

THE ADMINISTRATOR



12288371



216/2

# BEAUFORT WEST MUNICIPALITY

## DRAFT ANNUAL REPORT 2019/20

SIRKULASIE		OPDRAG

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# CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

## CHAPTER 1

### COMPONENT A: MAYOR'S FOREWORD

It is a great privilege and honour to submit the Annual Report for the 2019/20 financial year. The year under review has not been an easy one for the country at large but it has been an extremely difficult one for the local government sector in particular and Beaufort West Municipality was not immune to these great difficulties. The emergence of COVID-19 has introduced new challenges and completely changed the risk profile of the Municipality. The strategic vision of the Municipality has not changed, however the operational methodology needs to fundamentally change and be alive to the immediate and future risks. As a municipality, we need to move with speed in ensuring an enabling environment for growth, development, employment and job creation, enhancing the quality of life of our residents, maintaining good corporate governance and sound financial management.



COVID-19 has changed the risk matrix of the Municipality and has exposed the weaknesses in our operational systems and amplified the developmental challenges. It has deepened the liquidity problem of the Municipality, and as such it has the potential of plunging the Municipality into financial sustainability crisis. Council is thus alive and cognisant of the magnitude of the problem and how inter-alia it will impact the developmental aspirations of the Municipality.

The economic sectors in the town have proven to be resilient after one of the strongest and determined lockdowns the President of the country has implemented. However, the town was not spared of the job blood bath experienced in some parts of the country. The massive job losses in the municipal area resulted in significant reduction in the collection rate of the Municipality and if the trend continues unabated it will threaten the delivery of services to the residents.

Provision of basic service delivery is at the nexus of this administration's strategy to improve the living standards of inhabitants in the municipal area. The President of the country prioritised investment in infrastructure to be at the centre of economic growth. The Council is duty bound to use its infrastructure planning capacity and resource allocation to stimulate economic recovery of the town and create economic and job opportunities for the youth and the broad population of the Municipality.

The Annual Report 2019/20 provides detail on various bulk infrastructure projects being undertaken to facilitate the continued delivery of services to communities.



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

These projects were only possible through strategic partnerships with other spheres of government, the private sector and the community of Beaufort West as we cannot meet the challenges that we face on our own.

The path ahead is not an easy one, we need to navigate and steer this ship in difficult waters to bring it to its ultimate destination. I have an unshaken confidence to Council, the Deputy Mayor, the Mayoral Committee, the Acting Municipal Manager, and the broader municipal staff that together we will continue to utilise the financial and human resources of the organisation in bettering the lives of our people.

**NOEL CONSTABLE**

**EXECUTIVE MAYOR**

# CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

## Component B: Executive Summary

I am pleased to submit the Annual Report for 2019/20, not discounting the myriad of challenges the year under review brought to us, it is equally important to ensure that we continue to deliver on the constitutional promises of ensuring basic delivery of services to the people of the town. The increased complexities of the operational environment of the Municipality necessitate partnerships with the private sector and other social partners in order to design pragmatic solutions to the challenges of today. The times of working in silos as government institutions yielded limited returns. We need integrated solutions in order to produce a complete public sector service delivery package as enshrined in the Bill of Rights, chapter two of the Constitution.



The last half of the reporting year 2019/20 was extremely difficult in all fronts. The Municipality operated with skeleton staff. Only essential staff reported for work on a regular basis. The COVID-19 pandemic brought a new dimension to the administration and management of the Municipality, the communication system in the organisation needed to be relooked and reorganised from the traditional communication methods. This posed a challenge for the resource constrained municipality like ours.

Despite the grave challenges the Municipality was experiencing, the Municipality managed to upgrade the cemeteries in Beaufort West, Nelspoort, Murraysburg and in Merweville. This ensured that the cemetery infrastructure is in good condition in all municipal areas.

The town received considerable rains in the reporting year, this relieved but not eradicated the drought condition of the town. The Municipality still considers drought as high risk facing the town. The Municipality still struggles to contain unaccounted water to acceptable levels as benchmarked. Unmetered water stood at 56 percentage points which is very high by any standards and it is unacceptable for the draught-stricken area like ours. The Municipality is working on multiple solutions to address and limit water losses in the area. The Municipality achieved performance of 90 percentage points in the installation of smart water meter project; this is just one of the initiatives the Municipality is undertaking to address water losses issue.

Notwithstanding all the operational impediments of the year under review the Municipality managed to electrify 164 households in Graceland, improving the living standards of a significant number of people. This was possible because of the successful completion of the extension of Beaufort West Katjieskop substation project which increased the generating capacity of the grid.

The Municipality made great strides in ensuring the delivery of services to the communities regardless of all the challenges, however it is imperative to state that the fiscal position of the Municipality has deteriorated significantly.



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The challenges in the previous year completely dwarfed the issues the Municipality had to face in the reporting year. The financial outlook of the Municipality in the medium term is very subdued and this is a consequence of high unemployment levels and low economic growth in the municipal area. The Municipality needs to do everything and anything in its powers to attract investment into the town and systemically grow a strong middle class in the town.

It is important that we provide the economic and social infrastructure that will act as a catalyst and stimulate economic growth of the town. To do this, the Municipality needs to have meaningful partnership with the private sector and its social partners tagging along the communities. Utilising the instruments and mechanics at our disposal, we have to wage a war against unemployment, poverty, inequality, economic and social exclusion.

Finally, in everything that we do, we need to ensure that we are responsive to the needs and cries of our people, and we need to double our efforts in serving the most destitute and vulnerable sectors of our society

**JACKSON PENXA**

**ACTING MUNICIPAL MANAGER**

# CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

## 1.1 Municipal overview

This report addresses the performance of Beaufort West Municipality (BWM) in the Western Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the Council of the Municipality provides regular and predictable reporting on program performance and the general state of affairs in their locality.

The annual report reflects on the performance of the Municipality for the period 1 July 2019 to 30 June 2020. The report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), of which the Municipality must prepare an annual report for each financial year.

### 1.1.1 Vision and mission

The Municipality committed itself to the following vision and mission:

#### Vision:

"Beaufort West, economic gateway in the central Karoo, where people are developed and live in harmony together"

#### Mission:

To reflect the will of the South African people as reflected in the Constitution and by Parliament:

- 🏠 Service Delivery: To provide excellent services to the residents of Beaufort West Municipality
- 🏠 Growing the Economy: To implement infrastructure to grow the economy and create jobs
- 🏠 Staff: To have an equipped, skilled and motivated staff establishment
- 🏠 Well-run Administration: establish a sound, efficient and effective administration for the Municipality
- 🏠 Financial Sustainability: Collecting all debtors and paying creditors in time
- 🏠 Sport Centre: To become the sport and recreational mecca of the Karoo, creating harmony and unity
- 🏠 Safe Place: To create a crime-free, safe and healthy environment
- 🏠 Reduce Poverty: To reduce poverty and promote the empowerment of women, youth and people living with disabilities



# CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

## Strategic Objectives:

- To improve and maintain current basic service delivery through specific infrastructural development projects
- Provision of basic services to all the people in the municipal area
- Provide for the needs of indigent households through improved services
- To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development
- To enable education and skills development to equip people with economic skills
- Sustainability of the environment
- Establishment of a well governed and accountable administration
- Ensure liquidity of the administration
- Transparency and participation

## 1.2 Municipal functions, population and environmental overview

### 1.2.1 Population

The table below illustrates the population in the municipal area as per census 2001 – 2011 and the Socio-economic profile 2017:

Population	2001	2011	2018
Number of people residing in the Beaufort West municipal area	43 284	49 586	53 168
Census 2001 and 2011			Socio-economic profile 2017

Table 1: Demographic information of the municipal area – Total population

### 1.2.2 Population by race

The table below reflects on the race classification of the population within the Beaufort West area:

Year	Black African	%	Coloured	%	Indian or Asian	%	White	%	Other	%	Total
2001	6 923	16	31 792	73.4	42	0.1	4 528	10.5	0	0	43 284
2011	8 103	16.3	36 433	73.5	241	0.5	4 539	9.2	270	0.5	49 586
Census 2001 and 2011											

Table 2: Population by race

### 1.2.3 Population by age

The table below includes data about the composition of the population per age category.



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Year	0 – 18	19 – 30	31 – 40	41 – 50	51 – 65	66 – 120	Total
2001	17 938	7 848	6 048	4 896	4 321	2 233	43 284
2011	19 132	9 162	6 508	6 030	6 091	2 663	49 586
<i>Census 2001 and 2011</i>							

Table 3: Population by age

### 1.2.4 Households

The number of households within the municipal area increased from 13 080 households in the 2011 Census to 14 935 households in the 2016 Community Survey. This indicates an increase of 14.18% in the total number of households within the municipal area and represents a household size of about 5 people per household (as per Census 2011).

The table below indicates the growth of households:

Households	2001	2011	2016
Number of households	10 540	13 080	14 935
<i>Census 2001, 2011 and Community Survey 2016</i>			

Table 4: Total number of households

### 1.2.5 Demographic Information

#### a) Municipal Geographical Information

Towering mountains and rolling plains welcome you to the Beaufort West region. Beaufort West, the oldest and largest town in the Central Karoo, lies in an ancient area which once was a swamp, now a semi-desert area named "thirst land", making it rich in history. This ancient area of the Karoo is considered one of the world's most interesting arid zones and holds intrigue for scientist, historians and eco-tourists which is fondly referred to as place of the pioneers. In February 1837, BWM became South Africa's first and therefore oldest municipality. It is the centre of an agricultural district based mainly on sheep farming and meat production. Strategically positioned on the N1 National Road, which links Cape Town with the interior and northern parts of South Africa, BWM maintains a minimal but steady amount of growth due to the high volume of passing road traffic.





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The nearby Karoo National Park is a national asset which aims to reclaim the original flora of the Karoo and is one of the chief tourist attractions in the region, boasting a wide variety of endemic wildlife. The municipal area covers approximately 16 330 km<sup>2</sup> with the town situated 851 meters above sea level between the Gamka and Kuils Rivers. The town lies just south of a ridge of hills and north of the Nuweveld Mountains in the Central Karoo where rocks date back some 230 million years. Not only was the first reptile fossil discovered in the area, but Beaufort West has

been described as the world's richest collecting ground for fossils. The town's historic centre displays an electric mix of historical architecture that makes a stop-over here essential.

Summer rains normally begin with light showers around October. Rain is very sporadic and mostly occurs in the form of thunderstorms. Snowfalls can occur as late as September and the first snowfalls reached ground level in 2011. Temperatures increase dramatically during November and remain high until February, reaching highs of between 38 and 48 degrees. The mid-winter months of June and July are cold and dry with temperatures falling well below zero.

In the year 2000, the smaller rural towns of Merweville and Nelspoort were incorporated into the BWM, and since June 2011 the town of Murraysburg has also been a DMA of the Municipality.

### b) Wards

The Municipality is structured into the following 7 wards:

Ward	Areas
1	Murraysburg and Murraysburg rural areas
2	Nelspoort, Nelspoort rural, Noord Einde, part of Hillside, central town, part of rural areas of Beaufort West and part of Hospital Hill
3	Part of Rustdene, Essopville and Nieuveld Park
4	Part of Kwa Mandlenkosi, De Lande, part of central town and southern part of Hospital Hill
5	Part of Kwa Mandlenkosi, part of Rustdene, Paddavlei, Hooyvlakte, New Lands and New Town
6	Part of Rustdene and Prince Valley
7	Part of rural Beaufort West, part of Hillside I and II, Toekomrus, Merweville and rural parts of Merweville

Table 5: Municipal wards



# CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

Below is a map that indicates the municipal area and wards:

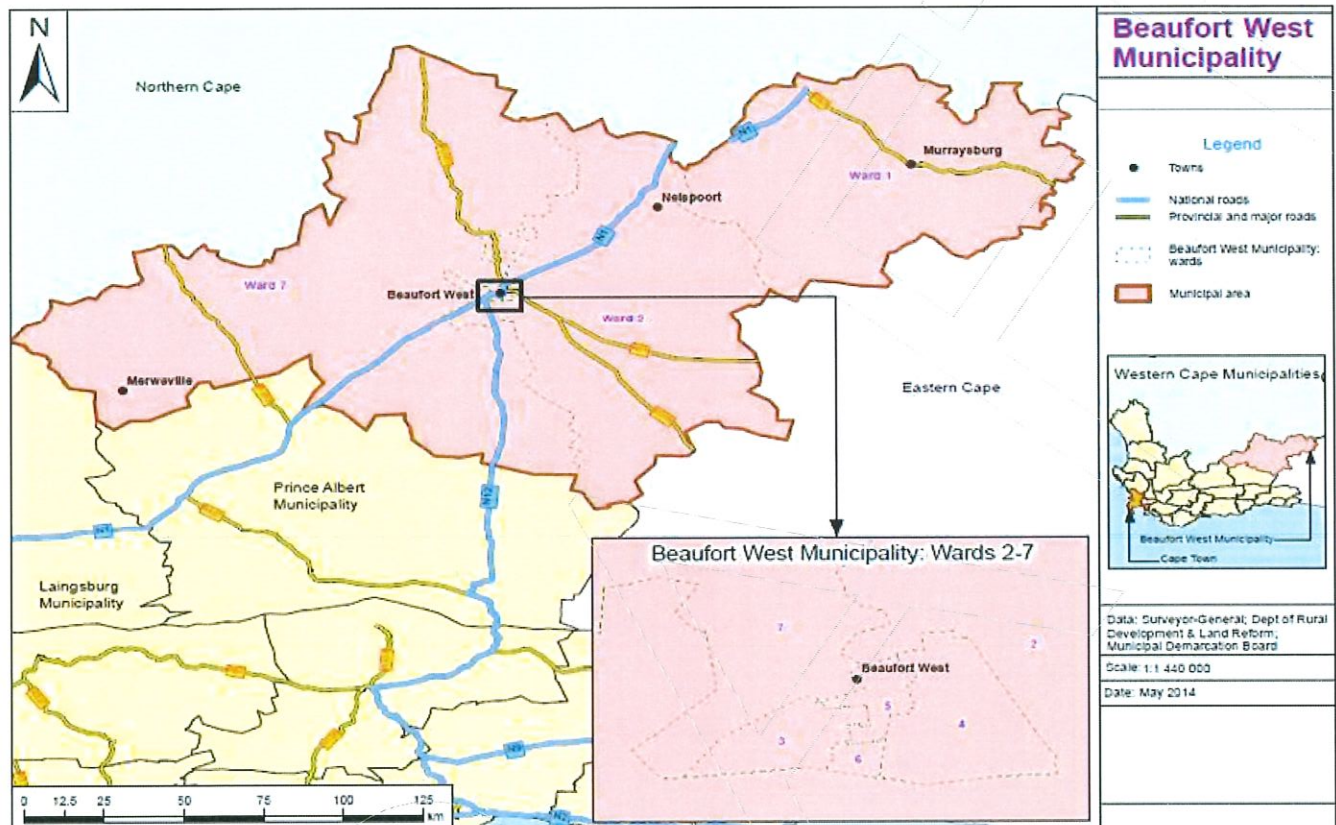


Figure 1.: Beaufort West municipal area and wards

## Merweville

Merweville is a small town situated 160 km south-west of Beaufort West and 40 km from Prince Albert Road station. This Central Karoo town lies in a picturesque area of plains often linked to the Nevada Desert region of the United States. It was established around 1897 on the farm of Jacobus van der Bijl, a jack of many trades: farmer, shopkeeper, postmaster, magistrate and justice of the peace.

He built a church that was later used as a school. Merweville lies in the *koup*, which means "caul fat", and was so named by early indigenous inhabitants who felt that the patches of golden veld grass, interspersed by dark brown soil, resembled the fat and blood vessels surrounding a sheep's liver. The reason for this name is quite apparent at the onset of winter when the veld is less lush and the gold and brown patches become evident. Merweville maintains a great deal of the charm of earlier days and is an ideal spot to rest, relax and unwind from the pressures of modern-day city life.





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### Murraysburg

Murraysburg, a typical old-world Great Karoo town that lies 160 km north-east of Beaufort West, became Ward 1 with the new demarcation and as a result became a DMA of the BWM, after it was previously a DMA of the Central Karoo District Municipality. Murraysburg, located at the foot of the Sneeuwberg Mountains in a scenic mix of mountains and plains, offers tranquility for environmentalists and eco-watchers. In the late 18th century a bloody and vicious war of revenge and retaliation raged for many years between the San and farmers. Farms were attacked, houses set alight and herdsmen murdered. Farmers went out on punitive missions and killed many of the San, who hunted the livestock of the farmers.



The region was very unsettled by stock theft, murders and reprisal expeditions against the San. At the beginning of the 19th century, the San began to move towards the Kalahari and eventually the farm *Eenzaamheid* was bought from Mr. Kootjie Burger where after the farm became the town of Murraysburg. It was a "church town", meaning that the

Dutch Reformed Church (DRC) exercised full control over the town and its inhabitants.

Below picture shows the beauty of Murraysburg during a snow filled winter season:

The new town was named after Reverend Andrew Murray, minister of the DRC in Graaff-Reinet. The "burg" derives from the Dutch word meaning "place of safety".

### Nelspoort

Nelspoort, situated 56 km north of Beaufort West, is a small community in the depths of the Central Karoo. The Bushmen and Khoi visited the surrounding heads and left their mark in rock engravings. Long since the Bushmen, the area became a haven for those with chest ailments.





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As early as 1836, Beaufort West's dour but well-loved Dr. John Christie appealed to people to "breathe" the air of the Nuweveld Mountains. White farmers later established their homes here and for a while the sanatorium brought peace and healing to many tuberculosis (TB) sufferers. Established in 1924 through the efforts of Dr. Alfred Jasper Anderson and John Garlick, a philanthropist, the Nelspoort area was identified as an ideal location for "the first chest hospital on the African continent." By 1969, the first psychiatric patients were admitted. The disastrous socio-economic effects of tuberculosis had decreased by then and the disease could be treated with drugs at home. The old magic mountain method of healing with good food and fresh air was a thing of the past and thus Nelspoort devoted itself to psychiatric patients, maintaining only one TB ward. Today, both roles have declined.

