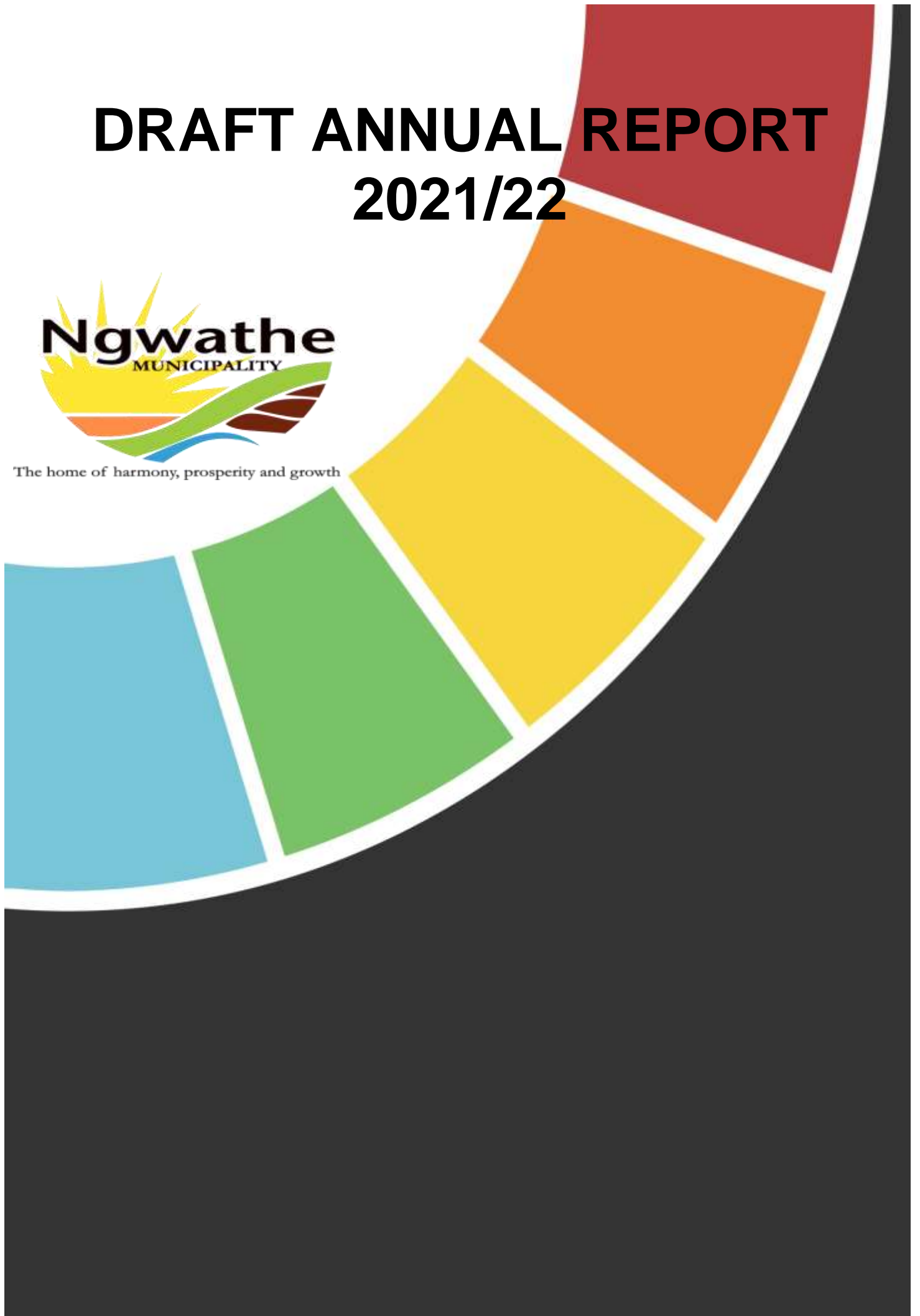


# DRAFT ANNUAL REPORT 2021/22



The home of harmony, prosperity and growth



# TABLE OF CONTENTS

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

	<u>COMPONENT A: MAYOR’S FOREWORD</u> .....
	<u>COMPONENT B: EXECUTIVE SUMMARY</u> .....
1.1.	MUNICIPAL MANAGER’S OVERVIEW .....
1.2.	MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW.....
1.3.	SERVICE DELIVERY OVERVIEW .....
1.4.	FINANCIAL HEALTH OVERVIEW.....
1.5.	ORGANISATIONAL DEVELOPMENT OVERVIEW .....
1.6.	AUDITOR GENERAL REPORT .....
1.7.	STATUTORY ANNUAL REPORT PROCESS .....

## CHAPTER 2 – GOVERNANCE

	<u>COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE</u>
2.1	POLITICAL GOVERNANCE.....
2.2	ADMINISTRATIVE GOVERNANCE .....
	<u>COMPONENT B: INTERGOVERNMENTAL RELATIONS</u>
2.3	<i>INTERGOVERNMENTAL</i> RELATIONS .....
	<u>COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION</u>
2.4	COMMUNITY PARTICIPATION IN THE DEVELOPMENT OF LEGAL FRAMEWORKS AND DIRECTIVES..
2.5	IDP PARTICIPATION AND ALIGNMENT .....
	<u>COMPONENT D: CORPORATE GOVERNANCE</u>
2.6	RISK MANAGEMENT .....
2.7	ANTI-CORRUPTION AND FRAUD .....
2.8	MPAC COMMITTEE .....
2.9	MUNICIPAL WEBSITES .....
2.10	POLICIES AND BY- LAWS .....

## CHAPTER 3 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PART I)

	<u>COMPONENT A: MUNICIPAL WORKFORCE</u> .....
	<u>COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE</u> .....
	<u>COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE</u> .....
	SKILLS DEVELOPMENT AND TRAINING .....
	<u>COMPONENT D: MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE</u> .....

## CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PART II)

	<u>COMPONENT A: BASIC SERVICES</u> .....
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3.1.WATER PROVISION.....

3.2.WASTE WATER (SANITATION) PROVISION .....

3.3 ELECTRICITY.....

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

3.5 HOUSING .....

COMPONENT B: ROADS.....

3.7 ROADS.....

3.9 WASTE WATER (STORMWATER DRAINAGE).....

COMPONENT C: PLANNING AND DEVELOPMENT.....

3.10 PLANNING .....

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

**CHAPTER 4 – ANNUAL PERFORMANCE REPORT**

**CHAPTER 5 – FINANCIAL PERFORMANCE**

REPORT OF CFO ON ANNUAL FINANCIAL STATEMENTS (AFS).....

**CHAPTER 6 - AUDITOR GENERAL AUDIT FINDINGS**

AUDITOR GENERAL REPORT.....

AUDIT ACTION PLAN.....

**ANNEXURE: AUDITED ANNUAL FINANCIAL STATEMENT**

# **CHAPTER 1**

## **FOREWORD AND EXECUTIVE SUMMARY**

## REVISED ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need expressed by a number of municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. This template provides an update to the MFMA Circular No. 11, issued in January 2005.

This template gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government and Improving Government Performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. The template provides an improved overview of municipal affairs by combining the performance report data required under Municipal Systems Act Section 46 with annual report data referred to in that Act and in the MFMA.

The revised template makes its contribution by forging linkages with the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information in municipalities. This coverage and coherence is achieved by the use of interlocking processes and formats.

The revised template relates to the Medium Term Strategic Framework particularly through the IDP strategic objectives; cross cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual material as set out in Chapters 3, 4 & 5. It also provides information on good management practice in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5; and addresses the Auditor-General's Report, dealing with Financial and Performance Management arrangements in Chapter 6. This opens up greater possibilities for financial and non-financial comparisons between municipalities and improved value for money.

The revised template provides information on probity, including: anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others. Notes are included throughout the format to assist the compiler to understand the various information requirements.

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

- Year -1: The previous financial year;
- Year 0: The financial year of reporting;
- Year 1: The following year, mostly requires future targets; and
- The other financial years will follow a similar sequence as explained above.

We wish to express our gratitude to the members of the Annual Report Reference Group, consisting of national, provincial and municipal officials for their inputs and support throughout the development of this document.

MFMA Implementation Unit, National Treasury

July 2012

## Our Vision

“A viable municipality with inclusive economy, sustainable development and quality services for all”

## Our Mission

“To provide affordable and quality municipal services and address triple challenges of poverty, unemployment and inequality and promote sustainable development through cooperative, strategic partnership and innovation”

## CORE VALUES

Values	Descriptions
<b>Transparency:</b>	We practice good governance, openness and strive to understand the needs of our community at all times.
<b>Commitment:</b>	We are dedicated to the services we render to the community. We are committed to realise the objective of local government in South Africa.
<b>Accountability:</b>	We respect and value our people and ensure that we are accountable and responsible on all aspects of our work
<b>Integrity:</b>	We perform our work diligently with integrity and courage to ensure that our communities are able to trust and believe in us.
<b>Democracy:</b>	We encourage adherence to the constitution of the country, by allowing everybody to exercise their rights
<b>Perseverance:</b>	We work with tolerance and patience in the service of our communities.

## Component A: Mayor's Foreword

It is a greatest privilege and honour to present the 2021/22 Draft Annual Report to all members of the community of Ngwathe Local Municipality, our partners, district, provincial and national government of the Republic of South Africa.

The year under review was again a challenging one, as we had to master the art of effective and efficient service delivery in the mist of managing the Eskom, Water board debt and over 800 million debt owed by households and Business to the municipality.

The draft Annual report is a reflection on our shared commitment and accountability as political leadership, management and staff to accelerate the provision of quality and sustainable services to all residents of Ngwathe Local Municipality. These report will importantly indicate the performance successes and challenges we have experienced in the delivery of services to all our people as guided by the 2021/2022 Integrated Development Plan (IDP) and the Service Delivery and Budget Implementation Plans (SDBIP) for the year under review. Since ascending to office in 2021, we have successfully launched 19 ward committees in Ngwathe Municipal area of jurisdiction.

Our Ward Committees are now fully functional and will continue to become the backbone of service delivery planning, monitoring and implementation at Ward level. Her Worship Executive Mayor, councillor Victoria de Beer-Mthombeni, Mayoral Committee, Portfolio Committees and all Section 79 and 80 Committees are paying their oversight role to ensure that service delivery remains the core business of the municipality. Our Municipal Public Accounts Committee- (MPAC) and other strategic instruments of governance remain fully charged with the responsibility that ensures that we account to the public for effective and efficient use of public resources.

During 2021/2022 financial our Municipality received 100% and spent 20% of the Integrated National Electricity Program (INEP). A rollover was request. The municipality also received 100% Municipal Infrastructure Grant and at the end of the financial year, had spent 80%. A rollover was also requested. The RBIG the municipality received 100% and only % was spent. This is testament to our commitment to continue to better the lives of our people. Despite all challenges during the year under review, our Municipality achieved an Qualified audit opinion.

We thank the management under the leadership of the Acting Accounting officers. We will not release the foot on the pedal as will ensure that the Audit Action Plan as advised by the Auditor General is implemented fully. We will strive towards ensuring that we continue to work towards achieving a better audit outcome for years to come.

The leadership of the municipality will ensure and continue to put mechanisms in place for improved and sound financial accountability in the quest for quality services. We will continue to work tirelessly to try and resolve water supply challenges and we trust that the completion of the current Water Supply projects underway will sustainably address our water supply challenge. Ngwathe local Municipality require a reliable water and energy supply capacity in order to fast track residential developments and economic growth. Maintenance of our strategic roads, storm-water and electricity infra-structure remains a fundamental necessity for our socio-economic growth, in both rural, townships and urban areas.

The Municipality continues to participate in District/Provincial and National Inter-Governmental activities to ensure integrated planning and sharing of best practices to enhance improved service delivery. On behalf of the Executive Committee, and the entire political leadership of the municipality, I want to express sincere and revolutionary appreciation to all Councillors, staff members, particularly the Senior management team, our service providers, media, labour unions, for continuing to serve the people of Ngwathe Municipality with humility and professionalism.

I also want to thank the Office of the Speaker, Chief Whip, for their support and leadership of our Municipality. Our plan is to achieve an improved audit opinion in the next financial year, to enhance service delivery and to increase access to quality services to all the people of Ngwathe Local Municipality.

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**Cllr Victoria De Beer –Mthombeni**  
Executive Mayor Ngwathe Local Municipality

## Component B: Executive Summary

### 1.1 Municipal Manager's Overview

The year 2021/22 saw the continuous effort by the municipality to try and function under the new normal after opening from the covid-19 lockdown and had to adjust to the dictates of the new normal.

The process of adjustment to the new normal necessitated that we navigate the difficult circumstances which included the decrease in revenue collection. The decline in revenue collection impacted negatively to service delivery and these forced the municipality to do with the little means at its disposal.

Municipal powers and functions for the year 2021/22 did not change and the table below depicts powers and functions of Ngwathe Local Municipality.

Function	Definition of function
Municipal Roads	Construction, maintenance and control of a road used by members of the public, including streets in built up areas.
Electricity reticulation	Bulk supply of electricity, which includes for the purpose of such, the supply, the transmission, distribution, and where applicable the generation of electricity. Regulation, control and maintenance of the electricity reticulation network. Provision and maintenance of public lighting which includes street lights, high mast lights, etc. Tariff policies, monitoring of the operation of the facilities for adherence to standards.
Water (Potable)	Establishment or procurement, operation, management, and regulation of a potable water system, including the services and infrastructure required for the regulation of water conservation, purification, reticulation and distribution
Sanitation	Establishment or procurement, where appropriate, provision, operation, management, maintenance and regulation of a system, including infrastructure for the collection, removal and disposal or purification of human excreta and domestic waste-water.
Cemeteries and crematoria	The establishments conduct and control of facilities for the purpose of disposing of human and animal remains. This includes, funeral parlours and crematoria.
Refuse Removal, refuse dumps and solid Waste	Removal of any household or other waste and the disposal of such waste in an area, space or facility established for such a purpose. It further includes the provision, maintenance and control of any infrastructure or facility to ensure a clean and healthy environment.
Storm water	Management of systems to deal with storm water in built-up areas
Firefighting	Fighting and extinguishing fires, the rescue and protection of any person, animal or property in emergency situations not covered by other legislations or powers and functions
Municipal Planning	Compilation of IDPs, preparation of the SDFs as a sectoral plan, development and implementation of a town planning scheme or land-use management scheme
Local Sport and recreation facilities	Provision and maintenance of sports and recreational facilities



The municipality could only manage to achieve 67% of the total KPIs for the financial year ending 30 June 2022.

These performance on KPIs is not satisfactory and all efforts will be put into place to ensure improved performance going forward. The municipality provisioning of basic services during the period in question managed to replace old electricity meters with 60 New ones.

The effort to improve municipal environment resulted in the continued provision to access to refuse removal to a total of 37102 in all the business and households. It is the view of the municipality, that basic services must be accessed by all citizens on an equal basis. In order to improve municipal efficiency and productivity a new refuse truck was bought for Heilbronn during the year under review. In pursuit of a clean environment, the municipality embarked on a process of beautifying the parks and clearing the illegal dumping sites in the Ngwathe area of jurisdiction.

The provisioning of clean quality water in a sustainable, uninterrupted manner, remains the singlets biggest challenge facing the municipality. Lack of qualified personnel in the form of water engineers etc contributes directly to situation facing the municipality as there is no internal expertise to drive the turnaround continuous water crisis facing the municipality.

The municipality organisational structure needs to be reorganised in its totality so as to ensure proper alignment of functions and identification of expertise needed to propel Ngwathe to offer better, quality and uninterrupted services to the citizens. The need for organisational review and repositioning will be given serious attention going forward.

Furthermore, the municipality will have to embark on massive skills audit with the sole purpose of placing personnel correctly in relevant desired position and to also develop skills plan to skill and reskill its employees in the medium to long term.

The municipality will have to create a balance between developing new infrastructure and maintaining existing one. The balance must also result in the reconciliation between development of a maintenance plan and budget allocation. These will help in the systematic medium to long term maintaining of all assets, old and new.

During the period under question, the municipality has seen an increase in the debt book, especially from business, farms and residents. The Eskom and Water board debts remain an albatross in the neck of municipality. It is clear that if national government will not bail out the municipality, these debts will remain a generational debt. This increase in debt could be attributed to the lack of economic activity in the municipality. These is so as Ngwathe has not been able to attract direct investment in the form of new industries.

The development of new industry will help to create strong tax base and will assist in the creation of employment opportunities for the people of Ngwathe. A concerted effort needs to be embarked upon by both the political and administration arms of the municipality to lure and attract investment to the towns constituting Ngwathe. To give effect to these initiative, the municipality will have to develop an investment book reflecting each of the towns unique characteristics and investment development nodals.

The debt book of the municipality as at the end of June 2022 amounted to R 927 266 000 at the of the period in question. These shows an increase from R799 million in the 2020/2021 to R927 million in 2021/22. The increase in debtors during the financial year was R128 Million, representing a 14% increase from previous year.

To give effect to the revenue enhancement strategy, the municipality has entered into payment arrangement with Eskom and Water board, for a total of R 1562 billion that is being owed to date, for water and electricity service function rendered. Electricity remains the main revenue contributor, which amount to 326,4 million of the total municipal budget, whilst property rates contribute 12% of the total budget. The municipality managed to close the 2021/22 financial year with a total of R 5,2 million cash in the bank. This is a huge improvement/ setback when compared to R 55,2 million during the 2020/21 financial year.

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**Me. NT Baleni**  
Municipal Manager

## 1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### Municipal Functions

In accordance with Section 155/156 of the Constitution and Chapter 3 of the Municipal Systems Act, the broad functions and powers of the Municipality are reflected in Appendix D

Access to services such as potable water, basic sanitation, safe energy sources and refuse removal services ensures that households enjoy a decent standard of living. To satisfy these basic requirements, the municipality contributed as reflected below during 2021/22;

**Water:** Access to potable water in Ngwathe was recorded at 100 %

**Sanitation:** An estimate of 100% of households in Ngwathe has access to basic sanitation services

**Energy:** Ngwathe provides an access level of 100% to electricity

**Refuse removal:** The household access level to refuse removal in Ngwathe municipality was at 100 %

**Housing:** 44.7% of households in Ngwathe have access to formal housing

**Roads:** A number of road construction projects by way of paving were undertaken in Ngwathe with a total of 3 kilometres of road constructed / paved.

### LOCAL ECONOMIC DEVELOPMENT

Our municipality intended to undertake a formal local economic development program structured in accordance with a properly analyzed and mechanized Local Economic Development Strategy. Our hope to source support from FSCOGTA in this instance was not successful leaving us currently with little option but to source private support for the development of such a strategy.

This however did not hinder the municipality from undertaking a number of LED related projects that empowers individuals and groupings throughout the municipality with the support from various government departments and agencies. With the current institutional skills gap and general skills gap throughout the municipality area, numerous individuals were afforded opportunities to enhance their skills by way of training provided and or facilitated. The municipality continues to source from capacitated individuals and groups to address challenges related to;

- The cleaning of side-walks in and around
- Promotion of tourism
- SMME capacity training and funding
- The repair of roads, by means of pot-hole filling.
- Paving of roads and Maintenance

A number other labour intensive projects to assist the unemployed market and provide possible income for indigent households.

The municipality continues to suffer not being able to access crucial data and information pertaining the job markets, economic growth centers, growth forecasts, regional economic data that influences migration and settlement patterns.

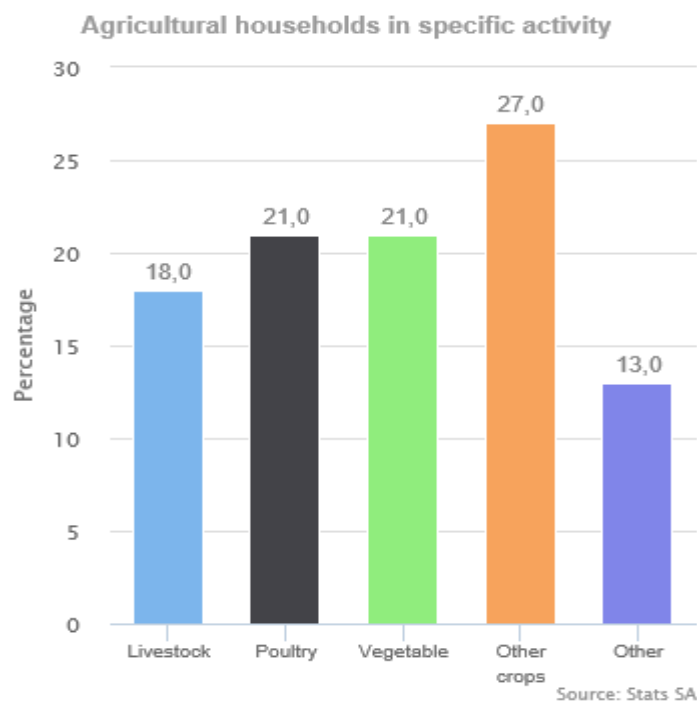
A strong research drive is required to continuously assess local capacity, development and potential growth opportunities.

### **Ngwathe, moving towards effectiveness efficiency and excellence**

#### **Economic Overview**

The highest contributing sectors to the Growth Domestic Product (GDP) are:

- Agriculture



- Retail trade, catering and accommodation (11.5%)
- Tourism
- Finance, insurance, real estate and business services
- Transport, storage
- Building and Construction

## **Labour Profile**

Statistics South Africa defines unemployment as those people aged between 15-65;

- who did not work during the 7 days prior to 10 October (when the census commenced);
- who want to work and are available to start work within a week of the interview; and
- who have taken active steps to look for work or to start some form of self-employment in the 7 days prior to commencement of the census.

Persons who have become discouraged from seeking work, or who no longer take active steps to find work, are not classified as unemployed. It is thus likely that unemployment figures, tabled below, are higher than that provided in these statistics. According to Statistics South Africa, the official unemployment figure for the Ngwathe area is estimated at 35.2%

Out of the population of 120 520, there are 39 555 economically active (employed or unemployed but looking for work) people and of the 20 204 economically active youth (15-35 years) in the area. It should be noted, however, that the "Other not economically active" participant's amounts to an overwhelming 42 423.04

In terms of youth unemployment, 45.1% of persons aged between 15-34 years within the Ngwathe area are unemployed

## **Demographics within the Ngwathe Municipality**

The preferred languages for the people of the Ngwathe area is Sesotho 67%, Isixhosa 8.4% and Afrikaans 23.2% whilst other national languages all register below 3.5%.

According to the 2011 Statistics SA census survey Ngwathe demographics can be summarized as follows:

The total population size increased to 120 520 persons, to; reflecting 24.7% of the total population of the Fezile Dabi District municipal area.

## **Population Growth**

The population growth based on the 2017 Community survey indicates a positive growth in relation to the negative growth of 0.3% recorded in 2011 census. Our current population was officially recorded at 118 907 in October of 2017.

## **Population Groups**

### **Sex by Ratio**

There are more females than males across all wards except wards 5 and 7 where 49.7% and 49% is registered whereas ward 8 shows an equal total of males and females.

