



**DRAFT ANNUAL REPORT**

**2020/21**

**MOHOKARE LOCAL MUNICIPALITY FS 163**

**(Before Noting by Municipal Council)**

# TABLE OF CONTENTS

<b>Contents</b>	<b>2</b>
<b>CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY</b>	<b>6</b>
<b>COMPONENT A: MAYOR’S FOREWORD</b>	<b>6</b>
<b>COMPONENT B: EXECUTIVE SUMMARY</b>	<b>9</b>
<b>1.1. MUNICIPAL MANAGER’S OVERVIEW</b>	<b>9</b>
<b>1.2. POPULATION AND ENVIRONMENTAL OVERVIEW</b>	<b>11</b>
<b>1.3. SERVICE DELIVERY OVERVIEW</b>	<b>16</b>
<b>1.4. FINANCIAL HEALTH OVERVIEW</b>	<b>18</b>
<b>1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW</b>	<b>22</b>
<b>1.6 AUDITOR GENERAL REPORT</b>	<b>23</b>
<b>1.7. STATUTORY ANNUAL REPORT PROCESS</b>	<b>23</b>
<b>CHAPTER 2 – GOVERNANCE</b>	
<b>COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE</b>	
<b>2.1 POLITICAL GOVERNANCE</b>	<b>26</b>
<b>2.2 ADMINISTRATIVE GOVERNANCE</b>	<b>34</b>
<b>COMPONENT B: INTERGOVERNMENTAL RELATIONS</b>	
<b>2.3 INTERGOVERNMENTAL RELATIONS</b>	<b>37</b>
<b>COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION</b>	
<b>2.4 PUBLIC MEETINGS</b>	<b>38</b>
<b>2.5 IDP PARTICIPATION AND ALIGNMENT</b>	<b>40</b>
<b>COMPONENT D: CORPORATE GOVERNANCE</b>	
<b>2.6 RISK MANAGEMENT</b>	<b>41</b>
<b>2.7 ANTI-CORRUPTION AND FRAUD</b>	<b>42</b>
<b>2.8 SUPPLY CHAIN MANAGEMENT</b>	<b>43</b>
<b>2.9 BY-LAWS</b>	<b>43</b>
<b>2.10 WEBSITES</b>	<b>44</b>
<b>2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES</b>	<b>45</b>
<b>CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)</b>	
<b>COMPONENT A: BASIC SERVICES</b>	
<b>3.1. WATER PROVISION</b>	<b>46</b>

<b>3.2 WASTE WATER (SANITATION) PROVISION</b>	<b>50</b>
<b>3.3 ELECTRICITY</b>	<b>52</b>
<b>3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)</b>	<b>55</b>
<b>3.5 HOUSING</b>	<b>56</b>
<b>3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT</b>	<b>58</b>
 <b>COMPONENT B: ROAD TRANSPORT</b>	
<b>3.7 ROADS &amp; WASTE WATER (STORMWATER DRAINAGE)</b>	<b>61</b>
<b>3.8 TRANSPORT</b>	<b>63</b>
<b>3.9 WASTE WATER (STORMWATER DRAINAGE)</b>	<b>63</b>
 <b>COMPONENT C: PLANNING AND DEVELOPMENT</b>	
<b>3.10 PLANNING</b>	<b>64</b>
<b>3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)</b>	<b>74</b>
 <b>COMPONENT D: COMMUNITY &amp; SOCIAL SERVICES</b>	
<b>3.12 LIBRARIES, COMMUNITY FACILITIES &amp; OTHER</b>	<b>80</b>
<b>3.13 CEMETERIES</b>	<b>82</b>
<b>3.14 CHILD CARE, AGED CARE, SOCIAL PROGRAMMES</b>	<b>83</b>
 <b>COMPONENT E: ENVIRONMENTAL HEALTH</b>	
<b>3.15 ENVIRONMENTAL HEALTH MANAGEMENT</b>	<b>83</b>
 <b>COMPONENT G: SECURITY AND SAFETY</b>	
<b>3.17 TRAFFIC SAFETY AND SECURITY</b>	<b>84</b>
<b>3.18 FIRE &amp; DISASTER MANAGEMENT</b>	<b>86</b>
<b>3.19 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND OTHER)</b>	<b>87</b>
 <b>COMPONENT H: SPORT AND RECREATION</b>	
<b>3.20 SPORT AND RECREATION</b>	<b>88</b>
 <b>COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES</b>	
<b>3.21 FINANCIAL SERVICES</b>	<b>92</b>
<b>3.22 HUMAN RESOURCES</b>	<b>95</b>
<b>3.23 INFORMATION &amp; COMMUNICATION TECHNOLOGY</b>	<b>97</b>

<b>COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD</b>	<b>100</b>
 <b>CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE</b> <b>(PERFORMANCE REPORT PART II)</b>	
 <b>COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL</b>	
<b>4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES</b>	<b>148</b>
 <b>COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE</b>	
<b>4.2 POLICIES</b>	<b>150</b>
<b>4.3 INJURIES, SICKNESS AND SUSPENSIONS</b>	<b>151</b>
<b>4.4 PERFORMANCE REWARDS</b>	<b>152</b>
 <b>COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE</b>	
<b>4.5 SKILLS DEVELOPMENT AND TRAINING</b>	<b>155</b>
 <b>COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE</b>	
<b>4.6 EMPLOYEE EXPENDITURE</b>	<b>158</b>
 <b>CHAPTER 5 – FINANCIAL PERFORMANCE</b>	
<b>COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE</b>	
<b>5.1 STATEMENTS OF FINANCIAL POSITION</b>	<b>160</b>
<b>5.2 GRANTS</b>	<b>161</b>
<b>5.3 ASSET MANAGEMENT</b>	<b>161</b>
<b>5.4 FINANCIAL RATIOS</b>	<b>163</b>
 <b>COMPONENT B: SPENDING AGAINST CAPITAL BUDGET</b>	
<b>5.5 SOURCE OF FINANCE</b>	<b>164</b>
<b>5.6 CAPITAL SPENDING AGAINST 5 LARGSET PROJECTS</b>	<b>165</b>
 <b>COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENT</b>	
<b>5.7 CASH FLOW</b>	<b>166</b>
<b>5.8 BORROWING AND INVESTMENT</b>	<b>166</b>
<b>5.9 PUBLIC PRIVATE PARTNERSHIP</b>	<b>167</b>
 <b>COMPONENT D: OTHER FINANCIAL MATTERS</b>	
<b>5.10 SUPPLY CHAIN MANAGEMENT</b>	<b>167</b>

<b>CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS</b>	
<b>6.1.1 COMPONENT B: AUDITOR-GENERAL OPINION YEAR 1 (CURRENT YEAR)</b>	<b>168</b>
<b>6.1.2 AUDIT ACTION PLAN</b>	<b>181</b>
<b>APPENDICES</b>	
<b>APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE</b>	<b>182</b>
<b>APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES</b>	<b>183</b>
<b>APPENDIX C – THIRD TIER ADMINISTRATION</b>	<b>184</b>
<b>APPENDIX D – FUNCTIONS OF MUNICIPALITY</b>	<b>185</b>
<b>APPENDIX E – WARD REPORTING</b>	<b>186</b>
<b>APPENDIX F – MOHOKARE POLICIES</b>	<b>187</b>
<b>APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 1</b>	<b>188</b>
<b>APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS</b>	<b>188</b>
<b>APPENDIX I – MUNICIPAL SERVICE PROVIDER PERFORMANCE SCHEDULE</b>	<b>188</b>
<b>APPENDIX J – DISCLOSURES OF FINANCIAL INTEREST</b>	<b>189</b>
<b>APPENDIX K(I) –REVENUE COLLECTION PERFORMANCE BY VOTE</b>	<b>191</b>
<b>APPENDIX K(II) –REVENUE COLLECTION PERFORMANCE BY SOURCE</b>	<b>192</b>
<b>APPENDIX L- CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG</b>	<b>193</b>
<b>APPENDIX O PROJECTS</b>	<b>195</b>
<b>APPENDIX P – SERVICE CONNECTION BACKLOG AT SCHOOLS AND CLINIC</b>	<b>196</b>
<b>APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION</b>	<b>196</b>
<b>APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY</b>	<b>197</b>
<b>VOLUME II: ANNUAL FINANCIAL STATEMENTS</b>	<b>198</b>

## CHAPTER 1



### COMPONENT A: MAYOR'S OVERVIEW

#### MAYOR'S FOREWORD

**Vision:** To be a community-driven municipality that ensures sustainable quality service delivery applying principles of good governance.

**Mission:** A performance-driven municipality that utilises its resources to respond to community needs.

**Slogan:** Re aha Motse

This Annual Report is presented in recognition of our obligation to be an accountable and transparent organization. The report reflects our service delivery developments, achievements and challenges during the stipulated financial year.

This Annual Report serves as a record and accounting mechanism to communities on the municipality's achievements and challenges; as well as remedial and mitigation measures implemented to address the latter. In an expression of commitment to public participation, service delivery and clean accountable government; the council has adopted the IDP & Budget documents on the 29 May 2020. In order to view such

documents, and other important information about the municipality we therefore urge the residents to visit our official municipal website [[www.mohokare.gov.za](http://www.mohokare.gov.za)] and our Facebook page [Mohokare Local Municipality]. In accordance with the provisions of the laws that govern the affairs of the municipality we have embarked upon a process of consultation with the local community with a view to present the IDP and Budget for the 2020/21 Financial Year. Chapter 4 of the Municipal Systems Act 32 of 2000 makes community participation in the affairs, programmes and activities of the municipality a legal obligation. This IDP is therefore the culmination of a lengthy process of consultation with the local community. Accordingly, this IDP carries the aspirations of the masses of our community which the 2020/21 Budget must seek to finance. Therefore, this IDP must be seen as a beacon of hope that will continue to guide us over the next financial year in our collective endeavours of building a better life for all our communities. Reflection of free basic services and encouraging deserving households to register as indigent, should be imperative in the development and agenda of the municipality.

We remain committed to the realization of the 5 National Key Performance

Areas of municipalities, being the following:

Good Governance and Public Participation

Municipal Transformation and Organisational Development

Basic Infrastructure and Service Delivery

Local Economic Development

Municipal Financial Viability and Management

We are going to embark on a number of measures to address the unemployment challenge by implementing Local Economic Development programs. Youth unemployment is a pressing challenge; it is therefore a matter of great urgency that we draw young people in for great numbers into productive economic activity. Young local people will be moved to the centre of our economic agenda; it is within this spirit/background that the municipality through the Office of the Mayor will be partnering with other relevant stakeholders to realise the vision of the municipality to be a Wi-Fi free zone, in order for the youth to be a component of the Fourth Industrial Revolution (4IR).

Agriculture presents one of the greatest opportunities to significantly grow the local economy and job creation. In realizing this dream, the DRDLR has been allocated site

to establish a farmer's support unit in Zastron. Tourism is another sector which provides our municipality with incredible opportunities. Given the municipality's financial challenges, the institution is unable to budget for tourism related projects but in one of its sittings council resolved to embark on a Private-Public partnership to resuscitate and enhance the local tourism industry. The LED unit has started a project of compiling a local tourism brochure which will showcase our tourism destinations. The brochure will be used as a marketing tool to sell Mohokare to the outside world.

Our support to the local SMME's:

- Provide land to local SMMEs
- Lease of municipal buildings and coordinating funding from sector departments, private sector and donors.
- Encourage transition from informal to formal business.

Our course to job creation:

- Prioritize local suppliers when procuring for municipality
- Successfully engaged with contractors to sub-contract 30% of the work to local contractors.

Our IDP and 2020/21 Budget will go a long way in improving the quality of life of our community by broadening accessibility and alleviating poverty.

Regards

**Clr Irene Mehlomakulu**

---

**I.N MEHLOMAKULU  
MAYOR**





## **COMPONENT B: EXECUTIVE SUMMARY**

### **1.1 MUNICIPAL MANAGER'S OVERVIEW**

As the Accounting Officer of the Mohokare Local Municipality, I confirm that the 2020/2021 Annual Report has been compiled in line with the Local Government Municipal Systems Act 32 of 2000, the Local Government Municipal Finance Management Act 56 of 2003 and the National Treasury Circular no 11.

In the 2020/2021 Annual Report specific interventions had to be put in place to address the wide range of challenges which faced the municipality. These economic challenges for the municipality meant caution in expenditure, downward budget adjustment and subsequent deferred expenditure on some projects.

This annual report will primarily focus on the achievements and constraints experienced with the implementation of corrective measures during the financial year under review.

Finally, I would like to thank the Mayor, Council, Management team and the entire municipal staff for their valued contributions and unreserved efforts which has made us succeed as a Municipality. I can therefore say Mohokare Local Municipality will be a champion of sustainable growth with the aim of building better communities.

Furthermore, this Annual Report serves as a record of and accounting mechanism to communities on the institution's achievements and challenges, as well as the mitigation and remedial measures implemented to address the latter. While it reflects that progress has been made in service delivery, there are undeniably challenges.

As Accounting Officer of the institution, I would like to extend my heartfelt appreciation to the political leadership and staff of the Mohokare Local Municipality for their hard work and dedication, which culminated in the progress made by the institution during the 2020/22 financial year.

**Kind  
regards**

---

**S.M SELEPE  
MUNICIPAL MANAGER**

## **PREFACE**

The financial years contained in this report are explained as follows:

- Year -1: The previous financial year;
- Year 0: The current financial year;
- Year 1: The following financial year.

We wish to thank all relevant municipal employees for their inputs and support throughout the development of this document.

## **1.2 POPULATION AND ENVIRONMENTAL OVERVIEW**

Mohokare Local Municipality is situated in the Xhariep District (Free State Province) it measures 8 776 km and comprises of three main towns i.e. Zastron, Rouxville and Smithfield and surrounding farm areas.

### **Zastron**

It is the main administration town for the Mohokare Local Municipality. The town, located at the foot of the Aasvoelberg with the famous Eye of Zastron, a nine-meter-wide hole through a sandstone rock. Very nice examples of bushman art can be found on the various farms in the area. Zastron is very close to Lesotho and a great place to start exploring.

### **Rouxville**

It is in the middle of a number of other interesting places such as Smithfield, Aliwal North, Xhariep and Zastron and with the impressive Maluti Mountains in the back drop it is perfect for enjoying the views. Situated on the N6 Rouxville was founded by Petrus Wepenaar, in 1863 on the farm Zuurbult.

### **Smithfield**

It's a small town in the Free State Province of South Africa. It was founded in 1848 after Sir Harry Smith, the Cape Colony governor. Smithfield is the third oldest town in the Free State Province.

Mohokare's population growth rate according to Statistics South Africa, is 1.06%, this is indicative of the fact that during the Census survey conducted in 2011, the total estimated population was + 34146, which has now increased to +35 840 according to 2016 Community Survey.

**Demographics as per STATS SA 2016**

Geography	Total population	G		A				% of Youth	Dependency Ratio [Per 100 (15 - 64 Years)]	Sex Ratio (Males per 100 Females)
		Male	Female	0-14 Years (Children)	15-34 Years (Youth)	35-64 Years (Adults)	65 + Years (Elderly)			
<b>Free State</b>	<b>2834714</b>	<b>1379965</b>	<b>1454749</b>	<b>797265</b>	<b>1058948</b>	<b>732863</b>	<b>245638</b>	<b>37.4</b>	<b>58.2</b>	<b>94.9</b>
Xhariep	125884	62474	63409	33355	48209	32128	12191	38.3	56.7	98.5
Letsemeng	40044	21140	18904	9955	15794	10656	3639	39.4	51.4	111.8
Kopanong	49999	24812	25188	13007	18802	13227	4964	37.6	56.1	98.5
Mohokare	35840	16523	19317	10393	13613	8245	3589	38.0	64.0	85.5

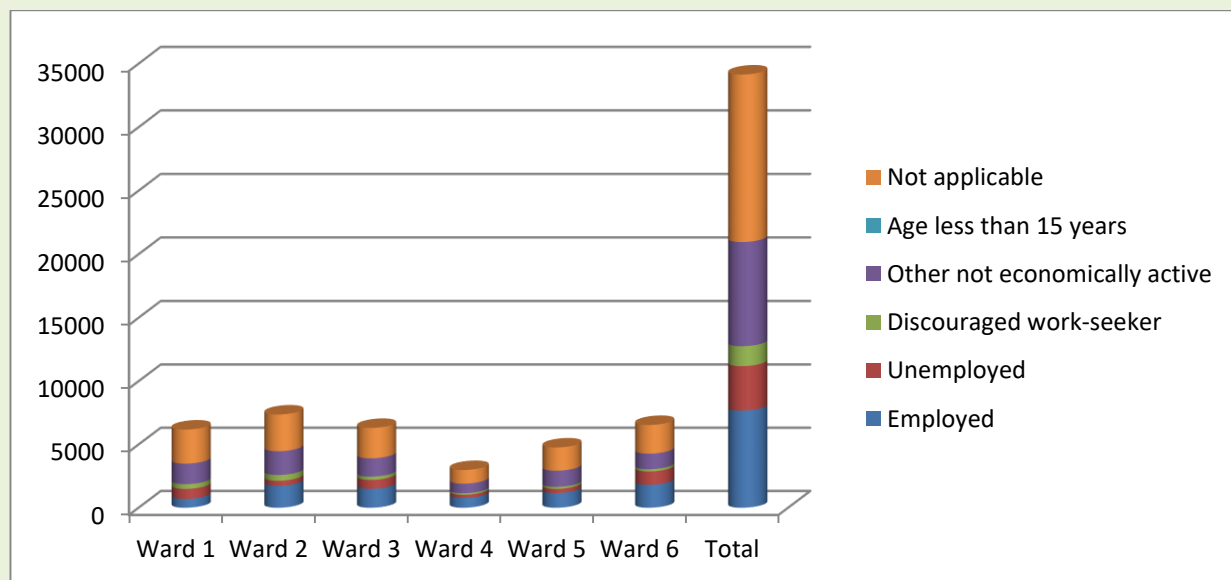
**Households Dynamics as per STATS SA 2016**

Geography	Total households	Average household size	Child-headed households (10 - 17 Years)	Female headed households %	Formal dwellings %	Housing owned/paying off %
<b>Free State</b>	<b>946638</b>	<b>3.0</b>	<b>0.6</b>	<b>41.7</b>	<b>83.6</b>	<b>70.2</b>
Xhariep	44767	2.8	0.8	37.6	89.2	62.8
Letsemeng	13969	2.9	0.5	31.5	85.1	73.0
Kopanong	18412	2.7	0.6	37.4	89.3	60.0
Mohokare	12387	2.9	1.3	44.8	93.6	55.3

**Geography by official employment status**

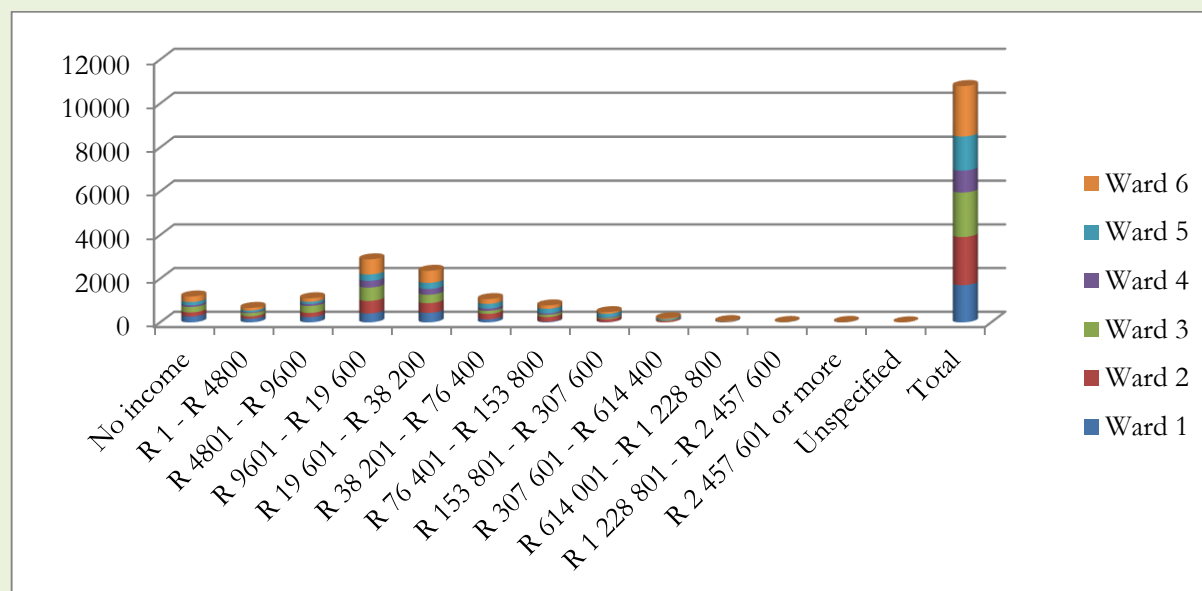
	Employed	Unemployed	Discouraged work-seeker	Other not economically active	Age less than 15 years	Not applicable	Total
Ward 1	696	792	377	1619	-	2696	<b>6181</b>
Ward 2	1732	401	456	1878	-	2903	<b>7370</b>
Ward 3	1496	704	260	1446	-	2402	<b>6307</b>
Ward 4	775	246	130	751	-	1079	<b>2982</b>
Ward 5	1161	324	164	1276	-	1836	<b>4762</b>
Ward 6	1812	1050	184	1229	-	2268	<b>6543</b>
<b>Total</b>	<b>7672</b>	<b>3518</b>	<b>1571</b>	<b>8200</b>	<b>-</b>	<b>13185</b>	<b>34146</b>

**STATS SA 2011**



**Annual household income**

	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Total
No income	272	186	248	78	150	251	1186
R 1 - R 4800	167	112	150	39	74	120	662
R 4801 - R 9600	241	197	314	88	102	161	1101
R 9601 - R 19 600	408	575	608	311	292	693	2888
R 19 601 - R 38 200	434	447	385	262	280	554	2362
R 38 201 - R 76 400	140	250	136	106	213	221	1065
R 76 401 - R 153 800	30	214	103	67	207	154	776
R 153 801 - R 307 600	11	131	52	35	161	78	467
R 307 601 - R 614 400	2	60	26	9	48	43	189
R 614 001 - R 1 228 800	-	22	5	1	16	13	56
R 1 228 801 - R 2 457 600	-	5	5	1	6	2	19
R 2 457 601 or more	-	9	5	2	4	2	22
Unspecified	-	-	-	-	-	-	-
<b>Total</b>	<b>1704</b>	<b>2208</b>	<b>2036</b>	<b>1000</b>	<b>1552</b>	<b>2292</b>	<b>10793</b>

**STATS SA 2011**

**Overview of neighbourhoods within Mohokare Local Municipality as per STATSSA 2011**

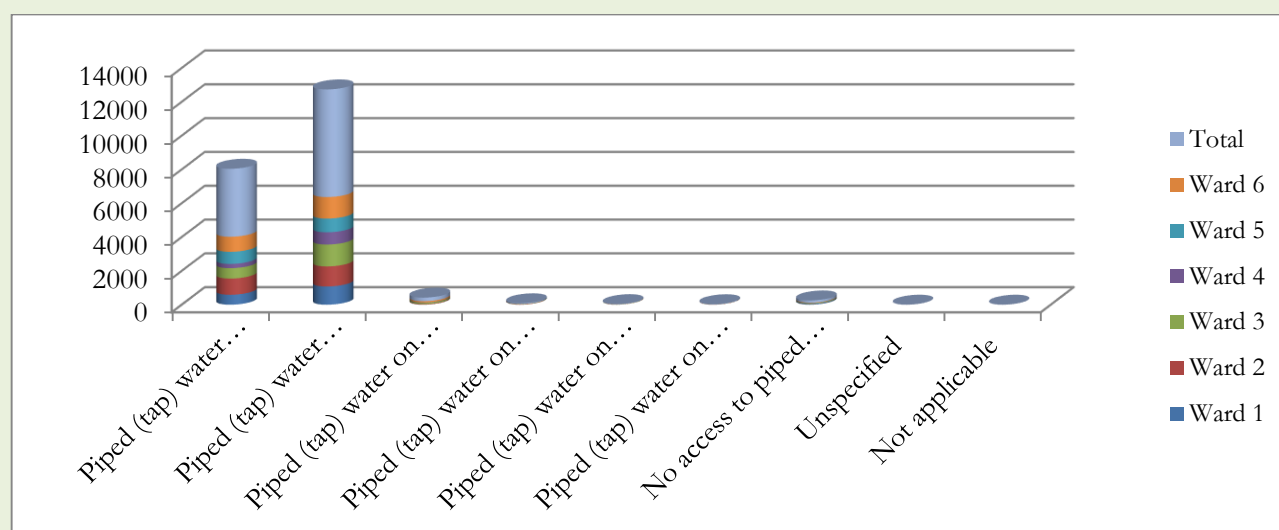
	Census/ Households-Households N	Census/Population – Population N	Census/Population – Population group Black African N	Census/Population – Population group Coloured N	Census/Population – Population group Indian or Asian N	Census/Population – Population group Other N	Census/Population – Population group White N
Ward 1 ZASTRON	1705	6181	6163	7	6	5	1
Ward 2 ROUXVILLE	2208	7370	6353	182	21	31	783
Ward 3 ZASTRON	2036	6307	5963	37	9	4	294
Ward 4 ROUXVILLE	1000	2982	2655	194	5	2	126
Ward 5 ZASTRON	1552	4762	4020	59	41	3	639
Ward 6 SMITHFIELD	2292	6543	5865	290	11	16	361
<b>Total</b>	<b>10793</b>	<b>34145</b>	<b>31019</b>	<b>769</b>	<b>93</b>	<b>61</b>	<b>2204</b>

### 1.3 SERVICE DELIVERY OVERVIEW

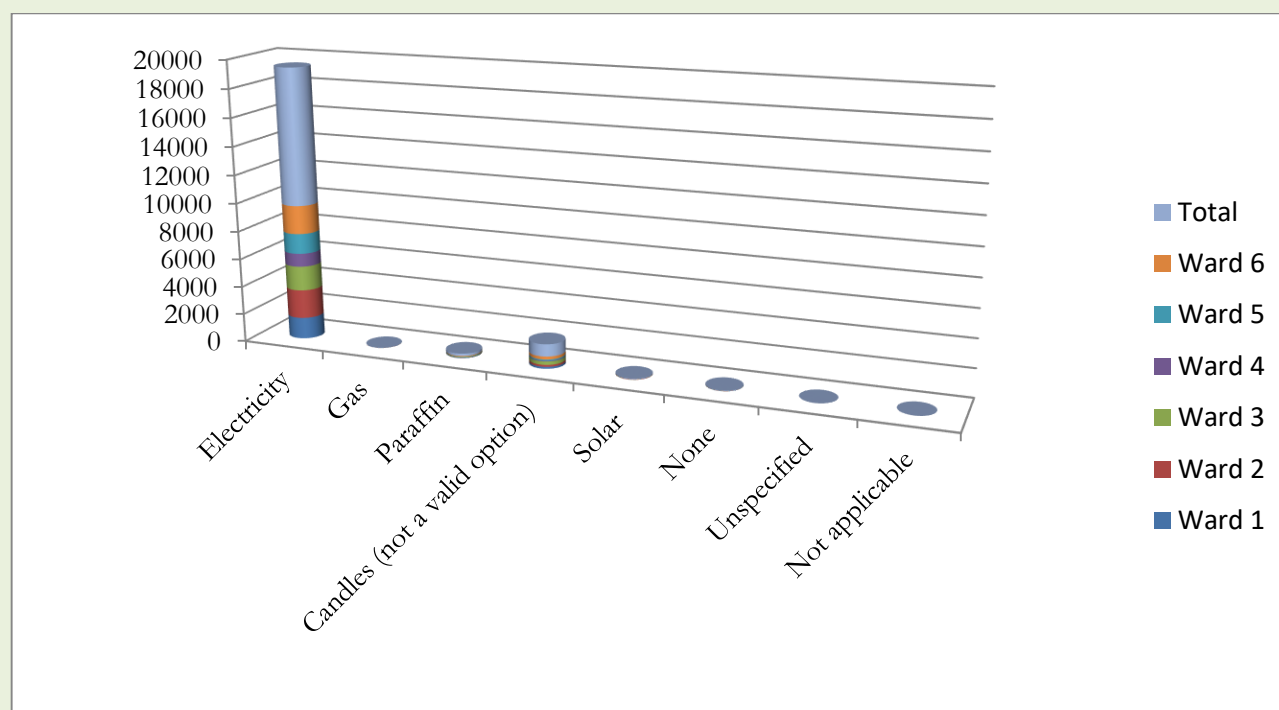
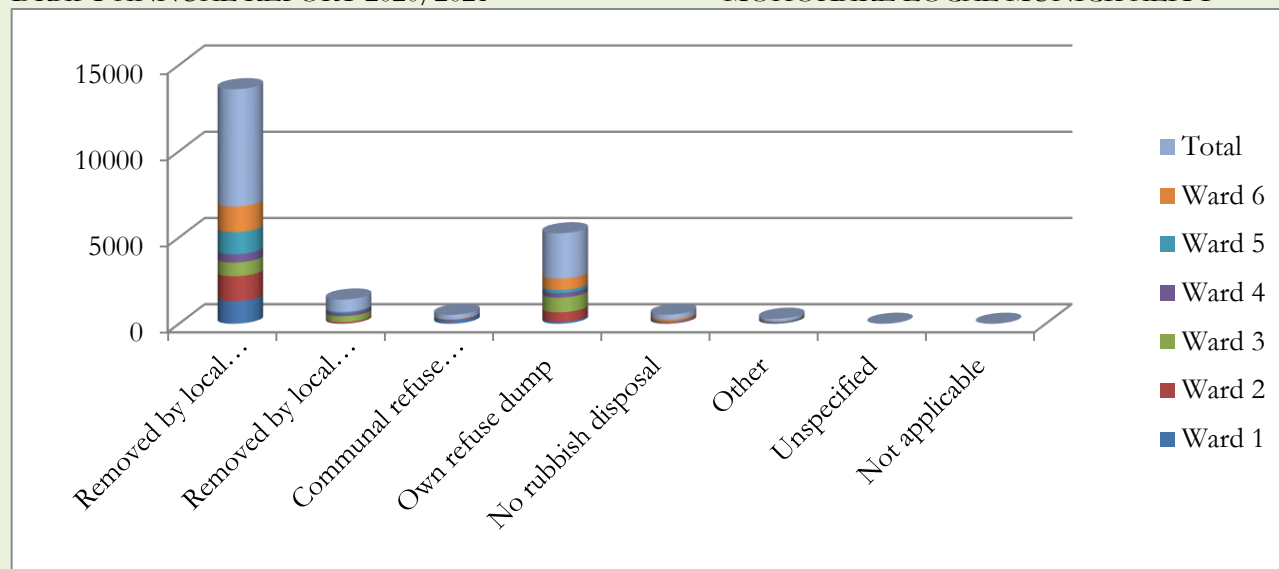
Mohokare Local Municipality provides affordable and acceptable quality of basic services to different categories within its area of jurisdiction. The provision of such services is a directive from different pieces of legislation which delegates powers and function to Local Authority. The following services are rendered to different categories of consumers which include commercial businesses, schools, and hospitals, formal and informal settlements.

