

ANNUAL REPORT 2021/22



The home of harmony, prosperity and growth

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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 under-stand 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
Transparency:	We practice good governance, openness and strive to understand the needs of our community at all times.
Commitment:	We are dedicated to the services we render to the community. We are committed to realise the objective of local government in South Africa.
Accountability:	We respect and value our people and ensure that we are accountable and responsible on all aspects of our work
Integrity:	We perform our work diligently with integrity and courage to ensure that our communities are able to trust and believe in us.
Democracy:	We encourage adherence to the constitution of the country, by allowing everybody to exercise their rights
Perseverance:	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 midst of managing the Eskom and Rand Water board debt. Furthermore in the mist of over R 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. This 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 playing 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). 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 municipality received 100% from RBIG and only 2% 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 infrastructure remains a fundamental necessity for our socio-economic growth, in 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.

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 this 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 Heilbron 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 single biggest challenge facing the municipality. Lack of qualified personnel in the form of water engineers etc contributes directly to the situation facing the municipality as there is no internal expertise to drive the turnaround of the 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 Rand Water 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. This 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 this 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. This 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 1,562 billion that is being owed to date, for water and electricity service function rendered. Electricity remains the main revenue contributor, which amount to R 326, 4 million of the total municipal revenue, 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 decline when compared to R 55, 2 million during the 2020/21 financial year.

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 94 %

Sanitation: An estimate of 97% of households in Ngwathe has access to basic sanitation services

Energy: Ngwathe provides an access level of 99% 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.

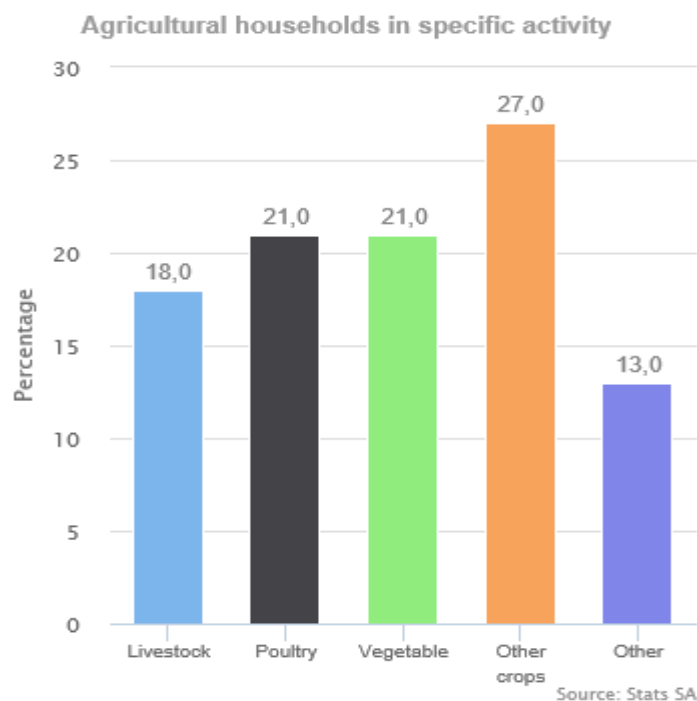
A strong research drive is required to continuously assess local capacity, development and potential growth opportunities.

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		
Free State	1 379 965	1 454 749	2 834 714	95
FEZILE DABI	245 985	248 792	494 777	99
Moqhaka	76 193	78 539	154 732	97
Ngwathe	56 425	62 482	118 907	90
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
Free State	797265	1 058948	732863	245638	2834714	58,2
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
Ngwathe	32 964	40 712	30 935	14 296	118 907	56,7
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
Free State	859361	1699444	2402
DC20: FEZILE DABI	129160	321460	347
FS201: Moqhaka	40085	101608	198
FS203: Ngwathe	30292	76656	70
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

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
Ngwathe	2959	35321	415	187	-	95	-	99	1835	40910
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 (ward 14 & 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	Major water shortages and running dry of aquifers	Water Pipeline project from Koppies to Edenville

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

Financial Overview – Year 2021/22			
Details	Original Budget	Adjustment Budget	Actual
	R'000	R'000	R'000
Taxes, Levies and tariffs	R 610,124,351	R 610,124,351	R 512,651,088
Rental of facilities	R 362,123	R 362,123	R 108 023
Interest Income	R 45,388,393	R 45,388,396	R 44 562 852
Fines and Licenses	R 2 145 000	R 2 145 000	R 228,647
Grants Operating	R 222,889,250	R 186,984,250	R 233,097,345
Other	R 1,531,028	R 1,531,028	R 8,192,435
Sub Total	R 882,440,145	R 846,535,145	R 799,466,064
Less Expenditure	R 902,413,449	R 866,508,229	R 1 045 668 545)
Note surplus/deficit	(19 976)	(19 976)	(211 869 126))

Data supplied by Financial Services Department

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

Key Financial Challenges and Interventions
Challenges
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 ration provided below the Municipality financial health is reflected as follows

Operating Ratios				
Details	%	Expected Norm	Variance from Norm	Comment
Employee Cost	29%			
Repairs & Maintenance	12%			
Finance Charges & Impairment	12%			

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	R 157 403 750	
Adjustment Budget	R 99 779 702	R 165 137 318	
Actual	R 82 854 233	R 100 845 125	

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/Towns

- Parys - Tumahole

- Heilbron - Phiritona
- Koppies - Kwakwatsi
- Vredefort - Mokwallo
- Edenville - Ngwathe

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	January
18	Commencement of draft Budget/IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	

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

Activity	Applicable Legislation	Comment
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.

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	
 <p>CLLR VICTORIA DE BEER - MTHOMBEINI</p>	<p style="text-align: center;">MAYOR</p> <p>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</p>



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
NgwatheRA	1
TOTAL	37

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
1.Finance and Budget		
	1. Cllr Mmutenyane Johny Serati	Chairperson
	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	
2.Infrastructure and LED		
	1. Cllr Mosiuwa David Mofokeng	Chairperson
	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	
3. Urban ,Planning and Rural		
	1. Cllr Mohau Thabiso Joseph Mosepedi	Chairperson
	2. Cllr Serame Nteo	
	3. Cllr Ephaus Sipho Nthoesane	
	4. Cllr Nomakhaza Suzan Moloi	
	5. Cllr Jan Abraham Meyer	
	6. Cllr Robert Sadat Ferendale	
	7. Cllr Andele Abram Jantjie	
4.Corporate Services		
	1.Cllr Kau Jacob Khumalo	Chairperson
	2. Cllr Ephaus Sipho 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	
5. Social and Community Development		

	1. Cllr Manthole Elsie Sefako	Chairperson
	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	
6.Special Programme and IDP		
	1.Cllr Dorris Masooane	Chairperson
	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	
7. Public Safety and Transport		
	1. Cllr Nomakhaza Suzan Moloi	Chairperson
	2. Cllr Aron Johann De Jager	
	3. Cllr Selma Kok	
	4. Cllr Mosiuwa 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 Moloi	
8. MPAC/Section 32		
	1. Cllr Matjhini Shadrack Toyi	Chairperson
	2. Cllr Leponesa Petrus Sotshiva	
	3. Cllr Jerry Mbuyiselo Tyumbu	
	4. Cllr Makoena Mirriam Rantsaile	
	5. Cllr Thabo Petrus Sothoane	
	6. Cllr Makabelo Princilla Moloi	
	7. Cllr Arnold Mattheus Schoonwinkel	
	8. Cllr Jan Abraham Meyer	

2.2 ADMINISTRATIVE GOVERNANCE


The IDP and PMS is another key Unit 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(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.

The Municipal Manager and her 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	
 ME. NT BALENI	MUNICIPAL MANAGER Functions <ul style="list-style-type: none">• Provide strategic Direction to all 4 Directors• IDP• SDBIP• Performance Management• Local Economic• Tourism• Sector Plans• Audit Management• Risk Management

	<p>CHIEF FINANCIAL OFFICER</p> <p>Functions</p> <ul style="list-style-type: none"> • Revenue management, • Expenditure management, • Asset management, • SCM management, • Budget and Reporting
 <p>ME. FM MOKGOBU</p>	<p>DIRECTOR: CORPORATE SERVICES</p> <p>Functions</p> <ul style="list-style-type: none"> • Human Resource Management • Legal Services • Admin and Records Management • Property Management • Information and Communication Technology • Customer relations • Training/Learning and Development • Building Maintenance. • Occupational Health and Safety. • Labour Relations. • Employment Equity
 <p>ME. PP NHLAPO</p>	<p>DIRECTOR: COMMUNITY SERVICES</p> <p>Functions</p> <ul style="list-style-type: none"> • Town Planning, Land Use Management • Disaster management & Firefighting Services • Sports, Arts and Culture • Human Settlements • LED. • Commonages. • Refuse Removal. • Land fill Sites. • Building Plans. • Parks & Recreation. • Mimosa. • Environmental Health.

