	Chief Financial Officer	NEW KPI	NEW KPI	10	8	Target almost achieved.	Hold meetings as scheduled.	Attendance register for the meetings held in the first quarter is attached		This is a new KPI comparison could not be done
TL 86	To facilitate the optimal functioning of management.	Municipal Transformation and Institutional Development.	Number of quarterly reports submitted to Council.	Sum of reports submitted to Council	Chief Financial Officer.	NEW KPI	NEW KPI	4	9	Target achieved	None	Reports and Council Resolution		This is a new KPI comparison could not be done

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 108	Effective management and supervision of the SDBIP on the KPI's of the Directorate (Top Layer and Departmental KPIs.	Municipal Transformation and Institutional Development	80% of the KPI's have been met.	Number of KPI's met divided the total number of KPI'S	Director Corporate Services	NEW KPI	NEW KPI	80%	47%	Target Not Achieved.	Continuous monitoring of the SDBIP is required.	Second quarter Performance assessment Report		This is a new KPI comparison could not be done
TL 109	Evaluate the performance of all service providers with contracts of 12 months or longer.	Good Governance and Public Participation	Number of performance evaluations for service providers.	Number of assessments conducted on service providers annually.	Director Corporate Services	NEW KPI	NEW KPI	4	0	Target not achieved. Evaluations were done but not signed by the Service Provider therefore they are not valid	Signed performance evaluation forms required.	None		This is a new KPI comparison could not be done
TL 110	Promote Sound risk management practices within the Directorate	Good Governance and Public Participation	Compiling and ensure compliance with the directorate action plan to address the residual risk.	Signed Action Plan	Director Corporate Services	NEW KPI	1	1	1	Target achieved.	None	Signed Action Plan.		The municipality maintained its performance
TL 111	Promote Sound risk management practices within the Directorate	Good Governance and Public Participation	Submission of complete and signed reports on status of implementation	Signed Quarterly Reports.	Director Corporate Services	NEW KPI	2	4	4	Target achieved.	None	Signed quarterly report.		The municipality increase

# Chapter 3

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
			n of action plan to address risks.											d its performance.
TL 112	Promote Sound risk management practices within the Directorate	Good Governance and Public Participation	Attend and support risk committee meetings.	Quarterly attendance Registers.	Director Corporate Services	NEW KPI	2	4	3	Target almost achieved. The meeting for the 4 <sup>th</sup> quarter did not sit. The Committee must appoint a new Chairperson.	Appoint Chairperson	Attendance Registers.		Although the target was not achieved. Performance increased from 2 meetings to three. The Risk Committee Chairperson must be appointed to improve performance.
TL 113	To facilitate the optimal functioning of management.	Municipal Transformation and Institutional Development	Develop an annual schedule of directorate meetings for approval by the Municipal Manager.	Annual schedule submitted and approved by 30 June annually	Director Corporate Services	NEW KPI	NEW KPI	30 June	30 June	The target was achieved.	None.	Signed schedule of meetings		This is a new KPI comparison could not be done

# Chapter 3

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 114	To facilitate the optimal functioning of management.	Municipal Transformation and Institutional Development	Number of monthly directorate meetings held.	Sum of directorate meetings held.	Director Corporate Services	NEW KPI	NEW KPI	10	7	Target not achieved.	Meetings to sit as scheduled.	Attendance Registers and Minutes of Meetings.		This is a new KPI comparison could not be done
TL 115	To facilitate the optimal functioning of management.	Municipal Transformation and Institutional Development	Number of quarterly reports submitted to Council.	Sum of reports submitted to Council	Director Corporate Services	NEW KPI	NEW KPI	4	10	Target Achieved	None	Reports and Council Resolutions,		This is a new KPI comparison could not be done
TL 140	Evaluate the performance of all service providers with contracts of 12 months or longer.	Good Governance and Public Participation	Number of assessments conducted on service providers annually.	Sum of performance assessments conducted.	Director Community Services	NEW KPI	NEW KPI	4	1	Targets not achieved	None	Performance evaluation forms		This is a new KPI comparison could not be done
TL 141	Effective management and supervision of the SDBIP on the KPI's of the( Top layer and Departmental KPIs>	Good Governance and Public Participation	80% of the KPIs have been met.	Number of KPIs met/by the total number of KPIs set.	Director Community Services	NEW KPI	NEW KPI	80%	49%	Target not achieved. The directorate did not achieve some of its targets due to budget constraints.	Ensure that each KPI has budget allocation.	Second quarter performance assessment report.		This is a new KPI comparison could not be done
TL 142	Promote Sound risk management practices within the Directorate	Good Governance and Public Participation	Compiling and ensure compliance with the directorate action plan to	Signed Action Plan	Director Community Services	NEW KPI	1	1	1	Target achieved	None	Signed Action Plan		The municipality maintained its performance

# Chapter 3

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
			address the residual risk.											
TL 143	Promote Sound risk management practices within the Directorate	Good Governance and Public Participation	Submission of complete and signed reports on status of implementation of action plan to address risks.	Signed Quarterly Reports.	Director Community Services	NEW KPI	2	4	3	Targets almost achieved.	Submit quarterly reports as required.	Signed quarterly Report		The Municipality increased its performance 3 reports were submitted in this financial year.
TL 144	Promote Sound risk management practices within the Directorate	Good Governance and Public Participation	Attend and support risk committee meetings.	Quarterly attendance Registers.	Director Community Services	NEW KPI	2	4	3	Target almost achieved. Three meetings were held in this financial year. The fourth could not sit.	Risk Committee must sit quarterly as scheduled.	Attendance Register		The municipality increase its performance. Three meetings were held compared to two in the last financial year.
TL 145	To facilitate the optimal functioning of management.	Municipal Transformation and Institutional Development	Develop an annual schedule of directorate meetings for approval by the Municipal Manager.	Annual schedule submitted and approved by 30 June annually	Director Community Services	NEW KPI	NEW KPI	30 June	30 June	Target achieved	None	Approved Scheduled of meetings		This is a new KPI comparison could not be done
TL 146	To facilitate the optimal	Municipal Transformation and	Number of monthly	Sum of directorate	Director Community Services	NEW KPI	NEW KPI	10	9	Target almost achieved.	Hold meetings as	Attendance Registers		This is a new KPI comparison

# Chapter 3

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
	functioning of management.	Institutional Development	directorate meetings held.	meetings held.							scheduled in the next financial year.	and Minutes of Meeting.		could not be done
TL 147	To facilitate the optimal functioning of management.	Municipal Transformation and Institutional Development	Number of quarterly reports submitted to Council.	Sum of reports submitted to Council	Director Community Services	NEW KPI	NEW KPI	4	15	Target over achieved.	None.	Council Resolutions.		This is a new KPI comparison could not be done
TL 160	Evaluate the performance of service providers with contracts of 12 months or longer.	Good Governance and Public Participation	Number of assessments conducted on service providers annually.	Sum of performance assessments conducted annually.	Director Technical Services	NEW KPI	NEW KPI	4	4	Target achieved	None	Signed quarterly assessment reports		This is a new KPI comparison could not be done
TL 161	Effective management and supervision of the SDBIP on KPIs of the Directorate (Top layer and Departmental KPI's)	Good Governance and Public Participation	80% of the KPIs have been achieved.	Number of KPIs / the number of KPIs met.	Director Technical Services	NEW KPI	NEW KPI	80%	81%	Target Achieved.	None	Annual Performance Assessment Report		This is a new KPI comparison could not be done. Good performance by the Directorate
TL 162	Promote Sound risk management practices within the Directorate	Good Governance and Public Participation	Compiling and ensure compliance with the directorate action plan to address the residual risk.	Signed Action Plan	Director Technical Services	NEW KPI	1	1	1	Target achieved	None	Signed action plan		The Directorate maintained its performance

# Chapter 3

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 163	Promote Sound risk management practices within the Directorate	Good Governance and Public Participation	Submission of complete and signed reports on status of implementation of action plan to address risks.	Signed Quarterly Reports.	Director Technical Services	NEW KPI	2	4	4	Target achieved	None	Signed Reports		Performance improved in this financial year.
TL 164	Promote Sound risk management practices within the Directorate	Good Governance and Public Participation	Attend and support risk committee meetings.	Quarterly attendance Registers.	Director Technical Services	NEW KPI	2	4	3	Target partly achieved. The meeting for the fourth quarter did not sit. The Municipality is awaiting the appointment of a new Chair Person of the Risk Committee	Appoint Risk Committee Chairperson	Attendance Register		Three meetings were held in this financial year compared to 2 in the 2017/8 financial year.
TL 165	To facilitate the optimal functioning of management.	Municipal Transformation and Institutional Development	Develop an annual schedule of directorate meetings for approval by the Municipal Manager.	Annual schedule submitted and approved by 30 June annually	Director Technical Services	NEW KPI	NEW KPI	30 June	30 June	Target achieved	None	Approved scheduled of meetings signed by the Municipal Manager		This is a new KPI comparison could not be done



# Chapter 3

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 166	To facilitate the optimal functioning of management.	Municipal Transformation and Institutional Development	Number of monthly directorate meetings held.	Sum of directorate meetings held.	Director Technical Services	NEW KPI	NEW KPI	10	10	Target almost achieved	Hold meetings as scheduled in the next financial year.	Minutes and attendance Registers		This is a new KPI comparison could not be done.
TL 167	To facilitate the optimal functioning of management.	Municipal Transformation and Institutional Development	Number of quarterly reports submitted to Council.	Sum of reports submitted to Council	Director Technical Services	NEW KPI	NEW KPI	4	15	Target Achieved	None	Council Resolutions		Second and third quarter reports were submitted to Council

# Chapter 3

**Table 105: Employees: Office of the Municipal Manager**

Employees: Office of the MM						
Job Level	2016/17 Employees	2017/18 Employees	2018/19			
	No.	No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	5	7	9	6	3	33%
4 - 6	3	5	12	6	6	50%
7 - 9	1	1	2	1	1	50%
10 - 12	4	4	4	4	0	0%
13 - 15	2	2	2	2	0	0%
16 - 18	0	0	0	0	0	0%
19 - 20	0	0	0	0	0	0%
Total	15	19	29	19	10	34%
						T 3.24.4

**Table 106: Financial performance: Office of the Municipal Manager**

Financial Performance 2018/19: Office of the MM						
Details	2016/17 Actual	2017/18 Actual	2018/19			
			Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	-	-	-	-	-	0%
Expenditure:						
Employees	8 516	7 673	13 181 417	13 716 526	11 934 429	-10%
Repairs and Maintenance	5	5	589 953	619 953	153 468	-284%
Other	1 882	542	1 786 328	1 802 928	698 304	-156%
<b>Total Operational Expenditure</b>	10 403	8 220	15 557 698	16 139 407	12 786 201	-22%
<b>Net Operational Expenditure</b>	10 403	8 220	15 557 698	16 139 407	12 786 201	-22%
						T 3.24.5

# Chapter 3

**Table 107: Capital Expenditure: Office of the Municipal Manager**

Capital Expenditure 2018/19: The Executive and Council					
R' 000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	0

## 3.23 FINANCIAL SERVICES

### INTRODUCTION TO FINANCIAL SERVICES

The Municipality is making strides with its endeavours regarding debt collection, despite the fact that as at year end June 2019 the municipality's collection dropped to 84% (2018: 85%) of its arrear debt. Debt Collection & Credit Control mechanisms are implemented in line with the approved policies of the Municipality. The services of Contractors were sources to assist the municipality in addressing both water and electricity meter installations backlogs so as to further improve levels of service delivery and recover the revenue which was not fully recovered. Tampering Fines are imposed on those consumers who are found to have tampered with water or electricity meters as approved by Council in its tariff structure. Revenue Enhancement strategy has been developed for Council's approval for recovery of additional revenue. To enhance debt collection, different Government institutions and Private institutions are being visited by the municipal staff with the endeavour of recovering the arrear debt.

**Table 108: Debt Recovery**

Debt Recovery											R' 000
Details of the types of account raised and recovered	2015/16		Billed in Year	2016/17		Billed in Year	2017/18		Estimated outturn for accounts billed in year	2018/19	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year		Actual for accounts billed in year	Proportion of accounts value billed that were collected %		Proportion of accounts value billed that were collected in the year	Proportion of accounts value billed that were collected %		Estimated Proportion of accounts billed that were collected	Proportion of accounts value billed that were collected %
Property Rates	48 983	40 597	66 222	46 507	70%	57 830	58 136	101%	53 962	48 240	89%
Electricity	165 982	141 774	180 394	159 476	88%	144 820	149 741	103%	137 501	133 069	97%
Water	83 052	45 396	85 501	51 825	61%	88 549	55 204	62%	86 161	38 949	45%
Sanitation	27 555	14 641	42 398	28 698	68%	37 379	19 350	52%	35 943	22 792	63%
Refuse	22 142	10 848	28 498	19 370	68%	27 888	24 157	87%	25 648	16 294	64%
Other	18 545	2 719	40 048	4 504	11%	25 877	21 314	82%	54 911	30 144	55%

# Chapter 3

The Average collection on billing for 2016/17 was at 61%, Average collection on billing for 2017/18 was at 81%, and average collection on billing for 2018/19 dropped to 69%. These collection rates mainly relates to the financial year in question, and does not take into account arrear debt that is collected in subsequent financial years. The municipality is striving to collect 100% of the services that has been billed, as this will enhance revenue. The collection arrear debt is also needed in order to fund daily operations and pay the outstanding creditors.

*The municipality is continuously replacing the faulty water and electricity meters so as to ensure that the municipality does not continue to lose revenue.*

# Chapter 3

## Policy Objectives taken from IDP and SDBIP

**Municipal Scorecard Perspective:** Financial Management

**KPA:** Financial Viability and Financial Management

**IDP Priority 26:** Financial accountability and compliance

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL1	To ensure that the municipal budget and financial reporting process are compliant with applicable legislation.	Municipal Financial Viability and Management	Financial Viability: Cost coverage (Reg 796)	"Where - ""A"" represents cost coverage ""B"" represents all available cash at a particular time ""C"" represents investments ""D"" represents monthly fixed operating expenditure $A=(B+C)/D$ "	Chief Financial Officer	2	6	$\geq 1$	6.25%	Target Achieved	None	Section 52(d) Report		The Municipality maintained its performance.

# Chapter 3

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL2	To ensure that the municipal budget and financial reporting process are compliant with applicable legislation.	Municipal Financial Viability and Management	Financial Viability: Debt coverage (Reg 796)	"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; $A = (B - C) / D$	Chief Financial Officer	21%	33%	≤45%	4%	Target achieved	None	Section 52(d) Report		The Municipality maintained its performance
TL3	To ensure that the municipal budget and financial reporting process are	Municipal Financial Viability and Management	Financial Viability: Service debtors to revenue (Reg 796)	Where - "A" represents outstanding service debtors to revenue	Chief Financial Officer	22%	88%	95%	326.25 %	Target achieved	None	Section 52(d) Report		The Municipality increased its performance in this financial year.

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
	compliant with applicable legislation.			"B" represents total outstanding service debtors "C" represents annual revenue actually received for services; $A=(B/C)$										
TL4	To implement an effective and efficient system of expenditure and supply chain management.	Municipal Financial Viability and Management	% of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan (MFMA Circular 71)	Actual Capital Expenditure / Budget Capital Expenditure x 100	Chief Financial Officer	100%	100%	95%	100%	Target achieved	None	Section 52(d) Report		The municipality maintained its performance

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 6	To implement an effective and efficient system of expenditure and supply chain management.	Municipal Financial Viability and Management	Number of formal households connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas).	Number of households which are billed for electricity or have pre- paid meters (Excluding Eskom areas).	Chief Financial Officer	23 077	23 285	23 182	23 486	Target Achieved	None	BS506 Report		The Municipality increased its performance
TL 7	To implement an effective and efficient system of expenditure and supply chain management.	Municipal Financial Viability and Management	Number of households which are billed for water or have pre- paid meters.	Sum of households which are billed for water or have pre- paid meters.	Chief Financial Officer	NEW KPI	32 029	30 836	32 131	Target Achieved	None	BS506 Report		The Municipality increased its performance
TL 8	To implement an effective and efficient system of expenditure and supply chain management.	Municipal Financial Viability and Management	Number of households which are billed for refuse removal.	Sum of households which are billed for refuse removal.	Chief Financial Officer	NEW KPI	31 516	30 836	31 686	Target achieved	None	BS506 Report		The Municipality maintained increased its performance
TL 9	To implement an effective and efficient system of	Municipal Financial	Number of households which are billed for sewerage.	Sum of households which are	Chief Financial Officer	NEW KPI	32 013	30 836	32 174	Target Achieved	None	BS506 Report		The Municipality increased its performance



# Chapter 3

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
	expenditure and supply chain management.	Viability and Management		billed for sewerage.										
TL 64	To ensure the effective, efficient and economical management of municipal assets.	Municipal Financial Viability and Management	Fixed Asset Register (FAR) compiled and updated annually on or before 31 Aug in line with GRAP requirements	Fixed Asset Register (FAR)	Chief Financial Officer	1	1	1	1	Target achieved.	None	Fixed Asset Register		The Municipality maintained its performance
TL 65	To ensure that the municipal budget and financial reporting process are compliant with applicable legislation.	Municipal Financial Viability and Management	Number of monthly budget statements (s71 of MFMA) are compiled and submitted to the Mayor by no later than 10 working days after the end of each month	Sum of Sec 71 reports submitted.	Chief Financial Officer	12	12	12	12	Target achieved	None	Section 52 (d)		The Municipality maintained its performance
TL 66	To ensure that the municipal budget and financial reporting process are compliant with applicable legislation.	Municipal Financial Viability and Management	Mid-year budget assessment and budget adjustments report submitted on or before 25 January each year (s72 of MFMA)	Date Mid-year assessment submitted	Chief Financial Officer	25 Jan Each year	25 Jan Each year	25 Jan Each year	25 Jan Each year	Target achieved	None	Proof of submission		The Municipality maintained its performance
TL 67	To ensure that the municipal budget and financial reporting	Municipal Financial Viability and Management	% of Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating	Chief Financial Officer	95%	83%	95%	80%	Target not achieved	The performance measure is affected by year-end	Section 52 (d) Report		The performance of the municipality regressed.

# Chapter 3

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
	process are compliant with applicable legislation.			Expenditure x 100							expenditure accruals which is still been finalised to properly close-off the Old Financial year.			
TL 68	To ensure that the municipal budget and financial reporting process are compliant with applicable legislation.	Municipal Financial Viability and Management	% of Operating Revenue Budget Implementation Indicator	Actual Operating Revenue[excl Capital Grant Revenue] / Budgeted Operating Revenue x 100	Chief Financial Officer	98%	78%	95%	88%	Target not achieved	The revenue target was mainly affected by the non-revenue water and electricity. The municipality is working towards curbing the effect of non-revenue services so as to enhance the municipal revenue.	Section 52 (d) Report		The municipality did not achieve this target. The performance increased by 10%
TL 69	To ensure that the municipal budget and financial reporting process are compliant with applicable legislation.	Municipal Financial Viability and Management	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budgeted Service Charges and Property	Chief Financial Officer	97%	70%	95%	79%	Target not achieved.	The revenue target was mainly affected by the non-revenue water and electricity. The municipality is working towards curbing the effect of non-	Section 52 (d) Report		The target was not achieved but performance increased by 9%

# Chapter 3

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
				Rates Revenue x 100							revenue services so as to enhance the municipal revenue.			
TL 70	To ensure that the municipal budget and financial reporting process are compliant with applicable legislation.	Municipal Financial Viability and Management	Compliant annual budget (MTREF) compiled and approved by end of May each year	Actual date budget approved	Chief Financial Officer	31 May	31 May	30 June each year	28 June	Target achieved.	None	Council Resolution		The Municipality maintained its performance.
TL 71	To ensure that the municipal budget and financial reporting process are compliant with applicable legislation.	Municipal Financial Viability and Management	Compiled Annual Financial Statement submitted to the Auditor-General by the end of August each year	Date annual financial statements submitted to the AG	Chief Financial Officer	31 Aug	31 Aug	31 Aug	31 Aug	Target Achieved	None	Proof of submission		The Municipality maintained its performance
TL 72	To implement an effective and efficient system of expenditure and supply chain management.	Municipal Financial Viability and Management	Number of SCM reports submitted to council	Sum of reports submitted	Chief Financial Officer	4	2	4 x reports submitted per annum	2 Reports submitted.	Target partially achieved.	Submit quarter 3 and 4 reports to Council.	Council Resolution.		There was no improvement as 2 reports were submitted to Council in the 2018/19 and 2018/19 financial years.
TL 73	To implement an effective and efficient	Municipal Financial	% actual expenditure on repairs and	Total Repairs and Maintenance	Chief Financial Officer	NEW KPI	57 %	95%	76%	Target not achieved	The main contributor to this KPI not	Section 52 (d) Report		Although the target was not achieved. The

# Chapter 3

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
	system of expenditure and supply chain management.	Viability and Management	maintenance as a percentage of the approved/adjusted budget	$\frac{\text{Expenditure}}{\text{Total amount budgeted for repairs and maintenance}} \times 100$							been met was mainly as a result of Cash flow and in particular the fleet of which most of it due to aging could not be repaired, as it was more costly to repair as compared to replacing		performance increased compared to last financial year.
TL 74	To implement an effective and efficient system of expenditure and supply chain management.	Municipal Financial Viability and Management	Creditors Payment period (Creditors are paid within 30 days as per Sec 65(2)(e) of the MFMA	$\frac{\text{Trade Creditors Outstanding} / \text{Credit Purchases (Operating and Capital)}}{365} \times 365$	Chief Financial Officer	321 days	315 days	<260 days	387 Days	Target not achieved	The expenditure division is only attending to items which are duly budgeted for in line with Council Approval	Section 52 (d) Report	This KPI was not achieved in the last two financial years and remains not achieved.
TL 75	To implement an effective and efficient system of expenditure and supply chain management.	Municipal Financial Viability and Management	% of tenders awarded within 90 days of tender closing date	Number of tenders awarded/Tenders awarded within 90 days	Chief Financial Officer	29%	43.75%	95%	35%	Target not achieved.	Due to low staff turnover in the SCM Division, this caused a delay in the finalisation of advertised tender. The adverts went out for two positions in the	SCM Quarterly Implementation Report- 1st Quarter 2018/19	This KPI was not achieved in the last two financial years and remains not achieved.