**Table: Sex by Ratio of Ngwathe**

Province, District and Local Municipality	Gender		Total	Sex ratio (Males per 100 Females)
	Male	Female		
<b>Free State</b>	<b>1 379 965</b>	<b>1 454 749</b>	<b>2 834 714</b>	<b>95</b>
FEZILE DABI	245 985	248 792	494 777	99
Moqhaka	76 193	78 539	154 732	97
<b>Ngwathe</b>	<b>56 425</b>	<b>62 482</b>	<b>118 907</b>	<b>90</b>
Metsimaholo	85 531	78 033	163 564	110
Mafube	27 836	29 738	57 574	94

*Data source: Statistics South Africa, Community Survey 2016*

### Functional Age Group

The majority of the population is made up of the functional age group in Ngwathe.

**Table : Distribution of the population by functional age group in Ngwathe municipal area**

Province, District and Local Municipality	0-14 Children	15-34 Youth	35-64 Adults	65+ Elderly	TOTAL	Dependency Ratio
<b>Free State</b>	<b>797265</b>	<b>1 058948</b>	<b>732863</b>	<b>245638</b>	<b>2834714</b>	<b>58,2</b>
FEZILE DABI	125 956	180 167	137 470	51 184	494 777	58,2
Moqhaka	37 929	54 322	44 398	18 082	154 732	55,8
<b>Ngwathe</b>	<b>32 964</b>	<b>40 712</b>	<b>30 935</b>	<b>14 296</b>	<b>118 907</b>	<b>56,7</b>
Metsimaholo	38 825	64 440	47 646	12 653	163 564	66,0
Mafube	16 238	20 692	14 491	6 153	57 574	45,9

*Data source: Statistics South Africa, Community Survey 2016*

### School Attendance

Table : Indicates school attendance, non-attendance and unknown in Ngwathe municipal area.

Geography	School Attendance		
	Yes	No	Do not know
<b>Free State</b>	<b>859361</b>	<b>1699444</b>	<b>2402</b>
DC20: FEZILE DABI	129160	321460	347
FS201:Moqhaka	40085	101608	198
<b>FS203: Ngwathe</b>	<b>30292</b>	<b>76656</b>	<b>70</b>
FS204: Metsimaholo	42186	107449	31
FS205: Mafube	16597	35747	48

*Data source: Statistics South Africa, Community Survey 2016*

## Highest Level of Education Attained

Table : Education Levels in Ngwathe municipal area

Education Levels	Totals
No schooling	4301
Grade 0	3432
Grade 1/Sub A/Class 1	3568
Grade 2/Sub B/Class 2	3244
Grade 3/Standard 1/ABET 1	4809
Grade 4/Standard 2	4927
Grade 5/Standard 3/ABET 2	5099
Grade 6/Standard 4	6059
Grade 7/Standard 5/ABET 3	5948
Grade 8/Standard 6/Form 1	7732
Grade 9/Standard 7/Form 2/ABET 4/Occupational certificate NQF Level 1	8313
Grade 10/Standard 8/Form 3/Occupational certificate NQF Level 2	11406
Grade 11/Standard 9/Form 4/NCV Level 3/ Occupational certificate NQF Level 3	9426
Grade 12/Standard 10/Form 5/Matric/NCV Level 4/ Occupational certificate NQF Level 3	21877
NTC I/N1	98
NTCII/N2	28
NTCIII/N3	166
N4/NTC 4/Occupational certificate NQF Level 5	333
N5/NTC 5/Occupational certificate NQF Level 5	153
N6/NTC 6/Occupational certificate NQF Level 5	273
Certificate with less than Grade 12/Std 10	43
Diploma with less than Grade 12/Std 10	195
Higher/National/Advanced Certificate with Grade 12/Occupational certificate NQF	493
Diploma with Grade 12/Std 10/Occupational certificate NQF Level 6	1426
Higher Diploma/Occupational certificate NQF Level 7	534
Post-Higher Diploma (Master's	304
Bachelor's degree/Occupational certificate NQF Level 7	1001
Honours degree/Post-graduate diploma/Occupational certificate NQF Level 8	565
Master's/Professional Master's at NQF Level 9 degree	176
PHD (Doctoral degree/Professional doctoral degree at NQF Level 10)	65
Other	230

Data source: Statistics South Africa, Community Survey 2016

Table 8: Unemployment rate in Ngwathe municipal wards

Unemployment rate	35,2%
Youth unemployment rate	45,1%

Data source: Statistics South Africa, Census 2011

### 1.3 SERVICE DELIVERY OVERVIEW

#### Basic Service Delivery Achievements

##### Source of water

94% of households within the Ngwathe area have access to municipal or service provider water, with the rest of the households sourcing water from dams, rivers, tankers, etc. Interventions to aid water security include continuous upgrades and maintenance to water purification plants in Ngwathe as well as other developments to supplement the water demand.

##### Main Source of Water

Source of Water	Fezile Dabi	Moqhaka	Metsimaholo	Ngwathe
Piped (tap) water inside the dwelling	83199	26054	38610	12474
Piped (tap) water inside yard	78495	24644	17840	24858
Piped water on community stand	3312	261	1801	1222
Borehole in the yard	1732	1027	216	447
Rain-water tank in yard	101	20	81	-
Neighbor's tap	737	402	55	190
Public/ Communal tap	2286	147	312	779
Water-Carrier / Tanker	495	151	12	167
Borehole outside the yard	1399	672	119	536
Flowing water / stream/ river	70	17	-	53
Well	-	-	-	-
Spring	15	15	-	-
Other	527	192	67	184
<b>Total</b>	<b>172 370</b>	<b>53 601</b>	<b>59 113</b>	<b>40 910</b>

Data source: Statistics South Africa, Community Survey 2016

##### Toilet Facilities

97% of households make use of a flush toilet that is connected to a sewerage system, while 3% makes use of pit latrines.

Table 9: Distribution of households by type of toilet facility in the Ngwathe municipal area.

District and Local Municipality	Main type of toilet facility used										
	Flush toilet connected to a public sewerage system	Flush toilet connected to a septic tank or conservancy Tank	Chemical toilet	Pit latrine/toilet with ventilation pipe	Pit latrine/toilet without ventilation pipe	Ecological toilet (e.g. urine diversion; enviro loo; etc.)	Bucket toilet (collected by municipality)	Bucket toilet (emptied by household)	Other	None	Total
Fezile Dabi	139501	1991	55	3469	10777	12	7814	1256	5593	1901	172370
Moqhaka	48060	1145	18	1268	1804	-	138	253	95	819	53601
<b>Ngwathe</b>	<b>33124</b>	<b>314</b>	<b>37</b>	<b>1792</b>	<b>939</b>	<b>-</b>	<b>3362</b>	<b>188</b>	<b>502</b>	<b>652</b>	<b>40910</b>
Metsimaholo	43484	341	-	377	8006	12	1242	448	4939	264	59113
Mafube	14832	191	-	31	28	-	3073	367	57	167	18745

Source: Statistics SA Community Survey 2016

## Energy

A total of 99% of households within the Ngwathe municipal area have access to electricity for household purpose. 1% of households do not have access to electricity. The municipality has committed itself to energy efficiency within the municipal area, by focusing on the increase of capacity, upgrading of networks and replacement of outdated and faulty meters, to reduce electricity loss.

**Table 10: Distribution of households using electricity for lighting, cooking and heating in Ngwathe municipal wards**

District and Local municipality	Household access to electricity									
	In-house conventional meter	In-house prepaid meter	Connected to other source which household pays for (e.g. con	Connected to other source which household is not paying for	Generator	Solar home system	Battery	Other	No access to electricity	Total
Fezile Dabi	19814	135715	3148	452	11	212	19	1072	11926	172370
Moqhaka	5771	44084	1738	189	-	75	19	184	1542	53601
<b>Ngwathe</b>	<b>2959</b>	<b>35321</b>	<b>415</b>	<b>187</b>	<b>-</b>	<b>95</b>	<b>-</b>	<b>99</b>	<b>1835</b>	<b>40910</b>
Metsimaholo	8196	41558	737	41	-	-	-	720	7862	59113
Mafube	2887	14753	259	36	11	43	-	69	687	18745

Source: Statistics SA Community Survey 2016

**Table: Reduction in outages**

Water		ELECTRICITY		SEWERAGE Challenges/Spillages		OTHER Roads	
2020/21	2021/22	2020/2021	2021/22	2020/21	2021/22	2020/21	2021/22
20%	35%	20%	35%	15%	20%	50%	50%

Data: Ngwathe Technical Services department

### Basic Service Delivery Challenges

Electricity and water losses experienced by the municipality over the last years are contributed to a number of factors, most of these factors or reasons for losses can be alleviated some at greater cost than others, whilst generally more awareness and consciousness of the public may assist the institution to manage such losses.

An initiative in collaboration with Eskom will address some of the losses the municipality experience in terms of collections relating to electricity, of which include the replacement of old dilapidated and faulty electricity meters. This collaborative effort will also deal with issues pertaining to current Eskom debt, which also hinders our ability to service the current account.

The serious shortage of staff, specifically in the Technical Services Department is not only a disadvantage but is a direct cause of our inability to respond positively to most basic services challenges. The lack of Master / Sector plans across the organization hinders our ability to do forecast planning and effectively plan specific long-term plans with anticipated growth considerations taken into account.



**Table: Basic Service Delivery Challenges at March 2022**

Informal settlement area	Challenges	Interventions necessary/initiated
Parys / Tumahole	<p>Inadequate Yellow fleet in-case there is storm Throwing of wires into the network resulting in outages Overload of transformers</p> <p>Theft and vandalism of electrical equipment Aging Infrastructure Throwing of stones into sewer manholes Stormwater in Lusaka, Mandela</p> <p>Gravelling of roads</p>	<p>Provision of own yellow fleet Community awareness Extra transformers to be procured Policing of network Capital Budget to be increased Community awareness regarding usage Investment in Stormwater</p> <p>Investment in the gravelling of roads</p>
Vredefort / Mokwallo	<p>Insufficient water in high lying areas (ward14 &amp; 15)</p> <p>Unavailability of water and sewer reticulation in extension 4 Mapetla section in Vredefort.</p>	<p>We are currently using jojo tanks and a water tanker to supply water in those areas. The WTW is also under refurbishment.</p> <p>Business plan submission to Department of Human Settlement/MIG/RBIG/WISG</p>
Heilbron / Phiritona	<p>Insufficient and inconsistent supply of water in extension 9 (Ward %)</p> <p>Fire Station</p>	<p>Ngwathe Municipality and Rand Water working together to address the challenge with focus on water losses.</p> <p>Renovation of the Fire Station</p>
Koppies / Kwakwatsi	<p>Inadequate yellow fleet to immediately respond in case of storm Throwing of wires/chains into the electrical network resulting outages</p> <p>Throwing stones/unnecessary material into sewer manholes</p> <p>Inadequate supply of portable water in high lying areas. Gravelling of roads Fixing of potholes in town High rate of vandalism/ theft of municipal properties</p> <p>Firefighting equipment</p>	<p>Provision of own yellow fleet Community awareness</p> <p>Community awareness/ education regarding usage water</p> <p>Provision of water storage by building extra pressure tower. Investment in the gravelling of roads Community awareness for vandalism/theft occurrences</p> <p>Sasol Mining, Social Labour Plan funding for Provision of procuring fire fighting vehicle units.</p>
Edenville / Ngwathe	<p>Major water shortages and running dry of aquifers</p>	<p>Water Pipeline project from Koppies to Edenville</p>

**1.4 FINANCIAL HEALTH OVERVIEW** - The municipality financial position is as reflected below

<b>Financial Overview – Year 2021/22</b>			
<b>Details</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Taxes, Levies and tariffs	R 530 341 574	R530 341 574	R 464 769 856
Rental of facilities	R 724 245	R724 245	R 320 199
Interest Income	R 48 529 598	R 48 529 598	R46 765 781
Fines and Licenses	R 2 145 000	R 2 145 000	R 259 146
Grants Operating	R 219 653 200	R 255 795 467	R 258 183 608
Other	R 3 062 051	R 3 062 051	R 18 961 617
Sub Total	R 804 455 668	R 840 597 935	R 789 260 208
Less Expenditure	R 823 642 125	R 859 784 394	R 940 260 190
<b>Note surplus/deficit</b>	<b>(19 186)</b>	<b>(19 186)</b>	<b>(151 000)</b>

Data supplied by Financial Services Department

The following table some key financial management challenges experienced in 2021/22

<b>Key Financial Challenges and Interventions</b>
<b>Challenges</b>
Creditors and debtors growth
Revenue under-collection / Cash flow liquidity
High distribution losses
High maintenance cost due to aging infrastructure
Shortage of skilled staff

**Financial Health**

Based on our operating ratios provided below the Municipality financial health is reflected as follows

<b>Operating Ratios</b>				
<b>Details</b>	<b>%</b>	<b>Expected Norm</b>	<b>Variance from Norm</b>	<b>Comment</b>
Employee Cost	28%			
Repairs & Maintenance	10%			
Finance Charges & Impairment	10%			

Data Supplied by Financial Services Department

## Capital Expenditure

Details	Budget 2020/21	Budget 2021/22	Comment on variations between Actual and Adjustment Budgets
	R'000	R'000	R'000
Original Budget	R 102 164 000		
Adjustment Budget	R 99 779 702		
Actual	R 82 854 233		

Data Supplied by Finance & PMU Department

## Risk Assessment

The organizational risks were assessed and a Risk Register was developed. The Municipality's five top risks and mitigation measures follow below:

### Five Top Risks and Mitigating Measures

Ranking	Description	Mitigation Strategies
1	Electricity Cable Theft	Appointed Security Services in all the towns of Ngwathe Local Municipality Cameras have been installed in Parys and the roll-out plan for regions was developed the challenge was affordability
2	Distribution loss	Installed energy efficiency appliances and upgraded the infrastructure. Gradually replaced conventional meters and faulty (water and electricity) meters.
3	Low Revenue	Implemented Debt and Credit Control Policy and was able to engage the debt collection company on best collection mechanisms. Encouraged communities to pay for their services.
4	Poor Water Quality	Appointed water and sanitation manager to assist in processes of development of Water Services Master Plan. Department of Water and Sanitation provided the support to the municipality.
5	High Litigations	Adherence to legislative requirement in all areas of responsibilities was a challenge noting the vacant position of Legal Manager.

## 1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

Ngwathe municipality subscribes to a view that says, Organizational development is an ongoing, systematic process of implementing effective organizational change.

### Directorates

The institution is classified into the following directorates through which employment is housed;

- Political Offices (Mayor and Speaker)
- Municipal Manager's office
- Financial Services
- Technical Services
- Community Services
- Corporate Services

### Regions

The municipality is composed of the following five (5) regions

- Parys,

- Heilbron,
- Koppies,
- Vredefort &
- Edenville.

## 1.6 AUDITOR GENERAL REPORT

The Auditor-General awarded the Municipality Qualified Opinion for the 2021/22 financial year.

## 1.7 STATUTORY ANNUAL REPORT PROCESS

**Table: Annual Report Process**

Annual Report Process		
No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan confirms in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalize the 4th quarter Report for previous financial year	
4	Submit draft year 1 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit Performance Committee considers draft Annual Report of municipality and entities where relevant	August
7	Mayor tables unaudited Annual Report	
8	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
9	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	Sept -Oct
10	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	
11	Municipalities receive and start to address the Auditor General comments	November
12	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor General Report	
13	Audited Annual Report is made public and representation is invited	
14	Oversight Committee assesses Annual Report	
15	Council adopts Oversight Report	December
16	Oversight report is made public	
17	Oversight report is submitted to relevant provincial councils	
18	Commencement of draft Budget/IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	January

It is important to achieve the above deadlines, not only to achieve legislative compliance but to ensure the smooth running of municipal planning, budgeting, service delivery implementation and reporting cycles which all feed and depend on one another. The Municipal Annual Report also informs the planning process of other spheres of government, thus influencing our equitable share of future government grants.

The table below shows to what extent the municipality complied with legislative requirements and timeframes in terms of the Annual Report Process.

**Table : Legislative Compliance of the Annual Report Process**

<b>Activity</b>	<b>Applicable Legislation</b>	<b>Comment</b>
Annual Report tables to Council within 7 months after end of financial year	MFMA Section 121 (1)	Yes
Annual Report made public for public comment	MFMA Section 127 (5)	Yes
Annual Report placed on website within 5 days after tabling in Council	MFMA Section 75	Yes
Annual Report submitted to National Treasury	MFMA Section 127(5)	Yes

# **CHAPTER 2**

# **GOVERNANCE**

## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO GOVERNANCE

Ngwathe Local Municipality was established in terms of Section 12 Notice of the Municipal Structures Act of 1998. In terms of Section 12 Notice, the Municipality is a Category B Municipality which operates within the Executive Mayoral Committee System combined with the Participatory Ward Governance in Ngwathe Local Municipality is composed of both the Political and Administrative Governance. Governance is the process of decision-making and the process by which decisions are implemented. Governance in the Municipality takes into account legal and constitutional accountability and responsibilities. The Political wing of the Municipality exercises their executive and legislative powers and function to govern the affairs of the municipality. The Administration wing is responsible for Corporate Governance as prescribed by various legislative frameworks,

## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

*The Constitution section 151 (3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community.*

Ngwathe local Municipality has two management teams: a Political and an Administrative team. Together they exist to provide a wide-range of services to residents and businesses. Municipal councils exercise both legislative and executive functions. This is intended to facilitate hands-on governance and synergy between elected representatives, the executive and the administration. The proximity is meant to facilitate a more vibrant and responsive municipality that would ultimately result in efficient service delivery. The political team made up of councillors and directed by the Mayor and MAYCO Members, make strategic and policy decisions for the residents and businesses. The Administrative Team, supervised by the Municipal Manager and the Departmental Directors are to ensure that the decisions are put into effect.

## 2.1 POLITICAL GOVERNANCE

### INTRODUCTION TO POLITICAL GOVERNANCE

*MFMA section 52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality*

In terms of Chapter 7, section 151(2) of the Constitution of the Republic of South Africa, the legislative and executive functions of a municipality are vested within its Municipal Council. The Political leadership of the Municipality exercise their executive and legislative powers and functions to govern the affairs of the Municipality. The legislative function of the Council is vested within the full Council with the Speaker as its Chairperson. The passing of policies and By-laws remain the responsibility of Council.

**The Executive Mayor:** Cllr V De Beer Mthombeni has overarching strategic and political responsibility for Ngwathe local Municipality and also represents the Municipality at ceremonial functions. She receives reports from the Municipal Manager and presents these along with recommendations to Council.

**The Speaker:** Cllr NP Mopedi is the Chairperson of the Council. The Speaker presides over Council meetings ensuring that meetings are held regularly, maintaining order during Council meetings and that the rules and regulations of the meeting are adhered to.

The Section 79 committee is District shared Services namely: Audit Committee.

**The Audit Committee** is an independent shared committee constituted to review the control, governance and risk management within the Municipality. It is established in terms of section 166 of the Municipal Finance Management Act (MFMA). The Committee constitutes of members, who meet quarterly as per the schedule of meetings and provide recommendations on financial and nonfinancial processes of the Municipality.

**Municipal Public Accounts Committee (MPAC)** exercises oversight over the executive functionaries of Council and ensures good governance in the Municipality. Its functions include the analysis of the Annual Report, and submission of the Oversight Report on the Annual report to Council with recommendations. Once the Oversight Report has been considered and approved by Council, it is published in accordance with the MFMA requirements and guidance.

The council consist of 38 councillors belonging to different political parties represented in council. The Mayor and Speaker also form part of council and are both fulltime office bearers.

**THE MAYOR AND SPEAKER OF NGWATHE MUNICIPAL COUNCIL**



**CLLR VICTORIA DE BEER/MTHOMBEINI**

**MAYOR**

**Functions**

To preside during the Executive meetings performs the duties, including any ceremonial functions, and exercises the powers delegated to the Mayor by the Council or Mayoral Committee





**CLLR NEHENG PAULINA MOPEDI**

**SPEAKER**

**Functions:**





To preside during the Council meeting  
 performs the duties and exercises the powers delegated to the Speaker in terms of Section 59 of the Local Government: Municipal System Act, No 32 of 2000  
 To ensure that Council meets quarterly  
 To maintain order during the Council meetings  
 ensure compliance in the Council and Council committees with the Code of Conduct set out in Schedule 1  
 To ensure that Council meetings are conducted in accordance with Rules and Orders of the Council

**Composition of the Municipal Council:**

Political Party	Number of Seats
ANC	21
DA	7
EFF	5
FF+	3
NRA	1
<b>TOTAL</b>	<b>37</b>

## MAYORAL COMMITTEE

The Mayoral Committee (MAYCO), which is chaired by the Mayor and draws membership from the chairs of the following Municipal Portfolio Committees (Section 79/80 committees):

COMMITTEE	NAME OF COUNCILLOR	DESIGNATION
<b>1.Finance and Budget</b>		
	1. Cllr Mmutenyane Johny Serati	<b>Chairperson</b>
	2. Cllr Thabo Petrus Sothoane	
	3. Cllr Modise Joshua Moroenyane	
	4. Cllr Kau Jacob Khumalo	
	5. Cllr Matjhini Shadrack Toyi	
	6. Cllr Arnold Mattheus Schoonwinkel	
	7. Cllr Phillippus Petrus Van Der Merwe	
	8. Cllr Sellwane Lydia Moseme	
<b>2.Infrastructure And Led</b>		
	1. Cllr Mosiuwa David Mofokeng	<b>Chairperson</b>
	2. Cllr Jerry Mbuyiselo Tyumbu	
	3. Cllr Matjhini Shadrack Toyi	
	4. Cllr Manthole Elsie Sefako	
	5. Cllr Leponesa Petrus Sotshiva	
	6. Cllr Salomon Hercules Francois De Jager	
	7. Cllr Phillippus Petrus Van Der Merwe	
	8. Cllr Sellwane Lydia Moseme	
<b>3. Urban ,Planning and Rural</b>		
	1. Cllr Mohau Thabiso Joseph Mosepedi	<b>Chairperson</b>
	2. Cllr Serame Nteo	
	3. Cllr Ephaus Siphon Nthoesane	
	4. Cllr Nomakhaza Suzan Moloi	
	5. Cllr Jan Abraham Meyer	
	6. Cllr Robert Sadat Ferendale	
	7. Cllr Andele Abram Jantjie	
<b>4.Corporate Services</b>		
	1.Cllr Kau Jacob Khumalo	<b>Chairperson</b>
	2. Cllr Ephaus Siphon Nthoesane	
	3. Cllr Thabo Petrus Sothoane	
	4. Cllr Leponesa Petrus Sotshiva	
	5. Cllr Serame Nteo	
	6. Cllr Polokoetsile Matthews Molaphene	
	7. Cllr Marinda Matthysen-Engelbrecht	
<b>5. Social and Community Development</b>		

	1. Cllr Manthole Elsie Sefako	<b>Chairperson</b>
	2. Cllr Makoena Mirriam Rantsaile	
	3. Cllr Dorris Masooane	
	4. Cllr Isaac Malebo Magashule	
	5. Cllr Mmutenyane Johny Serati	
	6. Cllr Catharina Serfontein	
	7. Cllr Marinda Matthysen-Engelbrecht	
	8. Cllr Kgathatso Josephina Mokoena	
	<b>6.Special Programme and IDP</b>	
	1.Cllr Dorris Masooane	<b>Chairperson</b>
	2. Cllr Modise Joshua Moroenyane	
	3. Cllr Ben Thabo Mokoena	
	4. Cllr Isaac Malebo Magashule	
	5. Cllr Makoena Mirriam Rantsaile	
	6. Cllr Ntutu Alfred Sehume	
	7. Cllr Jan Abraham Meyer	
	<b>7. Public Safety and Transport</b>	
	1. Cllr Nomakhaza Suzan Moloji	<b>Chairperson</b>
	2. Cllr Aron Johann De Jager	
	3. Cllr Selma Kok	
	4. Cllr Mosiwa David Mofokeng	
	5. Cllr Isaac Malebo Magashule	
	6. Cllr Ben Thabo Mokoena	
	7. Cllr Marie La Cock	
	8. Cllr Jan Abraham Meyer	
	9. Cllr Makabelo Princilla Moloji	
	<b>8. MPAC/Section 32</b>	
	1. Cllr Matjhini Shadrack Toyi	<b>Chairperson</b>
	2. Cllr Leponesa Petrus Sotshiva	
	3. Cllr Jerry Mbuyiselo Tyumbu	
	4. Cllr Makoena Mirriam Rantsaile	
	5. Cllr Thabo Petrus Sothoane	
	6. Cllr Makabelo Princilla Moloji	
	7. Cllr Arnold Mattheus Schoonwinkel	
	8. Cllr Jan Abraham Meyer	

## 2.2 ADMINISTRATIVE GOVERNANCE


The IDP and PMS Manager is a key Department within the Municipal Managers' office. It is responsible for the Integrated Development Plan (IDP) and Performance Management.