 <p>MR. TR MALUNGA</p>	<p>DIRECTOR: TECHNICAL SERVICES</p> <p>Functions</p> <ul style="list-style-type: none"> • Roads and Storm Water Management • Water and Sanitation • Waste Management • Electricity Management • PMU
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The total number of positions on the staff establishment is for the reporting period positions the status is as follows:

Positions	Number
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 2021 until July 2022

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 functionality of the Municipality.
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 in the management of labour relations in the Municipality
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 2021/22

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

Governance Structure	Measure of Effectiveness and Efficiency
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

IGR ENGAGEMENTS FOR THE OFFICE OF MUNICIPAL MANAGER			
Meetings/Forum	Attended on behalf of Ngwathe Municipality	Hosted in / Where	Date
District-based roll out on Municipal Staff Regulations -	IDP/PMS MANAGER	VREDEFORT, NGWATHE LM	18-28 January 2022
THE IMPLEMENTATION OF THE MUNICIPAL STAFF REGULATIONS OF 2021	IDP/PMS MANAGER	FEZILE DABI DISTRICT MUNICIPALITY, SASOLBURG	10 May 2022
DISTRICT IDP MANAGERS FORUM	IDP/PMS MANAGER	FEZILE DABI DISTRICT MUNICIPALITY, SASOLBURG	10 June 2022
PMS PROVINCIAL MANAGER'S FORUM	IDP/PMS OFFICER	DIHLABENG, CLARENS	28-30 September 2022
Provincial IDP Managers Forum	IDP/PMS MANAGER	VIRTUAL MEETING	24 July 2021
PROVINICAL IDP SUPPORT MEETING	IDP/PMS MANAGER	provincial IDP support meeting that was held	on 26 August 2021
Provincial IDP Managers Forum	IDP/PMS MANAGER	VIRTUAL MEETING	09 of September 2021
Municipal IDP Engagement Session	IDP/PMS MANAGER	VIRTUAL	18 of November 2021
IDP PROVINCIAL MANAGER'S FORUM	IDP/PMS MANAGER	VIRTUAL MEETING	01 December 2021
PROVINICIAL PMS FORUM	IDP/PMS MANAGER	HARRY GWALA MULTI PURPOSE CENTRE, SASOLBURG	02 & 03 December 2021

COMPONENT C: Public Accountability and Community Participation

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 9. Lebajoa Hadifele 10. Nyaleng Nthakha	Yes	4	5	6
5. Ward 5	Cllr MD Rapuleng	1. Hlubi Mannuku 2. Melato Stompi 3. Mofokeng Thakane Selina 4. Sechemana Ntandana	Yes	4	6	7

		5. Chalale Sarah 6. Majoe Abram 7. Nthakga Phindile 8. Mnguni Jabulani 9. Maseko Samson 10. Sefatsa Jacob				
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. Hartslief Phillip 10. Kramer Pulane	Yes	6	8	8
8. Ward 8	Cllr KJ Khumalo	1. Leraisa Ditaba 2. Nthabiseng Ramatlolo 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 10. Thabang Gabriel Mosoeu	Yes	6	11	11
11. Ward 11	Cllr MTJ Mosepedi	1. Masike Mampone 2. Mthimkulu Zacharia 3. Rantsaile Leah 4. Kamete Aletta 5. Plaatjie Nokuthula 6. Chalale George	Yes	3	13	13

		7. Mofokeng Joseph 8. Msibi Ezekiel 9. Maembane Lindiwe 10. Kaliko Puseletso				
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 7. Nondala Mokhosi Elizabeth 8. Serifi Sello 9. Lebona Moipone 10. Majola Nondlela	Yes	4	5	5
17. Ward 17	Cllr D Masoane	1. Majoe Nthabiseng 2. Serohe Makhetsane 3. Moletsane Motjapai 4. Selepe Makhala 5. Marumo Stuurman 6. Mochela Keitledi	Yes	6	7	7

		7. 8. 9. 10.	Rantuba Neo Maetse Tumelo Tshele Nthole Mankayi Monono				
18. Ward 18	Cllr MS Toyi	1. 2. 3. 4. 5. 6. 7. 8. 9. 10.	Sejake Matshediso Mofokeng Molefi Mosito John Ramabitsa Mafatshe Radebe Puleng Mashiane Madibuseng Nthebe Seoe Montsho Mokwasi William Motaung Motswepe Kumalo Rebecca	Yes	6	6	6
19. Ward 19	Cllr S. Nthoesane	1. 2. 3. 4. 5. 6. 7. 8. 9. 10.	Oliphant Greyory Sizwe Noge John Moloto Gloria Seekane Martha Smith Mantshadi Hlungu Falthenjwa Sefatsa Tsheiso Mahlaku Victoria Mathikga Mmone Mokanyane Kgaothelo	Yes	0	7	7

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 2021/22, as advertised on the municipal website.

Table : Website Uploads for Community Review and Comments

WEBSITE UPLOADS FOR COMMUNITY REVIEW AND COMMENTS	
MUNICIPAL DIRECTIVE & ACTION	DATE
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	

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
		16	IPATLELENG P. SCHOOL	CLLR L. SOCHIVA	16H30
	KOPPIES	17	KWAKWATSI HALL	CLLR M. TAJE	16H30
		8	MONTOELI HALL	CLLR R. KGANTSE	16H30
	VREDEFORT	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
30 APRIL 2021 FRIDAY	PARYS	ALL WARDS REP FORUM FORUM BUILDING			10h00

COMPONENT D. Corporate Governance

2.5 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 2021/22 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

2.6 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.

Audit Committee has the authority to perform its oversight functions as legislated in section 166 of the Municipal Finance Management Act MFMA).

The 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

2.7 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, 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

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's Website	Yes/No	Publishing Date
Current annual and adjustment budgets and all budget related documents	YES	10/06/2022 08/03/200 23/08/2022
All current budget related policies		08/03/2022
The previous annual report	YES	23/08/2022
The annual report (2020/21) published / to be published	YES	August 2021
All current performance agreements required in terms of section 57 (1)(b) of the MSA and resulting scorecards	YES	03/08/2022
All service delivery agreements	N/A	Xxxxxxxxxx
All long-term borrowing contracts	YES	xxxxxxxxxxx
All supply chain management contracts above a prescribed value	YES	xxxxxxxxxxx
Information statement containing a list of assets over a prescribed value that have been disposed of ito section 14(2)	NO	xxxxxxxxxxx
Contracts agreed in 2017 to which subsection (1) of sectoion 33 apply, subject to subsection (3)	NO	Xxxxxxxxxxxx
Public private partnerships agreements referred to in section 120 made	NO	Xxxxxxxxxxxx
All quarterly reports tabled in the council in terms of section 52 (d) during 2020/21	YES	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"> Ngwathe Municipality Fraud Prevention Policy Ngwathe Municipality Risk Management Policy Attendance and Punctuality Policy Bursary Scheme for community members policy Communication and strategy policy Incapacity policy Internal Bursary Policy Leave policy Occupational Health and Safety Policy Recruitment and placement policy Training and Development policy Subsistence and travelling policy HR Policy and procedure manual 	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"> Standard Commonage Standard Delegation of powers Encroachment policy Fire and Emergency services Ward committee Waste Management Water Restriction By-law on Promulgation of Water Services intermediary and provision of water and sanitation services to residents on privately owned land 	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
Total:	743	749	692

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
Total: 2020/21	747	38	145	28	71	465
Total: 2021/22		564	106	24	40	283

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	-	-	-	-
Total:2020/21	28	25	27	25	18
Total:2021/22	55	47	153	17	102

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
TOTAL PERMANENT	440	10	0	14	259	4	0	6	1	0	728
Temporary employees							0	0	0	0	
GRAND TOTAL	439	7	0	12	260	5	0	5	0	0	728

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
Total Cases	6	1	0

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
Total 2021/22	6	0	0

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			
Total:2021/22	3	9	3	7		1	
Total:2020/21	3	31					
Total:2019/20	80	50	4		26	13	

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 .