# Chapter 3

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
											SCM Unit which will come in handy in ensuring that the work is carried out on time			
TL 76	To ensure the effective and efficient management of municipal revenue and cash-flow according to national norms and standards.	Municipal Financial Viability and Management	% of consumer debtors revenue collected (actual total collections as a percentage of total levies/billings)	Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	Chief Financial Officer	90%	86%	95%	77%	Target not achieved	The municipality is currently busy reviewing the billing inputs to ensure that we have appropriate figures that reconciles with our latest Valuation Roll.	Section 52 (d) Report		This KPI was not achieved in the last two financial years and remains not achieved.
TL 77	To ensure the effective and efficient management of municipal revenue and cash-flow according to national norms and standards.	Municipal Financial Viability and Management	Net Operating Surplus Margin (MFMA Circular 71)	(Total Operating Revenue – Total Operating Expenditure) / Total Operating Revenue x 100%	Chief Financial Officer	1%	24%	≥0%	-16%	Target not achieved	This KPI is mainly could not be achieved due to some of the expenditure items taking place during the last quarter of the 2018/19	Section 52(d) Report		The municipality maintained its performance
TL 78	To ensure the effective and efficient management of	Municipal Financial Viability and Management	% Own Source Revenue to Total Operating	Own Source Revenue (Total Revenue -	Chief Financial Officer	78%	78%	75%	77%	Target achieved	None	Section 52 (d) Report		The municipality improved its performance

# Chapter 3

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
	municipal revenue and cash-flow according to national norms and standards.		Revenue (MFMA Circular 71)	Government Grants and Subsidies – Public Contribution and Donations)/ Total Operating Revenue (Including Agency Services) x 100										

# Chapter 3

**Table 109: Employees: Financial Services**

Employees: Financial Services						
Job Level	2016/17	2017/18	2018/19			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	6	7	4	7	-3	-75%
4 - 6	14	13	27	13	14	52%
7 - 9	7	11	12	11	1	8%
10 - 12	21	19	18	17	1	6%
13 - 15	20	20	21	20	1	5%
16 - 18	3	2	3	2	1	33%
19 - 20	0	19	0	20	0	-100%
<b>Total</b>	<b>71</b>	<b>91</b>	<b>85</b>	<b>90</b>	<b>5</b>	<b>6%</b>
T 3.25.4						

**Table 110: Financial Performance: Financial Services**

Financial Performance 2018/19: Financial Services						
						R'000
Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>72 828</b>	<b>76 072</b>	<b>74 647</b>	<b>71 332</b>	<b>74 291</b>	<b>104%</b>
Expenditure:						
Employees	22 604	24 860	28 287	27 937	31 555	113%
Repairs and Maintenance	73	25	104	93	19	21%
Other	7 864	8 215	5 553	5 104	13 153	258%
<b>Total Operational Expenditure</b>	<b>29 541</b>	<b>33 011</b>	<b>33 944</b>	<b>33 926</b>	<b>44 727</b>	<b>132%</b>
<i>Net Operational Expenditure</i>	<i>43 287</i>	<i>43 061</i>	<i>40 703</i>	<i>37 406</i>	<i>29 564</i>	<i>79%</i>

**Table 111: Capital expenditure: Financial Services**

Capital Expenditure 2018/19: Financial Services					
R' 000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	192	74	59	31%	59
Office Furniture	29	32	21	72%	21

# Chapter 3

## 3.24 HUMAN RESOURCE SERVICES

### INTRODUCTION TO HUMAN RESOURCE SERVICES

Human Resources is one of the supporting function within Corporate Support Services Department, its main functions are as follows: Leave Administration, Recruitment, Benefits, Terminations, Labour Relations, Skills Development, Employment Equity, Occupational Health & Safety and Employee Wellness.

#### Priority: Institutional Performance Capacity and staff provision

To improve performance, the Council approved Performance Management Policy and the Institutional Performance Management Framework that will provide guidance in measuring, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players.

### SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

The municipality is currently standing with a total staff component 856 employees as at end June 2019.

During the financial year 2018/2019 the municipality filled a total number of 34 positions, 29 of the positions were filled externally, 2 were filled internally and 3 appointed on contract. A total of 41 terminations were recorded due to different types of terminations e.g. Death, dismissals, retirement, end of contracts, abscondment and resignations.

A total number of **06 training** interventions were implemented with **131 employees** being trained.

Other main service statistics are included in Chapter 4 of the Annual Report.



# Chapter 3

## Policy Objectives taken from IDP and SDBIP

**Municipal Scorecard Perspective:** Institutional Development

**KPA:** Municipal Transformation and Institutional Development

**IDP Priority 18:** Human Resources

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
TL 12	To ensure continuous training and development of employees.	Municipal Transformation and Institutional Development	% of a municipality's personnel budget actually spent on implementing its workplace skills plan;	R value spent on training divided by total personnel budget value of the municipality	Director Corporate Services	1%	0.16%	1%	0%	Target not achieved. There was no expenditure incurred due to insufficient cash-flow.	Implement the Workplace Skills Plan in the next financial year.	None	KPI remains not achieved for the last two financial years.
TL 88	To ensure that the HR function responsibly forecast the future staffing needs and create plans for recruiting, hiring and retaining top talent.	Municipal Transformation and Institutional Development	% of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of employees from designated groups in three highest levels of management divided by total Number of employees in three highest levels of management	Director Corporate Services	NEW KPI	3%	15%	2.5%	Target not achieved. Recruitment to be finalised in the fourth quarter as per consultation.	Prioritise appointments in the three highest levels of management	Employment Equity report.	The performance of the municipality regressed from 3% in the 2018/19 financial year to 2.6% in the 2018/19 Financial year.

# Chapter 3

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
TL 89	To ensure continuous training and development of employees.	Municipal Transformation and Institutional Development	WSP, annual training report (ATR) & PIVOTAL report compiled and submitted to LGSETA on 30 April each year.	Date annual training report and WSP submitted to the LGSETA	Director Corporate Services	30 April	30 April	30 April	30 April	Target achieved.	None	Proof of submission	The municipality has achieved this target in the last three financial years.
TL 90	To ensure continuous training and development of employees.	Municipal Transformation and Institutional Development	Apprenticeships /Learnerships implemented as per WSP.	Sum of Apprenticeships implemented	Director Corporate Services	3	1	1	0	Target not achieved. The Municipality did not appoint a service provider in time.	Re-apply for funding in the next financial year. Appoint Skills Development Facilitator.	None	The Municipality regressed as no apprenticeship /Learnerships were implemented.
TL 91	To ensure continuous training and development of employees.	Municipal Transformation and Institutional Development	Number of skills programmes implemented	Sum of skills programmes implemented	Director Corporate Services	2	3	3	2	Target partly achieved.	None	Certificates and attendance registers	The Municipality regressed. Only two skills programme was implemented.
TL 92	To ensure continuous training and development	Municipal Transformation and Institutional	Number of Senior & Finance officials	Sum of students enrolled	Director Corporate Services	11	12	12	11	Target almost achieved. One	Put systems in place that will ensure that no one	Enrolment Forms	The municipality regressed as

# Chapter 3

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
	of employees.	Development	trained on MFMP competency levels							student withdrew from the Course.	withdraws from the course.			one student withdrew from the course.
TL 93	To ensure that the HR function responsibly forecast the future staffing needs and create plans for recruiting, hiring and retaining top talent.	Municipal Transformation and Institutional Development	Approved Macro and Micro Organisational Structure	Date structure approved	Director Corporate Services	NEW KPI	0	30 June	0	Target not achieved.	Ensure that the structure is approved in the 2019/20 financial year.	None		There has been no movement in this KPI, the target remains not achieved for the last two financial years.
TL 94	To ensure that the HR function responsibly forecast the future staffing needs and create plans for recruiting, hiring and retaining top talent.	Municipal Transformation and Institutional Development	Number of employees undergoing medical tests annually as required by OHSA	Sum of employees undergoing medical tests	Director Corporate Services	576	545	400 per annum	181	Target not achieved due late appointment of the Service Provider.	Improve performance in the next financial year.	Summary report from Service Provider.		The municipality regressed compared to the last two financial years.

# Chapter 3

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 95	To ensure that the HR function responsibly forecast the future staffing needs and create plans for recruiting, hiring and retaining top talent.	Municipal Transformation and Institutional Development	Number of EE Reports submitted to DoL by 15 January each year [EEA2 and EEA4]	Sum of reports submitted	Director Corporate Services	EEA4 and EEA2 form submitted to DoL	EEA4 and EEA2 form submitted to DoL	EEA4 and EEA2 form submitted to DoL	EEA4 and EEA2 form submitted to DoL	Target achieved..	None	Proof of submission		The municipality maintained its performance.
TL 96	To ensure that the HR function responsibly forecast the future staffing needs and create plans for recruiting, hiring and retaining top talent.	Municipal Transformation and Institutional Development	Review of EE Plan and numerical goals and targets annually	Revised EE Plan and Council Resolution	Director Corporate Services	Reviewed.	0	Annual Review	0	Target not achieved.	Review numerical goals in the next financial year.	None		There has been no improvement regarding this KPI for the last two financial years.
TL 97	To ensure that the HR function	Municipal Transformation and	Submit quarterly reports to the	Sum of reports submitted	Director Corporate Services	NEW KPI	4	4 X Reports	4	Target achieved.	None	HR quarterly report.		Performance was maintained in

# Chapter 3

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
	responsibly forecast the future staffing needs and create plans for recruiting, hiring and retaining top talent.	Institutional Development	HR Manager regarding activities carried out					submitted per annum						the last two financial years.
TL 98	To ensure that the HR functions responsibly, focused the future staffing needs and create plans for recruiting, hiring and retaining top talent.	Municipal Transformation and Institutional Development	Number of Wellness awareness programmes undertaken.	Sum of wellness awareness programmes undertaken.	Director Corporate Services	NEW KPI	NEW KPI	8	9	Target achieved.	None	Event attendance registers and photos.		This is a new KPI therefore comparison could not be made.
TL 99	To ensure that the HR function responsibly forecast the future staffing	Municipal Transformation and Institutional Development	% of Full Time Equivalent posts on the organogram vacant	Number of vacant posts divided by Total Number of posts	Director Corporate Services	35%	37%	<26%	3.32%	Target Not achieved. Recruitment within the institution unfolding at a slow	Prioritise external recruitment	Structure and budget report		There has been no movement in this KPI as it has remained not achieved

# Chapter 3

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
	needs and create plans for recruiting, hiring and retaining top talent.									pace due to financial constraints. Most of vacancies are filled internally.				for three financial years.
TL 102	To ensure the effective functioning of the LLF	Municipal Transformation and Institutional Development	Number of LLF meetings held per annum	Sum of LLF meetings held per year	Director Corporate Services	6	10	10X per annum	9	Target almost achieved. One meeting could not sit due to lack of quorum.	Encourage all members to attend scheduled meetings.	Agendas, Minutes and attendance registers		The performance of the municipality decreased.
TL103	To ensure the effective functioning of the LLF	Municipal Transformation and Institutional Development	% implementation of LLF resolutions taken (including monitoring of SALGBC collective agreements)	Number of LLF resolutions implemented/Number of resolutions taken.	Director Corporate Services	85%	85%	85%	85%	Target achieved.	None	Resolutions Register		Performance was maintained in this financial year.

# Chapter 3

**Table 112: Employees: Human Resource Services**

Employees: Human Resource Services						
Job Level	2016/17	2017/18	2018/19			
	Employees	Employees	Posts	Employees	Vacancies (fulltime No.)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	2	2	2	2	0	0%
4 - 6	5	5	5	5	0	0%
7 - 9	4	4	6	4	2	33%
10 - 12	1	1	4	1	3	75%
13 - 15	0	1	1	1	0	0%
16 - 18	0	0	0	0	0	0%
19 - 20	0	0	0	0	0	0%
Total	12	13	18	13	5	28%
						T3.26.4

**Table 113: Financial Performance: Human Resource Services**

Financial Performance 2018/19: Human Resource Services						
						R'000
Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	339	554	582	582	2	-29000,00%
Expenditure:						
Employees	5 817	5 208	5 491	5 491	6 573	16,46%
Repairs and Maintenance	-	2	2	2	-	0,00%
Other	677	1 096	1 718	1 780	382	-349,74%
Total Operational Expenditure	6 494	6 306	7 211	7 273	6 955	-3,68%
Net Operational Expenditure	6 155	5 752	6 629	6 691	6 953	4,66%
						T 3.26.5

**Table 114: Capital Expenditure: Human Resource Services**

Capital Expenditure 2018/19: Human Resource Services					
					R' 000
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
No Capital Projects	0	0	0	0%	0

# Chapter 3

## **COMMENT ON HUMAN RESOURCE SERVICE PERFORMANCE OVERALL**

Continuous appointments have been made to address shortage of staff in all Directorates. Appointment of general workers, Laboratory Technician and Disaster Coordinator has impacted positively towards service delivery.

The municipality is in the process of reviewing the organisational structure and will be submitted to Council for approval. Capacitation of workforce is still a challenge since the department could not effectively implement planned training interventions.

Employee Wellness Program has been established to address employee's problems in the workplace, improve the general health, help to overcome personal problems ranging from substance abuse, stress, burnout, as well as emotional well-being. Activities are planned in such a way that they incorporate Five pillars of wellness:

1. Physical Wellness;
2. Emotional Wellness;
3. Financial wellness;
4. Spiritual Wellness; and
5. Social Wellness.

## **3.25 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES**

### **INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES**

The role of Information and Communications Technology (ICT), is to provide an effective and developmental ICT service to all users. These services are mostly provided in-house and not outsourced. ICT is an integral part of Moqhaka Local Municipality, which is supported/serviced by a team of five people. Their core services are:

- Maintenance of communication services to all offices/sites.
- Maintenance of all ICT equipment/infrastructure on a daily basis.
- Facilitation of acquisition and utilization of hardware and software.
- Meeting all ICT requirements of Moqhaka through effective use of service



# Chapter 3

- Providers, when required.

ICT department strives to make sure that all systems are up 100% of the time. This will be achieved through the support of the policies (adopted in August 2018), and the prioritisation of ICT projects that aim to improve the standard of services provided by Moqhaka Local Municipality.

## SERVICE STATISTICS FOR ICT SERVICES

Number of power back-up batteries installed	14
Number of VoIP/PABX systems installed	85/101
% of employees trained on new telephone system	98%
% of call centre employees trained on new system	100%

# Chapter 3

## Policy Objectives taken from IDP and SDBIP

**Municipal Scorecard Perspective:** Institutional Development

**KPA:** Municipal Transformation and Institutional Development

**IDP Priority 25:** ICT

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 11	Ensure that an effective and efficient ICT system master plan is developed	Municipal Transformation and Institutional Development	Review ICT policy and Strategy annually	Date ICT policy and Strategy approved by Director	Director Corporate Services	NEW KPI	31 Dec	31 Dec	0	Target not achieved. The policy has been reviewed and is awaiting the sitting of the ICT Steering Committee.	Submit policy to the Steering Committee and Director for approval.	Approved ICT Policy and Strategy		The municipality regressed. Policies reviewed but not yet approved.
TL 100	Installation of Voice over Internet Protocol (VoIP) telephone system	Municipal Transformation and Institutional Development	% of municipal sites connected through VoIP telephone system on 31 Dec 2018	Number of municipal sites/divided by Number of sites operational	Director Corporate Services	70%	60%	85%	50%	Target not achieved due to financial constraints.	Revenue enhancement is required.	List of operational site.		The performance of the municipality continued to decreased in this financial year. Improvement is expected in the next financial year.
TL 101	To ensure that an effective helpdesk is implemented	Municipal Transformation and Institutional Development	% of user complaints handled within 48 hours	Number of complaints resolved within 48 hours/ number of complaints received.	Director Corporate Services	95%	95%	≥90%	95%	Target achieved.	None	Complaints register		The municipality maintained its performance.

# Chapter 3

**Table 115: Employees: ICT Services**

Employees: ICT Services						
Job Level	2016/17	2017/18	2018/19			
	Employees	Employees	Posts	Employees	Vacancies (fulltime)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	1	1	1	1	0	0%
4 - 6	0	1	1	1	0	0%
7 - 9	2	1	2	1	1	50%
10 - 12	2	2	2	2	0	0%
13 - 15	0	0	0	0	0	0%
16 - 18	0	0	0	0	0	0%
19 - 20	0	0	0	0	0	0%
Total	5	5	6	5	1	17%
						T3.27.4

**Table 116: Financial Performance: ICT Services**

Financial Performance 2018/19: ICT Services						
						R'000
Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-				0,00%
Expenditure:						
Employees	1 663	2 472	2 206	2 206	2 517	12,36%
Repairs and Maintenance	450	648	1 109	1 109	815	-36,07%
Other	5 795	4 181	6 591	6 311	3 242	-103,30%
Total Operational Expenditure	7 908	7 301	9 906	9 626	6 574	-50,68%
Net Operational Expenditure	7 908	7 301	9 906	9 626	6 574	-50,68%
						T3.27.5

# Chapter 3

**Table 117: Capital Expenditure: ICT Services**

<b>Capital Expenditure 2018/19: ICT Services</b>					
<b>R' 000</b>					
<b>Capital Projects</b>	<b>2018/19</b>				
	<b>Budget</b>	<b>Adjustment Budget</b>	<b>Actual Expenditure</b>	<b>Variance from original</b>	<b>Total Project Value</b>
Total All	630	630	293	-115%	0
Computer and Equipment	630	630	293	-115%	

## 3.26 LEGAL AND COUNCIL SUPPORT SERVICES

### INTRODUCTION TO LEGAL AND COUNCIL SUPPORT SERVICES

The continuous development of by-laws is a priority. A total of six new by-laws were developed, subjected to public participation process and five were promulgated . A Contract Management Policy was developed and approved. The Vehicle Policy of Council were reviewed in consultation with the Manager Fleet.

Effective Committee services were provided to the Council and the various committees. These services were also provided during public meetings and roadshows

### SERVICE STATISTICS FOR LEGAL AND COUNCIL SUPPORT SERVICES

Number of By-Laws developed	6
Number of ordinary Council meetings convened	5
% of Council, MAYCO and Committee agendas delivered on time	100%
Number of quarterly reports submitted to Council on tracking of council resolutions	3 (1st, 2nd and 3rd quarter)

# Chapter 3

## Policy Objectives taken from IDP and SDBIP

**Municipal Scorecard Perspective:** Institutional Development

**KPA:** Municipal Transformation and Institutional Development

**IDP Priority 23:** Legal Services and Support Services

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
TL 87	To facilitate the optimal functioning of Council	Municipal Transformation and Institutional Development	Number of quarterly reports to Council on the tracking of council resolutions (submitted at the end of each quarter - Sept, Dec, Mar & Apr)	Number of reports submitted.	Director Corporate Services	0	0	4 X Reports submitted per annum	3	Target almost achieved. Report for Quarter 4. Will be submitted in the next Council meeting.	Submit report for Quarter 4 to the next Council meeting.	Minutes of Council and Council Resolutions .	Although the target was not achieved the Municipality improved its performance as not reports were submitted to Council in the last two financial years.
TL 104	To provide efficient and effective legal services	Municipal Transformation and Institutional Development	Number of by-laws developed and approved as per priority functional area	Number of by-laws developed	Director Corporate Services	10	6	4	3	Target achieved. One was referred back at Mayco.	Resubmit the bylaw for approval	1.Copy of the publication in the Provincial Gazette 21 September 2018. 2. Copy of the publication in the Provincial	The municipality's performance decreased..

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2016/17	2017/18	Annual Target	Annual Result	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
												Gazette February 2019		
TL 105	To facilitate the optimal functioning of Council.	Municipal Transformation and Institutional Development	% of agendas for scheduled meetings distributed to Councillors and officials at least 48 hours before the meeting	Number of agendas distributed 48 hours before the meeting divided by the total Number of agendas distributed	Director Corporate Services	98%	98%	98% for each quarter	98%	Target achieved.	None	Delivery list and E-mail list		The municipality maintained its performance.
TL 106	To facilitate the optimal functioning of Council.	Municipal Transformation and Institutional Development	% of Council Minutes submitted to management within 7 working days after each meeting	Number of council minutes submitted to management within 7 days after each council meeting divided by Number of council meetings	Director Corporate Services	98%	98%	98% for each quarter	98%	Target achieved.	None	E-mail send reports		The municipality maintained its performance.
TL 107	To facilitate the optimal functioning of Council.	Municipal Transformation and Institutional Development	Annual council schedule compiled and approved by end of June each year	Annual Schedule provided on or before due date	Director Corporate Services	30 June	30 June	30 June	28 June	Target achieved.	None	Council Resolution		The Municipality maintained its performance.