### c) Key economic activities

Agriculture forms the backbone of the Beaufort West economy and accounts for the largest labour to date. Despite the harsh climate and poor carrying capacity of the veldt, it still offers opportunities for growth and employment creation. The Municipality is dependent upon the following main economic activities:

Key economic activities	Description
Agriculture and agri-processing	Fresh meat (mutton, game, Karoo lamb, ostrich, goat, beef)
	Processed meat (biltong, cold meats, "droë wors")
	Fresh fruit and vegetables (figs, olives, apricots, grapes, herbs)
	Processed fruit and vegetables (chutney, dried figs, olives, jams)
	Animal bi-products (skins, hides, wool, mohair, milk)
	Processed animal bi-products (leather products, dairy products, wool and mohair products)
	Other (traps for problem animals – manufacturing and servicing)
Transportation	The transportation sector in the Central Karoo is one of the strongest contributors to the regional economy and completely dominated by Beaufort West, which contributes 86.4% of the total gross domestic product in this sector
Tourism	Wide-open spaces, magnificent landscapes, panoramas and the sense of solitude attractions
	Historic and cultural attractions

Table 6: Key economic activities



# CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

## 1.3 Service delivery overview

### 1.3.1 Highlights: Basic services delivery performance

The table below shows the Municipality's achievement with regards to service delivery:

Highlight	Description
Management of the drought conditions	Supplied constant potable water to the community during the drought conditions
S1 housing project phase 3	164 low cost houses electrified
Youth Community Outreach Program (YCOP) - Department of Agriculture and Development Planning (DEADP) initiative	A coordinator was appointed to assist our Municipality on waste and awareness programmes at schools and within the community

Table 7: Basic services delivery highlights

### 1.3.2 Challenges: Basic services delivery

The Municipality faced the following challenges during the year:

Service area	Challenges	Action to address
Water Services	Vandalism of boreholes add stress on bulk water supply system	Installation of cameras at boreholes
Sanitation Services	Upgrade of the Beaufort West Waste Water Treatment Works (WWTW) – funding needed	Apply for funding from different sector departments
Electricity Services	Shortage service vehicles i.e cherry-pickers	Repair fleet and maintain
Waste Management	Vehicle breakdowns	Budget allocation to replace old vehicles

Table 8: Basic services delivery challenges

### 1.3.3 Proportion of households with access to basic services

The table below indicates the Municipality's performance related to basic services provided:

Description	2018/19	2019/20
Water - minimum service level and above percentage	98%	98%
Sanitation - minimum service level and above percentage	96%	96%
Electricity - minimum service level and above percentage	100%	100%
Waste collection - minimum service level and above percentage	100%	100%

Table 9: Households with minimum level of basic services

# CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

## 1.4 Financial health overview

### 1.4.1 Challenges: Financial viability

The table below indicates the challenges faced during the financial year:

Challenge	Action to address
Municipal Standard Chart of Accounts (mSCOA)	Implement mSCOA in the next financial year
Cashflow constraints	Improve financial management and controls. Stricter credit control

Table 10: Financial viability challenges

### 1.4.2 National Key Performance Indicators – Municipal financial viability and management (Ratios)

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators (KPI) required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the Municipal Systems Act (MSA). These KPI's are linked to the National Key Performance Area (KPA) namely: Municipal financial viability and management.

KPA and Indicator	2018/19	2019/20
Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2020 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant] x 100]	9.52%	10.93%
Financial viability measured in terms of the outstanding service debtors as at 30 June 2020 [(Total outstanding service debtors/ revenue received for services) x 100]	75.38%	68.54%
Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2020 [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]	0.8	0.6

Table 11: National KPI's for financial viability and management



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## 1.4.3 National KPI - Good governance and public participation

The following table indicates the Municipality's performance in terms of the National KPI's required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 of 2001 and Section 43 of the MSA. This KPI is linked to the National KPA - Good governance and public participation.

KPA and Indicators	Municipal achievement	Municipal achievement
	2018/19	2019/20
The percentage of the municipal capital budget spent by 30 June 2020 ((Actual amount spent /Total amount budgeted for capital projects)X100)	81.45%	132%

Table 12: National KPIs - Good governance and public participation performance

## 1.4.4 Financial overview

The table below indicates the Municipality's financial overview for the financial year:

Details	Original budget	Adjustment budget	Actual
<b>Income</b>			
Grants (transfer recognition)	121 434	167 569	104 535
Taxes, levies and tariffs (property and services)	168 464	165 908	164 575
Other (investments and own)	62 440	72 601	59 917
<b>Sub total</b>	<b>352 338</b>	<b>406 078</b>	<b>329 027</b>
Less expenditure	341 396	378 532	337 880
<b>Net surplus/(deficit)</b>	<b>10 942</b>	<b>27 546</b>	<b>8 853</b>

Table 13: Financial overview

## 1.4.5 Total capital expenditure

The table below indicates the Municipality's capital expenditure for the financial year:

Detail	2018/19	2019/20
	R'000	
Original budget	24 187	31 958
Adjustment budget	34 101	38 135
Actual	28 991	26 423
% Spent	85	69

Table 14: Total capital expenditure

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## 1.5 Auditor-General report

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen our Country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. In short, the Auditor-General checks the spending of public money by looking at whether it has been used ideally and for the purposes intended. This is done by annually checking all government spending.

The Auditor-General's annual audit examines 3 areas:

- Fair presentation and absence of significant misstatements in financial statements
- Reliable and credible performance information for predetermined objectives
- Compliance with all laws and regulations governing financial matters

There can be 5 different outcomes to an audit, once the municipality has submitted their financial statements to the Auditor-General, which can be simply defined as follows:

- **A clean audit:** The financial statements are free from material misstatements and there are no material findings on reporting on predetermined objectives or non-compliance with legislation
- **Unqualified audit with findings:** The financial statements contain material misstatements. Unless a clean audit outcome is expressed, findings will be raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects
- **Qualified audit opinion:** The financial statements contain material misstatements in specific amounts, or there is insufficient evidence to conclude that specific amounts included in the financial statements are not materially misstated
- **Adverse audit opinion:** The financial statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements
- **Disclaimer of audit opinion:** Insufficient evidence was provided in the form of documentation on which to base an audit opinion. The lack of sufficient evidence is not confined to specific amounts, or represents a substantial portion of the information contained in the financial statements

BWM implemented MGRO as initiated by Provincial Treasury. MGRO is a Municipal Governance and Review Outlook plan to monitor the performance of municipalities within certain focus areas to ensure clean administration within the Western Cape.

### 1.5.1 Audited outcomes

The table below indicates the audit opinion received for the past 3 financial years:

Year	2017/18	2018/19	2019/20
Opinion received	Qualified	Qualified	TBA

Table 15: Audit outcomes



## CHAPTER 2: GOOD GOVERNANCE

### Chapter 2

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

### Component A: Political and Administrative Governance

#### 2.1 Governance structure

##### 2.1.1 Political governance structure

The Council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles, and have delegated its executive function to the Executive Mayor and the Mayoral Committee. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, Councillors are also actively involved in community work and the various social programs in the municipal area.

##### Council

The Council comprises of 13 elected Councillors made up from 7 Ward Councillors and 6 Proportional Representation (PR) Councillors. The portfolio committees are made up of Councillors drawn from all political parties.

Below is a table that categorise the Councillors within their specific political parties and wards for 1 July 2019 to 30 June 2020:

Council members	Capacity	Political party	Ward representing or proportional	Number of meetings attended
L Basson	Councillor	DA	Ward 3	20
N Constable	Executive Mayor	KDF	Proportional	22
L Deyce	Fulltime Councillor	ANC	Proportional	19
O Haarvoor	Councillor	DA	Ward 1	20
J van der Linde [Alderman]	Councillor	DA	Ward 2	19
M Kilani	Councillor	ANC	Ward 5	22
Z Lambert	Councillor	ANC	Proportional	22
E Lawrence	Councillor	ANC	Proportional	22
Q Louw	Executive Deputy Mayor	ANC	Proportional	22
S Motsoane [Alderman]	Speaker	ANC	Ward 4	21

## CHAPTER 2: GOOD GOVERNANCE

Council members	Capacity	Political party	Ward representing or proportional	Number of meetings attended
A Slabbert	Councillor	DA	Proportional	19
D Welgemoed	Councillor	DA	Ward 2	16
E Wentzel	Councillor	DA	Ward 6	21

**Table 16: Council (from 1 July 2019 to 30 June 2020)**

The table below indicates the Council meeting attendance for the 2019/20 financial year:

Meeting dates	Council meetings attendance	Apologies for non-attendance
11 July 2019	12	1
1 August 2019	13	
27 August 2019	13	
20 September 2019	11	2
8 October 2019	12	1
24 October 2019	12	1
5 December 2019	12	1
28 January 2020	13	
4 February 2020	10	3
27 February 2020	13	
4 March 2020	12	1
11 March 2020	12	1
18 March 2020	13	
24 March 2020	12	1
31 March 2020	12	1
29 May 2020	13	
19 June 2020	11	2
30 June 2020	11	2

**Table 17: Council meetings**

### b) Executive Mayoral Committee

The Executive Mayor is at the centre of the system of governance, since executive powers are vested in the Executive Mayor to manage the day-to-day affairs. This means that the Executive Mayor has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, and as well as the powers assigned by legislation.

Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.



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The name and portfolio of each member of the Mayoral Committee is listed in the table below for the period 1 July 2019 to 30 June 2020:

Name of member	Capacity
N Constable	Executive Mayor
Q Louw	Deputy Executive Mayor
L Deyce	Full-time Councillor
M Kilani	Councillor

**Table 18: Mayoral Committee members (1 July 2019 to 30 June 2020)**

The table below indicates the dates of the Mayoral Committee meetings and the number of reports submitted to Council for the 2019/20 financial year:

Meeting date	Number of reports submitted to Council
13 July 2019	6
13 August 2019	
23 October 2019	
11 November 2019	
10 February 2020	

**Table 19: Executive Mayoral Committee meetings**

### c) Portfolio Committees

The MSA provides for the establishment of Section 79 and Section 80 Committees.

Section 79 Committees are Council committees, appointed by Council for a specific purpose and accounting to Council section 79 Committees must be composed to reflect the way in which parties and interest are reflected in Council.

Council has established the following Section 79 Committees:

- Financial and Development Committee
- Corporate Services and Social Development Committee
- Human Resource (HR) Development Committee
- Municipal Resource Development Committee

The portfolio committees and their chairpersons for the period 1 July 2019 to 30 June 2020 were as follows:

Chairperson	Other members	Number of minutes submitted to Council	Meeting dates
Financial and Development Committee			
N Constable	Q Louw	3	5 November 2019 4 February 2020 26 June 2020
	J van der Linde		
	M Motsoane		
Corporate Services and Social Development Committee			

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Chairperson	Other members	Number of minutes submitted to Council	Meeting dates
S Motsoane	E Lawrence	3	5 February 2019 7 March 2019 4 April 2019
	L Deyce		
	M Kilani		
	E Wentzel		
HR Development Committee			
S Motsoane	E Lawrence	3	5 February 2019 7 March 2019 4 April 2019
	L Deyce		
	M Kilani		
	E Wentzel		
Municipal Resource Development Committee			
M Kilani	D Welgemoed	2	22 August 2019 5 February 2020
	Z Lambert		
	D Jerome		

Table 20: Portfolio Committees (1 July 2019 to 30 June 2020)

### d) Municipal Public Accounts Committee

The Municipal Public Accounts Committee (MPAC) is a committee of the Municipal Council, appointed in accordance with Section 80 of the Structures Act. The main purpose of the MPAC is to exercise oversight over the executive functionaries of Council as delegated and to ensure good governance in the Municipality.

Name of representative	Departments / Sections / Council	Political Party	Meeting dates
Z Lambert	Council	KDF	28 August 2019
D Welgemoed	Council	DA	
A Slabbert	Council	DA	
E Lawrence	Council	ANC	

Table 21: MPAC



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### 2.1.2 Administrative governance structure

The Municipal Manager is the accounting officer of the Municipality. He is the head of the administration and primarily must serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the management team, whose structure is outlined in the table below:

Name of official	Department	Performance agreement signed
		Yes/No
K Haarhoff	Municipal Manager	Yes
A Makendlana	Director: Corporate Services	Yes
Vacant	Director: Financial Services	N/A
Vacant	Director: Infrastructure Services	N/A

Table 22: Administrative governance structure

## Component B: Intergovernmental Relations

### 2.2 Intergovernmental relations

In terms of the Constitution of South Africa, all spheres of government and all organs of state must co-operate with one another in mutual trust and good faith fostering friendly relations. They must assist and support one another, inform and consult one another on matters of common interest, coordinate their actions, adhere to agreed procedures and avoid legal proceedings against one another.

#### a) Intergovernmental structures

To adhere to the principles of the Constitution as mentioned above, the Municipality participates in the following intergovernmental structures:

Name of structure	Members	Outcomes of engagements/topics discussed
Municipal Managers forum	South African Government Association (SALGA) neighbouring municipalities Municipal Managers	District base initiative
Premiers Coordinating	Municipal Managers and Executive Mayor	Responsive, effective and efficient local government system
SALGA Working Groups	All Councillors participates in the different SALGA working groups	Cooperative governance, consultation, coordinate by the on and participative decision-making
Integrated development plan (IDP) Managers forum	IDP manager	IDP process plans adopted, progress with regards to joint planning initiatives as agreed upon by the Municipality and sector departments

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Name of structure	Members	Outcomes of engagements/topics discussed
Local Economic development (LED) Managers forum	IDP manager	Departments of Economics Development to assist in review of the LED strategy
Supply Chain Management (SCM) forum	Manager: SCM	Enhance municipality financial and administrative capability
Integrated Waste Management forum	Waste Management: Superintended	Waste minimisation and campaigns
IDP Indabas	IDP Manager and all directors	Resources Agree on joint priorities and commit resources to implement these priorities
Provincial Public Participation and Commutation forum	Personal assistant to the speaker	Ensure the coordinated and Coherent implementation and establishment of the ward participatory process to encourage the involvement of communities and organisations ensure in matters of local government
Provincial Skills Development	Skills Development Facilitator	Ensure and improve training delivery system in the province
HR Practitioners forum	Manager: HR	Educational attainment, skills development, science and innovation and labour, market/ employment policies
Karoo STR and Economic Initiative	Executive Mayor and IDP Coordinator	The Karoo Region STR Programme aims to achieve developmental outcomes across local municipalities, districts and provinces through municipal cooperation across the Karoo region.

Table 23: Intergovernmental structures

## Component C: Public Accountability and Participation

Section 16 of the MSA refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. It must encourage and create conditions for the local community to participate in the affairs of the community. Such participation is required in terms of:

- the preparation, implementation and review of the IDP;
- establishment, implementation and review of the performance management system;
- monitoring and review of performance, including the outcomes and impact of such performance; and
- preparation of the municipal budget.

### 2.3 Ward committees

Ward committees supports the ward councillor who receives reports on development, participate in development planning processes and facilitate wider community participation. To this end, the Municipality constantly strives to ensure that all ward committees' function optimally with community information provision,



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convening of meetings, ward planning, service delivery, IDP formulation and performance feedback to communities.