Financial Competency Development: Progress Report				
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)
Financial Officials				
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
Supply Chain Management Officials				
Head of Supply Chain Management Unit				1
Supply Chain Management Senior Managers	-	-	-	-
TOTAL	58	Competent	-	-

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	
Total	10	9	7

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
2021/22	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 Mkwalo areas uses Vaal river as its water source
- Koppies area uses Koppies dam as its water source
- Heilbron is supplied by Rand water 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.
<u>Water: (above min level)</u>			
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%
<u>Water: (below min level)</u>			
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>			
Total number of households*			
* - 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.
Formal Settlements						
Total households						
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level						
Informal Settlements						
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				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
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
Kwkwatsi 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 Kwkwatsi	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
Vredefort: 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, Vredefort, 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	*Households			
	Year -3	Year -2	Year -1	Year 0
	Outcome No.	Outcome No.	Outcome No.	Actual No.
<u>Sanitation/sewerage: (above minimum level)</u>				
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)	3362			
Bucket system collected within the municipal area	1342	1342	1342	

Unventilated pit latrine system by households (long drop)				
<i>Minimum Service Level and Above sub-total</i>				
<i>Minimum Service Level and Above</i>				
<i>Percentage</i>	%	%	%	%
<u>Sanitation/sewerage: (below minimum level)</u>				
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%
Total households	40955	40955	40955	
*Total number of households including informal settlements				T 3.2.3

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.
Formal Settlements						
Total households						
Households below minimum service level						
Proportion of households below minimum service level	3%	3%	3%	%	%	%
Informal Settlements						
Total households						
Households ts below minimum service level						
Proportion of households ts below minimum service level	0,01%	0,01%	0,01%	%	%	%
						T 3.2.4

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
Total project value represents the estimated cost of the project on approval by council (Including past and future expenditure as appropriate).					
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				
Description	2019/20	2020/21	2021/22	Households
	Actual No.	Actual No.	Actual No.	Actual No.
<u>Energy: (above minimum level)</u>				
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%
<u>Energy: (below minimum level)</u>				
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%
Total number of households				
T 3.3.3				

Capital Expenditure Year 2021/22: Electricity Services					
Capital Projects	Year 2021/22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Koppies Bulk Supply phase 3	R1,000,000.00	0	R1,700,000.00	83%	R110,000,000.00
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
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				
Description	2019/2020	2020/2021	2021/22	Households
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<u>Solid Waste Removal: (Minimum level)</u>				
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%
<u>Solid Waste Removal: (Below minimum level)</u>				
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%
Total number of households		37102	37102	37102

T 3.4.2

Households - Solid Waste Service Delivery Levels below the minimum						
Description	2019/2020	2020/2021	2021/2022	2021/22		
	Actual	Actual	Actual	Original	Adjusted	Actual
	No.	No.	No.	Budget	Budget	No.
Formal Settlements						
Total households		37102	37102			371027
Households below minimum service level						
Proportion of households below minimum service level	0%	0%	0%	%	%	0%
Informal Settlements						
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					
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		
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.4.9					

COMMENT ON WASTE MANAGEMENT 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	43314+	40910	%
2020/21	43314+	40910	%
2019/20	43314+	40910	%
T 3.5.2			

SERVICE STATISTICS FOR PLANNING DEVELOPMENT PLANNING AND BUILDING CONTROL

DETAILS	2020/2021	2021/22
Building plans approved	57	96
Number of applications received for: - Township establishment	0	3
Rezoning	2	2
Special consent and other	35	20
Telecommunication	7	7
Wayleave applications approved	3	1
Total		

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	2	3	2	0	0
Determination made in year of receipt	0	0	0	0	0	0
Determination made in following year	0	0	0	0	0	0
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	2	1	0	0	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				
	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					
	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					
	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				%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
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				

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

3.8 .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		1081		
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 CEMETERIES AND CREMATORIALS

INTRODUCTION TO CEMETERIES & CREMATORIALS

Ngwathe performs the establishment, conduct and control of facilities for disposing of human and animal remains; this includes cemeteries, funeral parlours 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.

CEMETERIES

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 CEMETERIES & CREMATORIALS 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 stabilizationFire 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	2021/22	
		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
TOTAL				7	2 658	377

Total Number of Museums : 1 Museum (Parys)

Total Number of Chalets: Mimosa Gardens 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**

1. INTRODUCTION

Municipal organizational performance monitoring, evaluation and reporting forms part of governance, a good practice and also a statutory requirement in the South African government. The purpose of this Annual Performance Report is to record, disclose and account on the results of the assessment of actual service delivery achievements as measured against predetermined objectives for the 2021/2022 reporting period.

The Performance Management Framework at Ngwathe Local Municipality integrates organizational strategic management, service delivery, performance measurement and evaluation, and the associated reporting. The performance management function allows the municipality to track service delivery progress towards achieving the municipal objectives set in the Integrated Development Plan (the “IDP”) with its linked Medium Term Revenue and Expenditure Framework (“MTREF”).

The municipality’s 2021/2022 Annual Performance Report focuses on service delivery performance information relating to the key deliverables recorded in the 2021/2022 Integrated Development and Planning implemented through the 2021/2022 Service Delivery and Budget Implementation Plan (the “SDBIP”).

2. LEGISLATIVE BACKGROUND

Section 121 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (the “MFMA”) mandates the municipality to prepare an Annual Report indicative of records of activities of the municipality during the 2021/22 reporting period. The report must also give an account on performance against the budget of the municipality, and promote accountability to the local community for the decisions made by the municipality.

According to the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), *Section 46(1)* of as well as MFMA *Circular 11* on reporting annual performance of the municipality, the compilation of the annual performance report must include an assessment of external providers, a comparison of the performance with targets set for and performance in the previous financial year and measures taken to improve unacceptable performance.

3. PERFORMANCE MEASUREMENT AT NGWATHE LOCAL MUNICIPALITY

Performance measurement of the municipality deals with collection, analyzing and/or reporting information regarding the performance of an individual, group, organization. During the reporting the municipality used the manual system to monitor its performance and manage its performance information. This manual system was guided by the Performance Management Framework, Policy and Procedure Manual.

The basic functioning of the performance monitoring system is to compare actual performance achievements with quarterly performance projections; to determine the deviations of the actuals against the projections; to express those deviations. The system also provides management information in the form of graphical representations when the actual achievements are compared against the quarterly projections.

4. 2021/2022 ANNUAL ORGANIZATIONAL PERFORMANCE

The 2021/2022 Service Delivery and Budget Implementation Plan on which this Performance Report is based, comprises 150 key performance indicators with its concomitant performance targets. As an organization, Ngwathe Local Municipality in the 2021/2022 reporting period achieved 101 of the performance indicators set and 51 were not achieved. This accounts for 67% target achievement, translating to a negative variance of 33%. The table below reflect the actual performance per key performance area

The basic functioning of the performance monitoring system is to compare actual performance achievements with quarterly performance projections; to determine the deviations of the actuals against the projections; to express those deviations. The system also provides management information in the form of graphical representations when the actual achievements are compared against the quarterly projections.

2021/2022 ANNUAL ORGANIZATIONAL PERFORMANCE

The 2021/2022 Service Delivery and Budget Implementation Plan on which this Performance Report is based, comprises 169 key performance indicators with its concomitant performance targets. As an organization, Ngwathe Local Municipality in the 2021/2022 reporting period achieved 101 of the performance indicators set and 51 were not achieved. This accounts for 60% target achievement, translating to a negative variance of 40%. The table below reflect the actual performance per key performance area

PERFORMANCE PERSPECTIVE	ANNUAL TARGET	YEAR TO DATE ACTUAL PERFORMANCE	YEAR TO DATE NOT ACTUAL ACHIEVED PERFORMANCE	% TARGET
Basic Service Delivery and Infrastructure Development.	95	62	23	72%
Local Economic Development.	4	01	03	25%
Financial Viability and Management.	14	14	0	100%
Good Governance and Public Participation.	30	12	18	40%
Municipal Transformation and organizational development.	17	10	7	59%

5. COMPARATIVE ANALYSIS OF ORGANIZATIONAL PERFORMANCE INDICATORS 2019/2020 WITH 2020/2021 AND 2021/2022

The following table compares the Organizational Performance of 2019/2020 with
2020/2021 and 2021/2021
Institutional Performance Comparison

KPA No	KPA	2019/2020			2020/2021			2021/2022			
		Total KPI's Assess ed	Targets Achieved	%Target Achieved	Total KPI's Assess ed	Target s Achieved	%Target Achieved	Target KPI's Assess ed	Target s Achieved	Target s Not Achieved	%Target Achieved
1	Basic Service Delivery and Infrastructure Development	11	8	72%	34	22	65%	95	62	23	65%
2	Local Economic Development	4	2	50%	7	3	42%	4	01	03	25%
3	Municipal Transformation and Institutional Development	5	2	40%	21	16	76%	17	10	7	59%
4	Municipal Financial Viability and Management	18	16	89%	16	14	87%	14	14	0	100%
5	Good Governance and Public Participation	19	17	89%	31	25	80%	30	12	18	40%
	TOTAL	57	45	79%	109	80	73%	150	97	51	65%

6. Individual Departmental performance 2021/22

	Department	Annual Performance 2021/2022			
		Total KPI assessed	Targets Achieved	Targets not achieved	% Target Achieved
1	Budget & Treasury Services	14	14	0	100%
2	Mayor's Office	9	5	04	55%
3	Technical Services	85	62	23	73%
4	Office of the Municipal Manager	27	12	15	44%
5	Corporate Services	12	5	7	41%
6	Community Services	16	6	10	37%
7	Speakers Office	6	0		0%

Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline (2020/21)	Annual Targets	Performance Remarks	Actual Performance	Challenges	Measures taken to Improve/ Propose intervention	Project Name	Location	Funding Source	Adjustment Budget 2020/21	Portfolio Of Evidence	Dept.	Id No.
MUNICIPAL TRANSFORMATION AND ORGANISATION DEVELOPMENT INSTITUTIONAL DEVELOPMENT & BUILDING CAPACITY															
Social cohesion	Municipal Transformation	Celebrate national and local days of importance / commemoration; Human Right's Day, Worker's / May Day, Youth Day, Flower Festival, Mandela Day	8	Number of national and local days of commemoration celebrated	Achieved	Women's, youth days celebrated	none	None	Celebration of important days	All ward	Internal funding	Operational budget	Programs/ Invitations & Attendance Registers	Mayor	1
Social cohesion	Municipal Transformation and Organization Development	Initiate Women and Children's Rights programs	2	Number of Women and Children Rights programs launched	Achieved	Programme to empower women launched	none	None	Women and children empowerment programme	All wards	Internal funding	Operational budget	Programs/ Invitations & Attendance Registers	Mayor	5
Social cohesion	Municipal Transformation and Organization Development	Initiate Disabled Indaba	1	Number of Disabled Indabas launched	Not achieved	Target not implemented	None	None	Disability empowerment	All wards	Internal funding	Operational budget	MAYCO Minutes	Mayor	7
Social cohesion	Municipal Transformation & Institutional Development	Strategic Annual Stakeholder Consultation	40	No of Wards and Stakeholder engagements held annually (18 Wards & 4 Stakeholder meetings)	Achieved	Building partnership with relevant stakeholders	none	none	Partnership enhancement	All wards	Internal Funding	Operational Budget	Attendance Registers	MM	31
Human Resource development	Municipal Transformation and Organizational Development	Spent Training budget to develop skills of staff	90%	85% of training budget spent by 30 June 2022	Not achieved	Target was not implemented	None	None	Staff development	Institutional	Internal funding	Operational Budget	Report on development & training of staff	Corporate	47
Compliance	Institutional Development & Building Capacity	Submit the Mid-Year S72 report to the Mayor	1	Number of Mid-year reports submitted to the Mayor by 25 January 2022	Achieved	Target was implemented	None	none	Observe legislative directive	Internally	Internal funding	Operational Budget	Proof of Submission to the Executive Mayor	MM	31

Compliance	Institutional Development & Building Capacity	Performance Management Assessment held	2	Number of performance assessment held by 30 June	Not achieved	The target implementation time frame did not materialise	None	The assessment will be commenced forthwith in the 2022/23	Institutional enhancement	Internal	Internal Funding	Operational Budget	Performance Assessment Report	MM	33
Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline (2020/21)	Annual Targets	Performance Remarks	Actual Performance	Challenges	Measures taken to Improve/ Propose intervention	Project Name	Location	Funding Source	Adjustment Budget 2020/21	Portfolio Of Evidence	Dept.	Id No.
Compliance	Institutional Development & Building Capacity	Review policies and by-laws	100%	100% of policies and by-laws reviewed by 30 June 2022	Not achieved	The target was 100% but only 65% was achieved	None	None	Policy development	Internal	Internal Funding	Operational Budget	Report on policies reviewed	Corporate	44
Compliance	Institutional Development & Building Capacity	Number of people from EE target groups employed in three highest levels of management in compliance with municipality's approved EE Plan	1	Report on number of people from employment equity groups employed in three highest levels of management submitted to Municipal Manager 30 June 2022	Not achieved	The target has not been realized	None	None	Compliance with legislation	Internal	Internal Funding	Operational Budget	Report to Council on EE Plan	Corporate	46
Compliance	Institutional Development & Building Capacity	Draft and submit to Council a Scarce Skills Policy	1	Scarce Skills policy submitted to council for approval by 30 June 2022	Not achieved	Target not met due to the intention to review the organizational structure	None	None	Compliance with council resolution	Internal	Internal funding	Operational Budget	Report of Submission to Council	Corporate	48

Compliance	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%	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	Achieved	Target implemented	None	None	Compliance with legislation	Internal	Internal funding	Operational Budget	Report on development & training of staff	Corporate	49
Monitoring and evaluation	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	1	A policy and a system developed of Time and Attendance	Achieved	Target implemented, draft policy in place	None	None	Monitoring	Internal	Internal funding	Operational Budget	Report on time and Attendance policy and system	Corporate	50
Compliance	Institutional Development & Building Capacity	Directorates to Report monthly for a compilation of Council Report on the filling of Organization-wide vacancies	12	Monthly report of Organization-wide vacancies status	Not achieved	Target was 12 and only 10 was achieved	none	None	Observing council resolution	Internal	Internal funding	Operational Budget	Council Report on the status of vacancies in the institution	Corporate	51
Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline (2020/21)	Annual Targets	Performance Remarks	Actual Performance	Challenges	Measures taken to Improve/ Propose intervention	Project Name	Location	Funding Source	Adjustment Budget 2020/21	Portfolio Of Evidence	Dept.	Id No.

Compliance	Institutional Development & Building Capacity	Develop and submit department Standard Operating Procedures to Management for approval by 30 November 2021	1	Develop and submit department Standard Operating Procedures to Municipal Manager for approval by 30 December 2021	Not achieved	Target was 5 and only 4 was achieved	None	None	Operating standards	Internal	Internal funding	Operational Budget	Minutes of Management meetings	Corporate	52
Compliance	Institutional Development & Building Capacity	Develop by all Directorates and present Standard Operating Procedure Register to the MM approval 30 April 2022	5	Organizational Register of Standard Operating Procedures	Achieved	Target was achieved.	None	None	Operating procedure	Internal	Internal funding	Operational Budget	Council Minutes on the register developed	Corporate	53
Compliance	Institutional Development & Building Capacity	Develop and submit department Standard Operating Procedures to Management & Portfolio Committee for approval by 30 September 2021	1	Develop and submit department Standard Operating Procedures to Management & Portfolio Committee for approval by 30 September 2021	Achieved	Target was achieved	None	None	Operating procedure	Internal	Internal funding	Operational Budget	Agenda and/or Minutes of Management & Portfolio Committee meetings	Finance	66
Planning	Institutional Development & Building Capacity	Review the Spatial Development Framework and submit to council by 31 March 2022	1	Reviewed Spatial Development Framework submitted to Council by 31 March 2022	Not achieved	Target is not implemented	None	None	Sector planning	All wards	Outside funding		Council Minutes	Community	68
Planning	Institutional Development & Building Capacity	Develop and submit Integrated Human Settlement Plan to Council for approval by 30 June 2022	1	Developed and submitted Integrated Human Settlement Plan to Council for approval 30 June 2022	Not achieved	Target not achieved due to funding	None	None	Sector planning	All wards	Outside funding		Council Minutes	Community	69

Compliance	Institutional Development & Building Capacity	Develop and submit department Standard Operating Procedures to the Accounting Officer approval by 30 September 2021	5	Develop and submit department Standard Operating Procedures to Accounting Officer approval by 30 September 2022	Not achieved	Target was not implemented	None	None	Operating Procedure	Internal	Internal funding	Operational Budget	Agenda and/or Minutes of Management & Portfolio Committee meetings	Community	82
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Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline (2020/21)	Annual Targets	Performance Remarks	Actual Performance	Challenges	Measures taken to Improve/ Propose intervention	Project Name	Location	Funding Source	Adjustment Budget 2020/21	Portfolio Of Evidence	Dept.	Id No.
RADICAL SOCIAL AND ECONOMIC DEVELOPMENT															
LOCAL ECONOMIC DEVELOPMENT															
Social cohesion	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	4	Number of awareness programs launched	Achieved	Target was achieved	None	None	Community development	All wards	Internal funding	Operational Budget	Programs/ Invitations & Attendance Registers	Mayor	1
Poverty alleviation	Radical Social and Economic Development	Initiate quarterly social support programs to poverty stricken	4	Number of social support programs launched to	Achieved	Target was implemented	None	None	Poverty alleviation	All wards	Internal funding	Operational budget	Programs/ Invitations & Attendance Registers	Mayor	4

		communities; Bursary support, food parcels and rural sports programs		address poverty in identified communities											
Youth developmen t	Radical Social and Economic Development	Initiate Youth development and Empowerment programs in Ngwathe	4	Number of Youth Empowerment programs launched	Achieved	Target was implemented	None	None	Youth empowerme nt	All wards	Internal funding	Operational budget	Programs/ Invitations & Attendance Registers	Mayor	6
Economic developmen t	Local Economic Development	Review the LED Strategy and submit to Council by 31 March 2022	1	Review LED Strategy submitted to Council for approval by 31 March 2022	Not achieved	The review is handled by the provincial government on behalf of the municipality	None	None	Economic developmen t				Council Minutes	Community	70
Economic developmen t	Local Economic Development	4 Tourism awareness campaigns conducted by 30 June 2022	4	Number of tourism awareness campaigns conducted	Achieved	The target was implemented	None	None	Economic developmen t	All wards	Internal funding	Operational budget	Time and Attendance reports submitted	Community	71
Sports developmen t	Local Economic Development	Coordinate 4 sports activities in collaboration with the relevant stakeholders – provincial/National Departments of Sports, Arts, Culture and Recreation by 30 June 2022	4	Coordinate 4 sports activities in collaboration with the relevant sector departments and stakeholders	Not achieved	The target was 4 and only 3 was achieved	None	None	Sports developmen mt	All wards	Internal funding	Operational Budget	Report with pictures	Community	78
Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline (2020/21)	Annual Targets	Performance Remarks	Actual Performance	Challenges	Measures taken to Improve/ Propose intervention	Project Name	Location	Funding Source	Adjustment Budget 2020/21	Portfolio Of Evidence	Dept.	Id No.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION															
Community consultation	Good governance and Public Participation	Compile and submit Communication Strategy to MAYCO for approval by end September 2021	1	Communication Strategy submitted to MAYCO for approval by end September 2021	Not achieved	Target was not implemented	None	None	communication	All Wards	Internal funding	Operational Budget	Council Minutes	Mayors	8