Internal Audit and Risk Manager are also located in the Municipal Manager's office and ensures compliance with municipal legislation. It also monitors that all departments adhere to the IDP, the municipal strategy, policies and Risk Management in the sector.

Ngwathe Local Municipality has three (4) Municipal Departments that report to the Municipal Manager. These Departments are directed by Directors who ensure that services are delivered to the people of Ngwathe. However note be taken that the Position of Director Corporate remains vacant.


The Municipal Manager and his team of Directors and Managers convene weekly meetings to discuss key strategic service deliverables, progress and guidance on achieving IDP goals, staff matters as well as the monitoring of the Municipal Budget and Projects


The Macro structure of the municipality is currently as reflected below;

MACRO STRUCTURE OF NGWATHE MUNICIPALITY	
 <p><b>ME. NT BALENI</b></p>	<p style="text-align: center;"><b>MUNICIPAL MANAGER</b></p> <p><b>Functions</b></p> <ul style="list-style-type: none"> <li>• Provide strategic Direction to all 4 Directors</li> <li>• IDP</li> <li>• SDBIP</li> <li>• Performance Management</li> <li>• Local Economic</li> <li>• Tourism</li> <li>• Sector Plans</li> <li>• Audit Management</li> <li>• Risk Management</li> </ul>

	<p style="text-align: center;"><b>CHIEF FINANCIAL OFFICER</b></p> <p><b>Functions</b></p> <ul style="list-style-type: none"> <li>• Revenue management,</li> <li>• Expenditure management,</li> <li>• Asset management,</li> <li>• SCM management,</li> <li>• Budget and Reporting</li> </ul>
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 <p><b>ME. FM MOKGOBU</b></p>	<p style="text-align: center;"><b>DIRECTOR: CORPORATE SERVICES</b></p> <p><b>Functions</b></p> <ul style="list-style-type: none"> <li>• Human Resource Management</li> <li>• Legal Services</li> <li>• Admin and Records Management</li> <li>• Property Management</li> <li>• Information and Communication Technology</li> <li>• Customer relations</li> <li>• Training/Learning and Development</li> <li>• Building Maintenance.</li> <li>• Occupational Health and Safety.</li> <li>• Labour Relations.</li> <li>• Employment Equity</li> </ul>
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 <p><b>ME. PP NHLAPO</b></p>	<p style="text-align: center;"><b>DIRECTOR: COMMUNITY SERVICES</b></p> <p><b>Functions</b></p> <ul style="list-style-type: none"> <li>• Town Planning, Land Use Management</li> <li>• Disaster management &amp; Firefighting Services</li> <li>• Sports, Arts and Culture</li> <li>• Human Settlements</li> <li>• LED.</li> <li>• Commonages.</li> <li>• Refuse Removal.</li> <li>• Land fill Sites.</li> <li>• Building Plans.</li> <li>• Parks &amp; Recreation.</li> <li>• Mimosa.</li> <li>• Environmental Health.</li> </ul>
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 <b>MR. TR MALUNGA</b>	<p><b>DIRECTOR: TECHNICAL SERVICES</b></p> <p><b>Functions</b></p> <ul style="list-style-type: none"> <li>• Roads and Storm Water Management</li> <li>• Water and Sanitation</li> <li>• Waste Management</li> <li>• Electricity Management</li> <li>• PMU</li> </ul>
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The total number of positions on the staff establishment is for the reporting period positions the status is as follows:

<b>Positions</b>	<b>Number</b>
Number of positions in the staff establishment	1,342
Total Number of new positions filled	3
Total number of critical vacant positions	236
Total number of vacant positions during the period	599
Vacant Section 56 Positions	2

**Meeting the requirements for Political and Administrative Governance**

This section reports on how the municipality met requirements of participation, rule of law, transparency, responsiveness, consensus, equity/inclusiveness, effectiveness/efficiency, accountability and sustainability with regard to handling its governance mechanisms/structures.

**Sustainability**

*Sustainability is the capacity to endure. How systems remain diverse and productive over time. It is the potential for long-term improvements, which in turn also depends on the responsible use of natural resources*

**Productivity**

The municipality's political and administrative governance structures remained productive throughout the 2021/22 financial year and complied well with legislative requirements. The following meetings were held:

**Table : Council and MAYCO Meetings held and attended in June 2020 until July 2021**

**Council and MAYCO Meetings held and attended**

Meetings	2019-20	% Attendance	2020-21	% Attendance	2021-22	% Attendance
Mayoral Committee Meetings	4	71	5	87	4	91
Special Mayoral Committee Meetings	2	93	4	97	4	78
Council Meetings	2	66	5	87	2	93
Special Council Meetings	6	76	5	80	5	94

**MPAC Committee**

The **MPAC** (Municipal Public Accounts Committee) has taken over the function as the Oversight Committee.

**The Oversight Committee met on the following dates:**

DATE	VENUE	ATTENDANCE
03 February 2022	Zoom	88%
24 March 2022	Zoom	100%
26 May 2022	Hybrid	75%
07 June 2022	Commando Boardroom	100%

Audit Committee Member	Portfolio	Committee Members Attending	Date of appointment	Audit Committee Meetings Held 2020/21
None	Chairperson	0 (Apologies - 0)	None	None
None	Member	0 (Apologies - 0)	None	None
None	Member	0 (Apologies - 0)	None	None
None	Member	0 (Apologies - 0)	None	None

The Municipality did not have an Audit Committee during the period of reporting hereunder. However, Council established and/or appointed an Audit and Performance Audit Committee from the beginning of 2022/2023 financial year.

## Accountability, Transparency and Rule of Law

*Accountability is a key requirement of good governance. Accountability cannot be enforced without transparency and the rule of law. Transparency means that stakeholders are provided with information on decisions taken that directly affect them. Rule of law means that legal frameworks are enforced impartially.*

The municipality's political and administrative governance structures are held accountable through various measures all of which are adhered to by the Ngwathe Municipality.

**Table: Governance Structures and Accountability Measures**

Governance Structure	Measure of Accountability
Council	To approve the budget and encourage culture of community participation to community. Ensure that administration provide support to Council and also to approve policies and by-laws
Mayoral Committee (MAYCO)	To present strategic plan to council and make recommendations to council
Ward Committees	To assist the Ward Councilors with community needs and make recommendations to Council. They also serve as link to Council and residents
Portfolio Committees	Discuss matters affecting portfolio and submit reports to EXCO
MPAC Committee	The Oversight Committee serves as an oversight committee - to determine the institutional functionality of the Municipal Council in terms of effectiveness. An Oversight Report is tabled to Council
The municipality reports its annual performance and financial statements to the Auditor General	The Auditor General delivers an AG Report and expresses an audit opinion
The municipality reports its financial status and performance to its communities annually	The approved Annual Report is made available to the public
Municipal structures, employees, operations, procedures and processes are ruled by legislation	Policies, Bylaws, Legislation, Regulations and Codes are available
Worker Representative Unions represent employees on organisational structures and observe the legality of labour practices procedures and processes	Unions serve as link between administration and labour. They assist labours in term of unfair labour practice by employer
Internal Auditing ensures the management of risk exposure and monitors adherence to legislation	The unit identifies municipal risk and generates a Municipal Risk Register Internal Auditing reports are generated and tabled to Council
The Audit Committee is responsible for the oversight of internal controls, financial reporting and Compliance with regulatory matters.	Audit Committee approves the Internal Audit Plan and reports to Council
Community participation in the development of Policies and Strategies	Participative processes are scheduled
IDP and Budgeting Participation	Participative processes are ensured with a Council approved Process Plan
Performance Management Committee	An evaluation panel, established in terms of Section 6.6 of the Performance Agreement, evaluates the performance of employees. Performance Agreements are signed on acceptance.
Organizational and Service Delivery Performance reporting to Council	Quarterly Performance Reports on the SDBIP are tabled to Council
Municipal Website promotes transparency	The Municipal website is updated as and when required. All current event news articles, as well as required legislative documents (including budgets, tenders and vacancies) are updated on the website. Around ..... unique visitors browsed the municipal website on a monthly basis during the 2020/21



## **Effectiveness and Efficiency**

*Good governance means that processes and institutions produce results that meet the needs of society, while making the best use of resources at their disposal. In this instance, those governance structures and processes that ensure that the community needs are met, with the best use of resources*

**Table 23: Governance Structures and Measures of Effectiveness and Efficiency**

<b>Governance Structure</b>	<b>Measure of Effectiveness and Efficiency</b>
Portfolio Committees monitors municipal service delivery and budget implementation	Quarterly Reporting to Council on the SDBIP
Executive Committee ensures the mid-term assessment of performance, spending and budget	Mid-Term Assessment Report tabled to Council Adjustment Budget Tabled to Council if needed Adjusted SDBIP tabled to Council if needed
Audit Committee ensures oversight of internal auditing and risk management processes	Internal Audit Plan Internal Audit Reports tabled to Council Risk Register Number of fraud cases reported and losses recovered
Performance Management Committee	Performance The Performance Management System is designed to reward superior performance. This linking increases overall organizational motivation and efficiency by focusing the executive management on the successful implementation of the IDP and Budget.)

## **Equity and Inclusiveness**

*Society's wellbeing depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from the mainstream of society. This requires all groups to have opportunities to improve or maintain their well-being.*

The political and administrative governance structures of Ngwathe Municipality reflect equitable representation of the area's population structure. Different Political Parties are well represented in Council.

## **Consensus orientated**

*Good governance requires mediation of the different interests in society. To be consensus orientated means striving towards reaching a broad consensus on what is in the best interest of the whole community and how this can be achieved.*

Consensus on what is in the best interest of the whole community and how it can be achieved is a process that unfolds through the municipality's scheduled, consultative IDP, Budgeting and Ward Based Planning processes.

## **Responsiveness**

*Responsiveness means that institutions and processes try to serve all stakeholders within a responsible timeframe.*

The governance structures of Ngwathe Municipality mainly adheres to set Council schedules, process plans approved by Council and reporting cycles determined by Provincial and National Government spheres. This is monitored through administrative compliance monitoring and oversight by the Audit Committee.

## **Participation**

*Participation can be direct and/or through legitimate intermediate institution or representatives.*

Community participation in the governance structures of the Ngwathe Municipality is mainly achieved through the Ward Committees System and consultative meetings with the community and sectors in the scheduled IDP/Budget process. Community Participation in the development of Policies and Strategies has otherwise been achieved through scheduled consultation sessions and/or workshops and/or through website uploads for community review and comments.

## COMPONENT B. INTER-GOVERNMENTAL RELATIONS

The Municipal Systems Act, Section 3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Constitution Section 41.

Ngwathe municipality strives to uphold its legislative authority and co-operative governance as required by the Constitution and other relevant legislation. In doing so, the Municipality maintains good co-operative and inter-governmental relations with the District municipality, neighbouring municipalities, Provincial and National Government and other government agencies. Maintaining good relations with other spheres of government makes it possible to benefit from the various contributions to service delivery offered by government, by aligning municipal planning to the development objectives and targets of provincial and national sector departments. Such contributions include various grants, skills development and capacity building roll-outs which strengthen local government in its quest to improve service delivery.

### 2.3 INTER-GOVERNMENTAL RELATIONS

Ngwathe Municipal staff and Management attends various engagements / sessions in - upholding good inter-governmental relations for the purpose of good governance, government - collaborated strategic direction, aligned planning, reporting, legislative compliance, accountability and Ngwathe's participation in government programs and roll-outs to benefit development of our Administration, local area and communities.

The table below illustrates the numbers of engagements held in the province and district to which municipal officials were invited and therefore attended to enhance institutional capacity and also access relevant dire funds or support which are sometimes offered at these engagements of government.

Table 25 : IGR Engagements by Ngwathe Municipality 2021/22

<b>IGR ENGAGEMENTS FOR THE OFFICE OF MUNICIPAL MANAGER</b>			
<b>Meetings/Forum</b>	<b>Attended on behalf of Ngwathe Municipality</b>	<b>Hosted in / Where</b>	<b>Date</b>
<b>IDP PROVINCIAL MANAGER'S FORUM</b>	<b>IDP/PMS MANAGER</b>	All meeting were held in Zoom	
<b>DISTRICT IDP MANAGERS FORUM</b>	<b>IDP/PMS MANAGER</b>	Fezile Dabi District Municipality, Sasolburg	
<b>PROVINICAL IDP SUPPORT MEETING</b>	<b>IDP/PMS MANAGER</b>		
<b>PMS PROVINCIAL MANAGER'S FORUM</b>	<b>IDP/PMS OFFICER</b>	CLARENS	
<b>DISTRICT WATER &amp; SANITATION FORUM</b>	<b>DIRECTOR TECHNICAL</b>	Fezile Dabi District Municipality, Sasolburg	

## COMPONENT C: Public Accountability and Community Participation

### Sustainability

Sustainability is the capacity to endure. How systems remain diverse and productive over time. It is the potential for long-term improvements, which in turn also depends on the responsible use of natural resources

Ward Committees as a governance structure promotes public accountability and strengthens community participation. The Ward Committee System is fully institutionalized and capacitated within the Ngwathe Municipality.

**Table 26: Ward Committees and Chairperson in 2021/22**

Functionality of Ward Committees						
Ward Name (Number)	Name of Ward Councillor	Elected Ward Committee Members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1. Ward 1	Cllr AJ De-Jager	1. Kevin Stephen Minnies 2. Motsoeneng Thabo Abram 3. Elizabeth Landman 4. Mokoena Lekgetlo 5. Beryl Selilo 6. Lee Poulton 7. Sergio De Jager 8. Phakati Zacharia 9. Ndumo Mfanelo Joseph 10. Mokoena Puseletso Reuben	Yes	1	1	1
2. Ward 2	Cllr MJ Serati	1. Molapisi Rapuleng 2. Makanyane Mphasane 3. Chaane Thabang 4. Seabi Ishmael 5. Mosedi Mohau 6. Ndaba Matseliso 7. Catherine Manus 8. Tshepo Mazibuko 9. Elizabeth Modiehi Nteo 10. John Watson	Yes	6	6	8
3. Ward 3	Cllr MD Mofokeng	1. Samuel Sekobolo 2. Dikeledi Maria Modiba 3. Mantahli Mofokeng 4. Obakeng Mafale 5. Mojanaga Moholo 6. Pulane Mosia 7. Osiah Mapohoshe 8. Betty Mofokeng 9. Khisi Nhlapo 10. Matsoso Mofokeng	Yes	4	3	5
4. Ward 4	Cllr S Nteo	1. Msibi Dickson 2. Ntong Mapiti Michael 3. Tefo Thobeha 4. Mokgo Motsapi 5. Pugisho Gaborone 6. Mohapi Mohete 7. Thato Tsetsei 8. Matsietsi Tsetsei	Yes	4	5	6

		9. Lebajoa Hadifele 10. Nyaleng Nthakha				
5. Ward 5	Cllr MD Rapuleng	1. Hlubi Mannuku 2. Melato Stompi 3. Mofokeng Thakane Selina 4. Sechemana Ntandana 5. Chalale Sarah 6. Majoe Abram 7. Nthakga Phindile 8. Mnguni Jabulani 9. Maseko Samson 10. Sefatsa Jacob	Yes	4	6	7
6. Ward 6	Cllr T Mokoena	1. Selai Martha 2. Sechele Piet 3. Malalugi Masekhopolo 4. Seeta Alinah 5. Bosman Neo 6. Sehume Rosina 7. Mpatane Taedi 8. Mofokeng Mittah 9. Ncule Sabelo 10. Rafube Malefu	Yes	0	7	7
7. Ward 7	Cllr MJ Moroenyane	1. Thabethe Selina 2. Sethoko Mojalefa 3. Mgcina Moretlo 4. Mofokazana Nomsa 5. Keta Disebo 6. Mtshilibe Mbulelo 7. Nthebe Pulane 8. Phokojoe Dihlahleng 9. Hartsliel Phillip 10. Kramer Pulane	Yes	6	8	8
8. Ward 8	Cllr KJ Khumalo	1. Leraisa Ditaba 2. Nthabiseng Ramatlotlo 3. Ishmael Mokitlane 4. Mogale Palesa Aletta 5. Tshediso Motsapi 6. Mothupi Jane 7. Botha Albertina 8. Pule Lebing 9. Sehume Paulina Mathabo	Yes	4	5	5
9. Ward 9	Cllr IM Magashule	1. Mochela Joseph 2. Qetso Suzan 3. Putsoenyane Anna 4. Poole Simon 5. Maseko Thandeka 6. Kati Nomthandazo 7. Rasmeni Sandile 8. Koalepe Maria 9. Malindi Betty 10. Mokoena Julia	Yes	0	0	0
10. Ward 10	Cllr MM Rantsaile	1. Mabeletse Magauta 2. Letsaba Cynthia 3. Ntlahla Vuyisile 4. Molata Filda 5. Kock Elizabeth 6. Mahlaba Thabo 7. Poha Maggie 8. Mothupi Baratang 9. Motshwane Ishmael	Yes	6	11	11

		10. Thabang Gabriel Mosoeu				
11. Ward 11	Cllr MTJ Mosepedi	1. Masike Mampone 2. Mthimkulu Zacharia 3. Rantsaile Leah 4. Kamete Aletta 5. Plaatjie Nokuthula 6. Chalale George 7. Mofokeng Joseph 8. Msibi Ezekiel 9. Maembane Lindiwe 10. Kaliko Puseletso	Yes	3	13	13
12. Ward 12	Cllr M La Cock	1. Eksteen Uys 2. Maria Le Roux 3. Stephanus Le Roux 4. Frednka Elizabeth Van Zyl 5. Elize Du Toit 6. Jackie De Wet 7. Stephanus Mulder 8. Marie De Gouveia 9. Hermanus Greeff 10. Amanda Greeff	Yes	0	0	0
13. Ward 13	Cllr MJ Tyumbu	1. Msokoli Ndzunga 2. Makoena Mgavu 3. Fabion Gilliland 4. Jahannes Kamfer 5. Motsie Tlaletsi 6. Thembi Thebane 7. Cynthia Mokhokane 8. Irma Herbst 9. Nombulelo Nxoko 10. Marumo Jeminah	Yes	6	12	12
14. Ward 14	Cllr TP Sothoane	1. Makomtere Nkali 2. Mosele Khaile 3. Jacob Williams 4. Selloane Mogoere 5. Mmaki Rantsho 6. Angelina Nosenga 7. Fansele Hokomane 8. Angelique Kleynhans 9. Dimakatso Ratema 10. Phillip Msebezi	Yes	4	1	1
15. Ward 15	Cllr ME Sefako	1. Maselwa Martha Disebo 2. Sehume Palesa 3. Roberts Moitlisi Jerminah 4. Mooketsi Lebohang Yvonne 5. Motaung Nthabiseng 6. De Bruin Lahliwe 7. DeWet Dipolelo 8. Zweni Nomthandazo 9. Poho Manana 10. Letsipa Mamokete	Yes	6	3	3
16. Ward 16	Cllr LP Sotshiva	1. Mophuthing Motebang 2. Mohapeloa Christina Msimang 3. Radebe Phahla 4. Ramonana Martha 5. Moeketsi Modise 6. Mokgatla Dineo	Yes	4	5	5

		7. Nondala Mokhosi Elizabeth				
		8. Serifi Sello				
		9. Lebona Moipone				
		10. Majola Nondlela				
17. Ward 17	Cllr D Masoane	1. Majoe Nthabiseng 2. Serobe Makhetsane 3. Moletsane Motjapai 4. Selepe Makhala 5. Marumo Stuurman 6. Mochela Keitledi 7. Rantuba Neo 8. Maetse Tumelo 9. Tshele Nthole 10. Mankayi Monono	Yes	6	7	7
18. Ward 18	Cllr MS Toyi	1. Sejake Matshediso 2. Mofokeng Molefi 3. Mosito John 4. Ramabitsa Mafatshe 5. Radebe Puleng 6. Mashiane Madibuseng 7. Nthebe Seoe 8. Montsho Mokwasi William 9. Motaung Motswepe 10. Kumalo Rebecca	Yes	6	6	6
19. Ward 19	Cllr S. Nthoesane	1. Oliphant Greyory Sizwe 2. Noge John 3. Moloto Gloria 4. Seekane Martha 5. Smith Mantshadi 6. Hlungu Falthenjwa 7. Sefatsa Tsheiso 8. Mahlaku Victoria 9. Mathikga Mmone 10. Mokanyane Kgaohelo	Yes	0	7	7

## **Accountability**

*Accountability is a key requirement of good governance. Accountability cannot be enforced without transparency and the rule of law.*

### **2.4 Community Participation in the Development of Legal Frameworks and Directives**

The table below indicates the dates on which Ngwathe Municipality consulted with the community in the development of Municipal directives and documents in 2020/21, as advertised on the municipal website.

Table : Website Uploads for Community Review and Comments

<b>WEBSITE UPLOADS FOR COMMUNITY REVIEW AND COMMENTS</b>	
<b>MUNICIPAL DIRECTIVE &amp; ACTION</b>	<b>DATE</b>
Inspection of valuation roll	N/A
Tabling of Draft Annual Report 2021/22	01/02/2022
Municipal Budget, Integrated Development Plan, Policies and determination of tariffs for the financial year: 2021/22	04/04/2022 10/06/2022
IDP open for comment	07/06/2022
Amendments of tariffs	

### **Effectiveness and Efficiency**

*Good governance means that processes and institutions produce results that meet the needs of society, while making the best use of resources at their disposal.*

### **Equity and Inclusiveness**

*Society's well-being depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from the mainstream of society. This requires all groups to have opportunities to improve or maintain their well-being.*



## PUBLIC PARTICIPATION MEETINGS ON REVIEW IDP AND BUDGET 2021/22

Ngwathe Local Municipality like many institutions in South Africa were faced with COVID 19 pandemic and had to observe the strict regulations imposed by government. Instead of the normal public consultation process of direct contact with communities and stakeholders, the council took the following resolution in respect of the 2021/22 IDP review process

## PUBLIC PARTICIPATION MEETINGS ON THE REVIEW IDP AND BUDGET 2021/22

Public participation Process will be commencing according to the following schedule, Communities and all key stakeholders of the public are encouraged to attend the meetings in their respective wards.