### 2.3.1 Ward Committees

The tables below indicate each ward with their associated members and dates of meetings:

#### a) Ward 1: Murraysburg and Murraysburg rural areas

Name of representative	Capacity representing	Dates of meetings held during the year
V Miliwana	Unemployment	9 July 2019
J Martin	Welfare/Development	2 August 2019
N Fywers	Health	5 September 2019
G Zalela	Senior Burger/Disability	1 October 2019
S Tshikolo	Environmental Interest Group/Sport	8 November 2019
A Hoffman	Education/Religion	18 December 2019
J Jonas	Community Base Organization/Safety	27 January 2020
D Oerson	Youth	27 February 2020
		During the period of 1 March 2020 to June 2020 no ward committee meetings were held due to the COVID-19 Regulations that prohibited any social gatherings

Table 24: Ward 1: Committee meetings

#### b) Ward 2: Nelspoort, Nelspoort Rural, Noord Einde, part of Hillside, central town, part of rural areas of Beaufort West and part of Hospital Hill

Name of representative	Capacity representing	Dates of meetings held during the year
A Jonkers	Youth Forum	7 August 2019
B Maxhegwana	N/A	13 September 2019
S November	CWP – Community	17 October 2019
J Lodewyk	Policing Safety & Security	21 November 2019
D Booysen	Health	2 December 2019
M Breda	Religion	27 January 2020
J Bosman	Health	18 February 2020
		During the period of 1 March 2020 to June 2020 no ward committee meetings were held due to the COVID-19 Regulations that prohibited any social gatherings

Table 25: Ward 2: Committee meetings

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### c) Ward 3: Part of Rustdene, Essopville and Nieuveld Park

Name of representative	Capacity representing	Dates of meetings held during the year
L Bosman	Welfare	9 July 2019
A Plaatjies	Labour	13 August 2019
J Wentzel	Youth	10 September 2019
E Jacobs	Sport	8 October 2019
J Pause	Unemployment	12 November 2019
G Makok	Religion	16 December 2019
N Fortuin	Environment	12 January 2020
E Lottering	Health	11 February 2020
H Frazenburg	Youth	During the period of 1 March 2020 to June 2020 no ward committee meetings were held due to the COVID-19 Regulations that prohibited any social gatherings
E Arendse	People with Disability	

Table 26: Ward 3: Committee meetings

### d) Ward 4: Part of Kwa Mandlenkosi, De Lande, part of central town and southern part of Hospital Hill

Name of representative	Capacity representing	Dates of meetings held during the year
F Njoli	Youth	17 July 2019
X Voorslag	Sport	20 August 2019
E Mdlkiva	Religion	17 September 2019
S Banda	Business	15 October 2019
K Khedama	Health	19 November 2019
H Mau	Women	12 December 2019
N Dyani	Unemployment	22 January 2020
S Ndyalivane	Churches	19 February 2020
M Dikana	Crime	During the period of 1 March 2020 to June 2020 no ward committee meetings were held due to the COVID-19 Regulations that prohibited any social gatherings
A Swanepoel	Elderly & Disability	

Table 27: Ward 4: Committee meetings

### e) Ward 5: Part of Kwa Mandlenkosi, part of Rustdene, Paddavlei, Hooyvlakte, New Lands and New Town

Name of representative	Capacity representing	Dates of meetings held during the year
S Dyson	Community Clinics	26 July 2019
S Louw	Clinics	26 August 2019
M de Boer	Youth and Disability	26 September 2019
E Grootboom	Community Clinics	25 October 2019



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Name of representative	Capacity representing	Dates of meetings held during the year
A Lottering	Governing Bodies	22 November 2019
B Jack	N/A	13 December 2019
G Louw	Women	27 January 2020
M Mapotolo	Community	21 February 2020
A Mdlikiva	Governing Bodies	During the period of 1 March 2020 to June 2020 no ward committee meetings were held due to the COVID-19 Regulations that prohibited any social gatherings

Table 28: Ward 5: Committee meetings

### f) Ward 6: Part of Rustdene and Prince Valley

Name of representative	Capacity representing	Dates of meetings held during the year
V Louw	Neighbourhood	9 July 2019
E Links	Neighbour	06 August 2019
J Esau	Women	10 September 2019
R Adonis	Religion	21 October 2019
A Daniels	Children	27 November 2019
L Beyers	Women	10 December 2019
E Mosterd	Sport	14 January 2020
F Martin	Religion	20 February 2020
M Kratshi	Municipal Service	During the period of 1 March 2020 to June 2020 no ward committee meetings were held due to the COVID-19 Regulations that prohibited any social gatherings
M Macdonald	Business	

Table 29: Ward 6: Committee meetings

### g) Ward 7: Part of rural Beaufort West, part of Hillside I and II, Toekomsrus, Merweville and rural parts of Merweville

Name of representative	Capacity representing	Dates of meetings held during the year
T Bostander	Transport	15 July 2019
J Spogter	Caring Hands	27 August 2019
M van der Horst	Women	16 September 2019
C van Zyl	Women and Security	16 October 2019
E Daniels	Women	15 November 2019
R Uithaler	Health	12 December 2019
D Klein	Youth	22 January 2020
T Sam	Sport and Culture	19 February 2020
N Johnson	N/A	During the period of 1 March 2020 to June 2020 no ward committee meetings were held due to the COVID-19 Regulations that prohibited any social gatherings
M Peterson	Crime	

Table 30: Ward 7: Committee meetings

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### 2.4 Functionality of Ward Committees

The purpose of a ward committee is:

- to get better participation from the community to inform Council decisions;
- to make sure that there is more effective communication between the Council and the community; and
- to assist the ward councillor with consultation and report-backs to the community.

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise the ward councillor who makes specific submissions directly to the administration. These committees play a very important role in the development and annual revision of the IDP of the area.

The table below provides information on the ward committees and their functionality for the 2019/20 financial year:

Ward number	Committee established Yes / No	Number meetings held during the year	Committee functioning effectively (Yes / No)
Ward 1	Yes	9	Yes
Ward 2	Yes	9	Yes
Ward 3	Yes	9	Yes
Ward 4	Yes	9	Yes
Ward 5	Yes	9	Yes
Ward 6	Yes	9	Yes
Ward 7	Yes	9	Yes

Table 31: Functioning of ward committees

### 2.5 Representative forums

#### 2.5.1 Labour Forum

The table below specifies the members of the Labour Forum for the 2019/20 financial year:

Name of representative	Capacity	Meeting dates
L Deyce	Employer Representative	23 August 2019 12 November 2019 17 November 2019 February 2020 meeting postponed to March 2020 and again postponed. No meetings were held from April 2020 onwards
M Kilani	Employer Representative	
N Constable	Employer Representative	
K Haarhoff	Employer Representative	
A Makendlana	Employer Representative	
H Maans	Employee Representative - SAMWU	
A Jacobs	Employee Representative - SAMWU	
G Daniels	Employee Representative - SAMWU	



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Name of representative	Capacity	Meeting dates
G Plaatjies	Employee Representative - SAMWU	
L Swarts	Employee Representative - SAMWU	
E Molowitz	Employee Representative - SAMWU	
W van der Horst	Employee Representative - IMATU	
C Lottering	Employee Representative - IMATU	
M Govender	Employee Representative - IMATU	

Table 32: Labour Forum

### Component D: Corporate Governance

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

#### 2.6 Risk management

To maintain an overall positive perception of the Municipality and confidence in the Municipality from the public and other stakeholders, well planned goals and objectives should be coordinated and achieved within the Municipality. Section 62(1) of the MFMA stipulates that the Accounting Officer must take all reasonable steps to ensure that the municipality has and maintains an effective, efficient and transparent system of financial and risk management and internal control as well as the effective, efficient and economical use of the resources of the municipality. BWM has instituted a systematic and formalised process to identify, assess, manage and monitor risks which effectively ensures achievement of those planned goals and objectives. Thus, risk management is essentially a good governance measure instituted to ensure the municipality accomplish its vision, mission and strategic plans.

The Municipality has an approved Risk Management Policy, Framework and Implementation Plan as approved by Council on 23 January 2017 (resolution number 8.15 5/12/2/1). The policy is reviewed annually by the Risk Committee and submitted to the Municipal Manager for approval.

The risk management function is facilitated internally by the internal audit division and externally by a service provider to ensure the following functions are performed:

- Assisting management to develop and implement the Risk Management Policy, Strategy and Implementation Plan;
- Coordinating risk management activities;
- Facilitating identification and assessment of risks;
- Recommending risk responses to management; and
- Developing and disseminating risk reports.

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### a) Risk assessment process

The risk assessment for the 2019/20 financial year was completed during November 2017 where risks were identified and categorised into the following groups:

- 🏠 Operational risks
- 🏠 Strategic risks

The risks identified were classified into high, medium and low risks to determine the inherent risk (impact risk has before taking controls into consideration). The risk rating is determined by a 10 X 10 risk matrix.

### b) Top strategic risks

As part of the risk assessment, management identifies current controls, which mitigates the inherent risks identified. After considering controls, the identified risks will receive a residual risk.

After the residual risks have been determined it will be categorised again according to high, medium and low risks, where after management determines which of the risks require further actions to mitigate the impact it may have.

The top ten risks of the Municipality for the financial year were as follow:

Risk level	Risk	Directorate	Impact	Likelihood	Risk rating
High	Impact that the COVID-19 pandemic has on the Municipality	Strategic	10	10	100
Low	Impact of Drought	Strategic	10	10	100
High	Lack of funding (need to expand the landfill site in the near future)	Strategic	10	10	100
High	Misuse and abuse of municipal vehicles	Engineers	10	10	100
High	Impact of loss of fines on short term financial feasibility	Strategic	10	10	100
Medium	Financial feasibility in the long term	Strategic	9.5	9.5	90.3
Medium	Ageing and deteriorating infrastructure	Strategic	9	10	90
Medium	Excessive water losses	Strategic	9	10	90
Medium	Decentralised SCM unit resulting in corruption or bypassing SCM processes	Financial	9	10	90
Medium	Loss of key data (Data management outsources to service provider with no controls vested in the Municipality)	Community Services	9	10	90

Table 33: Strategic risks



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### c) Organisational risk assessment

The table below reflects the annual risk assessments for the past two financial years, reflecting the change in the risk profile:

2018/19			2019/20		
Risk categories	Risks	% of all risk	Risk categories	Risks	% of all risks
High	72	28	High	72	30
Medium	166	66	Medium	157	65
Low	15	6	Low	14	5
<b>Total</b>	<b>294</b>	<b>100</b>	<b>Total</b>	<b>271</b>	<b>100</b>

Table 34: Risk profile

### d) Risk Committee

The role of the Risk Committee is to provide timely and useful enterprise risk management reports to the Audit Committee of the Municipality. The reports contain the current top risks of the Municipality, which includes:

- Key strategic and financial risks facing the Municipality (all extreme and high risk exposures)
- Key operational risks per strategic goal (top 5 risks per objective as per risk exposure from high to low)

The Risk Committee consists of the following members:

Name of Committee Member	Capacity	Meeting dates
K Haarhoff	Chairperson	30 August 2019 23 June 2020
A Makendlana	Member	
R van Staden	Member – retired September 2019	
C Kymdell	Member	
Y Duimpies	Member – Audit Committee member term ended 31 December 2019	
N Gabada	Member – Audit Committee member nominated to serve from January 2020	
J Muller	Member – resigned February 2020	
R Naidoo	CRO	

Table 35: Members of the Risk Committee

## 2.7 Anti-corruption and anti-fraud

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the 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 SCM system to minimize the likelihood of corruption and fraud.

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### a) Developed strategies

Name of strategy	Developed Yes/No	Dates adopted
Anti-corruption Strategy and Response Plan	Yes	30 August 2016
Anti-corruption Strategy and Response Plan	Yes	24 April 2018

Table 36: Strategies and response plan

## 2.8 Audit and Performance Audit Committee

### a) Functions of the Audit Committee (AC)

The AC has the following main functions as prescribed in Section 166(2)(a-e) of the MFMA, and the Local Government Municipal and Performance Management Regulation:

- To advise Council on all matters related to compliance and effective governance
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, Division of Revenue Act (DoRA) and other applicable legislation
- Respond to Council on any issues raised by the Auditor-General in the audit report
- Carry out investigations into the financial affairs of the municipality as Council may request
- Review the quarterly reports submitted by internal audit
- Evaluate audit reports pertaining to financial, administrative and technical systems
- Evaluate the compliance to existing policies and relevant legislation
- Review the performance management system and make recommendations in this regard to Council
- Assess whether the performance indicators are sufficient
- Determine possible reasons for discrepancies between performance and targets
- Identify major risks to which Council is exposed and determine the extent to which risks have been minimised
- To review the annual report of the municipality
- Investigating cases of fraud, misbehaviour and conflict of interest involving employees
- Review the plans of internal audit and ensure that the plan addresses the high-risk areas and ensure that adequate resources are available
- Review audit results and action plans implemented by management
- Provide support to internal audit
- Ensure that no restrictions or limitations are placed on internal audit



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### b) Functions of the Performance Audit Committee

The regulations require that the Performance Audit Committee (PAC) is comprised of a minimum of three members, the majority of whom are external (neither a Councillor nor an employee) of the municipality. Section 14(2)(b) of the Regulations further stipulates that the PAC must include at least one person who has expertise in performance management. It is also a requirement of the Regulations in Section 14(2)(d) that the Council of a municipality designate neither a member of the PAC who is neither a Councillor nor an employee of the municipality as the chairperson of the committee.

Both the Regulations and the MFMA, indicate that three is the minimum number of members needed to comprise a PAC. While the regulations preclude the appointment of a Councillor as chairperson of the PAC, the MFMA excludes the involvement of a Councillor in the composition of a PAC entirely.

In accordance with the requirements of Section 14(2)(e) of the Regulations, if the chairperson is absent from a specific meeting of the committee, the members present must elect a chairperson from those present to act as chairperson for that meeting.

Further, Section 14(2)(f) of the Regulations provides that, in the event of a vacancy occurring amongst the members of the PAC, the municipality concerned must fill that vacancy for the unexpired portion of the vacating member's term of appointment.

Section 14(3)(a) of the Regulations requires that the PAC of a municipality must meet at least twice during each financial year. However, additional special meetings of the PAC may be called for by any member of the committee where sufficient justification exists in terms of Section 14(3)(b) of the Regulations.

In terms of Section 14(4)(a) of the Regulations the PAC has the responsibility to -

- review the quarterly reports produced and submitted by the internal audit process;
- review the municipality's performance management system and make recommendations in this regard to the Council of the municipality; and
- at least twice during each financial year submit a performance audit report to the Council of the municipality.

### c) Members of the PAC

The table below indicates the names of the members of the AC and PAC:

Name of representative	Capacity	Meeting dates
K Mckay	Chairperson – term ended 31 December 2019	21 August 2019 28 October 2019 13 February 2020 24 June 2020
A Augustyn	Member – term started 1 January 2020	
Y Duimpies	Member – term ended 31 December 2019	
N Gabada	Member	
S Ngwevu	Chairperson – term started 1 January 2020	

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Name of representative	Capacity	Meeting dates
W Phillips	Member- term started 1 January 2020	

Table 37: Members of the AC and PAC

### 2.9 Internal audit

Section 165(2)(a) and (b)(iv) of the MFMA requires that the internal audit unit of a municipality prepare a risk based audit plan and an internal audit program for each financial year; advise the accounting officer and report to the AC on the implementation on the internal audit plan and matters relating to:

- internal audit;
- internal controls;
- accounting procedures and practices;
- risk and risk management;
- performance management;
- loss control;
- compliance with this Act, the annual Division of Revenue Act and any other applicable legislation, and
- perform other duties as may be assigned to it by the accounting officer.

The Municipality has an in-house internal audit function.

#### a) Annual audit plan

The table below provides detail on audits completed:

Description			Date completed
Phase 1			
Operational and Strategic Risk Assessment			January – February 2018
Phase 2			
Compilation of Risk Based Audit Plan			July 2019
Phase 3			
Type of audit engagement	Department	Detail	Date completed
Quarterly audit of Performance Management	Strategic	Quarterly audit of the Performance management system	January 2020 March 2020 June 2020
Occupational Health and safety	Corporate Service	To ensure compliance to the Occupational health and safety Act.	February 2020
Ad-hoc Investigations: Confidentiality issues – ENATIS system	Community Service	To provide and audit opinion on the adequacy and effectiveness of internal controls around the ENATIS system	January 2020
Ad-hoc Investigations: Internal control deficiency – Library services	Corporate Service	To provide and audit opinion on the adequacy and effectiveness of internal	February 2020



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Description			Date completed
		controls pertaining to the cash payments of fines and missing books	
Ad-hoc Investigations: MPAC irregular expenses	Financial Service	To provide and audit opinion on the adequacy and effectiveness of internal controls around the SCM processes with regards to certain transactions/payments.	November 2019
Ad-hoc Investigations: Internal control deficiency – Salary approval process	Engineering Service	To provide and audit opinion on the adequacy and effectiveness of internal controls pertaining to the approval process of a salary	August 2019
Ad-hoc Investigations: Conflict of Interest	Strategic	To provide and audit opinion on the adequacy and effectiveness of internal controls around the conflict of Interest of certain officials.	November 2019
Ad-hoc Investigations: Vehicles investigation	Engineering Service	To provide and audit opinion on the adequacy and effectiveness of internal controls around the repairs and maintenance of certain vehicles.	March 2020

Table 38: Internal audit plan

### 2.10 By-laws and policies

Section 11 of the MSA gives a Council the executive and legislative authority to pass and implement by-laws and policies.

Below is a list of the by-laws developed and reviewed during the financial year:

By-law developed/revised	Date proclaimed	Public participation conducted prior to adoption of by-Law Yes/No
Notice number 83/2019: Amendment By-Law of the Property Rates Policy By-Law	19 July 2019	Yes
Notice number 74/2020: Amendment By-Law on the Tariff Policy By-Law	30 April 2020	Yes
Notice number 89/2020: Beaufort West Municipal Standard Zoning Scheme By-Law	5 June 2020	Yes

Table 39: By-laws developed and reviewed

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### 2.11 Communication

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community.

Below is a communication checklist of the compliance to the communication requirements:

Communication activities	Yes/No
Communication Strategy	Yes, in draft phase
Communication Policy	No
Functional Complaint Management Systems	No

Table 40: Communication activities

Additional communication channels utilised:

Channel	Yes/No	Number of people reached
SMS system	Yes	N/A
Facebook page	Yes	25 999

Table 41: Additional communication channels

### 2.12 Website

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the MFMA and Section 21A and B of the MSA as amended.

The table below gives an indication about the information and documents that are published on our website:

Description of information and/or document	Yes/No and/or Date Published
<b>Municipal contact details (Section 14 of the Promotion of Access to Information Act)</b>	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical and postal address of the Municipality	Yes
<b>Financial information (Sections 53, 75, 79 and 81(1) of the MFMA)</b>	
Tabled Budget 2019/20	Yes
Adjusted Budget 2019/20	Yes
Asset Management Policy	Yes
Customer Care, Credit Control and Debt Collection Policy	Yes
Indigent Policy – Part of Credit Control Debt Collection Policy	Yes
Funds and Reserves Policy	Yes
Investment and Cash Management Policy	Yes
Rates Policy	Yes



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Description of information and/or document	Yes/No and/or Date Published
SCM Policy	Yes
Tariff Policy	Yes
Virement Policy	Yes
Petty Cash Policy – Part of SCM Policy	Yes
Travel and Subsistence Policy	Yes
Long Term Financial Policy	No
Borrowing Policy	Yes
SDBIP 2019/20	Yes
Budget and Treasury Office Structure	No
<b>IDP and public participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)</b>	
Reviewed IDP for 2019/20	Yes
IDP Process Plan for 2019/20	No
<b>SCM (Sections 14(2), 33, 37 and 75(1)(e) and (f) and 120(6)(b) of the MFMA and Section 18(a) of the National SCM Regulation)</b>	
List of capital assets that have been disposed	No
Long-term borrowing contracts	Yes
SCM contracts above R 30 000	Yes
Service delivery agreements	No
Public invitations for formal price quotations	Yes
<b>Reports (Sections 52(d), 71, 72 and 75(1)(c) and 129(3) of the MFMA)</b>	
Annual Report of 2018/19	Yes
Oversight reports	Yes
Mid-year budget and performance assessment	Yes
Quarterly reports	Yes
Monthly budget statement	Yes
<b>LED (Section 26(c) of the MSA)</b>	
LED Strategy	No
Economic profile	No
LED projects	No
<b>Performance management (Section 75(1)(d) of the MFMA)</b>	
Performance agreements for employees appointed as per S57 of MSA (Municipal Manager only)	Yes
<b>Assurance functions (Sections 62(1), 165 and 166 of the MFMA)</b>	
Internal Audit Charter	Yes
AC Charter	Yes
Risk Management Policy, Strategy and Implementation Plan	Yes

Table 42: Website checklist

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### 2.13 SCM

The SCM Policy of BWM is deemed to be fair, equitable, transparent, competitive and cost-effective as required by Section 217 of the Constitution.