Type of services rendered by the Municipality:

- Portable water services
- Sanitation services
- Roads and storm water services
- Refuse removal services
- Electricity services







The Municipality faced with the challenge on old infrastructure that needs to be replaced from asbestos pipes to (Plastic) poly vinyl chloride pipes (PVC pipes). This program of replacing pipes, it will limit the most challenge of pipes burst and which make the water system to recover after pipes are been attended. Although all the households have access to water supply, the raw water supply was a challenge due to the drought.

## **1.4 FINANCIAL HEALTH OVERVIEW**

Mohokare is a highly grant dependent municipality with a high number of indigent households, as a result the municipality cannot generate sufficient income to fund its operations adequately. Endeavors are being made through the assistance of other government departments and government entities to assist the municipality in turning around its financial viability and improving its cash flow management.

In the current year the annual financial statements were prepared in accordance with the Standards of Generally Recognized Accounting Practice (GRAP) issued by the Accounting Standards Board in accordance with section 122 (3) of the Municipal Finance Management Act (Act 56 of 2003).

### **Pricing of Services**

In order to remain financially viable and sustainable, the municipality must generate sufficient resources. As limited scope exists to generate alternative revenue, it is necessary to increase rates and tariffs annually.

The determining of tariffs is the responsibility of Council, as per the provision of the Local Government Municipal Systems Act. Affordability was an important factor when considering the rates and tariff increases. Consideration was also given to the alignment between the resources of the municipality, level of service and customer expectations.

### **Rates**

The rates increased by 5% during the year under audit.

### **Service Charges**

The 5% increase in water tariffs are as a result of (amongst other factors), the water loss intervention programme, the increase in maintenance of ageing infrastructure and the roll out of infrastructure to new areas / developments.

### **Indigents**

The number of indigents is at 1441 for the year under audit and in order to provide free services to residents who cannot afford to pay also contributed to the need to increase tariffs.

The cost of the indigents was funded from the equitable share allocated to Council by National Treasury in terms of the Division of Revenue Act.

### **General**

The following service delivery challenges also influenced the levels of tariffs and service charges for the municipality:

- The developmental challenge to address the service delivery backlogs in all towns of the municipality.
- The declining local economy will be insufficient to absorb the unemployed and this will have a service delivery impact and harm the ability of the municipality to sustain its revenue base to finance extended services.

The other general contributory factors for the increase in levels of rates and service charges were: Salary increase of 6.5% with effect from 1 July 2020

- Provision for the filling of critical vacancies;
- Rollout of infrastructure and the provision of basic services; and
- Increased maintenance of network and structures.

### **Intervention measures planned for 2020/21 government debt**

Over the years Mohokare Local Municipality has developed a good relationship with the Provincial and National Governments. There have been notable successes in recovering outstanding debts; however, there is still a number of unresolved issues. We expect this relationship to yield fruit in the form of increase payment for services rendered.

Secondly, categorization of debtors per:

- Department:
- Business:
- Households:

One of the most pertinent issues is the debt accumulated over a number of years. The total outstanding debt, gross receivables is standing at R478 798 183 (R315 647 011 + R163 151 172); with net receivables being R13 102 665 (R10 107 543 + R2 995 122); with a collection rate of 7%. This significant increase in the debt book as well as the drastic decline in the collection rate was brought on by the Municipality converting to a new financial system and during the period of the transfer of information accounts were not issued to consumers, hence the decline in the collection rate.

The municipality employs the services of its lawyer to assist in the collection of long outstanding debts.

### **Arrest a debt**

The process of conducting road shows per wards to identify all qualifying indigents is being accelerated so that more customers are targeted. The main intention of the Municipality is to contain debt on customers so that it doesn't become too large to manage.

Embark on a process of putting maps of wards on the financial system of the municipality to print monthly accounts per ward; the intention is to involve Ward Councilors in the process of debt coverage by going door to door per ward.

The last resort will be recommendation to council to write-off the account of all affected households or insolvent business.

### **Unemployment and National Credit Act**

The recession had a negative impact on the collection of outstanding debts. Customers could not afford to pay outstanding amounts.

Certain consumers were granted extended terms to pay. These customers could not raise loans to pay outstanding Municipal accounts because of the National Credit Act. The banks requirements

for granting loans became stringent and that had a huge impact in recovering outstanding amounts.

### Asset Register

A GRAP compliant asset register had been compiled and all finished infrastructure assets had been unbundled. The biggest challenge now is the maintenance of these assets and the asset register.

### Institutional Transformation

The municipality had succeeded into reviewing the IDP successful in-house.  
The municipality's budget is compiled per the format as prescribed by the MFMA.

### Key challenges facing the municipality

Mohokare Local Municipality's economy is very weak with only agricultural activities as its main economic activities and experiencing a high unemployment rate. The above factors place a large task on the Municipality to revive its economy in order to create job opportunities. The key challenges for the municipality are:

- To develop a coherent local economic development strategy to create job opportunities.
- To ensure sustainability of the Municipality through sound administration and financial management.
- Deepening participatory democracy and good governance.
- To enhance effective service delivery to the community.

Financial Overview: Year 2020 – 21			
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants - Operational	77,585,000	89,452,000	98 455 975
Grants - Capital	91,773,000	91,553,000	85 859 898
Taxes, Levies and tariffs	125,445,391	125,445,391	113897 013
Other	15,625,000	15,620,000	684018
<b>Sub Total</b>	<b>310,428,391</b>	<b>322,070,391</b>	<b>298 896 904</b>
Less: Employee Costs	83,965,214	83,056,950	83 469 225
Less: Councillors Remuneration	4,616,240	4,616,240	3 990 329
Less: Debt Impairment	25,016,279	35,016,279	73 300 183
Less: Depreciation and Assets Impairment	24,406,830	24,406,830	26 933 846
Less: Finance Charges	8,075,000	8,696,000	13 248 253
Less: Bulk Purchases	28,470,610	28,470,610	30 630 183
Less: Other Expenditure	43,351,782	46,055,578	47 329 395
<b>Sub Total</b>	<b>217,901,955</b>	<b>230,318,487</b>	<b>278 901 414</b>
<b>Surplus/(Deficit)</b>	<b>92,526,436</b>	<b>91,751,904</b>	<b>19 995 490</b>
T 1.4.2			

## Income

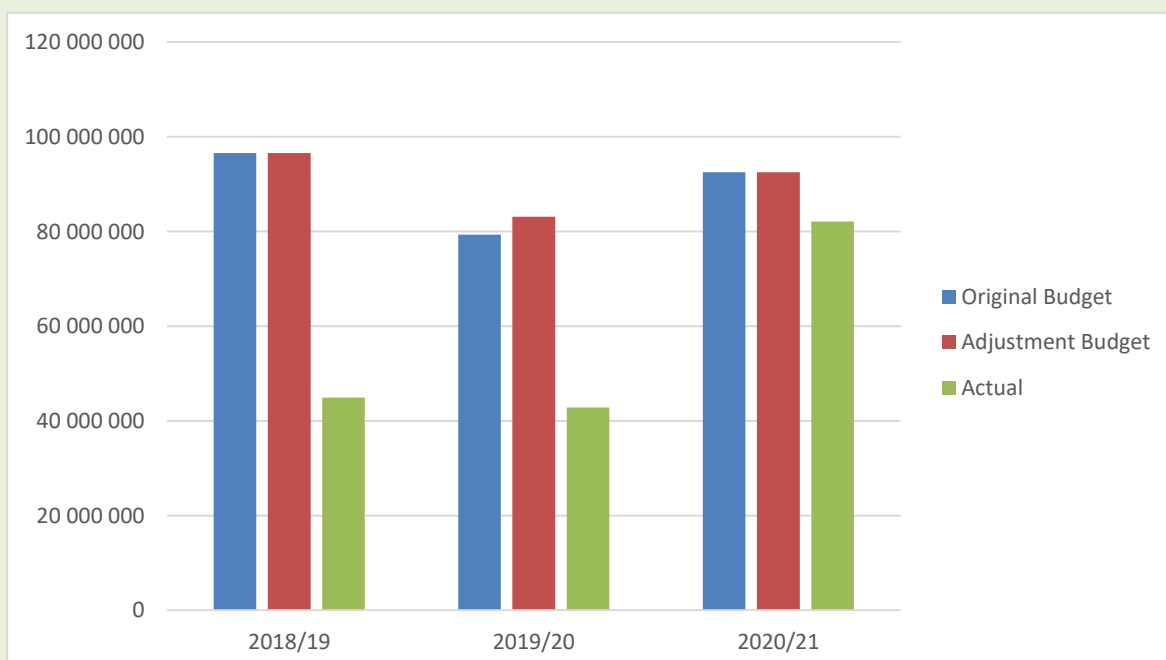
From the above it can be seen that the municipality is grant reliant. R184 315 873 of revenue are from grants received compared to the R114 581 031 (R91 898 680 + R10 468 701 + R12 213 650) derived from own operations.

## Expenditure

The Non-Cash expenditure is not cash-backed. Depreciation, when cash backed, will enable additional expenditure on maintenance and replacement of assets at the end of their useful lives.

Operating Ratios	
Detail	%
Employee Cost	29.9%
Repairs & Maintenance	0.80%
Finance Charges & Impairment	6.4%

Total Capital Expenditure: 2019-20 to 2020-21			
Detail	2018/19	2019/20	2020/21
Original Budget	96 598 600	79 802 450	92 303 000
Adjustment Budget	96 598 600	83 106 727	92 303 000
Actual	44 917 713	42 801 410	82 115 720
T 1.4.4			



## 1.5 ORGANISATIONAL DEVELOPMENT PERFORMANCE

The implementation of PMS is to fulfil the legislative mandate, improve service delivery and provide mechanism to report back to National Government and the public. Performance Management focuses on results than activities. It ensures that there is alignment between the internal processes to the vision and mission of the municipality and encourages the culture of performance and accountability. It assists the municipality to detect early warning signs of under-performance or non-performance, thus allowing relevant interventions for improvement. The PMS Section lies under the Municipal Manager and the reporting line is directly to Council.

**The section is tasked with implementing the PMS Framework and conducting monitoring and evaluation in respect of the 5 National Government KPA's:**

- Basic Service Delivery,
- Local Economic and Development,
- Municipal Transformation and Institutional Development,
- Financial Management and Viability, and
- Good Governance and Public Participation

Mohokare Local Municipality has adopted a scorecard as its performance measuring tool. The municipality did not review the PMS Policy due to the National Lockdown from March to May 2020.

The PMS section addressed all issues in relation to AG's exceptions in order to ensure that there is no repetition of these queries in the new financial year. Support was offered in terms of identifying and training of Departmental PMS Champions with regards to compilation of Portfolio of Evidence Files. However, the section is still experiencing poor cooperation from reporting departments which always result in late submission of reports and noncompliance to treasury timeframes. As a corrective measure, the PMS section will roll-out PMS workshops to strengthen understanding of PMS by all staff levels. A possibility of cascading PMS to all levels will also be looked at so that all staff levels have performance plans which will be monitored by relevant Heads of sections on quarterly basis.

- Filling of Section 54A and 56 Manager Positions;
- Signed performance agreements by Section 54A and 56 Managers;
- Disciplinary processes against Section 54A and 56 Managers;

## 1.6 AUDITOR GENERAL REPORT

Mohokare Local Municipality received a Qualified Audit of opinion for the 2020/2021 financial year for the audit of Annual Financial Statements.

A Disclaimer Audit Opinion was issued on the audit on Predetermined Objectives.

See chapter 6 for the complete report of the Auditor General.

## 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 Council's oversight function, the municipality should submit their Annual Report as soon as possible after the financial year end ideally this ought to be end of August.

The anticipated process for the creation, submission, review and approval for the 2020/2021 Annual Report is set out in the table below:

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	August 2020
2.	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	July 2020
3.	Finalise the 4th quarter Report for previous financial year	July 2020
4.	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	August 2020
5.	Municipal entities submit draft annual reports to MM	N/A
6.	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August 2020
7.	Mayor tables the unaudited Annual Report	N/A
8.	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	August 2020
9.	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	January 2021

NO	ACTIVITY	TIMEFRAME
10.	Auditor General audits, Annual Report including consolidated Annual Financial Statements and Performance data	August 2020
11.	Municipalities receive and start to address the Auditor General's comments	January 2021
12.	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	January 2021
14.	Oversight Committee assesses Annual Report	March 2021
15.	Council adopts Oversight report	March 2021
16.	Oversight report is made public	April 2021
17.	Oversight report is submitted to relevant provincial councils	April 2021
18.	Commencement of draft Budget/ IDP finalisation for next financial year	March 2021
19.	Annual Report and Oversight Reports to be used as input	April 2021

*Note that the annual performance report and the financial statements form part of the Annual Report.*

The Final Annual Report will be submitted to National and Provincial Treasuries', COGTA and Auditor General and to the Chairperson of the Oversight Committee in line with the National Treasury's guidelines.

Measures such as creation and capacitation of the performance management unit in the office of the municipal manager have been put in place to ensure appropriate monitoring and reporting.



## **CHAPTER 2**

### **GOVERNANCE**

#### **COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE**

The primary role of the municipal council is that of political oversight of the municipality's functions and programs. The powers of local government as outlined in the Constitution of the Republic of South Africa chapter 7, section 160(1) are vested in the municipal council, which has legislative authority and executive authority. The Municipal Council is led by the Honourable Mayor while the administration is governed by the Municipal Manager who ensures that the decisions and policies of the Council are implemented.

##### **Corporate management support – Council and committees**

The Standing Rules and Orders of Mohokare Local Municipality govern that the speaker must determine a schedule of the dates, times and venues of ordinary council meetings, and that the council must hold at least one ordinary meeting every three months.

The functions of the Council include:

The development and implementation of by-laws, the Integrated Development Plan (IDP), the budget and it also debates local government issues and can ratify or reject proposals. The council has adopted major by-laws, policies and plans. It has subsequently appointed the committees in terms of the Structures Act dealing with vast responsibilities although not fully functional, as some committees did not sit as per the approved council schedule.

Council meetings are functional with ordinary council meetings sitting once quarterly with special council meetings called by the Mayor as and when the need arises also taking in consideration compliance matters governed by municipal legislation. Senior management implements council resolutions to achieve strategic objectives.

## 2.1 POLITICAL GOVERNANCE

Mohokare Local Municipality was established in terms of the provincial Gazette No. 14 of 28 February 2000 issued in terms of Section 21 of the Local Government Notice and Municipal Demarcation Act No.27 of 1998

Mohokare is made up of three former Transitional Local Councils (TLC's) which are Zastron, Rouxville and Smithfield. The 2008/2009 demarcation processes saw this municipality increase from having only 5 wards to 6 wards and this process brought about a gain of one more seat in the council, meaning that Mohokare LM now has a total number of 11 public representatives constituting the council, however this did not change the type of a council Mohokare was - it remained to be a plenary type of a Council.

Subsequent to the successfully held August 02, 2016 Local Government elections, the Council changed as outlined below:

1. Mayor (ANC PR Councillor)	Cllr. N.I Mehlomakulu
2. Ward 1 Councillor	Cllr. T.S. Khasake
3. Ward 2 Councillor	Cllr. T.D Mochechepa
4. Ward 3 Councillor	Cllr. L. Lekhula
5. Ward 4 Councillor	Cllr. B.M. Valashiya
6. Ward 5 Councillor	Cllr. T.I Phatsoane
7. Ward 6 Councillor	Cllr. M.I Morapela - passed on and was replaced by Cllr N. Jali effectively from 10 December 2020
8. Democratic Alliance PR Councillor	Cllr. I.S. Riddle
9. Democratic Alliance PR Councillor	Cllr. P.P Mpongoshe
10. EFF PR Councillor	Cllr. L.J Liphola
11. EFF PR Councillor	Cllr. B.J Lobi

Councillors are elected by the local registered voters in their respective wards and represent their respective constituents in local council. Mohokare has a total of eleven (11) seats with seven (7) councillors from the ANC, two (2) from the DA and two (2) from the EFF.

Refer to **Appendix A** where a full list of Councillors can be found (including committee allocations and attendance at council meetings)

## Introduction to political governance oversight

Mechanisms used for oversight purposes are the following current committees to which councillors are assigned to serve on. These committees are chaired by a nominated councillor as outlined below:

- **Section 79 portfolio committees**

Five Council Portfolio committees have been established in line with section 79 of municipal structures act, 1998 and their meeting schedule adopted by council. They sit quarterly and the target is for each committee to sit four (4) times a year. Operations of the committees are also governed by the standing rules and orders of council. All the five committees are functional, although some of the committee meetings were postponed or did not sit as per the approved council schedule. The following Councillors serve as chairpersons of the committees:

Initials and surname	Section 79 Committee
Cllr. B.M. Valashiya	Finance
Cllr. L. Lekhula	Planning and Local Economic Development
Cllr. N. Jali	Corporate Services Committee
Cllr. T.I. Phatsoane	Community Services
Cllr. T.S. Khasake	Technical Services

- **Council Oversight committee**

The MFMA governs the establishment of an Oversight Committee for the detailed analysis and review of the annual report and the annual performance report. Following the reports being tabled in Council, receiving and reviewing representations made by the public and inputs from other Councillors and then drafting an oversight report for Council's adoption. The annual report of the financial year 2019/20 was not adopted by Council. The Oversight Committee did not discuss the Draft Annual Report due to the campaigns for Local government elections, the councillors in the committee were unavailable and so the meeting did not sit.

The current oversight committee consists of the following members:

Initials and surname	Capacity
Cllr T.D Mochechepa	ANC Ward 2 Cllr - Chairperson
Cllr T.I Phatsoane	ANC Ward 5 Cllr
Cllr N. Jali	ANC Ward 6 Cllr
Cllr Riddle	DA PR Cllr
Cllr L.J Lipholo	EFF PR Cllr

- **Audit Committee / Performance Audit Committee**

The MFMA and the Municipal Planning and Performance Management Regulations require that the municipal council establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of the municipality. No councillor may be a member of an audit committee. Council shall also appoint a chairperson who is not an employee.

The audit committee of the municipality oversees financial, performance and compliance reporting, disclosures and the accounting of policies within the municipality.

The Regulations give municipalities the option to establish a separate performance audit committee whereas the MFMA provides only for a single audit committee.

According to the regulations, the performance audit committee must review the quarterly reports submitted to the committee by the internal audit unit and the municipality's performance management system and make recommendations in this regard to the council. The audit committee should as per the Audit Committee Charter and MFMA Sec 166(4)(6) meet at least four times or as often as required, during a financial year submit an audit report to the municipal council.

**The Audit Committee / Performance Audit committee comprises of the following members:**

Initials and surname	Capacity	Appointment and termination
Mr. T.V Mdakane	Chairperson	
Mr. .N.S Salimani	Member	
Mr. V.W Vapi	Member	
Mr. T Motshoikha	Member	

However, the Audit Committee of Mohokare Local Municipality was non-functional functional for the 2020/2021 financial year. Consequently, the committee did not approve the internal audit plan and did not oversee the implementation of the matters reported by the internal audit unit.

- **Risk Committee**

The Risk Committee emanates from the risk management unit which has been established in terms of the Public Sector Risk Management Framework of 1 April 2010.

The MFMA governs that a municipality must have effective, efficient and transparent systems of risk management as all activities of an organisation involve risk.

The development of this risk management is a systematic, timely and structured approach to risk management; anti-corruption and fraud prevention.

The following policies/documents guide the risk unit in its operations:

- Risk management strategy and policy; and
- Anti-fraud and corruption policy.

**The Risk Committee comprises of the following members:**

Initials and surname	Capacity
Mr. V.W Vapi	Chairperson
Management (Senior & Middle)	Members
Internal Auditor	Member
Information Technology	Member

The risk committee was not functional during 2020/21 financial year and did not strengthen the governance structure of the municipality.

- **Municipal Public Accounts Committee (MPAC)**

The MPAC will assist council to hold the executive and municipal entities to account, and to ensure the efficient and effective use of municipal resources. By so doing, the MPAC would help to increase council and public awareness of the financial and performance issues of the municipality and its entities.

The MPAC may engage directly with the public and consider public comments when received and will be entitled to request for documents or evidence from the Accounting Officer of a municipality.

MPAC was a shared service with the Xhariep District Municipality until 21<sup>st</sup> November 2019 when Council appointed its own MPAC Committee of which members had to undergo training before any meeting could commence. Meetings will only start in the new financial year.

The current MPAC consists of the following members:

Initials and surname	Capacity
Cllr T.D Mochechepa	ANC Ward 2 Cllr - Chairperson
Cllr T.I Phatsoane	ANC Ward 5 Cllr
Cllr N. Jali	ANC Ward 6 Cllr
Cllr Riddle	DA PR Cllr
Cllr L.J Lipholo	EFF PR Cllr

Although the municipality had a Municipal Public Accounts Committee (MPAC) during the 2020/21 financial year, this committee was not functional as no meetings were held by the committee.

MPAC did not investigate instances of unauthorised, irregular and fruitless and wasteful expenditure incurred in prior years.

- **Agri Forum**

The Agri Forum consists of a group of organised farmers meeting with municipal management on a regular basis. Chaired by the Mayor the forum sits once quarterly and matters of mutual interest are shared between the municipality and the association of the farming component based in Mohokare Local Municipality. The aim of the forum is to enhance good relations between the two groups.

- **Local Labour Forum**

Section 23 of the Constitution of the Republic of South Africa, Act 108 of 1996, lays the basis for good labour relations and collective bargaining. The Labour Relations Act, 66 of 1995 prescribes how this constitutional mandate can be achieved. The primary purpose of the Act was to change the law governing labour relations with specific focus on, amongst other things, promoting and facilitating collective bargaining at the workplace and at sectorial level.

The Workplace Organisational Rights Agreement governs the establishment and operations of the Local Labour Forum. The Local Labour Forum shall have the powers and functions of negotiating and/or consulting on the following matters:

- Matters of mutual concern pertaining to the municipality and which do not form the subject matter of negotiations at the SALGBC
- Matters referred to it by the SALGBC
- Minimum Service Level Agreements

Mohokare Municipality's Local Labour Forum has an approved meeting schedule and it meets monthly but it did not sit in the 2020/2021 financial year.

## **POLITICAL STRUCTURE**

### **MAYOR/SPEAKER**

Cllr. Nokufa Irene Mehlomakulu

### **CHIEF WHIP**

Cllr. B.M. Valashiya

### **HONOURABLE COUNCILLORS**

Cllr. T.D Mochechepa

Cllr. T.S Khasake

Cllr. L. Lekhula

Cllr. T.I Phatsoane

Cllr. M.I Morapela replaced by Cllr N. Jali (10 December 2020)

Cllr. P.P Mpongoshe

Cllr. I.S Riddle

Cllr. L.J Lipholo

Cllr. B.L Lobi





The Council is the policy maker, decision maker and the ultimate accountability for this structure is to the communities that they represent, therefore all business that Council undertakes is in the interest of its constituency which are communities in Mohokare jurisdiction.

The Council implements its objectives by taking resolutions on how to improve people's lives and the implementation of these resolutions is delegated to the Accounting Officer, who is the Municipal Manager.

**The following outstanding council resolutions were recorded as not being concluded on the 30th of June 2021:**

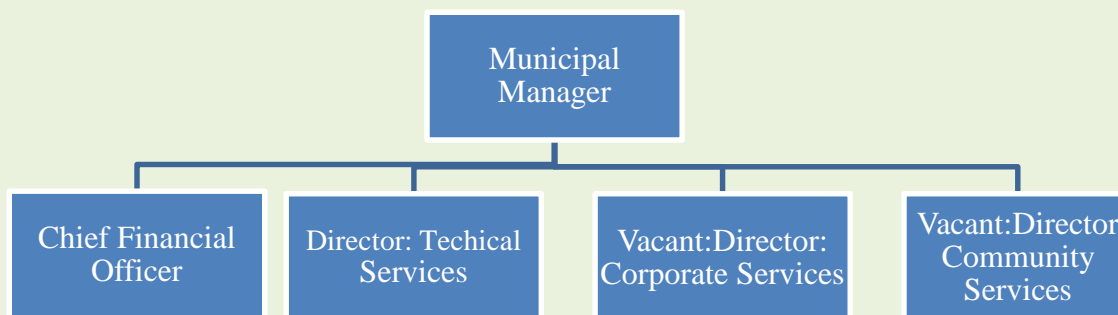
<b>Date of Council meeting</b>	<b>Decision/resolution taken</b>	<b>Responsible directorate</b>	<b>Implemented/ Not</b>	<b>Reasons for deviation</b>	<b>Corrective action taken</b>
ORDINARY COUNCIL MEETING HELD 04 <sup>TH</sup> MARCH 2021	Post of Director Community Services to be advertised	Human Resource / Municipal Manager	Not	No deviation	n/a
ORDINARY COUNCIL MEETING HELD 29 <sup>TH</sup> MARCH 2021	GOVERNMENT OWNED PROPERTIES IN MOHOKARE  Council resolved that the municipality to commence negotiations with National and Provincial Departments to obtain their vacant sites in Mohokare.	Municipal Manager's Office  Town Planner	Implemented In progress	No deviation	Consultations between municipality and Dept of Public Works is ongoing
ORDINARY COUNCIL MEETING HELD ON THE 4TH OF MARCH 2021	REPORT ON MANAGEMENT OF LANDFILL SITE  a) The landfill sites must be fenced and a well-trained permanent employee must be present at all times. b) The municipal TLB must be made available quarterly to remove any unwanted rubbish in the way of vehicles going to the landfill site.	Community Services	Ongoing	Covid-19 lock down	

## 2.2 ADMINISTRATIVE GOVERNANCE

Mohokare Local Municipality strives for improved service delivery and efficiency in customer care relations, in order to do these tasks the Municipality has an organizational structure that talks to the needs of Council and the Powers and Functions of a plenary type Municipality.

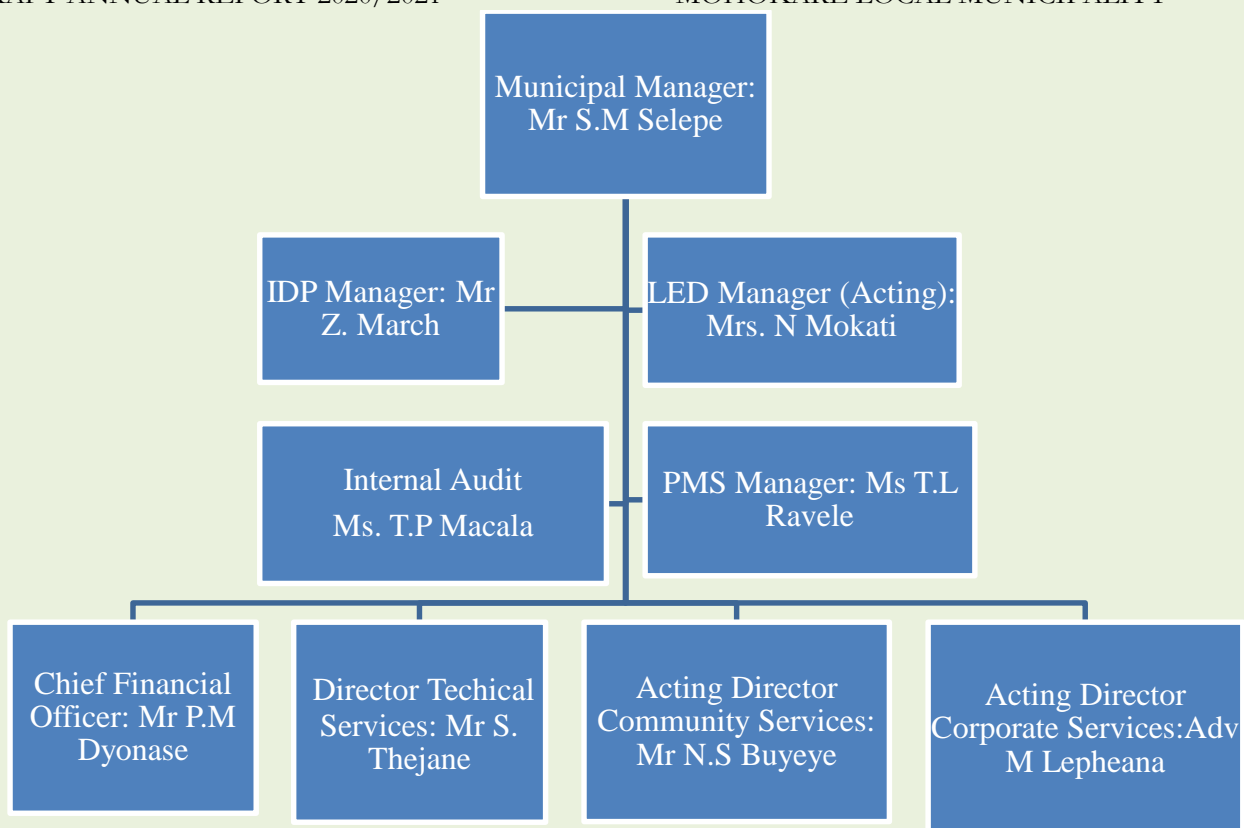
The Municipal Manager as the Accounting Officer has ensured that the organizational structure that will enable the implementation of service delivery tasks is reviewed.