DATE	TOWN	WARD	VENUE	WARD COUNCILLOR	TIME
13 APRIL 2021 TUESDAY	HEILBRON	1	SANDERSVILLE HALL	CLLR A. MATROOS	16H30
		3	KEARABETSWE P. SCHOOL	CLLR M. MOFOKENG	16H30
	PARYS	6	MASTER NAKEDI SPORTS	CLLR M. MAGASHULE	16H30
		7	MBEKI SPORTS GROUNDS	CLLR M. GOBIDOLO	16H30
13 APRIL 2021 TUESDAY	HEILBRON	4	PIANO GROUND	CLLR S. NTEO	16H30
		5	BILLY OPEN SPACE	CLLR M. RAPULENG	16H30
	EDENVILLE	18	N.G. KERK	CLLR M. TOYI	16H30
14 APRIL 2021 WEDNESDAY	HEILBRON	2	PHIRIHADI PRIMARY SCHOOL	CLLR R. NDAYI	16H30
	KOPPIES	16	IPATLELENG P. SCHOOL	CLLR L. SOCHIVA	16H30
		17	KWAKWATSI HALL	CLLR M. TAJE	16H30
	VREDEFORT	8	MONTOELI HALL	CLLR R. KGANTSE	16H30
		14	KINGS MOTEL	CLLR R. MEHLO	16H30
		15	S.S. PAKI HIGH SCHOOL	CLLR M.MOFOKENG	16H30
14 APRIL 2021 WEDNESDAY	PARYS	9	NTSWEPHEPHA P. SCHOOL	CLLR S. MBELE	16H30
		10	TSWELOPELE CRECHE	CLLR M.MOFOKENG	16H30
		11	BOTJHABATSATSI P. SCHOOL	CLLR N TLHOBELO	16H30
15 APRIL 2021 THURSDAY	PARYS	12	AME CHURCH	CLLR A. VREY	16H30
		13	AHA - SETJHABA SCHOOL	CLLR H. FIELAND	16H30
		6	GHADAFFI OPEN SPACE	CLLR M.MAGASHULE	16H30
		7	TAMBO SPORTS GROUND	CLLR M. GOBIDOLO	16H30
20 APRIL 2021 TUESDAY	PARYS	9	BARNARD SCHOOL	CLLR S. MBELE	16H30
		10	MOSIPIDI SIDE HALL	CLLR M.MOFOKENG	16H30
		12	PARYS SIDE HALL	CLLR A.VREY	16H30
		13	SCHONKENVILLE HALL	CLLR H. FIELAND	16H30
20 APRIL 2021 TUESDAY	HEILBRON	5	GREENFIELD OPEN SPACE	CLLR M RAPULENG	16H30
	PARYS	7	WINNIE	CLLR M GOBIDOLO	16H30
21 APRIL 2021 WEDNESDAY	HEILBRON	5	AIRPORT	CLLR M RAPULENG	16H30
21 APRIL 2021 WEDNESDAY	PARYS	7	TOKOLOHO SPORTS GROUNDS	CLLR M GOBIDOLO	16H30
<b>30 APRIL 2021 FRIDAY</b>	<b>PARYS</b>	<b>ALL WARDS</b>	<b>REP FORUM</b>	<b>FORUM BUILDING</b>	<b>10h00</b>

### 2.5 IDP PARTICIPATION AND ALIGNMENT

#### Consensus orientated

*Good governance requires mediation of the different interests in society. To be consensus orientated means striving towards reaching a broad consensus on what is in the best interest of the whole community and how this can be achieved.*

## COMPONENT D. Corporate Governance

### Sustainability

*Sustainability is the capacity to endure. How systems remain diverse and productive over time. It is the potential for long-term improvements, which in turn also depends on the responsible use of natural resources*

### 2.6 Risk Management

*Section 62 of the Municipal Finance Management Act (MFMA), no. 56 of 2003, states that the Accounting Officer should take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control as well as the effective, efficient and economical use of the resources of the municipality.*

The Manager Risk Management oversees the risk management process in terms of the following as prescribed by NT Public Sector Risk Management Framework:

Of which the risk management responsibilities include:

- (a) Assisting management to develop the risk management policy, strategy and implementation plan;*
- (b) co-ordinating risk management activities;*
- (c) Facilitating identification and assessment of risks;*
- (d) Recommending risk responses to Management; and*
- (e) Developing and disseminating risk reports.*

Although the Risk management section facilitated the above, management did not take ownership of risks and the mitigation thereof which resulted in failing to coordinate the fourth Risk Management Committee Meeting. Ngwathe Municipality is making progress with risk assessment and risk management processes over the last year. Operational risk assessments were performed on a continuous basis during the 2020/21 financial year, by the departments, as quarterly risk reporting on, amongst others, additional risks, deleted risks, changes to risk data, risks that materialised and risks that should be escalated for intervention was not implemented. The departments also did not discuss the risks on a continuous basis at scheduled executive management and departmental meetings.

## a) Risk Profile

The annual risk assessment reflected the following change in risk profile:

### Top ten risks 2021/22

Top 10 Institutional Risks were reviewed and updated through a collaborative process with support from Provincial Treasury.

The updated list of Top 10 institutional risks are as follows:

**Table 30: Top Ten Risks**

Ranking	Description
1	High Electricity Cable Theft
2	High Expenditure Patterns
3	Low Revenue
4	Poor Water Quality
5	Weak internal Controls
6	Ageing Infrastructure
7	Distribution loss
8	Outdated maintenance Plans
9	High Litigations
10	Floods

## 2.7 Anti-Corruption and anti-fraud

“Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury.”

Ngwathe Local Municipality has a **ZERO TOLERANCE** to Fraud and Corruption and thus has the intent to promote consistent organizational behaviour by providing guidelines and assigning responsibilities for the development of controls and conduction of investigations relating to fraud and corruption. The fraud prevention policy are such documents designed to align Ngwathe Local Municipality to the national priority of combating fraud and corruption. Anti-Corruption and Fraud

Section 62 (1) (c) (i) of the Municipal Finance Management Act (MFMA), no. 56 of 2003, states that the Accounting Officer should take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control as well as the effective, efficient and economical use of the resources of the municipality. Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1) (m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1)

of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud. In terms of fraud preventative arrangements, Ngwathe Municipality has instituted:

- The promotion of an ethical culture
- Provision of training to employees
- Adoption of a policy on fraud and anti-Corruption
- Provision of physical security for municipal buildings and
- Procedures of employee vetting - executed before employees are appointed
- Procedures of employee vetting - executed before employees are appointed

**a) Developed Strategies**

**Table 31: Strategies: Anti-corruption and Anti-fraud**

Name of Strategy	Developed Yes/No	Date Adopted/Reviewed
Fraud Prevention Plan	Yes	Reviewed

**Internal Audit and Audit Committee**

Ngwathe Municipality has a fully functional Internal Audit Unit and a Shared Audit and Performance Committee instituted. Audit Committee has the authority to perform its oversight functions as legislated in section 166 of the Municipal Finance Management Act MFMA).

The audit committee advises the municipal council, the political office- bearers, the accounting officer and the management staff of the municipality on matters relating to:

- internal financial control and internal audits;
- risk management;
- accounting policies;
- the adequacy, reliability and accuracy of financial reporting and information;
- performance management;
- effective governance;
- compliance with the Act, the annual Division of Revenue Act and any other applicable legislation;
- performance evaluation; and
- any other issues referred to it by the municipality.

The Municipality did not have an Audit Committee during the period of reporting hereunder. However, Council established and/or appointed an Audit and Performance Audit Committee from the beginning of 2022/2023 financial year.

## **Anti-Corruption and Fraud**

In terms of fraud preventative arrangements, the Ngwathe Municipality has instituted:

1. The promotion of an ethical culture – Conducted workshops informing employees the importance of upholding Code of Conduct of the Municipality
2. Provision of training to employees – Training programs conducted, where Fraud and Corruption information was shared with various departments.
3. Adoption of a policy on fraud and anti-Corruption – Awareness sessions were conducted that requested inputs from various departments for finalization of Fraud Prevention Plan. Inputs were received and the final documents was processed for approval.
4. Provision of physical security for municipal buildings – Physical Securities were appointed in all five towns of the municipality.
5. Procedures of employee vetting - executed before employees are appointed – It has been a challenge to process vetting of employees.

The following arrangements are institutionalizing the detection of fraud:

- Management takes steps against fraudulent actions.
- An Audit Committee approves the Internal Audit Plan

## 2.8 MPAC Committee

Ngwathe Municipality accesses a shared service Oversight Committee, as provided by the District Municipality. The Oversight Committee now operates as a Municipal Public Accounts Committee (MPAC), consisting of Seven (7) members appointed to strengthen and provide oversight within the municipality, in terms of the provision of S79 of the Local Government Municipal Structures Act 117 of 1998. MPAC is a committee of Council and its meeting schedule is therefore developed and managed in such manner..

No	Title	Name & Surname	Portfolio
1	Cllr	Matjhini Toyi	Chairperson
2	Cllr	Leponesa Petrus Sotshiva	Member
3	Cllr	Jerry Mbuyiselo Tyumbu	Member
4	Cllr	Makoena Mirriam Rantsaile	Member
5	Cllr	Thabo Petrus Sothoane	Member
6	Cllr	AA Jantjie	Member
7	Cllr	Arnold Mattheus Schoonwinkel	Member
8	Cllr	Jan Abraham Meyer	Member

The MPAC Committee primary responsibility is to serve as an oversight committee - to determine the institutional functionality of the Municipal Council in terms of effectiveness.

### Equity and Inclusiveness

*Society's well-being depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from the mainstream of society. This requires all groups to have opportunities to improve or maintain their well-being.*

### **OVERVIEW SUPPLY CHAIN MANAGEMENT**

MFMA section 110 - 119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

Ngwathe Municipality has a fully functional Supply Chain Unit. The Ngwathe Supplier Database has been updated in terms of supplier information in 2020, as to minimize the risk of supplier duplication.

### Transparency

*Transparency means that stakeholders are provided with information on why decisions were made that directly affect them.*

### Rule of Law

*Rule of law means that legal frameworks are enforced impartially.*

The impartial enforcement of legal frameworks is ensured by Ngwathe Municipality through the adoption and application of municipal policies and bylaws, of which the following have been adopted in 2008

## 2.9 WEBSITES

### MUNICIPAL WEBSITE CONTENT AND ACCESS:

Website Uploads For Community Review and Comments 2020/21

<b>Municipal Website: Content and Currency of Material</b>		
<b>Documents published on the Municipality's Website</b>	<b>Yes/No</b>	<b>Publishing Date</b>
Current annual and adjustment budgets and all budget related documents	<b>YES</b>	10/06/2022 08/03/200 23/08/2022
All current budget related policies		08/03/2022
The previous annual report	<b>YES</b>	23/08/2022
The annual report (2020/21) published / to be published	<b>YES</b>	August 2021
All current performance agreements required in terms of section 57 (1)(b) of the MSA and resulting scorecards	<b>YES</b>	03/08/2022
All service delivery agreements	<b>N/A</b>	Xxxxxxxxxx
All long-term borrowing contracts	<b>YES</b>	xxxxxxxxxxx
All supply chain management contracts above a prescribed value	<b>YES</b>	xxxxxxxxxxx
Information statement containing a list of assets over a prescribed value that have been disposed of ito section 14(2)	<b>NO</b>	xxxxxxxxxxx
Contracts agreed in 2017 to which subsection (1) of sectoion 33 apply, subject to subsection (3)	<b>NO</b>	Xxxxxxxxxxxx
Public private partnerships agreements referred to in section 120 made	<b>NO</b>	Xxxxxxxxxxxx
All quarterly reports tabled in the council in terms of section 52 (d) during 2020/21	<b>YES</b>	23/08/2022

**COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:**

## 2.10 POLICIES AND BYLAWS

Table : POLICIES AND BYLAWS ADOPTED

POLICY	COUNCIL
<ul style="list-style-type: none"> <li>• Ngwathe Municipality Fraud Prevention Policy</li> <li>• Ngwathe Municipality Risk Management Policy</li> <li>• Attendance and Punctuality Policy</li> <li>• Bursary Scheme for community members policy</li> <li>• Communication and strategy policy</li> <li>• Incapacity policy</li> <li>• Internal Bursary Policy</li> <li>• Leave policy</li> <li>• Occupational Health and Safety Policy</li> <li>• Recruitment and placement policy</li> <li>• Training and Development policy</li> <li>• Subsistence and travelling policy</li> <li>• HR Policy and procedure manual</li> </ul>	30/08/2019 30/08/2019 10/12/2020 01/08/2008 01/08/2008 01/08/2008 01/08/2008 01/08/2008 01/08/2008 01/08/2008 01/08/2008 01/08/2008 01/08/2008 01/08/2008
BY-LAWS ADOPTED	COUNCIL RESOLUTION
<ul style="list-style-type: none"> <li>• Standard Commonage</li> <li>• Standard Delegation of powers</li> <li>• Encroachment policy</li> <li>• Fire and Emergency services</li> <li>• Ward committee</li> <li>• Waste Management</li> <li>• Water Restriction</li> <li>• By-law on Promulgation of Water Services intermediary and provision of water and sanitation services to residents on privately owned land</li> </ul>	14/12/2016 N/A 14/12/2016 17/03/2013 N/A 14/12/2016 14/12/2016 14/12/2016 14/12/2016

## BY-LAWS

By-laws Introduced					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted * (Yes/No)	Date of Publication
Land Use Scheme		Adopted for public participation	N/A	No	N/A

### COMMENT ON BY-LAWS:

Note: MSA 2000 s11 (3) (m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.



# **CHAPTER 3**

# **ORGANISATIONAL DEVELOPMENT PERFORMANCE (PART I)**

## COMPONENT A: MUNICIPAL WORKFORCE

### Number of Employees

The following reflects the number of staff per category for the last three financial years:

Table : Staff per category

Category	No of Employees (2019/20)	No of Employees (2020/21)	No of Employees (2021/22)
Legislators, senior officials, and managers	31	34	73
Clerks	316	319	74
Technicians and associate professionals	44	44	70
Craft and related trade workers	6	6	192
Elementary occupations	346	346	283
<b>Total:</b>	<b>743</b>	<b>749</b>	<b>692</b>

Table : Staff Category per Directorate

Directorate	Total	Legislators ,Senior Officials and Managers	Clerks	Technicians and Associate Professional s	Craft and related Trade Worker s	Elementary Occupations
Legislators	19	4	13	1	0	1
Technical & Community Services	546	10	16	9	71	440
Finance	115	7	101	7	0	0
Corporate Services	51	7	13	7	0	24
Municipal Manager Office	16	10	2	4	0	0
<b>Total: 2020/21</b>	<b>747</b>	<b>38</b>	<b>145</b>	<b>28</b>	<b>71</b>	<b>465</b>
<b>Total: 2021/22</b>		<b>564</b>	<b>106</b>	<b>24</b>	<b>40</b>	<b>283</b>

Personnel Services form an integral part of the Corporate Services departments and Ngwathe Municipality's service delivery success. Professionalism and operational efficiency is of utmost importance, especially on the management of the department and how it functions. The department is responsible for the key areas discussed below

## Employee Wellness Recruitment and Selection

Table : Recruitment and Selection

Category	Target	Actual 2020/21	Target	Actual 2021/22
Africans	N/A	18	26	26
Whites	0	0	0	0
Coloured / Asian	0	0	0	0
Employees with Disabilities	0	0	0	0

Ngwathe Municipality has a Human resources section that drives the Employee Wellness Program attending to employees' social, mental, and physical health needs.

Some of the interventions by the department include:

- Medical check- up
- Financial advices,
- Pre-retirement sessions

The vacancy rate increased to 374 in the 2021/22 financial year.

Table : Vacancies per Job Category

Directorate	Legislators senior officials managers	Clerks	Technicians associate professionals	Craft and related trade workers	Elementary occupations
Technical Services and community services	22	1	18	1	-
Chief Financial Officer	25	-	121	-	-
Corporate Services	5	3	11	-	4
Municipal Manager's Office	3	-	-	-	-
<b>Total:2020/21</b>	<b>28</b>	<b>25</b>	<b>27</b>	<b>25</b>	<b>18</b>
<b>Total:2021/22</b>	<b>55</b>	<b>47</b>	<b>153</b>	<b>17</b>	<b>102</b>

## Employment Equity

The municipality's Employment Equity Policy is designed to:

- Promote equal opportunities and fair treatment to all in the workplace by eliminating unfair discrimination; and
- Implement affirmative action measures to redress the disadvantages in employment experienced by members from designated groups in the past.

The Draft Employment Equity Plan was developed, and the Employment Equity Report submitted 15 January 2022

**Table 31: Total Employment Equity Statistics per Occupational levels :**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	1	1	0	0	0	0	0	0	0	0	2
Senior management	2	0	0	0	2	0	0	0	0	0	4
Professional qualified and experienced specialists and mid - management	24	1	0	1	14	0	0	0	0	0	40
Skilled technical and academically qualified workers, junior management, supervisors, foreman, and superintendents	36	0	0	4	18	1	0	1	0	0	60
Semi-skilled and discretionary decision making	223	4	0	6	128	2	0	2	0	0	365
Unskilled and defined decision making	153	1	0	1	98	2	0	2	0	0	257
<b>TOTAL PERMANENT</b>	440	10	0	14	259	4	0	6	1	0	728
Temporary employees							0	0	0	0	
<b>GRAND TOTAL</b>	<b>439</b>	<b>7</b>	<b>0</b>	<b>12</b>	<b>260</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>728</b>

Note: A = Africans, C= Coloureds , I = Indians and W = Whites

## Promotions

The information below compares the number of employees that have been promoted during the past three financial years:

Employees at the Ngwathe Municipality are not promoted automatically. All internal employees must apply for posts as advertised.

## Pension Funds

The Ngwathe Municipality makes use of the following Pension and/or Retirement Funds:

- SALA Pension Fund
- Consolidated Retirement Fund
- Free State Pension Fund / Provident Fund
- SAMWU Provident Fund
- Municipal Employees Pension Fund

## Medical Aid Schemes

Employees are able to choose from the following Medical Aid Funds:

- BONITAS
- HOSMED
- Key Health
- LA Health
- SAMWUMED

## Labour Relations

This department has the function of managing labour relations matters and dealing with occupational health and safety in the municipality. (Legal portion)

**Table 32: Labour Relations issues recorded/investigated during 2021/22**

Labour Relations issue	Number of Cases 2019 / 20	Number of Cases 2020 / 21	Number of Cases 2021 / 22
Misconduct	6	0	0
Dismissals	0	1	0
Suspensions	4	0	0
<b>Total Cases</b>	<b>6</b>	<b>1</b>	<b>0</b>

## Occupational Health and Safety

The department is also responsible to ensure that operations and activities within the municipality comply with the provisions of the Occupational Health and Safety Act, 1993 as well as the different Regulations promulgated in terms of the said Act. Incident/accident investigations are conducted promptly in order to determine in respect of which activities work instructions and safe work procedures should be developed and implemented, to prevent the reoccurrence of incidents in the workplace. Furthermore, Health and Safety Committee Meetings are arranged on a monthly basis to address all health and safety issues raised at such meetings.

**Table: Incidents/accidents recorded and/or investigated during 2021/22**

Directorate	Personal injury	Disease	Death
Technical Services	3	0	0
Community Services	3		
Chief Financial Officer	0	0	0
Corporate Services	0	0	0
Municipal Manager's Office	0	0	0
<b>Total 2021/22</b>	<b>6</b>	<b>0</b>	<b>0</b>

Number and period of suspension				
Position	Nature of suspension	Days of suspension	Details of disciplinary action taken or status of case and reasons why not Finalised	Date finalised
Technical Services	1. Technical Administrators. 2. Fire Fighter 3. Bulk Water Supervisor	1. Damaging Municipal Property during an unlawful water protest.  2. Damaging Municipal Property during an unlawful water protest.  3. You insulted Cllr Tyumbu and provoked the community to attack the Councillor whilst you were interrupting the councillor when he was responding to community. It is also alleged that you told the community in a meeting that a Councillor is receiving bribe from the corrupt management of the Municipality and that is why they do not have electricity and water.	1. 18 months 2. 18 Months 3. 6 Months	1. ongoing 2 Ongoing 3. Ongoing

Disciplinary action taken on cases of financial misconduct			
Position	Nature of alleged misconduct and rand value of any loss to the municipality	Disciplinary action taken	Date finalised
None	None	None	N/A

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### Section 57 Performance Evaluation

The performance evaluation for Section 57 managers forms the basis for evaluating performance in relation to set targets as outlined in the signed performance agreements of executive managers Performance evaluation takes place on a quarterly basis and reported to the Mayor.

### Improved Performance Management

The municipality adopted a Performance Framework within the organization, to date only officials appointed in terms of section 56 and section 57 are measured for performance against signed performance agreement.

Implementation and monitoring thereof will be a targeted and continued focus in 2021/22 Financial year.

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

### **Skills Development & Training**

As prescribed by legislation, the combined Workplace Skills Plan (WSP) was compiled through the process of skills audit and submitted on 30 April 2022

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

For the year under review (2021/22), Ngwathe Municipality has trained 30 employees.

**Table : Training per Job Category:**

Directorate	Total	Legislators, Senior Officials and Managers	Clerks	Technicians and Associate Professionals	Craft and Related Trade Workers	Elementary Occupations	Professional
Technical Services		2		1		10	
Community services		3	2				
Finance				2			
Corporate Services		3	1	1		1	
MM Office		1		2 1			
OFFICE OF MAYOR				1 1			
<b>Total:2021/22</b>	<b>3</b>	<b>9</b>	<b>3</b>	<b>7</b>		<b>1</b>	
<b>Total:2020/21</b>	<b>3</b>	<b>31</b>					
<b>Total:2019/20</b>	<b>80</b>	<b>50</b>	<b>4</b>		<b>26</b>	<b>13</b>	

### Skills Development Budget

The information below indicates the quantum of municipal budget allocated to skills development and the percentage spent

**Table: Skills Development Budget against Expenditure**

Financial Year	Budget	Expenditure
2021/22	3 22770,2	1,100000

### MFMA Competencies

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act. National Treasury has prescribed such financial management competencies in Government Notice 493, dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, in collaboration with various stakeholders and role players in the local government sphere, developed an outcome-based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013, employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of



these Regulations.”

A total of 58 employees including Senior Manager and Managers were identified to obtain the abovementioned qualification and prescribed competencies. And they fully have completed the training, 12 Officials including managers are still in progress with the Minimum Competency level as a prescribed .

<b>Financial Competency Development: Progress Report</b>				
Description	Total number of officials employed i.t.o. Regulation 14(4)(a) and (c)	Competency assessments completed i.t.o. Regulation 14(4)(b) and (d)	Total number of officials whose performance agreements comply with Regulation 16 Regulation 14(4)(f)	Total number of officials that meet prescribed competency levels i.t.o. Regulation 14(4)(e)
<b>Financial Officials</b>				
Accounting Officer	1	Competent	1	1
Chief Financial Officer	1	Competent	1	1
Director Corporate Services	1	Competent	1	1
Director Community Services	1	Competent	1	1
Director Technical Services	1	Competent	1	1
Senior Managers	5	Competent	5	5
Any other financial officials		Competent	N/A	54
<b>Supply Chain Management Officials</b>				
Head of Supply Chain Management Unit				1
Supply Chain Management Senior Managers	-	-	-	-
<b>TOTAL</b>	<b>58</b>	<b>Competent</b>	-	-

Table: below provides details of the financial competency development progress as required by the notice:

### Induction

SALGA is in a process of developing a uniform Induction framework as such newly appointed employees are only informed on the benefits and given an employment contract that entails working conditions.