**Table 118: Employees: Legal and Council Support Services (Update)**

Employees: Legal and Council Support Services						
Job Level	2016/17	2017/18	2018/19			
	Employees	Employees	Posts	Employees	Vacancies (fulltime)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	2	2	3	2	1	33%
4 - 6	0	0	6	3	3	50%
7 - 9	6	6	6	5	1	17%
10 - 12	2	2	4	4	0	0%
13 - 15	6	6	6	6	0	0%
16 - 18	10	10	21	19	2	10%
19 - 20	0	0			0	0%
Total	26	26	46	39	7	15%
						T 3.28.4

**Table 119: Financial Performance: Legal and Council Support Services**

Financial Performance 2018/19: Legal and Council Support Services						
R'000						
Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	34	127	275	374	96	-186,46%
Expenditure:						
Employees	5 965	8 082	5 603	5 892	1 273	-340,14%
Repairs and Maintenance	9	2	13	2 683	-	0,00%
Other	336	1 836	4 881	5 021	2 014	-142,35%
Total Operational Expenditure	6310	9920	10497	13596	3287	-219,35%
Net Operational Expenditure	6276	9793	10222	13222	3191	-220,34%
						T 3.28.5

**Table 120: Capital Expenditure: Legal and Council Support Services**

Capital Expenditure 2018/19: Legal and Council Support Services					
R' 000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
No Capital Projects	0	0	0	0%	0

# Chapter 4

## COMMENT ON LEGAL AND COUNCIL SUPPORT SERVICE PERFORMANCE OVERALL

No capital projects were undertaken for the year under review.

### COMPONENT J: MISCELLANEOUS

No additional functions to report.

### COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

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

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

The constitution of S.A (1996), section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of section 195 (1) are also linked with the concept of Performance management, with reference to the principles of inter alia:

- the promotion of efficient, economic and effective use of resources,
- accountable public administration
- to be transparent by providing information,
- to be responsive to the needs of the community,
- and to facilitate a culture of public service and accountability amongst staff.

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



# Chapter 4

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that “A Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players.” Section 57 makes the employment of the Municipal Manager and Managers directly accountable to him subject to a separate performance agreement concluded annually before the end of July each year. Section 67 regards the monitoring, measuring and evaluating of performance of staff as a platform to develop human resources and to hold municipal staff accountable to serve the public efficiently and effectively. Performance Management, therefore, is not only relevant to the organisation as a whole, but also to the individuals employed in the organization as well as the external service providers and the Municipal Entities.

# Chapter 4

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

### INTRODUCTION

The municipality is aiming at maximising the potential of staff and their contribution to service delivery and organisational performance. Human resources are the primary investment for the municipality and the municipality endeavour to maintain its investigation in its staff.

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Table 121: Total Number of Employees

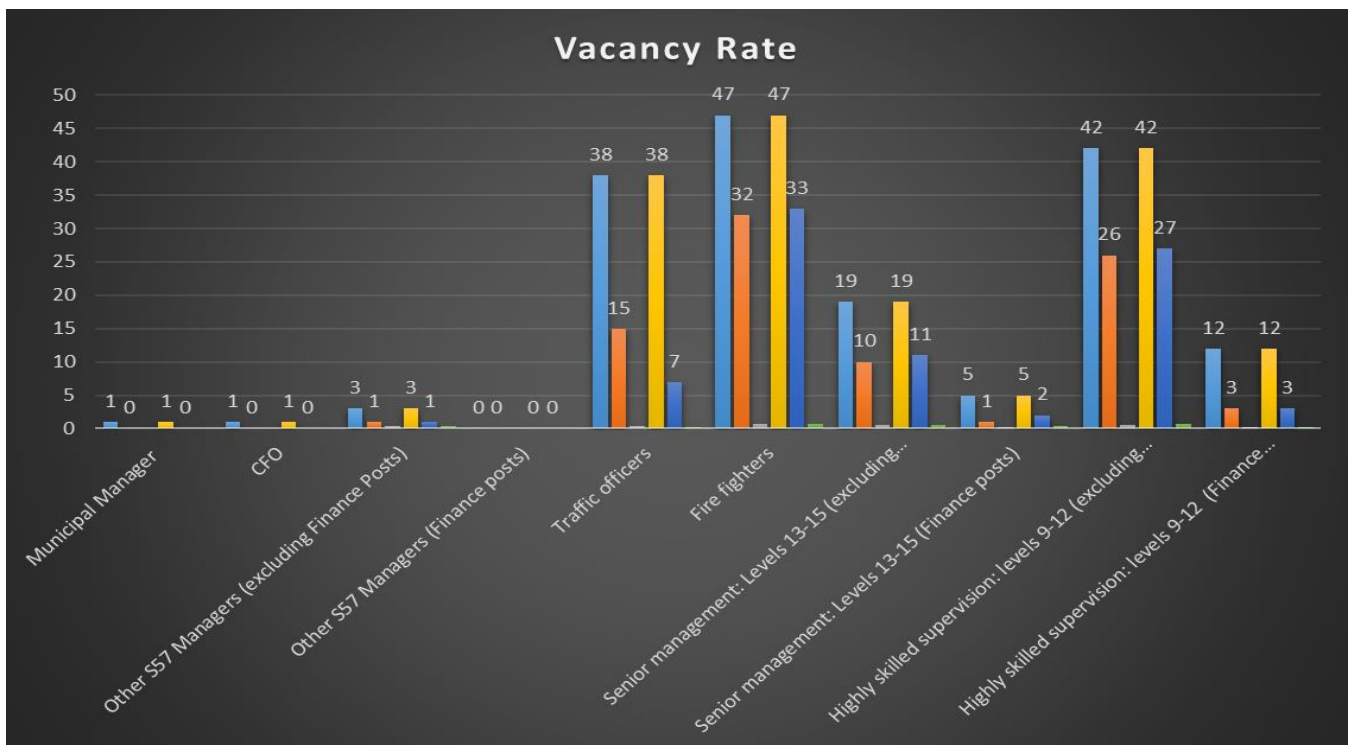
Description	Employees					
	2016/17	2017/18	Approved Posts	2018/19		
	Employees	Employees		Employees	Vacancies	Vacancies
	No.	No.	No.	No.	No.	%
Water and Sanitation	148	147	245	146	99	40%
Electricity	55	51	115	51	64	56%
Waste Management (Refuse)	128	126	156	125	31	20%
Housing	15	15	20	15	5	25%
Roads and Storm water	62	60	217	60	157	72%
Urban Planning	4	4	7	4	3	43%
Local Economic Development	0	0	3	0	3	100%
Fire and Rescue	36	36	44	36	8	18%
Call Centre	12	12	11	12	-1	-9%
Security and Safety	20	20	64	20	44	69%
Parks	119	117	134	117	17	13%
Office of the Executive Mayor	11	15	16	15	1	6%
Office of the Speaker	5	7	7	7	0	0%
Office of the Council Whip	2	3	4	3	1	25%
Municipal Manager, Audit & IDP	9	9	28	8	20	71%
Infrastructure & PMU	3	3	11	3	8	73%
Corporate Services	65	65	93	65	28	30%
Public Safety	3	3	5	3	2	40%
Kroonpark Resort	47	46	24	46	-22	-92%
Workshop/Fleet Management	11	11	18	11	7	39%
Finance	72	69	83	69	14	17%
Traffic	31	30	38	30	8	21%
Sports & Recreation	8	8	37	8	29	78%
Community & Social Services	2	2	4	2	2	50%
<b>Totals</b>	<b>868</b>	<b>859</b>	<b>1384</b>	<b>856</b>	<b>528</b>	<b>38%</b>

T 4.1.1

Table 122: Vacancy Rate

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Vacancy Rate: 2018/19						
Designations	2017/18			2018/19		
	*Total Approved Posts	*Vacancies	*Vacancies (as a proportion of total posts in each category)	*Total Approved Posts	*Vacancies	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%	No.	No.	%
Municipal Manager	1	0	0,0%	1	0	0,0%
CFO	1	0	0,0%	1	0	0,0%
Other S57 Managers (excluding Finance Posts)	3	1	33,3%	3	1	33,3%
Other S57 Managers (Finance posts)	0	0	0,0%	0	0	0,0%
Traffic officers	38	15	39,5%	38	7	18,4%
Fire fighters	47	32	68,1%	47	33	70,2%
Senior management: Levels 13-15 (excluding Finance	19	10	52,6%	19	11	57,9%
Senior management: Levels 13-15 (Finance posts)	5	1	20,0%	5	2	40,0%
Highly skilled supervision: levels 9-12 (excluding	42	26	61,9%	42	27	64,3%
Highly skilled supervision: levels 9-12 (Finance posts)	12	3	25,0%	12	3	25,0%
<b>Total</b>	<b>168</b>	<b>88</b>	<b>52,4%</b>	<b>168</b>	<b>84</b>	<b>50,0%</b>



# Chapter 4

**Table 123: Turn-over rate**

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2014/15	48	33	69%
2015/16	236	68	29%
2016/17	40	72	180%
2017/18	69	36	52%
2018/19	34	41	121%
			<i>T 4.1.3</i>

## COMMENT ON VACANCIES AND TURNOVER:

In May 2015 council approved the organisational structure. Critical and compliance positions that needed to be filled have been advertised and have been filled e.g. Disaster Coordinator, Laboratory Technician and JNR Technician Civil.

- During the 2018/2019 financial year a total number of 34 positions were advertised both internally and externally.
- Currently there is only one vacant position of Section 57 Manager (Director Planning & LED), the post has been advertised and recruitment is on process.
- HR Policies has been reviewed and currently on the process of consultation and submission to relevant committees.
- Turnover is mainly as a result of terminations e.g. Death, Dismissals, Resignation, Retirements, Abscondment and ending of contracts.

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

During the financial year 2018/2019 a total number of 34 positions were filled (29 external appointments, 03 contract appointment and 29 was internal appointments). Turnover is mainly as a result of deaths and

# Chapter 4

retirements. Council approved the new organisational structure in May 2015 and the structure is currently on review.

## 4.2 POLICIES

**Table 124: HR Policies and Plans**

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action	0%	0%	Policy still to be drafted
2	Attraction and Retention	100%	100%	Policy on consultation and not submitted to council yet
3	Code of Conduct for employees	100%	n/a	SALGBC/MSA
4	Delegations, Authorisation & Responsibility	100%	90%	Policy approved by council 2007
5	Disciplinary Code and Procedures	100%	n/a	SALGBC
6	Essential Services	100%	n/a	SALGBC
7	Employee Assistance / Wellness	100%	100%	Policy approved by council 07 November 2013, reviewed policy on consultation.
8	Employment Equity	100%	100%	Policy on consultation and not submitted to council yet
9	Exit Management	0%	0%	Policy still to be drafted
10	Grievance Procedures	100%	n/a	SALGBC
11	HIV/Aids	100%	100%	Policy approved by council 07 November 2013, reviewed policy on consultation
12	Human Resource and Development	100%	100%	Policy approved by council 07 November 2013, reviewed policy on consultation
13	Information Technology	100%	100%	Policy approved by council 07 November 2013
14	Job Evaluation	100%	100%	Policy approved by council 22 August 2014
15	Leave	100%	100%	Policy approved in October 2009 & SALGBC
16	Occupational Health and Safety	100%	100%	Policy approved by council 07 November 2013, reviewed policy on consultation
17	Official Housing	100%	100%	Policy approved by council 07 November 2013, reviewed policy on consultation
18	Official Journeys	100%	100%	Policy approved by council 30 March 2016
19	Official transport to attend Funerals	100%	100%	Policy approved by council 28 October 2015
20	Official Working Hours and Overtime	100%	n/a	SALGBC
21	Organisational Rights	100%	n/a	SALGBC
22	Payroll Deductions	100%	100%	Policy approved by council October 2009,
23	Performance Management and	100%	100%	Policy approved by council 30 March 2016
24	Recruitment, Selection and Appointments	100%	100%	Policy referred back by Council, reviewed policy on consultation
25	Remuneration Scales and Allowances	100%	n/a	SALGBC
26	Resettlement	100%	100%	Policy approved by council 13 October 2009, reviewed policy on consultation
27	Sexual Harassment	100%	100%	Policy approved by council 13 October 2009 & review in progress.
28	Skills Development	100%	100%	Policy approved by council 07 November 2013, reviewed policy on consultation
29	Other:			

T 4.2.1

### COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The municipality has embarked on a process of policy review and a total number of twenty six (26) policies have been reviewed. Policies are currently on consultation and will be taken to Council for approval. The following policies have been reviewed:

- Normative framework of human resources management

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- Organisational design, approving and changing the organisational structure, creating and abolishing posts and the staff establishment
- Recruitment, selection, appointment, promotion, demotion and transfer
- Relocation policy
- Labour relations
- Employment equity
- Employee remuneration
- Allowances
- Vehicle allowance policy
- Acting allowance policy
- Legal aid to employees and cession of action
- Working hours and attendance
- Leave
- Occupational health and safety
- Employee wellness programme policy
- Hiv/aids policy
- Private work
- Training and development
- Internal bursary policy
- Internship and experiential training policy
- Career opportunities and succession planning
- Confidentiality of information
- Overtime
- Theft / loss procedure
- Membership of professional societies
- Substance abuse (alcohol and drugs)

# Chapter 4

## 4.3 INJURIES, SICKNESS AND SUSPENSIONS

**Table125: Number and Cost of Injuries on Duty**

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	50	20	40%	15	R57 404,01
Temporary total disablement	150	3	2%	46	R44 857,99
Permanent disablement	0	0	0%	0	0
Fatal	0	1	0%	0	
<b>Total</b>	<b>200</b>	<b>24</b>	<b>42%</b>	<b>61</b>	<b>R102 262,00</b>
T 4.3.1					

### COMMENT ON INJURY AND SICK LEAVE:

Employees using IOD sick leave are submitting their progress medical report, we make follow up with the Doctors and supervisors and we send them to any Doctors according to the nature of the injury and the distance from their working places. OHS liaise with HR on IOD sick days to be recorded and captured. There is an Incident Annexure 2 Summary provided by the Department Of Labour, where we record the days off and the resumption and nature of the injuries.

**Table 126: Number and Period of Suspensions**

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Meter Inspector	Dishonesty	31-Aug-18	Dismissal	24-Jan-19
Sub Accountant	Dishonesty	31-Aug-18	Dismissal	24-Jan-19
Admin Officer	Insubordination	15-Mar-18	Ongoing	Ongoing
General Worker	Insubordination	14-Apr-19	Ongoing	Ongoing
General Worker	Assault	05-Mar-19	Ongoing	Ongoing
T 4.3.5				

# Chapter 4

**Table 127: Disciplinary Action Taken on Cases of Financial Misconduct**

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
None			
T 4.3.6			

## COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT

The two suspensions are finalized and the employees are dismissed. The other matters are still pending.

## 4.4 PERFORMANCE REWARDS

In terms of regulation 8 of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 R.805 a performance bonus based on the affordability, may be paid to the employee, after -(1) the annual report for the financial year under review has been tabled and adopted by the municipal council; (2) an evaluation of performance in accordance with the provision of regulation 23; and (3) approval of such evaluation by the municipal council as a reward for outstanding performance.

All Directors appointed in terms of Section 56 of the MSA are on fixed-term performance contracts. The individual Performance Management System has not yet been cascaded down to the second reporting line of managers. Currently no performance bonus system exists to pay bonus to non-section 57 employees. This will be put in place once the organisation achieves the necessary performance management maturity

**Table 128: Performance Rewards by Gender**

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2018/19 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 1-2)	Female	No performance rewards paid during the year under review.			
	Male				
Skilled (Levels 3-5)	Female				
	Male				
Highly skilled production (levels 6-8)	Female				
	Male				
Highly skilled supervision (levels 9-12)	Female				
	Male				
Senior management (Levels 13-15)	Female				
	Male				
MM and S57	Female				
	Male				
<b>Total</b>					



# Chapter 4

## **COMMENT ON PERFORMANCE REWARDS**

There were no performances rewards paid to employees during the period under review.

## **COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE**

Section 68(1) of the MSA states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose the human resource capacity of a Municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

### **INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT**

The WSP 2018/19 and annual implementation plan 2018/19 was submitted to LGSETA on 30 April 2018. With submission of the report and implementation plan thereof the Municipality will be received reimbursement of 20% of total levies paid to SARS from LGSETA.

Training Programmes were not effectively implemented as planned. Some department did not submit their departmental training programme to up-skill the staff before the submission of the Municipal Workplace Skills Plan and thus affect the implementation process since some programmes will be requested by the departmental heads for implementation after the submission of Workplace Skills Plan to the Local Government Sector and Training Authority.

### **Improvements made in terms of capacity building by the municipality**

- A total amount of R 515 826, 22 was received by the municipality as a mandatory grant from LGSETA after submission of WSP & ATR 2018/2019.
- With the mandatory grant received from LGSETA and the municipal budget a total number of 123 employees and 8 councillors were trained on the following courses:
  - HRD for good municipal governance : 3
  - Occupational Health & Safety representative : 50
  - First Aid Training : 50
  - Municipal leadership media & stakeholders engagement : 8
  - Engineering mentorship programme : 1

# Chapter 4

- Municipal Finance Management Programme : 11

## **Challenges facing capacity development in the municipality**

- Slow implementation of the Workplace Skills Plan (WSP) is still a challenge
- Poor submission of skills audit forms, which makes it difficult for the section to identify and plan relevant training needs for each employee.
- Assessment of the value of training in the municipality.

# Chapter 4

## 4.5 SKILLS DEVELOPMENT AND TRAINING

Table 129: Skills Matrix

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2018	Number of skilled employees required and actual as at 30 June 2018/19											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of 2016/17	Actual: End of 2017/18	2018/19 Target	Actual: End of 2016/17	Actual: End of 2017/18	2018/19 Target	Actual: End of 2016/17	Actual: End of 2017/18	2018/19 Target	Actual: End of 2016/17	Actual: End of 2017/18	2018/19 Target
MM and s57	Female	1				1	1	2			2	1	1	4
	Male	1				2	1	3			3	2	1	6
Councillors, senior officials and managers	Female							12		2	15	5	2	27
	Male	1					1	26			20	6	1	46
Technicians and associate professionals*	Female							2			2			4
	Male							30			30	7		60
Professionals	Female					1		3			3	2		6
	Male	1					1	6			6	3	1	12
Sub total	Female	1					1	19		2	22	8	1	41
	Male	3					3	65			59	8	3	124
<b>Total</b>		<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>8</b>	<b>168</b>	<b>0</b>	<b>4</b>	<b>162</b>	<b>42</b>	<b>10</b>	<b>330</b>

\*Registered with professional Associate Body e.g CA (SA)

T 4.5.1

# Chapter 4

Table 130: Financial Competency Development: Progress Report

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 assessments 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)(e))
<b>Financial Officials</b>	24	0	24	5	5	23
<i>Accounting officer</i>	1	-	1	1	1	1
<i>Chief financial officer</i>	1	-	1	1	1	1
<i>Senior managers</i>	10	-	10	3	3	10
<i>Any other financial officials</i>	12	-	12	0	-	12
<b>Supply Chain Management Officials</b>	0	0	0	0	0	0
<i>Heads of supply chain management units</i>	1	-	1	0	-	0
<i>Supply chain management senior managers</i>	0	-	0	0	0	0
<b>TOTAL</b>	<b>49</b>	<b>0</b>	<b>49</b>	<b>10</b>	<b>10</b>	<b>47</b>

T 4.5.2

# Chapter 4

**Table 131: Skills Development Expenditure**

R'000										
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	2							0	0
	Male	3							0	0
Legislators, senior officials and managers	Female	26							0	0
	Male	73							0	0
Professionals	Female	8							0	0
	Male	9							0	0
Technicians and associate professionals	Female	4							0	0
	Male	65							0	0
Clerks	Female	71							0	0
	Male	53							0	0
Service and sales workers	Female	42							0	0
	Male	56							0	0
Plant and machine operators and assemblers	Female	1							0	0
	Male	58							0	0
Elementary occupations	Female	160							0	0
	Male	269							0	0
Sub total	Female	316	0	0	451506	86849	403961	195000	855467	281849
	Male	585	0	0	451506	86849	403961	195000	855467	281849
<b>Total</b>		<b>901</b>	<b>0</b>	<b>0</b>	<b>903 012</b>	<b>173 698</b>	<b>807 922</b>	<b>390 000</b>	<b>1 710 934</b>	<b>563 698</b>
									*R	

# Chapter 4

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

### Expenditure on financial competency regulations:

- A training provider has been appointed by the municipality (on panel of service provider) for continuous implementation of municipal officials on Municipal Financial Management Programme.
- Other officials from Finance Department are sufficiently capacitated; eleven (11) officials attended CPMD.

### Adequacy of training plans and the effectiveness of its implementation

- Municipality to conduct a skills audit process again, for review of training needs identified on the previous audit.
- Training and Development Section consulted all municipal sections for submission of training needs to be included on the Work Place Skills Plan and PIVOTAL Plan **2018/2019**, and the document has been submitted to LGSETA on the **30 April 2018**.
- Training are implemented as per Work Place Skills Plan.
- Municipal Training Committee is functional.

### Adequacy of funding

- The funding can decrease in future depending on the total number of trained employees and skills needs addressed, it can also increase depending on changes of technology, legislations and turnover that will be experienced by the municipality.
- Currently the value of training activities is not assessed as the municipality does not have a performance management system in place.

## **COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE**

### **INTRODUCTION TO WORKFORCE EXPENDITURE**

Section 66 of the MSA states that the Accounting Officer of a Municipality must report to the Council on all expenditure incurred by the Municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

# Chapter 4

## 4.6 EMPLOYEE EXPENDITURE

The success or failure of a municipality depends on the quality of its political leadership, sound governance of its finances, the strength of its institutions and the calibre of staff working for the municipality.

Although sound financial governance is perceived to be most important, without proper personnel management, municipalities are likely to have trouble. This has become increasingly evident in a number of large municipalities that have recently found themselves in precarious financial situations, and is certainly true of many smaller municipalities. An analysis of municipal finances suggests that personnel issues lie at the heart of many of the financial problems experienced by municipalities.

At an aggregate level, about 30 per cent of the total municipal operating budget is spent on the remuneration of personnel.