Communication	Good governance and Public Participation	External and Internal Newsletters compiled and issued	24	Number of external and internal newsletters issued (12 external and 12 internal) by 30 June 2022	Not achieved	The target was 24 and only 23 was achieved	None	None	Communication	All Wards	Internal funding	Operational Budget	Copies of Newsletters issued	Mayors	9
Community participation	Good governance and Public Participation	Facilitate regular meetings for All stakeholders i.e. Civics, NGOs, CBOs	216	Number of stakeholder meetings held for all wards	Not achieved	The target was 216 and only 28 was achieved	None	none	Community consultation	All Wards	Internal	Operational Budget	Programs/Invitations & Attendance Registers	Speaker	10
Community planning	Good governance & Public Participation	Facilitate workshop to assist with development of ward plans for all Ward Committees	2	Number of workshops held	Not achieved	The target was 2 and was not implemented	none	none	Ward development	All Wards	Internal	Operational Budget	Programs/Invitations & Attendance Registers	Speaker	11
Community planning	Good governance & Public Participation	Launch and sign-off all Ward Based Plans	2	Number of ward based plans signed-off	Not achieved	The target of two could not be implemented	None	None	Ward development	All Wards	Internal	Operational Budget	Program readily available	Speaker	12
Community consultation	Good governance & Public Participation	Schedule and facilitate monthly Ward meetings in all Wards	216	Number of ward meetings held	Not achieved	216 meetings were planned but only 123 were achieved	None	None	Ward consultations	All Wards	Internal	Operational Budget	Programs/Invitations & Attendance Registers	Speaker	13
Community development	Good governance & Public Participation	Facilitate the Best Ward Committee Awards ceremony	1	Number of Best Ward Committee Awards ceremony	Not achieved	The target was not achieved as the ward committee were recently launched	New ward committees which still has to perform	None	Development	All Wards	Internal funding	Operational budget	Programs/Invitations & Photos report	Speaker	14
Community development	Good governance & Public Participation	Develop and Launch a Citizen Charter after consultation with all Sectors of Community	1	Number of Citizen's Charter developed and Launched	Not achieved	The target was not implemented	None	None	Development	All Wards	Internal funding	Operational budget	Programs/Invitations & Copy of Citizen Charter	Speaker	15
Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline (2020/21)	Annual Targets	Performance Remarks	Actual Performance	Challenges	Measures taken to Improve/ Propose intervention	Project Name	Location	Funding Source	Adjustment Budget 2020/21	Portfolio Of Evidence	Dept.	Id No.

Compliance	Good Governance	Audit Committee Meetings	3	No. of Audit Committee Meetings	Not achieved	The target has not been implemented as the Audit committee was not appointed	The slow process of appointing the Audit committee	None	Compliance	Internal	Internal funding	Operational Budget	Minutes of Audit Committee Meetings	MM	16
Compliance	Good Governance	Review and Approval of Internal Audit Strategic Documents by the Audit Committee; November 2021/22	100%	# of Risk based audit plan approved by Sept 2021	Not achieved	The target was 100% but only 50% was achieved	None	None	Compliance	Internal	Internal funding	Operational Budget	Audit Committee Agenda and/or Minutes	MM	17
Compliance	Good Governance	Audit Committee Reporting to Council	100%	% of Audit Committee reporting to Council & Council taking into account its report	Not achieved	The audit committee has not been appointed	Slow process of appointing the Audit committee	None	Compliance	Internal	Internal funding	Operational budget	Council Minutes	MM	18
Compliance	Good Governance	Submit an Audit Action Plan to the Municipal Manager to address issues raised by the Auditor General by 31 January annually	1	Audit action plan submitted	Not achieved	The target was not implemented	None	None	Compliance	Internal	Internal funding	Operational Budget	Audit Action Plan	MM	19
Oversight	Good Governance	Monitor the implementation of all Council and MAYCO resolutions	100%	Number of Council and MAYCO resolutions reported	Achieved	The target was implemented	None	None	Oversight	Internal	Internal funding	Operational budget	Register of Council Resolutions	MM	20
Risk and compliance	Good Governance	Review and Submit Risk Management Charter.	1	1 X Risk Management Charter	Achieved	Target achieved	None	None	Risk	Internal	Internal funding	Operational Budget	Approved Risk Management Charter.	MM	21
Risk and compliance	Good Governance	Develop Risk Management Implementation Plan	1	1X Risk Management Implementation Plan by 31 August 2021	Achieved	Target was implemented	None	None	Risk	Internal	Internal funding	Operational budget	Approved Implementation Plan Minutes of the meeting.	MM	22

Compliance	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	2	# of Section 46 Report and Oversight Report submitted to Council	Achieved	Target was implemented in full	None	None	Compliance	Internal	Internal funding	Operational budget	Council Agenda and/or Minutes of Meeting	MM	23
Risk and compliance	Good Governance	Develop and submit Risk and Compliance Meeting Schedule	1	1X Meeting Schedule	Achieved	Target was implemented	None	None	Risk	Internal	Internal funding	Operational budget	Approved Meeting Schedule	MM	24
Risk and compliance	Good Governance	Coordinate Risk and Compliance Meeting	4	4 X Risk and Compliance Management Committee Meetings by June 2022	Not achieved	Target was not achieved and implemented	None	None	Risk	Internal	Internal funding	Operational budget	Invitations; Minutes of the Meeting and Attendance Registers Quarterly Reports	MM	25
Risk Compliance	Good Governance	Review Risk Management Strategy; Risk Management Policy and Fraud Prevention Policy	3	3 X Reviewed Risk Management Strategic Documents by September 2021	Achieved	The target was fully implemented	None	None	Risk	Internal	Internal funding	Operational budget	Minutes of the Meeting	MM	26
Risk and compliance	Good Governance	Conduct Awareness workshop on Risk Management, Fraud ,theft and corruption cases	2	Bi- Annual Awareness Workshops for employees (all towns) by June 2022	Not achieved	No workshops conducted	None	None	Risk awareness	Internal	Internal funding	Operational budget	Invitations, Attendance Registers; Presentation Slides and Report	MM	27
Risk and compliance	Good Governance	Conduct Risk Assessment	1	1X Risk Assessment	Not achieved	No assessment was conducted	None	None	Risk	Internal	Internal funding	Operational budget	Invitations, Attendance Registers; Presentation Slides and Risk Assessment Report	MM	28
Risk and compliance	Good Governance	Develop and submit Risk	1	1 X Consolidated Risk Register	Not achieved	No register approved	None	None	Risk	Internal	Internal funding	Operational budget	Minutes of the	MM	29