### Learnership

10 (employed) and 20 (unemployed) learners were recorded to have received training through learnerships in 2021/22.... The decline was caused by invoking of Section 139 of the constitution to LGSETA.

The municipality granted 7 internal bursaries in 2021/22.

Table : Bursaries per Directorate

Directorate	Number of Beneficiaries 2019/20	Number of Beneficiaries 2020/21	Number of Beneficiaries 2021/22
Technical Services	10	0	2
Chief Financial Officer	0	1	2
Corporate Services	0	1	
Municipal Manager's Office	0	1	3
Mayoral Office	0	1	1
Speakers Office	0	5	
<b>Total</b>	<b>10</b>	<b>9</b>	<b>7</b>

## COMPONENT D: MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

### PERSONNEL EXPENDITURE

Table : Trends of Personnel Expenditure compared to Operating Expenditure: 2021/22

Financial Year	Salaries	Expenditure	Percentage
<b>2021/22</b>			
Employee related cost			
Councillors			
<b>2021/22</b>	250 776 140	949 524 960	26%
Employee related cost			
Councillors	15 492 512	949 524 960	2%

# **CHAPTER 3**

## **SERVICE DELIVERY PERFORMANCE (PART II)**

## COMPONENT A: BASIC SERVICES

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

### INTRODUCTION TO BASIC SERVICES

In order to realise the above mandate NLM is providing the following services: Municipal Roads, Electricity reticulation, Water (Potable), Sanitation, Cemeteries, and crematoria Refuse Removal, Refuse dumps and solid Waste, Storm water, Fire fighting, Municipal Planning, Local Sport and recreation facilities.

#### 3.1. WATER PROVISION

The water services development plan of the municipality has been linked with the IDP and it is addressing the water issues of the integrated development plan.

The aim is to:

- to develop water infrastructure and assist consumers with provision of portable water
- to provide basic services for all. To provide an acceptable quality water to all communities

The following water supply schemes are located in the Ngwathe Municipal region:

- Parys town and Tumahole areas uses Vaal river as its water source
- Vredefort town and Mokwalo areas uses Vaal river as its water source
- Koppies area uses Koppies dam as its water source
- Heilbron is supplied by Rand water board through bulk water pipeline from Sasolburg
- Edenville has a total number of 26 boreholes and the at least 21 are fully operational with a yielding capacity of 6 kl/h each, the sizes of the aquifers are not capable to run throughout the years as some boreholes run dry during the winter season

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2021/22				29,523	40%
2020/21				29,123	45%

*Table 3.1.2*

#### COMMENT ON WATER USE BY SECTOR:

The Municipality supplies water to all the sectors found within its space at normal billing rates, these sectors are:

- Police department
- Education department
- Health Department
- In addition, some of the non-governmental organizations such as churches etc.

Water Service Delivery Levels			
Description	Households		
	2021/22	2020/21	2019/20
	Actual No.	Actual No.	Actual No.
<b>Water: (above min level)</b>			
Piped water inside dwelling			
Piped water inside yard (but not in dwelling)			
Using public tap (within 200m from dwelling )	29,523	28,545	27,950
Other water supply (within 200m)			
<i>Minimum Service Level sub-total</i>	14,392	7,455	2050
<i>Minimum Service Level Percentage</i>	33%	21%	32%
<b>Water: (below min level)</b>			
Using public tap (more than 200m from dwelling)			
Other water supply (more than 200m from dwelling)	400	320	
3No water supply			300
<i>Below Minimum Service Level sub-total</i>			
<i>Below Minimum Service Level Percentage</i>			
<b>Total number of households*</b>			
* - To include informal settlements			T 3.1.3

Households - Water Service Delivery Levels below the minimum						
Description	Households					
	2021/22	2020/21	2019-20	2021/22		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
<b>Formal Settlements</b>						
Total households						
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level						
<b>Informal Settlements</b>						
Total households						
Households ts below minimum service level						
Proportion of households ts below minimum service level	79	79	79	79	79	79
						T 3.1.4

Access to Water			
	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free#
2021/22			9888
2020/21			10408
2019/20			9604
			T 3.1.5

**Capital Expenditure Year 2021/22:  
Water Services**

R' 000

Capital Projects	Year 2021/22				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Total All					
Refurbishment of Koppies WTW and Construction of clear water pumpstation	R 1 319 570.72	N/A	R 351 138.53	R 968 432.19	R 25 600 185.32
Edenville Bulk Water Supply - Pipeline to Edenville	R 74 241 422.13	N/A	R 35 163 884.97	R 39 077 537.16	R 103 427 402.21
Kwakwatsi Township Secondary Bulk Water Pipelines Upgrade	R 3 360 007.15	N/A	R 3 360 007.15	R 0.00	R 54 268 560.24
Refurbishment of rising main pipelines in Parys to Reservoir No. 4 and No. 3	R12 190 804.00	N/A	6 801 070.46	5 389 733.54	R12 190 804.00
Refurbishment of Sewer Pipeline in Heilbron	4 191 461.49	N/A	1 204 815.07	2 986 646.42	4 191 461.49
Construction of Water Pressure Tower in Heilbron	4 782 115.87	N/A	5 439 652.95	-657 537.08	R13 187 715.53
Upgrading of Waste Water Treatment Works in Kwakwatsi	R5 335 618.64	N/A	6 035 764.57	- 700 145.93	R14 472 184.07
Refurbishment of Parys/Tumahole Water Treatment Plant (Conventional Plant)	1 712 192.31	N/A	1 712 192.31	0.00	R6 687 054.58
Ngwathe PMU	2 212 000		1 517 573.72		2 212 000
Construction of a solid waste disposal site in Parys	2 396 717.72		2 174 535.53		11 500 000.00
Phiritona: Installation of 1093 residential meters and 13 bulk water meters (MIS:279654)	927 717.70		927 717.70		5 942 194.85
Mokwallo: Installation of 2000 residential meters and 15 bulk water meters (MIS:286524)	795 830.18		795 830.18		8 918 730.09
Heilbron: Upgrading of Waste Water Treatment Works (MIS:367261)	1 292 612.16		1 292 612.16		19 531 438.87
Phiritona/Sandersville: Construction of low level bridge in ward 1 (MIS:438422)	11 183 231.88		9 346 889.30		16 480 755.39
Vrededorf: Upgrading of Waste Water Treatment Works (MIS:441764)	10 386 070.72		8 930 726.45		13 029 814.82
Tumahole: Installation of 1331 residential water meters and 20 bulk water meters (MIS:327751)	3 959 691.34		3 959 691.34		7 424 767.54
Parys: Refurbishment of old Parys Water treatment works (COVID-19) (MIS:395105)	4 600 051.27		923 098.49		22 806 015.03
Heilbron: Procurement of specialized vehicles for waste management (MIS:394496)	2 588 308.79		2 588 308.79		2 588 308.79
Ngwathe/Phiritona: Construction of pedestrian bridge in ward 1 (MIS:400866)	3 155 053.70		3 538 489.46		6 579 580.88
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

T 3.1.9

**COMMENT ON WATER SERVICES PERFORMANCE OVERALL:**

There are currently 4 water treatment plant in all 5 towns of Ngwathe under the municipal area of jurisdiction that is Parys, Vrededorf, Heilbron and Koppies with Edenville using Borehole water , Rand water( WSP) is the supplier of drinking water to Heilbron town.

### 3.2 WASTE WATER (SANITATION) PROVISION

All towns except Edenville have fully fleshed waste water treatment works, Ngwathe Municipality has applied for funding to the value of R109 million to upgrade, refurbish and install new infrastructure for sanitation systems.

Sanitation Service Delivery Levels				
Description	Year -3	Year -2	Year -1	Year 0
	Outcome No.	Outcome No.	Outcome No.	Actual No.
<b><u>Sanitation/sewerage: (above minimum level)</u></b>				
Flush toilet (connected to sewerage)	33124	33124	33124	
Flush toilet (with septic tank)	314	314	314	
Non flushable Chemical toilet	45	45	45	
Pit toilet (ventilated)	2768	2768	2768	
Other toilet provisions (above min.service level)				
Bucket system collected within the municipal area	3362			
Unventilated pit latrine system by households (long drop)	1342	1342	1342	
<i>Minimum Service Level and Above sub-total</i>				
<i>Minimum Service Level and Above</i>				
<i>Percentage</i>	%	%	%	%
<b><u>Sanitation/sewerage: (below minimum level)</u></b>				
Bucket toilet				
Other toilet provisions (below min.service level)				
No toilet provisions				
<i>Below Minimum Service Level sub-total</i>				
<i>Below Minimum Service Level Percentage</i>	3%	3%	3%	3%
<b>Total households</b>	<b>40955</b>	<b>40955</b>	<b>40955</b>	
<b>*Total number of households including informal settlements</b>				<b>T 3.2.3</b>

Households - Sanitation Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
<b>Formal Settlements</b>						
Total households						
Households below minimum service level						
Proportion of households below minimum service level	3%	3%	3%	%	%	%
<b>Informal Settlements</b>						
Total households						
Households ts below minimum service level						
Proportion of households ts below minimum service level	0,01%	0,01%	0,01%	%	%	%
						<b>T 3.2.4</b>

Access to Sanitation	
	Proportion of households with access to sanitation
2021/22	97%
2020/21	97%
2019/20	97%

Capital Expenditure Year 2021/22: Sanitation Services					
R' 000					
Capital Projects	Year 2021/22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Refurbishment of Sewer Pipeline in Heilbron	4 191 461.49	R 0.00	1 204 815.07	2 986 646.42	4 191 461.49
Upgrading of Waste Water Treatment Works in Kwakwatsi	R5 335 618.6	R 0.00	6 035 764.57	-700 145.93	14 472 184.0
Heilbron: Upgrading of Waste Water Treatment Works (MIS:367261)	1 292 612.16	R 0.00	1 292 612.16	R 0.00	19 531 438.8
Vredefort: Upgrading of Waste Water Treatment Works (MIS:441764)	10 386 070.7	R 0.00	8 930 726.45	1 455 344.25	13 029 814.8
<i>Total project value represents the estimated cost of the project on approval by council (Including past and future expenditure as appropriate).</i>					T 3.2.9

**COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:**



### 3.3 ELECTRICITY

#### INTRODUCTION TO ELECTRICITY

The electricity is having only a backlog of 1280 households for the entire municipal area, The Technical department applied for funding for the electrification of the newly established sites at all towns. All bulk supplies must be upgraded first before electrification takes place. The Municipality must strive to increase the current Nominated Maximum Demand to all towns in order to be able to electrify all backlogs including new site establishments.

Electricity Service Delivery Levels				Households
Description	2019/20	2020/21	2021/22	
	Actual No.	Actual No.	Actual No.	Actual No.
<b>Energy: (above minimum level)</b>				
Electricity (at least min.service level)				
Electricity - prepaid (min.service level)				
<i>Minimum Service Level and Above sub-total</i>	43197	43305	43370	43370
<i>Minimum Service Level Percentage</i>	0%	0%	0%	0%
<b>Energy: (below minimum level)</b>				
Electricity (< min.service level)				
Electricity - prepaid (< min. service level)				
Other energy sources	0	0	41594	0
<i>Below Minimum Service Level sub-total</i>	0	0	0	0
<i>Below Minimum Service Level Percentage</i>	0%	0%	0%	0%
<b>Total number of households</b>				
				T 3.3.3

Capital Expenditure Year 2021/22: Electricity Services					R' 000
Capital Projects	Year 2021/22				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Koppies Bulk Supply phase 3	R1,000,000.00	0	R1,700,000.00	83%	R110,000,000.00
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T 3.3.8

#### COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

We have been experiencing a serious challenge with cable theft in the entire municipality

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

#### INTRODUCTION TO WASTE MANAGEMENT

Ngwathe have five (5) landfill sites, Parys, Vredefort and Koppies are unlicensed, Heilbron & Edenville are licenced.

We collect refuse from residential area once a week and twice-in businesses per week. We use compactor trucks to collect refuse in each town.

Koppies and Edenville we use refuse tips.

#### Challenges:

Unlicensed and unfenced landfill sites and downtime caused by broken refuse trucks and this result in none collection in other areas at times.

Solid Waste Service Delivery Levels				Households
Description	2019/2020	2020/2021	2021/22	
	Actual No.	Actual No.	Actual No.	Actual No.
<b><u>Solid Waste Removal: (Minimum level)</u></b>				
Removed at least once a week		37102	37102	37102
<i>Minimum Service Level and Above sub-total</i>				
<i>Minimum Service Level and Above percentage</i>	%	100%	100%	100%
<b><u>Solid Waste Removal: (Below minimum level)</u></b>				
Removed less frequently than once a week				
Using communal refuse dump				
Using own refuse dump				
Other rubbish disposal	0	0	0	0
No rubbish disposal				
<i>Below Minimum Service Level sub-total</i>	0	0	0	0
<i>Below Minimum Service Level percentage</i>	0%	0%	0%	0%
<b>Total number of households</b>		<b>37102</b>	<b>37102</b>	<b>37102</b>

T 3.4.2

Households - Solid Waste Service Delivery Levels below the minimum						
Description	2019/2020	2020/2021	2021/2022	Households		
	Actual	Actual	Actual	2021/22		
	No.	No.	No.	Original Budget No.	Adjusted Budget No.	Actual No.
<b>Formal Settlements</b>						
Total households		37102	37102			371027
Households below minimum service level						
Proportion of households below minimum service level	0%	0%	0%	%	%	0%
<b>Informal Settlements</b>						
Total households						
Households below minimum service level						
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
						T 3.4.3

Capital Expenditure Year 2021/22: Waste Management Services					
					R' 000
Capital Projects	Year 2021/22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Construction of a solid waste disposal site in Parys	R2,2 00000	0	R1,8 000 000		
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					
					T 3.4.9

#### COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

We managed to adhere to our schedule of refuse removal with few downtimes. There are visible collection efforts in certain units like Heilbronn, that were previously struggling with refuse collection and this is due to refuse truck procured by the municipality for this unit through 'specialised vehicle program'.

We have challenges with our landfill sites, they are not fenced, no dedicated machinery on site to push and compact refuse. The municipality is relying on hired equipment from local service providers which has proven to be costly to the municipality. None weighing of refuse on site is also a problem as it makes it difficult to report monthly on incoming volumes of refuse in the landfill sites.

#### Illegal Dumping

Illegal dumping is managed very well and it is done on a daily basis. Some hotspots have been closed and converted into beautified spaces. There is an ongoing effort to remove illegal dumping on a daily basis but there is no dedicated equipment for such again the municipality is relying on hired equipment.

### 3.5 HOUSING/HUMAN SETTLEMENT

#### INTRODUCTION TO HOUSING/TOWN PLANNING

Ngwathe provides the Town Planning services to the communities, the main function of this department is:

- to secure land;
- develop safe and healthy environment;
- to establish sustainable settlement areas;
- eradicate informal settlements;
- to ensure tenure of land;
- to ensure access to funding;
- to develop internal services and provide housing.

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2021/22			%
2020/21			%
2019/20			%
T 3.5.2			

#### SERVICE STATISTICS FOR PLANNING DEVELOPMENT PLANNING AND BUILDING CONTROL

DETAILS	2020/2021	2021/22
Building plans approved	57	
Number of applications received for: - Township establishment	0	
Rezoning	2	
Special consent and other	35	
Telecommunication	7	
Wayleave applications approved	3	
<b>Total</b>		

APPLICATION FOR LAND USE DEVELOPMENT						
Detail	Formalization of Townships		Rezoning		Built Environment	
	2020/2021	2021/22	2020/2021	2021/22	2020/2021	2021/22
Planning application received	1		3			
Determination made in year of receipt	0		0		0	
Determination made in following year	0		0		0	
Applications withdrawn	0		0		0	
Applications outstanding at yearend	0		1		0	

#### COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

- For the said period, the Municipality received the following land use applications which have a direct bearing on the employment in the Municipality:
- Solar Plant Applications = 3
- Liquor applications = 5
- Consent applications = 8
- Wayleave applications = 5
- Telecommunication Masts applications = 4

## COMPONENT B: ROAD TRANSPORT

### 3.6 ROADS

#### INTRODUCTION TO ROADS

This component includes roads and wastewater (Stormwater drainage).

Gravel Road Infrastructure				
Kilometres				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2021/22	277km	N/A	N/A	120km
2020/21	277km	N/A	N/A	80km
2019/20	277km	N/A	N/A	50km
T 3.7.2				

Tarred Road Infrastructure					
Kilometres					
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2021/22	177km	N/A	N/A	N/A	80km
2020/21	177km	N/A	N/A	N/A	30km
2019/20	177km	N/A	N/A	10km	20 km

Paved Road Infrastructure					
Kilometres					
	Total paved roads	New paved roads	Existing paved roads repaved	Paved roads maintenance	kilometres
2021/22	65km	1km	-	-	-
2020/21	65km	3km	-	-	5km
2019/20	62km	-	-	-	-

Capital Expenditure Year 2021/22: Road Services					
R' 000					
Capital Projects	Year 2021/22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All				%	/
Heilbron/Phiritona: Paving of internal roads 1km				%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					
T 3.7.9					

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

We have done gravel road maintenance in all towns during the financial year. The challenge was that the municipality had to hire road construction plant which was used in the maintenance because the municipality does not have the necessary plant.

The department of roads and public works has assisted the municipality significantly with the challenge of potholes

**3.7 WASTE WATER (STORMWATER DRAINAGE)**

**INTRODUCTION TO STORMWATER DRAINAGE**

Stormwater Infrastructure				
	Total Stormwater measures	New Stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2021/22	520 km	-	-	120km
2020/21	520km	-	-	100km
2019/20	520km	-	-	100km
				T 3.9.2

Capital Expenditure Year 2021/22: Stormwater Services					
					R' 000
Capital Projects	Year 2021/22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All				%	
Project A				%	
Project B				%	
Project C				%	
Project D				%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.9.8

**COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:**

## LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM & AGRICULTURE)

### INTRODUCTION TO ECONOMIC DEVELOPMENT

The annual report of 2021/22 will cover activities and events that the LED Unit has been involved in during the mentioned financial year. The report will reflect on three economic drivers viz. Agriculture, tourism, manufacturing and assistance rendered to SMME's

### COMMENT ON LOCAL JOB OPPORTUNITIES:

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)				
2021/22				
2020/21				
2019/20				
Initiative A (Year 3)				
Initiative B (Year 2)				
Initiative C (Year 1)				
				T 3.11.5

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
2021/22	12	432
2020/21	12	371
2019/20	12	170
* - Extended Public Works Programme	T 3.11.6	

### COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

## COMPONENT C: COMMUNITY & SOCIAL SERVICES

### 3.9 CEMETORIES AND CREMATORIUMS

#### INTRODUCTION TO CEMETORIES & CREMATORIUMS

Ngwathe performs the establishment, conduct and control of facilities for disposing of human and animal remains; this includes cemeteries, funeral parlors and crematories. The municipality committed itself to ensuring that all the towns have at least two decent cemeteries, one being in the town area whilst the other is in the township area.

Ngwathe Local Municipality has 21 cemeteries, 3 are non- active and only used for reserved burials while 18 are active. The top 3 service delivery priorities and its impact are to:-

- Regulate and maintain public cemeteries
- Conduct burial bookings and graves preparations
- Comply with National Health Act, 2003 (Act No 61 of 2003 and other related legislations).

#### CEMETORIES

INDICATOR	2019/2020	2020/2021	2021/22
Burials		790	867
Adults		714	820
Paupers		03	10
Children (baby or stillborn)		73	15
Re-openings		19	22
Memorials		0	0

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

- There is no electronic system in place to accurately record burials. Manual recording is done.
- No cemeteries are properly fenced and there is no access control.

## COMPONENT D: SECURITY AND SAFETY

This component includes: Security; Fire; Disaster Management

### 3.10 FIRE

#### INTRODUCTION TO FIRE SERVICES

Ngwathe provides Fire & Rescue for its five towns, Of the five towns only Parys has a 24 hours fire and rescue services, Heilbron operates a satellite station (07h45 - 16h30) other towns are without this function.

The section focus mainly on legal requirements as per SANS 100:90" Community protection against fire" as well as Fire Brigade Act 1987.

The primary aim of this section is:-

- Save lives
- Incident stabilization
- Fire prevention
- Minimization of damage to property against fire
- Humanitarian help against environmental vulnerability
- Fire safety inspection
- Implementations of fire break in accordance with the fire brigade
- Review house and business plans
- Awareness campaigns



	Details	2020/21	2021/22	
		Actual No.	Estimate No.	Actual No.
1	Total fires attended in the year		212	
2	Total of other incidents attended in the year		174	
3	Average turnout time - urban areas		07	
4	Average turnout time - rural areas		21	
5	Fire fighters in post at year end		21	
6	Total fire appliances at year end		08	
7	Average number of appliance off the road during the year		08	

**COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:**

INTRODUCTION TO DISASTER MANAGEMENT

3.11 DISASTER MANAGEMENT

In terms of the Disaster Management Act 57 of 2002 and the National Policy Framework of 2005, a

**Management Centre is responsible for the following KPAs:**

- ✚ Institutional Capacity Building
- ✚ Disaster Risk Assessment
- ✚ Disaster Risk Reduction
- ✚ Disaster Response and Recovery
- ✚ Disaster Management Information and Communication Centre

DISASTER MANAGEMENT		
Details	2020/21	2021/22
Total number of calls received and dispatched	1342	6639
Disaster Risk assessment	0	2
Public awareness campaigns	58	60
Number of personnel	2	2

**SERVICE STATISTICS FOR DISASTER MANAGEMENT**

DESCRIPTION OF CALLS	2020/21	2021/22
Disaster Relief	1	02
Drought	0	0
Floods	0	5
Disaster Management Inspection	0	2
Windstorm	0	1
Earthquake	0	0
Fires	608	212
Sinkhole / Dolomite	0	1
Hazmat	0	2
Traffic related accidents	324	172
Abnormal loads	1	0
Special service	0	10
Water and sanitation	520	2159
Electricity complains	240	4192
Public Events	2	5

**COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT:**

### 312. SPORT AND RECREATION

This component includes: community parks; sports fields; stadiums; swimming pools; and camp sites

#### INTRODUCTION TO SPORT AND RECREATION

This Unit within the Community Service Department is comprises of the following sections:

- Resorts (Mimosa, MPCC)
- Sports Facilities
- Community Swimming Pools

An active, creative and informed Ngwathe community

#### Strategic goals

- To ensure provision of sport and recreation facilities within communities
- To promote Culture of participation in sport and recreation at all level in the Community
- To provide performance, sport development and training service to Ngwathe Community

No	Events	Subjects	Town	No of Events	Participation	
					Youth/Ault	Elderly
3	Golden Games (Senior Citizens)	Provincial Level	Hoopstad	1	50	377
4	Indigenous Games	District Level	Sasolburg	1	280	0
		Provincial Level	Thaba Nchu	1	528	0
		National Level	Durban	1	1800	0
<b>TOTAL</b>				<b>7</b>	<b>2 658</b>	<b>377</b>

Total Number of Museums : 1 Museum (Parys)

Total Number of Chalets: Mimosa Lake Site Resort

SERVICE STATISTICS FOR MIMOSA RESORT						
Description	2019/20		2020/21		2021/22	
	Bookings	Income	Bookings	Income	Bookings	Income
Chalet bookings	0	0	0	0	0	0
Caravanbookings	0	0	0	0	0	0
Day Visitors	0	0	0	0	0	0

**COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:**

Mimosa Gardens Resorts is currently closed since April 2020

The unit Sports and Recreation is responsible for providing an enabling environment for communities for participating in Sports and Recreation programmes.