Municipalities are required to carry out quality services in an effective, efficient and financially sound manner by supporting the principles of ensuring cost-effective and affordable service delivery. Accountability and transparency are, therefore, important when managing workforce expenditure. If the Municipality wants to be effective, it is important to ensure that the Municipality plan properly. To ensure that the Municipality adhere to legislation, only approved and budgeted posts on the structure are advertised. The training and development of internal staff are aimed at ensuring that they are able to perform their duties better.

As can be seen from the graph below the workforce expenditure is on an upward curve since 2011. Demands by Labour have led to a steady increase in workforce expenditure despite a very slow economy. If the trend below continues, in the future further pressure will be placed on the municipality's limited resources and will necessitate increases in tariffs that will place a greater burden on the ratepayers.

# Chapter 4

**Table 132: Number of Employees Whose Salaries Were Increased Due to Their Positions Being Upgraded**

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels 9-12)	Female	0
	Male	0
Senior management (Levels 13-16)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
<b>Total</b>		<b>0</b>

**Table 133: Employees Whose Salary Levels Exceed the Grade Determined by Job Evaluation**

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
	NONE			
There was no upgrade of positions due to job evaluation for the financial year 2018/19. Some variances are legacy issues that occurred as a result of previous amalgamation.				
				T 4.6.3

**Table 134: Employees appointed to posts not approved**

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
	NONE			
There were no appointments made on positions that are not on the approved structure during 2018.2019 financial year. T 4.6.4				



# Chapter 4

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

There was no upgrade of positions due to job evaluation for the financial year 2018/19. Some variances are legacy issues that occurred because of previous amalgamation.

# Chapter 5

## CHAPTER 5 – FINANCIAL PERFORMANCE

### INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of the following three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

### COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

### INTRODUCTION TO FINANCIAL STATEMENTS

*Note: Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**.*

# Chapter 5

## 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

### INTRODUCTION TO FINANCIAL STATEMENTS

The following sections provide an overview of the financial results of the Municipality for the year under review per economic classification compared to the prior year audited results, the original and final adjustments budget.

**Table 135: Financial Summary**

Financial Summary							
R'000							
Description	2016/17	2017/18	Current:2018/19			2018/19 Variance	
	Actual	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
<b>Financial Performance</b>							
Property rates	48 467	52 375	70 608	64 340	64 055	-10.23%	-0.44%
Service charges	356 697	380 576	501 279	563 960	416 538	-20.34%	-35.39%
Investment revenue	2 271	1 583	1 420	1 420	1 665	14.71%	14.71%
Transfers recognised-operational	165 268	161 672	188 893	233 303	260 176	27.40%	10.33%
Other own revenue	135 440	90 257	44 965	48 789	63 261	28.92%	22.88%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>708 143</b>	<b>686 463</b>	<b>807 165</b>	<b>911 812</b>	<b>805 695</b>	<b>-0.18%</b>	<b>-13.17%</b>
Employee costs	209 760	229 462	267 549	258 886	265 544	-0.76%	2.51%
Remuneration of councillors	17 825	16 777	18 192	18 378	19 673	7.53%	6.58%
Depreciation & asset impairment	108 847	110 613	32 881	32 908	210 864	84.41%	84.39%
Finance charges	8 562	19 822	3 140	3 140	14 879	78.90%	78.90%
Materials and bulk purchases	219 313	225 422	261 943	261 894	236 392	-10.81%	-10.79%
Transfers and grants	-	-	-	1 000	1 000	100.00%	0.00%
Other expenditure	238 464	171 523	206 868	211 093	142 679	-44.99%	-47.95%
<b>Total Expenditure</b>	<b>802 771</b>	<b>773 619</b>	<b>790 573</b>	<b>787 299</b>	<b>891 031</b>	<b>11.27%</b>	<b>11.64%</b>
<b>Surplus/(Deficit)</b>	<b>(94 628)</b>	<b>(87 156)</b>	<b>16 592</b>	<b>124 513</b>	<b>(85 336)</b>	<b>119.44%</b>	<b>245.91%</b>
Transfers recognised - capital	130 300	54 215	51 817	28 290	28 290	-83.16%	0.00%
Contributions recognised - capital & contributed assets	-	-	-	-	-	0.00%	0.00%
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>35 672</b>	<b>(32 941)</b>	<b>68 409</b>	<b>152 803</b>	<b>(57 046)</b>	<b>219.92%</b>	<b>367.86%</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	0.00%	0.00%
<b>Surplus/(Deficit) for the year</b>	<b>35 672</b>	<b>(32 941)</b>	<b>68 409</b>	<b>152 803</b>	<b>(57 046)</b>	<b>219.92%</b>	<b>367.86%</b>
<b>Capital expenditure &amp; funds sources</b>							
Capital expenditure						0.00%	0.00%
Transfers recognised - capital	-	54 215	51 817	69 730	69 730	25.69%	0.00%

# Chapter 5

Financial Summary							
R'000							
Description	2016/17	2017/18	Current:2018/19			2018/19 Variance	
	Actual	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Public contributions & donations	-	-	-	-	-	0.00%	0.00%
Borrowing	-	-	-	-	-	0.00%	0.00%
Internally generated funds	-	5 037	14 466	22 780	22 780	36.50%	0.00%
<b>Total sources of capital funds</b>	-	<b>59 252</b>	<b>66 283</b>	<b>92 510</b>	<b>92 510</b>	<b>28.35%</b>	<b>0.00%</b>
<b>Financial position</b>							
Total current assets	203 477	219 681	125 782	125 618	243 640	48.37%	48.44%
Total non current assets	2 450 769	2 398 718	2 406 439	2 432 664	2 308 486	-4.24%	-5.38%
Total current liabilities	138 911	114 080	309 579	309 579	448 085	30.91%	30.91%
Total non current liabilities	94 100	91 857	58 081	58 081	124 871	53.49%	53.49%
Community wealth/Equity	2 370 928	2 412 561	2 222 170	2 248 835	1 979 171	-12.28%	-13.63%
<b>Cash flows</b>							
Net cash from (used) operating	78 337	51 858	58 774	58 774	87 200	32.60%	32.60%
Net cash from (used) investing	(108 679)	(55 483)	(49 410)	(49 410)	(89 031)	44.50%	44.50%
Net cash from (used) financing	(1 467)	(1 909)	(3 200)	(3 200)	4 244	175.40%	175.40%
<b>Cash/cash equivalents at the year end</b>	<b>(31 809)</b>	<b>(5 534)</b>	<b>6 164</b>	<b>6 164</b>	<b>2 413</b>	<b>-155.45%</b>	<b>-155.45%</b>
<b>Cash backing/surplus reconciliation</b>							
Cash and investments available	11 584	6 312	6 520	6 520	6 161	-5.83%	-5.83%
Application of cash and investments	(1 467)	57 895	157 376	157 491	2 413	-6422.01%	-6426.77%
<b>Balance - surplus (shortfall)</b>	<b>10 117</b>	<b>64 207</b>	<b>163 896</b>	<b>164 011</b>	<b>8 574</b>	<b>-1811.55%</b>	<b>-1812.89%</b>
<b>Asset management</b>							
Asset register summary (WDV)	2 450 648	2 399 718	2 359 466	2 385 692	2 120 063	-11.29%	-12.53%
Depreciation & asset impairment	108 847	110 613	32 881	32 908	210 864	84.41%	84.39%
Renewal of Existing Assets	-	51 278	20 998	37 745	35 705	41.19%	-5.71%
Repairs and Maintenance	52 561	56 586	76 488	75 546	32 455	-135.67%	-132.77%
<b>Free services</b>							
Cost of Free Basic Services provided	26 514	43 661	3 316	3 316	55 440	94.02%	94.02%
Revenue cost of free services provided	-	14 380	15 168	15 071		0.00%	0.00%
<b>Households below minimum service level</b>							
Water:	6 895	12 212	13 189	15 827	19 003	30.60%	16.71%
Sanitation/sewerage:	6 657	12 527	13 529	16 235	16 962	20.24%	4.29%
Energy:	7 229	9 283	10 026	12 031	11 281	11.13%	-6.65%
Refuse:	5 732	8 114	8 763	10 516	13 336	34.29%	21.15%
T 5.1.1							

# Chapter 5

**Table 136: Financial Performance of Operational Services**

Financial Performance of Operational Services						
						R '000
Description	2017/18	2018/19			2018/19 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<b>Operating Cost</b>						
Water	44 024	101 218	61 955	58 261	-73.73%	-6.34%
Waste Water (Sanitation)	10 825	40 557	44 804	49 728	18.44%	9.90%
Electricity	223 245	319 455	275 341	265 040	-20.53%	-3.89%
Waste Management	13 584	27 801	40 667	44 573	37.63%	8.76%
Housing				-	0.00%	0.00%
Component A: sub-total	291 678	489 031	422 767	417 601	-17.10%	-1.24%
Waste Water (Storm water Drainage)	-	-	-	-	0.00%	0.00%
Roads	14 045	28 692	26 179	25 380	-13.05%	-3.15%
Transport	-	-	-	-	0.00%	0.00%
Component B: sub-total	14 045	28 692	26 179	25 380	-13.05%	-3.15%
Planning					0.00%	0.00%
Local Economic Development	-	10 303	35 813	23 309	55.80%	-53.64%
Component B: sub-total	-	10 303	35 813	23 309	55.80%	-53.64%
Planning (Strategic & Regulatory)					0.00%	0.00%
Local Economic Development					0.00%	0.00%
Component C: sub-total	-	-	-	-	0.00%	0.00%
Community & Social Services	41 349	57 362	84 070	133 549	57.05%	37.05%
Environmental Protection					0.00%	0.00%
Health					0.00%	0.00%
Security and Safety					0.00%	0.00%
Sport and Recreation					0.00%	0.00%
Corporate Policy Offices and Other	457 130	134 718	146 060	229 404	41.27%	36.33%
Component D: sub-total	498 479	192 080	230 130	362 953	47.08%	36.60%
<b>Total Expenditure</b>	<b>804 202</b>	<b>720 106</b>	<b>714 889</b>	<b>829 243</b>	<b>13.16%</b>	<b>13.79%</b>

## COMMENT ON FINANCIAL PERFORMANCE

The municipality underperformed with regards to its total revenue budget for the 2018/19 financial year.

# Chapter 5

## 5.2 GRANTS

Table 13742: Grant Performance

Grant Performance						
Description	R' 000					
	2017/18	2018/19		2018/19 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>185 006</b>	<b>217 192</b>	<b>217 192</b>	<b>216 766</b>	<b>99.8%</b>	<b>99.8%</b>
Equitable share	164 092	185 144	185 144	185 144	100%	100%
Municipal Systems Improvement	-	-	-	-	0%	0%
Water Services Infrastructure Grant	17 769	10 000	28 290	28 290	283%	100%
Financial Management Grant (FMG)	2 145	2 215	2 215	2 215	100%	100%
EPWP	1 000	1 000	1 000	1 000	100%	100%
LG SETA	0	543	543	117	21.5%	21.5%
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
Health subsidy					0.00%	0.00%
Housing					0.00%	0.00%
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<i>[insert description]</i>					0.00%	0.00%
					0.00%	0.00%
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<i>[insert description]</i>					0.00%	0.00%
					0.00%	0.00%
<b>Total Operating Transfers and Grants</b>	<b>185 006</b>	<b>217 192</b>	<b>217 192</b>	<b>216 766</b>	<b>99.8%</b>	<b>99.8%</b>

Table 138: Grants received from sources other than Division of Revenue Act (DoRA)

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant 2014/15	Actual Grant 2018/19	2018/19 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals – No grants received						
Foreign Governments/Development Aid Agencies – No grants received						
Private Sector / Organisations – No grants received						

### COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

There are no variations in terms of grants received.

# Chapter 5

## 5.3 ASSET MANAGEMENT

### INTRODUCTION TO ASSET MANAGEMENT

The Assets of the municipality are managed under section 63 of the Municipal Finance Management Act and the asset management policy as approved by council at its sitting on the 28th June 2019. The policy dealing with accounting (GRAP compliance) for assets, safeguarding and derecognition or disposals of assets.

**Table 139: Treatment of the three largest assets acquired**

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED IN 2018/19				
Asset 1				
Name	Transport Assets			
Description	Fire Engine			
Asset Type	Specialised Vehicle			
Key Staff Involved	Community and social services			
Staff Responsibilities	Repairs and Maintenance			
	2015/16	2016/17	2017/18	2018/19
Asset Value				4 312 156
Capital Implications	None			
Future Purpose of Asset	Service Delivery			
Describe Key Issues	None			
Policies in Place to Manage Asset	Asset Management Policy			
Asset 2				
Name	Transport Assets			
Description	Trailer Elevating Unit			
Asset Type	Vehicle			
Key Staff Involved	Community and social services			
Staff Responsibilities	Repairs and Maintenance			
	2015/16	2016/17	2017/18	2018/19
Asset Value				846 810
Capital Implications	None			
Future Purpose of Asset	Service Delivery			
Describe Key Issues	None			
Policies in Place to Manage Asset	Asset Management Policy			
Asset 3				
Name	Transport Assets			
Description	Truck Compactor Toyota Hino			
Asset Type	Vehicle			
Key Staff Involved	Community and social services			
Staff Responsibilities	Repairs and Maintenance			
	2015/16	2016/17	2017/18	2018/19
Asset Value				
Capital Implications	None			
Future Purpose of Asset	Service Delivery			
Describe Key Issues	None			
Policies in Place to Manage Asset	Asset Management Policy			
T 5.3.2				

# Chapter 5

## COMMENT ON ASSET MANAGEMENT:

Movable asset acquisitions for the 2018/19 financial year amounted to R10.1 million and the additions on immovable assets amount to R46.7 million. Work in progress including project completed in the financial year amount to R59.9 million. Additions to heritage assets R6.3 million through a transfer from Provincial Department of Public Works. There were no additions to intangibles, land and buildings for the 2018/19 financial year.

**Table 140: Repairs and Maintenance Expenditure**

Repair and Maintenance Expenditure: 2018/19				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure 2016/17	64 050	67 334	57 327	85%
Repairs and Maintenance Expenditure 2017/18	77 303	55 045	43 485	79%
Repairs and Maintenance Expenditure 2018/19	56 302	67 177	32 455	48%

## COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The majority of the Repairs and maintenance expenditure for the 2018/19 has been reclassified to contracted services and materials as a result of the municipal Standard Chart of Accounts classification requirements which came into effect on the 01 July 2017.

The spending in relation to the budget allocation was affected due to cash-flow constraints which were exacerbated by the low collection rate during the financial year.