The Municipality is headed by the Municipal Manager and Managers directly accountable to the Municipal Manager, currently the top management structure Mohokare Local Municipality is as shown below;



The new Municipal Manager Mr. S.M Selepe was appointed on the 19th March 2018. The Technical Services Director Mr. S.E Thejane was appointed on the 01st July 2019, and the Chief Financial Officer Mr. P.M Dyonase was appointed on the 01st June 2019. Mr. N.S Buyeye was Acting Corporate Services Director until replaced by secondment from Cogta FS, Adv. Lepheana from 10 March 2020 for a period of 1 year or until the post is filled with Community Services Director post filled by N.S Buyeye on an acting capacity for 3 months. Post of Director Community Services to be advertised.

Municipal Manager	Mr. S.M Selepe
Chief Financial Officer:	Mr. P.M Dyonase
Director: Technical Services:	Mr. S. Thejane
Director: Community Services:	Mr.N.Buyeye (acting)
Acting Director: Corporate Services:	Adv. Lepheana (seconded 10 March 2020)





**Adv. M. Lepheane**  
**Acting Corporate**  
**Services Director**



**N.S. BUYEYE**  
**Acting Community**  
**Services Director**



**M.S. Selepe**  
**Municipal Manager**



**P.M. DYONASE**  
**Chief Financial**  
**Officer**



**S. E. Thejane**  
**Technical Services**  
**Director**

## **COMPONENT B: INTERGOVERNMENTAL RELATIONS**

### **2.3 INTERGOVERNMENTAL RELATIONS**

The Inter-Governmental Relations Framework Act 13 of 2005 seeks to establish a framework for the National, Provincial and Local governments to promote and facilitate intergovernmental Relations to provide for mechanisms and procedures to facilitate the settlement of intergovernmental disputes and to provide for matters connected herewith.

The municipality participates with various departments at national, provincial and district levels in fostering strategic partnerships and to advance its developmental objectives.

### **NATIONAL INTERGOVERNMENTAL STRUCTURES**

#### **Municipal Managers Forum**

The Municipal Manager's Forum established as a platform for Municipal Managers to share knowledge and experiences, it sits regularly as a platform that provides an opportunity for Municipal Managers to contribute to the strengthening of the sector by informing improvements in Local Government performance collaborate in addressing common concerns and technical input to policy and legislative processes. The forum also provided opportunities to collectively engage with key stakeholders in addressing key issues affecting Local Government.

### **PROVINCIAL INTERGOVERNMENTAL STRUCTURE**

The municipality is collaborating with various departments at provincial level.

The municipality participates in the SALGA IGR forum, Municipal Managers Forum, integrated development plan forum, Performance Management Systems Forum, Job Evaluation Forum and is also involved in attending meetings called by Provincial COGTA and the office of the Premier.

The Job Evaluation Forum did not sit in the 2020/2021 financial year.

### **DISTRICT INTERGOVERNMENTAL STRUCTURES**

Informed by guiding legislation and policies related to IGR structures, Xhariep District Municipality established an IGR forum of which Mohokare as a Municipality is a member of this forum. The forum holds meetings quarterly to engage on issues pertaining to service delivery and to also foster strategic partnerships with government departments.

There are two structures of IGR the Political IGR and the Technical IGR; The Political IGR is the structure for Mayors and Councilors and the technical structure for Municipal Managers and Key Managers and Officials.

## **COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION**

### **OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION**

Mohokare Municipality is committed to the development of a culture of municipal governance that complements formal representative government with a system of participatory governance. The Municipality has a legal obligation to establish appropriate mechanisms, processes and procedures to enable the local community to participate in its affairs.

Mohokare Municipality utilizes the community centered participatory approach which enables the involvement of communities in municipal planning which ensures the participation of the community in the development of their area to promote the promotion of public accountability.

Public participation is the main system through which the municipality practices a culture of stakeholder engagements and participation as required by the Constitution of the Republic of South Africa, Act 108 of 1996, and the Local Government: Municipal Systems Act 32 of 2000

#### **2.4. PUBLIC MEETINGS**

Mohokare has a public participation policy adopted by council, in terms of the Municipal Systems Act, Ward Councilors are required to hold at least one public meeting per ward per quarter. Councilors were encouraged to hold public meetings monthly to ensure continuous communication with their constituencies.

Mohokare Municipality engages with the public through the year on IDP/ Budget, by laws and various programmes and projects. The municipality has 6 Wards and 6 ward committees that are functional. The municipality publishes its public meetings utilizing the municipal website, notice boards and loud hailing to inform the community on public meetings to broaden its public participation.

IDP/Budget review meetings were held in all 6 wards from August 2020 till March 2021 with stakeholders and the community to consult and also to assist in prioritizing the community needs for consideration in the planning of the operations of the municipality. The Council of the Municipality adopted the IDP/Budget process plan which guide stakeholders on dates for community and stakeholder consultations on the 17<sup>th</sup> of September 2020. The Council however adopted the draft 2021/2022 IDP/Budget on the 26<sup>th</sup> of March 2021 and the final adoption was on the 29<sup>th</sup> of May 2021.

There is also a stakeholder's forum chaired by the Mayor, constituted by all government departments offering services in the jurisdiction of Mohokare Local Municipality, this stakeholder forum holds monthly regular meetings and are well attended.

**Public Meetings**

<b>Nature and purpose of meeting</b>	<b>Date of events</b>	<b>Number of participating Municipal Councillors</b>	<b>Number of Participating Municipal Administrators</b>	<b>Number of Community members attending</b>	<b>Issue addressed (Yes/No)</b>	<b>Dates and manner of feedback given to community</b>
Mayoral Imbizo	None					
Awareness Programme : Woman and children killings and abuse	-	No public meetings were conducted due to Covid19	No public meetings were conducted due to Covid19	No public meetings were conducted due to Covid19		
IDP/ Budget consultative meetings	-	No public meetings were conducted due to Covid19	No public meetings were conducted due to Covid19	No public meetings were conducted due to Covid19		
Ward Community Meetings	-	No public meetings were conducted due to Covid19	No public meetings were conducted due to Covid19	No public meetings were conducted due to Covid19		monthly-Quarterly

## 2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	YES
Does the IDP have priorities, objectives, KPIs, development strategies?	YES
Does the IDP have multi-year targets?	YES
Are the above aligned and can they calculate into a score?	NO
Does the budget align directly to the KPIs in the strategic plan?	YES
Do the IDP KPIs align 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

## INTEGRATED DEVELOPMENT PLANNING

Integrated Development Planning (IDP) is a process whereby a municipality prepares its strategic development plan for a five-year cycle directly linked to its term of Council. IDP is at the centre of system of developmental local government in South Africa and represents the driving force for making municipalities more strategic, inclusive, and responsive and performance driven in character.

The IDP is the principle strategic instrument which guides and informs all planning, budgeting and development in Mohokare Local Municipality. It seeks to integrate and balance the economy, ecological and social pillars of sustainability without compromising the institutional capacity required to implement and coordinate the efforts needed across sectors and relevant spheres of government.



**COMPONENT D: CORPORATE GOVERNANCE**

On-going local government reforms have provided broad administrative frameworks for further improvements to occur. These include more stringent corporate governance requirements, greater flexibility and a focus on results and accountability.

**2.6 RISK MANAGEMENT**

The aim/objective of risk management is:

To ensure that the Mohokare Local Municipality's culture and processes ...

An effective risk management strategy can improve accountability by;

- ensuring that risks are explicitly stated and understood by all parties;
- that the management of risk is monitored and reported on; and that action is taken based on the results.
- Focus on planning to deal with factors that may impact on the objectives of the municipality and provide an early warning signal.
- Ensure opportunities are not missed and surprises cost don't arise.

For the 2020/21 financial year the municipality had a non-functional risk management committee.

An effective risk management strategy can improve accountability by ensuring that risks are explicitly stated and understood by all parties that the management of risk is monitored and reported on and that action is taken based on the results.

**The table below indicates progress made by departments in addressing the risks:**

<b>Department</b>	<b>No. of Risks</b>	<b>No. of Risks with Progress indicated</b>	<b>No. of Risks with No Progress Indicated</b>	<b>No. of Risks Completed</b>
Corporate Service	16	8	1	1
Technical Services	11	8	2	2
Community Services	10	9	0	0
Finance Services	15	7	0	6
Municipal Manager	12	0	-	-
<b>Total</b>	<b>64</b>	<b>32</b>	<b>3</b>	<b>9</b>

**The identified risks are having internal risk implications of the following categories:**

Knowledge and Information Management – Accuracy, Accessibility, Availability and Relevance of Information.

Human Resources – Recruitment, Skills and Competence.

Financial - Budget allocations, Revenue collection, Wasteful and fruitless expenditure, Cash flow adequacy and management thereof.

Compliance \ Regulatory - Failure to monitor or enforce compliance.

Cultural - Communication channels and the effectiveness.

**2.7 ANTI-CORRUPTION AND FRAUD**

Transparency is the cornerstone of public sector accountability. Fraud prevention is concerned ultimately with the effective utilization of resources and the minimization of waste, abuse, mismanagement, fraud and corruption. Effective accountability mechanisms for the use of public funds act to bolster the fraud prevention environment. Measures to prevent fraud should be continually monitored, reviewed and developed particularly as new systems, benefit programs, contracting or arrangements are introduced or modified.

The following documents were not submitted to Risk Management for approval due to non-sitting of the committee.

Fraud prevention plan in place

Risk Management Strategy

Risk Management Policy

During the month of November as it is known as international fraud month the risk unit posted posters in the notice boards of the municipality. The aim of the post was to create awareness to the employees, community of Mohokare to come and report alleged cases of fraud, either to the municipality or by dialling the national hotline.

## **2.8 SUPPLY CHAIN MANAGEMENT**

The Mohokare Local Municipality SCM Policy is adopted and in line with Section 112 of the MFMA.

The Mohokare Local Municipality SCM Policy is from the Model Policy (Treasury Guideline) which is in line with the SCM Regulations. The Policy was adopted by Council and submitted to Treasury.

Goods or services must be procured by the municipality in accordance with authorized processes only. Threshold values for different procurement processes must be complied with. There are ranges of procurement processes within the SCM Policy of the Municipality which are in line with the Model Policy (Guideline). Performance management is also included in the Mohokare Supply Chain Policy.

## **2.9 BY-LAWS**

Sections 12 and 13 of the Municipal Systems Act, 2000 (as amended) govern the legislative procedures and publication of by-laws by the municipality in order to give effect to the municipality's policies.

No new by-laws were newly adopted during the year under review and no by-laws in existence were revised.

Section 12 (1) of the Establishment Notice of Mohokare Local Municipality (Provincial Notice 181 of 2000) reads as follows:

“By-laws and resolutions (including standing delegations) of a disestablished municipality ... (a)

Continue in force in the area in which they were applicable subject to any amendment or repeal by the competent municipality”.

As a result, there are by-laws of the disestablished municipalities in the Mohokare area of jurisdiction that are still valid in their respective areas until they have been repealed and replaced by Mohokare Local Municipality.

No new by-laws were promulgated during the 2020/2021 financial year.

By-laws Introduced during Year 0					
Newly Developed	Revised	Public Participation Conducted Prior to	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
None	None	None	None	None	None
T 2.9.1					

## 2.10 WEBSITE

Mohokare Local Municipality website can be found at [www.mohokare.gov.za](http://www.mohokare.gov.za).

Documents published on the Municipality`s Website	Yes/ No	Publishing Date
<b>Budget submission</b>  The following items are included for the submission: 1. Cover report (Part 1) 2. Budget narrative (Part 1) 3. A- Schedule (Part 2) 4. Finance related Policies (Part 3) 5. Tariff List (Part 4) 6. MFMA Circulars (Part 4) 7. Quality Certificate (to be signed by MM after the budget was approved) (Part 4)	Yes	2020/05/21
Draft IDP	Yes	2020/05/20
Final IDP	Yes	2020/06/04
SDBIP Mid-year Performance	Yes	2020/10/07
Performance Agreements	Yes	2020/10/07
Draft IDP	Yes	2021/04/07
Final Budget	Yes	2021/07/02

## **MUNICIPAL WEBSITE AND CONTENT**

Section 21B of the Municipal Systems Act, requires all municipalities to establish their own official website. The website enables municipalities to deliver information to the public. This is essential for improving service delivery.

The municipal website is an integral part of the communication platform of the municipality that serves as a tool for communication participation, information dissemination, allows for access to significant information, stakeholder involvement and disclosure in line with the pieces of legislation including: Local Government Municipal Systems Act No 32 of 2000, Local Government Municipal Finance Management Act No 56 of 2003 and Municipal Property Rates Act No 6 of 2004.

Mohokare Local Municipality has established its own website that is managed and hosted internally. The website contains a newly developed structure; it is accessible and easy to use. It is regularly uploaded with key documentation and information as set out in the Local Government: Municipal Finance Management Act section 75 or any other applicable legislation. Currently, the website has a function of measuring the number of times the public visits the website, and at this time the website measured 64 639 visits. This is since its inception in 2014.

### **2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES**

The municipality did not undertake community satisfaction surveys during the 2020/2021 financial year. The previous survey conducted did not realise a satisfactory sample of respondents, therefore the data is inadequate to analyse service feedback.

The services used in the survey index were based on service delivery such as water, sanitation, electricity, municipal billing and roads.

## CHAPTER 3

Mohokare Local Municipality remains committed to service delivery within its jurisdiction.

The following are the services provided by the municipality throughout the 2020/21 financial year:

1. Water - Mohokare LM is a Water Services Authority (WSA) and a Water Services Provider (WSP), thus not making use of any Water Board (WB) for the provision of water supply in all towns.
2. Sanitation – Mohokare LM is Sanitation Services Authority and Sanitation Services Provider. Basic Sanitation” means the prescribed minimum standard of services necessary for the safe, hygienic and adequate collection, removal, disposal or purification of human excreta, domestic waste-water and sewage from households, including informal households stated by the Water Services Act 108 of 1997
3. Roads and Storm water is responsible for planning, providing and maintaining the roads and storm water infrastructure of Mohokare LM to facilitate economic growth and social development, promote traffic safety, improve traffic flow, and alleviate traffic congestion.
4. Electricity - The municipality is an Electricity Services Authority however, Centlec (Mangaung Electricity Entity) is providing these services.
5. Implementation of Projects - The municipality is an Implementing Agent (IA) for the following grants that seek to improve the living standards of the community:
  - a. Municipal Infrastructure Grant (MIG)
  - b. Water Services Infrastructure Grant (WSIG)
  - c. Regional Bulk Infrastructure Grant (RBIG)
  - d. Integrated National Electrification Programme (INEP)

## COMPONENT A: BASIC SERVICES

### 3.1 WATER PROVISION

#### INTRODUCTION TO WATER PROVISION

The municipality was not declared a disaster area in terms of draughts during the past financial years due to a challenge experience of burst asbestos pipes lines that supply household. This challenge is common to all three towns of Mohokare LM.

The municipality was able to complete the upgrading of x2 raw water pump stations in Zastron during the 2018/19 financial year. This achievement marked the completion of phase 2 of the Zastron Bulk Water Scheme.

The municipality implemented the 3rd and final phase of the Scheme which comprised of the Upgrading of the Zastron Water Treatment Works (WTW) which was completed during the 2020/21 financial year. The completion of this scheme will enable the municipality to meet its current and future water supply demands.

The town of Rouxville has been facing similar challenges as far as bulk water is concerned. The municipality aimed at prioritising running projects prior to the commencements of any new projects. A new contractor, Group YWO (Pty) Ltd, was appointed in August 2018 for the completion of the

27km raw water pipeline from the Orange River to Paisley dam after the project had been placed on hold for more than a year. Work is progressing on site (76 % to date) and we anticipate completing the project in the 2021/22 financial year. In addition to this project, the municipality continued with the implementation of the Upgrading of the Rouxville Water Treatment Works (WTW) which is a multiyear project.

The 2019/20 financial year also saw the municipality appointing a contractor for the Construction of an abstraction works on the Orange River and equipping of the x2 raw water pump stations. To date ESKOM has been able to provide the electricity connections for the x1 abstraction works and the x2 raw water pump stations. The status of the project is at (65 %)

Rouxville and Zastron were the only projects of bulk water infrastructure that were implemented. The municipality appointed a consultant in October 2019 for the designs of the Smithfield Scheme. To date the designs are complete and the municipality is awaiting funding confirmation in order to appoint a contractor for work to commence on site. Although no contractor has been appointed, the municipality is currently busy with the Water Use License Application (WULA) and Environmental Impact Assessments (EIA)

The municipality only caters for water services to domestic and commercial users. The municipality does not have agriculture, forestry and industrial sectors.

The municipality towns can be classified as very rural and therefore do not have industries and agricultural sectors within the municipal water supply network. Most of the water supplied goes to residential areas ( $\pm$  60 percent) with a small percentage ( $\pm$  12 percent) to schools and health facilities like hospitals and clinics. About 15 percent of the purified water remains unaccounted for due to losses experienced at the water treatment plant, within the network as well as unmetered supplies.

	Agriculture	Forestry	Industrial	Domestic	Unaccountable water
Year -1	0	0	0	1701826	161550.60
Year 0	0	0	0	2148547,84	173058,96
<b>Total Use of Water by Sector (cubic meters)</b>					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water
Year -1	0	0	0	1 979300	113794
Year 0	0	0	0	1 701826	161 550.60

	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
Year -1	0	0	0	2 148 547,84	1 730 58,96
Year - 0	0	0	0	2 467 830	395 642

Water Service Delivery Levels Households				
Description	Year -3	Year -2	Year -1	Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
<b>Water: (above min level)</b>				1734
Piped water inside dwelling				4020
Piped water inside yard (but not in dwelling)				6773
Using public tap (within 200m from dwelling )				
Other water supply (within 200m)				1734
<i>Minimum Service Level and Above sub-total</i>				
<i>Minimum Service Level and Above Percentage</i>				1734
<b>Water: (below min level)</b>				
Using public tap (more than 200m from dwelling)				
Other water supply (more than 200m from dwelling)				

Financial Performance 2020-21: Water Services					
Details	2019-20	2020-21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	72 122	100 353	100 353	72 122	-28%
Expenditure:					
Employees	15 809	10 729	11 291	17 078	51%
Repairs and Maintenance	6 159	1 663	1 650	329	-80%
Other	168	6 162	5 587	4 804	-14%
<b>Total Operational Expenditure</b>	22 136	18 555	18 528	22 211	20%
<b>Net Operational Expenditure</b>	(49 986)	(81 799)	(81 825)	(49 911)	-39%
T 3.1.8					



<b>Employees: Water Services</b>					
<b>Job Level</b>	<b>Year -1</b>	<b>Year 0</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>%</b>
0 – 3	0	0	0	0	0%
4 - 6	40	54	40	14	25.9%
7 - 9	0	1	0	1	100%
10 - 12	3	4	3	1	25%
13 - 15	2	3	2	1	33.3%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	45	62	45	17	59%

Operations and maintenance (O&M) still remains a serious challenge for the municipality as the budget allocated for O&M is not adequate to address all the municipal needs. This results from the municipality's inability to collect adequate revenue for municipal operations. The completion of the bulk water projects will assist in providing sustainable water supply in order to gain consumer confidence which will result in the community paying for municipal rates and taxes.

### 3.2 WASTE WATER (SANITATION) PROVISION

The municipality has managed to eradicate all buckets in the 18/19 & 19/20 financial year addressed through bulk infrastructure (RBIG). In the 20/21 financial year, new sites (Zastron 750, Rouxville 850 and Smithfield 403) were allocated and are currently using the bucket system.

The Upgrading of the Zastron Waste Water Treatment Works (WWTW) which aims at producing an acceptable effluent for discharge was completed during the 2020/21 financial year.

Although the Upgrading of the Zastron WWTW is complete, the municipality still faces a challenge with regards to the outfall sewer line and pump stations that keep blocking and overflowing. Thus the municipality has successfully registered a project under the Municipal Infrastructure Grant (MIG) for an amount of R8.9 Million to upgrade the outfall sewer line and pump stations. The contractor was appointed by Municipality and the progress on site is 97 %. Mohokare LM appointed a contractor in order address the sewer spillages in Refengkhotoso. The aim is to register a project for commencement upon completion of the sewer line and pump stations upgrade, which is viewed as a long term solution. An interim project was introduced to the community of Refengkhotoso which entails the installation of Easyflush units for 410 Households. 410 Units were completed in the 2019/20 financial year.

A consultant was successfully appointed for the Upgrading of the Rouxville Waste Water Treatment Works (WWTW). This project was registered under the MIG to enable the plant to handle the increased amounts of waste water it will be receiving as a result of the upgrades that are currently underway on the bulk water infrastructure. The project will be implemented in the 2021/22 financial year and will only be completed in the 2021/22 financial year.

Financial Performance Year 2020-21: Sanitation Services					
R'000					
Details	2019-20	2019-20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	9 707	10 501	10 501	9 707	-8%
Expenditure:					
Employees	7 749	5 597	5 382	8 648	61%
Repairs and Maintenance	901	1 583	642	–	-100%
Other	438	495	495	1 914	286%
<b>Total Operational Expenditure</b>	9 088	7 675	6 518	10 562	62%
<b>Net Operational Expenditure</b>	(619)	(2 827)	(3 983)	855	-121%
					T 3.2.8

Employees: Sanitation Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	33	73	33	40	54%
7 - 9	0	0	0	0	0%
10 - 12	3	3	3	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	36	76	36	40	52%

Households - Sanitation Service Delivery Levels below the minimum					
Description	Year -3	Year -2	Year -1	Year 0	
	Actual	Actual	Actual	Original	Adjusted
	No.	No.	No.	Budget No.	Budget No.
Formal Settlements					
Total households	1798	1798	1063		
Level	1798	1798	1063		
Proportion of households below	16,65%	16,65	9,84%	25%	25%

Capital Expenditure 2020-21: Sanitation Services					
Capital Projects	2020-21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	7 699	11 009	601	-92%	
Zastron/Matlakeng: Upgrading of waste water pump stations and construction of new outfall sewer	5 961	5 961			
Upgrading Rouxville of the WWTW	1 738	2 417	601	-65%	522
					T 3.2.9

### 3.3 ELECTRICITY

The municipality is the electricity services authority but it has however appointed CENTLEC (entity of Mangaung Metro) to provide this service on its behalf. Some of the households, mostly in the townships, fall within Eskom supply area. The Municipality currently has backlogs in terms of new informal settlement electrification, where households have not connected to electricity supply grid. The electrification connection projects are being funded through (INEP fund) by department of Energy (DoE).

The municipality received funding through the INEP fund for 200 household connections at extension 06 phase 02, Leratong in Rouxville and also for 50 households in extension 10, Zastron by the of June 2021

The municipality allocated additional residential sites which has resulted in an increase with regards to bulk electricity infrastructure. Therefore, the municipality was allocated an amount of R 5 800 000.00 through the INEP grant to strengthen its bulk infrastructure network.

Households - Electricity Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original	Adjusted	Actual
	No.	No.	No.	Budget No.	Budget No.	No.
<b>Formal Settlements</b>						
Total households	1926	1926	1112			0
Households below minimum service level	17,844%	17,884%	10,31%			0
Proportion of households below minimum service level	1926	1926	1112			0
<b>Electricity Service Delivery Levels</b>						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
<b>Energy: (above minimum level)</b>						10793
Electricity (at least min.service level)	8667	8867	9681			0
Electricity - prepaid (min.service level)	8667	8667	9681			0
<i>Minimum Service Level and Above sub-total</i>	1926	1926	1112			0
<i>Minimum Service Level and Above Percentage</i>	17,844%	17,884%	10,31%			0
<b>Energy: (below minimum level)</b>						
Electricity (< min.service level)	1926	1926	1112			0
Electricity - prepaid (< min. service level)						
Other energy sources						
<i>Below Minimum Service Level sub-total</i>	1926	1926	1112			0
<i>Below Minimum Service Level Percentage</i>	17,844%	17,884%	10,31%			0
<b>Total number of households</b>	10793	10793	10793			10793

Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 -3	0	0	0	0	0%
4 -6	0	0	0	0	0%
7 -9	0	0	0	0	0%
10-12	1	1	1	0	0%
13-15	0	0	0	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
Total	1	1	1	0	0%

Financial Performance 2020-21: Electricity Services					
					R'000
Details	2019-20	2020-21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	32 399	35 197	35 197	32 556	-8%
Expenditure:					
Employees	473	484	502	563	12%
Repairs and Maintenance	2 772	57	77	–	-100%
Other	36 787	28 506	28 506	41 262	45%
<b>Total Operational Expenditure</b>	40 032	29 047	29 085	41 825	44%
<b>Net Operational Expenditure</b>	7 632	(6 150)	(6 112)	41 825	-784%
					T 3.3.7

Electricity still remained a challenge for the municipality in the 2020/2021 financial year due to the following challenges:

1. The existing Service Level Agreement (SLA) with Centlec, needed to be reviewed,
2. O&M plans received for electricity infrastructure from Centlec, needed to be reviewed; and also
3. Old existing infrastructure (underground cables) that need to be changed to overhead lines

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

The above division is mainly responsible for removal of waste classified or meant for household and business purposes.

On a daily basis, once per week, a programme is being implemented and followed to ensure the removal of refuse within our communities.

Solid Waste Service Delivery Levels				
Description	Year-3	Year-2	Year-1	Households Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
<b>Solid Waste Removal: (Minimum level)</b>				
Removed at least once a week	2,895	2,685	2,846	2,235
Minimum Service Level and Above sub-total	2,895	2,685	2,846	2,235
Minimum Service Level and Above percentage	50.9%	47.1%	51.5%	44.8%
<b>Solid Waste Removal: (Below minimum level)</b>				
Removed less frequently than once a week	655	547	565	523
Using communal refuse dump	865	846	487	865
Using own refuse dump	655	547	565	523
Other rubbish disposal	502	952	938	720
No rubbish disposal	112	123	124	124
Below Minimum Service Level sub-total	2,790	3,015	2,678	2,755
Below Minimum Service Level percentage	49.1%	52.9%	48.5%	55.2%
<b>Total number of households</b>	<b>5,685</b>	<b>5,699</b>	<b>5,523</b>	<b>4,991</b>
				T 3.4.2

Financial Performance 2020-21: Solid Waste Management Services					
R'000					
Details	2019-20	2020-21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	5 838	5 387	5 387	5 939	10%
Expenditure:					
Employees	5 114	5 969	5 836	5 531	-5%
Repairs and Maintenance	–	–	–	–	0%
Other	2 348	1 215	1 145	1 493	30%
<b>Total Operational Expenditure</b>	7 461	7 184	6 981	7 023	1%
<b>Net Operational Expenditure</b>	1 623	1 797	1 594	1 085	-32%
					T 3.4.7

### 3.5 HOUSING

Amongst housing's objectives, is the registration and management of applicants in need of sites, the allocation thereof, registration and the allocation of houses and to address disputes of houses and sites. All of the above are to reflect on divisions five (5) years Housing Sector Plan reviewed on annual basis. From the beginning of this Council's term, the Municipality has been offered the allocation of houses as per the below table;

Name of Town	Financial Year	Housing units allocated	Name of Contractor	Project Sponsor	Project progress to date
Zastron	2015 - 2020	200	1. e`tso project managers 2. BOMAC Construction 3. Ithuteng CC	Provincial CoGTA	In progress but not complete as the Contractor has left the site
TOTAL ALLOCATION		200			

Another project in progress is the construction of two roomed houses, which is a project from the Provincial Human Settlement department and is monitored by the Province. The municipality only gets involved when there are complaints from the community about the delays in the completion of the project and then liaise with the Province and contractors on site.



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
Year -3	10276	10276	100%
Year -2	10276	10276	100%
Year -1	10276	10276	100%
Year 0	10793	10276	100%

## INFORMAL SETTLEMENTS

Percentage of households with access to basic housing			
Year end	Total households	Households with basic housing	Percentage of HHs without basic housing
Year -3	70	70	100%
Year -2	120	120	100%
Year -1	300	300	100%
Year 0	455	455	100%

Financial Performance 2020-21: Housing Services					
R'000					
Details	2019-20	2020-21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	499	550	550	523	-5%
Expenditure:					
Employees	775	1 113	902	871	-3%
Repairs and Maintenance	–	–	–	–	0%
Other	7	33	33	7	-79%
<b>Total Operational Expenditure</b>	782	1 146	935	878	-6%
<b>Net Operational Expenditure</b>	283	596	385	355	-8%
T 3.5.5					

Service delivery priorities	Improved performance measures	Major efficiencies achieved
Identification of land for housing development	Availability of land and sites for developments	Reduction of backlog on sites and housing
Compilation of register for Applicants	Up to date registers for sites	
Compilation of a register for potential Beneficiaries	Up to date register for housing allocations	
Annual review of the Housing Sector Plan	Reviewed Housing Sector Plan	

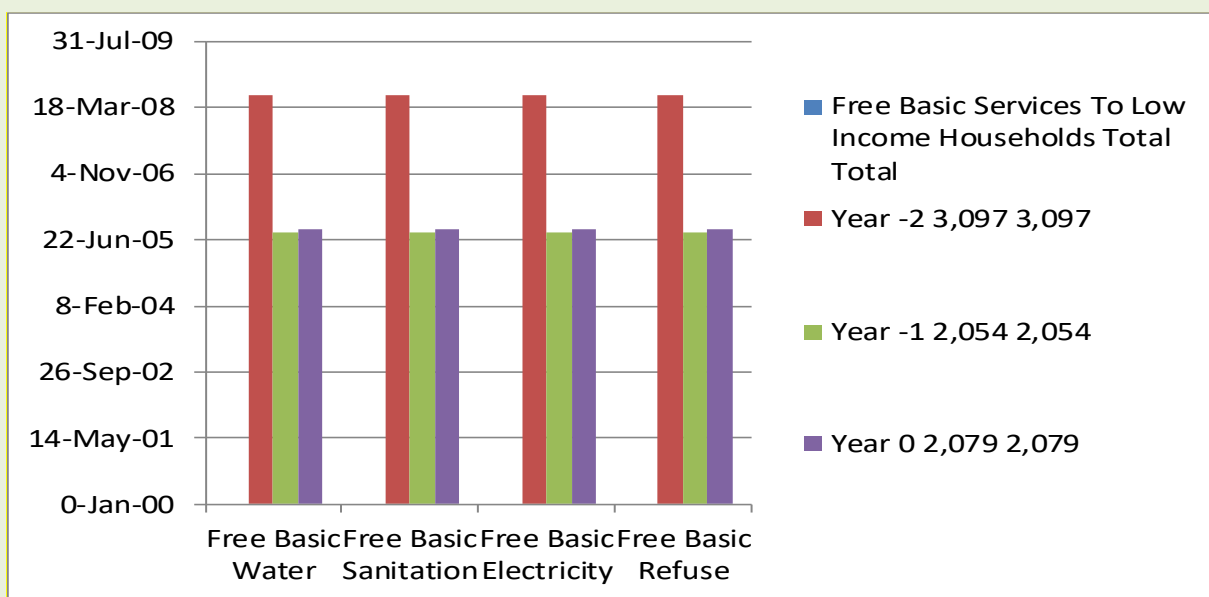
### 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Basic services are generally regarded as access to electricity, clean water within a reasonable distance of one's dwelling, basic sanitation, solid waste removal and access to and availability of roads. Free Basic Services (FBS) are allocated as part of the equitable share received annually and utilized for the benefit of the poor only.