		Register											meeting; Attendance Registers		
Compliance	Good Governance	To develop and monitor compliance check lists	10	1 X Approved Compliance Checklist	Not achieved	10 targets were set and only 4 were achieved	None	None	Compliance	Internal	Internal funding	Operational budget	Compliance Status Report; Attendance Registers.	MM	30
Compliance	Good Governance	Submit the IDP/ Budget Schedule to Council by 31 August 2022	1	IDP/Budget Schedule submitted to Council for approval by 31 August 2021	Achieved	IDP and Budget submitted to council	None	None	IDP	All wards	Internal funding	Operational budget	Council Agenda and/or Minutes of Meeting	MM	34
Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline (2020/21)	Annual Targets	Performance Remarks	Actual Performance	Challenges	Measures taken to Improve/ Propose intervention	Project Name	Location	Funding Source	Adjustment Budget 2020/21	Portfolio Of Evidence	Dept.	Id No.
Compliance	Good Governance	Develop and Submit the Draft and Final IDP to Council for approval by 31 March 2022 and 31 May 2022 respectively	2	Council approved Draft and Final IDP by end March and end May 2022	Achieved	IDP approved by council	None	None	IDP	All wards	Internal funding	Operational Budget	Council Agenda and/or Minutes of Meeting	MM	35
Compliance	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	1	Top Layer SDBIP approved within 28 days after the Main Budget has been approved	Achieved	SDBIP Approved by council	None	None	Implementation plan	All wards	Internal funding	Operational budget	Approved SDBIP	MM	38
Performance	Good Governance	Implementation of the Performance Management Framework by timeous	5	Number of signed performance agreements of Section 57 managers within 14 days of	Not achieved	5 targets were set and only 2 were achieved as a result on non-submission by	None	None	Compliance	All Wards	Internal funding	Operational budget	Signed Performance Agreements	MM	39

		development and signing of Section 56 and 57 performance agreements in terms of the Local Government: Municipal Systems Act, No 32 of 2000		approval of the SDBIP		three directors									
Compliance	Good Governance	Develop and Submit Quarterly Section 52(d) Report to Council for approval	4	Section 52(d) report submitted to Council	Achieved	Target was achieved as report was submitted to council	None	None	Compliance	All Wards	Internal funding	Operational budget	Council Agenda and/or Minutes of Meeting	MM	40
Compliance	Good Governance	Council effective functioning measured by the annual number of ordinary scheduled council meetings held.	4	Number of ordinary scheduled council meetings held per annum	Achieved	All council meeting were held	None	None	Compliance	Internal	Internal funding	Operational budget	Council Agenda and/or Minutes of Council	Corporate	42
Intergovernmental relations	Good Governance	Participation in formal District and Provincial meetings	100%	100% of attendance of formal District and Provincial meetings by 30 June 2022	Achieved	100% attendance was recorded	None	None	relations	Internal matter	Internal funding	Operational budget	Attendance registers	Corporate	45
Audit opinion	Good Governance	Achieve Improved Audit Opinion for 2021/22 FY	1	Improved Audit Opinion achieved for 2021/2022 Financial Year	Achieved	Improved opinion was achieved	None	None	Good Branding	Internal	Internal funding	Operational budget	Audit Outcome Letter	finance	67

Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline (2020/21)	Annual Targets	Performance Remarks	Actual Performance	Challenges	Measures taken to Improve/ Propose intervention	Project Name	Location	Funding Source	Adjustment Budget 2020/21	Portfolio Of Evidence	Dept.	Id No.
SOUND FINANCIAL MANAGEMENT															
Revenue and expenditure	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	Achieved	Plan was approved by council	None	None	Planning	Internal	Internal funding	Operational budget	Council Agenda and/or Minutes of Meeting	finance	54
Revenue and expenditure	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	Achieved	MTREF approved by council	None	None	Expenditure framework	Internal	Internal funding	Operational budget	Council Agenda and/or Minutes of Meeting	finance	55
Revenue and expenditure	SOUND FINANCIAL MANAGEMENT	Submit Adjustment Budget to Council for approval by 28 February		Adjustme nt Budget submitted to Council by 28 February 2022	Achieved	Budget was adjusted and submitted to council	None	None	Revenue and expenditure	Internal	Internal funding	Operational budget	Council Agenda and/or Minutes of Meeting	finance	56
Revenue and expenditure	SOUND FINANCIAL MANAGEMENT	Compile Capital Project Implementation Plan and submit to MM for approval by 30 June		Capital Project Impleme ntation Plan develope d and submitted to MM by end June 2022	Achieved	Plan was approved by council	None	None	Planning and costing	Internal	Internal funding	Operational budget	Proof of Submissio n to MM (Acceptanc e letter / signature)	finance	57

Revenue and expenditure	SOUND FINANCIAL MANAGEMENT	GRAP Compliant Fixed Asset Register as at 30 June		Compilation of GRAP compliant Fixed Asset Register as at 30 June 2022	Achieved	Register was compiled	None	None	Compliance	Internal	Internal funding	Operational budget	GRAP Compliant Fixed Asset Register	finance	58
Revenue and expenditure	SOUND FINANCIAL MANAGEMENT	Collect all Billed Revenue to ensure sufficient cash is generated to meet Ngwathe Debt and Operating commitments as per Section 71 report to Municipal Manager		Increase collection rate on municipal service charges up to 70% against the billing	Achieved	Report was submitted to council	None	None	Cashflow management	All wards	Internal funding	Operational budget	Section 71 Report	finance	59
Revenue and expenditure	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	Achieved	Deviations reported	None	None	Compliance	Internal	Internal funding	Operational budget	Annual Financial Statements	finance	60
Revenue and expenditure	SOUND FINANCIAL MANAGEMENT	Annual Financial Statements submitted by 31 August 2021		AFS submitted by 31 August 2021	Achieved	AFS submitted	None	None	Compliance	Internal	Internal funding	Operational budget	Acknowledgement of receipt of AFS by AG	finance	61
Revenue and expenditure	SOUND FINANCIAL MANAGEMENT	Update Indigent Register		100% of all qualifying indigent applications processed by 30 June 2022	Achieved	Register was updated	None	None	Compliance	All wards	Internal funding	Operational budget	Annual Financial Statements	finance	62

Revenue and expenditure	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	Achieved	Reports submitted	None	None	Compliance	All wards	Internal funding	Operational budget	Council Agenda and/or Minutes of Meeting	finance	63
Revenue and expenditure	SOUND FINANCIAL MANAGEMENT	Number of formal residential properties that receive piped water, electricity (excluding Eskom areas), waste water sanitation/sewerage, (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		Number of formal residential properties which are billed for water or have pre-paid meters as at 30 June 2022	Achieved	Report on billing submitted to council;	None	None	Credit control	All wards	Internal funding	Operational budget	Billing Report	finance	64

Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline (2020/21)	Annual Targets	Performance Remarks	Actual Performance	Challenges	Measures taken to Improve/ Propose intervention	Project Name	Location	Funding Source	Adjustment Budget 2020/21	Portfolio Of Evidence	Dept.	Id No.
BASIC SERVICES AND INFRASTRUCTURE															
Service delivery	Basic Services	Conduct scheduled refuse removal services to all formal and informal housing areas throughout Ngwathe at least	37102	Number of formal and informal Househol ds whose refuse was removed at	Achieved	The report on collection was submitted to council	None	None	Environment	All Wards	Internal funding	Operational Budget	Work Schedules of Weekly collection checklist signed-off	Communi ty Service	72
Service delivery	Basic Services	Illegal dumping sites removed		Number of Quarterly reports submitted	Achieved	The report on illegal dumping	None	None	Environment	All Wards	Internal funding	Operational Budget	Reports with photos	Communi ty Service	73 Numbe r of Comm unity Safety meetin gs held
Service delivery	Basic Services	Parks maintained		Number of Quarterly reports submitted	Achieved	Report submitted	None	None	Environment	All Wards	Internal funding	Operational Budget	Reports	Communi ty Service	74
Service delivery	Basic Services	Development of the Landfill sites maintenance plan		Number of quarterly reports submitted	Not achieved	Target was nit implemented	None	None	Environment	All Wards	Internal funding	Operational Budget	Maintenan ce plan signed off	Communi ty Service	75
Service delivery	Basic Services	Review the Disaster Management Plan by 30 June 2022		Develop ment of the Landfill site maintena nce plan	Not achieved	Target not implemented	None	None	Safety	All Wards	Internal funding	Operational Budget	Council Minutes	Communi ty Service	76

Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline (2020/21)	Annual Targets	Performance Remarks	Actual Performance	Challenges	Measures taken to Improve/ Propose intervention	Project Name	Location	Funding Source	Adjustment Budget 2020/21	Portfolio Of Evidence	Dept.	Id No.
Service delivery	Basic Services	4 Municipal Planning Tribunal (MPT) meetings/sitting by 30 June 2022		The number of MPTs meeting/s ittings held	Not achieved	Tribunal has not been established	None	None	Compliance	All Wards	Internal funding	Operational Budget	Minutes	Communi ty Service	80
Service delivery	Basic Services	Development of approved Building plan register		Quarterly reports on number of building plans approved	Achieved	Target was executed successfully	None	None	Compliance	All Wards	Internal funding	Operational Budget	Quarterly reports on building plan register	Communi ty Service	81
Service delivery	Basic Services	Community Safety meeting/sitting		Number of Communi ty Safety meetings held	Not achieved	4 targets set but only two implemented	None	None	Safety	All Wards	Internal funding	Operational Budget	Attendance register and Agenda	Communi ty Service	83
Service delivery	Basic Services and Infrastructure	Limit Electricity losses to less than 50% annually (preceding 11months+reportin g month's units purchased)		% Average electricity losses by 30 June 20	Achieved	Less than 50 % electricity losses achieved by 30 June	None	None		All Wards			Report	Technica l services	84
Service delivery	Basic Services and Infrastructure	Retro fitting of 280w Led high mast light fittings.		100% of approved Capital Budget spent by 30 June 2022	Achieved	100% approved budget spent	None	None		All Wards			Close out report and crushing certificate	Technica l services	85
Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline (2020/21)	Annual Targets	Performance Remarks	Actual Performance	Challenges	Measures taken to Improve/ Propose intervention	Project Name	Location	Funding Source	Adjustment Budget 2020/21	Portfolio Of Evidence	Dept.	Id No.