**The main service delivery priorities are:**

Development and Maintenance of Sports and recreation facilities

Total number of Sports Arts and Culture Facilities

Total number of Sports Facilities : 10 Sports Facilities

Total number of swimming pools : 10

The responsibility of the department is to ensure that community has accesses to the facilities and they are maintained according to the national standard set by the National Sports and Recreation facility management policy.

**CHAPTER 4**

**ANNUAL  
PERFORMANCE  
REPORT**

# SECTION 46 REPORT 2021/22

OFFICE OF THE MAYOR															
IDP / Ref No	KPA Key Focus Area	Indicator (Activity/Project/ Key actions)	Unit of Measure	Annual Target 2021/22	Year to Date as at End June 2022								Proof of Evidence	2020/21 Actual	2021/22 Actual
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual			
1	Municipal Transformation	Celebrate national and local days of importance / commemoration; Human Right's Day, Worker's / May Day, Youth Day, Flower Festival, Mandela Day	Number of national and local days of commemoration celebrated	5	2	1	1	0	1	1	1	2	Programs/ Invitations & Attendance Registers	4	4
2	Radical Social and Economic Development	Create HIV and AIDS Awareness - Planning and launching of Ward/Local /District HIV and AIDS Councils / Launch Men's Dialogue program	Number of awareness programs launched	2	N/A	N/A	1	2	N/A	N/A	1	1	Programs/ Invitations & Attendance Registers	3	3
3	Good governance and Public Participation	Communicate municipal information with public by conducting radio and newspaper interviews	Number of Radio and Newspaper interviews conducted by Mayor	4	1	1	1	1	1	1	1	1	MAYCO Minutes	9	4
4	Radical Social and Economic Development	Initiate quarterly social support programs to poverty stricken communities; Bursary support, food parcels and	Number of social support programs launched to address poverty in identified communities	2	1	1	N/A	N/A	N/A	N/A	1	1	Copies of Newsletters issued	3	2

OFFICE OF THE MAYOR															
IDP / Ref No	KPA Key Focus Area	Indicator (Activity/Project/Key actions)	Unit of Measure	Annual Target 2021/22	Year to Date as at End June 2022								Proof of Evidence	2020/21 Actual	2021/22 Actual
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual			
		rural sports programs													
5	Municipal Transformation and Organisation Development	Initiate Women and Children's Rights programs	Number of Women and Children Rights programs launched	2	1	1	N/A	N/A	N/A	N/A	1	1	Programs/ Invitations & Attendance Registers	1	2
6	Radical Economic Transformation	Initiate Youth development and Empowerment programs in Ngwathe	Number of Youth Empowerment programs launched	4	1	1	1	1	1	1	1	1	Programs/ Invitations & Attendance Registers	11	4
7	Municipal Transformation and Organisation Development	Initiate Disabled Indaba	Number of Disabled Indabas launched	1	N/A	N/A	N/A	N/A	1	0	N/A	N/A	MAYCO Minutes	1	0
8	Good Governance	Compile and submit Communication Strategy to MAYCO for approval by end September 2021	Communication Strategy submitted to MAYCO for approval by end September 2021	1	1	0	N/A	N/A	N/A	N/A	N/A	N/A	Copies of Newsletters issued	0	0
9	Good Governance	External and Internal Newsletters compiled and issued	Number of external and internal newsletters issued (12 external and 12 internal) by 30 June 2022	24	6	6	6	6	6	5	6	6	Programs/ Invitations & Attendance Registers	26	23

\*N/A – Not Applicable – Meaning there is no target set for the quarter

OFFICE OF THE SPEAKER															
IDP/REF NO	KPA Key Focus Area	Indicator (Activity/Project/ Key actions)	Unit of Measurement	Annual Target 2021/22	Year to Date as at End of June 2022								Proof of Evidence	2020/21 Actual	2021/22 Actual
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual			
10	Good governance & Public Participation	Facilitate regular meetings for All stakeholders i.e. Civics, NGOs, CBOs	Number of stakeholder meetings held for all wards	216	54	16	54	1	54	7	54	4	Programs/ Invitations & Attendance Registers	57	28
11	Good governance & Public Participation	Facilitate workshop to assist with development of ward plans for all Ward Committees	Number of workshops held	2	N/A	N/A	N/A	N/A	1	0	1	0	Programs/ Invitations & Attendance Registers	0	0
12	Good governance & Public Participation	Launch and sign-off all Ward Based Plans	Number of ward based plans signed-off	2	N/A	N/A	N/A	N/A	1	0	1	0	Program readily available	0	0
13	Good governance & Public Participation	Schedule and facilitate monthly Ward meetings in all Wards	Number of ward meetings held	216	54	10	54	18	54	62	54	33	Programs/ Invitations & Attendance Registers	104	123
14	Good governance & Public Participation	Facilitate the Best Ward Committee Awards ceremony	Number of Best Ward Committee Awards ceremony	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Programs/ Invitations & Photos report	0	0
15	Good governance & Public Participation	Develop and Launch a Citizen Charter after consultation with all Sectors of Community	Number of Citizen's Charter developed and Launched	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Programs/ Invitations & Copy of Citizen Charter	0	0

\*N/A – Not Applicable – Meaning there is no target set for the quarter

**OFFICE OF THE MUNICIPAL MANAGER**

IDP/REF NO	KPA Key Focus Area	Indicator (Activity/Project / Key actions)	Unit of Measurement	Annual Target 2021/22	Year to Date as at End June 2022								Proof of Evidence	2020/21 Actual	2021/22 Actual
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual			
16	Good Governance	Audit Committee Meetings	No. of Audit Committee Meetings	3	N/A	N/A	1	0	1	0	1	0	Minutes of Audit Committee Meetings	1	0
17	Good Governance	Review and Approval of Internal Audit Strategic Documents by the Audit Committee; November 2021/22	# of Risk based audit plan approved by Sept 2021	100%	N/A	N/A	N/A	N/A	100%	50%	N/A	N/A	Audit Committee Agenda and/or Minutes	0%	50%
18	Good Governance	Audit Committee Reporting to Council	% of Audit Committee reporting to Council & Council taking into account its report	100%	N/A	N/A	100%	0%	100%	0%	100%	0%	Council Minutes	0%	0%
19	Good Governance	Submit an Audit Action Plan to the Municipal Manager to address issues raised by the Auditor General by 31 January annually	Audit action plan submitted	1	N/A	N/A	N/A	N/A	1	0	N/A	N/A	Audit Action Plan	1	0
20	Good Governance	Monitor the implementation of all Council and MAYCO resolutions	Number of Council and MAYCO resolutions reported	100%	25%	25%	25%	25%	25%	25%	25%	25%	Register of Council Resolutions	100%	100%



**OFFICE OF THE MUNICIPAL MANAGER**

IDP/RE F NO	KPA Key Focus Area	Indicator (Activity/Project / Key actions)	Unit of Measurement	Annual Target 2021/2 2	Year to Date as at End June 2022								Proof of Evidence	2020/2 1 Actual	2021/22Actua l
					Q1 Targe t	Q1 Actua l	Q2 Targe t	Q2 Actua l	Q3 Target	Q3 Actua l	Q4 Target	Q4 Actua l			
21	Good Governance	Review and Submit Risk Management Charter.	1 X Risk Management Charter	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A	Approved Risk Management Charter.	1	1
22	Good Governance	Develop Risk Management Implementation Plan	1X Risk Management Implementatio n Plan by 31 August 2021	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A	Approved Implementatio n Plan Minutes of the meeting.	1	1
23	Good Governance	Develop and submit the Section 46 Report and Oversight Report to Council in terms of the Local Government: Municipal Systems Act, No. 32 of 2000	# of Section 46 Report and Oversight Report submitted to Council	2	N/A	N/A	N/A	N/A	2	2	N/A	N/A	Council Agenda and/or Minutes of Meeting	0	2
24	Good Governance	Develop and submit Risk and Compliance Meeting Schedule	1X Meeting Schedule	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A	Approved Meeting Schedule	1	1
25	Good Governance	Coordinate Risk and Compliance Meeting	4 X Risk and Compliance Management Committee Meetings by June 2022	4	1	0	1	0	1	0	1	0	Invitations; Minutes of the Meeting and Attendance Registers Quarterly Reports	3	0
26	Good Governance	Review Risk Management Strategy; Risk Management	3 X Reviewed Risk Management Strategic	3	3	3	N/A	N/A	N/A	N/A	N/A	N/A	Minutes of the Meeting	2	3

**OFFICE OF THE MUNICIPAL MANAGER**

IDP/REF NO	KPA Key Focus Area	Indicator (Activity/Project / Key actions)	Unit of Measurement	Annual Target 2021/22	Year to Date as at End June 2022								Proof of Evidence	2020/21 Actual	2021/22 Actual	
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual				
		Policy and Fraud Prevention Policy	Documents by September 2021													
27	Good Governance	Conduct Awareness workshop on Risk Management, Fraud ,theft and corruption cases	Bi- Annual Awareness Workshops for employees (all towns) by June 2022	1	N/A	N/A	N/A	N/A	1	0	N/A	N/A	Invitations, Attendance Registers; Presentation Slides and Report	0	0	
28	Good Governance	Conduct Risk Assessment	1X Risk Assessment	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Invitations, Attendance Registers; Presentation Slides and Risk Assessment Report	1	0	
29	Good Governance	Develop and submit Risk Register	1 X Consolidated Risk Register	1	N/A	N/A	N/A	N/A	1	0	N/A	N/A	Minutes of the meeting; Attendance Registers	1	0	
30	Good Governance	To develop and monitor compliance check lists	1 X Approved Compliance Checklist	10	3	0	2	4	2	0	3	0	Compliance Status Report; Attendance Registers.	New KPI	4	
31	Municipal Transformation & Institutional Development	Strategic Annual Stakeholder Consultation	No of Wards and Stakeholder engagements held annually (18 Wards & 4 Stakeholder meetings)	20	20	0	N/A	N/A	20	20	N/A	N/A	Attendance Registers	10	20	
31	Institutional Development	Submit the Mid-Year S72 report to the Mayor	Number of Mid-year reports	1	N/A	N/A	N/A	N/A	1	1	N/A	N/A	Proof of Submission to	1	1	

**OFFICE OF THE MUNICIPAL MANAGER**

IDP/RE F NO	KPA Key Focus Area	Indicator (Activity/Project / Key actions)	Unit of Measurement	Annual Target 2021/2 2	Year to Date as at End June 2022								Proof of Evidence	2020/2 1 Actual	2021/22Actua l
					Q1 Targe t	Q1 Actua l	Q2 Targe t	Q2 Actua l	Q3 Target	Q3 Actua l	Q4 Target	Q4 Actua l			
	& Building Capacity		submitted to the Mayor by 25 January 2022										the Executive Mayor		
<b>32</b>	Sound Financial Management	Raise/Collect operating budget revenue as per approved budget	90% of total operating budget revenue raised / received by 30 June 2022	90%	20%	10%	20%	5%	25%	10%	25%	30%	Section 71 Report	110%	55%
<b>33</b>	Institutional Development & Building Capacity	Performance Management Assessment held	Number of Performance assessment held by 30 June 2022	2	N/A	N/A	1	0	N/A	N/A	1	0	Performance Assessment Report	0	0
<b>34</b>	Good Governance	Submit the IDP/ Budget Schedule to Council by 31 August 2022	IDP/Budget Schedule submitted to Council for approval by 31 August 2021	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A	Council Agenda and/or Minutes of Meeting	1	1
<b>35</b>	Good Governance	Develop and Submit the Draft and Final IDP to Council for approval by 31 March 2022 and 31 May 2022 respectively	Council approved Draft and Final IDP by end March and end May 2022	2	N/A	N/A	N/A	N/A	1	1	1	1	Council Agenda and/or Minutes of Meeting	2	2
<b>36</b>	Sound Financial Management	Operational conditional grant spending measured by the percentage (%) spent	Percentage (%) of the grant spent i.t.o Budget allocations	95%	15%	15%	30%	15%	60%	30%	5%	5%	Section 52(d) Reports	100%	65%

**OFFICE OF THE MUNICIPAL MANAGER**

IDP/RE F NO	KPA Key Focus Area	Indicator (Activity/Project / Key actions)	Unit of Measurement	Annual Target 2021/2 2	Year to Date as at End June 2022								Proof of Evidence	2020/2 1 Actual	2021/22Actua l	
					Q1 Targe t	Q1 Actua l	Q2 Targe t	Q2 Actua l	Q3 Target	Q3 Actua l	Q4 Target	Q4 Actua l				
<b>37</b>	Sound Financial Management	The percentage of the municipality capital budget actually spent on capital projects by 30 June 2021 {(Actual amount spent on projects/Total amount budgeted for capital projects)X100} as identified in the IDP as at 30 June 2022	% of municipality's capital budget spent on capital projects identified in the IDP for the 2021/2022 FY	95%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	95%	75%	Section 52(d) Reports	95%	75%
<b>38</b>	Good Governance	Submit to the Mayor a draft SDBIP for the budget by no later than 14 days after the approval of the annual budget in terms of the Local Government: Municipal Finance Management Act, No. 56 of 2003	Top Layer SDBIP approved within 28 days after the Main Budget has been approved	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Approved SDBIP	1	1
<b>39</b>	Good Governance	Implementation of the Performance Management	Number of signed performance agreements of	5	5	2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Signed Performance Agreements	5	2

**OFFICE OF THE MUNICIPAL MANAGER**

IDP/REF NO	KPA Key Focus Area	Indicator (Activity/Project / Key actions)	Unit of Measurement	Annual Target 2021/22	Year to Date as at End June 2022								Proof of Evidence	2020/21 Actual	2021/22 Actual
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual			
		Framework by timeous development and signing of Section 56 and 57 performance agreements in terms of the Local Government: Municipal Systems Act, No 32 of 2000	Section 57 managers within 14 days of approval of the SDBIP												
40	Good Governance	Develop and Submit Quarterly Section 52(d) Report to Council for approval	Section 52(d) report submitted to Council	4	1	1	1	1	1	1	1	1	Council Agenda and/or Minutes of Meeting	2	4
41	Good Governance	Audit Committee Meetings	No. of Audit Committee Meetings	3	N/A	N/A	1	0	1	0	1	0	Minutes of Audit Committee Meetings	1	0

\*N/A – Not Applicable – Meaning there is no target set for the quarter

## CORPORATE SERVICES

IDP/REF NO	KPA Key Focus Area	Indicator (Activity/Project/Key actions)	Unit of Measurement	Annual Target 2021/22	Year to Date as at End June 2022											
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual	Proof of Evidence	2020/21 Actual	2021/22 Actual	
42	Good Governance	Council effective functioning measured by the annual number of ordinary scheduled council meetings held.	Number of ordinary scheduled council meetings held per annum	10	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	Council Agenda and/or Minutes of Council	18	10
43	Institutional Development & Building Capacity	Initiate an Organisation Structure review for consideration by Council aligned with Objectives and IDP	Reviewed Organisational Structure	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Report on Reviewed Organisational Structure	1	0
44	Institutional Development & Building Capacity	Review policies and by-laws	100% of policies and by-laws reviewed by 30 June 2022	100%	25%	15%	25%	0%	25%	25%	25%	25%	25%	Report on policies reviewed	100%	65%
45	Good Governance	Participation in formal District and Provincial meetings	100% of attendance of formal District and Provincial meetings by 30 June 2022	100%	25%	25%	25%	25%	25%	25%	25%	25%	25%	Attendance registers	100%	100%
46	Institutional Development & Building Capacity	Number of people from EE target groups employed in three highest levels of management in compliance with	Report on number of people from employment equity groups employed in three highest levels of management submitted to	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Report to Council on EE Plan	1	0

		municipality's approved EE Plan	Municipal Manager 30 June 2022												
47	Municipal Transformation and Organisational Development	Spent Training budget to develop skills of staff	85% of training budget spent by 30 June 2022	85%	20%	35%	20%	20%	20%	20%	30%	60 %	Report on development & training of staff	100%	135%
48	Institutional Development & Building Capacity	Draft and submit to Council a Scarce Skills Policy	Scarce Skills policy submitted to council for approval by 30 June 2022	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Report of Submission to Council	1	0
49	Institutional Development & Building Capacity	% of municipality budget actually spent on implementation of WSP The percentage of a municipality's personnel budget, 1% (R250M) actually spent on implementing its workplace skills plan by 30 June 2021.	1 % of personal budget municipality spent on implementation of WSP  % of municipality's personnel budget actually spent on implementing its workplace skills plan as at 30 June 2022	1%	0.2%	3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	Report to Council on WSP	1%	1%
50	Institutional Development & Building Capacity	Develop a policy of time and attendance and a System and Procedures/Mechanisms to manage Time and Attendance of all Employees	A policy and a system developed of Time and Attendance	1	N/A	N/A	N/A	N/A	1	1	1	1	Report on time and Attendance policy and system	2	2
51	Institutional Development & Building Capacity	Directorates to Report monthly for a compilation of Council Report on the filling of	Monthly report of Organisation-wide vacancies status	12	3	3	3	3	3	3	3	1	Council Report on the status of vacancies in the institution	12	10

		Organisation-wide vacancies														
52	Institutional Development & Building Capacity	Develop and submit department Standard Operating Procedures to Management for approval by 30 November 2021	Develop and submit department Standard Operating Procedures to Municipal Manager for approval by 30 December 2021	5	2	2	1	0	1	1	1	1	Minutes of Management meetings	9	4	
53	Institutional Development & Building Capacity	Develop by all Directorates and present Standard Operating Procedure Register to the MM approval 30 April 2022	Organisational Register of Standard Operating Procedures	1	1	0	1	0	1	1	1	0	Council Minutes on the register developed.	1	1	

**\*N/A** – Not Applicable – Meaning there is no target set for the quarter



## FINANCIAL SERVICES

IDP/ REF NO	KPA Key Focus Area	Indicator (Activity/Project/ Key actions)	Unit of Measurement	Annual Target 2021/22	Year to Date as at End June 2022								Proof of Evidence	2020/21 Actual	2021/22 Actual
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual			
54	Sound Financial Management	Submit Financial Plan for inclusion in IDP for approval by Council by 31 March (Draft) and final approval by 31 May 2022	Financial Plan approved by Council by 31 March and 31 May 2022	1	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Council Agenda and/or Minutes of Meeting	1	1
55	Sound Financial Management	Submit MTREF aligned to IDP to Council for approval 31 March and final 31 May 2022	MTREF approved by Council by end March and end May 2022	2	N/A	N/A	N/A	N/A	1	1	1	1	Council Agenda and/or Minutes of Meeting	1	2
56	Sound Financial Management	Submit Adjustment Budget to Council for approval by 28 February	Adjustment Budget submitted to Council by 28 February 2022	1	N/A	N/A	N/A	N/A	1	1	N/A	N/A	Council Agenda and/or Minutes of Meeting	0	1
57	Sound Financial Management	Compile Capital Project Implementation Plan and submit to MM for approval by 30 June	Capital Project Implementation Plan developed and submitted to MM by end June 2022	1	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Proof of Submission to MM (Acceptance letter / signature)	1	1
58	Sound Financial Management	GRAP Compliant Fixed Asset Register as at 30 June	Compilation of GRAP compliant Fixed Asset Register as at 30 June 2022	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A	GRAP Compliant Fixed Asset Register	0	1
59	Sound Financial Management	Collect all Billed Revenue to ensure sufficient cash is generated to meet Ngwathe Debt and Operating commitments as per	Increase collection rate on municipal service charges up to 70% against the billing	12	3	3	3	3	3	3	3	3	Section 71 Report	3	12

FINANCIAL SERVICES															
IDP/ REF NO	KPA Key Focus Area	Indicator (Activity/Project/ Key actions)	Unit of Measurement	Annual Target 2021/22	Year to Date as at End June 2022								Proof of Evidence	2020/21 Actual	2021/22 Actual
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual			
		Section 71 report to Municipal Manager													
60	Sound Financial Management	Disclose in Annual Financial Statements all monthly reported deviations condoned by Council	Disclose in Annual Financial Statements all monthly reported deviations condoned by Council	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A	Annual Financial Statements	0	1
61	Sound Financial Management	Annual Financial Statements submitted by 31 August 2021	AFS submitted by 31 August 2021	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A	Acknowledgement of receipt of AFS by AG	0	1
62	Sound Financial Management	Update Indigent Register	100% of all qualifying indigent applications processed by 30 June 2022	100%	N/A	N/A	N/A	N/A	N/A	N/A	100%	100%	Annual Financial Statements	0	100%
63	Sound Financial Management	(Report quarterly to Council on the) Provide Free Basic Services to all Indigents	Report by 30 June on % of HH earning less than 2Xsocial grants plus 25% per month with access to free basic services	4	1	3	1	1	1	1	1	1	Council Agenda and/or Minutes of Meeting	4	6
64	Sound Financial Management	Number of formal residential properties that receive piped water, electricity (excluding Eskom areas), waste water sanitation/sewerage,	Number of formal residential properties which are billed for water or have pre- paid meters as	12	3	3	3	3	3	3	3	3	Billing Report	4	12

FINANCIAL SERVICES															
IDP/ REF NO	KPA Key Focus Area	Indicator (Activity/Project/ Key actions)	Unit of Measurement	Annual Target 2021/22	Year to Date as at End June 2022								Proof of Evidence	2020/21 Actual	2021/22 Actual
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual			
		(credit and pre-paid water) that is connected to municipal water, electricity infrastructure network, including refuse removal once per week and billed for service as at 30 June 2022	at 30 June 2022												
65	Sound Financial Management	Provide free basic services; water, electricity, sanitation and refuse removal to indigent households	Report on % of HH earning less than 2Xsocial grant plus 25% per month with access to FBS	12	3	3	3	3	3	3	3	3	Billing Report	9	12
66	Institutional Development & Building Capacity	Develop and submit department Standard Operating Procedures to Management & Portfolio Committee for approval by 30 September 2021	Develop and submit department Standard Operating Procedures to Management & Portfolio Committee for approval by 30 September 2021	1	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Agenda and/or Minutes of Management & Portfolio Committee meetings	1	1
67	Good Governance	Achieve Improved Audit Opinion for 2021/22 FY	Improved Audit Opinion achieved for 2021/2022 Financial Year	1	N/A	N/A	1	1	N/A	N/A	N/A	N/A	Audit Outcome Letter	0	1