#### 2.13.1 Competitive bids in excess of R200 000

##### a) Bid committee meetings

The following table details the number of Bid Committee meetings held for the 2019/20 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
18	13	18

Table 43: Bid committee meetings

The members of the bid committees for the financial year were:

Bid Specifications Committee	Bid Evaluation Committee	Bid Adjudication Committee
C de Koker	C Els	C Kyndell
K Fortuin	K Fortuin	A Makendana
D le Roux	D le Roux	S Pothberg
A Makendana	C de Koker	T Prince
S Pothberg	D le Roux	V Ruiters
P Strümpher	A Makendana	R van Staden
V Ruiters	C Wright	P Strümpher
C Wright	R Summers	L Gouws
R Summers	N Kotze	K Fortuin
J Abrahams	D Hawker	C Wright
N Kotze	P Strümpher	D le Roux
C de Koker	M Lawrence	N Kotze
M Lawrence	L Lakay	L Lakay
D Hawker	N January	J Muller
A Jacobs	P Lande	
T Prince		
C Els		
L Gouws		
B Damon		
C Okkers		
R van Staden		
L Lakay		
N January		

Table 44: Members of bid committees



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### b) Awards made by the Bid Adjudication Committee

The highest bids awarded by the Bid Adjudication Committee are as follows:

Bid number	Date of award	Title of bid	Successful bidder	Value of bid awarded (R)
SCM 01-2020	01/03/2020	Professional Services: Water Services	Aurecon	R1 098 932.41
SCM 23/2019	04/05/2019	Supply, maintenance, repair and calibration of digital speed cameras	Traffic Violation Solutions	Income based on the % traffic fines issued
SCM 05-2020	12/11/2019	Supply and Delivery of Duplicator Digital Printer	Ricoh Garden Route	R3 269.00 per month
SCM 08-2020	01/10/2019	Professional Services Gravel Roads	Massive Dynamik	R621 399.00
SCM 16-2020	01/03/2020	Three (3) Year Maintenance and Upgrade Tender of Mechanical and Electrical Installations: Boreholes, Pump Station and Buildings	TG Elektries	R378 027.96
SCM 20/2020	01/02/2020	Lease of Central Business district Office: Accommodation for Beaufort West Municipality	N1 Support	R157 892,27
SCM 24-2020	19/02/2020	Supply and Delivery of the renewal of anti-virus licenses	Ikasi Solutions (Pty) Ltd	R28 582.39

Table 45: Highest bids awarded by Bid Adjudication Committee

### c) Awards made by the accounting officer

The following award was made by the accounting officer of the Municipality:

Bid number	Date of award	Title of bid	Successful bidder	Value of bid awarded (R)
SCM 23/2019	04/05/2019	Supply, maintenance, repair and calibration of digital speed cameras	Traffic Violation Solutions	Income based on the % traffic fines issued

Table 46: Awards made by the Accounting Officer

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### d) Appeals lodged by aggrieved bidders

Three appeals were received for the 2019/20 financial year. The bid numbers are the following:

- SCM 21/2019
- SCM 10/2020
- SCM 12/2020

### 2.13.2 Deviation from normal procurement processes

The following table provides a summary of deviations approved on an annual and monthly basis respectively:

Type of deviation	Number of deviations	Percentage of total deviations number	Value of deviations R	Percentage of total deviations value
Emergency	11	11.7%	1 108 413.99	26.8%
Sole supplier	8	8.5%	119 792.56	2.9%
Any other exceptional case where it is impossible or impractical to follow the official procurement process	10	10.6%	438 021.96	10.6%
Any contract with an organ of state, a local authority or a public utility corporation or company	2	2.1%	19 118.00	0.5%
Any contract relating to the publication of notice and advertisements by the municipality	29	30.7%	249 237.70	6%
The appointment of any person to provide professional advice or services is less than R200 000 or any greater amount	30	31.8%	1 668 745.33	40.4%
Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	16	17%	525 679.74	12.7%

Table 47: Summary of deviations

### 2.13.3 Logistics management

The system of logistics management must ensure:

- the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
- the placing of manual or electronic orders for all acquisitions other than those from petty cash;



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- before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

Each stock item at the municipal stores are coded and are listed on the financial system. Monthly monitoring of patterns of issues and receipts are performed by the storekeeper.

Inventory levels are set at the start of each financial year. These levels are set for normal operations. If special projects are being launched by departments, such information must be communicated timely to the stores section for them to order stock more than the normal levels.

Internal controls are in place to ensure that goods and service that are received are certified by the responsible person.

Regular checking of the condition of stock is performed. Quarterly stock counts are performed at which surpluses, deficits, damaged and redundant stock items are identified and reported to Council.

As at 30 June 2020, the value of stock at the municipal stores amounted to R3 094 483.86. For the 2019/20 financial year no surpluses, no deficits and no damaged stock items were reported.

The system of disposal management must ensure the following:

- Immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise, as community value makes up for the lower market value
- Movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous
- Firearms are not sold or donated to any person or institution within or outside the republic unless approved by the National Conventional Arms Control Committee
- Immovable property is let at market related rates except when the public interest or plight of the poor demands otherwise
- All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed
- Where assets are traded in for other assets, the highest possible trade-in price is negotiated
- In the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment

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Assets must be disposed of in terms of Council's Asset Management and Immoveable Property Management Policy.

### 2.14 Broad-Based Black Economic Empowerment (B-BBEE) Compliance Performance Information

Section 121(3)(k) of the MFMA indicates that the annual report of a municipality should include any other information as may be prescribed. The B-BBEE Act (Act 53 of 2003; as amended by Act 46 of 2013) read in conjunction with the B-BEE Regulations of 2016 states in Section 13G(1) that all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their Annual Financial Statements and Annual Reports. In accordance with the explanatory notice (Notice 1 of 2018) issued by the B-BBEE Commission the following tables provide details on the municipality's compliance with regard to broad-based black economic empowerment:

#### 2.14.1 Management control

Category	Race Classification		Gender		Disability
Senior Management	African	3	Male	3	0
	African	1	Female	1	0
	Coloured	3	Male	3	0
	Indian	0		0	0
	White	3	Male	3	1

Table 48: B-BBEE management control statistics

#### 2.14.2 Management breakdown

Category	Race Classification	Gender	Disability
Municipal Manager	African	Male	No
Director: Corporate Services	African	Male	No
Director: Infrastructure Services	White	Male	No
Director: Financial Service	White	Male	Yes
Director: Community Services	Coloured	Male	No
General Manager	African	Male	No
Snr Manager: Corporate Services	White	Male	No
Snr Manager: Infrastructure Services	Coloured	Male	No
Snr Manager: Financial Services	Coloured	Male	No



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Category	Race Classification	Gender	Disability
Snr Manager: Community Services	African	Female	No

Table 49: B-BBEE management breakdown statistics

### 2.15 Municipal Cost Containment Measures

#### 2.15.1 Municipal Cost Containment Regulations (MCCR)

National Treasury first published the draft MCCR for public comment on 16 February 2018, with the closing date being 31 March 2018. Comments were received, from the Department of Cooperative Governance and Traditional Affairs, SALGA, municipalities and other stakeholders. After extensive consultation and consideration of all comments received, the MCCR were finalised and promulgated on 7 June 2019 in the Government Gazette, with the effective date being 1 July 2019.

#### 2.15.2 Municipal Cost Containment Policy

The MCCR do not apply retrospectively, therefore will not impact on contracts concluded before 1 July 2019. If municipalities and municipal entities decided to extend current contracts, such contracts should have been aligned with the principles outlined in the MCCR and SCM regulations.

Regulation 4(1) of the MCCR requires municipalities and municipal entities to either develop or review their cost containment policies. The MCCR require municipalities to adopt the cost containment policies as part of their budget related policies prior to 30 September 2019. The Beaufort West Municipality did not adopt the cost containment policies.

#### 2.15.3 Cost containment measure and annual cost saving

The effective implementation of the MCCR is the responsibility of the municipal council and the municipal accounting officer. In terms of the cost containment framework provided in the MCCR, which is consistent with the provisions of the MFMA and other government pronouncements, the following cost savings for the financial year are disclosed:

Cost Containment Measure	Cost Containment		
	Budget	Total Expenditure	Savings
	R'000	R'000	R'000
Use of consultants	3 762	6 207	(2 455)
Vehicles used for political office - bearers	0	0	0
Travel and subsistence	962	956	6
Domestic accommodation	0	0	0
Sponsorships, events and catering	127	70	57
Communication	2 147	2 023	124

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Cost Containment			
Cost Containment Measure	Budget	Total Expenditure	Savings
	R'000	R'000	R'000
Other related expenditure items	0	0	0
<b>Total</b>	<b>6 998</b>	<b>9 256</b>	<b>(2 268)</b>



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### CHAPTER 3

This chapter provides an overview of the key service achievements of the Municipality that came to fruition during 2019/20 in terms of the deliverables achieved compared to the KPI's and objectives in the IDP. It includes an overview on achievement in 2019/20 when compared to actual performance in 2018/19.

#### 3.1 Overview of performance within the organisation

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

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

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

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

The MSA, 2000 requires municipalities to establish a performance management system. Further, the MSA and the MFMA requires the IDP to be aligned to the municipal budget and to be monitored for the performance of the budget via the service delivery and the budget implementation plan (SDBIP).

Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation but also to the individuals employed in the organisation and the external service providers and municipal entities. This framework, *inter alia*, reflects the linkage between the IDP, budget, SDBIP and individual and service provider performance.

The Municipality adopted a performance management framework that was approved by Council in 2009.

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### 3.1.1 Legislative requirements

In terms of Section 46(1)(a) of the MSA a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with performance in the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the Municipality for the following financial year and measures that were or are to be taken to improve performance.

### 3.1.2 Organisational performance

Strategic performance indicates how well the Municipality meet its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must be monitored on an ongoing basis and the results reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlights the strategic performance in terms of the Municipality's Top Layer SDBIP per strategic objective and the National KPI's prescribed in terms of Section 43 of the MSA.

### 3.1.3 The performance system followed for 2019/20

#### a) The IDP and the budget

The IDP and the budget for 2019/20 was reviewed and approved by Council on 31 May 2019. The IDP and performance management processes are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation, management, monitoring and evaluation of the IDP.

The SDBIP was prepared as described in the paragraphs below and the Top Layer SDBIP approved by the Executive Mayor on 13 June 2019.



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### 3.1.4 Performance management

The organisational performance is monitored and evaluated via the SDBIP and the performance process can be summarised as follows:

- 🏠 The Top Layer SDBIP was approved by the Mayor on 13 June 2019 and the information was loaded on an electronic web-based system
- 🏠 The web-based system sent automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against KPI targets of every month for the previous month's performance
- 🏠 The performance system administrator reminded all departments on a monthly basis to update their actual performance on the web-based system
- 🏠 The Top Layer SDBIP was amended with the adjustment budget on 30 June 2020

## 3.2 Introduction to strategic and municipal performance for 2019/20

### 3.2.1 Strategic SDBIP

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section provides an overview on the strategic achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer SDBIP is the Municipality's strategic plan and shows the strategic alignment between the different documents (IDP, budget and performance agreements).

In the detail below the performance achieved is illustrated against the Top Layer SDBIP according to the IDP (strategic) objectives.

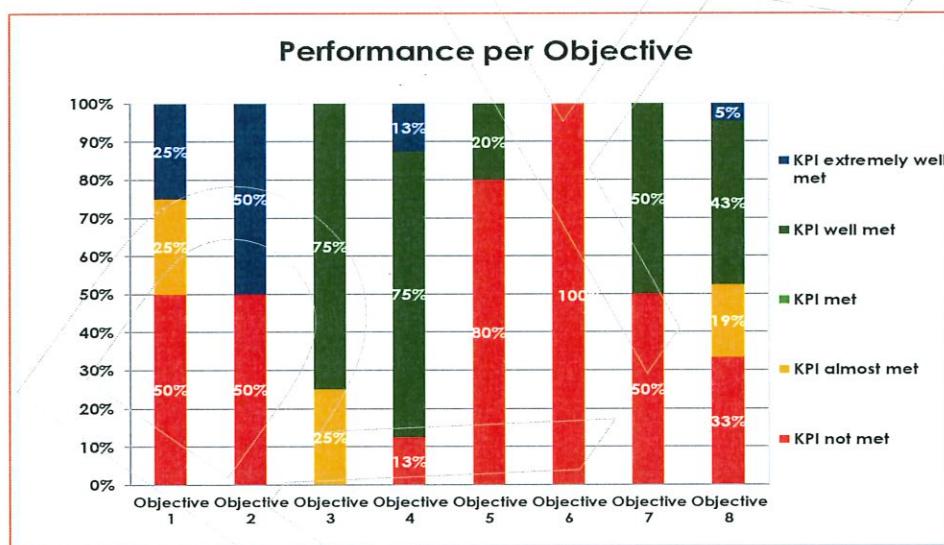
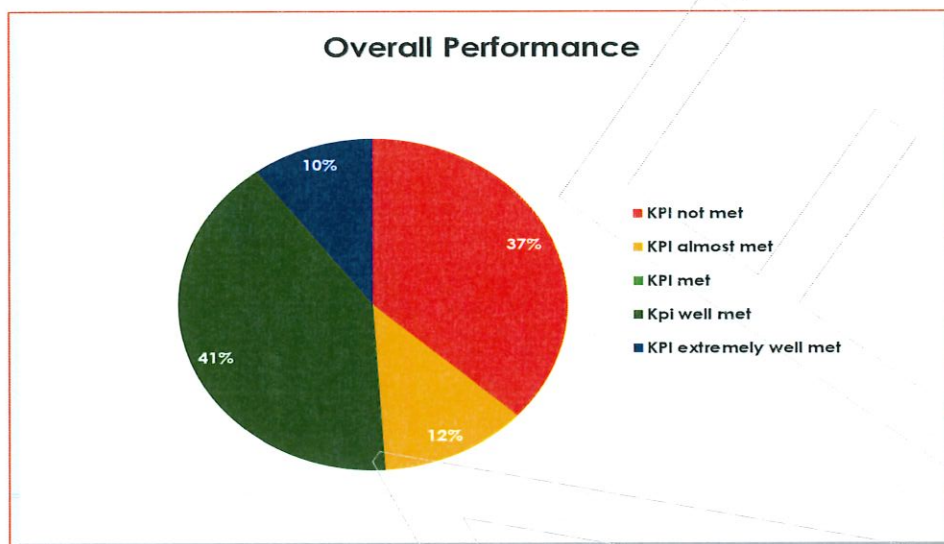
The following table explains the method by which the overall assessment of actual performance against targets set for the KPI's of the SDBIP is measured:

Category	Rating	Explanation
KPI Not Yet Measured	Not yet measured	KPI's with no targets or actuals in the selected period
KPI Not Met	KPI Not Met	0% > = Actual/Target < 75%
KPI Almost Met	KPI Almost Met	75% > = Actual/Target < 100%
KPI Met	KPI Met	Actual/Target = 100%
KPI Well Met	KPI Well Met	100% > Actual/Target < 150%
KPI Extremely Well Met	KPI Extremely Well Met	Actual/Target > = 150%

Figure 2.: SDBIP measurement categories

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The graph below displays the overall performance in terms of the Top Layer SDBIP per strategic objectives for 2019/20:





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Measurement Category	Objective 1	Objective 2	Objective 3	Objective 4	Objective 5	Objective 6	Objective 7	Objective 8
	Ensure liquidity of the administration	Establishment of a well governed and accountable administration	Provide for the needs of indigent households through improved services	Provision of basic services to all the people in the municipal area	Sustainability of the environment	To enable education and skills development to equip people with economic skills	To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development	To improve and maintain current basic service delivery through specific infrastructural development projects
KPI Not Met	2	2	0	1	4	1	1	7
KPI Almost Met	1	0	1	0	0	0	0	4
KPI Met	0	0	0	0	0	0	0	0
KPI Well Met	0	0	3	6	1	0	1	9
KPI Extremely Well Met	1	2	0	1	0	0	0	1
Total	4	4	4	8	5	1	2	21

Graph 1.: Overall performance per strategic objective

### 3.2.2 Detailed actual performance for 2019/20 KPI's per strategic objectives

#### a) Ensure liquidity of the administration

Ref	KPI	Unit of measurement	Wards	Actual performance of 2018/19	Overall performance 2019/20						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL11	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2020 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Re	Debt to Revenue as at 30 June 2020	All	9.52%	0%	0%	0%	45%	45%	10.93%	B

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Ref	KPI	Unit of measurement	Wards	Actual performance of 2018/19	Overall performance 2019/20						Actual	
					Target							
					Q1	Q2	Q3	Q4	Annual			
TL12	Financial viability measured in terms of the outstanding service debtors as at 30 June 2020 [(Total outstanding service debtors/ revenue received for services)x 100]	Service debtors to revenue as at 30 June 2020	All	75.38%	0%	0%	0%	35%	35%	68.54%	R	
Corrective Measure			Implement Debt and Credit Control Policy									
TL13	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2020 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl	Cost coverage as at 30 June 2020	All	0.8	0	0	0	1	1	0.6	R	
Corrective Measure			Implement Debt and Credit Control Policy									
TL14	Achieve a payment percentage of 90% by 30 June 2020 [(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed	Payment % achieved by 30 June 2020	All	88.20%	75%	80%	85%	90%	90%	79.68%	O	



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Ref	KPI	Unit of measurement	Wards	Actual performance of 2018/19	Overall performance 2019/20					
					Target					Actual
					Q1	Q2	Q3	Q4	Annual	
	Revenue x 100]									
<b>Corrective Measure</b>			Implement Debt and Credit Control Policy							