The key purpose of the indigent policy subsidy is to ensure that households with no or lower income are not denied a reasonable service and the municipality is not financially burdened with non-payment of services. Provided that funds are available, the indigent subsidy policy should remain intact.

Registered indigents qualify for the following free basic services:

- 6kl of free water
- 50kwh of electricity
- 100% subsidy on sanitation tariff
- 100% subsidy on refuse removal tariff
- Up to R 120 000 of the market value of the property



Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R1,100 per month								
		Free Basic Water			Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2014-15	2,054	2,054	2,054	100%	2,054	100%	2,054	100%	2,054	100%
2015-16	2,079	2,079	2,079	100%	2,079	100%	2,079	100%	2,079	100%
2016-17	840	840	840	100%	840	100%	840	100%	840	100%
										T 3.6.3

<b>Financial Performance 2020-21: Cost to Municipality of Free Basic Services Delivered</b>					
<b>Services Delivered</b>	<b>2019-20</b>	<b>2020-21</b>			
	<b>Actual</b>	<b>Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance to Budget</b>
Water	1 521	1 500	1 500	—	0%
Waste Water (Sanitation)	195	1 050	1 050	—	0%
Electricity	—	3 500	3 500	—	0%
Rates and Levies	30	1 250	1 250	—	0%
Waste Management (Solid Waste)	146	1 050	1 050	—	0%
Total	1 893	8 350	8 350	—	0%
<i>T 3.6.4</i>					

## **COMPONENT B: ROAD TRANSPORT**

The municipality participated in the Rural Roads Asset Management System (RRAMS) which is a forum coordinated by the Xhariep District.

The following municipalities participated:

1. Kopanong LM
2. Mohokare LM
3. Letsemeng LM
4. Xhariep DM
5. Aganang Consulting Engineers

The forum was able to develop a report for council adoption indicating the assessments conducted on all rural roads and the status thereof.

Furthermore, the municipality was able to develop a Road Maintenance Plan and a Roads and Storm Water Master plan which were both adopted by council prior to 30 June 2021.

The municipality remains committed to improving the quality of access roads within its jurisdiction. This has seen the implementation of two projects in the 2021 financial year, in Rouxville

The following project commenced in the 2019/2020 financial year:

1. Rouxville / Roleleathunya: Construction of 2km access road with related storm water commenced on 20 May 2020 and was practically completed on 14 April 2021.

### **3.7 ROADS & WASTE WATER (STORM WATER DRAINAGE)**

The municipality has been implementing roads projects in line with its road and storm-water master plan. The focus has been on access roads where the internal roads have been upgraded with block paving. Despite progress made thus far, the municipality still faces challenges on the maintenance of existing roads.

#### **Challenges:**

- Lack of yellow fleet for maintenance of roads
- Lack of proper storm-water channels which affects roads, especially during rainy season
- Insufficient budget for maintenance purposes.

Gravel Road Infrastructure					
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained	
Year -2	60	-	5.6	90	
Year -1	60	-	0	120	
Year 0	60	-	2.3	132	
Tarred Road Infrastructure					
Kilometers	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads Maintained
Re-tarred	21	-	-	21	21
Re-sheeted	21	-	-	8	14
Maintained	21	-	-	8	10
					T 3.7.3

Road and Storm Water					
Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 – 3	0	0	0	0	0%
4 – 6	8	21	8	13	61.9%
7 – 9	0	0	0	0	0%
10 – 12	1	3	1	2	66%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	9	24	9	15	62.5%

As indicated earlier, the municipality has been prioritizing its access roads and below are the main projects implemented thus far:

- Upgrading of 2 km access paved road in Rouxville - completed in 2011;
- Upgrading of the 2.9 km paved access road in Matlakeng – completed 2015; and
- Upgrading of 3 km paved access road in Mofulatshepe/Smithfield – the municipality was able to over achieve by 2.6km on this project as 5.6 km was completed.
- The construction of the 600m Zama road in Zastron – completed 2019 and a construction of 1.7km phase 1 & 2 km phase access road in Rouxville – 2020 completed the roads are to be constructed using block paving.

### 3.8 TRANSPORT

The Municipality does not have an approved transport plan. However, the plan will be developed once the spatial framework has been completed. Most of the transport functions which includes vehicle licensing and taxi licensing are currently being managed under the provincial government.

### 3.9 WASTE WATER (STORMWATER DRAINAGE)

The municipality is currently creating new storm-water channels on the existing residential areas through the implementation of new access roads. In the 2013/14 financial year, the municipality constructed a 2 km access road in Rouxville/Roleleathunya and in the 2014/15 financial year, constructed a 2.9 km access road in Zastron. The municipality started with a 5 km access road project in Smithfield in April 2016.

The municipality has not yet upgraded any existing storm-water channels due to a huge backlog. Maintenance of the existing storm water channels is currently being done through the Expanded Public Works Program. The below tables indicates the length of storm-water done for the past three years including expenditure thereof:

Storm water Infrastructure				
	Kilometres			
	Total Storm water Measures	New storm water measures	Storm water measures	Storm water measures Maintained
Year -2	160	0.4	0	30
Year -1	166	1.3	0	26.76
Year 0	166	1.3	0	40

Cost of Construction/Maintenance			
	R' 000		
	Storm water Measures		
	New	Upgraded	Maintained
Year -2	0	0	R110 000.00
Year -1	632,800	0	R 120 000.00
Year 0	2,337,396	0	R 158 400.00

The municipality is utilizing open channel drainage system in most of its areas and these are further implemented along the access road project. Maintenance is mostly done under the Public Works program of EPWP.

Major maintenance works is done utilizing hired jet machines to unblock underground storm-water channels in certain sections of Matlakeng/Zastron.

## **COMPONENT C: PLANNING AND DEVELOPMENT**

### **3.10 PLANNING**

Town planning from a municipal perspective focuses on land use and the development thereof in such a way as to be sustainable, in other words, planning and development must be done as to enhance the environment for man and animal in a harmonious way as to be sure that future generations will be able to enjoy the legacy from their parents in a sustainable manner.

#### **MAIN ELEMENTS OF PLANNING STRATEGY**

Manages the key performance areas and result indicators associated with the creation, regeneration, enhancement and management of public spaces through the provision of a professional management consultancy service disseminating advice and guidance on international best practice trends, design, specification, procurement and implementation sequences in respect of urban design and architectural projects and monitoring and reporting on the outcomes. For this to be possible, town planning has certain policy documents as well as guidelines to assist in the above goals.

#### **SPLUMA COMPLIANCE**

- Spatial Planning Bylaw.
- Town planning policy updated in terms of SPLUMA;
- Spatial Development Framework Review: incorporation of SPLUMA principles; and
- Development of a land use scheme for Mohokare as per SPLUMA within 4 years (2019).

#### **LANDUSE DEVELOPMENT, PLANNING AND MANAGEMENT**

- Town Planning Schemes
- Building control; and

#### **By-laws**

The following by-laws assisting in town planning were adopted, in place and are implemented to assist in the management of municipal land:

- Standard Control of Street Vendors, Peddlers and Hawkers Bylaw.
- Standard Advertising Bylaw.
- Standard Informal Settlements By-law; and
- Spatial planning and land use management by-law on municipal land use planning

#### **Policies:**

- Planning policies were developed in conjunction with the Free State Planning Guidelines (August 2017).



**Town planning policies**

- Policy on building control
- Policy on national heritage resources
- Policy on planning and environmental guidelines
- Policy on town planning principles in terms of cemeteries
- Policy on spatial planning and land use management
- Policy on student accommodation
- Policy taverns, liquor outlets and licensing
- Policy on telecommunication infrastructure

Due to the increase in the request and demand for space for the erection of telecommunication masts, the Town Planning division is drafting a comprehensive policy on telecommunication.

**ACHIEVEMENTS****LAND USE SCHEME**

The Mohokare Land Use Scheme is being drawn up with the assistance of Spatial Planning, COGTA and MISA.

**SPATIAL DEVELOPMENT FRAMEWORK**

The SDF was reviewed and approved by Council as part of the Integrated Development Framework.

**FARMER PRODUCTION SUPPORT UNIT**

The Mohokare Municipality is earmarked for a Farmer Production Support Unit as part of the DRLR (Department of Rural Development and Land Reform) Agri - Park project - an initiative through the National Development Plan. A site (Erf 4195) was earmarked at Zastron. As per a Council resolution taken on 14 October 2021, the property was donated to the Department of Development and Land Reform. The project is almost concluded, and a MOU will be drafted between the department, the municipality and Motheo College for use of the facility.

The FPSU consists of a training centre, offices, and bulk services (“the project”). The project is part of the Agri-park initiatives which, amongst other things, aim to support small-holder farmers through the provision of capacity building, mentorship, farm infrastructure, extension services, production inputs and mechanization input.

The National Department aims to use the Training Center to assist small holder farmers in the vicinity of the FPSU to have access to training, workshops, and extension support. The National Department intends to contract with an entity to manage the Training Center and to provide the intended support to small holder farmers.

Motheo College will make use of the Training Center for educational purposes to conduct lectures and to train the learners registered at the College.

The College undertakes to provide training to small holder farmers in the vicinity of the FPSU in return for the use of the facilities for its own educational and training purposes. The number of farmers and the nature of the training can be detailed in separate agreements between the parties. The Provincial Department intends to utilize office space at the FPSU for veterinary services as well extension services.

## **EXTENTION 5 SMITHFIELD**

The proclamation of Ext 5 Smithfield was concluded.

Geotechnical investigation for building of RDP houses will start in July 2021.

## **SANRAL**

Exemption letters was issued to SANRAL to facilitate expedited procedures according to sections 16 and 70 of the Mohokare land use and spatial planning by-law for the registration of servitudes.

## **UFS**

The town planner was invited as an external examiner for Honours students in Town and Regional Planning. Twenty-seven (27) papers were marked and reported on to the UFS's Dept. of Town and Regional Planning.

## **FREE STATE PLANNING FORUM AND OTHER URBAN AND REGIONAL PLANNING EVENTS**

The town planner is a member of the Free State SPLUM Forum and attends quarterly meetings. Currently all meetings are online.

- The quarterly free state SPLUM meetings as the National SPLUM forums
- Urban design webinar SALGA KZN 24TH JULY 2020
- SALGA BUILT ENVIRONMENT WINTER SCHOOL: Developing Municipal Land Use Schemes 2 – 7 Aug 2020
- Planning Law Conference: 29 – 30 September 2020 – SALGA
- XHARIEP SDF

- District Development Model. (DDM) - Xhariep One Plan

## SACPLAN AND CPD POINTS

The concept of CPD (Continuous Professional Development) in town planning was approved by SACPLAN and was instituted in April 2018. The town planner is a registered professional with SACPLAN and therefore must adhere to the CPD system. Abovementioned events also carried weight in terms of CPD points.

## KAROO SMALL TOWN REGENERATION PROGRAMME

Several meetings were conducted throughout the past six months regarding the Karoo Small Town Regeneration program. On 19 October 2020 the region was formally declared in the Government Gazette



Focus is on the compilation of a Regional SDF. The focus was on the Free State and Northern Cape. *The whole of Xhariep forms part of the Karoo STR.*

## MOOIFONTEIN DEVELOPMENT

In March 2020, the Dept of Human Settlements appointed MOK CONSULTANTS for the Development of Mooifontein farm for residential purposes. As per a Council resolution on 14 October 2020, the renaming to Ext 11 Matlakeng was approved.

A Beneficiary Liaison Committee was established and consists of members of the communities of Ezibeleni and Refeng Khotso to address the informal settlements' housing needs within the new development. A Social report was presented. All reports are available for perusal.

Table 1: Programme of Meetings

NO.	ACTIVITY	RESPONSIBLE PERSONS/ENTITY	ATTENDEES	PROPOSED DATE	PURPOSE	OUTCOMES
1	Status Quo Analysis and Definition of Roles and Responsibilities.	MOK Development Consultants	<ul style="list-style-type: none"> <li>Beneficiary Liaison Committee (BLC) Meeting.</li> <li>Municipal Officials.</li> <li>Free State Human Settlements.</li> </ul>	<ul style="list-style-type: none"> <li>Tuesday, 19 May 2020 (PERMIT FOR 18-19 MAY 2020).</li> <li>Venue: Mohokare Local Municipality</li> </ul>	<ul style="list-style-type: none"> <li>Project Outline.</li> <li>Presentation of Status Quo Information emanating from Rapid Assessment Report (information validation);</li> <li>Identification of issues/challenges experienced by communities and possible solutions.</li> <li>Identify other local structures.</li> <li>Agree on the roles and responsibilities of the BLC.</li> <li>Agree on the roles and responsibilities of Mohokare Municipality.</li> </ul>	<ul style="list-style-type: none"> <li>Updated Status Quo Report;</li> <li>List and ranking of Challenges/issues/priorities and possible solutions;</li> <li>List of Objectives/Goals.</li> <li>List of roles and responsibilities of the BLC.</li> <li>List of roles and responsibilities of Municipality.</li> </ul>
2	Site Visit of Project Team including Topographical Survey by Land Surveyor	MOK Development Consultants	<ul style="list-style-type: none"> <li>MOK Development Consultants</li> <li>Land Surveyor</li> <li>Mohokare Local Municipality</li> </ul>	<ul style="list-style-type: none"> <li>Monday, 25 May 2020 (PERMIT FOR 24 MAY 2020 - 01 JUNE 2020).</li> <li>Venue: Mohokare Local Municipality</li> </ul>	<ul style="list-style-type: none"> <li>Site Visit of Project Team including Topographical Survey by Land Surveyor</li> </ul>	<ul style="list-style-type: none"> <li>Topographical Survey by Land Surveyor</li> </ul>
3	Concept Layout Plan	MOK Development Consultants	<ul style="list-style-type: none"> <li>Beneficiary Liaison Committee (BLC) Meeting.</li> <li>Municipal Officials.</li> <li>Project Steering Committee.</li> </ul>	<ul style="list-style-type: none"> <li>Date to be confirmed</li> <li>Venue: Mohokare Local Municipality</li> </ul>	<ul style="list-style-type: none"> <li>Presentation of Concept Layout Plan;</li> </ul>	<ul style="list-style-type: none"> <li>Concept Layout Plan.</li> <li>Comments/inputs.</li> </ul>
4	Site Visits by Other Specialist Project team members.	MOK Development Consultants	<ul style="list-style-type: none"> <li>MOK Development Consultants</li> <li>Environmental Specialist</li> <li>Civil Engineer: Engineering Services</li> </ul>	<ul style="list-style-type: none"> <li>Dates to be confirmed later.</li> <li>Venue: Mohokare Local Municipality</li> </ul>	<ul style="list-style-type: none"> <li>Site Visit of Project Team including Topographical Survey by Land Surveyor</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Impact Assessment Reports;</li> <li>Geotechnical Investigations Report;</li> </ul>

NO.	ACTIVITY	RESPONSIBLE PERSONS/ENTITY	ATTENDEES	PROPOSED DATE	PURPOSE	OUTCOMES
			<ul style="list-style-type: none"> <li>Electrical Engineer</li> <li>Traffic Engineer</li> <li>Geo-Hydrological Engineer</li> </ul>			<ul style="list-style-type: none"> <li>Engineering Services Report;</li> <li>Electrical Services Report;</li> <li>Traffic Impact Assessment Report;</li> </ul>
5	Draft Layout Plan	MOK Development Consultants	<ul style="list-style-type: none"> <li>Beneficiary Liaison Committee (BLC) Meeting.</li> <li>Municipal Officials.</li> <li>Project Steering Committee.</li> </ul>	<ul style="list-style-type: none"> <li>Date to be confirmed</li> <li>Venue: Mohokare Local Municipality</li> </ul>	<ul style="list-style-type: none"> <li>Presentation of Draft Layout Plan;</li> </ul>	<ul style="list-style-type: none"> <li>Draft Layout Plan.</li> <li>Comments/inputs.</li> </ul>
6	Submission of complete application with Final Layout and EIA Authorization.	<ul style="list-style-type: none"> <li>MOK Development Consultants;</li> </ul>	<ul style="list-style-type: none"> <li>Beneficiary Liaison Committee (BLC) Meeting.</li> <li>Municipal Officials.</li> <li>Project Steering Committee.</li> </ul>	<ul style="list-style-type: none"> <li>Date to be confirmed</li> <li>Venue: Mohokare Local Municipality</li> </ul>	<ul style="list-style-type: none"> <li>Presentation of Final Layout Plan;</li> </ul>	<ul style="list-style-type: none"> <li>Final Layout Plan</li> </ul>
7	Pegging of the area	<ul style="list-style-type: none"> <li>Land Surveyor</li> </ul>	<ul style="list-style-type: none"> <li>Land Surveyor</li> </ul>	<ul style="list-style-type: none"> <li>Date to be confirmed</li> <li>Venue: Mohokare Local Municipality</li> </ul>	<ul style="list-style-type: none"> <li>Pegging of the area</li> </ul>	<ul style="list-style-type: none"> <li>General Plan and</li> <li>Small-scale diagram.</li> </ul>

The time schedule had to be revised due to the impact of COVID and lockdown on the necessary procedures.

The due date for completion of the project is October 2022.

<b><u>STRENGTHS</u></b>	<b><u>WEAKNESSES</u></b>
<p>Alignment of Spatial Development Framework to the Integrate Development Plan and the Budget.</p> <p>Professional planner</p> <p>National and Provincial support SPLUMA – supportive legislation</p> <p>Good working relations with Senior Management Team</p>	<p>Lack of understanding of spatial planning and land use management by local communities No GIS</p> <p>Turn-around time for town planning processes to run its course</p> <p>MPT (Municipal Planning Tribunal) problematic in small municipalities</p>
<b><u>OPPORTUNITIES</u></b>	<b><u>THREATS</u></b>
<p>Effective implementation of SPLUMA in terms of land use</p> <p>Development and planning opportunities</p> <p>Future growth within the wall-to-wall boundaries of the municipality</p> <p>Smooth Land use management and governance</p>	<p>Illegal occupation of land</p> <p>Inadequate budget for processes of own planning in terms of own land development – e.g. 54 sites in Mofulatsepe</p> <p>Political interference and decision-making contravening SPLUMA and other relevant legislation</p>

## LANDUSE DEVELOPMENT, PLANNING AND MANAGEMENT

- Identification of land for LED projects as per the project lists in the Spatial Development Framework, 2020/21
- Infill planning in Smithfield of the vacant municipal owned properties.
- Investigation into state-owned residential properties for possible transfer to the municipality

## MUNICIPAL PLANNING TRIBUNAL

The Tribunal sat once in the financial year 2020/21.

The following application was received and dealt with:

### Category 1

#### ZONING AND REZONING, CONSOLIDATION, SUBDIVISION

ERF NUMBER	OWNER	REQUEST FOR:	ACTION TAKEN
Erf 497 and 498 Zastron	W. SLABBERT	Rezoning from <b>Residential one-house per erf to light industrial</b>	Approved

**Category 2**

ERF NUMBER	OWNER	REQUEST FOR:	ACTION TAKEN
Erven 259 and 364 Rouxville	W.E. Wilken	Consolidation and subdivision	IN PROCESS

**LIQUOR LICENSE APPLICATIONS**

DATE	APPLICANT	TYPE	ADDRESS	TOWN	OUTCOME
2 June 2021	Rouxville farmers' Union	Tavern	Rouxville Dorpsgronden 108/13	Rouxville	approved.

The Mohokare municipality experiences problems with the Free State Liquor board's decisions and lack of feedback on licenses issued as it does not take enough cognizance of the municipal recommendations and thus does not adhere to SPLUMA principles. This problem will be addressed through the Free State SPLUM Forum and SALGA.

**SERVICE DELIVERY PRIORITIES****Land use applications according to SPLUMA and E-lodgment format**

Constant information is given to the community and individuals on the new Act governing Land use. This was done by devising a new policy based on SPLUMA principles.

New application forms have been developed for use in submitting applications.

The E lodgment format is no longer available and will have to be revisited or abolished which means the by-law will have to be changed.

Problems are currently experienced throughout the Free State in terms of the Municipal Planning Tribunals, but municipalities are being assisted by COGTA. The five-year period for members of the MPT has been extended due to the current COVID and lockdown.

## **Spatial Development Framework and Land Use Scheme**

A Land Use Scheme Steering Committee as well as a Spatial Development Framework (SDF) Steering committee were established as per SPLUMA requirements to aid in the development of new documents for the municipality

Meetings were held with Spatial Planning COGTA as well as MISA who is assisting in drawing up the Land Use Scheme for Mohokare as per SPLUMA. Minutes and attendance registers are available.

The Land Use Scheme timeframes have been extended by the Minister of DRDLR due to covid and lockdown.

## **MEASURES TO IMPROVE SERVICE DELIVERY**

- Make use of the Chief Surveyor General's data and diagrams for encroachment complaints
- Verification of ownership through the Deeds Office and title deeds
- Functioning Municipal Planning Tribunal

Applications for Land Use Development						
Detail	Formalization of townships		Rezoning		Built Environment	
	Year -1	Year 0	Year -1	Year 0	Year -1	Year 0
Planning application received	0	Proclaimed and township register opened	3	0	0	0
Determination made in year of receipt	0	0	0	0	0	0
Determination made in following year	0	0	1	0	0	0
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	0	0	0	0	0
Employees: Planning Services						
Job Level	Year -1	Year 0				
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 – 3	0	0	0	0	0%	
4 – 6	0	0	0	0	0%	
7 – 9	0	0	0	0	0%	
10 – 12	0	0	0	0	0%	
13 – 15	1	1	1	0	0%	
16 – 18	0	0	0	0	0%	
19 – 20						
Total	1	1	1	0	0%	



Financial Performance 2020-21: Planning Services (Includes Town Planning, IDP and LED)					
R'000					
Details	2019-20	2020-21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	7	–	–	6	100%
Expenditure:					
Employees	6 043	4 931	5 669	6 968	23%
Repairs and Maintenance	–	–	–	–	0%
Other	176	89	89	2	-98%
<b>Total Operational Expenditure</b>	6 218 881	5 020	5 758	6 970	21%
<b>Net Operational Expenditure</b>	6 212 255	5 020	5 758	6 964	21%
T 3.10.5					

### 3.11 LOCAL ECONOMIC DEVELOPMENT – LED (INCLUDING TOURISM AND MARKET PLACES)

Municipalities have a constitutional mandate to promote local economic development (LED). Section 153 of the constitution states that:

A municipality must structure and manage its administration, and 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

Local Economic Development is a process where local stakeholders such as government, business, labour, and civil society organisations work collectively to identify, utilize and harness resources to stimulate local economy and create employment.

#### LED STRATEGY

The Local Economic Development Strategy has been adopted and approved by council on the 10 March 2020.

#### HIGH IMPACT PROJECTS

SMME Policy has been reviewed and adopted together with the LED Strategy and all the projects that have high impact are incorporated as under stated on the document.

#### The identified LED Projects for 2020/2021

<b>Zastron</b>	<b>Rouxville</b>	<b>Smithfield</b>
Maintenance of the current Monuments	Maintenance of the current Monuments	Maintenance of the current Monuments
Building of other Monuments	Building of other Monuments	Building of other Monuments
Tourism Signage	Tourism Signage	Tourism Signage
Mohokare Cycling	Mohokare Cycling	Mohokare Cycling
Maintenance Of Recreation Parks	Maintenance Of Recreation Parks	Maintenance Of Recreation Parks
Establishment Of Tourism Web Site In Head Office	Establishment Of Tourism Web Site In Head Office	Establishment Of Tourism Web Site In Head Office
Broucher	Broucher	Broucher

<b>Zastron</b>	<b>Rouxville</b>	<b>Smithfield</b>
Rotation Of Annual Hunting	Rotation Of Annual Hunting	Rotation Of Annual Hunting
Erection Of Swimming Pool	Erection Of Swimming Pool	Erection Of Swimming Pool
Wild Game	Wild Game	Wild Game
Museums	Museums	Museums
Relocation Of The Taxi Rank	Building Of The Taxi Rank In (Rouxville)	Building Of The Taxi Rank In (Smithfield)
	Fuel Station (Rouxville)	Fuel Station In (Smithfield)
Hawkers Stalls Development	Hawkers Stalls Development	Hawkers Stalls Development
Re-Commercialization Of Makhaleng Boader Post		
Upgrading Of The S2 Road		
Development Of Tourism Hub	Development Of Tourism Hub	Development Of Tourism Hub
Establishment Of The Shopping Complex		
Production Of Charcoal		Revival Of The Truck Stop (Smithfield)
Development Of Caravan Park & Conference Facilities		
Development Of Montagu Dam	Development Of Top Dam	Development Of Golf Course

## POVERTY ALLEVIATION SUPPORT

For the current financial year 2020/2021 CWP has been able to create 1006 jobs through its Community Work Program.

The department of Public Works has also created around 74 jobs through its EPWP initiative.

The municipality through Technical Services projects has created 160 jobs.

The department of Environmental Affairs created 20 participants.

**FUNDED PROJECTS IN 2020/2021 FINANCIAL YEAR**

Pitseng tse belang	R50 000.00	Zastron
Vukani Supermarket	R10 000.00	Rouxville
Boithatelo	R 3000.00	Zastron
Dieketseng Moseke	R 3000.00	Smithfield
Jabu General Dealer	R 3000.00	Zastron
Buhle General Dealer	R 3000.00	Zastron
Sekgobo Tetenki	R 3000.00	Smithfield
Tiisetso Ramarumo	R 3000.00	Smithfield
Amohelang Trading	R 3000.00	Zastron
Makhetha Trading	R 3000.00	Zastron
Ikaheng Recycling	R 3000.00	Zastron
Ntsotiseng Ntsekalle	R 10000. 00	Zastron
Mothupi Constance	R 3000.00	Zastron
Thabong Tuckshop	R10 000.00	Zastron
Stop 2 tuck shop	R 8000.00	Zastron
Lilians Kitchen	R 3000.00	Zastron
Ramakatsa Tuck Shop	R10 000.00	Zastron
Sodic Tuck Shop	R10000.00	Zastron
TP Vegetable	R10 000.00	Zastron
Mna nawe tucksop	R10000.00	Zastron
Tace and Tony kitchen	R 10000.00	Zastron
Manka	R 3000.00	Zastron
Mataise Moeketsi	R 3000.00	Zastron
Nzo Tuck shop	R10 000.00	Zastron
Boi's Tuckshop	R10000.00	Zastron
Mohlaki Ntsela	R 3000.00	Smithfield
Cleaning Agency	R 3000.00	Zastron
Moleboheng Fastfoods	R 3000.00	Zastron
Maggie Makoane	R10 000.00	Zastron

**FUNDING APPLICATIONS FOR 2020/2021 FINANCIAL YEAR**

The LED unit had ensured that all registered co-operatives and individual owned SMMEs are applying for funding during the 2020/2021 financial year while unregistered co-operatives were encouraged and assisted to register so that they could also benefit from department designed funding incentives to suit the needs of various SMMEs namely; Enterprise Development and Support Incentive which target start-up enterprises and risk- sharing incentive which is target medium to large enterprises. The funding incentives are intended to support economically viable and sustainable enterprises for the development, growth, and transformation of the provincial economy. Application should preferably be from the following priority sector as outlined in the Free State Growth and Development Strategy (FSGDS):

- Information and Communication Technology
- Agro-Processing, Mining and Transport
- Manufacturing and Tourism,
- Retail

Mohokare LED Unit managed to submit 150 applications during the road-show while the process is still continuing. The applications submitted to different sector departments and business funders such as DESTEA, SEDA, Department of Small Business Development and Rural Development.

## **EMPLOYMENT RESEARCH**

The rate of unemployment is extremely high and serious. The LED unit explores new and innovative ways to empower, support and capacitate all SMMEs to live up to the ideals of self-employment. Research conducted revealed that only 20% of the entire population in the municipality were registered as indigents. This is a very low percentage, as compared to the rate of unemployment, meaning municipality must encourage residents to register as indigents. However, the LED unit will continuously support SMMEs through all relevant interventions as per attached on LED identified projects as a means to create jobs.

## **COOPERATIVES PROGRAM**

Most of SMMEs were unprofessionally operating without accessing government funding advantages. Registration of SMMEs ensures compliance with legislative requirements. There are three recognised levels of co-operatives namely; Primary, Secondary and Tertiary. Moreover, we have the following kinds of co-operatives; Agriculture, Financial Services, Manufacturing, Tourism, Consumer, Transport, Housing, Social, Burial Society, Marketing & Supply and Services. We are having 35 registered co-operatives in Rouxville; 27 in Smithfield; and 80 in Zastron, however, the registration process is continuously happening with the assistance of DESTEA.