\*N/A – Not Applicable – Meaning there is no target set for the quarter

## COMMUNITY SERVICES

IDP/REF NO	KPA Key Focus Area	Indicator (Activity/Project/Key actions)	Unit of Measurement	Annual Target 2021/22	Year to Date as at End June 2022										
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual	Proof of Evidence	2020/21 Actual	2021/22 Actual
68	Institutional Development & Building Capacity	Review the Spatial Development Framework and submit to council by 31 March 2022	Reviewed Spatial Development Framework submitted to Council by 30 March 2022	1	N/A	N/A	N/A	N/A	1	0	N/A	N/A	Council Minutes	1	0
69	Institutional Development & Building Capacity	Develop and submit Integrated Human Settlement Plan to Council for approval by 30 June 2022	Developed and submitted Integrated Human Settlement Plan to Council for approval 30 June 2022	1	N/A	N/A	N/A	N/A	1	0	N/A	N/A	Council Minutes	0	0
70	Local Economic Development	Review the LED Strategy and submit to Council by 31 March 2022	Review LED Strategy submitted to Council for approval by 31 March 2022	1	N/A	N/A	N/A	N/A	1	0	N/A	N/A	Council Minutes	0	0
71	Local Economic Development	4 Tourism awareness campaigns conducted by 30 June 2022	Number of tourism awareness campaigns conducted	4	2	2	1	1	1	1	N/A	N/A	Time and Attendance reports submitted	2	4
72	Deliver Basic Services	Conduct scheduled refuse removal services to all formal and informal housing areas throughout Ngwathe at least once per week	Number of formal and informal Households whose refuse was removed at least once per week	37102	37102	37102	37102	37102	37102	37102	37102	37102	Work Schedules of Weekly collection checklist signed-off	37102	37102

## COMMUNITY SERVICES

IDP/REF NO	KPA Key Focus Area	Indicator (Activity/Project/Key actions)	Unit of Measurement	Annual Target 2021/22	Year to Date as at End June 2022								Proof of Evidence	2020/21 Actual	2021/22 Actual
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual			
73	Delivery of Basic Services	Illegal dumping sites removed	Number of Quarterly reports submitted	5	1	1	2	2	1	1	1	1	Reports with photos	5	5
74	Delivery of Basic Services	Parks maintained	Number of quarterly reports submitted	5	1	1	2	6	1	1	1	1	Reports	5	9
75	Delivery of Basic Services	Development of the Landfill sites maintenance plan	Development of the Landfill site maintenance plan	1	N/A	N/A	1	0	N/A	N/A	N/A	N/A	Maintenance plan signed off	0	0
76	Access to basic services	Review the Disaster Management Plan by 30 June 2022	Review the Disaster Management Plan submitted to Council by 30 June 2022	1	N/A	N/A	1	0	N/A	N/A	N/A	N/A	Council Minutes	0	0
77	Access to basic services	4 quarterly Fire, Rescue & Disaster Management reports indicating services rendered in various towns across the Municipality by 30 June 2022	Number of quarterly Fire, Rescue & Disaster Management reports indicating services rendered in various towns	4	1	1	1	1	1	1	1	1	Reports	5	4
78	Local Economic Development	Coordinate 4 sports activities in collaboration with the relevant stakeholders – provincial/National Departments of	Coordinate 4 sports activities in collaboration with the relevant sector departments	4	1	0	1	1	1	1	1	1	Report with pictures	0	3

## COMMUNITY SERVICES

IDP/REF NO	KPA Key Focus Area	Indicator (Activity/Project/Key actions)	Unit of Measurement	Annual Target 2021/22	Year to Date as at End June 2022								Proof of Evidence	2020/21 Actual	2021/22 Actual
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual			
		Sports, Arts, Culture and Recreation by 30 June 2022	and stakeholders												
79	Local Economic Development	1 rural sports programme in collaboration with the relevant sector departments and stakeholders by 30 June 2022 in collaboration with the provincial Departments of Sports, Arts & Culture by 30 June 2022	1 rural sports programme in collaboration with the relevant sector departments and stakeholders	1	N/A	N/A	N/A	N/A	1	0	N/A	N/A	Report with pictures	0	0
80	Basic Services	4 Municipal Planning Tribunal (MPT) meetings/sitting by 30 June 2022	The number of MPTs meeting/sittings held	4	1	0	1	0	1	0	1	0	Minutes	3	0
81	Basic Services	Development of approved Building plan register	Quarterly reports on number of building plans approved	1	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Quarterly reports on building plan register	1	1
82	Institutional Development & Building Capacity	Develop and submit department Standard Operating Procedures to the Accounting Officer approval	Develop and submit department Standard Operating Procedures to Accounting Officer approval by 30	5	5	0	N/A	N/A	N/A	N/A	N/A	N/A	Minutes of Management & Portfolio Committee meetings	0	0

## COMMUNITY SERVICES

IDP/REF NO	KPA Key Focus Area	Indicator (Activity/Project/Key actions)	Unit of Measurement	Annual Target 2021/22	Year to Date as at End June 2022										
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual	Proof of Evidence	2020/21 Actual	2021/22 Actual
		by 30 September 2020	September 2022												
83	Basis Services	Community Safety meeting/sitting	Number of Community Safety meetings held	4	1	0	1	1	1	0	1	1	Attendance register and Agenda	3	2

**\*N/A** – Not Applicable – Meaning there is no target set for the quarter

## TECHNICAL SERVICES

IDP / REF NO	KPA Key Focus Area	Indicator (Activity/ Project/ Key actions)	Unit of Measurement	Annual Target 2021/22	Year to Date as at End June 2022											
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual	Proof of Evidence	2020/21 Actual	2021/22 Actual	
84	Basic Services and Infrastructure	Limit Electricity losses to less than 50% annually (preceding 11months+reporting month's units purchased)	% Average electricity losses by 30 June 2022	50%	-	-	-	-	-	-	-	50%	50%	Report	0%	50%
85	Basic Services and Infrastructure	Retro fitting of 280w Led high mast light fittings.	100% of approved Capital Budget spent by 30 June 2022	100%	-	-	-	-	-	-	-	100%	100%	Close out report and crushing certificate	0%	100%
86	Basic Services and Infrastructure	Retro Fitting of 700 X 70w LED streetlight fittings	100% of approved Capital Budget spent by 30 June 2022	100%	-	-	-	-	-	-	-	100%	100%	Close out report and crushing certificate	0%	100%
87	Basic Services and Infrastructure	Replacement of 4 mini sub-stations.	5% of approved capital budget spent by 30 June 2022	4	-	-	-	-	-	-	-	4	4	Report	New KPI	4
88	Basic Services and Infrastructure	Installation of 6 protection Battery chargers with batteries.	5% of approved capital budget spent by 30 June 2022	6	-	-	-	-	-	-	-	6	6	Report	New KPI	6
89	Basic Services and Infrastructure	Upgrading 4X 315 KVA mini-substations with 500 KVA mini-substations	5% of approved capital budget spent by 30 June 2022	4	-	-	-	-	-	-	-	4	4	Report	New KPI	4
90	Basic Services and Infrastructure	Upgrading 4X 315 KVA mini-substations with 500 KVA mini-substations	5% of approved capital budget spent by 30 June 2022	4	-	-	-	-	-	-	-	4	4	Report	New KPI	4
91	Basic Services and Infrastructure	Replacement of 10 Ring Main Units in all towns.	5% of approved capital budget spent by 30 June 2022	10	-	-	-	-	-	-	-	10	10	Report	New KPI	10



## TECHNICAL SERVICES

IDP / REF NO	KPA Key Focus Area	Indicator (Activity/ Project/ Key actions)	Unit of Measurement	Annual Target 2021/22	Year to Date as at End June 2022											
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual	Proof of Evidence	2020/21 Actual	2021/22 Actual	
92	Basic Services and Infrastructure	Replacement of 200 Broken poles in all towns.	10% of the approved capital budget spent by end June 2022	200	-	-	-	-	-	-	-	200	190	Report	New KPI	190
93	Basic Services and Infrastructure	Replacement of old Copper lines on the low voltage Areas with 4KM X70mm ABC aerial bundle	10% of approved Capital Budget spent by 30 June 2022	4 km	-	-	-	-	-	-	-	4 km	4km	Report	New KPI	4KM
94	Basic Services and Infrastructure	Replacement of 5 km stolen streetlight lines with 25mm aluminium bundle	10% of approved Capital Budget spent by 30 June 2022	5 km	-	-	-	-	-	-	-	5 km	5km	Report	New KPI	5KM
95	Basic Services and Infrastructure	Replacement of 100KVA/11KV pole transformers with 20 200KVA/11KV pole transformer	15% of Approved Capital Budget spent by 30 June 2022	20	-	-	-	-	-	-	-	20	20	Report	New KPI	20
96	Basic Services and Infrastructure	Replacement of 10 substations high Voltage breakers	20% of Approved Capital Budget spent by 30 June 2022	10	-	-	-	-	-	-	-	10	10	Report	New KPI	10
97	Basic Services and Infrastructure	Replacement of 100KVA/6.6KV pole transformers with 10 200KVA/6.6KV pole transformer	15% completion/budget spend	10	-	-	-	-	-	-	-	10	10	Report	New KPI	10
98	Basic Services and Infrastructure	Replacement of collapsed 4km high Voltage underground Cables with 4km high Voltage overhead lines	% completion/ budget spend	4 km	-	-	-	-	-	-	-	4 km	4km	Report	New KPI	4KM
99	Basic Services and Infrastructure	Replacement of 20 faulty boundary boxes	100% completion/budget spend	20	-	-	-	-	-	-	-	20%	20%	Report	100%	20

TECHNICAL SERVICES																
IDP / RE F NO	KPA Key Focus Area	Indicator (Activity/ Project/ Key actions)	Unit of Measurement	Annual Target 2021/22	Year to Date as at End June 2022											
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual	Proof of Evidence	2020/21 Actual	2021/22 Actual	
100	Basic Services and Infrastructure	Installations of 30 Pole transformer mounted boxes with circuit breakers.	100% of capital budget spent by 30 June 2022	30	-	-	-	-	-	-	-	30%	30%	Report	19%	30%
101	Basic Services and Infrastructure	Phiritona/Sandersville: Construction of low-level bridge in ward 1	90% of capital budget spent by 30 June 2022	95%	31,6%	-	-	31.6%	-	-	31.6%	0%	Practical Completion	96%	0%	
102	Basic Services and Infrastructure	Design for Construction of 2km Access paved road in Mokwallo	90% of capital budget spent by 30 June 2022	-	-	-	-	-	-	-	5%	0%	Advert/Evaluation report & Tender Document	100%	0%	
103	Basic Services and Infrastructure	Phiritona: Installation of 1 bulk water meter	90% of capital budget spent by 30 June 2022	1	-	-	-	1%	0	-	-	-	Report	2.5%	0%	
104	Basic Services and Infrastructure	Mokwallo abstraction point: Installation of 4 Flow Meters	90% of capital budget spent by 30 June 2022	4	1	0	-	-	1%	0%	1%	0%	Report	100%	0%	
105	Basic Services and Infrastructure	Vredefort: Extension of the Water Treatment Plant	90% of capital budget spent by 30 June 2022	15%	3.75%	0	-	-	3.75%	2.4%	3.75%	0%	Report	100%	2.4%	
106	Basic Services and Infrastructure	Heilbron: Upgrading of Waste Water Treatment	90% of capital budget spent by 30 June 2022	15%	3.75%	0	-	-	3.75%	2%	3.75%	0%	Close out Report	100%	2%	
107	Basic Services and Infrastructure	Construction of a solid waste disposal site in Parys	100% of capital budget spent by 30 June 2022	15%	3.75%	0	31.6%	2%	3.75%	10%	3.75%	0%	Close out Report	100%	12%	

TECHNICAL SERVICES																
IDP / RE F NO	KPA Key Focus Area	Indicator (Activity/ Project/ Key actions)	Unit of Measurement	Annual Target 2021/22	Year to Date as at End June 2022											
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual	Proof of Evidence	2020/21 Actual	2021/22 Actual	
108	Basic Services and Infrastructure	Construction of pipeline from Koppies to Edenville	90% of capital budget spent by 30 June 2022	80%	20%	0	-	-	20%	35%	20%	0%	Close out report	0	35%	
109	Basic Services and Infrastructure	Refurbishment of waste water Treatment works in Koppies	90% of capital budget spent by 30 June 2022	15%	3.75%	0	-	-	3.75%	15%	3.75%	0%	Close out Report	96%	15%	
110	Basic Services and Infrastructure	Heilbron: Provision of specialised Solid Waste Vehicle Compactor Truck	90% of capital budget spent by 30 June 2022	75%	-	-	1%	4%	15%	15%	-	-	Report	0%	19%	
111	Basic Services and Infrastructure	Refurbishment of Existing Parys Water Treatment works	90% of capital budget spent by 30 June 2021	95%	23.75%	0%	3.75	3.75	23.75%	15%	23.75%	0%	Report	0%		
112	Basic Services and Infrastructure	Refurbishment Of The Rising Mains To Reservoir 4 3 And 1	90% of capital budget spent by 30 June 2022	75%	15%	0%	3.75%	3.75%	30%	25%	5%	0%	Report	0%	40%	
113	Basic Services and Infrastructure	To draw adequate raw water from the main source to meet daily water demand for Parys	9148ml adequate raw water to be drawn by 30 June 2021	9148ml	2287ml	0	3.75%	1.75%	2 287ml	2 250ml	2 287ml	2 287 ml	Report	New KPI		
114	Basic Services and Infrastructure	To draw adequate raw water from the main source to meet daily water demand for Vredefort	1352ml of raw water to be drawn by 30 June 2022	1352ml	338ml	0	338ml	338ml	338ml	340ml	338ml	338ml	Report	New KPI		
115	Basic Services and	To draw adequate raw water from the main source to meet daily	1430.8ml of raw water to be drawn by 30 June 2022	1430.8 ml	357.7 ml	0	3.75m	3.75m	357.7 ml	380ml	357.7 ml	357.7 ml	Report	New KPI	1430.8 ml	

## TECHNICAL SERVICES

IDP / REF NO	KPA Key Focus Area	Indicator (Activity/ Project/ Key actions)	Unit of Measurement	Annual Target 2021/22	Year to Date as at End June 2022											
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual	Proof of Evidence	2020/21 Actual	2021/22 Actual	
	Infrastructure	water demand for Koppies														
116	Basic Services and Infrastructure	To draw adequate raw water from the main source to meet daily water demand for Edenville	140.56 of raw water to be drawn by 30 June 2022	140.56 ml	35.14 ml	0	35.14 ml	35.14 ml	35.14 ml	28ml	35.14 ml	35.14 ml	Report	New KPI	105.42 ml	
117	Basic Services and Infrastructure	To draw adequate Purified water from Rand water to meet daily water demand for Heilbron water supply system	2 958ml raw water to be drawn by 30 June 2022	2958ml	732ml	0	732ml	732ml	732ml	708ml	732ml	732ml	Report	New KPI	2172ml	
118	Basic Services and Infrastructure	To produce 5300 MI per year of purified for the community of Parys and surroundings	5 200ml of purified water to be produced by 30 June 2022	5 200ml	1325ml	0	25%	5%	1 325ml	1200 ml	1 325ml	1 325ml	Report	New KPI	1325ml	
119	Basic Services and Infrastructure	To distribute 20MI/per day purified water to Parys and surrounding areas	4 772ml of purified water to be distributed by 30 June 2022	4 772ml	1193ml	0	2 287ml	0	1 193ml	1650 MI	1 193ml	1 193ml	Report	New KPI	4772ml	
120	Basic Services and Infrastructure	To produce 1244 MI per day of purified for the community of Vredefort and surroundings	1244ml of purified water to be produced by 30 June 2022	1 244ml	311ml	0	338ml	315ML	311ml	300MI	311ml	311ml	Report	New KPI	1244ml	
121	Basic Services and Infrastructure	To distribute 1120 MI/per day purified water to Vredefort and surroundings	1120 MI/per day purified water to be distributed by 30 June 2022	1 120 MI/per	280ml	0	357.7 ml	348ML	280ml	300MI	280ml	280ml	Report	New KPI	937.7	
122	Basic Services and Infrastructure	Provide 400 portable water and ensure microbiological compliance with SANS 241:2015	400 portable water to be provided by 30 June 2022	400	100	0	100	100	100	60	100	100	Reports	New KPI	260	

## TECHNICAL SERVICES

IDP / REF NO	KPA Key Focus Area	Indicator (Activity/ Project/ Key actions)	Unit of Measurement	Annual Target 2021/22	Year to Date as at End June 2022											
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual	Proof of Evidence	2020/21 Actual	2021/22 Actual	
123	Basic Services and Infrastructure	1 098 Internal sampling program for turbidity on Raw, clarifiers, filters and Final, and free chlorine on the final water	1098 turbidity Internal Sampling on Raw, Clarifiers, Filters and final by 30 June 2022	1098	274.5	0	274.5	274.5	274.5	274.5	274.5	274.5	274.5	Samples Report	New KPI	823.5
124	Basic Services and Infrastructure	Ensuring that adequate Chemicals for water purification Polymer is adequately dosed for portable water	35568kg of chemicals of polymer Procured by 30 June 2022	3 5568kg	8892kg	0kg	1 325ml	1 464 MI	8 892kg	8892kg	8 892kg	8 892kg	8 892kg	Report	New KPI	19248kg
125	Basic Services and Infrastructure	Ensuring that adequate Chemicals for water purification Chlorine is adequately dosed for portable water	Procure 35568kg of chemicals of chlorine by 30 June 2022	35568kg	8 892kg	0	1 193ml	1 464 MI	8 892kg	8892kg	8 892kg	8 892kg	8 892kg	Report	New KPI	19248kg
126	Basic Services and Infrastructure	Reduction of current water loss at the plant from 25%	25% of capital budget spent by 30 June 2022	25%	2.5%	0%	25%	0%	2.5%	1%	2.5%	2%	2%	Report	New KPI	3%
127	Basic Services and Infrastructure	Install water meters to measures the volume of water treated and supplied for proper demand management	80% of capital budget spent by 30 June 2022	80%	10%	0	30%	50%	25%	10%	15%	0%	0%	Report	New KPI	60%
128	Basic Services and Infrastructure	Compliance process audit for Koppies; Vredefort; Parys	3 Audit report of compliance to be produced by 30 June 2022	3	N/A	N/A	100	0	1	0	1	0	0	Audit Report	New KPI	0
129	Basic Services and Infrastructure	Develop and submit department Standard Operating Procedures to Management & Portfolio Committee for approval	4 departmental Standard Operating Procedure by 30 June 2022	4	1	0	3	0	1	0	1	0	0	Standard Operating Procedure's	New KPI	0
130	Basic Services and	Establish Blue drop implementation plan to ensure improvement of	Develop Blue Drop Implementation	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Draft Blue Drop Implementation Plan	New KPI	0

## TECHNICAL SERVICES

IDP / REF NO	KPA Key Focus Area	Indicator (Activity/ Project/ Key actions)	Unit of Measurement	Annual Target 2021/22	Year to Date as at End June 2022											
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual	Proof of Evidence	2020/21 Actual	2021/22 Actual	
	Infrastructure	previous assessment blue drop score	plan by 30 June 2022													
131	Basic Services and Infrastructure	Revive the laboratory to ensure that the quality of water produced at Ngwathe is adequately monitored	90% of capital budget spent by 30 June 2022	20%	5%	0%	5%	70%	5%	0%	5%	0%	Report	New KPI	70%	
132	Basic Services and Infrastructure	Unblocking of Bulk Sewer network in the following towns Parys, Vredefort, Koppies and	8 Bulk Sewer Network to be Unblocked	8	N/A	N/A	3	0	2	6	3	3	Report	New KPI	9	
133	Basic Services and Infrastructure	Replace 2km Asbestos sewer Pipeline with PVC in all towns	2km Asbestos sewer Pipeline to be replaced with PVC by 30 June 2022	2km	N/A	N/A	N/A	N/A	400m	0	800m	400m	Report	New KPI	400m	
134	Basic Services and Infrastructure	Uplifting of four (4) Manholes on Bulk Sewer line in all towns	4 Manholes on Bulk Sewer line to be uplifted by 30 June 2022	4	1	0	1	0	1	2	1	0	Reports	New KPI	2	
135	Basic Services and Infrastructure	Replace Five (5) the old Screens with 5 New Screens in all towns	5 old Screens with 5 New Screens to be replaced by 30 June 2022	5	1,25	0	1	1	1,25	2	1,25	0	Reports	New KPI	3	
136	Basic Services and Infrastructure	Repair and the replacement of four 4 old Pumps and Motors	4 old Pumps and Motors to be repaired and replaced by 30 June 2022	4	1	0	N/A	N/A	1	8	1	1	Reports	New KPI	9	
137	Basic Services and Infrastructure	Unblocking of blocked lines due to sand and maintenance of all sumps and pump station four times a year	4 blocked lines to be unblocked by June 2022	4	1	0	1	1	1	5	1	1	Reports	New KPI	7	
138	Basic Services	Repair and Maintenance of four (4)	(4) Mechanical hark automated	4	1	0	3	0	1	2	1	0	Report	New KPI	2	

## TECHNICAL SERVICES

IDP / REF NO	KPA Key Focus Area	Indicator (Activity/ Project/ Key actions)	Unit of Measurement	Annual Target 2021/22	Year to Date as at End June 2022											
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual	Proof of Evidence	2020/21 Actual	2021/22 Actual	
	and Infrastructure	Mechanical hark automated screens	screens to be repaired and maintained by 30 June 2022													
139	Basic Services and Infrastructure	Installation of 4 flow Meters and calibration of Existing ones	4 flow Meters and calibration of Existing ones to be installed by 30 June 2022	4	N/A	N/A	N/A	N/A	2	2	2	2	Report	New KPI	4	
140	Basic Services and Infrastructure	Cleaning and repair of 2 bio-filters and aeration tanks	2 bio-filters and aeration tanks to be cleaned and repaired by 30 June 2022	2	N/A	N/A	N/A	N/A	1	0	1	1	Report	New KPI	2	
141	Basic Services and Infrastructure	Cleaning and repair of 2 Digesters and sludge sumps	2 Digesters and sludge sumps to be cleaned and repaired by 30 June 2022	2	N/A	N/A	N/A	N/A	1	1	1	1	Report	New KPI	2	
142	Basic Services and Infrastructure	Maintenance of Maturation Ponds	90% of capital budget spent by 30 June 2022	90%	N/A	N/A	N/A	N/A	N/A	N/A	90%	0%	Report	New KPI	0%	
143	Basic Services and Infrastructure	Draft Wastewater Risk Abetment Plan	1 Wastewater Risk Abetment Plan by 30 June 2022	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Waste Water Risk Abetment Plan Draft	New KPI	0	
144	Basic Services and Infrastructure	Standard Operations Procedures (SOP's)	1 Standard Operations Procedures (SOP's) by 30 June 2022	1	N/A	N/A	1	1	N/A	N/A	N/A	N/A	Standard Operating Procedure	New KPI	1	
145	Basic Services and Infrastructure	Operation and Maintenance Plan of all Plants	2 Operation and Maintenance Plan of all Plants by 30 June 2022	2	N/A	N/A	N/A	N/A	1	0	1	1	Operation and Maintenance Plan	New KPI	1	