Table 50: Ensure liquidity of the administration

### b) Establishment of a well governed and accountable administration

Ref	KPI	Unit of measurement	Wards	Actual performance of 2018/19	Overall performance 2019/20						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL31	Appoint people from the employment equity target groups in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people appointed in the three highest levels of management	All	1	0	0	0	1	1	0	R
Corrective Measure			No appointments could be made as the Municipality is busy reviewing the organisational structure and placement of staff								
TL32	0.10% of the municipality's personnel budget spent on implementing its workplace skills plan by 30 June 2020 ((Actual amount spent on training/total personnel budget)x100)	% of the municipality's personnel budget spent on implementing its workplace skills plan	All	0.73%	0%	0%	0%	0.10%	0.10%	0.77%	B
TL34	Compile the Risk based audit plan for 2020/21 and submit to Audit committee for consideration by 30 June 2020	Risk based audit plan submitted to Audit committee by 30 June 2020	All	0	0	0	0	1	1	0	R
Corrective Measure			Risk based plan was revised for 2019/20 and submitted again to the Audit Committee on 24 June 2020								
TL35	70% of the Risk based audit plan for 2019/20 implemented by 30 June 2020 [(Number of audits and tasks completed for the period/ Number of audits and tasks	% of the Risk Based Audit Plan implemented by 30 June 2020	All	57%	0%	20%	0%	70%	70%	157%	B

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Ref	KPI	Unit of measurement	Wards	Actual performance of 2018/19	Overall performance 2019/20					
					Target					Actual
					Q1	Q2	Q3	Q4	Annual	
	identified in the RBAP ]x100]									

Table 51: Establishment of a well governed and accountable administration

### c) Provide for the needs of indigent households through improved services

Ref	KPI	Unit of measurement	Wards	Actual performance of 2018/19	Overall performance 2019/20						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL5	Provide free basic water to indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2020	Number of indigent households receiving free basic water as at 30 June 2020	All	4 776	0	5 600	0	5 600	5 600	6 529	G2
TL6	Provide free basic electricity to indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2020	Number of indigent households receiving free basic electricity as at 30 June 2020	All	6 433	0	5 094	0	5 094	5 094	6 990	G2
TL7	Provide free basic sanitation to indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2020	Number of indigent households receiving free basic sanitation as at 30 June 2020	All	4 638	0	5 953	0	5 953	5 953	4 800	O
Corrective Measure			Not all consumers register as indigents at the Municipality. The Municipality will raise awareness on public Indigent application process								
TL8	Provide free basic refuse removal to indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2020	Number of indigent households receiving free basic refuse removal as at 30 June 2020	All	2 236	0	2 225	0	2 225	2 225	2 539	G2

Table 52: Provide for the needs of indigent households through improved services



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### d) Provision of basic services to all the people in the municipal area

Ref	KPI	Unit of measurement	Wards	Actual performance of 2018/19	Overall performance 2019/20						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL1	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and which are billed for water or have pre paid meters as at 30 June 2020	Number of residential properties which are billed for water or have pre paid meters as at 30 June 2020	All	14 594	0	13 500	0	13 500	13 500	14 210	G 2
TL2	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering) (Excluding Eskom areas) and which are billed for electricity or have pre paid meters (Excluding Eskom areas) as at	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas) as at 30 June 2020	All	13 564	0	12 462	0	12 462	12 462	13 172	G 2
TL3	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2020	Number of residential properties which are billed for sewerage as at 30 June 2020	All	11 630	0	11 870	0	11 870	11 870	12 559	G 2
TL4	Number of formal residential properties for which refuse is removed once per week and which are billed for refuse removal as at 30 June 2020	Number of residential properties which are billed for refuse removal as at 30 June 2020	All	11 716	0	11 346	0	11 346	11 346	12 089	G 2

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Ref	KPI	Unit of measurement	Wards	Actual performance of 2018/19	Overall performance 2019/20						Actual	
					Target							
					Q1	Q2	Q3	Q4	Annual			
TL2 1	85% of the approved project budget spent on the upgrading of cemeteries in Beaufort West, Nelspoort, Murraysburg and Merweville by 30 June 2020 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2020	1; 2; 7	New KPI for 2019/20. No comparative actual available	10%	20%	50%	85%	85%	132%	B	
TL2 2	85% of the approved project budget spent on upgrading the sports stadium in Kwa-Mandlenkosi by 30 June 2020 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2020	4; 5	New KPI for 2019/20. No comparative actual available	10%	20%	50%	85%	85%	14%	R	
Corrective Measure			Construction was stopped due to COVID-19 pandemic. Formal quotations were not awarded									
TL2 3	85% of the approved project budget spent on upgrading the existing regional sport stadium (phase 2) in Rustdene by 30 June 2020 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2020	5; 6	New KPI for 2019/20. No comparative actual available	10%	20%	50%	85%	85%	100%	G 2	
TL4 8	85% of the approved project budget spent on upgrading the sports stadium in Beaufort West by 30 June 2020 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2020	All	New KPI for 2019/20. No comparative actual available	0.00 %	0%	0%	85%	85%	96%	G 2	

Table 53: Provision of basic services to all the people in the municipal area



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### e) Sustainability of the environment

Ref	KPI	Unit of measurement	Wards	Actual performance of 2018/19	Overall performance 2019/20						Actual
					Target						
					Q1	Q2	Q3	Q4	Annual		
TL15	Limit unaccounted for water quarterly to less than 25% during 2019/20 [(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold (incl free basic water) / Number of Kilolitres Water Purchased or Purified x 100]	% unaccounted water	All	40%	25%	25%	25%	25%	25%	56%	R
Corrective Measure			Prioritise water losses								
TL16	95% of water samples in the Beaufort West jurisdiction area comply with SANS241 micro biological indicators	% of water samples compliant to SANS 241	All	95%	95%	95%	95%	95%	95%	100	G2
TL18	Submit a proposal to the Department of Environmental Affairs and Development Planning (DEADP) by 30 June 2020 to obtain funding for the compilation of an Air Quality Management Plan	Proposal submitted to DEADP by 30 June 2020	All	1	0	0	0	1	1	0	R
Corrective Measure			Proposal must still be drafted. Drafting in progress. Will complete in the new financial year								
TL19	Review the Integrated Waste Management Plan and submit to Council by 30 June 2020	Plan reviewed and submitted to Council by 30 June 2020	All	1	0	0	0	1	1		R
Corrective Measure			Review is still in progress. Will try to complete within the next financial year								

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	KPI	Unit of measurement	Wards	Actual performance of 2018/19	Overall performance 2019/20						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL37	Limit unaccounted for electricity to less than 12% quarterly during the 2019/20 financial year {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchas	% unaccounted electricity	All	8.31%	12%	12%	12%	12%	12%	14.70	R
Corrective Measure			The Municipality will undertake an investigation in the new financial year to determine the source of the losses								

Table 54: Sustainability of the environment

### f) To enable education and skills development to equip people with economic skills

Ref	KPI	Unit of measurement	Wards	Actual performance of 2018/19	Overall performance 2019/20						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL33	Spend 100% of the library grant by 30 June 2020 (Actual expenditure divided by the total grant received)	% of grant spent by 30 June 2020	All	New KPI for 2019/20. No comparative actual available	0%	0%	0%	100%	100%	0	R
Corrective Measure			The budget could not be spent due to the closure of libraries as well as vacant positions not filled. The Municipality has applied for a roll-over budget and will fill the vacancies as soon as possible								

Table 55: To enable education and skills development to equip people with economic skills



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### g) To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development

Ref	KPI	Unit of measurement	Wards	Actual performance of 2018/19	Overall performance 2019/20						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL10	Create temporary job opportunities in terms of the Extended Public Works Programme (EPWP) projects by 30 June 2020	Number of temporary jobs opportunities created by 30 June 2020	All	140	0	0	0	40	40	159	B
TL36	Review the LED strategy and submit to Council by 30 June 2020	Revised LED strategy submitted to Council by 30 June 2020	All	New KPI for 2019/20. No comparative actual available	0	0	0	1	1	0	R
Corrective Measure			The meetings for Nelspoort, Murraysburg and Nelspoort were conducted during lockdown level 3 in June 2020. It is envisaged that the Draft LED strategy will be workshopped with Council during August 2020 and approved by the end of September 2020								

Table 56: To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development

### h) To improve and maintain current basic service delivery through specific infrastructural development projects

Ref	KPI	Unit of measurement	Wards	Actual performance of 2018/19	Overall performance 2019/20						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL9	The percentage of the municipal capital budget spent by 30 June 2020 ( (Actual amount spent /Total amount budgeted for capital projects)X100)	% of capital budget spent by 30 June 2020	All	81.45%	0%	15%	50%	85%	85%	73.59%	O
Corrective Measure			Apply for roll-over and appoint contractors								
TL25	85% of the approved project budget spent on upgrading Dliso Avenue & Matshaka Street in Kwa-Mandlenkosi by 30 June 2020 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2020	4; 5	New KPI for 2019/20. No comparative actual available	10%	20%	50%	85%	85%	10%	R
Corrective Measure			Tender was cancelled. Project to be implemented in the 2021/22 financial year								



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	KPI	Unit of measurement	Wards	Actual performance of 2018/19	Overall performance 2019/20						Overall Rating
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL29	85% of the approved project budget spent on upgrading Kamp Street in Merweville by 30 June 2020 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2020	7	New KPI for 2019/20. No comparative actual available	10%	20%	50%	85%	85%	66%	O
Corrective Measure			Previous consultant is under investigation. A new consultant was appointed. Contractor was appointed on 15 June 2020								
TL38	85% of the electricity maintenance budget spent by 30 June 2020 ((Actual expenditure on maintenance divided by the total approved budget for maintenance)x100)	% of the electricity maintenance budget spent by 30 June 2020	All	New KPI for 2019/20. No comparative actual available	10%	20%	50%	85%	85%	24.20%	R
Corrective Measure			The lack of expenditure was due to the National Lockdown and COVID related issues. A maintenance schedule will be put in place in the new financial year								
TL39	85% of the approved project budget spent on the electrification of 164 houses (S1 Phase 3) by 30 June 2020 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2020	All	New KPI for 2019/20. No comparative actual available	10%	20%	50%	85%	85%	100%	G2
TL40	85% of the approved project budget spent on the extension of Beaufort West-Katjieskop sub-station (Phase 4) by 30 June 2020 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2020	All	New KPI for 2019/20. No comparative actual available	10%	20%	50%	85%	85%	100%	G2
TL42	85% of the approved project budget spent on boreholes for the Beaufort West	% of budget spent by 30 June 2020	All	New KPI for 2019/20. No comparative	10%	20%	50%	85%	85%	0%	R



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	KPI	Unit of measurement	Wards	Actual performance of 2018/19	Overall performance 2019/20						Actual
					Target						
					Q1	Q2	Q3	Q4	Annual		
	Municipal Area by 30 June 2020 [(Actual expenditure divided by the total approved project budget)x100]			actual available							
Corrective Measure			Project will be implemented in the next financial year								
TL43	85% of the refuse removal maintenance budget spent by 30 June 2020 [(Actual expenditure on maintenance budget divided by the total approved maintenance budget)x100]	% of budget spent by 30 June 2020	All	New KPI for 2019/20. No comparative actual available	10%	20%	50%	85%	85%	213.72%	B
TL44	85% of the roads and stormwater assets maintenance budget spent by 30 June 2020 [(Actual expenditure on maintenance divided by the total approved budget for maintenance)x100]	% of budget spent by 30 June 2020	All	New KPI for 2019/20. No comparative actual available	10%	20%	50%	85%	85%	53.80%	R
Corrective Measure			The lack of expenditure was due to the National Lockdown and COVID related issues. A maintenance schedule will be put in place in the new financial year								
TL45	85% of the sanitation assets maintenance budget spent by 30 June 2020 [(Actual expenditure on maintenance divided by the total approved budget for maintenance)x100]	% of budget spent by 30 June 2020	All	New KPI for 2019/20. No comparative actual available	10%	20%	50%	85%	85%	45.75%	R
Corrective Measure			The lack of expenditure was due to the National Lockdown and COVID related issues. A maintenance schedule will be put in place in the new financial year								
TL46	85% of the parks and recreation maintenance budget spent by 30 June 2020 [(Actual expenditure on maintenance divided by the total approved budget for maintenance)x100]	% of budget spent by 30 June 2020	All	New KPI for 2019/20. No comparative actual available	10%	20%	50%	85%	85%	99.10%	G2

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	KPI	Unit of measurement	Wards	Actual performance of 2018/19	Overall performance 2019/20						Actual
					Target						
					Q1	Q2	Q3	Q4	Annual		
TL47	85% of the water assets maintenance budget spent by 30 June 2020 [(Actual expenditure on maintenance divided by the total approved budget for maintenance)x100]	% of budget spent by 30 June 2020	All	New KPI for 2019/20. No comparative actual available	10%	20%	50%	85%	85%	69.93%	O
Corrective Measure			The lack of expenditure was due to the National Lockdown and COVID-19 related issues. A maintenance schedule will be put in place in the new financial year								
TL49	85% of the approved project budget spent on drilling, testing, equipping and connection of boreholes in Merweville by 30 June 2020 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2020	All	New KPI for 2019/20. No comparative actual available	0%	0%	0%	85%	85%	14%	R
Corrective Measure			Applied for roll-over								
TL50	85% of the approved project budget spent on upgrading of the Merweville reservoir by 30 June 2020 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2020	All	New KPI for 2019/20. No comparative actual available	0%	0%	0%	85%	85%	100%	G2
TL51	85% of the approved project budget spent on the installation of smart water meters by 30 June 2020 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2020	All	New KPI for 2019/20. No comparative actual available	0%	0%	0%	85%	85%	90%	G2
TL52	85% of the approved project budget spent on high mast lighting in the Beaufort West municipal area by 30 June 2020 [(Actual	% of budget spent by 30 June 2020	All	New KPI for 2019/20. No comparative actual available	0%	0%	0%	85%	85%	100%	G2



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	KPI	Unit of measurement	Wards	Actual performance of 2018/19	Overall performance 2019/20						Actual
					Target						
					Q1	Q2	Q3	Q4	Annual		
	expenditure divided by the total approved project budget)x100]										
TL53	85% of the approved project budget spent on a new bulk water supply in Nelspoort by 30 June 2020 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2020	All	New KPI for 2019/20. No comparative actual available	0%	0%	0%	85%	85%	0%	R
Corrective Measure			Design was completed. However, the aerator needs to be imported. Due to lockdown no shipping is taking place. Project was registered as a COVID-19 project and the Municipality will apply for a roll-over								
TL54	85% of the approved project budget spent on upgrading of Murraysburg reservoir by 30 June 2020 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2020	All	New KPI for 2019/20. No comparative actual available	0%	0%	0%	85%	85%	100%	G2
TL55	85% of the approved project budget spent on new water supply pipelines and upgrade of boreholes and the pump station at Klein Hans River (Beaufort West) by 30 June 2020 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2020	All	New KPI for 2019/20. No comparative actual available	0%	0%	0%	85%	85%	100%	G2
TL56	85% of the approved project budget spent on rehabilitation of roads and stormwater in Murraysburg by 30 June 2020 [(Actual expenditure divided by the total approved	% of budget spent by 30 June 2020	All	New KPI for 2019/20. No comparative actual available	0%	0%	0%	85%	85%	64%	O

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	KPI	Unit of measurement	Wards	Actual performance of 2018/19	Overall performance 2019/20						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
	project budget)x100]										
Corrective Measure			Project was re-prioritized for the outer years								
TL57	85% of the approved project budget spent on new stormwater drainage in Murraysburg by 30 June 2020 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2020	All	New KPI for 2019/20. No comparative actual available	0%	0%	0%	85%	85%	100%	G2

**Table 57:** To improve and maintain current basic service delivery through specific infrastructural development projects

### 3.2.3 Municipal functions

The municipal functional areas are as indicated below:

Municipal function	Municipal function Yes / No
<b>Constitution Schedule 4, Part B functions:</b>	
Air pollution	Yes
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
<b>Constitution Schedule 5, Part B functions:</b>	
Beaches and amusement facilities	Yes



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Municipal function	Municipal function Yes / No
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Table 58: Municipal functions

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### 3.3 Component A: Basic Services

#### 3.3.1 Water Services

##### a) Introduction to Water Services

Beaufort West is dependent on three different water sources:

- 🏠 Surface water (Gamka Dam, Springfontein Dam and Walker Dam)
- 🏠 Boreholes (40 boreholes in 6 aquifers)
- 🏠 Water Reclamation Plant (WRP)

The water sources mentioned above are used to adhere to the demand of the community. The demand is approximately 6.3 mega litres per day. This figure varies depending on the weather conditions. During summer the water consumption is much higher than during winter. The high summer consumption is balanced by abstracting water from the Gamka Dam, boreholes and water from the WRP. During winter, only boreholes and the WRP are used to adhere to the demand from the community. The water quality of Beaufort West, Nelspoort, Merweville and Murraysburg is of a good standard.

Water losses are reduced to the minimum from the source to sector meters. There is a loss of approximately 48% from sector meters to billing. A water meter audit was done and showed that the challenge faced is billing and not only water losses by leakages in the network.