## **TOURISM**

Tourism is one of the world fastest growing industries and it has a major influence on the economy and developments in our areas. The municipality is situated along Maluti tourism route that covers the town of Zastron and Rouxville. The other town of Smithfield is situated along the N6 national road which also presents good opportunities for tourism. Mohokare Local Municipality shares borders with the Mountain kingdom of Lesotho, town of Mhaleshoek as well as the Eastern Cape town of Sterkspruit. The municipality's geographic position therefore presents a wide range of opportunities including trade and tourism. Private investor has been secured to develop tourism infrastructure at our magnificent and attractive mountains. The LED unit together with other provincial officials had inspected all establishments in Mohokare. All Bed and Breakfast establishments in Mohokare are in good condition, even though others need to be graded and registered, however, the process with the Tourism Department is on-going. The underneath table shows the number of accommodation establishments and attraction sites in each town:

TOWN	ACCOMODATIONS	ATTRACTIONS
Zastron	16	10
Rouxville	4	4
Smithfield	8	8

### **SMALL SCALE MINING**

It was officially confirmed that the DRDLR is still funding the sandstone mining project which was awarded to our SMME named Zondwa Zintshaba cooperative. The manager from DRDLR Mr M Mashamba is working on this project. Training was conducted for the cooperative on financial management. Funding commitment by the office of the Premier was made.

### **SMALL TOWNS REGENERATION PROGRAM**

Small Town Regeneration (STR) is one of the flagship initiatives of SALGA aimed at targeting small towns as entry points of effective spatial transformation, stimulate economic growth, and create employment. The programme was inaugurated in Bloemfontein in 2015 and then rolled-out in the Karoo region in the following year. The Karoo STR is an inter-provincial initiative which strides across provinces i.e. Northern Cape, Western Cape, Eastern Cape & the Free State. 40 municipalities are participating in this unique interprovincial initiative: 4 of these municipalities are in the Free State. These are:

Xhariep District Municipality  
 Mohokare Local Municipality  
 Letsemeng Local Municipality  
 Kopanong Local Municipality

The council resolution was submitted to SALGA indicating that Mohokare Municipality support this noble initiative and Zastron was a pilot town with identified LED projects. However, the steering committee must be established comprising of all local stakeholders whereby chairperson must be the mayor. The training will be organised for committee members, and the terms of reference will be circulated. The STR will host the 4th conference and the municipality is expected to give in-puts. The Mohokare Local Municipality, and Zastron in particular has been identified as where the government precinct is to be built.

### **SALE OF COMMERCIAL LAND**

No commercial land was sold.

### **CONCLUSION**

It's a cogent fact that municipality has no budget for LED projects, but its primary task through its LED Unit is to create enabling environment for economic growth and employment creation. Through its LED Unit the municipality further assist, give support and lobby funding for developmental projects as identified and proposed by formalised structures in a form of

cooperatives and close corporations. The EPWP as well as CWP are still accounting for more employment in the municipality even though on a contractual basis. Currently, the LED Unit is run by both LED Manager and SMME & Tourism Officer who are respectively implementing all LED projects, coordinating LED strategies, objectives and programmes as well as assisting government agencies and statutory institutions with the implementation of the SMME's support programmes to mention but a few.

Jobs Created during Year 0 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)		None	None	Reports
Year -2	78	None	None	Reports
Year -1	105	None	None	Reports
Year 0	1115	None	None	Reports

Job creation through EPWP projects		
	EPWP Projects	Jobs created through EPWP projects
Details	No.	No.
Year-2	3	78
Year-1	1	105
Year 0	2	1115
*- Extended Public Works Programme		

Employees: Local Economic Development Services					
Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 – 3	0	0	0	0	0%
4 – 6	0	0	0	0	0%
7 – 9	0	1	0	1	100%
10 – 12	1	1	1	0	0%
13 – 15	1	1	1	0	100%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	2	3	2	1	33%

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

This component is focused on the following; Human Settlements, Commonage Management, Traffic Law Enforcement, Sports and Facilities, Amenities, Solid Waste Management & partly Disaster Management

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

In context of our municipality, this department dedicatedly serves to bring about changes and developments through the above strategies as mandated through the organizational structure of Mhokare Local Municipality. It is therefore noted under each subcomponent that, amendments from the previous report are reflected as an update of the current and functional administration.

#### **3.12 LIBRARIES, COMMUNITY FACILITIES & OTHER**

Libraries and its surrounding facilities, are the responsibility of the Provincial Sports, Arts, Culture and Recreation.

#### **SERVICE STATISTICS FOR LIBRARIES, COMMUNITY FACILITIES & OTHER**

The municipality through the Corporate Services department, is responsible for bookings and for management of community halls since libraries have been transferred to the Province through the dissolution processes.

All municipal employee that have been assigned to work in that division, have been recalled and reallocated to other positions within the organizational structure.

There have never been projects planned for the above facilities (Community Facilities) except the upgrading of Mofutshope Sports ground. See report or details under sports and facilities.



Employees: Libraries					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0%
4 – 6	0	0	0	0	0%
7 – 9	0	0	0	0	0%
10 – 12	0	0	0	0	0%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	0	0	0	0	0%

Financial Performance 2020-21: Libraries					
R'000					
Details	2019-120	2020-21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	–	–	–	–	0%
Expenditure:					
Employees	–	–	–	–	0%
Repairs and Maintenance	–	–	–	–	0%
Other	–	–	–	–	0%
<b>Total Operational Expenditure</b>	–	–	–	–	0%
<b>Net Operational Expenditure</b>	–	–	–	–	0%
T 3.12.5					

### 3.13 CEMETERIES

The municipality has eighteen (18) cemeteries with six (6) in each town. Having mentioned the above, only three cemeteries are operational in each town due to sites being allocated to their full capacity. The allocation of graves is being conducted through the Municipal offices and Supervisors responsible. There is no crematorium that is owned or managed by the Municipality. Hereunder, is the quarterly reports reflecting the above mentioned during the financial year.

Month	Name of Town	Number allocated							No of top on top	Ward Number						Total Graves allocated
		Still born	0-5	6-15	16-21	22-36	37-65	66 Up		1	2	3	4	5	6	
Quarter 1 – 4	Rouxville	0	1	4	3	10	48	18	6	-	-	-	-	-	-	90
	Smithfield	0	0	0	7	9	33	20	4	-	-	-	-	-	-	73
	Zastron	0	0	7	11	20	56	27	3	-	-	-	-	-	-	124
Number of graves allocated		0	1	11	21	39	137	65	13							287

#### NOTE BEFORE:

It is brought to the attention of the public that the numbers reflected above, are as per the official municipal graves allocation register from each town and not from any other source. This report is not intended to contravene any other report available or made available to the public as it might somehow slightly differ due to effects of the COVID-19.

Financial Performance 2020-21: Cemeteries					
R'000					
Details	2019-20	2020-21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	62	–	–	68	100%
Expenditure:					
Employees	0	–	–	–	0%
Repairs and Maintenance	0	–	–	–	0%
Other	0	–	–	–	0%
<b>Total Operational Expenditure</b>	0	–	–	–	0%
<b>Net Operational Expenditure</b>	(62)	–	–	(68)	100%
T 3.13.5					

### COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIALS OVERALL:

There is a report tabled about the cemeteries as it is what the municipality is operating and managing.

### 3.14 CHILD CARE, AGED CARE, SOCIAL PROGRAMMES

The municipality does not manage or operate all of the above though there are facilities that through rental agreements, have been dedicated to accommodating these learning institutes.

### COMPONENT E: ENVIRONMENTAL PROTECTION

#### 3.15 ENVIRONMENTAL HEALTH MANAGEMENT

The above, is not a core function of the municipality but the District Municipality; therefore, all the tables in this component are not applicable to the municipality. The reports will respectively reflect under Xhariep District Municipality and department of Health.

## COMPONENT F: HEALTH

### 3.16 HEALTH INSPECTION, FOOD AND ABATTOIR LICENSING AND INSPECTION

This component includes: clinics, ambulances and health inspection and it is not the core-function of the municipality. The reports will respectively reflect under Xhariep District Municipality and department of Health.

## COMPONENT G: SECURITY AND SAFETY

Our traffic safety and security division, under the department of Community Services, plays a pivotal role in managing traffic and all related aspects, including our roads and assisting both the Province and National spheres of government when coming to traffic services on the roads they are responsible for. It is within this division again and the Security services, that you see enforcement of the by-laws.

### 3.17 TRAFFIC SAFETY AND SECURITY

Mohokare Municipality has a dedicated division responsible for traffic control and traffic law enforcement. Through this division, amongst its functions, the below mentioned are being brought to the attention of the Management and the Council on a quarterly basis.

Under this division, the municipality focused mainly on the following: visible traffic policing when coming to speed controls, well-staffed (human and technical resources) traffic division. The below table serves as illustrations under the division:

Service delivery priorities	Improved performance measures	Major efficiencies achieved
Visible traffic policing	Informed drivers and repaired and maintained vehicles and the roads	Reduced traffic accidents, continuous repairs and maintenance of the roads and fully functional traffic division.
Speed control	Reduced charges on reckless, careless and drinking driving	
Capacitated division	Enhanced Municipal revenue base.	

Municipal Traffic Service Data					
	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	58	0	73	0
2	Number of by-law infringements attended	0	0	0	0
0	Number of traffic officers in the field on an average day	7	7	6	0
	Number of traffic officers on duty on an average day	7	7	6	0

Financial Performance 2020-21: Traffic & Police					
					R'000
Details	2019-20	2020-21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	37 874	35 000	35 000	12 214	-65%
Expenditure:					
Police Officers					
Other employees	2 486	2 601	2 992	3 149	5%
Repairs and Maintenance	–	–	–	–	0%
Other	324	134	134	24	-82%
<b>Total Operational Expenditure</b>	2 811	2 735	3 126	3 174	2%
<b>Net Operational Expenditure</b>	(35 063)	(32 265)	(31 874)	(9 040)	-72%
					T 3.20.5

### 3.18 FIRE & DISASTER MANAGEMENT

The fire service is the competence of the District Municipality. In instances where prompt response and assistance is required, the municipality assigns its own employees to assist and frequently would source the services of Working On Fire teams in both Zastron and Rouxville. To date, there are no priorities except to mention that we only ascertain the annual review of Municipal Disaster Management Plan.

Fire Service Data					
	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires attended in the year	0	0	3	0
2	Total of other incidents attended in the year	0	0	3	0
3	Average turnout time - urban areas	0	0	0	0
4	Average turnout time - rural areas	0	0	0	0
5	Fire fighters in post at year end	0	0	0	0
6	Total fire appliances at year end	0	0	0	0
7	Average number of appliance off the road during	0	0	0	0
					T 3.21.2

There have been no disastrous events reported during the financial year.

Financial Performance 2020-21: Fire Services					
R'000					
Details	2019-20	2020-21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	–	–	–	–	0%
Expenditure:					
Fire fighters					
Other employees	–	–	–	–	0%
Repairs and Maintenance	–	–	–	–	0%
Other	62	102	102	3	-97%
<b>Total Operational Expenditure</b>	62	102	102	3	-97%
<b>Net Operational Expenditure</b>	62	102	102	3	-97%
					T 3.21.5

### **3.19 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL OF PUBLIC NUISANCES AND OTHER)**

Disaster management is a district function in terms of the allocation of powers and functions. The unit is specifically responsible for assisting the municipality on processes and administration of disaster and its related incidents. Without detracting from the above statement, the municipality, in partnership with both the District Municipality and the Province, pay attention to hazmats, road accidents, veld & household fires on commercial and commonage farming areas, including the town and townships.

In managing disaster, a plan is in place and work with stakeholders to maintain the course. Animal licensing with specific reference to the dogs, is still a matter to be emphasized through the By-laws whilst others (pigs, cattle, sheep etc.) are notably registered as per the animal livestock registration Act.

The control of public nuisance is being given attention by our Xhariep based EHP and as such, a report reflects on the progress and plans under the District.

### **COMPONENT H: SPORT AND RECREATION**

Sports in general, is of utmost importance with regard to the healthy persona, mentally and physically. Without this in life, the life expectancies with reference to our youth, would seem diminishing as most will resort to unhealthy lifestyles. As this was one of the municipality's important strategic goal in this current financial year, attention was brought or given in the below mentioned areas;

### **SERVICE STATISTICS FOR SPORT AND RECREATION**

There are no recorded service statistics except to mention that progress, employment opportunities enjoyed under the project, is reflected under department of technical services.

### 3.20 SPORT AND RECREATION

This division is responsible for the promotion and management of sports; the management, repairs and maintenance of all sporting facilities under the jurisdiction of the municipality. Credit is not taken away from our sister departments in every level provided to the municipality on annual basis

Through our own internal competence and assistance of XDM and the Province (SACR), we managed to develop an annual renewable Policy on;

- Management and Use of Municipal Sports facilities

Priorities progress/outcome

The upgrading has been completed and the field is being used for sporting activities.

It is clear from the KPA itself that the wellbeing is dependent on local area planning and such has to be realized. Having said that, the municipality, through the CWP (Community Works Programme) and Xhariep District Municipality's EPWP, have identified specific strategic location in developing the Community Park. Testimony thereto will be the main entrance into Smithfield, Rouxville and Zastron main entrances into the towns. The upgrading of stadium in Smithfield also bears testimony.

Employees: Sport and Recreation					
	Year-1		Year 0		
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	0	0	0	0	0%
4-6	0	1	0	1	0%
7-9	0	0	0	0	0%
10-12	1	1	1	1	100%
13-15	0	0	0	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
Total	1	2	1	2	50%



Financial Performance 2020-21: Sport and Recreation					
Details	2019-20	2020-21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	–	–	–	–	0%
Expenditure:					
Employees	466	507	615	585	-5%
Repairs and Maintenance	–	–	–	–	0%
Other	–	16	16	5	-71%
<b>Total Operational Expenditure</b>	466	523	630	589	-6%
<b>Net Operational Expenditure</b>	466	523	630	589	-6%
					T 3.23.4

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

### CORPORATE GOVERNANCE

Corporate governance is a term that refers broadly to the rules, processes, or laws by which businesses are operated, regulated, and controlled. The term can refer to internal factors defined by the officers, stockholders or constitution of a corporation, as well as to external forces such as consumer groups, clients, and government regulations.

Well-defined and enforced corporate governance provides a structure that, at least in theory, works for the benefit of everyone concerned by ensuring that the enterprise adheres to accepted ethical standards and best practices as well as to formal laws. To that end, organizations have been formed at the regional, national, and global levels.

**Mohokare Local Municipality applies the requirements of King III with the main focus areas:**

- Ethical leadership and citizenship
- Boards and directors
- Audit Committees
- The governance of risk
- The governance of information technology
- Compliance with laws, rules, codes and standards
- Internal Audit
- Governing stakeholder relationships
- Integrated reporting and disclosure

•

The municipality has made strides in its role of ensuring the following is in place:

- Compliance with statutes through the development of a compliance register
- Upgrading of technology and systems
- Risk management- the governance of risk through applicable processes
- Development and review of policies
- Periodic performance assessments of Senior Managers are conducted
- There is an independent and effective audit committee
- A functional internal audit unit.

Employee: The Executive and Council					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 –3	0	0	0	0	0%
4 –6	0	0	0	0	0%
7 –9	0	0	0	0	0%
10-12	0	0	0	0	0%
13-15	11	11	11	11	100%
16-18	0	0		0	0%
19-20	0	0		0	0%
Total	11	11	11	11	100%

Financial Performance 2020-21: Municipal Manager					
					R'000
Details	2019-20	2020-21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	–	–	–	–	0%
Expenditure:					
Employees	1 371	1 223	1 370	1 432	5%
Repairs and Maintenance	–	–	–	–	0%
Other	181	87	80	13	-83%
<b>Total Operational Expenditure</b>	1 552	1 310	1 451	1 446	0%
<b>Net Operational Expenditure</b>	1 552	1 310	1 451	1 446	0%
					T 3.24.5

### 3.21 FINANCIAL SERVICES

The financial services for Mohokare are rendered by the Budget and Treasury department under the leadership and guidance of the Chief Financial Officer.

Capacity in the reporting of financial matters making use of in-house capacity relating to Budget (draft, final and adjustment) as well as the drafting of the Annual Financial statements. The completion of the asset register is outsourced only relating to fixed and infrastructure assets.

The reporting on assets is still outsourced.

The financing of services has been achieved in spite of severe financial constraints.

The major constraints being:

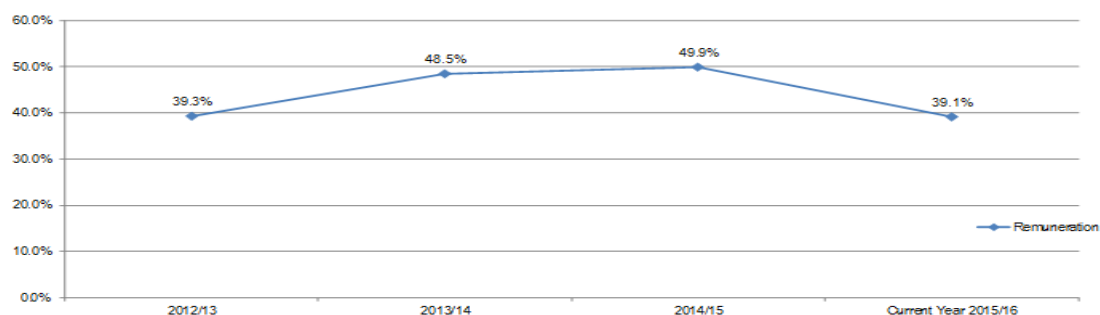
- Poor cash-flow:
- As a result of a low payment rate and
- The inability to budget for the effective provision for the payment of creditors from the prior period.

Low payment rate.

- The payment rate is set out in graph below, i.e. 39.1%
- The Municipality does not have the leverage to use restriction of electricity to ensure payment of the water, refuse and sewerage services.
- Water is at present not restricted – the fact that water is not always available at source also minimizes the effect of restricting the supply of water to a specific household.
- The recovery of existing debts is hampered by the limited information on consumers whether they are able to service the debt and the current consumption.
- The moratorium place by a council decision on the handing over of new debtor accounts to the attorney of the council.
- The lack of capacitated staff to undertake credit control and debt collection.

This will be further illustrated below.

### Total Outstanding Service Debtors



Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

Data used from MBRR SA8

Employees: Financial Services					
Job Level	Year-1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0–3	0	0	0	0	0%
4–6	19	24	19	5	20.8%
7–9	1	1	1	0	0%
10–12	15	17	15	2	11%
13–15	2	3	2	1	33.3%
16–18	0	0	0	0	0%
19–20	0	0	0	0	0%
Total	37	45	37	8	17.7%

Financial Performance 2020-21: Financial Services					
					R'000
Details	2019-20	2020-21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	100 209	104 523	116 385	137 641	18%
Expenditure:					
Employees	14 922	11 949	13 544	14 128	4%
Repairs and Maintenance	–	–	–	–	0%
Other	139 469	45 725	83 215	127 923	54%
<b>Total Operational Expenditure</b>	154 391	57 674	96 759	142 051	47%
<b>Net Operational Expenditure</b>	54 182	(46 849)	(19 627)	4 410	-122%
					T 3.25.5

### 3.22 HUMAN RESOURCE SERVICES

The Human Resource Department contributes to managing the gap between human capacity needs and realities of Mohokare Local Municipality.

A Human Resource Strategy is in place to align our human resource policies and practices to support the accomplishment of the mission, vision, goals and strategies of MLM. The focus is to invest in our human capital to contribute effectively, efficiently and economically to the achievement of short, medium and long term objectives of the municipality.

The principal objectives of the HRM can be listed as the following but not limited to:

- To help the organisation reach its goals;
- To employ the skills and abilities of the workforce efficiently
- To provide the organisation with well trained and well-motivated employees;
- To increase to the fullest, the employees job satisfaction and self-actualization
- To communicate the HR policies to all employees
- To be ethically and socially responsible to the needs of the society.
- To develop and maintain a quality of work force.

In the year ahead, work will be done to develop the succession and staff retention strategies and policies in order to grow internal capacity and ability. It is believed that this is a key tool to realizing many components of the HR Strategy.

Employees: Human Resource					
Job level	Year -1	Year			
	Employees	Posts	Employees	Vacancies (fulltime)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	3	4	3	1	33%
7 - 9	0	1	0	1	100%
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	3	5	3	2	66%
19-20	0	0	0	0	0%
Total	6	10	6	4	66%

Financial Performance 2020-21: Human Resource Services					
					R'000
Details	2019-20	2020-21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	–	–	–	–	0%
Expenditure:					
Employees	1 883	1 917	2 010	1 999	-1%
Repairs and Maintenance	–	–	–	–	0%
Other	129	424	417	239	-43%
<b>Total Operational Expenditure</b>	2 012	2 341	2 427	2 237	-8%
<b>Net Operational Expenditure</b>	2 012	2 341	2 427	2 237	-8%
					T 3.26.5



### 3.23 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Information Technology Services provided by the IT Unit in Mohokare Local Municipality, include the following.

**The Client Services function** is responsible for help desk and desktop support services.

**The Network Services function** is responsible for management of the municipality's local and wide area networks, copper, and wireless communications, and telecommunication services. Further responsibility is also to ensure adequate security measures are in place to protect the municipality's network from unauthorized access

**The Website and Application Services function** is responsible for support of enterprise systems; selection leadership and integration of new commercial-off-the-shelf (COTS) solutions; maintenance and upgrade of existing systems; architectures, software and database standards; and web development.

**The Server Administration Services function** is responsible to design, install, administer the data-center (server room) of the municipality, ensuring that the data-center functions well as the backbone of the network.

**IT Governance and Administration function** is “hidden” but critically active function. The responsibilities in this area include the management of the Information Technology related assets, the administration of SLA’s and contracts, management of information security, IT Strategic Planning as well as sourcing and procuring of IT related equipment. The area is also responsible for the recommendation for replacement equipment where the need arises.

As set out in the IT Strategic documents, which is an input to the drafting of the municipality’s IDP, a dedicated and all-round effort has been placed on improvement of all functions of the ICT environment in order to enable efficiently the processes that bring about the realization of the IDP objectives, which amongst others include good governance.

Primarily, in brief, measures have been put in place to:

Provide efficient helpdesk support service to enable or empower the workforce of municipality. Further, procurement of the upgrades of the server items have enabled the setup of the File Server which backups user’s information. Provide for increased protection of user’s information, by procuring efficient Anti-Virus software, Kaspersky Anti-Virus.

In the previous year, the ICT Unit initiated a scholarly project to revise its current ICT Policies and Strategies in order to provide guidance on how ICT is controlled and directed to facilitate the strategic goals of the municipality.

This included the following policies and strategies:

- ICT Security policy
- ICT Assets Control & Disposal Policy
- ICT Internet Usage Policy
- ICT Change management policy
- ICT Password policy
- ICT Backup Policy
- ICT Disaster Recovery policy
- ICT Network Policy
- ICT Email Usage Policy
- ICT Telephone Policy
- ICT Operating System Security Controls Policy
- ICT Printing Policy
- ICT Mobile and Gadget Policy
- ICT Disaster Recovery & Business Continuity Plan
- ICT Strategic Plan
- ICT Governance Policy Framework

Employees: ICT Services					
Job level	Year-1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	2	2	2	0	0%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
<b>Total</b>	3	3	3	0	0%

Financial Performance 2020-21: Information Technology					
R'000					
Details	2019-20	2020-21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	–	–	–	–	0%
Expenditure:					
Employees	1 238	1 029	1 371	1 352	-1%
Repairs and Maintenance	–	–	–	–	0%
Other	385	21	50	420	740%
<b>Total Operational Expenditure</b>	1 623	1 051	1 421	1 772	25%
<b>Net Operational Expenditure</b>	1 623	1 051	1 421	1 772	25%
T 3.27.5					

# ANNUAL PERFORMANCE REPORT 2020/2021

*This APR is drafted in terms of Section 46 of the Municipal Systems Act, 32 of 2000. The 2019/2020 APR is based on audited information.*

## **Legislative requirements**

Outlined in Section 40 of the Municipal Systems Act 32 of 2000 (MSA), Municipalities must establish mechanisms to monitor and review its Performance Management System (PMS) so as to measure, monitor, review, evaluate and improve performance at organizational, departmental, and employee levels. Section 34 of the MSA furthermore points out that the Integrated Development Plan (IDP) has to be reviewed on an annual basis and that during the IDP review process the Key Performance Areas, Key Performance Indicators and Performance Targets be reviewed and this review will form the basis for the review of the Organisational Performance Management and Performance Contracts of Senior Managers.

The Municipal Planning and Performance Management Regulations (2001) stipulates that a "municipality's performance management system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role-players" (Chapter 3, Section 7, Municipal Planning and Performance Management Regulations, 2001).

Section 46 of the Municipal Systems Act (Act 32 of 2000), inter alia stipulates the following:

## **Annual reports**

46. (1) A municipality must prepare for each financial year an annual report consisting of  
(a) a performance report reflecting;  
the municipality's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year,  
the development and service delivery priorities and the performance targets set by the municipality for the following financial year;  
measures that were or are to be taken to improve performance;"

## **Introduction**

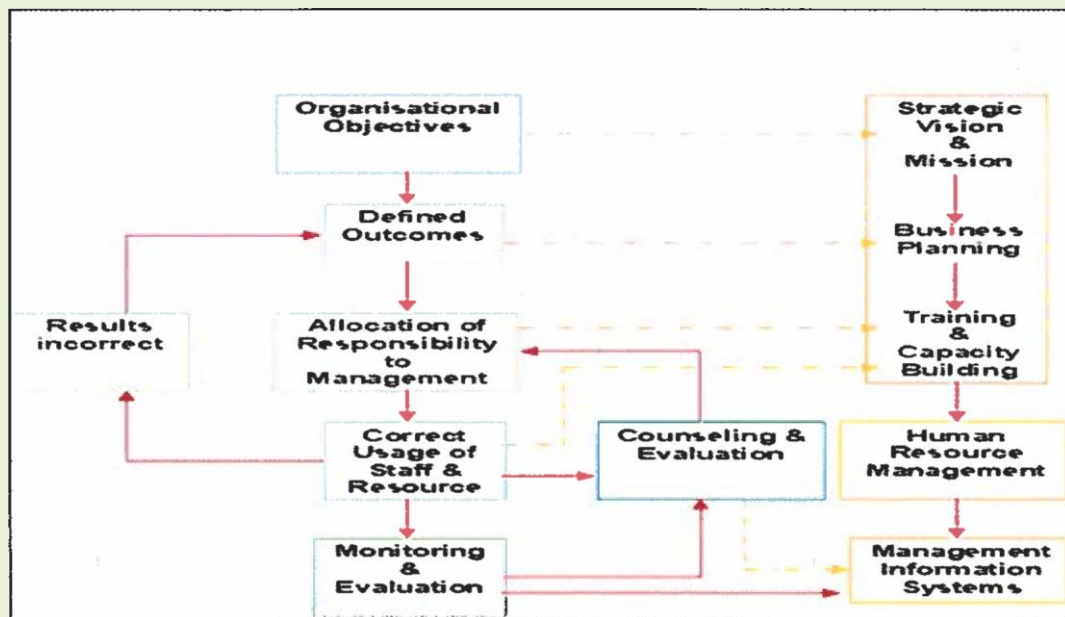
Performance Monitoring underpins the Municipality's Integrated Development Plan in terms of reviewing progress regularly in achieving the priorities and delivering value for money services. Early investigations into variances enables remedial action taken where appropriate.

The Top Lay service delivery targets of the SDBIP included in the Draft Annual Performance Report is therefore the monitoring and reporting mechanism on measuring performance targets detailing developmental priorities and objectives as set in the Mohokare Local Municipality's IDP.

The 2020/21 SDBIP was revised during the third quarter of the financial as a result of the mid-year performance assessment that was done, which subsequently led to the adjustment of the budget. Council approved the revising of the 2020/21 SDBP and reporting on it from the third and fourth quarter of the 2020/21 financial year.

## Organisational Performance Management Process

The municipality adopted a performance management and reporting cycle which include timeframes to complete the process. The cycle starts with the strategic session of Council and include the IDP and budget processes. The IDP and budget should be converted to a Service Delivery Budget Implementation Plan (SDBIP) as corporate performance management tool and cascaded down to the PMS of the municipality. The interaction of the performance management and reporting framework and other business processes is summarized in the diagram below:



No	Key Performance Area	Number of Planned Indicators	Number of Indicators Achieved	Number of Indicators Not Achieved	Overall % achieved
1	Basic Service Delivery and Infrastructure Development	20	7	10	35%
2	Municipal Transformation and Organisational Development	8	0	8	0%
3	Good Governance and Public Participation	25	10	15	40%
4	Financial Management Viability	15	10	5	66.7%
5	Local Economic Development	4	2	2	50%
6	Human Settlement	10	9	1	90%
<b>Total</b>		<b>82</b>	<b>38</b>	<b>44</b>	<b>46.3%</b>

The municipality's' overall performance is unsatisfactory. There were a total 82 targets, 39 were achieved 46.3% and 44 were not achieved – 53.7%.

## 5. Internal Audit Final Review

It was noted with great concern that some of the Portfolio of Evidence (POE) submitted does not substantiate and is inadequate to support the reported performance. This matter has previously been raised and the reoccurrence thereof indicates that the recommendations by internal audit are discarded.

Departments should compile a POE that contains all the relevant information that is required to substantiate the reported performance and any information that is in e-mails should be filed accordingly. Departments should ensure that all the columns of the template are completed. "Reasons for deviation" and "action to be taken" must be completed where the target is not achieved.

Technical Services Department should ensure that the POE submitted pertains to the period under review.

It was further noted that reports included as POE are not signed by the Head of department. A senior official should review the POE file to ensure the quality and relevance of the information prior to submission to PMS.

It is advised that when departments set targets, they apply the SMART principle. The application thereof will assist in setting targets that are attainable.