Service delivery	Basic Services and Infrastructure	Replacement of 4 mini sub-stations.		5% of approved capital budget spent by 30 June 2022	Achieved	5% approved budget spent	None	None		All Wards			Report	Technical services	87
Service delivery	Basic Services and Infrastructure	Installation of 6 protection Battery chargers with batteries.		5% of approved capital budget spent by 30 June 2022	Achieved	5% budget approved spent	None	None		All Wards			Report	Technical services	88
Service delivery	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	Achieved	5% budget spent	None	None		All Wards			Report	Technical services	89
Service delivery	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	Achieved	5% approved budget spent	None	None		All Wards			Report	Technical services	90
Service delivery	Basic Services and Infrastructure	Replacement of 10 Ring Main Units in all towns.		5% of approved capital budget spent by 30 June 2022	Achieved	5% approved budget spent	None	None		All Wards			Report	Technical services	92
Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline (2020/21)	Annual Targets	Performance Remarks	Actual Performance	Challenges	Measures taken to Improve/ Propose intervention	Project Name	Location	Funding Source	Adjustment Budget 2020/21	Portfolio Of Evidence	Dept.	Id No.
Service delivery	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	Achieved	10% approved budget spent	None	None		All Wards			Report	Technical services	94

Service delivery	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	Achieved	10% approved budget spent	None	None		All Wards			Report	Technical services	95
Service delivery	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	Achieved	15% approved budget spent	None	None		All Wards			Report	Technical services	96
Service delivery	Basic Services and Infrastructure	Replacement of 10 substations high Voltage breakers		20% of Approved Capital Budget spent by 30 June 2022	Achieved	20% approved budget spent	None	None		All Wards			Report	Technical services	97
Service delivery	Basic Services and Infrastructure	Replacement of 100KVA/6.6KV pole transformers with 10 200KVA/6.6KV pole transformer		15% completion/budget spend	Achieved	15% approved Budget spent	None	None		All Wards			Report	Technical services	98
Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline (2020/21)	Annual Targets	Performance Remarks	Actual Performance	Challenges	Measures taken to Improve/ Propose intervention	Project Name	Location	Funding Source	Adjustment Budget 2020/21	Portfolio Of Evidence	Dept.	Id No.
Service delivery	Basic Services and Infrastructure	Replacement of 20 faulty boundary boxes		100% of capital budget spent by 30 June 2022	Achieved	100% capital budget spent	None	None		All Wards			Report	Technical services	100
Service delivery	Basic Services and Infrastructure	Installations of 30 Pole transformer mounted boxes with circuit breakers.		90% of capital budget spent by 30 June 2022	Achieved	90% capital budget spent	None	None		All Wards			Practical Completion	Technical services	101

Service delivery	Basic Services and Infrastructure	Phiritona/Sandersville: Construction of low-level bridge in ward 1		90% of capital budget spent by 30 June 2022	Not Achieved	The target was not achieved at all		None		All Wards			Advert/Evaluation report & Tender Document	Technical services	102
Service delivery	Basic Services and Infrastructure	Design for Construction of 2km Access paved road in Mokwallo		90% of capital budget spent by 30 June 2022	Not Achieved	The target was not achieved	None	None		All Wards			Report	Technical services	103
Service delivery	Basic Services and Infrastructure	Phiritona: Installation of 1 bulk water meter		90% of capital budget spent by 30 June 2022	Not Achieved	The target was not achieved	None	None		All Wards			Report	Technical services	104
Service delivery	Basic Services and Infrastructure	Mokwallo abstraction point: Installation of 4 Flow Meters		90% of capital budget spent by 30 June 2022	Not Achieved	The target was not achieved	None	None		All Wards			Report	Technical services	105
Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline (2020/21)	Annual Targets	Performance Remarks	Actual Performance	Challenges	Measures taken to Improve/ Propose intervention	Project Name	Location	Funding Source	Adjustment Budget 2020/21	Portfolio Of Evidence	Dept.	Id No.
Service delivery	Basic Services and Infrastructure	Heilbron: Upgrading of Waste Water Treatment		100% of capital budget spent by 30 June 2022	Not Achieved	The target was 15% but only 2% was implemented	None	None		All Wards			Close out Report	Technical services	107
Service delivery	Basic Services and Infrastructure	Construction of a solid waste disposal site in Parys		90% of capital budget spent by 30 June 2022	Not Achieved	The target set was 15% but only 12 % was implemented	None	None		All Wards			Close out report	Technical services	108
Service delivery	Basic Services and Infrastructure	Construction of pipeline from Koppies to Edenville		90% of capital budget spent by 30 June 2022	Achieved	The target was 20% but 35% was implemented	None	None		All Wards			Close out Report	Technical services	109

Service delivery	Basic Services and Infrastructure	Refurbishment of waste water Treatment works in Koppies		90% of capital budget spent by 30 June 2022	Achieved	The target set was 20% and 35% achieved	None	None		All Wards			Report	Technical services	110
Service delivery	Basic Services and Infrastructure	Heilbron: Provision of specialised Solid Waste Vehicle Compactor Truck		90% of capital budget spent by 30 June 2021	Not Achieved	The target is 75% and only 19% was achieved	None	None		All Wards			Report	Technical services	111
Service delivery	Basic Services and Infrastructure	Refurbishment of Existing Parys Water Treatment works		90% of capital budget spent by 30 June 2022	Not Achieved	The target was not achieved	None	None		All Wards			Report	Technical services	112
Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline (2020/21)	Annual Targets	Performance Remarks	Actual Performance	Challenges	Measures taken to Improve/ Propose intervention	Project Name	Location	Funding Source	Adjustment Budget 2020/21	Portfolio Of Evidence	Dept.	Id No.
Service delivery	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	Not Achieved	9148 MI was the target and only 6861 raw water was drawn	None	None		All Wards			Report	Technical services	114
Service delivery	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	Not Achieved	1352 MI was the target and only 1014 water was drawn	None	None		All Wards			Report	Technical services	115
Service delivery	Basic Services and Infrastructure	To draw adequate raw water from the main source to meet daily water demand for Koppies		1430.8ml of raw water to be drawn by 30 June 2022	Not achieved	1430,8 MI was the target and only 1073,1 water was drawn	None	None		All Wards			Report	Technical services	116

Service delivery	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	Not Achieved	140,56 was the target but only 105,42MI water was drawn	None	None		All Wards			Report	Technical services	117
Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline (2020/21)	Annual Targets	Performance Remarks	Actual Performance	Challenges	Measures taken to Improve/ Propose intervention	Project Name	Location	Funding Source	Adjustment Budget 2020/21	Portfolio Of Evidence	Dept.	Id No.
Service delivery	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	Not Achieved	5200ml was the target and only 3975 ml was purified	None	None		All Wards			Report	Technical services	119
Service delivery	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	Not Achieved	4472 ml was the target and only 2843 water was purified	None	None		All Wards			Report	Technical services	120
Service delivery	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	Achieved	1244 ml was the target and 926 water was purified during the three quarters instead of 4 quarters	None	None		All Wards			Report	Technical services	121

Service delivery	Basic Services and Infrastructure	To distribute 1120 Ml/per day purified water to Vredefort and surroundings		1120 Ml/per day purified water to be distributed by 30 June 2022	Achieved	1120 ml was the target and only 928 ml water purified in the 3 quarters only	None	None		All Wards			Reports	Technical services	122
Service delivery	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	Achieved	400 was the target and only 260 achieved in the three quarters	None	None		All Wards			Samples Report	Technical services	123
Service delivery	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	Achieved	1098 sampling was the target and only 823,5 samplings were done	None	None		All Wards			Report	Technical services	124
Service delivery	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	Not Achieved	35568kg was the overall target and only 19248kg chemicals procure	None	None		All Wards			Report	Technical services	125
Service delivery	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	Not Achieved	35568kg was the overall target and only 19248kg chemicals procure	None	None		All Wards			Report	Technical services	126

Service delivery	Basic Services and Infrastructure	Reduction of current water loss at the plant from 25%		25% of capital budget spent by 30 June 2022	Not Achieved	25% was the target and only 3% achieved	None	None		All Wards			Report	Technical services	127
Service delivery	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	Not Achieved	80% approved budget was the target but only 60% was spent	None	None		All Wards			Audit Report	Technical services	128
Service delivery	Basic Services and Infrastructure	Compliance process audit for Koppiess; Vrededor; Parys		3 Audit report of compliance to be produced by 30 June 2022	Not achieved	No attempt was done here to implement	None	None		All Wards			Standard Operating Procedures	Technical services	129
Service delivery	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	Not Achieved	None	None	None		All Wards			Draft Blue Drop Implementation Plan	Technical services	130
Service delivery	Basic Services and Infrastructure	Establish Blue drop implementation plan to ensure improvement of previous assessment blue drop score		Developed Blue Drop implementation plan by 30 June	Not Achieved	None	None	None		All Wards			Report	Technical services	131
Service delivery	Basic Services and Infrastructure	Revive the laboratory to ensure that the quality of water produced at Ngwathe is adequately monitored		20% of capital budget spent by 30 June 2022	Achieved	70% Approved budget spent	None	None		All Wards			Report	Technical services	132