##### b) Highlight: Water Services

The table below indicate the highlight during the financial year:

Highlight	Description
Management of the drought conditions	Supplied constant potable water to the community during the drought conditions

Table 59: Water Services highlight

##### c) Challenges: Water Services

The table below indicate the challenge faced during the financial year:

Description	Actions to address
Vandalism of boreholes add stress on bulk water supply system	Installation of cameras at boreholes

Table 60: Water Services challenge



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### d) Total use of water by sector

The table below indicates the total use of water per sector:

Total use of water by sector (cubic meters)				
Financial year	Agriculture	Forestry	Industrial	Domestic
2018/19	0	0	174 691	1 873 895
2019/20	0	0	218 242	2 128 444

Table 61: Total use of water by sector (cubic meters)

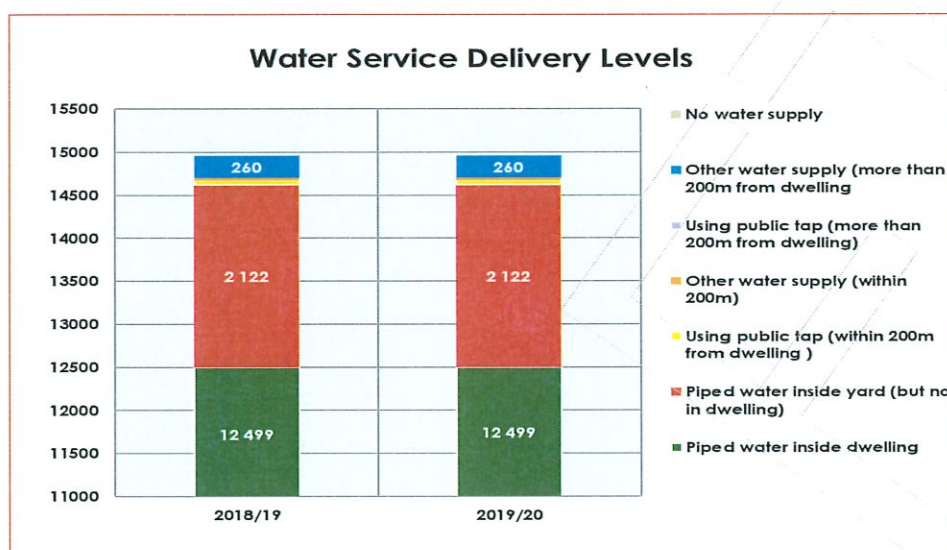
### e) Water service delivery levels

The table below indicates the water service delivery levels:

Households		
Description	2018/19	2019/20
	Actual	Actual
	No.	No.
<u>Water: (above min level)</u>		
Piped water inside dwelling	12 499	12 499
Piped water inside yard (but not in dwelling)	2 122	2 122
Using public tap (within 200m from dwelling )	49	49
Other water supply (within 200m)	31	31
Minimum service level and above sub-total	<b>14 701</b>	<b>14 701</b>
Minimum service level and above percentage	<b>98</b>	<b>98</b>
<u>Water: (below min level)</u>		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling)	260	260
No water supply	0	0
Below minimum service level sub-total	260	260
Below minimum service level percentage	2	2
<b>Total number of households</b>	<b>14 961</b>	<b>14 961</b>
<b>Include informal settlements</b>		

Table 62: Water service delivery levels

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Graph 2.: Water service delivery levels

### f) Access to water

The table below indicates the number of households that have access to water:

Financial year	Number of households with access to water points*	Proportion of households with access to piped water	Number of households receiving 6 kl free#
2018/19	14 961	98.1%	4 776
2019/20	14 961	98.1%	6 529

\* Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute

# 6 000 litres of potable water supplied per formal connection per month

Table 63: Access to water

### g) Employees: Water Services and Waste Water Services

The table below indicates the number of staff employed within the Unit:

Occupational level	2018/19	2019/20			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0%
Senior management	0	0	0	0	0%
Middle management and professionals	2	0	0	0	0%
Skilled technical, superintendents, etc.	2	1	1	0	0%
Semi-skilled	10	12	11	1	8%
Unskilled	11	7	5	2	29%
Total	25	20	17	3	15%



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Table 64: Employees: Water Services

### h) Capital expenditure: Water Services

The table below indicates the capital expenditure incurred:

Capital projects	2019/20 (R)		
	Budget	Adjustment budget	Actual expenditure
New Water Supply Pipelines & Upgrade Boreholes & Pump Station - Beaufort West: Klein Hans River	1 232 086	230 707	230 707
Boreholes	1 250 000	1 250 000	1 249 591
Drilling, testing, equipping and connection of boreholes in Merweville	0	5 000 000	701 276
Upgrading of Merweville Reservoir	0	180 000	180 407
Installation of Smart Meters	0	2 000 000	1 126 205
Nelspoort - New Bulk Water Supply	0	810 961	0
Generator	0	0	522 583
Upgrading of Murraysburg Reservoir	0	300 000	300 368
<b>Total</b>	<b>2 482 086</b>	<b>9 771 668</b>	<b>3 788 554</b>

Table 65: Capital Expenditure: Water Services

### 3.3.2 Sanitation Services

#### a) Introduction to Sanitation Services

The Municipality has four Waste Water Treatment Works (WWTW) that are situated in Beaufort West, Nelspoort, Merweville and Murraysburg. The WWTW of Nelspoort, Murraysburg and Merweville has recently been upgraded and are operating within the design capacity and the final effluent is of good quality.

The WWTW of Nelspoort, Merweville and Murraysburg are evaporation ponds.

Studies are being done on the Beaufort West WWTW as the biological trickle filter system has been de-commissioned and this increases the load on the activated sludge process.

The final effluent of the Beaufort West WWTW is reclaimed by the reclamation plant and treated to drinking water standards. The remaining effluent is used to irrigate the sport grounds.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### b) Challenges: Sanitation Services

The table below indicate the challenges faced during the financial year:

Description	Actions to address
Upgrade of the Beaufort West WWTW – funding needed	Apply for funding from different sector departments
Vandalism – Fencing and pump stations	Apply for funding for security measures
Lack of maintenance because of insufficient funds available for the WWTW	Budget accordingly for maintenance

Table 66: Sanitation Services challenges

### c) Sanitation service delivery levels

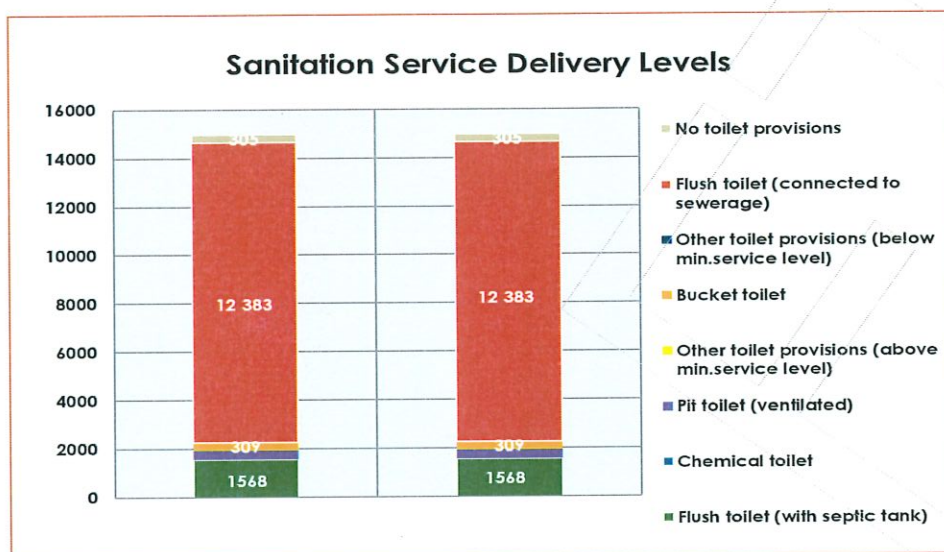
The table below indicates the service delivery levels for sanitation:

Households		
Description	2018/19	2019/20
	Actual	Actual
	No.	No.
<b>Sanitation/sewerage: (above minimum level)</b>		
Flush toilet (connected to sewerage)	12 383	12 383
Flush toilet (with septic tank)	1 568	1 568
Chemical toilet	0	0
Pit toilet (ventilated)	355	355
Other toilet provisions (above min.service level)	31	31
Minimum service level and above sub-total	<b>14 337</b>	<b>14 337</b>
Minimum service level and above percentage	<b>96%</b>	<b>96%</b>
<b>Sanitation/sewerage: (below minimum level)</b>		
Bucket toilet	309	309
Other toilet provisions (below min.service level)	0	0
No toilet provisions	305	305
Below Minimum Service Level sub-total	<b>617</b>	<b>617</b>
Below Minimum Service Level Percentage	<b>4%</b>	<b>4%</b>
<b>Total households</b>	<b>14 951</b>	<b>14 951</b>
<b>Including informal settlements</b>		

Table 67: Sanitation Service delivery levels



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Graph 3.: Sanitation Service delivery levels

### d) Employees: Water and Waste Water Networks

The table below indicates the number of staff employed within the Unit:

Occupational level	2018/19	2019/20			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total posts)
		Number			
Top management	0	0	0	0	0%
Senior management	0	0	0	0	0%
Middle management and professionals	0	0	0	0	0%
Skilled technical, superintendents, etc.	0	1	1	0	0%
Semi-skilled	2	11	10	1	9%
Unskilled	12	19	17	2	11%
<b>Total</b>	<b>14</b>	<b>31</b>	<b>28</b>	<b>3</b>	<b>10%</b>

Table 68: Employees: Sanitation Services

### e) Capital expenditure: Sanitation Services

The table below indicates the capital expenditure incurred:

Capital projects	2019/20 (R)		
	Budget	Adjustment budget	Actual expenditure
Rehabilitate Sanitation: Oxidation Ponds - Nelspoort	739 656	0	0
<b>Total</b>	<b>739 656</b>	<b>0</b>	<b>0</b>

Table 69: Capital expenditure: Sanitation Services

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### 3.3.3 Electricity Services

#### a) Introduction to Electricity Services

Local Government plays an important role in the provision of electricity. Section 153 of the Constitution places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic and social support.

The distribution of electricity in Beaufort West started in 1919 when the railway supplied the Municipality with electricity. The cost was 4.5 pennies per unit. During 1924, the Municipality started building their own power station. On 1 November 1925, the power station was officially opened and ever since, electricity has grown to be a huge industry, supplying energy to businesses and the community. The department is licensed by the National Electricity Regulator (NER) to supply electricity within its approved area of supply. The department is responsible for the distribution and supply of electricity for Beaufort West, Nelspoort, Merweville and surrounding rural areas. Eskom is responsible for the distribution of electricity in Merweville and partially in Murraysburg.

The department takes supply from Eskom at 132 000 volt at Katjieskop substation and distribute 11 000 volt to the supply areas.

The electricity is sold to industrial, commercial and domestic customers. Approximately 33.32% of the electricity is sold to industrial and commercial customers, 46.82% to domestic customers, 8.57% to indigents, 3.25% for street lighting and 8.05% for own use. Energy losses during the financial year amounted to 14.72%.

There are no backlogs in the provision of service connections. Applications for connections are processed as they are received and the necessary connection fees collected. All electricity customers receive a full service but are differentiated in terms of connection size in relation to connection fees paid.

#### I) SERVICE BACKLOGS

Due to the lack of financial resources over the past number of years, a backlog in repair and maintenance, as well as refurbishment and network expansion has increased. This backlog can only be addressed by sufficient capital investment into the electricity infrastructure.

#### II) INFRASTRUCTURE

Although the Municipality has been able to assist all applicants by providing electricity, the low level of investment in the upgrade, refurbishment and expansion of the electricity infrastructure has led to a situation that new developments can no longer be accommodated without major capital investment. It is therefore absolutely essential that the Municipality direct more of the surplus generated by the sale of electricity to the capital requirements of the electrical department.

#### b) Highlights: Electricity Services

The table below indicates the highlights of the financial year:

**ANNUAL PERFORMANCE REPORT – 2019/20**



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Highlight	Description
High mast lights	13 high mast lights installed in Beaufort West
40 Mega-Volt Ampere (MVA) transformer to be energized	ESKOM is the only holdback with the extra connection
S1 housing project phase 3	164 low cost houses electrified

Table 70: Electricity Services highlights

### c) Challenges: Electricity Services

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Financial constraints compromise service delivery	Income must be scrutinized and expenses curbed
Unmotivated workforce/lack of discipline	Disciplinary process needs to be implemented
Shortage service vehicles i.e cherry-pickers	Repair fleet and maintain

Table 71: Electricity Services challenges

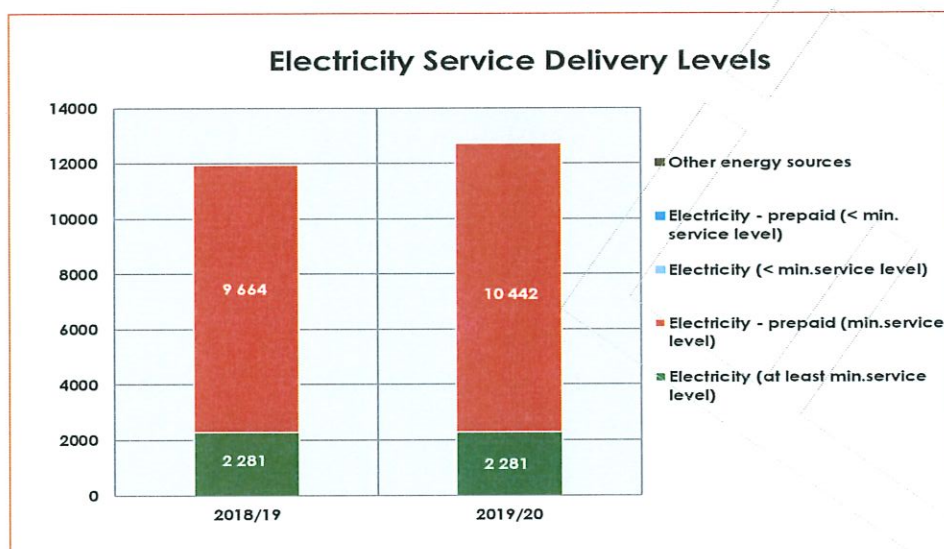
### d) Electricity service delivery levels

The table below indicates the service delivery levels for electricity:

Households		
Description	2018/19	2019/20
	Actual	Actual
	No.	No.
<b>Energy: (above minimum level)</b>		
Electricity (at least min.service level)	2 281	2 281
Electricity - prepaid (min.service level)	10 193	10 442
Minimum service level and above sub-total	<b>12 474</b>	<b>12 723</b>
Minimum service level and above percentage	<b>100</b>	<b>100</b>
<b>Energy: (below minimum level)</b>		
Electricity (<min.service level)	0	0
Electricity - prepaid (< min. service level)	0	0
Other energy sources	0	0
Below minimum service level sub-total	<b>0</b>	<b>0</b>
Below minimum service level percentage	<b>0</b>	<b>0</b>
<b>Total number of households</b>	<b>12 474</b>	<b>12 723</b>

Table 72: Electricity Service delivery levels

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE



Graph 4.: Electricity Service delivery levels

### e) Employees: Electro-Technical Services

The table below indicates the number of staff employed within the Unit:

Occupational level	2018/19	2019/20			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0%
Senior management	0	0	0	0	0%
Middle management and professionals	0	3	2	1	33%
Skilled technical, superintendents, etc.	6	4	4	0	0%
Semi-skilled	11	11	8	3	27%
Unskilled	7	10	9	1	10%
Total	24	28	23	5	18%

Table 73: Employees: Electricity Services



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### f) Capital expenditure: Electricity Services

The table below indicates the capital expenditure incurred:

Capital projects	2019/20 (R)		
	Budget	Adjustment budget	Actual expenditure
Graceland, N1 South & Hooyvlakte: New High Mast Lighting	0	4 524 924	4 541 923
Electrification 164 Houses	4 714 000	2 656 800	2 656 800
Upgrading of Beaufort West Substation - Katjieskop	2 800 000	12 743 200	12 697 559
Beaufort West Main Sub-station	7 886 000	0	0
Machinery and Equipment	200 000	200 000	4 174
<b>Total</b>	<b>15 600 000</b>	<b>20 124 924</b>	<b>19 896 282</b>

Table 74: Capital expenditure: Electricity Services

### 3.3.4 Waste Management (refuse collections, waste disposal, street cleaning and recycling)

#### a) Introduction: Waste Management

##### I) SERVICE DELIVERY

The Unit provides a weekly door-to-door waste removal service to households and bi-weekly to businesses. Domestic and garden waste is removed on daily basis and placed either in the 85 litre refuse bins or refuse bags. Medical waste generated from hospitals, clinics and general practitioners are collected by a private company. The private company is responsible for spillage removal along the N1 national road transversing the Beaufort West area. Builder's rubble is removed by the community with their own transport, and the Municipality removes when dumped illegally on open spaces or upon request from households at minimal costs.

Expanded Public Works Programme (EPWP) beneficiaries clean open spaces, litter picking and streets sweeping to other residential areas where there are no permanent staff allocated.

##### II) LANDFILL SITE DISPOSAL SITES

The four waste management facilities within the Beaufort West municipal area are situated in:

- Beaufort West - known as Vaalkoppies Landfill Site
- Merweville - known as Merweville Landfill Site
- Nelspoort - known as Nelspoort Landfill Site
- Murraysburg - known as Murraysburg Landfill Site

In addition, Beaufort West has a recycling facility which requires upgrades. All landfill sites are operational of which 2 has permits (Vaalkoppies and Merweville).

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### III) WASTE MINIMISATION

The Municipality developed a Waste Minimisation Strategy in 2002 in partnership with Southern Cape Recycling which was made possible by contributions from the Department of Environmental Affairs. The initiative targeted the high-income residential areas. Blue bags are supplied to about 20 households to collect only cardboard boxes, cans, paper and newspapers. Recyclable waste is collected once a week and taken to the reclamation depot where it is sorted, baled and transported to Cape Town or Oudtshoorn. Some of the businesses, farmers and community drop the recyclables personally to the depot. The Municipality intends to expand the programme to middle and low income (including outside areas ie. Murraysburg, Nelspoort and Merweville) as soon the Youth Community Outreach Program (YCOP) participants are employed.

### IV) WASTE AWARENESS AND EDUCATION

Waste awareness and education is currently done through the distribution of pamphlets on a quarterly basis. The target audience for these initiatives are schools and communities.