Key Performance Area 1: Basic Service Delivery and Infrastructure Development									
PERFORMANCE OBJECTIVES AND INDICATORS			ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE						
FOR THE PERIOD 1 JULY 2020 – 30 JUNE 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
NAME OF DEPARTMENT: TECHNICAL SERVICES									
1.1	Provision of Project Management services to the municipality 2020/21	To execute work amounting R30 724 191 by June 2021	Payment certificates & list of payments spreadsheet	2019/20 Grant payment certificates and payment vouchers	R30 724 191 (Accumulative) certified as work done on the Regional Bulk Infrastructure Grant ( RBIG) by 30 June 2021	Not Achieved  R29 344 228 work certified as complete by 30 June 2021	Allocation letters, Tax Invoice, Payment Certificate and list of payments	Not achieved	Management to re-evaluate the Key Performance Indicator for the 2021/22 FY
1.2	Provision of Project Management services to the municipality 2020/21	To execute work amounting R28 025 000.00 by June 2021	Payment certificates & list of payments spreadsheet	2019/20 Grant payment certificates and payment vouchers	R28 025 000.00 (Accumulative) certified as work done on the Water Services	Not Achieved  R27 710 670.00 work certified as complete by 30 June 2021	Allocation letters, Tax Invoice, Payment Certificate and list of payments	Not Achieved	Management to re-evaluate the Key Performance Indicator for the 2021/22 FY

					Infrastructure Grant (WSIG) by 30 June 2021 by 30 June 2021				
1.3	Provision of Project Management services to the municipality 2020/21	To execute work amounting R27 425 037.00 by June 2021	Payment certificates & list of payments spreadsheet	2019/20 Grant payment certificates and payment vouchers	R27 425 037.00 (Accumulative) certified as work done on the Municipal Infrastructure Grant by 30 June 2021	<b>Not Achieved</b> <b>R25 325 904.00 work certified as complete by 30 June 2021</b>	DORA Schedule Tax Invoice Payment Certificate List of payments	<i>Not Achieved</i>	Management to re-evaluate the Key Performance Indicator for the 2021/22 FY
1.4	Provision of Project Management services to the municipality 2020/21	To execute work amounting R7 188 000.00 by June 2021	Payment certificates & list of payments spreadsheet	2019/20 Grant payment certificates and payment vouchers	R7 188 000.00 (Accumulative) certified as work done on the Integrated Electrification Programme (INEP) by 30 June 2021	<b>Not Achieved</b> <b>R0.00 work certified as complete by 30 June 2021</b>	Allocation letters, Tax Invoice, Payment Certificate and list of payments	<i>Not Achieved</i>	Management to re-evaluate the Key Performance Indicator for the 2021/22 FY
1.5	Provision of Project Management	To execute work amounting	Employment contracts, Attendance	2019/20 Grant payment certificates and	R1 000 000.00 (Accumulative) certified as	<b>Target Achieved:</b>	Payroll proof of payment,	<i>Target Achieved</i>	Management to re-evaluate the Key

	services to the municipality 2020/21	R1 000 000.00 by June 2021	register, proof of payments & invoices with proof of payments	payment vouchers	work done on the Expended Public Works Programme (EPWP) by 30 June 2021	<b>R 1 000 000.00 work certified as complete by 30 June 2021</b>	Tax invoice & Proof of payment		Performance Indicator for the 2021/22 FY
1.6	Provision of trafficable roads	Phase 1: Upgrading of 1.7km access roads in Roleleathunya	Monthly progress reports	Physical progress on site at 75% at 30 June 2020	Completion of the project by 30 June 2021	<b>100% Target Achieved</b>  Actual date for practical completion 19/03/2021	Progress reports for 30 June 2021  Practical completion certificate	<i>Target Achieved</i>	None
1.7	Provision of trafficable roads	Phase 2: Upgrading of 2km access roads in Roleleathunya	Monthly progress reports & Completion certificate	Contractor established site on 29 May 2020	Completion of the project by 31 March 2021	<b>100% Target Achieved</b>  Actual date for practical completion 14/04/2021	Progress reports for 30 June 2021  Practical completion certificate	<i>Target Achieved</i>	None
1.8	Provision of trafficable roads	Upgrading of the 0.6km Zama access road in Matlakeng	Completion Certificate	95% Physical progress on site at 30 June 2020	Practical completion of the project by 30 September 2020	<b>Target Achieved</b>  Actual date for practical	Progress reports for 30 June 2021  Practical completion certificate	<i>Not Achieved</i>	None

						completion 25/08/2021			
1.9	Provision of dignified sanitation services	Zastron / Matlakeng: Upgrading of the outfall sewerline and refurbishment of sewer pump stations	Monthly progress reports & Completion certificate	25% Physical progress on site at 30 June 2020	Completion of the project by 31 March 2021	<b>Not Achieved</b>  Actual achievement By 30 June 2021, is 93,25%	Progress reports for 30 June 2021  Practical completion certificate	<b>Not Achieved</b>	The contractor to submit a revised turnaround strategy plan v/v realistic program of works
1.10	Provision of drinking water	Upgrading of the Zastron Water Treatment Works (WTW)	Monthly progress reports & Practical completion certificate	65% physical progress on site at 30 June 2020	Practical completion of the project by 30 June 2021	<b>100% Target Achieved</b>  Actual date for practical completion 12/03/2021	Progress reports for 30 June 2021  Practical completion certificate	<b>Target Achieved</b>	None
1.11	Provision of drinking water	Smithfield / Mofulatshepe: Refurbishment of the Water Treatment Works (WTW)	Completion Certificate	New KPI Contractor appointed by 30 September 2020	Practical completion of the project by 30 June 2021	<b>Not Achieved</b>  Actual achievement 75%	Progress reports for 30 June 2021  Practical completion certificate	<b>Not Achieved</b>	The contractor to submit a revised turnaround strategy plan v/v realistic program of works

1.12	Provision of drinking water	Upgrading of the Rouxville Water Treatment Works (WTW)	Monthly progress reports & Practical completion certificate	65% physical progress on site at 30 June 2020	Practical completion of the project by 30 June 2021	<b>Not Achieved</b>  Actual achievement 65%	Progress reports for 30 June 2021 Practical completion certificate	<b>Not Achieved</b>	The contractor to submit a revised turnaround strategy plan v/v realistic program of works
1.13	Provision of bulk water supply	Construction of an abstraction works on the Orange River and equipping of x2 raw water pump stations with M&E	Monthly progress reports	51% physical progress on site at 30 June 2020	75% physical progress on site by 30 June 2021	<b>Not Achieved</b>  Actual achievement 36%	Progress reports for 30 June 2021 Practical completion certificate	<b>Not Achieved</b>	The contractor to submit a revised turnaround strategy plan v/v realistic program of works
1.14	Provision of bulk water supply	Construction of a 27km long raw bulk water pipeline from the Orange River to Paisley dam in Rouxville	Monthly progress reports & Practical completion certificate	40% physical progress on site	Practical completion of the project by 31 March 2021	<b>Not Achieved</b>  Actual achievement 92.8%	Progress reports for 30 June 2021 Practical completion certificate	<b>Not Achieved</b>	The contractor to submit a revised turnaround strategy plan v/v realistic program of works

1.15	Provision of bulk electricity infrastructure	Rouxville / Roleleathunya: Construction of a sub- station	Monthly progress reports and completion certificate	New KPI	Practical completion of the project by 30 June 2021	<b>Not Achieved</b>	Progress reports for 30 June 2021 Practical completion certificate	<b>Not Achieved</b>	The contractor to submit a revised turnaround strategy plan v/v realistic program of works
1.16	Electrification of house holds	Rouxville / Roleleathunya: Electrification of households in Extension 6 – Phase 2	Monthly progress report and Happy letters	Phase 1 (134 HH) Electrified pending connection at 30 June 2020	Electrification of 200 households in Extension 6 – Phase 2 by 30 June 2021	<b>Not Achieved</b>  <b>0% electrical meter boxes &amp; low voltage network</b>  <b>High voltage &amp; medium voltage network is 100%</b>	Progress reports for 30 June 2021 Practical completion certificate	<b>Not Achieved</b>	The contractor to submit a revised turnaround strategy plan v/v realistic program of works
1.17	Electrification of house holds	Zastron / Matlakeng: Electrification of households in Extension 10	Monthly progress report and Happy letters	New KPI	Electrification of 50 HH in Extension 10 by 30 June 2021	<b>Not Achieved</b>  <b>0% electrical meter boxes &amp; low voltage network.</b>	Progress reports for 30 June 2021 Practical completion certificate	<b>Not Achieved</b>	The contractor to submit a revised turnaround strategy plan v/v realistic

						High voltage & medium voltage network Is 100 %			program of works
1.18	Deliver sustainable services that are on or above RDP Level	Provide 10793 of formal Households with water in MLM daily.	Outflow readings	2349.5 ml of purified water	Provision of 2080.5 ML of purified water by 30 June 2021	<b>Target Achieved</b> Zastron 271,010kl Smithfield 227,590kl Rouxville 168,900kl	Water readings at the water treatment works (final distribution) per town. Water Mass Balance Report	Not Achieved  Management should ensure that the report is understandable by the third party	None
1.19	Provision of clean and portable drinking water	Review of the WSDP by 30 June 2021	Council approved document	Draft WSDP	Approved reviewed WSDP by 30 June 2021	<b>Not Achieved</b>	Council resolution approved WSDP	<b>Not Achieved</b>	WSDP to be presented to Council in the next meeting
1.20	Deliver sustainable services that are on or above RDP Level	Waste water quality management by 30 June 2021	Submission of 5,5 wastewater quality samples to accredited laboratory for testing	100% implementation wastewater risk abetment plans	Maintain dignified sanitation and submission of 22 wastewater quality samples to meet Wastewater	<b>Target Achieved</b>	Water quality results and reports	<b>Target Achieved</b>	None

					monitoring plan by June 2021				
1.21	Deliver sustainable services that are on or above RDP Level	Drinking water quality management by June 2021	Submission of 11,5 Drinking water quality samples to accredited laboratory for testing	100% compliance of physical , chemical and biological water quality	Submission of 46 water quality samples to the laboratory to meet drinking water monitoring plan 30 June 2021	<b>Not Achieved</b>	Water quality results and reports	<b>Not Achieved</b>	During unrests, MLM will commit to testing water. Rouxville and Snithfield was not affected therefore testing took place.
1.22	Environmental Health Management	Eight thousands (8000) formalised households provided with weekly waste removals services in all three (3) towns	Weekly reports	Weekly refuse collection from all household	Provision of refuse removal from all households by end of June 2021  Zastron  Rouxville  Smithfield	<b>Not Achieved</b>	Refuse removal reports	<b>Not Achieved</b>	MLM is working towards an operational plan to assist with refuse collection and maintaining records.



Key Performance Area 2: Municipal Transformation and Organisational Development									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2020 – 30 JUNE 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
NAME OF DEPARTMENT: CORPORATE SERVICES									
2.1	Annual Review and implementation of the Human Resources Strategy	Quarterly Implementation of the HRD Strategy by June 2021	Quarterly reports	2019/2020Quarterly reports	Quarterly reports submitted to Management (Recruitment and selection report aligned to Employment equity plan, leave management, benefits and	Not Achieved Due to Community unrests Section 79 and Council convene	Reviewed HRD Strategy Council Resolution	<i>Not Achieved</i>	Policy to be submitted to Council in the next Council meeting.

Key Performance Area 2: Municipal Transformation and Organisational Development									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2020 – 30 JUNE 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
					claims, vacancy rate and Overtime				
2.2	Annual Review and implementation of the Human Resources Strategy	2 Vacant posts advertised of Sec 56 managers by June 2021	Appointment letters/contracts	2 sec 56 positions filled	2 Vacant posts of Sec 56 managers advertised by June 2021	Not Achieved Municipality is faced with financial Challenges	Advert, Interview report, signed appointment letters/contracts	Not Achieved	Target will be moved to 4th Quarter of the 2021/2022 financial year
2.3	Annual Review and implementation of the Human Resources Strategy	3 unskilled labours vacant post filled by June 2021	Appointment letters/contracts	6 employees appointed	3 Unskilled vacant posts filled by June 2021	Not achieved Municipality had to start with most critical posts as it is faced	Advert, Interview report, signed appointment letters/contracts	Not Achieved	Target will be moved to 4th Quarter of the 2021/2022 financial year after the review of the organogram

Key Performance Area 2: Municipal Transformation and Organisational Development									
Performance Objectives and Indicators				Annual Performance Targets and Feedback on Actual Performance					
For the period 1 July 2020 – 30 June 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
						with financial challenges			
2.4	To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	10 Human Resources Policies reviewed and approved by Council by June 2021	Approved Policies	10 policies reviewed and approved by Council	10 Human Resources Policies reviewed and approved by Council by June 2021	Not Achieved  Section 79 and Council did not sit due to thecommunity unrests, offices were closed for 2 months	Council Resolution and electronic copies of HR Policies	<i>Not Achieved</i>	Policy to be submitted to Council in the next Council meeting.
2.5	To instil good governance in all Municipal	Reviewed Organogram by June 2021	Reviewed organogram	2019/2020 reviewed organogram	Reviewed Organogram by June 2021	Not Achieved	Council Resolution and electronic	<i>Not Achieved</i>	Organogram to be submitted to Council in

Key Performance Area 2: Municipal Transformation and Organisational Development									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2020 – 30 JUNE 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
	operations, ensure public participation and provide critical strategic support to the Municipality					Section 79 and Council did not sit due to thecommunity unrests, offices were closed for 2 months	copies of HR Policies		the next Council meeting.
2.6	Ensure 100% development of ICT Strategy	Develop the 5 year ICT Strategy by 2021	14 Policies Reviewed by June 2021	14 reviewed and adopted Policies 2019/20	Develop the 5 year ICT Strategy by 2021	Not Achieved  Section 79 and Council did not sit due to thecommunity	Council Resolution and copy of the organogram	Not Achieved	Strategy to be submitted to Council in the next Council meeting.

Key Performance Area 2: Municipal Transformation and Organisational Development									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2020 – 30 JUNE 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
						unrests, offices were closed for 2 months			
2.7	Ensure 100% development of ICT Strategy	Reviewed ICT Policies June 2021	14 Policies Reviewed by June 2021	14 reviewed and adopted Policies 2019/20	14 reviewed ICT Policies adopted by May 2021 1.IT Security policy 2.IT Assets Control & Disposal Policy	Not Achieved  Section 79 and Council did not sit due to thecommunity unrests, offices were closed for 2 amonths	Council Resolution and electronic copies of HR Policies	<i>Not Achieved</i>	Organogram to be submitted to Council in the next Council meeting.

Key Performance Area 2: Municipal Transformation and Organisational Development									
Performance Objectives and Indicators				Annual Performance Targets and Feedback on Actual Performance					
For the period 1 July 2020 – 30 June 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
					3.Internet & Email Usage Policy 4.Change management policy 5.Password policy 6.IT Backup Policy 7 Disaster Recovery policy 8 Telephone Policy				

Key Performance Area 2: Municipal Transformation and Organisational Development									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2020 – 30 JUNE 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
					9 Mobile and Gadgets Policy 10. Patch Management				
2.8	Ensure 100% development of ICT Strategy	Review of the Disaster recovery and Business Continuity Plan by June 2021	Approved plan	2019/2020 Reviewed Disaster Recovery and Business Continuity Plan	Reviewed Disaster Recovery and Business Continuity Plan for the 2021/2022 financial year.	Not Achieved  Section 79 and Council could not convene due to the community unrests, offices were	Council Resolution and electronic copies of HR Policies	<i>Not Achieved</i>	Disaster Plan to be submitted to Council in the next Council meeting.

Key Performance Area 2: Municipal Transformation and Organisational Development									
Performance Objectives and Indicators				Annual Performance Targets and Feedback on Actual Performance					
For the period 1 July 2020 – 30 June 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
						padlocked for 2 months			



Key Performance Area 3: Good Governance and Public Participation									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2020 – 30 JUNE 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
NAME OF DEPARTMENT: MUNICIPAL MANAGER (INTERNAL AUDIT)									
3.1	Maintaining and improving the Municipal Audit Opinion	Reviewed 20/2020 Internal Audit Charter and Manual for approval by June 2021	Approved Internal Audit Charter	Adopted and reviewed 2019/20 Internal Audit charter	Review and approve 2021/22 Internal Audit Charter by June 2021	Not Achieved Non sitting of Audit and Performance Committee	Approved Internal Audit Charter and Manual Attendance register and minutes	Not Achieved	Develop schedule for sitting of members
3.2.	Maintaining and improving the Municipal Audit Opinion	Reviewed and approved Audit Committee Charter by June 2021	Approved Audit Committee Charter	2019/2020 Audit Committee Charter	Reviewed and approved Audit Committee Charter by June 2021	Not Achieved Non sitting of Audit and Performance Committee	Approved Audit Committee Charter	Not Achieved	Develop schedule for sitting of members

Key Performance Area 3: Good Governance and Public Participation									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2020 – 30 JUNE 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
3.3	Maintaining and improving the Municipal Audit Opinion	Develop and submit Internal Audit Coverage Plan	Approved Internal Audit Coverage Plan	Adopted 2019/20 Internal Audit Coverage Plan	Approved Internal Audit Coverage Plan	Not Achieved  Non sitting of Audit and Performance Committee	Approved Internal Audit Coverage Plan, Attendance register minutes	Not Achieved	Develop schedule for sitting of members
NAME OF DEPARTMENT: MUNICIPAL MANAGER (RISK MANAGEMENT)									
3.4	To evaluate the effectiveness of Risk management, control	Reviewed Enterprise Risk Management	Reviewed and adopted policies	Reviewed Enterprise Risk	Reviewed Enterprise Risk	Not Achieved	Approved Risk Policies	Not Achieved	Management to intervene and assist the department.

Key Performance Area 3: Good Governance and Public Participation									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2020 – 30 JUNE 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
	and governance processes and develop actions to address key risks identified	Policies (Risk Management Strategy and Framework, Fraud and Anticorruption Strategy, Risk Management Committee Charter		Management Policies	Management Policies				
3.5	To evaluate the effectiveness of Risk management, control and governance processes and develop actions to	Implementation of the Reviewed 2021/2022 Risk Register by June 2021	Quarterly reports	2018/19 Risk Register	Implementation of the Reviewed 2021/2022 Risk Register by June 2021	Not Achieved	Approved Risk Policies	Not Achieved	Management to intervene and assist the department

Key Performance Area 3: Good Governance and Public Participation									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2020 – 30 JUNE 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
	address key risks identified								
3.6	To evaluate the effectiveness of Risk management, control and governance processes and develop actions to address key risks identified	Reviewed 2021/2022 Risk Register by June 2021	Approved risk register Quarterly reports	2018/2019 risk register	Reviewed and approved 2020/2021 risk register	Not Achieved	Assessment report, minutes, attendance registers (RMC and Assessments held) approved risk register	Not Achieved	Management to intervene and assist the department
NAME OF DEPARTMENT: MUNICIPAL MANAGER (INTERGRATED DEVELOPMENT PLAN)									

Key Performance Area 3: Good Governance and Public Participation									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2020 – 30 JUNE 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
3.7	To implement a ranking and rating system for all new capital projects to support the strategic objectives and priorities of Council and Community	Reviewed and approved IDP by May 2021	Approved IDP Plan	Approved 2019/20 IDP	Reviewed and approved IDP	Achieved:	Council resolutions for draft and final adoptions  Electronic copies of IDP Process Plan and Council resolution	Target  Achieved	None
NAME OF DEPARTMENT: MUNICIPAL MANAGER (PERFORMANCE MANAGEMENT SYSTEM)									
3.8	100% monitoring and evaluation of the municipality’s Performance	2021/2022 Organisational performance management system policy reviewed by May 2021	Reviewed PMS Policy	2020/2021Approved PMS policy Framework	Review PMS policy framework	Achieved	Council resolution and electronic copy of the reviewed policy	Target  Achieved	None

Key Performance Area 3: Good Governance and Public Participation									
Performance Objectives and Indicators				Annual Performance Targets and Feedback on Actual Performance					
For the period 1 July 2020 – 30 June 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
3.9	100% monitoring and evaluation of the municipality’s Performance	Submission of the draft Annual report and the annual performance report for 2018/19 to the Auditor General by 31 August 2020	Developed and Audited AR and APR	Annual report, annual performance report submitted on the 31 August 2019	Submitted draft Annual report, annual performance report by 31st of August 2020	Not Achieved:  APR was submitted to AG in Novemeber 2021.	Acknowledgement of receipt	Not Achieved	Ensure compliance with the legislated timeframes for submission.
3.10	100% monitoring and evaluation of the municipality’s Performance	Developed 2021/2022 SDBIP by June 2021	2019/2020 SDBIP	Developed and approved SDBIP	Developed 2021/2022 SDBIP by June 2021	Not achieved:  SDBIP was adopted on the September 2021	Approved SDBIP	Not Achieved	SDBIP should be adopted in line with timeframes

Key Performance Area 3: Good Governance and Public Participation									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2020 – 30 JUNE 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
3.11	100% monitoring and evaluation of the municipality’s Performance	Developed Mid-year report submitted to Council by 25 January 2021	2018/2019 Mid-year report	Developed and submitted Mid-year report	Mid-year report submitted to Council by 25 January 2021	Achieved:	Adopted Mid-year report	Target Achieved	None
3.12	Ensuring 100% compliance to MFMA, MSA and Circular 63 & 32	Developed and adopted adjustment SDBIP and submitted to Council by 28 Feb 2021	2019/2020 Adjusted SDBIP	Developed and approved adjusted SDBIP	Adjusted SDBIP and adopted by Council in Feb 2021	Achieved	Approved Adjusted	Target Achieved	None
3.13	Ensuring 100% compliance to	Tabled AR and APR to	Annual report, annual	Adopted Annual Report	Tabled Annual Report and Annual	Not Achieved:	Council resolution and electronic	Not Achieved	The AR and APR to be tabled to Council

Key Performance Area 3: Good Governance and Public Participation									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2020 – 30 JUNE 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
	MFMA, MSA and Circular 63 & 32	Council by 25 January 2021	performance  Report tabled on the 29 January 2021		Performance Report by the 25 January 2021	Due to lockdown the Audit Process started late in the year	copy of AR & APR		within the legislated timeframes
NAME OF DEPARTMENT: FINANCE									
3.14	Provide free basic water	Registration of indigent households	Indigent register	2020/2021 1440 indigent registered	1200 indigent households registered by June 2021	Achieved:	Report on status on indigence	Target Achieved	None
3.15	Fully effective asset management	Quarterly updating of moveable assets against assets register and preparation of fixed and	Quarterly reports	2020/21 quarterly reports	Quarterly updating of moveable assets against assets register and preparation of fixed and	Not achieved  Lack of skill and capacity in the unit	GRAP compliant assets Register  Detailed quarterly report on updating of asset register.	Not Achieved	Asset staff currently busy with verification of asset, once completed the register will be updated



Key Performance Area 3: Good Governance and Public Participation									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2020 – 30 JUNE 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
		Infrastructure assets register by June 2021			Infrastructure assets register by June 2021				
NAME OF DEPARTMENT: CORPORATE SERVICES									
3.16	To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	4 Ordinary Council sittings held annually as legislated (1 per quarter)	Signed distributed acknowledgement of receipt	4 distributed notices and agenda for 4 ordinary meetings	4 Ordinary Council meeting held by June 2021	Achieved	Copy of notices and agendas distributed and acknowledgement of receipts	Target Achieved	None
3.17	To instil good governance in all Municipal operations, ensure	12 monthly notice of Local Labour Forum	Signed distributed acknowledgement of receipt	12 LLF notices and agenda distributed	12 LLF notices and agenda distributed	Not Achieved	Copy of notices and agendas distributed and	Not Achieved	Meetings will be scheduled in the new financial year

Key Performance Area 3: Good Governance and Public Participation									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2020 – 30 JUNE 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
	public participation and provide critical strategic support to the Municipality	distributed by June 2021					acknowledgement of receipts		
3.18	To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	Agenda and notices of section 79 committees distributed quarterly	Sec 79 notices and agenda		20 notices and agenda of Section 79 distributed quarterly	Not achieved	Notices and agenda	<i>Not Achieved</i>	Meetings will be scheduled in the new financial year
3.19	To instill good governance in all Municipal operations, ensure	Reviewed and adopted Employment Equity Policy	Approved policy	16/17 EE Policy	Reviewed and adopted EE Policy	Not achieved:	Council resolution and adopted policy	<i>Not Achieved</i>	The policy will be reviewed and adopted in the Ordinary Council

Key Performance Area 3: Good Governance and Public Participation									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2020 – 30 JUNE 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
	public participation and provide critical strategic support to the municipality	by December 2021							meeting in the new financial year
3.20	To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	Submitted EE Plan Report to Dept. of Labour by 15 January 2021	Proof of submission	EE Plan submitted 2020	Submitted EE Plan Report to Dept. of Labour by 15 January 2021	Achieved:	Proof of submission to Dept. of Labour	Target Achieved	None

Key Performance Area 3: Good Governance and Public Participation									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2020 – 30 JUNE 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
NAME OF DEPARTMENT: TOWN PLANNING									
3.21	100% compliance to SPLUMA	Review the 8 Town Planning Policies by June 2021	Adopted policies	2019/2020 adopted policies	8 Policies reviewed and approved by Council	Not Achieved	Approved policies	<i>Not Achieved</i>	Policies will be sent to Council in the next Council meeting
3.22	100% compliance to SPLUMA	Reviewed Spatial Development Framework by June 2021	Adopted SDF	2019/2020 Adopted Policy	Reviewed SDF by June 2020	Achieved	Council Resolution and Copy of the updated project list	<i>Target Achieved</i>	None
3.23	100% compliance to SPLUMA	Conduct 1 Municipal Planning Tribunal meeting bi-	Minutes and attendance registers	A Tribunal held in 2019/2020	1 Municipal Planning Tribunal conducted Bi-annually by June 2021	Achieved	Attendance registers Minutes/report	<i>Target Achieved</i>	None

Key Performance Area 3: Good Governance and Public Participation									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2020 – 30 JUNE 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
		annually by June 2021							
3.24	100% compliance to SPLUMA	Attend 4 quarterly SPLUM Meetings by June 2021	Invite, Minutes, attendance register	3 meetings held in 2019/2020	Attend 4 quarterly SPLUM Meetings by June 2021	Achieved:	Attendance registers Minutes/report	Target Achieved	None
3.25	100% compliance to SPLUMA	Develop final Land Use Management Scheme by June 2021	Final Copy of the Land Use Management Scheme	19/20 approved Land Use Management Scheme	Final Land Use Management Scheme developed by June 2021	Not Achieved:	Due to COVID regulations Public participation was not held	Not achieved	COVID 19. Attached letter from COGTA. Date to be moved to June 2022

Key Performance Area 4: Financial Management and Viability									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2020 – 30 JUNE 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
NAME OF DEPARTMENT: FINANCE									
4.1	Review, and implement all relevant departmental policies	6 budget related policies reviewed by June 2021(Assets, SCM, Revenue, bank and investment, Credit Control and Expenditure)	Approved Policies	2019/20 Reviewed budget related policies	6 budget related policies reviewed by June 2021 (Assets, SCM, Revenue, bank and investment, Credit Control and Expenditure	Achieved:	Policies Council resolutions Attendance register	Target Achieved	None
4.2	Implementation of Mohokare Financial Management Plan	Developed Compliant MSCOA budget by June 2021	Adopted Compliant MSCoA Budget by May 2021	2019/20 adopted budget	Developed Compliant MSCOA budget by June 2021	Achieved:	Compliant budget Council resolution	Target Achieved	None

Key Performance Area 4: Financial Management and Viability									
Performance Objectives and Indicators				Annual Performance Targets and Feedback on Actual Performance					
For the period 1 July 2020 – 30 June 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
4.3	Implementation of Mohokare Financial Management Plan	Developed adjustment budget by Feb 2021	Adopted 2019/20 adjustment budget	Adopted adjustment budget in by Feb 2020	Adopted adjustment budget by Feb 2021	Achieved	Attendance register-steering resolution Adjusted Budget Council Resolution	Target Achieved	None
4.4	Development of operationalization of SCM Plans	Implementation and monitor of the procurement plan by June 2021	Progress report	2019/20 quarterly plans	Developed and adopted Procurement Management Plan by August 2020	Achieved	Council Resolution and adopted copy	Target Achieved	None

Key Performance Area 4: Financial Management and Viability									
Performance Objectives and Indicators				Annual Performance Targets and Feedback on Actual Performance					
For the period 1 July 2020 – 30 June 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
4.5	Development of operationalization of SCM Plans	Implementation and monitor of the procurement plan by June 2021	Progress report	2019/20 quarterly plans	Procurement Plan implemented by June 2021 (quarterly)	Achieved	Adverts Appointment letter	Target Achieved	None
4.6	Promotion and maintenance SCM	Irregular, fruitless and wasteful expenditure reduced by June 2021	Progress report	2019/20 quarterly plans	Irregular, fruitless and wasteful expenditure reduced by June 2021	Not Achieved Due to MPAC not functional	Council Resolution and adopted copy	Not Achieved	The MM to intervene & assist with convening MPAC
4.7	Promotion and maintenance SCM	Quarterly SCM reports submitted to the Mayor and Accounting Officer	Quarterly report	2019/2020 SCM Reports	Quarterly SCM reports submitted to the Mayor and Accounting Officer	Not Achieved Financial system for the month of June not closed yet	Council Resolution and adopted copy	Not Achieved	Report for Q4 will be submitted once the financial system for June is closed



Key Performance Area 4: Financial Management and Viability									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2020 – 30 JUNE 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
4.8	Grow Mohokare	12 local businesses awarded by June 2021	Quarterly Report	12 business reports awarded	12 local businesses awarded by June 2021	Achieved	Adverts, Bid Committees meetings minutes Attendance register	Target Achieved	None
4.9	Grow Mohokare	50 % creditors paid within 30 days	Invoices and expenditure forms	% Creditors paid	50 % creditors paid within 30 days	Not achieved Due to financial constraints of the municipality	Monthly Financial Progress reports	Not Achieved	
4.10	To ensure compliance with MFMA and Treasury regulations and	Payment vouchers of Third Parties done by the 7th of each month	Payment reconciliations	Proof of payment	Third Party paid by the 7th of each month	Target Achieved	Quarterly SCM report	Target Achieved	None

Key Performance Area 4: Financial Management and Viability									
Performance Objectives and Indicators				Annual Performance Targets and Feedback on Actual Performance					
For the period 1 July 2020 – 30 June 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
	implement internal controls								
4.11	To ensure compliance with MFMA and Treasury regulations and implement internal controls	Compliance with SARS directive on VAT issues.	VAT Returns	2019/2020 VAT Returns	Submission of 12 VAT 201 returns	Not achieved System not yet closed for the month of May and June	Report on LED	<i>Not Achieved</i>	Will be submitted once the system is closed
4.12	Grow Mohokare	30% of debt collected by June 2021	Quarterly report	% debt collected	30% of debt collected by June 2021	Target Achieved	Quarterly Financial reports Invoices and expenditure forms	<i>Target Achieved</i>	None