# Chapter 5

## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

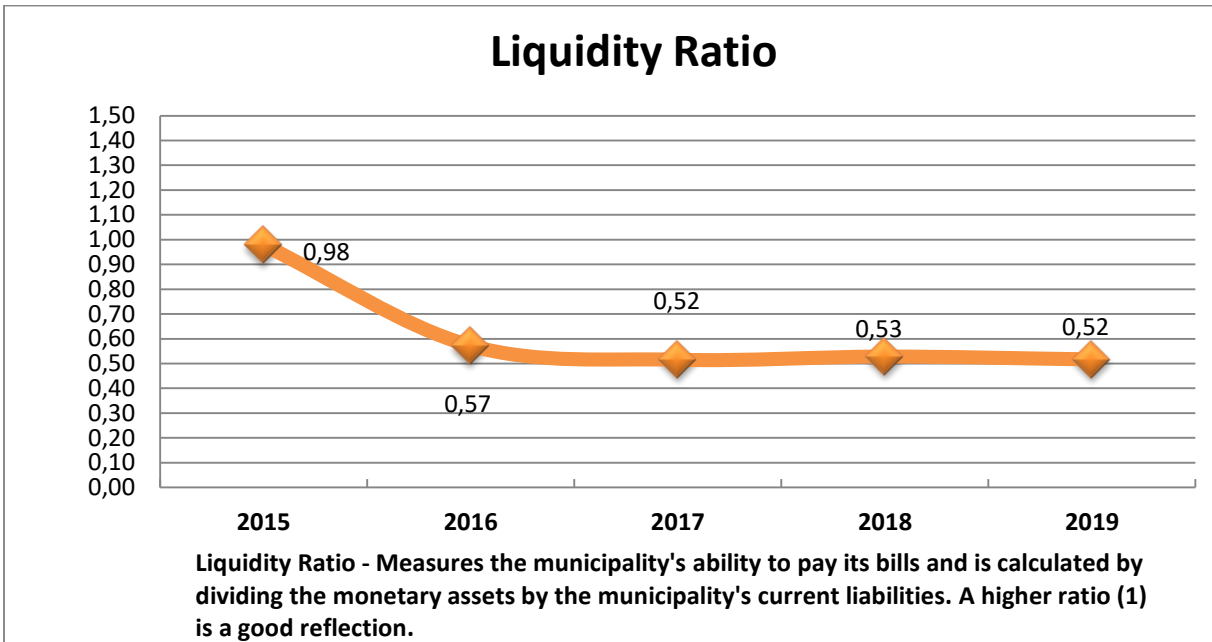


Figure 10: Liquidity Ratio

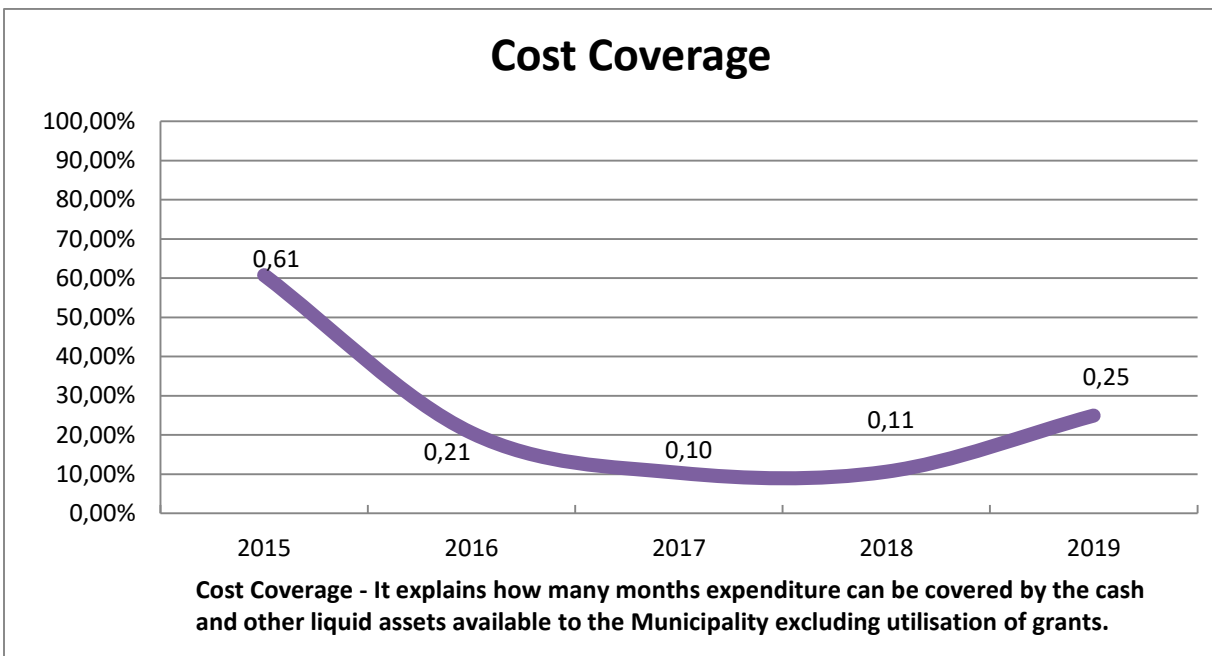


Figure 11: Cost Coverage Ratio

# Chapter 5

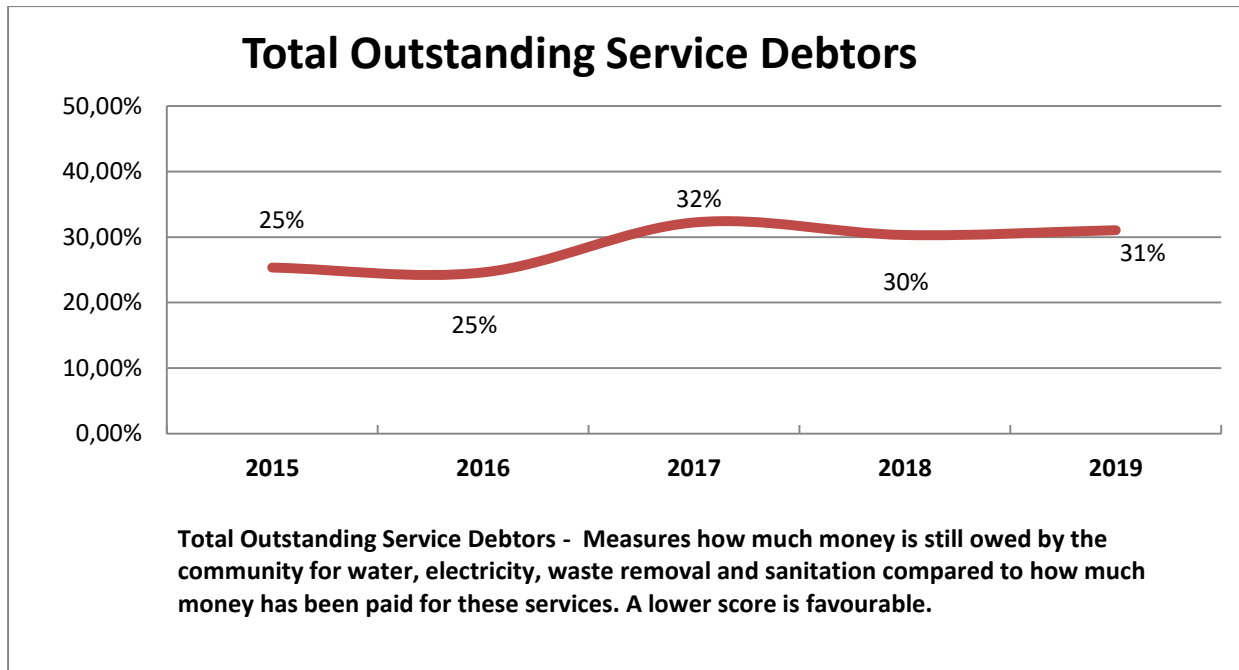


Figure 12: Ratio: Total Outstanding Service Debtors

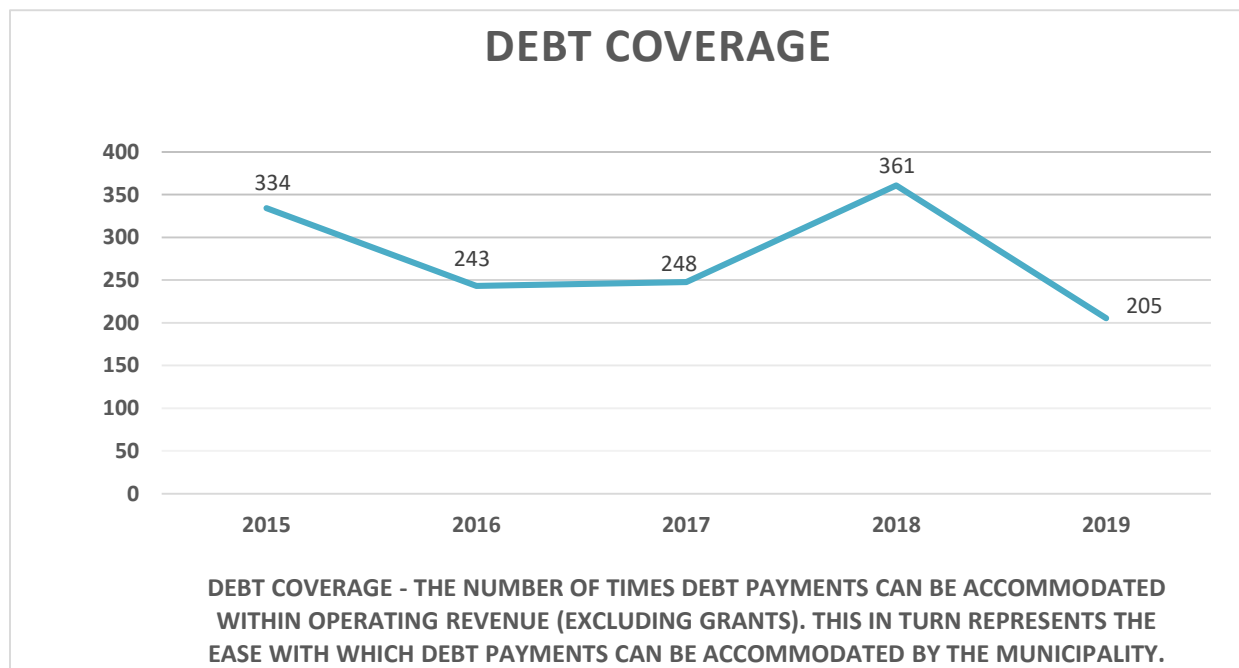


Figure 13: Debt Coverage Ratio

# Chapter 5

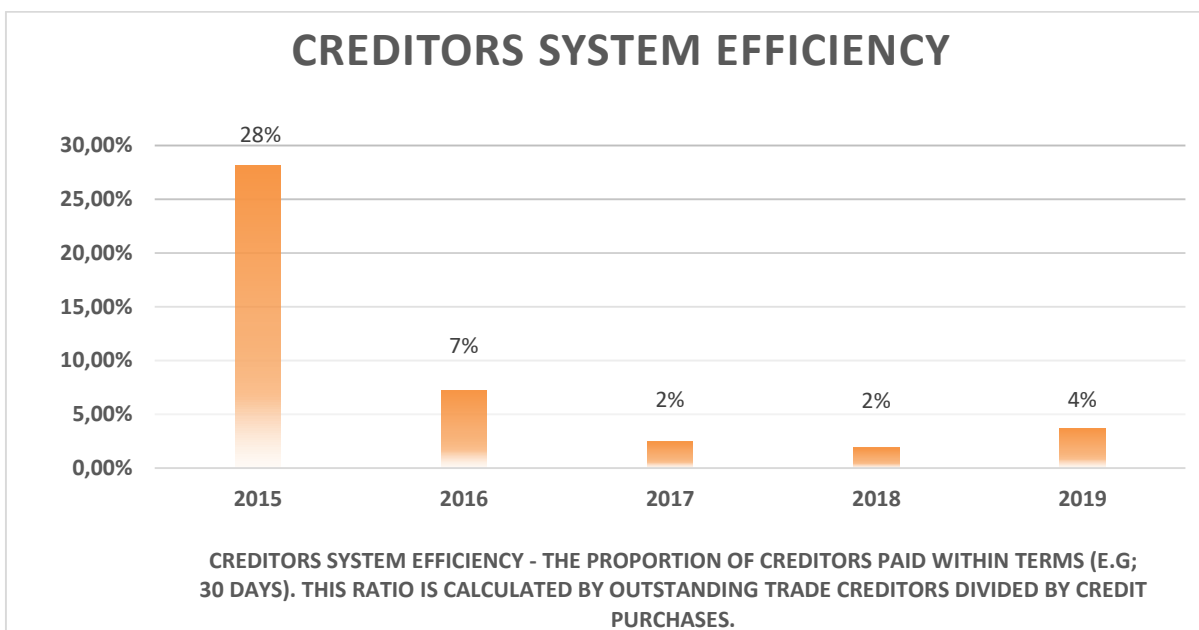


Figure 14: Creditor System Efficiency

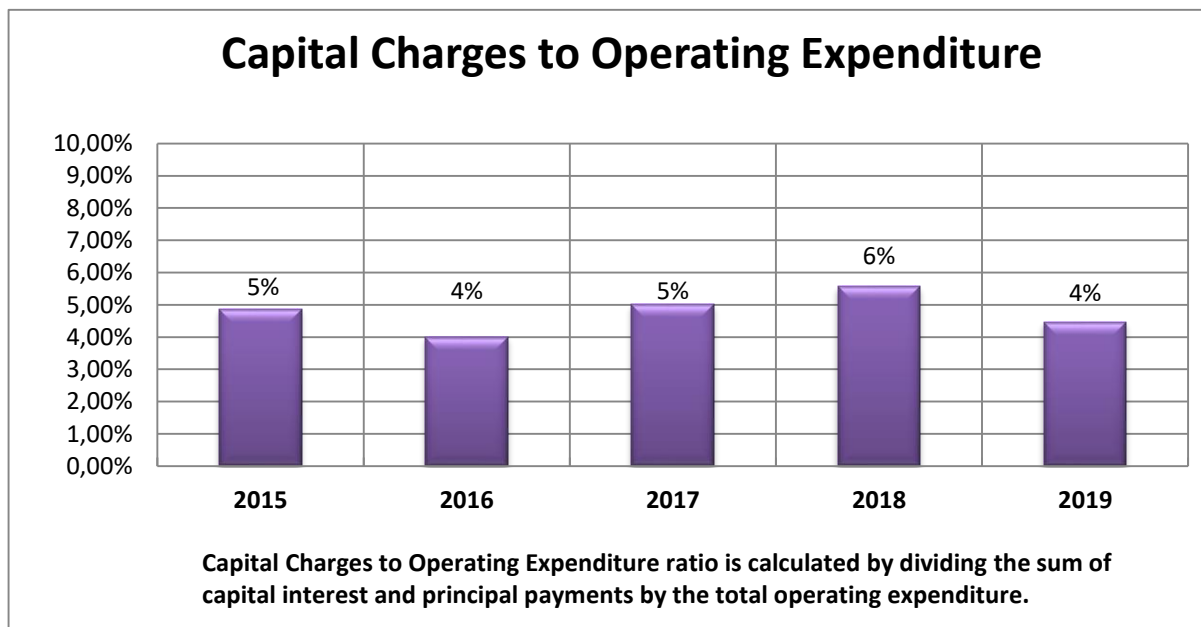


Figure 15: Capital Charges to Operating Expenditure

# Chapter 5

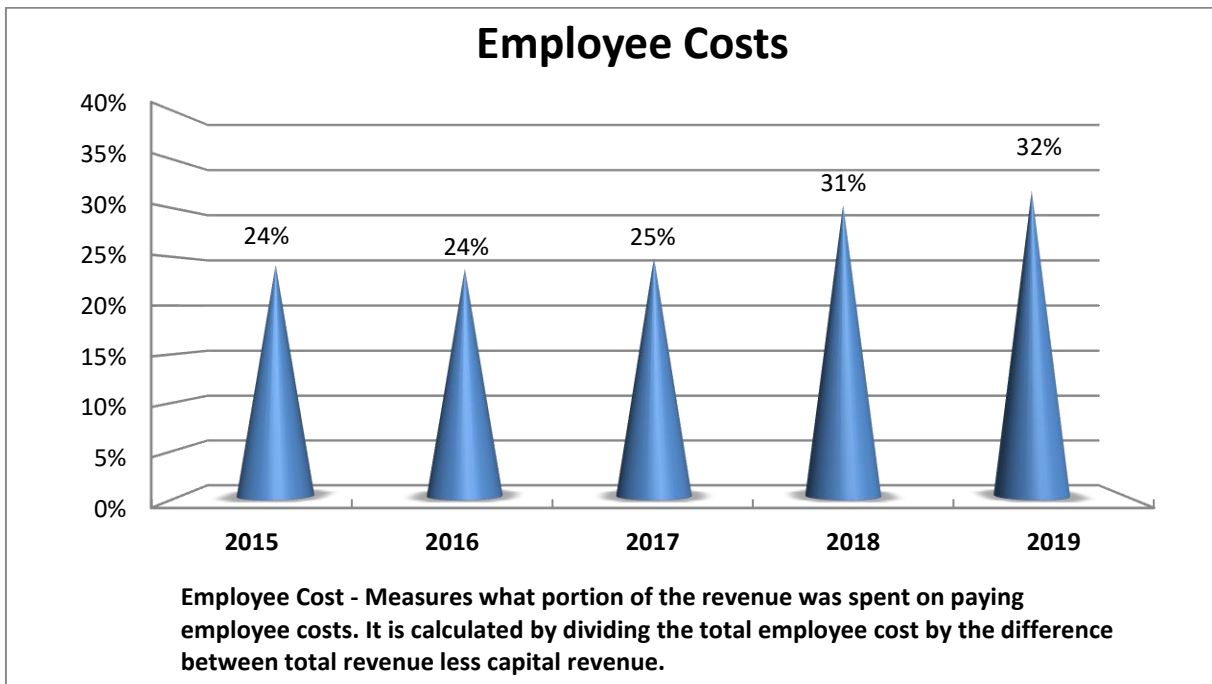


Figure 16: Employee Cost

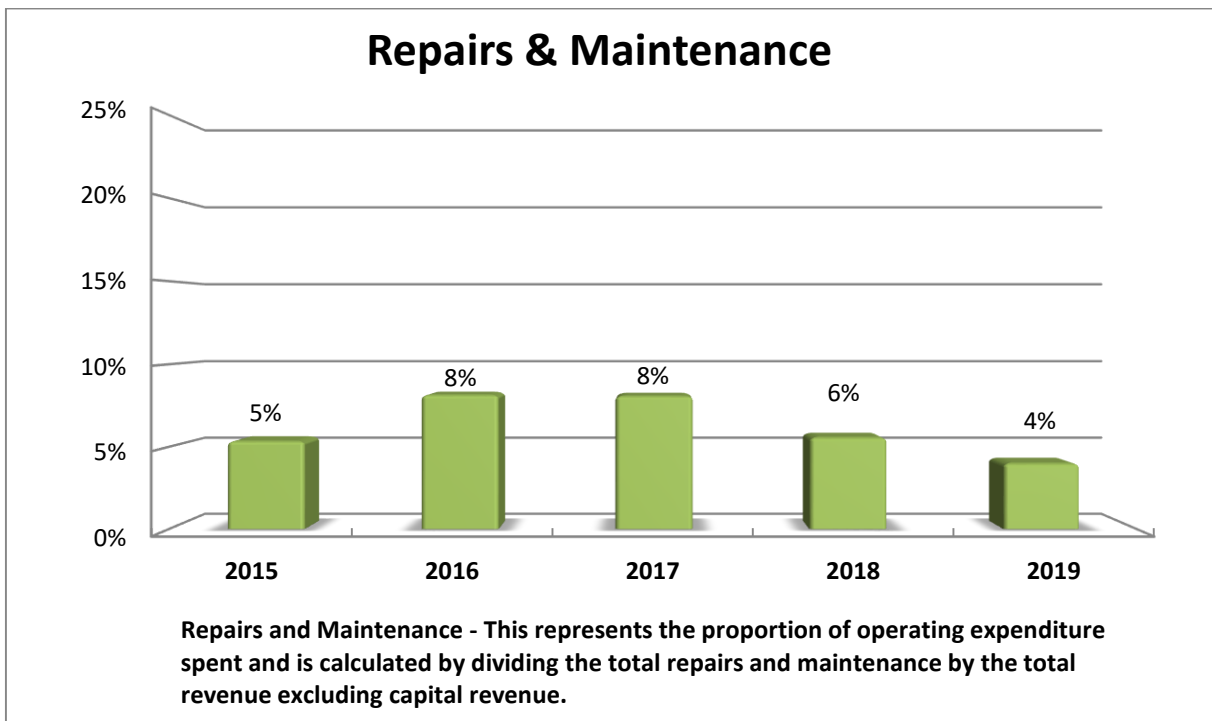


Figure 17: Repairs and Maintenance

# Chapter 5

## COMMENT ON FINANCIAL RATIOS:

**Liquidity ratio** – this ratio is unfavourable, as it is below the 1.5 as compared to the 0.5-1.5 of the previous financial year. There has not been any noticeable improvement in relation to this ratio as compared to last year.

**Cost Coverage ratio** – this ratio proves to be unfavourable, as the liquid resources of the municipality cannot cover the costs for at least 1 month (0.25) versus the norm of 1-3 months.

**Total Outstanding Service Debtors ratio** – this ratio is unfavourable as it reflects that 31% of the revenue raised annually is not collected/paid to the municipality for the services rendered. Which translates to an effective debt collection rate of 69%, which is below the norm of 95% as required by MFMA Circular No. 71.

**Debt Coverage ratio** – this ratio is favourable as it exceeds the norm of 8% in terms of debt repayments.

**Creditors System Efficiency ratio** – this ratio is unfavourable as the municipality could not honour its main obligations on time due to cash flow problems and adverse economic conditions experienced during the 2018/19 financial year.

**Capital Charges ratio** – this ratio is favourable as it amounts to 3% which is well within the norm of 8%.

**Employee Cost ratio** – this ratio is favourable as it amounts to 32% which is well within the norm of 25% - 40%.

**Repairs and Maintenance ratio** – this ratio is unfavourable (4%) as it does not equate the minimum requirement of 8% of total operating expenditure. (The repairs and maintenance has diminished due to the reclassification of expenditure in terms of the municipal Standard Chart of Accounts). The availability of sufficient cash-flows also affects the repairs and maintenance spending.

# Chapter 5

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether Municipalities are able to spend the available funding as planned. In this component, it is important to indicate the different sources of funding as well as how these funds are spend. Highlight the five largest projects and indicate what portion of the capital budget they use. In the introduction briefly refer to these key aspects of capital expenditure (usually relating to new works and renewal projects) and to **Appendices M** (relating to the new works and renewal programmes), **N** (relating to the full programme of full capital projects, and **O** (relating to the alignment of projects to wards).

## 5.5 CAPITAL EXPENDITURE

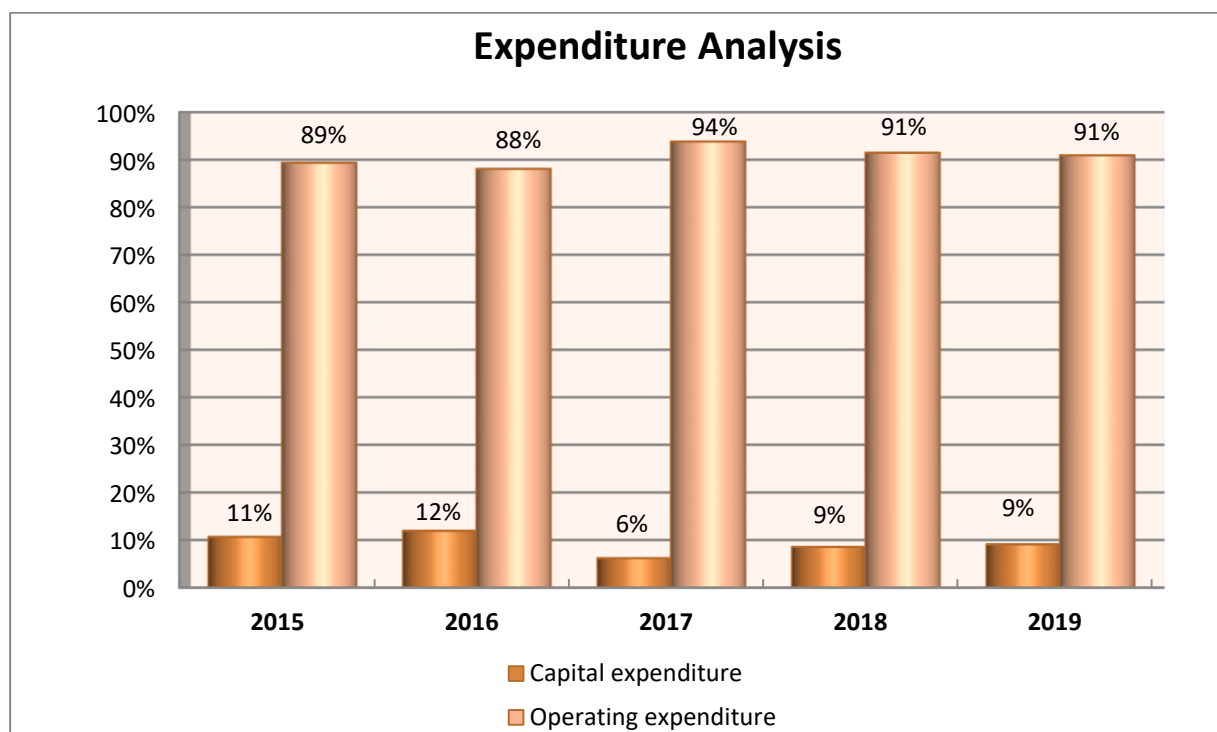


Figure 18: Expenditure Analysis

# Chapter 5

## 5.6 SOURCES OF FINANCE

Table 141: Capital Expenditure Funding Sources

Capital Expenditure - Funding Sources: 2017/18 to 2018/19							
R' 000							
Details		2017/18	2018/19				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
<b>Source of finance</b>							
	External loans	-	-	-	-	0.00%	0.00%
	Public contributions and donations	150	-	-	-	0.00%	0.00%
	Grants and subsidies	49 028	53 410	71 700	71 700	34.24%	34.24%
	Other	19 105	-	-	7 738	0.00%	0.00%
<b>Total</b>		<b>68 283</b>	<b>53 410</b>	<b>71 700</b>	<b>79 438</b>	<b>34.24%</b>	<b>48.73%</b>
<i>Percentage of finance</i>							
	External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Public contributions and donations	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
	Grants and subsidies	71.8%	100.0%	100.0%	90.3%	0.0%	-9.7%
	Other	28.0%	0.0%	0.0%	9.7%	0.0%	0.0%
<b>Capital expenditure</b>							
	Water and sanitation	12 617	24 463	24 463	24 463	0.00%	0.00%
	Electricity	6 161	2 909	2 909	2 909	0.00%	0.00%
	Housing	-	-	-	-	0.00%	0.00%
	Roads and storm water	30 800	18 628	22 728	22 728	22.01%	22.01%
	Other	4 637	20 284	20 284	20 284	0.00%	0.00%
<b>Total</b>		<b>54 215</b>	<b>66 284</b>	<b>70 384</b>	<b>70 384</b>	<b>6.19%</b>	<b>6.19%</b>
<i>Percentage of expenditure</i>							
	Water and sanitation	23.3%	36.9%	34.8%	34.8%	-5.8%	-5.8%
	Electricity	11.4%	4.4%	4.1%	4.1%	-5.8%	-5.8%
	Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Roads and storm water	56.8%	28.1%	32.3%	32.3%	14.9%	14.9%
	Other	8.6%	30.6%	28.8%	28.8%	-5.8%	-5.8%
T 5.6.1							

# Chapter 5

## COMMENT ON SOURCES OF FUNDING:

The municipality's grant spending was in line with the budget, as all the projects in undertaken were implemented by the municipality.