#### b) Highlights: Waste Management

The table below indicate the highlight during the financial year:

Highlights	Description
YCOP - Department of Agriculture and Development Planning (DEADP) initiative	A coordinator was appointed to assist our Municipality on waste and awareness programmes at schools and within the community

Table 75: Waste Management highlight

#### c) Challenges: Waste Management

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Vehicle breakdowns	Budget allocation to replace old vehicles
Shortage of vehicles	Budget allocation to procure additional vehicles
Shortage of required machinery	Budget allocation to buy and/or replace machinery
Expansion of waste minimization programme	Employment of YCOB participants

Table 76: Waste Management challenges



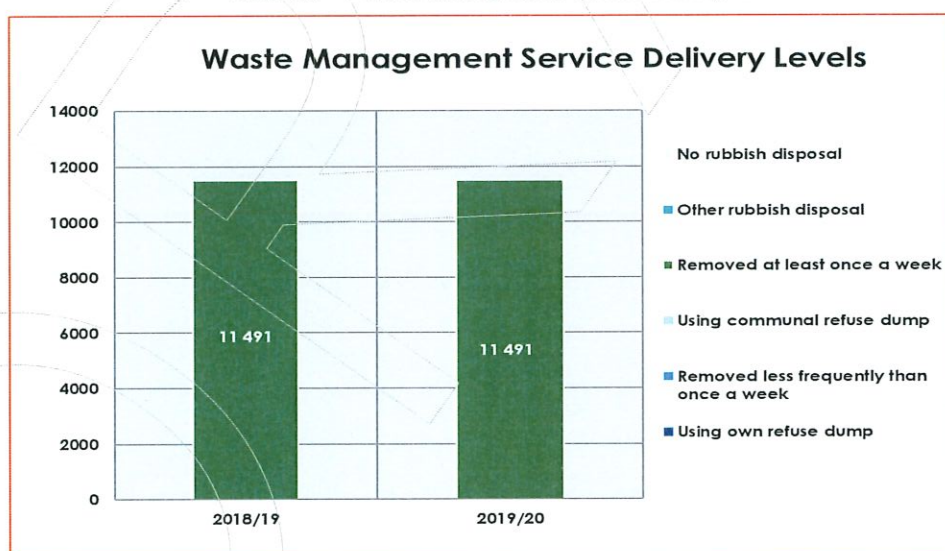
## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### d) Waste Management service delivery levels

The table below indicates the service delivery levels for waste management:

Description	Households	
	2018/19	2019/20
	Actual	Actual
	No.	No.
<b>Solid waste removal: (minimum level)</b>		
Removed at least once a week	12 182	12 978
Minimum service level and above sub-total	12 182	12 978
Minimum service level and above percentage	100	100
<b>Solid waste removal: (below minimum level)</b>		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
Below minimum service level sub-total	0	0
Below minimum service level percentage	0	0
<b>Total number of households</b>	<b>12 182</b>	<b>12 978</b>

Table 77: Waste Management service delivery levels



Graph 5.: Waste Management service delivery levels

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### e) Employees: Waste and Facility Management (landfill site, halls, street cleaning, youth hub & refuse removal)

The table below indicates the number of staff employed within the Unit:

Occupational level	2018/19	2019/20			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	0	1	1	0	0
Skilled technical, superintendents, etc.	1	3	0	3	100%
Semi-skilled	12	13	11	2	15.4%
Unskilled	21	34	30	4	11.8%
Total	34	51	42	9	17.6%

Table 78: Employees: Waste Management

### f) Capital expenditure: Waste Management

The table below indicates the capital expenditure incurred:

Capital projects	2019/20 (R)		
	Budget	Adjustment budget	Actual expenditure
New Refuse Transfer Station - Beaufort West	532 874	0	0
<b>Total</b>	<b>532 874</b>	<b>0</b>	<b>0</b>

Table 79: Capital expenditure: Waste Management

### 3.3.5 Employees: Basic Services: Merweville, Murraysburg and Nelspoort

The table below indicates the number of staff employed within the unit:

Occupational level	2018/19	2019/20			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total Budgeted posts)
	Number				
Top management	0	0	0	0	0%
Senior management	0	0	0	0	0%
Middle management and professionals	0	0	0	0	0%
Skilled technical, superintendents, etc.	4	4	3	1	25%
Semi-skilled	12	23	15	8	35%



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Occupational level	2018/19	2019/20			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total Budgeted posts)
	Number				
Unskilled	20	27	27	0	0%
Total	36	54	45	9	17%

Table 80: Employees: Basic Services: Merweville, Murraysburg and Nelspoort

### 3.3.6 Housing

#### a) Introduction to housing

The Municipality wishes to encourage LED through the identification of land that would meet the needs and anticipated future demands of the economy. A strong and vibrant economy is necessary in leading towns such as Beaufort West and its satellite towns Murraysburg, Nelspoort and Merweville. In pursuit of this objective, a universal viewpoint of development is required.

Against the background of the universal perspective of integrated residential development approach, it is now necessary that a new approach is tested. The new approach, being inclusive of all categories of Housing needed in the Central Karoo under one big project.

The above approach has limitedly been tested in the previous Integrated Residential Development Plan (IRDP) housing projects. The Xhoxha and Consolidation Kwa-Mandlenkosi housing projects were included in the Mandela Square 509 housing project as Infills, and the Military Veteran (MV) houses were included in the S1-Graceland housing project as a "project within a project."

#### 1) HOUSING NEED

The need for an integrated residential development approach that addresses the whole spectrum of residential needs has been identified and the following main income categories have been considered:

IRDP:	R0 – R3 500 per month
Consolidation Housing Project:	R0 – R3 500 per month
GAP Housing Project:	R3 501 – R7 000 per month
Finance Linked Individual Subsidy Program (FLISP):	R7 000 – R22 000 per month
Military Veteran Subsidy Housing (MV):	R0 – R10 417 per month

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### II) EXISTING UNITS

Existing units are as follows:

<b>IRDP Subsidy</b>	<b>5 748</b> – units according to the September 2020 Report received from Provincial Government that Includes towns Beaufort West, Murraysburg, Merweville and Nelspoort.
<b>Consolidation subsidy</b>	<b>17</b> – units only in Kwa-Mandlenkosi, Beaufort West
<b>GAP Subsidy</b>	<b>249</b> – units for GAP market subsidy
<b>FLISP Subsidy</b>	<b>131</b> - potential applicants have registered on our data system
<b>MV Housing Subsidy</b>	Exact figures still to be determined as units are included in the IRDP and GAP supra

Table 81: Housing needs

### b) Prioritised IRDP housing sites

The prioritised IRDP housing site figures for the financial year is indicated in the table below:

Site	Units
<b>Subsidy: Priority 1</b>	
Murraysburg Site No 388 - IRDP	360
<b>Subsidy Priority 2</b>	
Beaufort West Site No 802	±500
<b>Subsidy Priority 3</b>	
Kwa-Mandlenkosi Project no 1070	17

Table 82: Prioritised housing sites

### c) GAP housing sites

The table below indicates the GAP housing sites of the Municipality and the number of units built:

Site	Units
<b>GAP: Priority 1</b>	
2 851	67

Table 83: GAP housing sites

### d) Highlight: Housing

The following table indicate the highlight of the financial year:

Highlight	Description
S1 IRDP top structures	Completed the S1 IRDP top structures and handover to approved beneficiaries within reasonable time

Table 84: Housing: highlight



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### e) Challenges: Housing

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Vandalism on site	Well planned security
Being unable to kick off FLISP project on its own (affordability)	New approach to be tested by including FLISP GAP and MV housing in an IRDP project (smaller projects within a bigger IRDP project)
MV fencing	Investigating affordable fencing to accommodate MV's and talks with the Department of Military Veterans (DMV) in this regard
Fencing in new housing projects	National Department of Housing need to consider including fencing in the subsidy

Table 85: Housing: challenges

### f) Households with access to basic housing

The table below indicates the statistics of households with access to basic housing:

Number of households with access to basic housing			
Financial Year	Total households (including formal and informal settlements)	Households in formal settlements	Percentage of households in formal settlements
2018/19	12 196	12 173	84%
2019/20	13 015	12 992	99.8%

Table 86: Households with access to basic housing

### g) Housing waiting list

The following table shows the increase in the number of people on the housing waiting list.

Financial Year	Number of housing units on waiting list	% Housing waiting list increase/(decrease)
2018/19	5 387	5
2019/20	6 128	6.13%

Table 87: Housing waiting list

### h) Housing allocation

A total amount of R37.3 million was allocated to build houses during the 2019/20 financial year. A summary of houses built, includes:

Financial year	Allocation	Amount spent	% spent	Number of houses built	Number of sites serviced
	R'000	R'000			
2018/19	22 916	22 916	100%	None	864
2019/20	37 254	37 254	100%	796	0

Table 88: Houses built in 2019/20

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### i) Employees: Housing

The table below indicates the number of staff employed within the Unit:

Occupational level	2018/19	2019/20			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0%
Senior management	0	0	0	0	0%
Middle management and professionals	0	1	1	0	0%
Skilled technical, superintendents, etc.	1	1	1	0	0%
Semi-skilled	2	3	2	1	33%
Unskilled	0	0	0	0	0%
<b>Total</b>	<b>3</b>	<b>5</b>	<b>4</b>	<b>1</b>	<b>20%</b>

Table 89: Employees: Housing

### 3.3.7 Free basic services and indigent support

#### a) Introduction

The Municipality is one of the first municipalities in the country to implement free basic services to its indigent households. A debtor is considered indigent if the total monthly household income equals two times the amount of state funded social pensions or less (currently R3 380 per month). All indigent households receives 6kl water and 50KwH electricity free each month. Furthermore, an indigent debtor also receives a subsidy on refuse removal and sewerage, depending on the household income.

All indigents have to renew their applications annually in order to qualify for the benefits.

The table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved indigent policy of the Municipality, all households earning less than R3 380 per month will receive the free basic services as prescribed by the national policy.



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### b) Households: Free basic services

The tables below indicate the number of households that received free basic services in the 2018/19 and 2019/20 financial years:

Financial Year	Number of households								
	Total no of HH	Free basic electricity		Free basic water		Free basic sanitation		Free basic refuse removal	
		No. Access	%	No. Access	%	No. Access	%	No. Access	%
2018/19	14 594	6 433	44	4 776	33	4 638	32	2 236	15
2019/20	14 994	6 549	44	6 529	44	4 800	32	2 539	17

Table 90: Free basic services: Number of households

Electricity									
Financial Year	Indigent households			Non-indigent households			Households in Eskom areas		
	No. of HH	Unit per HH (kwh)	Value R'000	No. of HH	Unit per HH (kwh)	Value R'000	No. of HH	Unit per HH (kwh)	Value R'000
2018/19	6 453	50	5 832	0	0	0	52	50	46
2019/20	6 549	50	5 770	0	0	0	52	50	46

Table 91: Free basic services: Electricity

Water						
Financial Year	Indigent Households			Non-indigent households		
	No. of HH	Unit per HH (kl)	Value R'000	No. of HH	Unit per HH (kl)	Value R'000
2018/19	4 776	6	10 831	0	0	0
2019/20	6 529	6	11 248	0	0	0

Table 92: Free basic services: Water

Sanitation						
Financial Year	Indigent Households			Non-indigent households		
	No. of HH	R value per HH	Value R'000	No. of HH	Unit per HH per month	Value R'000
2018/19	4 638	835	3 874	0	0	0
2019/20	4 800	1 026	4 926	0	0	0

Table 93: Free basic services: Sanitation

Refuse removal						
Financial Year	Indigent Households			Non-indigent households		
	No. of HH	Service per HH per week	Value R'000	No. of HH	Unit per HH per month	Value R'000
2018/19	2 236	1	1 258	0	0	0
2019/20	2 539	1	1 862	0	0	0



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Table 94: Free basic services: Refuse removal

### 3.4 Component B: Road Transport

This component includes: Roads, Transport, and Waste Water (Stormwater Drainage).

#### 3.4.1 Roads

##### a) Introduction to Roads

The Municipality does pothole repairs, while contractors undertake the construction of new paved roads. These projects are done according to the Expanded Public Works Programme (EPWP) standards to create job opportunities.

All road construction is done by a main contractor and a nominated sub-contractor who is responsible for the labour. The main contractor trains the sub-contractor in all aspects of safety and construction.

The general maintenance of tarred and gravel roads were delayed due to budget constraints and unreliable machinery.

##### b) Highlight: Roads

The following table indicate the highlight of the financial year:

Highlight	Description
James Smit Avenue in Prince Valley	Roads construction was completed

Table 95: Roads highlight

##### c) Challenges: Roads

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Budget constraints	Budget according to needs
Theft of pavers	Construct tar or other alternative roadways
Poor state of roads/old dysfunctional machinery	Apply for funding to upgrade roads

Table 96: Roads challenge



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### d) Gravel roads infrastructure: Kilometres

The table below indicates the amount of gravel roads constructed, maintained and upgraded during the financial year:

Gravel roads infrastructure: Kilometres				
Financial year	Total km's gravel roads	New gravel roads constructed	Gravel roads upgraded to paved	Gravel roads graded/maintained (km)
2018/19	75.90	0	1.49	0
2019/20	74.41	0	0	10

Table 97: Gravel road infrastructure

### e) Tarred road infrastructure: Kilometres

The table below indicates the number of tarred/paved roads constructed, maintained and upgraded during the financial year:

Tarred/paved road infrastructure: Kilometres					
Financial year	Total tarred/paved roads	New paved roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar/paved roads maintained
2018/19	109.40	1.49	0	0	9 13
2019/20	109.4	0	0	0	10

Table 98: Tarred road infrastructure

### f) Cost of maintenance and construction of roads

The table below shows the costs involved for the maintenance and construction of roads within the municipal area:

Financial year	New and replacements	Resealed	Maintained
	R'000		
2018/19 (Main roads)	0	5 800	0
2018/19 (Other roads)	0	0	2 241
2019/20 (Main roads)	0	0	50
2019/20 (Other roads)	0	0	1 430

The cost for maintenance includes stormwater

Table 99: Cost of construction/maintenance of roads and stormwater

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### g) Employees: Roads and Stormwater

The table below indicates the number of staff employed within the Unit:

Occupational level	2018/19	2019/20			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0%
Senior management	0	0	0	0	0%
Middle management and professionals	1	1	1	0	0%
Skilled technical, Superintendents, etc.	1	1	0	1	100%
Semi-skilled	14	17	14	3	18%
Unskilled	33	36	33	3	8%
<b>Total</b>	<b>49</b>	<b>55</b>	<b>48</b>	<b>7</b>	<b>13%</b>

Table 100: Employees: Roads and stormwater

### h) Capital expenditure: Roads and Stormwater

The table below indicates the capital expenditure incurred:

Capital projects	2019/20 (R)		
	Budget	Adjustment budget	Actual expenditure
Upgrade Streets - Kwa-Mandlenkosi: Dliso Avenue & Matshaka Street	1 505 340	151 147	151 147
Upgrade of Kamp Street - Merweville	2 104 593	3 009 800	1 980 385
Rehabilitate Roads & Stormwater - Murraysburg	82 352	82 352	121 600
New Stormwater Drainage - Murraysburg	1 539 000	139 284	139 284
Upgrade Stormwater Channel - Murraysburg South	555 500	0	0
Upgrade Freddie Max Crescent - Nelspoort	0	0	108 714
Upgrade Micheal De Villiers/James Smith	0	0	50 388
Upgrade Mark Street	0	0	48 116
<b>Total</b>	<b>5 786 785</b>	<b>3 382 583</b>	<b>2 599 634</b>

Table 101: Capital expenditure: Roads and stormwater



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### 3.4.2 Waste Water (Stormwater Drainage)

#### a) Introduction to Waste Water (Stormwater Drainage)

Maintenance of the waste water/stormwater drainage systems are done by a team employed under an EPWP project.

The project involves the following:

- maintenance and cleaning of inlets, channels, culverts and earth drains
- construction of minor stormwater systems/structures

#### b) Challenges: Waste water (stormwater drainage)

The tables below reflects the challenges experienced during the financial year:

Description	Actions to address
Block drain systems	Budget accordingly to do major stormwater system clearing
No machinery	Acquire appropriate machinery
Outdated master plans	Update master plans

Table 102: Waste water (stormwater drainage) challenges

#### c) Stormwater infrastructure: kilometres

The table below shows the total kilometres of stormwater infrastructure maintained, upgraded and the kilometres of new stormwater pipes installed:

Stormwater infrastructure: Kilometres				
Financial year	Total stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2018/19	Master plan outdated	0	0	15.74
2019/20	Master plan outdated	0	0	5

Table 103: Stormwater infrastructure

#### d) Cost of stormwater infrastructure

The table below indicates the amount of money spend on stormwater maintenance:

Financial year	Stormwater measures		
	New R'000	Upgraded R'000	Maintained R'000
2018/19	Part of new road construction and roads and stormwater maintenance budget	0	Part of Roads
2019/20	Part of new road construction and roads and stormwater maintenance budget	0	Part of Roads

Table 104: Cost of construction/maintenance of stormwater systems

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EPWP funds were made available to create jobs through stormwater maintenance. Material was purchased with savings from the operational and maintenance budget.

Personnel appointed for these projects are categorized as the following:

Description	Female	Male	Youth
Data capturer	0	0	2
Supervisor	0	0	5
Labourers	8	11	26

Table 105: Appointments for EPWP stormwater maintenance

### 3.5 Component C: Planning and LED

#### 3.5.1 Planning and Building Control

##### a) Introduction to Planning and Building Control

Due to the growing beneficiary list for subsidised housing, planning for residential areas to accommodate the IRDP and GAP Housing was performed by a turnkey contractor. The aforementioned planning was done in conjunction with the officials of the Municipality.