## TECHNICAL SERVICES

IDP / REF NO	KPA Key Focus Area	Indicator (Activity/ Project/ Key actions)	Unit of Measurement	Annual Target 2021/22	Year to Date as at End June 2022											
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual	Proof of Evidence	2020/21 Actual	2021/22 Actual	
146	Basic Services and Infrastructure	By-Laws that Regulates wastewater systems	By-Laws that Regulates wastewater systems by 30 June 2022	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	0	By-Laws for Waste Water Treatment Works	New KPI	0
147	Basic Services and Infrastructure	Identification of Dedicated site for sludge disposal	1 Identified site for sludge disposal by 30 June 2022	1	N/A	N/A	N/A	N/A	N/A	1	0	N/A	N/A	Proposal to the Council	New KPI	0
148	Basic Services and Infrastructure	Sludge Test	1 Sludge Test by 30 June 2022	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Report	New KPI	1
149	Basic Services and Infrastructure	Registration of Plant	1 Plant Registration of by 30 June 2022	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Proof of Registration	New KPI	0
150	Basic Services and Infrastructure	Repair of 3200 Potholes	3200 Potholes to be repaired by 30 June 2022	3200	750	0	1	1	1000	0	500	500	Report	New KPI	501	
151	Basic Services and Infrastructure	Assessment/Replacement of 2064 damaged main holes	2064 damaged main holes to be Assessed/Replaced by 30 June 2022	2064	108	0	N/A	N/A	1196	0	543	0	Report	New KPI	0	
152	Basic Services and Infrastructure	Unblocking of 3500m storm water channels and 10000m pipes	3500m storm water channels and 10000m pipes to be Unblocked by 30 June 2022	3500m	1000m	0	N/A	N/A	1000m	0	1000m	1000m	Report	New KPI	1000m	
153	Basic Services and Infrastructure	Replacement damaged/missing of 1117 road signs	1117 of road signs to be replaced (damaged/missin	1117	223	0	N/A	N/A	527	0	200	0	Report	New KPI	0	



TECHNICAL SERVICES																
IDP / RE F NO	KPA Key Focus Area	Indicator (Activity/ Project/ Key actions)	Unit of Measurement	Annual Target 2021/22	Year to Date as at End June 2022											
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual	Proof of Evidence	2020/21 Actual	2021/22 Actual	
			g) by 30 June 2022													
154	Basic Services and Infrastructure	Renewal of 58 262m of road markings	58 262m of road markings to be renewed by 30 June 2022	58 262m	25675	0	N/A	N/A	25675	0	3 456	0	Report	New KPI	0	
155	Basic Services and Infrastructure	graveling of 212 665m of Gravel roads and grading	212 665m of Gravel roads and grading to be gravelled by 30 June 2022	212 665m	24562	0	N/A	N/A	79117	0	73 258	60 000	Report	New KPI	60 000 m	
156	Basic Services and Infrastructure	Inspection/Maintenance of 79 bridges/Culvert	79 bridges/Culvert to be Inspected and maintained by 30 June 2022	79	29	0	950	0	30	0	6	6	Report	New KPI	6	
157	Basic Services and Infrastructure	Cleaning of 64000m Irrigation channels	64000m Irrigation channels to be cleaned by 30 June 2022	64000m	16000 m	0	217	0	16000 m	0	16000 m	0	Report	New KPI	0	
158	Basic Services and Infrastructure	Covering 1000m of Irrigation Canals	1000m of Irrigation Canals to be covered by 30 June 2022	1000m	250m	0	3000m	0	250m	0	250m	0	Report	New KPI	0	
159	Basic Services and Infrastructure	Roads Master Plan	1 Roads Master Plan by 30 June 2022	1	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Draft Plan	New KPI	1	
160	Basic Services and Infrastructure	Storm Water Master plans	Storm Water Master plans by 30 June 2022	1	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Draft plan	New KPI	1	
161	Basic Services and	Roads and Storm Water By-laws	Roads and Storm Water By-laws by 30 June 2022	1	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Draft By-law	New KPI	1	

## TECHNICAL SERVICES

IDP / REF NO	KPA Key Focus Area	Indicator (Activity/ Project/ Key actions)	Unit of Measurement	Annual Target 2021/22	Year to Date as at End June 2022											
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual	Proof of Evidence	2020/21 Actual	2021/22 Actual	
	Infrastructure															
162	Basic Services and Infrastructure	Roads and Storm water Policies	Roads and Storm water Policies by 30 June 2022	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Draft Policy	New KPI	1
163	Basic Services and Infrastructure	Develop 4 application forms for building control and all related services	Produce 4 application forms for building control and all related services by 30 June 2022	4	N/A	N/A	2	0	1	1	1	1	0	Draft Application forms	New KPI	1
164	Basic Services and Infrastructure	Draft building control by-law	Draft building control by-law by 30 June 2022	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Draft Building Control by-law	New KPI	0
165	Basic Services and Infrastructure	number of days taken to process building plans application, ≤500 sqm	number of days taken to process building plans application, ≤500 sqm by 30 June 2022	≤500 sqm	25	0	N/A	N/A	25	25	20	25	25	Report	New KPI	50 sqm
166	Basic Services and Infrastructure	Number of occupancy certificate issued	95 of occupancy certificate issued by 30 June 2022	95%	25%	0%	N/A	N/A	25%	25%	20%	20%	20%	Report	New KPI	45%
167	Basic Services and Infrastructure	Assess the conditions of 2 Municipal office buildings	Assess the conditions of 2 Municipal office buildings by 30 June 2022	2	1	0	N/A	N/A	1	0	N/A	N/A	N/A	Report	New KPI	0
168	Basic Services and Infrastructure	Assess the conditions of 2 Municipal Community halls	Assess the conditions of 2 Municipal Community halls by 30 June 2022	2	1	0	1	0	N/A	N/A	N/A	N/A	N/A	Repot	New KPI	0
169	Basic Services	Records all faults/Complaints of	1 Logbook – to Record all	1	0.25	0	2	0	0.25	0	0.25	0	0	Report	New KPI	0

**TECHNICAL SERVICES**

IDP / REF NO	KPA Key Focus Area	Indicator (Activity/ Project/ Key actions)	Unit of Measurement	Annual Target 2021/22	Year to Date as at End June 2022											
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual	Proof of Evidence	2020/21 Actual	2021/22 Actual	
	and Infrastructure	Electricity, Water, Sewer, Roads and Storm Water interruptions within 8 hours	faults/Complaints of Electricity, Water, Sewer, Roads and Storm Water interruptions within 8 hours by 30 June 2022													

\*N/A – Not Applicable – Meaning there is no target set for the quarter

# **CHAPTER 5**

## **FINANCIAL PERFORMANCE**

# **AFS**

**REPORT OF THE CHIEF FINANCIAL OFFICER - AUDITED ANNUAL FINANCIAL STATEMENTS AND RELATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 JUNE 2022**

**Introduction**

The office of the Chief Financial Officer is responsible for compiling and preparing the financial statements that fairly present the state of affairs of the municipality in line with Municipal Finance Management Act No. 56 of 2003, sec. 122 and any other guidelines issued by National Treasury and Accounting Standard Board.

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**Thank you,**

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Acting Chief Financial Officer

# **CHAPTER 6**

## **AUDITOR GENERAL AUDIT FINDINGS**

In the tables below the Auditor-General’s opinion on the last two financial years’ annual financial statements and annual performance report is discussed.

**COMPONENT A: AUDITOR-GENERAL OPINION OF THE 2021/2022 ANNUAL FINANCIAL STATEMENTS AND OTHER MATTERS**

**6.1. AUDITOR-GENERAL REPORT FOR 2021/2022**

Ngwathe Local Municipality received a **Qualified** audit opinion with other matters for the 2021/2022 financial year.

6.1.1. 2021/2022 Annual Financial Statements

- Ngwathe Local Municipality for the 2021/2022 Annual Financial Statements received a **Qualified** audit opinion.
- The Municipality has been qualified on the following components:
  - Investment property
  - Property, plant and equipment
  - Receivables from exchange transactions
  - General expenditure
  - Bulk purchases – water losses
  - Commitments

In actual fact, the municipality regressed in number of qualifications received in 2021/2022 paralleled to 2020/2021 financial year, when the municipality was qualified on one (1) matter i.e. Property, plant and equipment.

<b>Auditor-General Report on 2020/2021 Financial Performance</b>	
Audit Report Status	Qualified Audit Opinion
<b>Material Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
None	Not applicable

6.1.2. 2020/2021 Annual Performance Report and Other Matters

- The Auditor-General identified three material findings on pre-determined objectives in the annual performance report; and
- three material findings on non-compliance with legislation as indicated in the table below.

<b>Auditor-General Report on 2021/2022 Annual Performance Report and Other Matters</b>	
<b>Description</b>	<b>Conclusion</b>
Annual Performance Report	Material findings on the usefulness and reliability of top-layer indicators
Compliance with Legislation	Material findings on non-compliance to Section 62(1)(d), 72(1)(a)(ii) and 122(1) of the MFMA.

## COMPONENT B: AUDITOR-GENERAL OPINION OF THE 2020/2021 ANNUAL FINANCIAL STATEMENTS AND OTHER MATTERS

### 6.2. AUDITOR-GENERAL REPORT FOR 2020/2021

Ngwathe Local Municipality received a **Qualified** audit opinion with other matters for the 2020/2021 financial year.

#### 6.2.1. 2020/2021 Annual Financial Statements

- Ngwathe Local Municipality for the 2020/2021 Annual Financial Statements received a **Qualified** audit opinion.
- The Municipality was qualified on the following component:
  - Property, plant and equipment

<b>Auditor-General Report on 2020/2021 Financial Performance</b>	
Audit Report Status	Qualified Audit Opinion
<b>Material Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
None	Not applicable

#### 6.2.2. 2020/2021 Annual Performance Report and Other Matters

- The Auditor-General identified three material findings on pre-determined objectives in the annual performance report; and
- three material findings on non-compliance with legislation as indicated in the table below.



## **6.3 Report of the auditor-general to the Free State Provincial Legislature and the council on the Ngwathe Local Municipality**

### **Report on the audit of the financial statements**

#### **Qualified opinion**

1. I have audited the financial statements of the Ngwathe Local Municipality set out on pages . to ..., which comprise the statement of financial position as at 30 June 2022, the 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 notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Ngwathe Local Municipality as at 30 June 2022, and its financial performance and cash flows for the year then ended, in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (Dora).

#### **Basis for qualified opinion**

##### **Investment property**

3. I was unable to obtain sufficient appropriate audit evidence for investment property as the assumptions, judgements and inputs used by the valuator could not be supported by adequate supporting evidence. In addition, restatements made to the current year and corresponding figures could also not be supported by adequate supporting evidence. These limitations also had an impact on fair value adjustments and impairment loss/reversal of impairments. I was unable to confirm investment property by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to investment property stated as R238 299 893 (2021: R287 212 689) in note 3 to the financial statements.

##### **Property, plant and equipment**

4. The municipality did not classify property, plant and equipment in accordance with GRAP 17, Property, plant and equipment as the municipality had incorrectly unbundled a project before it was ready for use. This resulted in an overstatement of water network by R19 808 153 and buildings by R2 430 040 and understatement of work-in-progress in note 4 to the financial statements by R22 238 193. In addition, the municipality incorrectly classified some assets as WIP additions, this resulted in an overstatement of WIP additions by R4 399 686 and understatement of additions by the same figure. Buildings were also overstated by R12 953 270 (2021: R63 270 808) due to misclassification within PPE note.
5. The municipality did not account for property, plant and equipment in accordance with GRAP 17, Property plant and equipment as differences were identified between the values recorded in the assets register and the payment vouchers and supporting invoices. In addition, the municipality did not correctly account for assets that were no longer under its control. Additionally, the municipality also incorrectly accounted for some land assets at deemed

cost, without considering its historical costs. The cumulative effect of these errors resulted in an overstatement of property, plant and equipment by R29 786 344 (2021 : R3 733 705). There was also an impact on the impairment loss/reversal of impairment, depreciation, amortisation and impairments, deficit for the period and accumulated deficit.

6. I was also unable to obtain sufficient appropriate audit evidence for the comparative figure of property, plant and equipment as the municipality was unable to provide adequate supporting evidence for the prior year restatements processed. I was unable to confirm the comparative figures for property, plant and equipment by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to property, plant and equipment comparative figure stated at RI 350 410 325 in the financial statements.

### **Receivables from exchange transactions**

7. The municipality did not account for receivables from exchange transactions in accordance with GRAP 104, Financial instruments, mainly due to some consumers being incorrectly written off even though the write-off of their debts were not approved by Council. Consequently, receivables from exchange transactions stated in note 9 to the financial statements were understated by R27 714 344. In addition, there was an impact on the debt impairment, deficit for the period and accumulated deficit.

### **General expenditure**

8. I was unable to obtain sufficient appropriate audit evidence for the consumables included as part of general expenditure in note 34 to the financial statements. The municipality expensed water meters without providing adequate supporting evidence to confirm that the water meters were installed. I was unable to confirm the consumables by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to consumables, stated at RI 7 048 842 in note 34 to the financial statements.

### **Bulk purchases — water losses**

9. I was unable to obtain sufficient appropriate audit evidence for the water losses disclosed as part of the bulk purchases in note 32 to the financial statements, due to the status of the accounting records. I was unable to confirm water losses by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to water losses, stated at 48% (2021: 48%) in note 32 to the financial statements.

### **Commitments**

10. The municipality did not account for commitments in accordance with GRAP 17, Property Plant and Equipment, as differences were identified between the amounts recorded in the commitment register and the auditor's recalculations. I was unable to determine the full extent of the misstatement to commitments, stated in note 39 to the financial statements, as it was impracticable to do so.

### **Total current assets**

11. I was unable to obtain sufficient appropriate audit evidence regarding current assets, which had a material cumulative effect on total current assets
  - o Inventories for which evidence could not be obtained stated at RIO 254 974 in note 7 to the financial statements.

## **Context for the opinion**

12. 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 my report.
13. 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.
14. 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**

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

16. Note 45 to the financial statements indicates that the municipality incurred a net loss of R21 1 869 126 during the year ended 30 June 2022 and, as of that date, the municipality's current liabilities exceeded its current assets by R1 636 956 008. In addition, the municipality owed Eskom R1 501 864 136 (2021: R1 341 767 553 and the Department of Water and Sanitation of R1 50 792 523 (2021: R1 38 162 028) as at 30 June 2022, which were long overdue. These events or conditions, along with other matters as set forth in note 45, 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**

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

## **Restatement of corresponding figures**

18. As disclosed in note 42 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2022.

### **Material losses**

19. As disclosed in note 32 to the financial statements, the municipality incurred electricity losses of 56% (2021: 33%), mainly due to line losses, tampering and theft.

## **Irregular expenditure**

20. As disclosed in note 48 to the financial statements, the municipality incurred irregular expenditure of R31 678 770 (2021: R2 763 045), due to non-compliance with supply chain management (SCM) requirements.

## **Unauthorised expenditure**

21. As disclosed in note 46 to the financial statements, the municipality incurred unauthorised expenditure of R251 442 252 (2021: R99 115 148) due to overspending its budget.

## **Fruitless and wasteful expenditure**

22. As disclosed in note 47 to the financial statements, fruitless and wasteful expenditure of R62 590 335 (2021: R31 968 218) was incurred mainly due to interest charged on late payments to suppliers.

### **Other matter**

23. I draw attention to the matter below. My opinion is not modified in respect of this matter.

### **Unaudited disclosure notes**

24. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

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

25. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
26. 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**

27. 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.
28. 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**

29. 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 the selected key performance area (KPA) presented in the annual performance report. I was engaged to perform procedures to identify findings but not to gather evidence to express assurance.

30. I was engaged to evaluate 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 2022:

KPA	Pages in the annual performance report
KPA 2 — infrastructure development and basic services	

31. The material finding on the usefulness and reliability of the performance information of the selected KPA is as follows:

32. I was unable to audit the usefulness and reliability of the selected KPA 2: infrastructure development and basic services as the annual performance report was presented without accurate and complete underlying performance records. This placed a limitation on the scope of my work, as I was unable to obtain sufficient and appropriate audit evidence and to audit the reported performance information by alternative means.

### Other matter

33. I draw attention to the matter below.

#### Achievement of planned targets

34. Refer to the annual performance report on pages ... to ... 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 paragraph 31 of this report.

## Report on the audit of compliance with legislation

### Introduction and scope

35. 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.

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

#### Strategic planning and performance management

37. The local community was not afforded the opportunity to comment on the final draft of the integrated development plan before adoption, as required by section 42 of the Municipal Systems Act 32 of 2000 (MSA) and municipal planning and performance management regulation 15(3).

38. The integrated development plan did not reflect the key performance indicators and targets, and a financial plan, as required by sections 26(i) and (h) of the MSA and municipal planning and performance management regulation and 2(3)(a).

39. Amendments to the integrated development plan were made without making the proposed amendments available for public comment, as required by section 34(b) of

the MSA and municipal planning and performance management regulation 3(4)(b) and/or 15(1)(a)(ii).

40. The performance management system and related controls were inadequate as significant control deficiencies were identified in the performance planning, monitoring, measurement, review and reporting processes required by municipal planning and performance management regulation 7(1).

### **Annual financial statements**

41. 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, current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

### **Expenditure management**

42. Money owed by the municipality was not always paid within 30 days or an agreed period, as required by section 65(2)(e) of the MFMA.
43. Reasonable steps were not taken to prevent irregular expenditure amounting to R31 678 770, as disclosed in note 48 to the financial statements, as required by section 62(1)(d) of the MFMA. The majority of the disclosed irregular expenditure was caused by four bids that were not advertised for the required number of days. Irregular expenditure of R9 982 365 was incurred on the following key projects:
- Construction of pedestrian and roads bridges in Heilbron/Phiritona
  - New Koppies substation (2\*MVA) o Refurbishment of existing wastewater treatment works in VredeforffMokwallo

44. Reasonable steps were not taken to prevent fruitless and wasteful expenditure of R62 590 335, as disclosed in note 47 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest charged on late payments to suppliers.
45. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R251 442 252, as disclosed in note 46 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending of the approved budget.

### **Consequence management**

46. 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 ME-MA.
47. Irregular 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 MFMA.

48. 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 MFMA.

### **Revenue management**

49. An adequate management, accounting and information system that accounts for revenue and debtors was not in place, as required by section 64(2)(e) of the MFMA.
50. An effective system of internal control for revenue was not in place, as required by section of the ME-MA.

### **Asset management**

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

### **Procurement and contract management**

52. Some goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(1 )(a) and (c).
53. Some goods and services with a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a).
54. Some invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of SCM regulation 22(1 ) and 22(2). This non-compliance was identified in the procurement processes for the following key projects:
- Construction of pedestrian and roads bridges in Heilbron/Phiritona.
  - Refurbishment of existing wastewater treatment works in Vredefort/Mokwallo.
55. Sufficient appropriate audit evidence could not be obtained that contracts were awarded through a competitive bidding process that was adjudicated by the bid adjudication committee, as required by SCM regulations 29(1 )(a) and (b) and 2017 preferential procurement regulations (PPR). This non-compliance was identified in the procurement processes for the following key project:
- o Construction of sewer line in Heilbron/Phiritona industrial connection project.
56. Sufficient appropriate audit evidence could not be obtained that contracts were only awarded to providers whose tax matters had been declared by the South African Revenue Service to be in order, as required by SCM regulation 43. This non-compliance was identified in the procurement processes for the following key projects:
- ' Construction of pedestrian and roads bridges in Heilbron/Phiritona.
  - Construction of sewer line in Heilbron/Phiritona industrial connection.
  - Refurbishment of existing wastewater treatment works in Vredefort/Mokwallo.
57. Sufficient appropriate audit evidence could not be obtained that some commodities designated for local content and production were procured from suppliers who submitted a declaration on local production and content, as required by the 2017 preferential procurement regulation 8(5). A similar non-compliance was also reported in the prior year.

58. Sufficient appropriate audit evidence could not be obtained that commodities designated for local content and production were procured from suppliers who met the prescribed minimum threshold for local production and content, as required by the 2017 preferential procurement regulation 8(5). A similar non-compliance was also reported in the prior year.
59. The performance of contractors or providers was not monitored monthly, as required by section 116(2)(b) of the MFMA. This non-compliance was identified in the procurement process for the following key projects:
- o Construction of pedestrian and roads bridges in Heilbron/Phiritona.
  - Construction of sewer line in Heilbron/Phiritona industrial connection.
  - o Refurbishment of existing wastewater treatment works in Vredefort/Mokwallo.
60. Sufficient appropriate audit evidence could not be obtained that contract performance and monitoring measures were in place to ensure effective contract management, as required by section 116(2)(c)(ii) of the MFMA.

### **Utilisation of conditional grants**

61. The integrated national electrification programme, municipal infrastructure, regional bulk infrastructure and water services infrastructure grants were not spent for its intended purposes in accordance with the applicable grant framework, as required by section 16(1) of the Dora.
62. Performance in respect of programmes funded by the integrated national electrification programme, municipal infrastructure, regional bulk infrastructure, and water services infrastructure grants were not evaluated within two months after the end of the financial year, as required by section 12(5) of Dora.

### **Other information**

63. 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 those KPAs presented in the annual performance report that have been specifically reported in this auditor's report.
64. My opinion on the financial statements and findings on the reported performance information and compliance with legislation does not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
65. 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.
66. 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

67. 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.
68. Ineffective monitoring and supervision over financial and performance reporting resulted in material misstatements in the financial statements and annual performance report. The internal controls within the municipality did not improve, as repeat findings were reported in the current year.
69. There was slow response by management in implementing the action plans to address prior year material financial and compliance findings.
70. Management did not prioritise the review and monitoring of compliance with legislation, which resulted in repeat findings. This was due to a lack of consequence management, as officials were not held accountable for non-compliance.
71. Management did not implement and develop processes and systems with regard to the collection, recording, monitoring and reporting of performance information of the municipality.

## Material irregularities

72. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit. The material irregularities identified are as follows:

### Material irregularities in progress

73. I identified material irregularities during the audit and notified the accounting officer of these, as required by material irregularity regulation 3(2). By the date of this auditor's report, I have not received the responses of the accounting officer. These material irregularities will be included in the next year's auditor's report.

### Status of previously reported material irregularities

#### Eskom not paid within 30 days

74. The accounting officer did not take all reasonable steps to ensure that amounts due to Eskom for the bulk purchase of electricity were paid within 30 days of receiving the relevant invoice or statement, as required by section 65(2)(e) of the MFMA. The late payment resulted in interest of R21 592 212 being incurred for the period 1 April 2019 to 31 March 2020. The interest

incurred is likely to result in a material financial loss for the municipality due to the liability to pay the interest to Eskom.

75. The accounting officer was notified of the material irregularity on 25 February 2021. The following actions have been taken or is in progress to resolve the material irregularity:

- The municipality is continuously engaging with Eskom in order to reach a mutual agreement on a payment agreement, however the municipality and Eskom are currently engaged in legal proceedings.
- The municipality has undertaken to replace broken and bridged meters as part of their revenue protection and enhancement project. A contractor was appointed during November 2018 and the project is ongoing.
- The municipal council adopted a financial recovery and turnaround plan on 6 October 2022.
- The accounting officer submitted a report on fruitless and wasteful expenditure incurred to the municipal public accounts committee (MPAC) for investigation, dated 30 November 2020, where it was concluded that no person or party was held responsible for the loss.  
Council agreed to write-off the fruitless and wasteful expenditure on 10 December 2020.

76. I will follow up on the implementation of the planned actions during my next audit.

*Auditor-General*

Bloemfontein

26 January 2023



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

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

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for the 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 Ngwathe Local Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify 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 provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matter that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## 6.4 AUDIT ACTION PLAN