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

**Table 142: Capital Expenditure: Five Largest Projects**

Capital Expenditure of 5 largest projects*					
Name of Project	Current: 2018/19			Variance: Current 2018/19	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Upgrading of the Viljoenskroon WWTW	10 000	18 290	18	100%	-83%
Moqhaka: Installation of sewer for 4000 new erven in Rammulotsi (northleigh)	28 867	-	28 867	0%	100%
Brentpark: Construction of 0.96km paved road and storm water channel to Brentpark Stadium (MIS:269933)	8 102	-	8 102	0%	100%
Matlwangtlwang: Construction of 0.62km brick Paved road with V-Channels storm water drainage (1800-1722)(MIS:270047)	4 852	-	4 852	0%	100%
Seisoville: Construction of 0.750km paved road and storm water drainage at Ntanga street (MIS:272675)	8 200	-	8 200	0%	100%
<b>Name of Project - A</b>	Upgrading of the Viljoenskroon WWTW				
Objective of Project	To upgrade the waste water treatment plant for better results				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	31 860				
<b>Name of Project - B</b>	Moqhaka: Installation of sewer for 4000 new erven in Rammulotsi (northleigh)				



# Chapter 5

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: 2018/19			Variance: Current 2018/19	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Objective of Project	New sewer line and pump station to reduce spillages				
Delays	Hard rock				
Future Challenges	None				
Anticipated citizen benefits	24 000				
<b>Name of Project - C</b>	Brentpark: Construction of 0.96km paved road and storm water channel to Brentpark Stadium				
Objective of Project	Upgrading of gravel road to paved road				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	8 000				
<b>Name of Project - D</b>	Matlwangtlwang: Construction of 0.62km brick Paved road with V-Channels storm water drainage (1800-1722)				
Objective of Project	Upgrading of gravel road to paved road				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	6 500				
<b>Name of Project - E</b>	Seisoville: Construction of 0.750km paved road and storm water drainage at Ntanga street				
Objective of Project	Upgrading of gravel road to paved road				
Delays	None				
Future Challenges	None				

# Chapter 5

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: 2018/19			Variance: Current 2018/19	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Anticipated citizen benefits	9 000				
T 5.7.1					

# Chapter 5

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

### INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

By the end of 2018/19 financial year, 100% of the households in the municipal area had access to piped water within 200m from their dwelling. With regard to access to basic sanitation, 98% of households had access to basic sanitation, and 100% of households received a weekly refuse removal service. 100% of the households have access to electricity in the municipality's area of distribution, namely: Maokeng, Kroonstad, Viljoenskroon and Steynsrus. There is a 12.2% backlog of access to electricity in the Eskom distribution area, namely: Rammulotsi and Matlwangtlwang. However, Eskom is currently rolling out an electrification project in Rammulotsi to eradicate the backlog. The municipality has set targets for achieving the national outcomes for basic services in the 2017-2021 approved Integrated Development Plan (IDP).

**Table 143: Service Backlogs**

Service Backlogs as at 30 June 2019 Households (HHs)				
	*Service level above minimum standard 2018/19		**Service level below minimum standard 2018/19	
	No. HHs	% HHs	No. HHs	% HHs
Water	34 625	100.0%	0	0.0%
Sanitation	34 029	98%	596	2%
Electricity	30 921	87.8%	3 704	12.2%
Waste management	34 624	100.0%	0	0.0%
Housing	34 625	100%	0	0%

**Table 144: MIG Expenditure on backlogs**

Municipal Infrastructure Grant (MIG)* Expenditure 2018/19 on Service backlogs						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust- ments Budget	
<b>Infrastructure - Road transport</b>				0,0%	0,0%	
<i>Roads, Pavements &amp; Bridges</i>	22 139	22 139	22 139	0,0%	-100,0%	
<i>Storm water</i>				0,0%	0,0%	
<b>Infrastructure - Electricity</b>				0,0%	0,0%	
<i>Generation</i>				0,0%	0,0%	
<i>Transmission &amp; Reticulation</i>				0,0%	0,0%	

# Chapter 5

Municipal Infrastructure Grant (MIG)* Expenditure 2018/19 on Service backlogs						
R' 000						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust- ments Budget	
<i>Street Lighting</i>	3 573		3 573	0,0%	-100,0%	
<b>Infrastructure - Water</b>				0,0%	0,0%	
<i>Dams &amp; Reservoirs</i>				0,0%	0,0%	
<i>Water purification</i>				0,0%	0,0%	
<i>Reticulation</i>	2 378		2 378	0,0%	-100,0%	
<b>Infrastructure - Sanitation</b>				0,0%	0,0%	
<i>Reticulation</i>	10 138		10 138	0,0%	-100,0%	
<i>Sewerage purification</i>				0,0%	0,0%	
<b>Infrastructure - Other</b>				0,0%	0,0%	
<i>Waste Management</i>	1 441		1 441	0,0%	-100,0%	
<i>Transportation</i>				0,0%	0,0%	
<i>Gas</i>				0,0%	0,0%	
<b>Other Specify:</b>				0,0%	0,0%	
Sports	1 949		1 949	0,0%	-100,0%	
PMU	1 792		1 792	0,0%	-100,0%	
				0,0%	0,0%	
<b>Total</b>	43 410	-	43 410	0,0%	-100,0%	

## COMMENT ON BACKLOGS:

As can be seen the basic services backlogs have reduced over the past few years. The backlogs remaining will however require big infrastructure spending to eradicate and it should be borne in mind that existing infrastructure in some areas are outdated and in need of major overhaul to prevent service interruptions.

# Chapter 5

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The proper management of cash resources is paramount in ensuring viability and sustainable growth and development. The collective objectives of the cash and investment management is to ensure availability at all times of adequate liquid resources for operational purposes and investment in assets and maintaining optimal balance between available cash and cash investments. The municipality did not maintain significant investments due to pressing operational requirements and an effort to maintain creditors' payment within 30 days and addressing the long-term liabilities.

### 5.9 CASH FLOW

Table 145: Cash flow

Description	2017/18	Current Year 2018/19		
R thousands	Actual	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Government grants	243 327	247 317	209 317	261 575
Interest	1 583	14 567	14 567	1 665
Dividends	-	-	-	-
Cash receipts from customers	399 194	482 103	486 785	401 064
Other receipts	49 214	24 528	25 180	31 730
<b>Total Receipts</b>	<b>693 318</b>	<b>768 515</b>	<b>735 849</b>	<b>696 034</b>
<b>Payments</b>				
Employees	(179 731)	(257 503)	(266 210)	(213 911)
Suppliers	(411 873)	(501 784)	(433 914)	(384 925)
Finance charges	(18 669)	(2 699)	(2 354)	(9 999)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>(610 273)</b>	<b>(6 529)</b>	<b>(33 371)</b>	<b>(608 834)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds from sale of property, plant and equipment	-	-	-	-
Increase/ (decrease) of financial assets	-	-	-	-
<b>Payments</b>				
Purchase of property, plant and equipment	(81 562)	(102 688)	(72 094)	(82 462)
Purchase of investment property	1 042	-	-	(6 569)
Purchase of intangible assets	(175)	-	-	-
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(80 686)</b>	<b>(102 688)</b>	<b>(72 094)</b>	<b>(89 031)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase/(decrease) in Long-term loans	(665)	-	-	1 966
Increase/(decrease) in finance leases	(669)	(3 200)	(3 200)	(895)
Finance lease receipts	-	-	-	3 173
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(1 909)</b>	<b>(3 200)</b>	<b>(3 200)</b>	<b>4 244</b>
<b>Net increase in cash and cash equivalents</b>	<b>(1 015)</b>	<b>(24 141)</b>	<b>(419)</b>	<b>2 413</b>
Cash and cash equivalents at the beginning of the year	11 846	30 560	11 846	6 161
<b>Cash and cash equivalents at the end of the year</b>	<b>6 161</b>	<b>6 419</b>	<b>11 427</b>	<b>8 574</b>

# Chapter 5

## 5.10 BORROWING AND INVESTMENTS

### INTRODUCTION TO BORROWING AND INVESTMENTS

This long-term borrowing is attributable to the Development bank of South Africa (DBSA), with a remaining repayment period of 8 years as at 30 June 2019. The municipality is servicing this debt in line with the agreement.

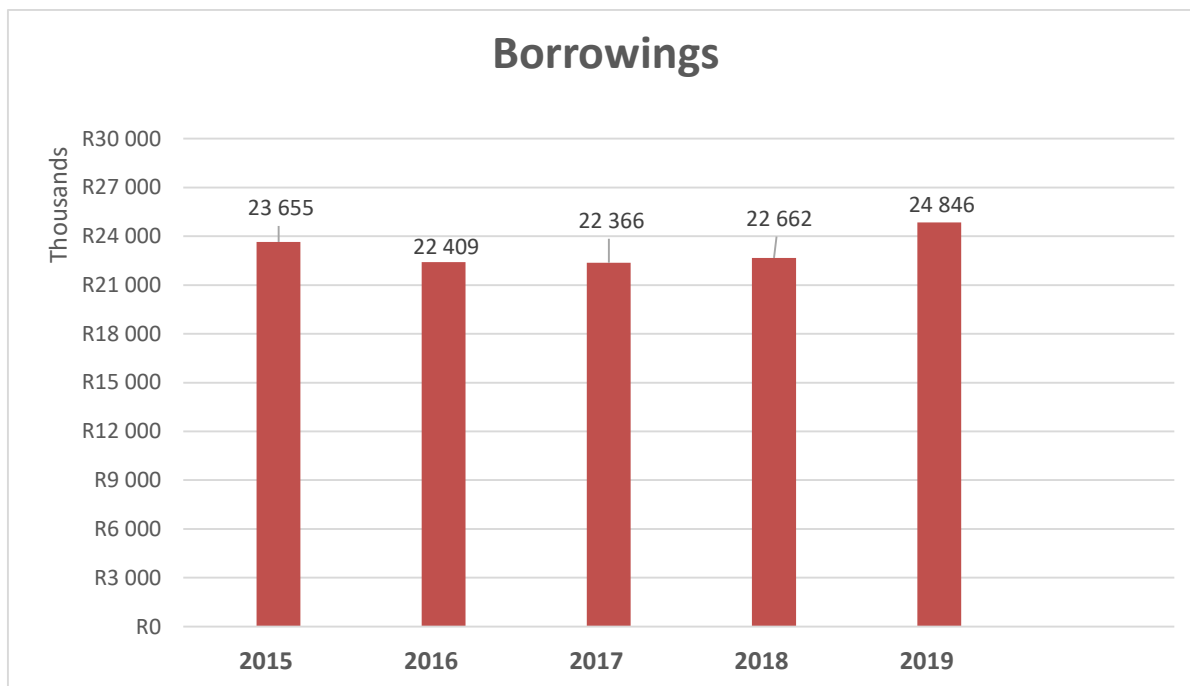


Figure 19: Actual Borrowings 2013/14 to 2018/19

Table 146: Municipal Investments

Investment* type	Municipal Investments R' 000				
	2014/15 Actual	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Actual
<b>Municipality</b>					
Deposits - Bank	15 142	6 349	1 166	125	6 694
Other	233	233	228	206	218
<b>Municipality sub-total</b>	15 375	6 582	1 394	331	6 912
<b>Entities sub-total</b>	-	-	-	-	-
<b>Consolidated total:</b>	15 375	6 582	1 394	331	6 912

# Chapter 5

## **COMMENT ON BORROWING AND INVESTMENTS:**

The municipality's investments were made in line with the municipal investment regulations GNR 308 01 April 2005.

### **5.11 PUBLIC PRIVATE PARTNERSHIPS**

The municipality did not enter into any Public Private Partnerships during the 2018/19 financial year.

# Chapter 5

## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.12 SUPPLY CHAIN MANAGEMENT

#### COMMENTS ON SUPPLY CHAIN MANAGEMENT

The municipality's implementation of the supply chain unit is progressing slowly due to significant shortage of staff. Two of the existing supply chain officials have attained the required MFMA Competency level and the other two interns in the SCM office are completing the MFMP course during August 2019.

The municipality continues to make effort to revise the organogram of supply chain and employ independent and reputable officials within the SCM Unit.

**The following tenders were awarded during the 2018-19 financial year.**

No.	Tender No	Tender Description	Date of Award	Contract Period	Contract Price(s)
1	3/2/11/2017-18	Maintenance of Private Railway Sidings for a Period of Three Years.	06-Jul-18	3 Years	R 1,440,181.80
2	3/2/13/2017-18	Water & Waste Water Quality Management and Management of Blue and Green Drop System for a Period of Three Years.	27-Jul-18	3 Years	R 3,409,771.68
3	2/2/5/2017-18	Supply, Delivery, Installation, Deployment & Printing Services (Including Print Management Software) for a Period of Three (3) Years.	27-Jul-18	3 Years	R 88,830.60
4	3/2/10/2017-18	Construction of 0.96KM Paved Road and Storm Water Channel to Brentpark Stadium.	15-Aug-18	8 Months	R 7,921,680.47
5	3/2/14/2017-18	Construction of 0,62KM Brick Paved Road With V-Channels Storm Water Drainage at Matlwangtlwang.	15-Aug-18	8 Months	R 4,887,418.58
6	3/2/12/2017-18	Panel for Hiring of Plant and Equipment for a Period of Three Years.	17-Aug-18	3 Years	As and when needed
7	3/2/15/2017-18	Construction of 0,75KM Paved Road With Storm Water Drainage at Ntanga Street.	23-Aug-18	8 Months	R 4,744,647.58
8	3/2/17/2017-18	Panel of Supply & Delivery of Road Kerbs, Paving Slabs, Catch Pits and Erosion Protection Blocks, Crusher Run and Aggregate For Concrete & Road Surfacing, Storm water Pipes and Culverts for a Period of Three years.	25-Oct-18	3 Years	As and when needed
9	3/2/5/2018-19	Panel for the Supply and Delivery of Chemicals and Commodities for water and waste water treatment works for duration of three (3) years.	25-Oct-18	3 Years	As and when needed
10	3/2/1/2018-19	Panel for Service Providers for the Cleaning of Sewer & Storm water Pipelines for a Period of Three Years.	19-Dec-18	3 Years	As and when needed
11	3/2/7/2018-19	Request for Proposal and Repair/ Sealing of Maokeng Reservoir	01-Apr-19	3 Months	R 2,806,384.98



# Chapter 5

No.	Tender No	Tender Description	Date of Award	Contract Period	Contract Price(s)
12	3/2/3/2018-19	Supply and Delivery of Dry Sanitation units at Matlwang-tlwang, Steynsrus for a period of three (3) years as and when required.	09-Apr-19	3 Years	R 7,833,000.00
13	3/2/2/2018-19	Re-Advertisement: Appointment of three (3) Service Providers for Construction of 600 Dry Sanitation Toilets at Matlwangtlwang, Steynsrus for a Period of Three (3) Years as and when required.	05-Jun-19	3 Years	1. R 565 885.10 2. R 592 401.73 3. R 557 327.37
14	2/2/2/2018-19	Re-Advertisement: Panel of five service providers to submit proposals and quotations to provide full medical examinations to Mqohaka Municipal Employees in Kroonstad, Viljoenskroon and Steynsrus for a period of Three (3) Years as and when required.	05-Jun-19	3 Years	As and when needed
15	3/2/8/2018-19	Construction of sewer reticulation and connection of 20 ervens in Tuinhof, Kroonstad	21-Jun-19	3 Months	R 2,354,358.99
16	3/2/9/2018-19	Construction of water reticulation and connection of 20 ervens in Tuinhof, Kroonstad	21-Jun-19	2 Months	R 794,011.41
17	4/2/5/2018-19	Nyakallong: Upgrading of Community and Sport Facility	26-Jun-19	6 Months	R 2,553,117.00
18	3/2/11/2018-19	Maokeng: Upgrading of paved road (0.56km) with Stormwater Channels (KHATLISO MOEKETSI)	26-Jun-19	6 Months	R 5,580,919.13
19	3/2/4/2018-19	Re-Advertisement: Panel of Contractors for the Repair and Replacement of Collapse Sewer and Water Pipeline as and when required.	28-Jun-19	3 Years	As and when needed
20	3/2/6/2018-19	Supply and Delivery of fleet oil for a period of three (3) years	28-Jun-19	3 Years	As and when needed

The following table provides a picture of the municipality's deviations from the normal supply processes;

DESCRIPTION	NUMBER OF DEVIATIONS 2019	NUMBER OF DEVIATIONS 2018	% Movement	DEVIATIONS 2019	DEVIATIONS 2018	% Movement
Emergency	26	17	53%	R 1 915 190	R 1 457 912	31%
Sole Supplier	88	83	6%	R 4 673 782	R 1 145 529	308%
Urgent	44	136	-68%	R 1 431 223	R 8 088 939	-82%
	158	236		R 8 020 195	R 10 692 380	

# Chapter 5

## 5.13 GRAP COMPLIANCE

### COMMENTS ON GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

The municipality complies with the requirements of all GRAP standards, which are effective and applicable to its environment. On a yearly basis, the Accounting Standard Board issues new/updated/revised standards, which are implemented accordingly by the municipality.

GRAP STANDARDS	
<b>Audit Report Status*:</b>	Qualified Audit Opinion
<b>Standards not yet adopted</b>	<b>Remedial Action Taken</b>
GRAP 20: Related Party Disclosures	Not yet effective.
GRAP 32: Service Concession Arrangements: Grantor	Not yet effective.
GRAP 109: Accounting by Principals and Agents	Not yet Effective.
GRAP 110: Living and Non-living resources	Not yet effective
IGRAP 17: Service Concession Arrangements Where a Grantor Controls a significant Residual Interest in an Asset	Not yet effective.
IGRAP 18: Interpretation of the Standard of GRAP on Liability to Pay Levies	Not yet effective.

# Chapter 6

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### INTRODUCTION

The following table outlines the municipality's performance in the Audit outcomes from prior year to current financial year.

Refer to the Annual Financial Statements set out in Volume II and the timescale for the audit of these accounts and the audit of performance and the production of reports on these matters by the Auditor General as set out in this Chapter.

## COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2017/18

### 6.1 AUDITOR GENERAL REPORTS 2017/18

Auditor-General Report on Financial Performance: 2017/18	
<b>Audit Report Status:</b>	<b>Unqualified Audit Opinion</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Annual Financial Statements	Management has implemented controls by appointing a Professional Accountant to prepare the AFS, to ensure that the municipality complies with the requirements of section 122 of the MFMA.
Procurement and Contract Management	The SCM processes are been reviewed and improved on an ongoing basis, to ensure that all goods acquired by the municipality are in compliance with all SCM requirements.
Asset Management	The controls will be revisited and improved, to ensure that the investment reporting is in line with the requirements of the Municipal Investment Regulation 3 (3).
Expenditure Management	Controls have been implemented / improved to ensure that the irregular, fruitless and unauthorised expenditure is prevented by the municipality in line with section 62 (1) (d) of the MFMA.
Budget Management	The municipality has migrated to the mSCOA System, which will assist the municipality with budget maintenance and ensure compliance with section 62 (1) (d) of the MFMA.
Human Resource Management	Management to implement controls to monitor, measure and evaluate performance of staff as required by section 67 (1) (d) of the MSA.
Consequence Management	The municipality has established a Section 32 Committee, which is a committee of Council. To investigate and hold accountable all those officials who are contravening section 32 of the MFMA. A bulk of this S32 Expenditure relates to prior financial years, which are been investigate by the Committee.
Auditor-General Report on Service Delivery Performance: 2017/18	
<b>Audit Report Status:</b>	<b>Unqualified Audit Opinion</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Annual Report	The controls has been implemented to ensure that the Oversight report on the Annual Report is adopted as required by section 129 (1) of the MFMA.

# Chapter 6

## COMPONENT B: AUDITOR-GENERAL OPINION 2018/19 (CURRENT YEAR)

### 6.2 AUDITOR GENERAL REPORT 2018/19

Auditor-General Report on Financial Performance: 2018/19*	
<b>Audit Report Status*:</b>	Qualified Audit Opinion
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Annual Financial Statements	Management has appointed Accountant Financial reporting so as to ensure that the AFS are compiled and submitted on time.
Asset Management	The controls will be revisited and improved, to ensure that the investment reporting is in line with the requirements of the Municipal Investment Regulation 3 (3).
Expenditure Management	Controls have been implemented / improved to ensure that the irregular, fruitless and unauthorised expenditure is prevented by the municipality in line with section 62 (1) (d) of the MFMA.
Consequence Management	The municipality has established a Section 32 Committee, which is a committee of Council. To investigate and hold accountable all those officials who are contravening section 32 of the MFMA. A bulk of this S32 Expenditure relates to prior financial years, which are been investigate by the Committee.
Procurement and Contract Management	The SCM processes are been reviewed and improved on an ongoing basis, to ensure that all goods acquired by the municipality are in compliance with all SCM requirements.
T 6.1.1	

Auditor-General Report on Service Delivery Performance: 2018/19**	
<b>Status of audit report**:</b>	Unqualified Audit Opinion
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
T 6.2.2	

# Chapter 6

## AUDITOR GENERAL REPORT ON THE ANNUAL FINANCIAL STATEMENTS: 2018/19

### Report of the auditor-general to the Free State Legislature and the council on the Moqhaka Local Municipality.

### Report of the auditor-general to the Free State Legislature and the council on the Moqhaka Local Municipality

#### Report on the audit of the financial statements

#### Qualified opinion

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

In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Moqhaka Local Municipality as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2018 (Act No. 1 of 2018) (Dora).

#### Basis for qualified opinion

##### Receivables from exchange transactions

The municipality did not calculate the debt impairment in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) GRAP 104, *Financial Instruments*, as the debt impairment policy used for the calculation was not applied as submitted and an incorrect age analysis was used by the municipality, resulting in receivables from exchange transactions as well as the debt impairment being misstated in the financial statements. I was unable to determine the full extent of the misstatement in note 6 of the financial statements, as it was impracticable to do so. Additionally, there was a resultant impact on the financial instruments and risk management disclosure note, deficit for the year and on accumulated surplus.

# Chapter 6

The municipality did not disclose other services under receivables from exchange transactions separately in accordance of GRAP 1, *Presentation of financial statements*, as the receivables other services disclosed in note 6 are material and was not grouped into sub classifications of the line item presented in a manner that is appropriate to the entity's operations. Consequently, other services of R61 413 743 (2018: R49 717 299) is not appropriately disclosed in the financial statements. I was unable to determine the full extent of the misstatement in note 6 of the financial statements, as it was impracticable to do so.