Key Performance Area 4: Financial Management and Viability									
Performance Objectives and Indicators				Annual Performance Targets and Feedback on Actual Performance					
For the Period 1 July 2020 – 30 June 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
4.13	Implementing effective internal controls and monitoring compliance	Timely submission of compliance reports to Council, NT and PT (Section 71, 52, and 72)	Quarterly reports	Compliance reports as per MFMA	Quarterly reports	Not achieved  M10 Data strings were uploaded on the MSCOA Upload Portal. M11 and M12 Data Strings are not yet uploaded because the financial system is not yet closed	Proof of submission to AG, NT and PT	<i>Not Achieved</i>	Data Strings will be uploaded as soon as the system is closed
4.14	Compilation of compliant AFS	Submission of Draft Compliant Financial Statements to AG, National and	Compliant AFS to AG, NAT,PT by 31 Aug 2021	Submitted AFS by 31st August 2021	Compliant AFS to AG, NAT,PT by 31 Aug 2021	Not Achieved  AFS were submitted to AG	Proof of submission to AG, NT and PT	<i>Target Achieved</i>	None

Key Performance Area 4: Financial Management and Viability									
Performance Objectives and Indicators				Annual Performance Targets and Feedback on Actual Performance					
For the Period 1 July 2020 – 30 June 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
		Provincial Treasury by 31st August 2021				on the 25 <sup>th</sup> November 2021			
4.15	Submission of Compliant AFS	Submission of Final compliant Financial Statements to Council, NT and PT by 25 January 2021	Submitted final AFS	AFS submitted to Council by 25 Jan 2020	Submitted final AFS to Council by 25 January 2021	Achieved	Proof of submission to AG, NT and PT	Target Achieved	None

Key Performance Area 5: Local Economic Development									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2019 – 30 JUNE 2020									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2018/19	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
NAME OF DEPARTMENT: LOCAL ECONOMIC DEVELOPMENT									
5.1	Enhancement of the municipality’s local economy	5 year LED Strategy developed by June 2021	Reviewed LED Strategy	2019/20 LED Strategy	5 year LED Strategy developed by June 2021	Achieved	Council Resolution and copy of the adopted strategy	Target Achieved	None
5.2	Enhancement of the municipality’s local economy	12 Business expos conducted to assist cooperatives and SMMEs per town	Invites and attendance registers	4 Business expos conducted	12 Business expos conducted to assist cooperatives and SMMEs per town	Not Achieved Due to covid regulations we were unable to conduct expos	Invites and attendance registers	Not Achieved	Consultations will be done in the nest financial year
5.3	Enhancement of the municipality’s local economy	Reviewed SMME support Policy by June 2021	Reviewed and adopted Policy	SMME Policy 2019/20 reviewed	Reviewed SMMES support Policy by June 2021	Achieved	Council Resolution and copy of the Policy	Target Achieved	None

Key Performance Area 5: Local Economic Development									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2019 – 30 JUNE 2020									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2018/19	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
5.4	Enhancement of the municipality’s local economy	Developed and approved Tourism Policy by June 2021	Approved Policy	New KPI	Developed and approved Tourism Policy by June 2021	Not Achieved Due to covid regulations we were unable to conduct sessions with Cogta and consultations with the Community	Approved Policy Council Resolution	<i>Not Achieved</i>	Consultations will be done in the next financial year

Key Performance Area 6: Human Settlement									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2020 – 30 JUNE 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
NAME OF DEPARTMENT: COMMUNITY SERVICES									
6.1	Provision of sustainable Human Settlements in all the three towns by 30 June 2021.	Reviewed Human Settlement Sector Plan by June 2021	Council adopted policy	Human Settlement Sector Plan 2019/20	Review of Human Settlement Sector Plan by June 2021	Target achieved	Council resolution and Copy of the Plan	Target Achieved	None
6.2	Provision of sustainable Human Settlements in all the three towns by 30 June 2021.	Reviewed Land Disposal Policy by June 2021	Council adopted policy	19/20 policy	Land Disposal Policy developed by June 2021	Target achieved	Council resolution copy of the plan	Target Achieved	None
6.3	Provision of sustainable Human Settlements in all the	Reviewed of Municipal Housing Rental	Council adopted policy	Municipal rental housing policy in place by 2019/20	Reviewed of Municipal Housing Rental Policy by June 2021	Target achieved	Council resolution copy of the plan	Target Achieved	Wil be reviewed in the next financial year

Key Performance Area 6: Human Settlement									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2020 – 30 JUNE 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
	three towns by 30 June 2021.	Policy by June 2021							
6.4	Provision of sustainable Human Settlements in all the three towns by 30 June 2021.	Reviewed Municipal sites allocation Policy by June 2021	Council adopted policy	2019/2020 Policy	Reviewed Municipal sites allocation Policy by June 2021	Target achieved	Council resolution Copy of the Policy	Target Achieved	Wil be reviewed in the next financial year
6.5	Management of Local Disaster as per incident	Reviewed and implemented of local disaster management plan by June 2021	Council adopted policy	Local Disaster Management Plan in place 2019/20	Reviewed Disaster Management Plan by June 2021	Target achieved	Council resolution and Copy of the Plan	Target Achieved	None
6.6	Provision of sustainable Commonage Management	Reviewed Commonage Management plan by June 2021	Council adopted policy	Commonage management plan in place	Reviewed Commonage Management Plan by June 2021	Target achieved	Council resolution and Copy of the Plan	Target Achieved	None



Key Performance Area 6: Human Settlement									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2020 – 30 JUNE 2021									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2019/20	Annual Target 2020/21	2020-21 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance	Corrective Measure(s) Taken/ To be Taken to Improve Performance
6.7	Management of Sports and Facilities	Reviewed Sports and Facilities Management policy by June 2021	Council adopted policy	19/20 Sports facility Management	Reviewed Sports and Facilities Management policy by June 2021	Target achieved	Council resolution and Copy of the Policy	Target Achieved	None
6.8	Management of Municipal Amenities	Reviewed Cemetery Management Policy by June 2021	Council adopted policy	Cemetery Management policy in place	Review of Cemetery management Policy by June 2021	Target achieved	Council resolution copy of the plan	Target Achieved	None
6.9	Environmental Health Management	Reviewed IWMP Integrated Waste Management Plan by August 2020	Approved Plan	19/20 Adopted IWMP	Reviewed IWMP Integrated Waste Management Plan by August 2020	Target achieved	Management resolution & Approved draft plan	Target Achieved	Wil be reviewed in the next financial year

## **CONCLUSION**

Mohokare Local Municipality served the community with distinction during the 2020/2021 financial year. This report clearly demonstrates the commitment of the municipality to ensure that the local community have access to their basic needs.

I wish to extend my gratitude to the Municipal Council, Mayor, and the Management Team as well as to all the employees of the Mohokare Local Municipality who willingly and competently assisted to ensure the Municipality is well on its way to become a place of excellence.

---

**MR. S.M SELEPE**  
**MUNICIPAL MANAGER**

## CHAPTER 4

### ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

#### COMPONENT A: INTRODUCTION TO MUNICIPAL PERSONNEL

##### 4.1 EMPLOYEE TOTALS

Mohokare Local Municipality employs 253 (including non-permanent positions) officials, who individually and collectively contribute to the Municipality's strategic objectives. The primary objective of Human Resource Management is to render innovative HR services that address both skills development and administrative function.

TOTAL EMPLOYEES				
Description	Ending 31 <sup>st</sup> June 2021			
	Number of Posts	Number of Employees	Vacancies	% Variance
Water	56	42	14	25%
Sanitation	77	40	37	48.1%
Electricity	1	1	0	0%
Roads & Storm-water	23	8	15	65,2%
Technical Services (exc the above)	11	9	2	18.2%
Waste Management	48	24	24	50%
Human Settlement	35	18	17	48.6%
Traffic Safety & Management	7	7	0	0%
Community Services (excl. Waste, Human Settlement & Traffic)	35	19	16	45.7%
Planning	2	1	1	50%
Local Economic Development	2	2	0	0%
Office of the MM (excl. Planning & LED)	34	22	14	41.1%
Finance	50	41	9	18%
Corporate Services	27	19	8	29.6%
<b>TOTALS</b>	<b>408</b>	<b>253</b>	<b>157</b>	<b>38.5%</b>

## VACANCIES

Vacancy Rate: 2020/21			
Designations	Total Approved Posts	Vacancies	Vacancies %
Municipal Manager	1	0	100%
CFO	1	0	100%
Other S56 Managers (excluding Finance Posts)	3	2	66.7%
Other S57 Managers (Finance posts)	0	0	0.00%
Police officers	0	0	0.00%
Fire fighters	0	0	0.00%
Senior management: Levels 13-15 (excluding Finance Posts)	17	4	23.5%
Senior management: Levels 13-15 (Finance posts)	3	2	66.7%
Highly skilled supervision: levels 9-12 (excluding Finance posts)	59	14	24%
Highly skilled supervision: levels 9-12 (Finance posts)	17	2	11.7%
<b>Total</b>	<b>101</b>	<b>24</b>	<b>23.7%</b>

## TURNOVER

Turn-over Rate 2020/21			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate
Year -2			
Year -1	0	0	
Year 0	4	11	27.5%
Total	4	11	27.5%

### Appointment of Senior Managers

Only two Senior positions are vacant i.e. Director Corporate and Director Community Services. It is anticipated that all senior vacancies will be filled in the next financial year.

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### 4.2 POLICIES

Policies and plans provide guidance for fair and consistent staff treatment and approach to managing staff.

All policies relevant to Human Resources have been reviewed and implemented in the years under review.

Human Resource policies road shows have been embarked upon to train and share information of the policies to all staff members.

The table below shows the HR Policies and Plans that are approved:

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council
1	Human Resource Development Strategy	100	100	October 2020
2	Organogram	100	100	October 2020
3	Organizational Design Policy	100	100	October 2020
4	Employment Policy	100	100	October 2020
5	Leave Policy	100	100	October 2020
6	Occupational Health and Safety Policy	100	100	October 2020
7	Overtime Policy	100	100	October 2020
8	Relocation Policy	100	100	October 2020
9	Councilor Remuneration Policy	100	100	October 2020
10	Staff Retention Policy	100	100	October 2020
11	Employment Equity policy	100	100	October 2020

### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

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 Days	Total Estimated Cost
Required basic medical attention	0	0	0	0	0
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Injuries, sickness and suspensions excl. injuries on duty:

Salary band	Total sick leave	Proportion of sick leave without medical certification %	Employees using sick leave	Total employees in post*	Average sick leave per employees
Lower skilled (Levels 1-2)	0	0	0	0	0
Skilled(Levels 3-5)	900	0	112	146	6
Highly skilled production(levels 6-8)	300	0	55	35	9
Highly skilled supervision(levels 9-12)	196	0	20	47	4
Senior management(Levels 13-15)	55	0	15	13	4
MM and S57	0	0	0	3	0
<b>Total</b>	<b>1451</b>	<b>0</b>	<b>202</b>	<b>244</b>	<b>6</b>

## SUSPENSIONS

Number and period of suspension				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of case and reasons why not finalized	Date Finalized
NONE				

## 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 Finalized
NO CASES REPORTED			

## 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 bonus may only be paid after the municipal council has adopted the annual report of the year under review.

All Senior Managers appointed in terms of Section 56 of the MSA are on fixed-term performance contracts. The Individual Performance Management System has not been fully cascaded down to all institutional levels within the municipality. Currently there is no performance bonus system for non-section 56 employees, only a notch progression methodology is currently utilized.

This will be put in place once the organization achieves the necessary performance management maturity level. The table below sets out the total number and cost of annual bonuses paid out to senior managers and fixed term contract employees for the 2018/19 financial year:

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1	Proportion of beneficiaries within
Lower skilled (Levels 1-2)	Female	0	0	0	0
	Male	0	0	0	0
Skilled (Levels 3-5)	Female	0	0	0	0
	Male	0	0	0	0
Highly skilled production (levels 6-8)	Female	0	0	0	0
	Male	0	0	0	0
Highly skilled supervision (levels 9-12)	Female	0	0	0	0
	Male	0	0	0	0
Senior management (Levels 13-15)	Female	0	0	0	0
	Male	0	0	0	0
MM and S56	Female	1	1	0	0
	Male	3	3	0	0
Total		4	4	0	0

Despite gradual improvement of financial and performance position of the municipality over the last financial years, the municipal manager and senior managers have never been paid any performance bonuses due to the financial difficulties faced by the institution.



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

Section 68 of the Municipal Systems Act 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, and efficient and accountable way and for this purpose must comply with the Skills Development Act and Skills Development Levies Act.

Mohokare Local Municipality had an approved and adopted workplace skills plan detailing the trainings planned by the municipality for 2020/2021.

The training plan was developed with time frames and approved by management for implementation. Further to that the municipality applied for the Discretionary grant from LGSETA, but unfortunately we were not approved.

Challenges: The municipality depends mostly on the LGSETA grants in order to implement most of the programmes due to financial constraints. The municipality experienced challenges on the implementation of the programmes in the financial year 2020/2021, hence in an attempt to rescue the situation submitted applications for Discretionary grants.

## 4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 2018/2019	Number of skilled employees required and actual as at 30 June 2021											
		No.	Learner ships			Skills programmes & other short courses			Other forms of training			Total		
			Actual: 2018/2019	Planned: 2020/2021	Actual: 2020/2021	Actual: 2019/2020	Planned: 2020/2021	Actual: 2020/2021	Actual: 2019/2020	Planned: 2020/2021	Actual: 2020/2021	Actual: 2019/2020	Planned: 2020/2021	Actual: 2020/2021
MM and s56	Fema	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	3	1	1	0	3	0	0	3	1	0	7	3	5
Councillors, senior officials and managers	Fema	9	0	2	3	0	0	0	9	5	0	9	9	1
	Male	19	2	10	10	16	0	0	16	14	0	34	16	8
Technicians and associate professionals*	Fema	10	1	10	0	2	0	0	2	1	0	5	2	1
	Male	16	0	20	1	2	0	0	2	1	0	4	2	0
Professionals	Fema	8	0	6	1	1	0	0	1	6	0	2	1	2
	Male	5	0	5	0	5	0	0	5	4	0	10	5	10
Clerical support Workers	Fema	24	0	23	2	7	0	0	7	8	0	14	7	11
	Male	32	1	24	1	5	0	0	5	5	0	11	5	1
Elementary Occupations	Fema	57	1	25	13	82	0	0	82	30	0	165	82	1
	Male	103	14	60	23	123	0	0	123	60	0	260	120	23
Sub total	Fema	108	2	66	19	101	0	0	101	50	0	204	116	19
	Male	178	18	120	35	154	0	0	154	85	0	326	205	35
Total		286	20	186	54	225	0	0	255	155	0	500	341	54

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))	Consolidat ed: Total of A and B	Consolidat ed: Competen cy 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	Consolidat ed: Total number of officials that meet prescribe d competenc y levels (Regulation
Accounting officer	1	0	1	1	1	0
Chief financial	1	0	1	1	1	1
Senior managers	1	0	1	0	1	0
Any other financial officials	12	0	12	12	0	11
<b>Supply Chain Management Officials</b>						
Heads of supply chain management units	1	0	1	1	1	1
Supply chain management senior	1	0	1	1	0	1
<b>TOTAL</b>	<b>17</b>	<b>0</b>	<b>17</b>	<b>14</b>	<b>4</b>	<b>14</b>

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

Regulation R493 of the National Treasury requires that all identified officials in the municipality should have achieved minimum competencies by June 2021.

Skills Development Expenditure										
Management level	Gender	Employees 2020/2021 No.	Original Budget and Actual Expenditure on skills development							
			Learner ships		Skills programs & other short courses		Other forms of training		Total	
			Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	Budgeted	Actual
MM and S57	Female	0	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	0
Legislators, senior officials and Professionals	Female	1	R46 000	R46 000	0	0	0	0	0	0
	Male	6	R50 600	R50 600	0	0	R20888	R20888	R208 888	R208888
Technicians	Female	0	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	0
Clerks	Female	0	0	0	0	0	0	0	0	0
	Male	1	R46000	R46000	0	0	0	0	0	0
Service and sales workers	Female	0	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	0
Plant and machine operators and	Female	0	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	0
Elementary occupations	Female	2	0	0	0	0	0	0	0	0
	Male	13	0	0	0	0	0	0	0	0
Sub total	Female	4	0	0	0	0	0	0	0	0
	Male	20	0	0	0	0	0	0	0	0
Total		244	R142 600	R142 600	0	0	R208888	R208888	R208 888	R208888

## SKILLS DEVELOPMENT

The Skills Development Act aims to develop the skills of the South African workforce and to improve the quality of life of workers and their prospects of work; to improve productivity in the workplace and the competitiveness of employers and to promote self-employment.

The workplace skills plan is the key strategic planning document relating to workplace training, career pathing and employment equity. The plan details the training planned for the financial year and it is informed by the IDP, Skills audit results and the MFMA in terms of Section 83(1). The municipality endeavours to provide training as planned in the WSP but due to financial constraints

not all trainings are implemented. However, there is significant progress to ensure that in a financial year employees receive quality training to acquire new skills and improve performance.

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### 4.6 EMPLOYEE EXPENDITURE

Section 66 of the Municipal Systems Act states that the Accounting Officer of the municipality must report to the Council on all expenditure incurred by the municipality on staff salaries wages, allowances and benefits. This is line with the requirements of the Public Services Regulations, 2002 as well as National Treasury Budget and Reporting Regulations.

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	None
	Male	None
Skilled (Levels 3-5)	Female	None
	Male	None
Highly skilled production (Levels 6-8)	Female	None
	Male	None
Highly skilled supervision (Levels 9-12)	Female	None
	Male	None
Senior management (Levels 13-16)	Female	None
	Male	None
MM and S 57	Female	None
	Male	None
<b>Total</b>		<b>0</b>

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None				
Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
None				

## **CHAPTER 5**

### **FINANCIAL PERFORMANCE**

The overall operating results achieved for the past financial year closed off with a surplus of R 20 million compared to a budgeted surplus of R 91.8 million. Operating revenue for the year is R 298.9 million (2020: R 263.5 million) which reflects an increase of 13.4%. The operating expenditure for the year is R 278.9 million (2020: R 280.3 million) which reflects a decrease of 0.5%.

The total capital expenditure capitalized for the year in respect of property, plant and equipment amounted to R 82.1 million. Cash and short term investments decreased by 15.8% to R 3.5 million (2020: R 4.2 million).

#### **COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE**

Operating revenue excluding government grants and subsidies but including equitable share for the year is R 200.2 million (2020: R 202.8 million) which reflects a decrease of 1.28%. Included in the above figure is equitable share to the amount of R 85.7 million, 28.7% of the total revenue.

Electricity and water are the largest source of income and contributes 10.9% and 14.04% respectively to operating revenue. Property rates constitute 3.50% of revenue.

Fines, Penalties and Forfeits has decreased from R 15.9 million to R 12.2 million.

The operating expenditure for the year is R 278.9 million (2020: R 280.3 million) which reflects a decrease of 0.5% from the previous financial year. The main expenditures are employee related costs at R 83.5 million, debt impairment at R 73.3 million, bulk purchases at R 30.6 million and depreciation and amortisation at R 22.3 million. Repair and maintenance increased from R 4.4 million to R 2.05 million.

#### **COMPONENT B: STATEMENTS OF FINANCIAL POSITION**

The current assets increased from R 40.7 million to R 46.9 million. This is an increase of 15.23%. This is an increase of R 6.2 million.

The current liabilities increased from R 130 million to R 147.4 million. This is an increase of R 17.4 Million.

The non-current assets increased from R 647 million to R 704.5 million. This is an increase of R 57.5 million or 8.9%. This was largely due to capital grants from RBIG and WSIG.

The non-current liabilities increased by R 26.3 million.

## 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Performance of Operational Services						
R '000						
Description	2019-20	2020-21			202-201 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<b>Operating Cost</b>						
Water	22 136	28 981	24 340	22 211	-23.36%	-8.75%
Waste Water (Sanitation)	9 088	16 754	9 796	10 770	7.00%	9.94%
Electricity	40 031	26 948	29 085	41 825	55.21%	43.80%
Waste Management	7 439	13 542	7 031	7 023	-48.13%	-0.11%
Housing	782	627	935	878	40.01%	-6.07%
<b>Component A: sub-total</b>	79 476	86 853	71 187	82 708	-4.77%	16.18%
Roads	6 344	4 732	4 974	6 533	38.05%	31.35%
<b>Component B: sub-total</b>	6 344	4 732	4 974	6 533	38.05%	31.35%
Planning	7 167	5 356	7 981	6 999	30.67%	-12.31%
<b>Component C: sub-total</b>	7 167	5 356	7 981	6 999	30.67%	-12.31%
Community & Social Services	7 329	9 646	15 098	13 267	37.55%	-12.12%
Security and Safety	3 021	2 005	3 264	3 177	58.46%	-2.69%
Sport and Recreation	557	598	552	589	-1.50%	6.71%
Corporate Policy Offices and Other	176 374	108 712	127 262	165 628	52.35%	30.15%
<b>Component D: sub-total</b>	187 281	120 961	146 177	182 661	51.01%	24.96%
<b>Total Expenditure</b>	<b>280 269</b>	<b>217 902</b>	<b>230 318</b>	<b>278 901</b>	<b>27.99%</b>	<b>21.09%</b>
						T 5.1.2

### COMMENTS

Significant variances can be noted in several departments. This relates mainly to Electricity, Roads, Planning, Community and Social Services and Corporate Policy Offices and Other

## 5.2 GRANTS

Grant Performance						
Description	R' 000					
	2019-20	2020-2021			2020-21 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustment s Budget (%)
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>80 392</b>	<b>77 585</b>	<b>89 452</b>	<b>98 456</b>		
Equitable share	68 586	73 785	85 652	85 652	0.16	0%
Finance Management Grant	2 435	2 800	2 800	2 800	0%	0%
Expanded Public Works Programme	1 000	1 000	1 000	1 000	0%	0%
Provincial FSPT	–	–	–	2 549	100%	100%
Treasury: Payment of audit fees	3 986	–	–	2 596	100%	100%
Co-Operative Governance and Traditional	4 087	–	–	3 859	100%	100%
Municipal Disaster Relief Grant	298	–	–	–	0%	0%
<b>Total Operating Transfers and Grants</b>	<b>80 392</b>	<b>77 585</b>	<b>89 452</b>	<b>98 456</b>		
						T 5.2.1

### COMMENT ON OPERATING TRANSFERS AND GRANTS:

The local government Equitable Share continues to receive above inflation increases because it allows municipalities to offer free basic services to indigent residents who cannot afford to pay for services.

All transfers and grants received for the year have been spent for the purposes they were received for where conditions were attached.

All conditional grants were received except for R18.839 million withheld from the Equitable Share Grant in respect of unspent conditional grant funding.

## 5.3. ASSET MANAGEMENT

Asset management remains a concerning area in Mohokare Local Municipality due to reliance on consultants on infrastructure assets and lack of capacity that would ensure the transfer of skills by consultants. Only two persons are working in the division and is fully responsible for movable and immovable assets. No capital project (work in progress) were completed and unbundled in the current financial year. All asset additions for the year relates to work in progress on ongoing projects as well as movable asset additions.



Repair and Maintenance Expenditure: 2020-21				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	6 802	6 802	2 240	67%
T 5.3.4				

The figure above does not include labour, transport and overheads.

There was an under expenditure of 67% of the budgeted amount for the purchase of materials.

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.4 SOURCES OF FINANCE (captured manually)

R' 000						
Details	2019-20	2020-21				
	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	-	-	-	-	0.00%	0.00%
Grants and subsidies	41 633	91 773	91 553	81 665	-0.24%	-11.01%
Internally generated funds	1 168	750	750	451	100.00%	100.00%
<b>Total</b>	<b>42 801</b>	<b>92 523</b>	<b>92 303</b>	<b>82 116</b>	<b>99.76%</b>	<b>88.99%</b>
<i>Percentage of finance</i>						
External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants and subsidies	97.3%	99.2%	99.2%	99.5%	0.0%	-12.4%
Other	2.7%	0.8%	0.8%	0.5%	0.0%	112.4%
<b>Capital expenditure</b>						
Water and sanitation	42 309	79 000	78 780	81 665	-0.28%	3.37%
Electricity	-	5 850	5 850	-	0.00%	-100.00%
Housing	-	-	-	-	0.00%	0.00%
Roads and storm water	-	6 116	6 116	-	0.00%	-100.00%
Other	492	1 557	1 557	451	0.00%	-71.05%
<b>Total</b>	<b>42 801</b>	<b>92 523</b>	<b>92 303</b>	<b>82 116</b>	<b>-0.28%</b>	<b>-267.68%</b>
<i>Percentage of expenditure</i>						
Water and sanitation	98.8%	85.4%	85.3%	99.5%	0.0%	-1.3%
Electricity	0.0%	6.3%	6.3%	0.0%	0.0%	37.4%
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Roads and storm water	0.0%	6.6%	6.6%	0.0%	0.0%	37.4%
Other	1.2%	1.7%	1.7%	0.5%	0.0%	26.5%
T 5.6.1						

## 5.5 CAPITAL SPENDING ON THE FIVE LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	2019-20			Variance: 2019-20	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
The Construction of 27km long, 300mm diameter pipeline from the orange river to Paisley dam close to Rouxville/roleleathunya. Construction of 2 booster pumpstations(Civil Works)	23 868	23 868	10 485	56%	0%
Upgrading of the Rouxville/Roleleathunya water treatment works (WTW) (civil works) to a capacity of 3.2ml/day, construction of new 4..8 km long main rise from the WTW to the 3 existing reservoirs and upgrading o infrastructure for 5 existing boreholes.	6 132	6 132	1 380	77%	0%
Construction of the Abstraction Works on the Orange River & Equipping of x2 raw water pump stations with M&E	7 661	7 661	18 091	-136%	0%
Zastron/Matlakeng: Upgrading of Waste Water Pump Stations and construction of new outfall sewer line (MIS:295628)	1 738	1 738	5 070	-192%	0%
Rouxville/Roleleathunya: Construction of paved 2km access road and related storm water - phase 2 (MIS:273182)	7 834	7 834	2 634	66%	0%
* Projects with the highest capital expenditure in Year 0					
Name of Project - A	Construction of the 27km long, 300mm diameter pipeline from the Orange River to Paisley dam close to Rouxville/Roleleathunya				
Objective of Project	Increase of raw bulk water supply to Rouxville				
Delays	None identified				
Future Challenges	Differences between contractor and the Municipality regarding the contract				
Anticipated citizen benefits	Sustainable water supply to residents of Rouxville, Roleleathunya and Uitkoms				
Name of Project - B	Upgrading of the Rouxville / Roleleathunya Water Treatment Works				
Objective of Project	Increase of bulk water supply to Rouxville				
Delays	None identified				
Future Challenges	Maintenance of the treatment works				
Anticipated citizen benefits	Sustainable water supply for future demands				
Name of Project - C	Construction of the Abstraction Works on the Orange River & Equipping of x2 raw water pump stations with M&E				
Objective of Project	Increase of raw bulk water supply to Rouxville				
Delays	None identified				
Future Challenges	Differences between contractor and the Municipality regarding the contract				
Anticipated citizen benefits	Sustainable water supply to residents of Rouxville, Roleleathunya and Uitkoms				
Name of Project - D	Zastron/Matlakeng: Upgrading of Waste Water Pump Stations and construction of new outfall sewer line (MIS:295628)				
Objective of Project	Increase of water supply in Zastron/Matlakeng				
Delays	None identified				
Future Challenges	Maintenance of the water pump stations				
Anticipated citizen benefits	Sustainable water supply for future demands				
Name of Project - E	Rouxville/Roleleathunya: Construction of paved 2km access road and related storm water - phase 2 (MIS:273182)				
Objective of Project	Upgrading of Rouxville/Roleleathunya roads				
Delays	None identified				
Future Challenges	Maintenance of the road				
Anticipated citizen benefits	Better roads and related storm water				
T 5.7.1					

## 5.6 CASH FLOW (Captured manually)

Cash Flow Outcomes				
R'000				
Description	2019-20	Current: 2020-21		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	21 876	79 073	79 073	14 442
Government - operating	65 993	77 585	89 452	79 258
Government - capital	68 814	91 773	92 553	85 187
Interest	2 888	6 950	6 950	291
Dividends	3	10	5	12
<b>Payments</b>				
Suppliers and employees	(109 861)	(160 404)	(162 199)	(85 283)
Finance charges	(10 880)	(8 075)	(8 696)	(11 205)
Transfers and Grants				
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>38 834</b>	<b>86 912</b>	<b>97 137</b>	<b>82 700</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE				
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
<b>Payments</b>				
Capital assets	(42 801)	(92 523)	(92 303)	(82 116)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(42 801)</b>	<b>(92 523)</b>	<b>(92 303)</b>	<b>(82 116)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
<b>Payments</b>				
Repayment of borrowing	(190)	–	–	(71)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(190)</b>	<b>–</b>	<b>–</b>	<b>(71)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(4 157)</b>	<b>(5 611)</b>	<b>4 834</b>	<b>514</b>
Cash/cash equivalents at the year begin:	<b>8 710</b>	<b>8 500</b>	<b>8 500</b>	<b>4 553</b>
Cash/cash equivalents at the year end:	<b>4 553</b>	<b>2 889</b>	<b>13 334</b>	<b>5 067</b>
Source: MBRR A7				T 5.9.1

The municipality closed the 2020/21 financial year with a positive balance of R 5.1 million. This was due to unspent conditional grants.

## 5.7 BORROWINGS AND INVESTMENT

The big portion of borrowing facilities relates to Centlec. The Centlec Payable relates to the amounts owed to Centlec in terms of services provided on behalf of the Municipality. This accounts for electricity bulk purchases, electricity sales on behalf of Mohokare Local Municipality, general expenditure incurred in the process of performing these duties as well as distribution losses. No contractual agreement regarding repayment terms interest rate applicable, maturity date has been agreed upon and based on past history there is no indication that Centlec will demand payment within the next 12 months.

Actual Borrowings: 2018-19 to 2020-21			
			R' 000
Instrument	2018-19	2019-20	2020-21
<b>Municipality</b>			
Long-Term Loans (annuity/reducing balance)	36 664	39 162	45 087
Financial Leases	–	–	–
<b>Municipality Total</b>	36 664	39 162	45 087
			T 5.10.2

Investments are made with different financial institutions.