Service delivery	Basic Services and Infrastructure	Unblocking of Bulk Sewer network in the following towns Parys, Vredefort, Koppies and		8 Bulk Sewer Network to be Unblocked	Achieved	9 Unblocked	None	None		All Wards			Report	Technical services	133
Service delivery	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	Not Achieved	Only 400 meters was implemented	None	None		All Wards			Reports	Technical services	134
Service delivery	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	Not Achieved	Only 2 manholes were uplifted a	None	None		All Wards			Reports	Technical services	135
Service delivery	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 old Screens with 5 New Screens to be replaced by 30 June 2022	Not Achieved	3 screens were replaced	None	None		All Wards			Reports	Technical services	136

Service delivery	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	Achieved	9 pumps were repaired	None	None		All Wards			Reports	Technical services	137
Service delivery	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	Achieved	7 line were unblocked	None	None		All Wards			Report	Technical services	138
Service delivery	Basic Services and Infrastructure	Repair and Maintenance of four (4) Mechanical hark automated screens		(4) Mechanical hark automated screens to be repaired and maintained by 30 June 2022	Not achieved	2 screens instead of 4 were repaired	None	None		All Wards			Report	Technical services	139
Service delivery	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	Achieved	4 flow meters were implemented	None	None		All Wards			Report	Technical services	140

Service delivery	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	Achieved	2 tanks were cleaned	None	None		All Wards			Report	Technical services	141
Service delivery	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	Achieved	2 sludge digesters were cleaned	None	None		All Wards			Report	Technical services	142
Service delivery	Basic Services and Infrastructure	Maintenance of Maturation Ponds		90% of capital budget spent by 30 June 2022	Not Achieved	None	None	None		All Wards			Waste Water Risk Abatement Plan Draft	Technical services	143
Service delivery	Basic Services and Infrastructure	Draft Wastewater Risk Abatement Plan		1 Wastewater Risk Abatement Plan by 30 June 2022	Not Achieved	No implementation	None	None		All Wards			Standard Operating Procedure	Technical services	144
Service delivery	Basic Services and Infrastructure	Standard Operations Procedures (SOP's)		1 Standard Operations Procedures (SOP's) by 30 June 2022	Achieved	The target was achieved	None	None		All Wards			Operation and Maintenance Plan	Technical services	145

Service delivery	Basic Services and Infrastructure	Operation and Maintenance Plan of all Plants		2 Operation and Maintenance Plan of all Plants by 30 June 2022	Not Achieved	No plan in place	None	None		All Wards			By-Laws for Waste Water Treatment Works	Technical services	146
Service delivery	Basic Services and Infrastructure	By-Laws that Regulates wastewater systems		By laws that regulate wastewater system by 30 June	Not Achieved	No by laws were developed	None	None		All Wards			Proposal to the Council	Technical services	147
Service delivery	Basic Services and Infrastructure	Identification of Dedicated site for sludge disposal		1 Identified site for sludge disposal by 30 June 2022	Not Achieved	Not achieved at all.	None	None		All Wards			Report	Technical services	148
Service delivery	Basic Services and Infrastructure	Sludge Test		1 Sludge Test by 30 June 2022	Achieved	The target was achieved	None	None		All Wards			Proof of Registration	Technical services	149
Service delivery	Basic Services and Infrastructure	Registration of Plant		1 Plant Registration of by 30 June 2022	Not achieved	The plant is not registered	None	None		All Wards			Report	Technical services	150
Service delivery	Basic Services and Infrastructure	Repair of 3200 Potholes		3200 Potholes to be repaired by 30 June 2022	Not achieved	Only 501 potholes were repaired	None	None		All Wards			Report	Technical services	151

Service delivery	Basic Services and Infrastructure	Assessment/Replacement of 2064 damaged main holes		2064 damaged main holes to be Assessed /Replaced by 30 June 2022	Not achieved	No assessment was done	None	None		All Wards			Report	Technical services	152
Service delivery	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	Not achieved	1000 channels were unblocked	None	None		All Wards			Report	Technical services	153
Service delivery	Basic Services and Infrastructure	Replacement damaged/missing of 1117 road signs		1117 of road signs to be replaced (damage d/missing) by 30 June 2022	Not Achieved	Nothing was done	None	None		All Wards			Report	Technical services	154
Service delivery	Basic Services and Infrastructure	Renewal of 58 262m of road markings		58 262m of road markings to be renewed by 30 June 2022	Not achieved	Nothing was implemented	None	None		All Wards			Report	Technical services	155

Service delivery	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	Not Achieved	60 000 meters road was graveled	None	None		All Wards			Report	Technical services	156
Service delivery	Basic Services and Infrastructure	Inspection/Maintenance of 79 bridges/Culvert		79 bridges/Culvert to be Inspected and maintained by 30 June 2022	Not achieved	Only 6 were done	None	None		All Wards			Report	Technical services	157
Service delivery	Basic Services and Infrastructure	Cleaning of 64000m Irrigation channels		64000m Irrigation channels to be cleaned by 30 June 2022	Not achieved	Nothing implemented	None	None		All Wards			Report	Technical services	158
Service delivery	Basic Services and Infrastructure	Covering 1000m of Irrigation Canals		1000m of Irrigation Canals to be covered by 30 June 2022	Not achieved	Nothing implement	None	None		All Wards			Draft Plan	Technical services	159
Service delivery	Basic Services and Infrastructure	Roads Master Plan		1 Roads Master Plan by 30 June 2022	Achieved	The draft plan is place.	None	None		All Wards			Draft plan	Technical services	160
Service delivery	Basic Services and Infrastructure	Storm Water Master plans		Storm Water Master plans by 30 June 2022	Achieved	Draft pain in place	None	None		All Wards			Draft By-law	Technical services	161

Service delivery	Basic Services and Infrastructure	Roads and Storm Water By-laws		Roads and Storm Water By-laws by 30 June 2022	Achieved	Draft by law in place	None	None		All Wards			Draft Policy	Technical services	162
Service delivery	Basic Services and Infrastructure	Roads and Storm water Policies		Roads and Storm water Policies by 30 June 2022	Achieved	Draft policies in place	None	None		All Wards			Draft Application forms	Technical services	163
Service delivery	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	Not achieved	Only one form developed	None	None		All Wards			Draft Building Control by-law	Technical services	164
Service delivery	Basic Services and Infrastructure	Draft building control by-law		Draft building control by-law by 30 June 2022	Not achieved	No draft by law developed	None	None		All Wards			Report	Technical services	165
Service delivery	Basic Services and Infrastructure	number of days taken to process building plans application		number of days taken to process building plans application by 30 June 2022	Not Achieved	No report	None	None		All Wards			Report	Technical services	166

Service delivery	Basic Services and Infrastructure	Number of occupancy certificate issued		95% of occupancy certificate issued by 30 June 2022	Not achieved	45% implemented instead of 95%	None	None		All Wards			Report	Technical services	167
Service delivery	Basic Services and Infrastructure	Assess the conditions of 2 Municipal office buildings		Assess the conditions of 2 Municipal office buildings by 30 June 2022	Not achieved	No assessment was done	None	None		All Wards			Report	Technical services	168
Service delivery	Basic Services and Infrastructure	Assess the conditions of 2 Municipal Community halls		Assess the conditions of 2 Municipal Community halls by 30 June 2022	Not achieved	No assessment was done	None	None		All Wards			Report	Technical services	169
Service delivery	Basic Services and Infrastructure	Records all faults/Complaints of Electricity, Water, Sewer, Roads and Storm Water interruptions within 8 hours		1 Logbook – to Record all faults/Complaints of Electricity, Water, Sewer, Roads and Storm Water interruptions within 8 hours by 30 June 2022	Not achieved	No log book developed	None	None		All Wards			Report	Technical services	170

CHAPTER 5

**FINANCIAL
PERFORMANCE**

AFS

(As Annexure 1)

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.

Auditor-General Report on 2020/2021 Financial Performance	
Audit Report Status	Qualified Audit Opinion
Material Non-Compliance Issues	Remedial Action Taken
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.

Auditor-General Report on 2021/2022 Annual Performance Report and Other Matters	
Description	Conclusion
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

Auditor-General Report on 2020/2021 Financial Performance	
Audit Report Status	Qualified Audit Opinion
Material Non-Compliance Issues	Remedial Action Taken
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:
 - 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

72. 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

I . 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.