## Receivables from non-exchange transactions

The municipality did not calculate the debt impairment in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) GRAP 104, *Financial Instruments*, as the debt impairment policy used for the calculation was not applied as submitted and as an incorrect age analysis was used by the municipality resulting in receivables from non exchange transactions as well as the debt impairment being misstated in the financial statements. The municipality did also not disclose the long term debtors for receivables from non exchange transactions separately. I was unable to determine the full extent of the misstatement in note 7 of the financial statements, as it was impracticable to do so. Additionally, there was a resultant impact on the financial instruments and risk management disclosure note, deficit for the year and on accumulated surplus.

## Employee benefit obligations

I was unable to obtain sufficient appropriate audit evidence for the employee benefit obligations, as the data relating to the pensioners used in the calculation could not be confirmed. I was unable to confirm the employee benefit obligations by alternative means. Consequently, I was unable to determine whether any adjustments relating to the employee benefit obligations stated at R36 504 000 under non-current liabilities in the statement of financial position, was necessary.

## Provisions

I was unable to obtain sufficient appropriate audit evidence for the rehabilitation cost of landfill sites and quarries, as the data used in the calculation could not be varied against adequate supporting documentation. I was unable to confirm the provision for rehabilitation landfill sites and quarries by alternative means. Consequently, I was unable to determine whether any adjustments relating to the provision for environmental rehabilitation of landfill sites, stated at R21 364 416 in note 16 to the financial statements, were necessary.

# Chapter 6

## Payables from exchange transactions

The municipality did not recognise accrued expenses in accordance with GRAP 1, *Presentation of financial statements*, as the municipality included transactions of goods and services received after year end in payables from exchange transactions, repairs and maintenance and general expenses as disclosed in note 15, 38 and 42 respectively resulting in an overstatement of payables from exchange transactions of R27 496 590, repairs and maintenance of R19 207 445 and general expenses of R8 289 145. In addition, I was unable to obtain sufficient appropriate audit evidence to confirm the payables from exchange transactions as the municipality did not have adequate systems. I was unable to confirm this by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the payables from exchange transactions disclosed as R422 241 750 note 15 to the financial statements.

## Irregular expenditure

The municipality did not disclose all instances of irregular expenditure incurred in note 54 to the financial statements, as required by section 125(2)(d) of the MFMA. The municipality made payments in contravention of the supply chain management (SCM) requirements, which were not disclosed. This was due to payments made in contravention of the supply chain management requirements, which resulted in irregular expenditure of R63 655 774.

## Context for the opinion

I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.

I am independent of the municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants and, parts 1 and 3 of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.

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

# Chapter 6

## **Material uncertainty relating to going concern**

I draw attention to the matter below. My opinion is not modified in respect of this matter.

Note 51 to the financial statements indicates that the municipality incurred a net loss of R85 335 316 during the year ended 30 June 2019 and, as of that date, the municipality's current liabilities exceeded its current assets by R204 445 024 and the municipality owed Eskom R333 106 988. These events or conditions, along with other matters as set forth in note 51, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

## **Emphasis of matters**

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

### **Unauthorised expenditure**

As disclosed in note 56 to the financial statements, unauthorised expenditure of R112 487 751 (2018: R146 419 880) was incurred, due to overspending a main division within the vote.

### **Fruitless and wasteful expenditure**

As disclosed in note 55 to the financial statements, fruitless and wasteful expenditure of R11 914 659 (2018: R17 369 164) was incurred, mainly due to interest on arrear payments to creditors.

### **Restatement of corresponding figures**

As disclosed in note 49 to the financial statements, the corresponding figures for 30 June 2018 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2019.

### **Material uncertainty relating to claims against the municipality**

With reference to note 47 to the financial statements, the municipality is the defendant in various claims against the municipality. The municipality is opposing these claims. The ultimate outcome of these matters could not be determined and no provision for any liabilities that may result were made in the financial statements.



# Chapter 6

## Material losses

As disclosed in note 53 to the financial statements, material water distribution losses of R18 447 816 (2018: R19 717 718) and electricity distribution losses of R56 971 115 (2018: R60 200 007) were incurred by the municipality mainly due to leakages, burst water pipes, line losses, tampering and theft.

## Other matter

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

## Service delivery

During audit visits to selective sites on 19 October 2019, serious non-compliances to environmental legislation and related requirements noted at the wastewater treatment plants visited.

Infrastructural defects, lack of maintenance and repair at the Kroonstad Wastewater Treatment Works resulted in an operational collapse at the new activated sludge plant, flooding the old biological plant with raw sewer that was subsequently disposed into the Vals River which serves as a drinking water source. Some operational- and maintenance needs was also observed and discussed at the Kroonstad Water Purification Plant as the water purification processes are impacted by high volumes of algae and equipment not working or in need of maintenance and repairs. This will result in unnecessary purification costs for the municipality.

## Unaudited disclosure notes

In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

## Responsibilities of the accounting officer for the financial statements

The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

# Chapter 6

In preparing the financial statements, the accounting officer is responsible for assessing the Moqhaka Local Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

## **Auditor-general's responsibilities for the audit of the financial statements**

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

A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## **Report on the audit of the annual performance report**

### **Introduction and scope**

In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected key performance areas (KPAs) presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators/ measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected KPA presented in the annual performance report of the municipality for the year ended 30 June 2019:

# Chapter 6

KPA	Pages in the annual performance report
KPA 2 - Basic Service Delivery and Infrastructure Investment	x – x

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

I did not raise any material findings on the usefulness and reliability of the reported performance information for the following KPA 2:

- Basic Service Delivery and Infrastructure Investment

## Other matters

I draw attention to the matters below.

### Achievement of planned targets

Refer to the annual performance report on pages XX to XX for information on the achievement of planned targets for the year.

### Adjustment of material misstatements

I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 2 – Basic Service Delivery and Infrastructure Investment. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

## Report on the audit of compliance with legislation

### Introduction and scope

In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

# Chapter 6

The material findings on compliance with specific matters in key legislations are as follows:

## **Annual financial statements**

The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, liabilities, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

The annual financial statements were not submitted to the Auditor-General within two months after the end of the financial year and written explanation setting out the reasons for the failure were not tabled in council as required by section 133(1)(a) of the MFMA.

## **Expenditure management**

Money owed by the municipality was not always paid within 30 days as required by section 65(2)(e) of the MFMA.

Reasonable steps were not taken to prevent irregular expenditure amounting to R53 911 314 as disclosed in note 54 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The irregular expenditure was caused by the non-compliance with the SCM regulations mainly in respect of bids not advertised for the required period, deviations which did not meet the requirements and non-compliance with section 32 in procuring goods or services for the municipality under a contract secured by another organ of state.

Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R11 914 659, as disclosed in note 55 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The fruitless and wasteful expenditure was caused by interest on arrear payments to creditors.

Reasonable steps were not taken to prevent unauthorised expenditure amounting to R112 487 751, as disclosed in note 56 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The unauthorised expenditure was caused by overspending of the votes in the approved budget.

## **Asset management**

An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

# Chapter 6

Capital assets were permanently disposed that were needed to provide the minimum level of basic municipal service, in contravention of section 14(1) of the MFMA.

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

## Consequence management

Some of the unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.

Irregular expenditure incurred by the municipality were not fully investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Some of the fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

## Procurement and contract management

Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(a) and (c). Similar non-compliance was also reported in the prior year.

Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1) and mainly related to grass cutting and hiring of trucks for refuse removal. Similar non-compliance was also reported in the prior year.

Some of the invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of SCM regulation 22(1) and 22(2). Similar non-compliance was also reported in the prior year.

Some of the competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with SCM regulation 29(2). This non-compliance was identified in the procurement processes for the construction of 600 dry sanitation toilets at Matlwangtlwang, Steynsrus.

# Chapter 6

The preference point system was not applied procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act. This non-compliance was identified in the procurement processes for the refurbishment of Viljoenskroon waste water treatment works.

The performance of contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year. This non-compliance was identified in the procurement processes for the Supply and Delivery of Dry Sanitation units at Matlwangtlwang.

Persons in the service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest in contravention of SCM regulation 46(2)(e) and the code of conduct for staff members issued in terms of the Municipal Systems Act, 2000 (Act No. 32 of 2000).

## Other information

The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected KPA presented in the annual performance report that have been specifically reported in this auditor's report.

My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected KPA presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

# Chapter 6

## Internal control deficiencies

I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified audit opinion, findings on the annual performance report and the findings on compliance with legislation included in this report.

The leadership's lack of timely and adequate actions to address weaknesses in the reporting on financial and performance management due to lack of stability in the municipal manager position as well as monitoring and supervision, which again resulted in material adjustments to the financial statements and annual performance report.

The leadership's lack of accountability and enforcing consequences for poor performance and transgressions to ensure a sound control environment had a negative impact on the municipality's financial sustainability, management of assets, overspending of the budget.

Management did not ensure that internal control processes were adequately designed and implemented to ensure cost-effective procurement in certain instances and prevent non-compliance with SCM requirements. Management relied on internal control processes to ensure compliance with procurement requirements, but it is evident from the amount of irregular expenditure that these internal control processes were ineffective and subject to abuse as no action is taken against staff in these transgression.

Consequence management was not effective as the council did not investigate all instances of unauthorised, irregular and fruitless and wasteful expenditure to determine whether any person was liable for the expenditure.

*Auditor General*

Bloemfontein

20 December 2019



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

# Chapter 6

## **Annexure – Auditor-general's responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected KPA and on the municipality's compliance with respect to the selected subject matters.

### **Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control

evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer

conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Moqhaka Local Municipality's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease continuing as a going concern

evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation



# Chapter 6

## **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

### **COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 2018/19:**

The municipality regressed during the 2018/19 financial year's audit outcomes. The municipality strives to efficiently administer its financial resources, so as to ensure that it renders appropriate services to its local community. Despite the challenges of non-by a number of consumers to whom services have been rendered. The municipality values the audit process and as a result, we ensure that issues raised by the AGSA are timeously attended to and corrected so as to ensure continuous and improved service delivery to the community of Moqhaka Local Municipality.

### **COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:**

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer) ..... Dated .....

# Glossary

## GLOSSARY

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	Documents used by executive authorities to give “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.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution’s strategic goals and objectives set out in its plans. Outcomes are “what we wish to achieve”.
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as “what we produce or deliver”. An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or 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)

# Glossary

<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

## APPENDICES

### APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Baba Jeremiah Mzwandile	PT	Finance, Audit and Risk Management PC Municipal Infrastructure and Technical Services PC	ANC	69	15
Boeije Hendrina Maria Elizabeth	PT	Community and Social Services PC; IDP PC; Policy Development and Monitoring PC	DA	92	0.7
Bolofo Lerata Daniel	PT	Community and Social Services PC; IDP PC; Policy Development and Monitoring PC	ANC	92	0.7
Chakane Mpho Samuel	FT		ANC	69	23
Dalton Christopher Mark	PT	Municipal Infrastructure and Technical Services, Policy Development and Monitoring PC	DA	100	0
Dr. Viljoen Albertina Hendrika	PT	Corporate Support Services PC, Municipal Infrastructure and Technical Services , LED Portfolio Committee	FF PLUS	100	0
Geldenhuis Johan	PT	Corporate Support Services PC, Municipal Infrastructure and Technical Services; Policy Development and Monitoring PC.	DA	92	0.7

# Appendices

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Green Maria Mmangaka	FT	Policy Development and Monitoring PC; Community and Social Services PC.	ANC	53	0.7
Hatting Jean	PT	Finance, Audit and Risk Management PC, Municipal Infrastructure and Technical Services	FF PLUS	76	23
Khasudi Dennis	PT	Corporate Support Services PC; LED PC	DA	92	0.7
Khiba Selloane Victoria	PT		ANC	100	0
Khunyeli Molefi Jacob	FT	Municipal Infrastructure and Technical Services, Public Safety and Transport PC	EFF	84	15
Kukami Khampepe Lysander	FT	Municipal Infrastructure and Technical Services,	ANC	61	15
Leboko Oupa April	PT	Finance, Audit and Risk Management PC, LED Portfolio Committee	ANC	84	15
Lithupa Mpho Joseph	PT	Corporate Support Services PC, IDP Portfolio Committee, Spatial Development and Monitoring PC	DA	84	0.7
Magadlela Zenzile Solomon	FT	Community and Social Services PC Corporate Support Services PC IDP Portfolio Committee	ANC	69	1
Mahlatsi Mamodise Suzan	PT	IDP Portfolio Committee, LED Portfolio Committee, Policy Development and Monitoring PC	ANC	92	0.7
Mahlatsi Johannes R	PT	Community and Social Services PC, Corporate Support Services PC, Public Safety and Transport PC	DA	100	0

# Appendices

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Makae Heittie Gregoline	PT	IDP Portfolio Committee, Policy Development and Monitoring PC	ANC	92	0.7
Makhanda Moitheri Lucy	PT	LED Portfolio Committee; Finance, Audit and Risk Management PC	EFF	84	15
Malejoane Anna	PT	Community and Social Services PC Corporate Support Services PC	EFF	76	0.7
Manefeldt Zacharia Johanna Cornelia	FT	Policy Development and Monitoring , Spatial Development and Monitoring PC	ANC	100	0
Marako Thabo Jonas	PT	Municipal Infrastructure and Technical Services PC, Policy Development and Monitoring PC, Spatial Development and Monitoring PC	ANC	92	0.7
Mareka Justice	PT	IDP Portfolio Committee, Public Safety and Transport PC	ANC	38	0.7
Mntuze Mmanako Evodia	PT	Community and Social Services PC	ANC	100	
Mofokeng TA	PT	Community and Social Services PC, Corporate Support Services PC	ANC	15	0.7
Mokodutlo NP	PT	Finance, Audit and Risk Management PC	ANC	76	0.7
Mokoena Simon	FT	Corporate Support Services PC, Public Safety and Transport PC	ANC	92	0.7
Mokotedi Mpho Victor	PT	Finance, Audit and Risk Management PC, LED Portfolio Committee, Public Safety and Transport PC	ANC	92	0.7
Moletsane Ezekiel Rachere	FT	Finance, Audit and Risk Management PC, Municipal Infrastructure and Technical Services, LED Portfolio Committee	ANC	84	0.7

# Appendices

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Muller Nicholas	PT	Community and Social Services PC, Public Safety and Transport PC	DA	53	0
Mpondo Vuyelwa Lydia	FT	Community and Social Services PC, IDP Portfolio Committee	ANC	92	0.7
Nhlapo Mthandeki	PT	Corporate Support Services PC, Spatial Development and Monitoring PC	ANC	92	0.7
Nzunga David Ndaba	PT	Municipal Infrastructure and Technical Services PC, Policy Development and Monitoring PC,	DA	100	0
Phooko Pule Jacob	FT		ANC	76	15
Pietersen Magdeline	PT	LED Portfolio Committee	ANC	76	23
Pittaway Sidney Henrey	PT	Finance, Audit and Risk Management PC, Policy Development and Monitoring PC	DA	92	0.7
Ramathibe Buti Solomon	PT	Municipal Infrastructure and Technical Services	ANC	92	0.7
Ramathibe Mohapi Ephraim	PT	IDP Portfolio Committee, LED Portfolio Committee, Policy Development and Monitoring PC, Spatial Development and Monitoring PC	DA	76	0.7
Rooskrans Brenten	FT	Finance, Audit and Risk Management PC, LED Portfolio Committee	ANC	76	0.7
Serapela Dibetso	PT	Spatial Development and Monitoring PC	EFF	53	15
Thajane Mohlaba Israel	PT	Finance, Audit and Risk Management PC, LED Portfolio Committee	COPE	84	0.7
Tladi Selake Benjamin	FT	Corporate Support Services PC, Municipal Infrastructure and Technical Services	ANC	61	15

# Appendices

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Van Schalkwyk Leah	PT	Finance, Audit and Risk Management PC, LED Portfolio Committee, Public Safety and Transport PC	DA	92	0.7
Yho-yho Mncedisi	PT	Corporate Support Services PC, Public Safety and Transport PC, Spatial Development and Monitoring PC	ANC	23	0'



# Appendices

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

<b>Committees (other than Mayoral / Executive Committee) and Purposes of Committees</b>	
<b>Municipal Committees</b>	<b>Purpose of Committee</b>
Portfolio Committee: Municipal Infrastructure and Technical Services	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Public Safety and Transport	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: IDP and Planning	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Corporate Support Services	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Spatial Development and Human Settlement	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: LED and Investment	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Policy Development and Monitoring	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Community Services and Social Services	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Finance, Audit and Risk Management	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Audit and Performance Audit Committee (s79)	Roles and responsibilities as outlined by section 166 of the MFMA and the approved charter
Oversight Committee (s79)	Roles and responsibilities as outlined by section 129 of the MFMA and the National Treasury guidelines issued in MFMA Circular 32 (18 March 2006)

# Appendices

## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Directorates	Director/Manager (State title and name)
<b>Office of the Municipal Manager</b> Mr. Mncedisi Mqwathi	Chief Internal Auditor Mr V. Tantsi Manager: IDP Mr T Leie Manager PMS Ms E N Lungu
<b>Financial Services</b> CHIEF FINANCIAL OFFICER Mr Thuso Marumo	Manager: Revenue Mr S Theletsane Manager: Expenditure, Budget & Reporting Mr J Muller Manager: Asset Management Mrs I Mokheseng Manager: SCM Mr Roy Visagie
<b>Technical Services</b> DIRECTOR: Technical Services Ms D Ngwenya	Manager: Civil Mr M Geringer Manager: Electricity Mr L Greeff (Acting)
<b>Corporate services</b> DIRECTOR: Corporate Services Mr M Mthwalo	Manager: Human Resources Mrs DG Ramaboea
<b>Community and Emergency Services</b> Director: Community and Social Services Mrs PH Tshabalala	Manager: Security Services Mr Chris van Zyl Manager: Cleansing Mr Wessels (acting) Manager Parks, sports and Recreation Chief Fire Officer Mr L Ingram Chief: Traffic Services Mrs D Van der Westhuizen

# Appendices

Third Tier Structure	
Directorate	Director/Manager (State title and name)
<b>Office of the Municipal Manager</b>	<b>Chief Internal Auditor</b>
MUNICIPAL MANAGER	Mr V. Tantsi
Mr. Mncedisi Mqwathi	<b>Manager: IDP</b>
	Mr T Leie
	<b>Manager: PMS</b>
	Ms Eunice Lungu
<b>Financial Services</b>	<b>Manager: Revenue</b>
CHIEF FINANCIAL OFFICER	Mr S Theletsane
Mr T Marumo	<b>Manager: Expenditure, Budget &amp; Reporting</b>
	Mr J Muller
	<b>Manager Asset Management</b>
	Mrs I Mokheseng
	<b>Manager: SCM</b>
	Mr Roy Visagie (Acting)
<b>Technical Services</b>	<b>Manager: PMU</b>
DIRECTOR: Technical Services	Mrs P. Botha
Ms. P. Botha (Acting)	<b>Manager: Electricity</b>
	Mr L. Greeff (Acting)
	<b>Assistant Manager: Water and Sanitation</b>
	Mr. B Xaba (Acting)
<b>Corporate services</b>	<b>Manager: Human Resources</b>
DIRECTOR: Corporate Services	Mrs G Ramaboea
Mr. M Mthwalo	<b>Manager: Information Technology</b>
	Mr K Moroke
	<b>Manager : Administration</b>
	Mr. A. Kotze
<b>Community and Emergency Services</b>	
Director: Community and Emergency Services	<b>Manager: Solid Waste</b>
Ms. PH Tshabalala	Mr. T. Qhena
	<b>Manager Parks, sports and Recreation</b>
	Mrs H de Bruin
	<b>Chief Fire Officer</b>
	Mr L Ingram
	<b>Chief: Traffic Services</b>
	Mrs D. Van der Westhuizen
Local Economic Development and Planning	
Acting Director Local Economic Development and Planning Mr. S T Leie	Manager Housing and Property
	Mr. H Luddick
	Manager LED.
	Vacant
	Manager Spatial Planning
	Mr. A Kotze
	Manager Kroonpark
	Vacant

# Appendices

## APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal Functions	
Municipal Functions	Function Applicable to Municipality (Yes / No)*
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Child care facilities	No
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	Yes
Municipal planning	Yes
Municipal health services	Yes
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Storm water management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
<b>Additional Municipal Functions</b>	
Beaches and amusement facilities	No
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	No
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

*T D*

# Appendices

## APPENDIX E – WARD REPORTING

### Functionality of Ward Committees

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	Cllr Thabo Marako	Yes	11	11	9
	Adoonsie D Mohlakoane Dimakatso B Maloka Dimakatso M Motaung Khathetse Mako Matsie Eunice Makume Matsietso S Borotho Morapeli J Matsora Motlalepule F Nkaota Ramasimong Mahlatsi				
2	Cllr Selake Tladi	Yes	10	10	8
	Busisiwe Khumalo Seipati Hlongwane Phillip Lipholo Sello Mosala Sibongile Shasha Mommeng Mokoena Ntswaki Mahlatsi Tonobel Tumahole Malinga				
3	CllrMuller	Yes	11	11	4
	Nomasonto Patsa Wilhelmiena Petrus Simon Taje Dikeledi Motsumi Nteleki Elisa Rantie Elizabeth R Vorster Maria Mamokoai Mariti Moses Mokoteli Selloane Joyce Mati Nteleki				
4	Cllr Mntuze Nomathemba	Yes	10	10	6