Municipal and Entity Investments			
			R' 000
Investment* type	2018-19	2019-20	2020-21
	Actual	Actual	Actual
<b>Municipality</b>			
Deposits - Bank	6 932	4 211	3 546
<b>Municipality sub-total</b>	6 932	4 211	3 546
<b>Consolidated total:</b>	6 932	4 211	3 546
			T 5.10.4

## 5.8 PUBLIC PRIVATE PARTNERS

Mohokare Local municipality is not involved in any Public Private Partnership agreements at present.

## 5.9 SUPPLY CHAIN MANAGEMENT

There has been progress made by MLM in developing and implementing policies and procedures. The current SCM Policy has been approved by Council and by the Provincial Treasury.

All SCM officials are competent and they all meet the minimum requirements and this enables them to carry out their duties effectively

<u>No</u>	<u>Name</u>	<u>Qualification</u>
1	Pule Lesenyeho	B.Com (General) + MFMP
2	Thabiso Lebetse	National Diploma (Internal Auditing) + MFMP
3	Thandiwe Aphane	B.Com (Marketing and Tourism)

AGSA recommended that an SCM Manager be appointed. The municipality has included a post of Senior SCM Accountant on the organogram, but it not yet filled.

## 5.10 GRAP COMPLIANCE

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

.

## CHAPTER 6 - AUDITOR GENERAL REPORT

Report of the auditor-general to the Free State Legislature and the council on the Mohokare Local Municipality

Report on the audit of the financial statements
---

### Qualified opinion

1. I have audited the financial statements of the Mohokare Local Municipality set out on pages xx to which comprise the statement of financial position as at 30 June 2020, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects and the possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Mohokare Local Municipality as at 30 June 2020, 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 56 of 2003 (MFMA) and the Division of Revenue Act 16 of 2019 (Dora).

### Basis for qualified opinion

#### Property, plant and equipment

3. The municipality did not account for property, plant and equipment in accordance with GRAP17, Property, plant and equipment. Properties that were held for rental were incorrectly disclosed as property, plant and equipment. Consequently, property plant and equipment was overstated and investment properties understated by R11 590 614. In addition, I was unable to obtain sufficient appropriate audit evidence for property, plant and equipment as I was unable to physically verify certain of the municipality's assets and, furthermore, could not obtain supporting calculations for the impairment assessment of assets. I was also unable to obtain sufficient appropriate audit evidence that the municipality had recognised all their assets in their fixed asset register due to insufficient detail in the asset register. I was unable to confirm property, plant and equipment by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to property, plant and equipment stated at R602 616 655 (2019: R596 645 180) in note 10 to the financial statements. There was also a resultant impact on depreciation and amortisation and impairment of assets.

#### Irregular expenditure

4. The municipality did not disclose all instances of irregular expenditure incurred in the notes 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. I was unable to determine the full extent of the understatement of irregular

expenditure, stated at R40 630 065 (2019: R37 052 392) in note 44 of the financial statements, as it was impracticable to do so.

#### Service charges

5. The municipality did not recognise revenue from service charges in accordance with GRAP 9, Revenue from exchange transactions. Adequate systems were not implemented to ensure that consumers were only billed for services they received, at the correct tariffs, or that estimates were correctly made where actual readings were not taken. I was unable to determine the full extent of the misstatement, as it was impracticable to do so. In addition, I was unable to confirm that consumers registered as indigent, qualified for the reduced tariffs for the services they received as approved indigent application forms were not provided. Consequently, I was unable to determine whether any further adjustments were necessary to service charges stated at R87 320 126 (2019: R79 800 070) in note 17 to the financial statements. There was also a resultant impact on receivables from exchange transactions and VAT receivable.

#### General expenses

6. I was unable to obtain sufficient appropriate audit evidence to confirm that general expenses were only recognised where the goods and services were actually received and utilised for official purposes. I was unable to confirm general expenses by alternative means.  
Consequently, I was unable to determine whether any adjustments were necessary to general expenses stated at R39 067 905 in note 32 to the financial statements.

#### Employee related cost

7. During 2019, the municipality incorrectly calculated the overtime paid to employees. As a result, employee related cost stated at R73 946 730 in note 24 was overstated by R4 258 876.  
Additionally, there was an impact for the surplus for that period and the accumulated surplus. My audit opinion on the financial statements for the period ended 30 June 2019 was modified accordingly. My opinion on the current year's financial statements was also modified because of the effect of this matter on the comparability of employee related costs for the current period.

#### Payables from exchange transactions

8. During 2019, the municipality did not have adequate systems to maintain records of accounts payable for goods and services received but not yet paid. As a result, payables from exchange transactions stated at R 132 163 571 in note 13 was understated by R9 604 326. My audit opinion of the financial statements for the period ended 30 June 2019 was modified accordingly. My opinion on the current year's financial statements was also modified because of the effect of this matter on the comparability of payables from exchange transactions for the current period.



## Context for the opinion

9. 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.
10. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
11. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## Material uncertainty relating to going concern

12. I draw attention to the matter below. My opinion is not modified in respect of this matter.
13. Note 40 to the financial statements indicates that the municipality's current liabilities exceeded its current assets by R 144 813 540. In addition, the municipality has been deducting pension and provident fund contributions from employees' salaries, but has not been able to pay the amounts over to these third parties. These events or conditions, along with other matters as set forth in note 40, 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

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

### Unauthorised expenditure

15. As disclosed in note 42 to the financial statements, the municipality incurred unauthorised expenditure of R80 356 139 (2019: R69 647 451) due to overspending of the approved budget.

### Fruitless and wasteful expenditure

16. As disclosed in note 43 to the financial statements, fruitless and wasteful expenditure of R18 969 559 (2019: R9 321 508) was incurred, mainly due to interest on arrear payments to creditors.

### Restatement of corresponding figures

17. As disclosed in note 52 to the financial statements, the corresponding figures for 30 June 2019 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2020.

### Underspending of conditional grants

18. As disclosed in note 23 to the financial statements, the municipality had unspent balances in the municipal infrastructure grant of R7 623 819 (2019: R4 643 805) and the regional bulk infrastructure grant of R23 526 286 (2019: R18 908 835).

#### Material losses

19. As disclosed in note 45 to the financial statements, material electricity distribution losses of R6 258 690 (2019: R5 115 979) were incurred by the municipality mainly due to tampering with meters, faulty meters and illegal connections.

#### Material impairment

20. As disclosed in notes 4 and 5 to the financial statements, receivables from exchange transactions and receivables from non-exchange transactions were impaired by R389 558 377 (2019: R349 396 369).

#### Other matters

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

#### Unaudited disclosure notes

22. 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 on it.

#### Unaudited supplementary schedules

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

#### Responsibilities of the accounting officer for the financial statements

24. 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 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.
25. In preparing the financial statements, the accounting officer is responsible for assessing the 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

26. 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.

27. 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

28. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected key performance areas (KPAs) in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
29. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures also do 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.
30. 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 municipality's annual performance report for the year ended 30 June 2020:

KPA	Pages in the annual performance report
KPA 1 - Basic service delivery and infrastructure development	x—x

31. 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.
32. The material findings in respect of the usefulness and reliability of the selected development priority is as follows:

#### KPA 1 — Basic service delivery and infrastructure development

Construction of a 27km long raw bulk water pipeline from the Orange River to Paisley dam in Rouxville

33. The reported target of Practical completion of the project by 30 June 2020 did not agree to the planned target of Practical completion of the project by 30 June 2020, 30%

physical progress on site as per the approved service delivery budget implementation plan (SDBIP).

34. The target of Practical completion of the project by 30 June 2020, 30% physical progress on site per the approved SDBIP was changed without the necessary approval.

Provide 10793 of households with water in MI-M daily

35. The planned indicator was to provide 10793 of households with water MI-M daily, but the planned target and reported achievement referred to were 2080.5 mega litre of purified water and 2407.56 mega litre of purified water respectively.
36. The planned target of 2080.5 mega litre of purified water for this indicator did not specify the period for delivery.

Various indicators

37. I was unable to obtain sufficient appropriate audit evidence to support the measures taken or to be taken to improve performance as reported in the annual performance report. This was due to limitations placed on the scope of my work and the reasons provided were not specific and verifiable. I was unable to confirm the reported measures taken by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported measures taken to improve performance.

Indicator description	Planned target	Reported achievement
Construction of a 27 km-long raw bulk water pipeline from the Orange River to Paisley Dam in Rouxville	Practical completion of the project by 30 June 2020	Not achieved Actual achievement is 17% physical progress on site
Upgrading of the Zastron Water Treatment Works (WIW)	Practical completion of the project by 30 March 2020	Not achieved Actual achievement is 65% physical progress on site
Indicator description	Planned target	Reported achievement
To execute work amounting to R30 000 000,00 on the (regional bulk infrastructure grant) RBIG by 30 June 2020	R30 000 000,00 (accumulative) certified as work done on the RBIG by 30 June 2020	Not achieved R21 402 650 work certified as complete by 30 June 2020
To execute work amounting to R30 000 000 00 on the (water services infrastructure grant) WSIG June 2020	R30 000 000,00 (accumulative) certified as work done on the WSIG by 30 June 2020	Not achieved R29 065 687,16 work certified as complete by 30 June 2020
To execute work amounting to R17 991 000,00 on the (municipal infrastructure grant) MIG by June 2020	R17 991 000,00 (accumulative) certified as work done on the MIG by 30 June 2020	Not achieved R8 389 508,10 work certified as complete by 30 June 2020
Rouxville/Roleleathunya: upgrading of the waste water treatment works (WWTW)	Appointment of a contractor to establish site before 30 June 2020	Not achieved Tender was advertised and closed; however, the appointment could not be concluded

Various indicators

38. I was unable to obtain sufficient appropriate audit evidence for the reported achievements of six of the 12 indicators relating to this key performance area. This was due to the lack of accurate and complete records. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report for the indicators listed below.

Indicator description	Reported achievement
Installation of on-site sanitation units for 410 households in Refengkhoto	Achieved: 110 household units were installed on—site at Refengkhoto by 30 June 2020
Zastron/Matlakeng: upgrading of the outfall sewer line and refurbishment of sewer pump stations	Achieved: Actual achievement is 38,3% physical progress on site at 30 June 2020
Upgrading of the Zastron Water Treatment Works (WTW)	Not achieved: Actual achievement is 65% physical progress on site
Construction of an abstraction works on the Orange River and equipping of x2 raw water pump stations with M&E	Achieved: Actual achievement is 51%
Waste water quality management by 30 June 2020	Achieved: Green drop compliance status, was achieved by 30 June 2020
Drinking water quality management by June 2020	Achieved: Blue drop compliance status was achieved by 30 June 2020

#### Other matters

39. I draw attention to the matters below.

Achievement of planned targets

40. Refer to the annual performance report on pages xx to xx for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 33 to 38 of this report.

Adjustment of material misstatements

41. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of KPA 1: Basic service delivery and infrastructure development. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

#### Report on the audit of compliance with legislation

##### Introduction and scope

42. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific

matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

43. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements and annual reports

44. 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 and revenue 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.

45. The annual financial statements were not submitted to the auditor-general, for auditing, within four months after the end of the financial year, as required by section 126(1)(a) of the MFMA.
46. The council failed to adopt an oversight report containing the council's comments on the 2018/19 annual report, as required by section 129(1) of the MFMA.

Expenditure management

47. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the ME-MA.
48. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph.
49. Reasonable steps were not taken to prevent fruitless and wasteful expenditure of R18 969 559, as disclosed in note 43 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA
50. Reasonable steps were not taken to prevent unauthorised expenditure of R80 326 139, as disclosed in note 42 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.

Revenue management

51. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.
52. Interest was not charged on all accounts in arrears, as required by section 64(2)(g) of the ME-MA.

Consequence management

53. Unauthorised expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(a) of the MFMA.



54. Irregular expenditure incurred by the municipality were not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.
55. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the ME-MA.

#### Conditional grants

56. The municipal infrastructure grants and regional bulk infrastructure grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 17(1) of the Dora.

#### Asset management

57. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the ME-MA.

#### Strategic planning and performance management

58. No KPAs were set in respect of the provision of solid waste removal services, as required by section 43(2) of the Municipal Systems Act 32 of 2000 and municipal planning and performance management regulation 10(a).
59. The performance management system and related controls were not maintained and implemented to ensure sufficient appropriate audit evidence, which ensures that systems and processes established enable consistent measurement and reliable reporting of processes, as required by municipal planning and performance management regulation).

#### Procurement and contract management

60. Sufficient appropriate audit evidence could not be obtained that all contracts were awarded in accordance with the legislative requirements because not all tender documents were submitted.
61. Some of the quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c). Similar non-compliance was also reported in the prior year.
62. Some of the quotations were accepted from bidders whose tax matters had not been declared by the SARS to be in order, in contravention of SCM regulation 43. Similar non-compliance was also reported in the prior year.
63. 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). Similar non-compliance was also reported in the prior year.
64. 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).



65. Some of the competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with SCM regulation 29(2). Similar non-compliance was also reported in the prior year.
66. Sufficient appropriate audit evidence could not be obtained that contracts were awarded only to bidders who submitted a declaration on whether they were employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c). Similar non-compliance was also reported in the prior year.
67. Some of the contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43. Similar non-compliance was also reported in the prior year.
68. Some of the contracts and quotations were awarded to bidders based on preference points that were not allocated and calculated in accordance with the requirements of the PPPFA and its regulations. Similar non-compliance was also reported in the prior year.
69. Some of the contracts were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of and Preferential Procurement Regulations (PPR). Similar non-compliance was also reported in the prior year.
70. Some of the contracts were awarded to bidders based on functionality criteria that were not stipulated in the original invitation for bidding, in contravention of PPR.
71. Sufficient appropriate audit evidence could not be obtained that construction contracts were awarded to contractors that were registered with the Construction Industry Development Board (CIDB) in accordance with section 18(1) of the CIDB Act No 38 of 2000.
72. Some of the bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 PPR 8(2). Similar non-compliance was also reported in the prior year.
73. The performance of some of the 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.
74. The contract performance and monitoring measures and methods were not sufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA. Similar non-compliance was also reported in the prior year.

Other information
-------------------

75. 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 has been specifically reported in this auditor's report.
76. 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 on it.

77. 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.
78. 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.

Internal control deficiencies
-------------------------------

79. 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 opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
80. Management was slow to respond to the previous year's recommendations of the external auditors, again resulting in material misstatements in the financial statements, annual performance report and non-compliance with legislation that could have been prevented.
81. Inadequate monitoring by key officials of support staff in the implementation of daily and monthly controls over financial and performance reporting, and compliance with laws and regulations resulted in the audit findings included in this report.
82. The lack of consequence management at the municipality resulted in officials not being held accountable for irregular, unauthorised, and fruitless and wasteful expenditure incurred in the current and previous financial years.
83. The municipality continued to rely on consultants to resolve the prior year's audit findings; however, information prepared by consultants was not thoroughly reviewed by management to assess the accuracy and completeness thereof for financial reporting purposes.

Bloemfontein

31 March 2021



S O U T H A F R I C A Auditing to build public confidence

## Annexure — Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected 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 relating to events or conditions that may cast significant doubt on the ability of the Mohokare Local Municipality to continue as a going concern. If I conclude that a material uncertainty exists, 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 my 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 operating as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, the actions taken to eliminate threats or the safeguards applied.

### **6.1.2. AUDIT ACTION PLAN FOR 2020/21 ADDRESSING AUDIT FINDING**

No Action Plan was done in this financial year.

## APPENDIX A – COUNCILORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Council Members	Full Time/ Part Time FT / PT	Committees Allocated	Ward /Party Representative	Percentage council meetings attendance	Percentage Apologies for non- attendance
Councillor N.I Mehlomakulu (Mayor)	FT		Proportional ANC	100	0
Councillor T. S Khasake	PT	Community Services/ Technical Services/ Finance/ IDP planning LED	Ward 1 ANC	100	0
Councillor T.D Mochechepa	PT	Corp/Technical Services	Ward 2 ANC	100	0
Councillor L. Lekhula	PT	Corporate services / Community Services / IDP planning and LED	Ward 3 ANC	33.34	66.66
Councillor B.M Valashiya	PT	Finance/ Corporate Services	Ward 4 ANC	100	0
Councillor T.I Phatsoane	PT	Technical Services/ Community Services/ Planning & LED	Ward 5 ANC	83.35	16.65
Councillor N.Jali	PT	Finance / Corporate Services	Ward 6 ANC	33.34	66.66
Councillor P.P Mpongoshe	PT	Corporate Service/ Planning and LED	Proportional DA	50	50
Councillor I.S Riddle	PT	Finance/Technical Service/ Community Services	Proportional DA	83.35	16.65
Councillor L.J Lipholo	PT	Technical Services/ Planning & LED	Proportional EFF	33.34	66.66
Councillor B.J Lobi	PT	Community Services/Finance	Proportional EFF	33.34	66.66

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

<b>Municipal Committees</b>	<b>Purpose of Committee</b>
Section 79 Finance Committee	Revenue, Expenditure, Budget Office, Supply Chain Management, Insurance, Payroll
Section 79 Planning Committee	IDP, IT, Town Planning, LED, PMS
Section 79 Corporate Committee	Institutional, Corporate, Legal, Human Resources, Records, Administration, Council Committee and Council support, Public Participation, Customer Care
Section 79 Community Services Committee	Fire and Rescue, Disaster Management, Traffic Management, Park, Recreation, Libraries, Social Services, Sport Development, Refuse collection
Section 79 Technical Services Committee	Water Services, Sewer, Project Management, Storm Water, Roads, Electricity
Section 32 Committee on Unauthorised, Irregular, Fruitless and Wasteful expenditure	To conduct investigations on and recover Unauthorised, Irregular, Fruitless and Wasteful expenditure incurred
Municipal Public Accounts Committee	To conduct investigations on and recover Unauthorised, Irregular, Fruitless and Wasteful expenditure incurred
Audit Performance Committee	To conduct oversight on the performance of the municipality

## APPENDIX C: THIRD TIER ADMINISTRATION

<b>Third Tier Structure</b>	
<b>Directorate</b>	<b>Director/Manager (State Title and Name)</b>
<b>Office Of the Municipal Manager</b>	
Municipal Manager	S.M Selepe
Integrated Development Planning	Z.F March
Local Economic Development	N.S Buyeye (Acting N.S Mokati)
Performance Management Services	T.L Ravele
Human Resource Management	D.C Matsoso
Internal Audit	T.P Macala
Risk Management	N.P Ntoyi
Information Technology	K.M Rampheng
Security Services	S.P Kaibe
Town Planning	E.E Meades
<b>Finance Department</b>	
Chief Financial Officer	P.M. Dyonase
Senior Manager	W.A Wilken
Revenue Manager	S.Moorosi
<b>Corporate Department</b>	
Director Corporate	M.F Lepheana (Acting)
Senior Manager Administration	M.M. van Pletzen
<b>Technical Department</b>	
Director Technical	S.E Thejane
Water Quality Manager	T.E Fobane
Project Manager	S.L Shamase
<b>Community Department</b>	
Acting Director Community Services	N.S Buyeye (Acting)
Senior Manager Community Services	T.A. Lekwala

## APPENDIX D – FUNCTIONS OF THE MUNICIPALITY/ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
<b>Constitution Schedule 4, Part B functions:</b>		
Air pollution	NO	NO
Building regulations	YES	NO
Child care facilities	NO	NO
Electricity and gas reticulation	YES (outsourced to CENTLEC)	NO
Firefighting services	NO	NO
Local tourism	YES	NO
Municipal airports	NO	NO
Municipal planning	YES	NO
Municipal health services	YES (District EHP)	NO
Municipal public transport	NO	NO
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	NO	NO
Storm water management systems in built-up areas	YES	NO
Trading regulations	YES	NO
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	YES	NO
Beaches and amusement facilities	NO	NO
Billboards and the display of advertisements in public places	YES	NO
Cemeteries, funeral parlours and crematoria	YES	NO
Cleansing	YES	NO
Control of public nuisances	YES	NO
Control of undertakings that sell liquor to the public	YES	NO
Facilities for the accommodation, care and burial of animals	YES	NO
Fencing and fences	YES	NO
Licensing of dogs	NO	NO
Licensing and control of undertakings that sell food to the public	YES	NO
Local amenities	YES	NO
Local sport facilities	YES	NO
Markets	?	NO
Municipal abattoirs	NO	NO
Municipal parks and recreation	YES	NO
Municipal roads	YES	NO
Noise pollution	NO	NO
Pounds	YES	NO



Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Public places	YES	NO
Refuse removal, refuse dumps and solid waste disposal	YES	NO
Street trading	NO	NO
Street lighting	YES	NO
Traffic and parking	YES	NO

#### APPENDIX E: WARD REPORTING

Ward Name( Number)	Name of Ward Councillor and elected ward committee member	Committee Established( Yes/No)	Number of monthly committee meetings held during the year	Number of monthly reports submitted to the Speakers office on time	Number of quarterly public ward meetings held during the year
Ward 1	Councillor T. S Khasake	Yes	10	10	9
Ward 2	Councillor T.D Mochechepa	Yes	06	06	07
Ward 3	Councillor L. Lekhula	Yes	05	05	02
Ward 4	Cllr. B. M. Valashiya	Yes	06	06	07
Ward 5	Councillor T. I Phatsoane	Yes	08	08	07
Ward 6	Councillor N. Jali	Yes	03	03	10

## APPENDIX F

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	10793	10793	10793	10793	
Households without minimum service delivery	1734	1734	1734	1734	
Total Households*					
Houses completed in year					
Shortfall in Housing units					
*Including informal settlements					T F.2

## APPENDIX G – AUDIT COMMITTEE’S REPORT

The Audit and Performance Committee was not functional during the 2020/2021 Financial year.

## APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIP

Long Term Contracts (3 Largest Contracts Entered into during 2020/21)					
0					
Name of Service Provider	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value

The municipality does not have any Public Private Partnership agreements at present.

## APPENDIX I - MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Municipal Entity/Service Provider Performance Schedule							
Name of Entity & Purpose	(a) Service Indicators	Amount	2020/21		2019/20		Satisfaction on Rating 1 - Very Good Rating 2 - Good Rating 3 - Average Rating 4 - Bad
	(b) Service Targets		Target (Amount )	Actual (Amount )	Target (Amount )	Actual (Amount )	
			*Previous Year		*Previous Year		
Umnotho	Special Internal Audit Project	R 850,00 per hour		R 850,00 per hour			

*Note: This statement should include no more than the top four priority indicators. \* 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; \*'Current Year' refers to the targets set in the Year 0 Budget/IDP round. \*'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets must be fundable within approved budget provision. In column (ii) set out the Service Indicator (In bold italics) then the Service Target underneath (not in bold - standard type face) to denote the difference.*

## APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

<b>Disclosures of Financial Interests</b>		
<b>Period 1 July to 30 June of Year 2020/21</b>		
<b>Position</b>	<b>Name</b>	<b>Description of Financial Interests Nil / Or details</b>
<b>Mayor</b>	Cllr. N.I Mehlomakulu	<b>Nil</b>
<b>Councillors</b>		
	Cllr. B.M Valashiya	<b>Nil</b>
	Cllr. B.J Lobi	<b>Nil</b>
	Cllr. T.S Khasake	<b>Nil</b>
	Cllr. L.J Lipholo	<b>Nil</b>
	Cllr. L. Lekhula	<b>Lekhula Construction 20%</b>
	Cllr. T.I Phatsoane	<b>Nil</b>
	Cllr. N. Jali	<b>Nil</b>
	Cllr. P.P Mpongoshe	<b>Nil</b>
	Cllr. T.D Mochechepa	<b>TMD's Shareholder - 60%</b>
	Cllr. I.S Riddle	<b>Dummer Trust - Trustee Nick's Place Guest House - Partner 50% Smithfield House - Owner JHB House – Trustee</b>
<b>Disclosures of Financial Interests</b>		
<b>Period 1 July to 30 June of Year 2020/21</b>		
<b>Municipal Manager</b>	S.M. Selepe	Shares: Sosal – 25 Shares with a nominal value of R5000  Reitumetse Trust – No income  Land and Property: Property 2600 hectares in Harrismith with a nominal value of ± R 1 million Property 80 Hectors Flat with a nominal value of ± R 1 million
<b>Chief Financial Officer</b>	P.M. Dyonase	Dyonase Projects  Ordinary Shares 75%
<b>Director Corporate Services (acting)</b>	N.S Buyeye	Gifts: Diaries for Senior Managers – No income

<b>Disclosures of Financial Interests</b>		
<b>Period 1 July to 30 June of Year 2020/21</b>		
<b>Director Technical Services</b>	S Thejane	18 Bella Donna , Bloemfontein Bond R1.4 mil  391 Shoshanguve Bond R500K
<b>Director Community Services</b>	Vacant	-

## APPENDIX K- REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

### APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE SOURCE

Revenue Collection Performance by Vote						
R' 000						
Vote Description	2019/20	Current: 2020/21			2020/21 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Executive and Council	298	2	2	—	0%	0%
Finance and Admin	99	518	518	139	0%	0%
Planning and Development	711	104	116	666	25%	17%
Health	11	523	385	7	0%	0%
Community and Social Services	400	—	—	78	0%	0%
Housing	—	—	—	—	0%	0%
Public Safety	70	—	—	78	100%	100%
Sport and Recreation	570	650	650	523	-24%	-24%
Environmental Protection	15	35	35	12	-	-
Solid Waste Removal	932	000	000	214	187%	-187%
Waste Water Management	—	—	—	—	0%	0%
Road Transport	—	—	—	—	0%	0%
Water Distribution	5	5	5	5	0%	0%
Electricity	905	387	387	939	9%	9%
Districution	9	9	9	9	5%	5%
Other	707	401	401	850	5%	5%
	—	18	18	27	31%	32%
	72	98	98	72	-37%	-37%
	122	853	853	232	-7%	-7%
	32	35	35	32	0%	0%
	399	198	198	859	-7%	-7%
	—	—	—	—	0%	0%
<b>Total Revenue by Vote</b>	<b>248</b> <b>116</b>	<b>310</b> <b>428</b>	<b>322</b> <b>070</b>	<b>300</b> <b>792</b>	<b>-3%</b>	<b>-7%</b>
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3</i>						
						<i>T K.1</i>

## APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
						R '000
	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	8 879	7 881	7 881	10 469	25%	25%
Property rates - penalties & collection charges	–	–	–	–	0%	0%
Service Charges - electricity revenue	31 586	29 348	29 348	32 556	10%	10%
Service Charges - water revenue	40 122	30 828	30 828	41 969	27%	27%
Service Charges - sanitation revenue	9 705	9 401	9 401	9 839	4%	4%
Service Charges - refuse revenue	5 905	5 387	5 387	5 938	9%	9%
Service Charges - other	2	–	–	15	100%	100%
Rentals of facilities and equipment	551	650	650	533	-22%	-22%
Interest earned - external investments	693	450	450	240	-88%	-88%
Interest earned - outstanding debtors	2 294	6 500	6 500	126	0%	0%
Dividends received	3	10	5	12	16%	58%
Fines	15 932	35 000	35 000	12 214	-187%	-187%
Licences and permits	28	–	–	0	100%	100%
Agency services	–	–	–	–	0%	0%
Transfers recognised - operational	80 392	77 585	89 452	98 456	21%	9%
Other revenue	1 762	15 615	15 615	672	-	-2223%
Gains on disposal of PPE	–	–	–	–	0%	0%
Environmental Protection	–	–	–	–	0%	0%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>197 856</b>	<b>218 655</b>	<b>230 517</b>	<b>213 037</b>	<b>- 2,64%</b>	<b>-8,21%</b>
0						T K.2

## APPENDIX L – CONDITIONAL GRANTS RECEIVED 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	0	0	0	0%	0%	
Public Transport Infrastructure and Systems Grant	0	0	0	0%	0%	
<b>Other Specify:</b> Regional Bulk Infrastructure	40 000	40 000	40 000	0%	0%	To develop regional bulk infrastructure for water supply to supplement water treatment works at resource development and link such water resource development with the local bulk and local distribution networks on a regional basis cutting across several local municipal boundaries
Water Services Infrastructure Grant	28 025	28 025	28 025	0%	0%	To facilitate the planning, acceleration and implementation of various project that will ensure water supply to communities identified as not receiving a water supply service.



R' 000						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Finance Management	2 800	2800	2 800	0%	0%	To promote and support reforms in financial management by building the capacity in municipality to implement the MFMA Act
EPWP	1 000	1 000	1 000	0%	0%	To incentivise municipalities to increase labour intensive employment through programmes that maximise job creation and skill development in line with the guidelines
<b>Total</b>	<b>71 825</b>	<b>71 825</b>	<b>71 825</b>	<b>0%</b>	<b>0%</b>	

## Appendix O

Capital Programme by Project by Ward: Year 0			R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)	
<b>Water</b>			
"Project A"			
"Project B"			
<b>Sanitation/Sewerage</b>	01,03 & 05	No	
<b>Electricity</b>	02	No	
<b>Housing</b>			
<b>Refuse removal</b>			
<b>Stormwater</b>	02 & 04	No	
<b>Economic development</b>			
<b>Sports, Arts &amp; Culture</b>			
<b>Environment</b>			
<b>Health</b>			
<b>Safety and Security</b>			
<b>ICT and Other</b>			
			TO

## APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINIC

SERVICE BACKLOGS: SCHOOLS AND CLINICS				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools	None	None	None	None
Clinics	None	None	None	None

## APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

The municipality is an Electricity Service provider; however, the services have been outsourced to Centlec.

The table below will show the backlogs the municipality has with regard to services provided by another government entity:

Town	No. of HH	No. of HH connected to the grid	No. of HH without electricity
Zastron	4649	4637	848
Rouxville	2088	2086	474
Smithfield	1635	1635	412
Total	8372	8358	1734

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	10793	10793	10793	10793	
Households without minimum service delivery	1734	1734	1734	1734	
Total Households*					
Houses completed in year					
Shortfall in Housing units					
*Including informal settlements					T F.2

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

The municipality did not make any loans in the current financial year.

Appendix L refers to all conditional grants made by the municipality.

**VOLUME II – ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31  
JUNE 2021**