# Appendices

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	Popie Molefe Mawesi Maletse-Mosia Puseletso Maphokoane Ntswaki Mano Dorothy Maloisane Consy Phiri Ntswaki Bekker Annah Oeso				
5	Cllr Green Mangaka	Yes	10	10	9
	Ditabe Motaung Seipati Mahlatsi Jane Matee Molehali Rabannye Angelina Mpevana Mamoodi Mokaeanne Thabo Thabane Pappy Lenkwane				
6	Cllr Mokotedi Mpho	Yes	10	10	8
	Disemelo Malejoane Dineo Seekane Nthabiseng Mokoena Nelson Baba Sello Malema Mirriam Maseko Sellwane Mabikinyane Mmemi Malinga Teboho Mabatla Lesole				
7	Cllr Bolofo Lerata	Yes	10	5	6
	TP Seranyame Maserame Legopo Masabata Matube Sidwell Magwaba Piet Phakoe Seponono Makhale Willemiena Mathige Thabo Mashiya Moswa Semase Samuel Ngozo				
8	Cllr Mahlatsi Suzan	Yes	12	7	8
	Bernard Mnqebisa Maliphatsa Mofolo Kefiloe Moepcoe Moipone Molifi				

# Appendices

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	Lerato Khotle Segametsi Mokanyane Mokhele Theletsane L.MThinane M.A.Mokete W.M.Lulama				
9	Cllr Leboko Aupa	Yes	12	6	7
	Puleng Tsolo Thabiso Chakane Makapi Molebatsi Mamokhothu Makoko Mpho Mthimkulu Elizabeth Moloi Victoria Khetsi Esther Mpenga Maise Sempapalele Pulane Wolf				
10	Cllr Chakane Mpho	Yes	12	6	8
	Thamsanqa Kabuza Rebeca Mateba Petrus Mosia Moekene Yawa Sarah Bothetsa Manana Mutumi Puseletso Dlhamini N.N.Khumalo N.M.Katane				
11	Cllr Makae Hiettie	Yes	12	4	8
	Lulama Rahaba Anna Tsekahali Tshokolo Phalatsa Dimakatso Ramoji Nthabiseng Manare Dimakatso Ranthimo Johannes Morabe Zepho Xaba A.M.Shonqula				
12	Cllr Mpondo Lydia	Yes	12	8	8

# Appendices

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	Moses Mokoena Selina Lesholi Martha Mthombeni Sello Legopo Paulina Bulwana Agnes Thooe Moleboheng Khauoe S.J Letaba				
13	Cllr Rooskrans Brenton	Yes	12	5	7
	Joyce Coetzee Mapaulosi Rankali Jabulile Mashinini Paseka Mvimbi Nora Monare Seipati Sefatsa Makhosana Doris Nkonka				
14	Cllr Nhlapo Mthandeki	Yes	12	12	9
	Martha Ntjabane Josephina Sehebeng Boitumelo Hlaole Motheo Morapeli Sechaba Selele Mokalanya Ntaoleng Dire Thakane Tonjane Chomane Radebe				
15	Cllr Ramathibe Solomon	Yes	11	7	10
	Machini Mosokwene Violet Modisenyane Jim Mofokeng Godfrey Mehlo Meisie Mohlolo Tshepo Kobuoe Mamolelekoa Mofokeng				
16	Cllr Boetjie Hendrina	Yes	0	5	4



# Appendices

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	Majane Morapeli Ernest Tsolo Gaelebale Mokotedi Molefi Mokalanyaane De Villiers				
17	Cllr Geldenhuis Johan	Yes	5	4	4
	Sibongile Cingo M P Liphoko Hester Thibatsane Selina Masisi Thabo Sejake Linda Louwrens David Gullett Elzaan Bester P E Ponase R E McLaren				
18	Cllr Moletsane Rachere	Yes	10	3	6
	Alina Seobi Annah Zenzile Dimakatso Snail Motshabi Marupelo Jemmina Letsoara Elias Moremoholo Moeketsi Lesaoana Zwelinzima Buza Buntse Tshabalala				
19	Cllr Mokoena Simon	Yes	9	4	4

# Appendices

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	Mathanzima Lomo Vuyelwa Sakata Nodoli Guza Dumzela Nondlela Rantobo Thekiso Ditsietsi Sehla Teboho Kopane Dorah Mahlatsi Godla				
20	Cllr Toko Mofokeng	Yes	10	6	4
	John Fundu Mosweu Rapiro Tshidi Redrie Kwahela Sekonyela Eunice Lomo Manapo Mholakoane Puseletso Meso Vuyelwa Folodi Thokoane Sebetoane				
21	Cllr Magadla Zenzile	Yes	10	4	6
	Boniswa Maphazi Matumelo Peter Themba Mthimkulu Roseline Tshupane Ishmael Tlhakung Sonnyboy Hlatshwayo Maditaba Modungwa Florence Madibo Thamae				
22	Cllr Yhoyho Mcedisi	Yes	0	0	0

# Appendices

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	Enock Malashi Sinah Tshofela Zenzele Sixubane Mohlolo Mofokeng Seiso J Gobile Kamla Jackson Roderick				
23	Cllr Baba Mafonza	Yes	12	6	6
	Funeka Skhapha Sara Molefi Molebogeng Phakeli Kedibone Gaarekoe Makgala Thekiso Moipone Ntepe Matshidiso Golisi Modiehi Moleleki Matshediso Maphakisa				

# Appendices

## APPENDIX F – WARD INFORMATION

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in 2018/19 (Full List at Appendix O)				
				R' 000
No.	Project Name and detail	Start Date	End Date	Total Value
1	Upgrading of the Viljoenskroon WWTW	01-Aug-18	30-Sep-19	28
2	Moghaka: Installation of sewer for 4000 new erven in Rammulotsi (northleigh)	01-Jul-09	25-Mar-19	29
3	Brentpark: Construction of 0.96km paved road and storm water channel to Brentpark Stadium (MIS:269933)	22-Aug-18	26-Jun-19	8
4	Matlwangtlwang: Construction of 0.62km brick Paved road with V-Channels storm water drainage (1800-1722)(MIS:270047)	22-Aug-18	01-Mar-19	5
5	Seisoville: Construction of 0.750km paved road and storm water drainage at Ntanga street (MIS:272675)	10-Oct-18	27-Jun-19	8
6	Maokeng: Upgrading of paved road 28331 – 28348 (0.56km) with storm water channels (MIS:290782)	27-Jun-19	30-Jan-20	10
7	Maokeng: Installation of 5 High Mast Lights (MIS:269906)	25-May-18	14-Jun-19	4
				<i>T F.1</i>

Basic Service Provision					
2018/19					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	34 625	34 029	29 530	34 625	
Households without minimum service delivery	0	596	4 014	0	
Total Households*	34 625	34 636	33 544	34 625	
Houses completed in year					
Shortfall in Housing units					
*Including informal settlements					T.F.2

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## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2018/19

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2018/19	Recommendations adopted (enter Yes) If not adopted (provide explanation)
05 July 2018	Audit Committee resolved that the reports would be presented to the Council taking into account all the challenges reported by Internal Audit and status of internal controls reported therein.	Yes
	The committee resolved that the person that come to represent a department should be given information so that they can properly represent that department.	Yes
	The audit committee reviewed and recommend the audit committee charter for approval by council with amendments.	Yes
	The committee resolved that for the next meeting they will need a plan that clearly highlights the things that the municipality needs for the compilation of the financial statements and that plan will address all the issues that would affect the audit in terms of the financial statements.	Yes
17 August 2018	The committee resolved that internal audit compile a table detailing the status of the audit.	Yes
	The committee resolved that Director technical sent the plan with time lines.	Yes
	The committee resolved that a small number and people that could assist directors compose that ICT steering committee.	Yes
	The committee recommended the plan to be revised and serve in the next audit committee.	Yes
	The committee resolved that the report that must serve in audit committee meeting must be the report of the chairperson of risk management committee.	Yes
25 August 2018	The committee resolved that they approve the plan and Manager Internal Audit follow up with Human Resources on the recruitment of the vacant internal audit position.	Yes
	Members resolved that if management comments are not received within the allocated time, internal audit must report to the Municipal Manager and reports will be tabled to Audit Committee without management comments and management must explain why comments were not submitted within the time stipulated for management comments.	Yes
	Audit Committee noted the Annual Performance Report with changes recommended for management to effect before submission to Auditor General.	Yes

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Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2018/19	Recommendations adopted (enter Yes) If not adopted (provide explanation)
	Audit Committee notes the Draft Annual Financial Statements, with recommendations proposed for management to make before submission to Auditor General.	Yes
08 March 2019	The Audit Committee resolved that a member of the Audit Committee be invited to the Risk Committee to stand as Chairperson of the committee in the absence of a Risk Committee Chairperson.	Risk Committee has not invited Audit Committee member to sit in as Chairperson of Committee, managed is currently awaiting secondee from Provincial Treasury to replace the previous Risk Committee Chairperson.

## APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into during 2018/19)					
					R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Goldfields Rail CC	Maintenance of Private Railway Sidings for a Period of Three Years.	06-Jul-18	05-Jul-21	Mr. Micha Geringer	R 1 440
Aquatico Scientific (Pty) Ltd	Water & Waste Water Quality Management and Management of Blue and Green Drop System for a Period of Three Years.	27-Jul-18	26-Jul-21	Mr. Benjamin Xaba	R 3 409
Gerox Trading cc	Supply, Delivery, Installation, Deployment & Printing Services (Including Print Management Software) for a Period of Three (3) Years.	27-Jul-18	26-Jul-21	Mr. Karabo Moroke	R 89
Lele & Tshidi Construction and Pla	Construction of 0.96KM Paved Road and Storm Water Channel to Brentpark Stadium.	15-Aug-18	12-Apr-19	Mr. Micha Geringer	R 7 922
Setshabelo Trading 647 (PTY) Ltd	Construction of 0,62KM Brick Paved Road With V-Channels Storm Water Drainage at Matlwangtlwang.	15-Aug-18	12-Apr-19	Mr. Micha Geringer	R 4 888
Mofomo Construction CC	Construction of 0,75KM Paved Road With Storm Water Drainage at Ntanga Street.	23-Aug-18	20-Apr-19	Ms. Petro Botha	R 4 745
Auquaproof Projects CC	Request for Proposal and Repair/ Sealing of Maokeng Reservoir	01-Apr-19	01-Jul-19	Mr. Benjamin Xaba	R 2 806
Comoline (Pty) Ltd	Supply and Delivery of Dry Sanitation units at Matlwang-tlwang, Steynsrus for a period of three (3) years as and when required.	09-Apr-19	08-Apr-22	Mr. Onalenna Garegae	R 7 833
1. Why We Wait Trading 2. Berakhan Trading 3. Sebatsi (Pty) Ltd	Re-Advertisement: Appointment of three (3) Service Providers for Construction of 600 Dry Sanitation Toilets at Matlwangtlwang, Steynsrus for a Period of Three (3) Years as and when required.	05-Jun-19	04-Jun-22	Mr. Onalenna Garegae	R 592
Linomtha Planthire and Road Cons	Construction of sewer reticulation and connection of 20 ervers in Tuinhof, Kroonstad	21-Jun-19	20-Sep-19	Mr. Benjamin Xaba	R 2 355
Mofomo Construction CC	Construction of water reticulation and connection of 20 ervers in Tuinhof, Kroonstad	21-Jun-19	20-Aug-19	Mr. Benjamin Xaba	R 794
Distictive Choice 712 CC	Nyakallong: Upgrading of Community and Sport Facility	26-Jun-19	29-Dec-19	Ms. Helena De Bruin	R 2 553
FMP Contractors	Maokeng: Upgrading of paved road (0.56km) with Stormwater Channels (KHATLISO MOEKETSI)	26-Jun-19	29-Dec-19	Mr. Onalenna Garegae	R 558
					<i>T H.1</i>

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Public Private Partnerships Entered into during 2018/19					R' 000
Name and Description of Project	Name of Partner(s)	Initiation Date	Expiry date	Project manager	Value 2018/19
None entered into.					
					<i>T H.2</i>



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## APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

The municipality does not have a municipal entity.

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## APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of 2018/19 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
<b>(Executive) Mayor</b>		
<b>Member of MayCo / Exco</b>		Nil
<b>Councillors</b>		Nil
<b>Municipal Manager</b>		Nil
<b>Chief Financial Officer</b>		Nil
<b>Deputy MM and (Executive) Directors</b>		Nil
<b>Other S57 Officials</b>		
Director Community and Social Services		Municipal Electoral Officer (IEC)
		T J

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

### APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote							
Vote Description	2016/17 Actual	2017/18 Actual	Current: 2018/19		Actual	2018/19 Variance	
			Original Budget	Adjusted Budget		Original Budget	Adjustments Budget
Councillors - Vote 1	172 084	185 773	126 867	129 447	132 893	105%	103%
Municipal Manager - Vote 2	-	-	-	-	-	0%	0%
Corporate Services - Vote 3	378	1 124	804	1 803	243	30%	14%
Finance Services - Vote 4	78 034	66 321	74 673	71 328	74 291	99.5%	104%
Technical Services - Vote 5	437 054	475 237	586 040	591 407	542 498	92.6%	91.7%
Community Services - Vote 6	32 806	35 489	51 980	49 207	53 055	102%	108%
LED & Planning – Vote 7	11 561	7 139	14 207	14 085	13 571	95.5%	96.4%
<b>Total Revenue by Vote</b>	<b>731 917</b>	<b>771 082</b>	<b>856 570</b>	<b>857 278</b>	<b>816 550</b>	<b>95.33%</b>	<b>95.3%</b>

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## APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source							
Description	R '000						
	2016/17 Actual	2017/18 Actual	Original Budget	2018/19 Adjustments Budget	Actual	2018/19 Original Budget	Variance Adjustments Budget
Property rates	37 521	40 597	70 608	64 340	48 240	68%	75%
Property rates - penalties & collection charges	-	-	-	-	-	0%	0%
Service Charges - electricity revenue	203 070	221 414	303 792	313 640	215 960	71%	66%
Service Charges - water revenue	46 582	45 396	120 885	120 009	38 949	32%	32%
Service Charges - sanitation revenue	13 482	14 641	41 922	41 922	22 791	54%	54%
Service Charges - refuse revenue	9 150	10 848	35 315	31 097	16 294	46%	52%
Service Charges - other	-	-	-	-	-	0%	0%
Rentals of facilities and equipment	-	8 557	9 003	8 989	8 989	99.8%	100%
Interest earned - external investments	1 001	1 350	1 420	1 420	1 420	100%	100%
Interest earned - outstanding debtors	-	18 236	19 764	21 677	21 677	110%	100%
Dividends received	-	-	-	-	-	0%	0%
Fines	792	5 625	5 976	5 976	5 976	100%	100%
Licenses and permits	-	-	-	-	-	0%	0%
Agency services	-	-	-	-	-	0%	0%
Transfers recognized - operational	163 750	166 741	188 893	189 902	187 902	99.5%	99%
Other revenue	13 980	10 998	10 222	10 727	30 144	295%	281%
Gains on disposal of PPE	-	-	-	-	-	0%	0%
Environmental Protection	-	-	-	-	-	0%	0%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>489 328</b>	<b>544 403</b>	<b>807 800</b>	<b>809 699</b>	<b>560 280</b>	<b>69%</b>	<b>69%</b>

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## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Neighbourhood Development Partnership Grant	-		-	-	-	
Public Transport Infrastructure and Systems Grant	-		-	-	-	
<i>Other Specify:</i>	-		-	-	-	
<b>Total</b>	<b>R13 758</b>	<b>R14 758</b>	<b>R14 215</b>	<b>103%</b>	<b>96%</b>	
						TL

### COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

The municipality did not receive any additional conditional grants in this regard.

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## APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

### APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Program*							
Description	2017/18		2018/19		Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure – Total</b>	15 516	26 702	21 724	25 274	-	-	-
<b>Infrastructure: Road transport - Total</b>	-	-	-	-	-	-	-
Roads, Pavements & Bridges							
Storm water							
<b>Infrastructure: Electricity – Total</b>	6 484	5 591	3 293	1 799	-	-	-
Generation							
Transmission & Reticulation							
Street Lighting	6 484	5 591	3 293	1 799			
<b>Infrastructure: Water - Total</b>	30	2 600	5 610	13 406	-	-	-
Dams & Reservoirs							
Water purification							
Reticulation	30	2 600	5 610	13 406			
<b>Infrastructure: Sanitation - Total</b>	7 162	12 327	12 327	8 815	-	-	-
Reticulation	7 162	12 327	12 327	8 815		-	-
Sewerage purification							
<b>Infrastructure: Other – Total</b>	1 840	6 184	494	1 254	-	-	-
Waste Management	1 840	6 184	494	1 254			
Other							
<b>Community – Total</b>	-	-	-	-	-	-	-
Parks & gardens					-	-	-
Sports fields & stadia	-	-	-	-	-	-	-
Swimming pools							
Community halls							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other	-	-	-	-	-	-	-

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Capital Expenditure - New Assets Program R '000							
Description	2017/18 Actual	2018/19 Original Budget	2018/19 Adjustment Budget	Actual Expenditure	Planned Capital expenditure		
					FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>							
<b>Heritage assets - Total</b>	-	-	-	-	-	-	-
Buildings							
Other							
<b>Investment properties - Total</b>	-	-	-	-	-	-	-
Housing development							
Other							
<b>Other assets</b>	5 187	10 575	10 575	7 472	-	-	-
General vehicles	867	-	-	661	-	-	-
Specialised vehicles	2 156	2 156	2 156	2 156	-	-	-
Plant & equipment	664	1 055	1 055	917	-	-	-
Computers - hardware/equipment	1 107	2 584	2 584	3 526	-	-	-
Furniture and other office equipment	393	4 257	4 257	104	-	-	-
Abattoirs							
Markets							
Civic Land and Buildings	336	523	523	108	-	-	-
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other	-	-	-	-	-	-	-
<b>Agricultural assets</b>	-	-	-	-	-	-	-
List sub-class							
<b>Biological assets</b>	-	-	-	-	-	-	-
List sub-class							
<b>Intangibles</b>	-	-	-	-	-	-	-
Computers - software & programming							
Other (list sub-class)							
<b>Total Capital Expenditure on new assets</b>	20 703	37 277	32 299	32 746	-	-	-
<b>Specialised vehicles</b>	-	-	-	-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							

# Appendices

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

Capital Expenditure - Upgrade/Renewal Program					R '000		
Description	2017/18		2018/19		Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b><u>Capital expenditure by Asset Class</u></b>							
<b><u>Investment properties</u></b>	-	-	-	-	-	-	-
Housing development							
Other							
<b><u>Other assets</u></b>	-	-	-	-	-	-	-
General vehicles							
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
<b><u>Agricultural assets</u></b>	-	-	-	-	-	-	-
List sub-class							
<b><u>Biological assets</u></b>	-	-	-	-	-	-	-
List sub-class							
<b><u>Intangibles</u></b>	-	-	-	-	-	-	-
Computers - software & programming							
Other (list sub-class)							
<b>Total Capital Expenditure on renewal of existing assets</b>	15 149	41 911	60 201	49 715	-	-	-
<b><u>Specialised vehicles</u></b>	-	-	-	-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							



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## APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2018/19

Capital Programme by Project: 2018/19					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Water	2 378		2 378	0%	0%
				0%	0%
Sanitation/Sewerage	10 138		10 138		
Electricity	3 572		3 572	0%	0%
Roads	22 139		22 139	0%	0%
Cemeteries	-		-	-	-
Refuse Removal	1 441		1 441	0%	0%
Sports, Arts & Culture	1 949		1 949	0%	0%
Safety and Security	-		-	-	-
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## APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2018/19

Capital Programme by Project by Ward: 2018/19			R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)	
Moqhaka: Installation of sewer for 4000 new erven in Rammulotsi (Northleigh)	21	Yes	
Moqhaka: Matlwangtlwang: Upgrading of Internal road and providing of stormwater system	1	Yes	
Rammulotsi: Development and fencing of new landfill site - phase 2 (MIS:215370)	21	Ongoing	
Maokeng/Nyakallong: Upgrading of Community and Sports Facility (MIS:249771)	18	Ongoing	
Maokeng: Installation of Water Meters	8	Yes	
Brentpark: Construction of 0.96km paved road and storm water channel to Brentpark Stadium (MIS:269933)	13	Yes	
Maokeng: Installation of 5 High Mast Lights (MIS:269906)	3,4,5,6	Yes	
Rammulotsi: Installation of 2 high mast lights (MIS:269892)	21-22	Yes	
Gelukwaarts: Construction of 0,395km tarred road and stormwater crossing (MIS:270279)	8,10,12-14	Yes	
Matlwangtlwang: Construction of 0.62km brick Paved road with V-Channels storm water drainage (1800-1722)(MIS:270047)	2	Yes	
Seisoville: Construction of 0.750km paved road and storm water drainage at Ntanga street (MIS:272675)	15	Yes	
Maokeng (Koekoe Village): Upgrading of 0.93km Storm Water System and Channeling of Vlei Areas – Phase 2 (MIS:293760)	5	Ongoing	
Maokeng: Upgrading of paved road 28331 – 28348 (0.56km) with storm water channels (MIS:290782)	10	Ongoing	
Upgrading of the Viljoenskroon WWTW	22	Ongoing	
Dry Sanitation	1	Ongoing	
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## APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools (NAMES, LOCATIONS)				
None that the municipality is aware of.				
Clinics (NAMES, LOCATIONS)				
None that the municipality is aware of.				

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## APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	Scale of backlogs	Impact of backlogs
Clinics:	None that the municipality is aware of.	
Housing:		
Licensing and Testing Centre:		
Reservoirs		
Schools (Primary and High):		
Sports Fields:		

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

Declaration of Loans and Grants made by the municipality: 2018/19				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2018/19 R' 000	Total Amount committed over previous and future years
No grants or loans were made during the financial year.				
* Loans/Grants - whether in cash or in kind				T R

## **VOLUME II: ANNUAL FINANCIAL STATEMENTS**