##### b) Highlight: Planning and Building Control

The following table indicates the highlight of the financial year:

Highlight	Description
Spatial Planning and Land Management Act 16 of 2013 (SPLUMA)	The Municipality has implemented SPLUMA

Table 106: Planning and building control highlight

##### c) Challenge: Planning and Building Control

The table below indicates the challenge faced during the financial year:

Description	Actions to address
Supporting documents	Budget for more staff to help with the processing of supporting documents

Table 107: Planning and building control challenge



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### d) Service statistics: Planning and Building Control

The table below indicates the performance statistics for planning and building control:

Type of service	2018/19	2019/20
Building plans application processed	125	86
Total surface (m <sup>2</sup> )	7 000	5 001
Approximate value (Rand)	21 000 770	15 004 110
Residential extensions	122	57
Land use applications processed	16	36
Rural applications	0	0

Table 108: Service statistics: Planning and building control

### e) Employees: Planning and Building Control

The table below indicates the number of staff employed within the unit:

Occupational level	2018/19	2019/20			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0%
Senior management	0	0	0	0	0%
Middle management and professionals	0	1	1	0	0%
Skilled technical, superintendents, etc.	2	3	2	1	33%
Semi-skilled	4	2	1	1	50%
Unskilled	1	0	0	0	0%
Total	7	6	4	2	33%

Table 109: Employees: Planning and building control

### f) Capital expenditure: Planning and Building Control

Capital projects	2019/20 (R)		
	Budget	Adjustment budget	Actual expenditure
Machinery and Equipment	200 000	200 000	49 478
<b>Total</b>	<b>200 000</b>	<b>200 000</b>	<b>49 478</b>

Table 110: Capital expenditure: Town planning

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### 3.5.2 Local Economic Development (including market places)

#### a) Introduction to LED

LED plays a central role in fighting the triple challenge of poverty, inequality and unemployment by striving to stimulate economic growth, development and transformation. In this case, with the development of a new LED Strategy, the Municipality will strive to develop the Beaufort West local economy into a diversified and vibrant one.

In partnership with all key role players, LED promotes and facilitates, enterprise development, skills development, economic transformation and poverty alleviation directed at five (4) focus areas:

- enterprise development;
- rural development;
- economic skills and capacity development; and
- investment facilitation.

The Municipality currently does not have a dedicated LED and Tourism Official but is in the process to advertise and fill the position. The Municipality was involved in some inter-sectoral job creation opportunities during the 2019/20 financial year, including the Expanded Public Works Programme (EPWP) and the Community Work Programme (CWP). The CWP provided for more than 1 300 temporary jobs in this financial year.

The Municipality does not have an LED Strategy and Implementation Plan in place. The Municipality is busy developing a new LED Strategy with the support of SALGA and Municipal Infrastructure Support Agent (MISA).

The Municipality's first LED Workshop was held on 10 December 2018 as a first phase of a process to adoption of the new LED strategy with the support of SALGA.

MISA has come on board during the 2019/20 financial year to assist the Municipality together with the support of SALGA to champion the development of the LED Strategy. Part of the commitments made by MISA and SALGA was the following:

- ongoing support;
- a dedicated official from MISA and SALGA to work with the Municipality;
- support with the development of the new LED Strategy; and
- support with the establishment of an LED Forum for Beaufort West.

The second workshop with different stakeholders was held on 12 December 2019 and the third workshop on 27 February 2020. Separate workshops were organized for the outside towns of Murraysburg, Nelspoort and Merweville for April 2020, but due to the nationwide lockdown emanating from the COVID-19 pandemic, these sessions could not take place. A subsequent meeting was held on 6 May 2020 between the Municipality and MISA to discuss the progress made with the development of the draft LED Strategy and to find ways to gather the inputs of the towns of Murraysburg, Nelspoort and Merweville.



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Some of the projects that will be included in the LED Strategy are the following:

- development of a business hub;
- reserve and identification of land for business purposes;
- subdivision of agricultural land and provision of industrial land;
- rezoning of road infrastructure (conversion of streets in CBD to one ways);
- conversion of Hansrivier Farm to a recreational park;
- utilisation of the farm Lemoenfontein for renewable energy; and
- re-use technology (turning waste into energy).

The target date to table the LED Strategy before Council for adoption was initially by 30 June 2020, but it is now envisaged to get the draft LED Strategy approved by Council by 30 June 2021.

Small Enterprise Development Agency (SEDA) in collaboration with the Municipality offered a "Basic Business Skills" training during September 2019 for all Small, Medium and Micro Enterprises (SMME's) in the area. The training focused on the following areas:

- marketing skills
- costing and pricing
- general business management principles

### b) Highlights: LED

The table below indicates the highlights of the financial year:

Highlight	Description
New fast-food shop opened (McDonalds SA)	Shop opened last year during September 2019 and employ ±50 local residents
Basic Business Skills Workshop	Training provide by SEDA in collaboration with the Municipality to SMME's

Table 111: LED highlights

### c) Challenges: LED

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Business space for SMME's	Engage with Department of Small Business Development to provide funding to construct a business hub for SMME's

Table 112: LED challenges

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### 3.5.3 Tourism

#### a) Introduction to Tourism

The primary purpose of the Tourism Office is to actively introduce and market the tourism experiences and services of the municipal area within its frontier, throughout the Western Cape, the country as a whole and in foreign countries, where possible.

It is important to coordinate the marketing actions of local government, private sector and other institutions within the area, to optimally utilise the tourism potential. At the same time, it is important to continually expand new tourism experiences and enhance current activities and experiences.

Tourism directly employs 321 full time positions and 46 casual employees in the town of Beaufort West alone. This does not include the knock-on effect from tourism suppliers and related industries, nor the surrounding small towns and farm stays.

#### b) Highlights: Tourism

Highlight	Description
Great Karoo Outdoor Cook-Off - 27 September 2019	An annual event held during Heritage Month, which celebrates the varied cultural cuisines of the area. This was the 2 <sup>nd</sup> event of this type and had an attendance of 350 visitors. 14 temporary jobs were created
December Welcome Campaign - 6, 7, 13, 14 and 15 December 2019	An annual event held over two weekends during the peak December holidays, to welcome visitors to Beaufort West and the Western Cape
Heuningland Karoo Trail (re-launch) - July 2019	A 103 km circular assisted walking trail, over 5 days. The trail follows to a great extent the route of the famous escaped lion, Sylvester

Table 113: Tourism highlights



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### c) Challenges: Tourism

The table below indicates the challenges faced during the financial year:

Description	Actions to address
<b>Budget limitations:</b> Tourism has not had an increased budget for the past two financial years which seriously impacted the service delivery as well as the number of projects completed	Increased Tourism budget so that the Local Tourism Office (LTO) can be more effective
<b>Funding for Tourism Initiatives:</b> The LTO is finding it difficult to find funding to drive initiatives	LTO to obtain funding for various tourism development initiatives through joint funding applications
COVID-19 has seriously impacted Tourism with many job losses and furloughs	The Municipality needs to support the tourism/hospitality sector and provide relief through sector beneficial rebates/training programs/funding of initiatives to increase domestic tourism

Table 114: Tourism challenges

### d) Tourism initiatives

Initiative	Proposals
Tourism transformation conservancy	Creation of a tourism conservancy adjacent to park to develop various eco-friendly tourism opportunities for disadvantaged people with a strong focus on youth development, Beaufort West Empowerment Through Tourism (BWETT). The upgrade of the existing arts and crafts centre to serve as a hub for township tourism
Cycle tourism	Development of self-guided cycle routes throughout the area, linking smaller towns. Cycling is a proven tourism catalyst and builds new tourism initiatives. These new routes can link in with the recently launched Karoo Crossings Cycle Route
Lesser known routes- self-drive routes	Development of self-drive routes throughout the area, linking the smaller towns in the area and highlighting the rich culture and heritage of our wonderful region. With small budgets these can be created. This is a priority initiative post COVID-19. Many people will want to explore the Karoo in their own vehicles and the lesser known roads in our area offer a unique opportunity to drive tourism to many of the remote parts
Astro-tourism	The area has excellent opportunities for Astro tourism. Funding for training and development of Astro tourism should be allocated. This is another excellent product which should be developed for post COVID tourism
Dine with a local	This is an initiative that has a proven success in both Stellenbosch and George. Have 4 cultural food experiences showcasing Beaufort West's diverse cultural heritage by having group visitors enjoy a meal with a local. This is on hold post COVID 19 until people are once again comfortable with this experience
Nelspoort rock engravings complex	Nelspoort has an incredible array of rock engravings on a farm belonging to Beaufort West Municipality. It is suggested that a small part of this farm should be set aside so that these engravings can be showcased in

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Initiative	Proposals
	an appropriate manner, thus creating a tourism experience which would benefit the local community of Nelspoort. This initiative is long overdue and needs committed cooperation between the Municipality and the LTO to come into fruition

Table 115: Tourism initiatives

### 3.6 Component D: Community and Social Services

#### 3.6.1 Libraries

##### a) Introduction to Libraries

Beaufort West Municipality has six libraries which are based in the following towns:

- Beaufort West (3 libraries);
- Merweville (1 library);
- Murraysburg (1 library); and
- Nelspoort (1 library).

The Municipality provides library and information services which are free, equitable and accessible. The libraries also promote a culture of reading and lifelong learning. The libraries also provide free access to the internet, Wi-Fi and Mzantsi Libraries Online. The Municipality is continuing with the mini libraries for the Blind Project at the Church Street Library in Beaufort West.

##### b) Highlights: Libraries

The table below indicates the highlights of the financial year:

Highlight	Description
Information session: career exhibitions	All libraries had programmes for Grade 11 and Grade 12 learners regarding the importance of career choices for their future
Math's competition	The Municipality held the competition in collaboration with the local primary school in Nelspoort
Placement of relief staff as permanent workers	Nelspoort- and Merweville Libraries' relief staff were appointed as full time Library Aids
Installation of protective glasses at counters in line with COVID-19 safety protocols	Protective glass counters were installed in all six libraries in order to minimize the spread of COVID-19
Installation of Wi-Fi at Kwa-Mandlenkosi	Kwa-Mandlenkosi Library installed Wi-Fi for public use after a long discussion with the Premier's Office
Upgrade of Nelspoort Library	Nelspoort Library was upgraded and the entire building was painted

Table 116: Libraries highlights

##### c) Challenges: Libraries

The table below indicates the challenges faced during the financial year:



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Description	Actions to address
Non-return of library material	Educate library users in order to develop the culture of returning library material back to the library within the allotted timeframe
Training for library staff	Professional training of library staff will be identified in the next financial year
COVID-19	Due to COVID-19, Library Services was unable to deliver on their outreach programmes, attendance of training and seminars

Table 117: Libraries challenges

### d) Service statistics for libraries

The table below indicates the service statistics for library services:

Type of service	2018/19	2019/20
Library members	422 311	426 230
Books circulated	105 161	67 200
Exhibitions held	192	84
Internet users	142 000	93 000
New library service points or wheelie wagons	0	0
Visits by school groups	123	63

Table 118: Service statistics for libraries

Due to COVID 19, libraries had to be closed during March 2020 and this resulted in a decrease in the statistics

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### e) Employees: Libraries

The table below indicates the number of staff employed within the Unit:

Occupational level	2018/19	2019/20			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0%
Senior management	0	0	0	0	0%
Middle management and professionals	1	1	1	0	0%
Skilled technical, superintendents, etc.	2	2	2	0	0%
Semi-skilled	18	12	12	0	0%
Unskilled	0	0	0	0	0%
<b>Total</b>	<b>21</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>0%</b>

Table 119: Employees: Libraries

### f) Capital expenditure: Libraries

The table below indicates the capital expenditure incurred:

Capital projects	2019/20 (R)		
	Budget	Adjustment budget	Actual expenditure
Upgrade Kwa-Mandlenkosi Library	800 000	0	0
<b>Total</b>	<b>800 000</b>	<b>0</b>	<b>0</b>

Table 120: Capital expenditure: Libraries

## 3.6.2 Cemeteries

### a) Introduction to Cemeteries

There are enough burial grounds in all the towns under the jurisdiction of Beaufort West, but new cemeteries will have to be developed in the 2020/21 financial year.

### b) Highlight: Cemeteries

The table below indicates the highlight of the financial year:

Highlight	Description
Upgrade of the Beaufort West Cemetery	EIA proses has started

Table 121: Cemeteries highlight



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### c) Challenges: Cemeteries

The table below indicate the challenge faced during the financial year:

Description	Actions to address
Vandalism of graves and of fencing	Apply for funding for reinforced fencing and better security measures

Table 122: Cemeteries challenge

### d) Service statistics: Cemeteries

The table below indicates the performance statistics for Cemeteries:

Type of service	2019/20
Pauper burials	44
<b>Total</b>	<b>44</b>

Table 123: Capital expenditure: Cemeteries

### e) Capital expenditure: Cemeteries

The table below indicates the capital expenditure incurred:

Capital projects	2019/20 (R)		
	Budget	Adjustment budget	Actual expenditure
Expansion of Goue Akker Cemetery	940 367	1 621 816	1 000 087
<b>Total</b>	<b>940 367</b>	<b>1 621 816</b>	<b>1 000 087</b>

Table 124: Capital expenditure: Cemeteries

## 3.7 Component E: Security and Safety

### 3.7.1 Traffic Services and Law Enforcement Services

#### a) Introduction to Traffic and Law Enforcement Services

The Beaufort West Traffic Department was established in 1949. The Department currently delivers Traffic law enforcement, vehicle testing, driving licences and vehicle registration services to the community. Murraysburg also has its own driving licence and vehicle registration offices. The court function is an integral part of the service and the office has its own court staff which include clerks of the court and a prosecutor. This helps to ensure effective and efficient management of all road traffic violations.

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### b) Highlights: Traffic and Law Enforcement Services

The following table indicate the highlight of the financial year:

Highlight	Description
Establishment of a municipal court	New premises have been completed and approved by the Department of Justice for occupation

Table 125: Traffic and Law Enforcement Services highlight

### c) Challenges: Traffic Services and Law Enforcement

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Discipline	Apply the disciplinary code consistently
Work ethics	Address employee issue and apply the disciplinary code

Table 126: Traffic and Law Enforcement Services challenges

### d) Service statistics for Traffic and Law Enforcement Services

The table below indicates performance statistics for Traffic and Law Enforcement Services:

Details	2018/19	2019/20
Motor vehicle licenses processed	11 704	8 244
Learner driver licenses processed	491	301
Driver licenses processed	522	316
Driver licenses issued	1 714	1 096
Fines issued for traffic offenses	201	134
R-value of fines collected	306 500	112 200
Roadblocks held	6	18
Complaints attended to by Traffic Officers	0	0
Awareness initiatives on public safety	0	0

Table 127: Service statistics for Traffic and Law Enforcement Services

### e) Employees: Traffic Services and Law Enforcement

The table below indicates the number of staff employed within the Unit:

Occupational Level	2018/19	2019/20			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0%
Senior management	0	0	0	0	0%
Middle management and professionals	1	1	1	0	0%



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Occupational Level	2018/19	2019/20			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Skilled technical, superintendents, etc.	18	19	18	1	5.3%
Semi-skilled	11	12	10	2	16.7%
Unskilled	2	2	2	0	0%
Total	32	34	31	3	8.8%

Table 128: Employees: Traffic and Law Enforcement Services

### 3.7.2 Fire and Disaster Management Services

#### a) Introduction to Fire and Disaster Management Services

The global pandemic has affected the operations of the fire department on a daily basis.

#### b) Highlight: Fire and Disaster Management Services

The following table indicate the highlight of the financial year:

Highlights	Description
New office	Superintendent has an office at the Roadhouse building

Table 129: Fire and Disaster Management Services highlight

#### c) Challenges: Fire and Disaster Management Services

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Unsafe and outdated building	Renovate and secure building
Outdated or no personal protective equipment (PPE)	Purchase PPE
No building equipment	Purchase equipment for building
No uniforms	Purchase uniforms for Superintendent and other staff
Broken samil	Repair samil

Table 130: Fire and Disaster Management Services challenges

#### d) Service statistics for Fire and Disaster Management Services

The table below indicates performance statistics of fire services and disaster management services:

Details	2018/19	2019/20
Operational callouts	154	132
Reservists and volunteers trained	4	4
Awareness initiatives on fire safety	7	2

Table 131: Service statistics for Fire and Disaster Management Services



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### e) Employees: Fire and Disaster Management Services

The table below indicates the number of staff employed within the Unit:

Occupational level	2018/19	2019/20			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0%
Senior management	0	0	0	0	0%
Middle management and professionals	0	0	0	0	0%
Skilled technical, superintendents, etc.	5	5	5	0	0%
Semi-skilled	10	11	10	1	9%
Unskilled	0	0	0	0	0%
<b>Total</b>	<b>15</b>	<b>16</b>	<b>15</b>	<b>1</b>	<b>6%</b>

Table 132: Employees: Fire and Disaster Management Services

### 3.7.3 COVID - 19

#### a) Introduction to COVID-19

On 15 March 2020 President Cyril Ramaphosa declared South Africa COVID-19 epidemic a national state of disaster under the Disaster Management Act (DMA) 57 of 2002. This was done primarily, as the President stated it to enable the government to "have an integrated and coordinated disaster management mechanism that will focus on preventing and reducing the outbreak of this virus." The declaration enabled the government to issue a slew of regulations, directions, and guidelines to contain and mitigate the impact of the pandemic.

During a state of disaster, the DMA allows the government to issue regulations to restrict, inter alia, movement of persons and goods "to, from or within the disaster-stricken or threatened area, ... the suspension or limiting of the sale, dispensing or transportation of alcoholic beverages in the disaster-stricken or threatened area.... [or] any other steps that may be necessary to prevent an escalation of the disaster, or to alleviate, contain and minimise the effects of the disaster..." (Section 27(2).)

Similarly, the Disaster Management Regulations of 2004 (DMR) (as amended) state that:

"any Minister may issue and vary directions, as required, within his or her mandate, to address, prevent and combat the spread of COVID-19, from time to time, as may be required, including...steps that may be necessary to prevent an escalation of the national state of disaster, or to alleviate, contain and minimise the effects of the national state of disaster." (Section 10(8).)



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These regulations and the pandemic itself have had a major impact on the basic service delivery and operations of local government, who had to adjust with immediate effect not only identified risks, projects, manpower but also budgets.

### b) COVID-19 Committee

On April 2020, the Municipality established the Local Joint Organising Committee (LJOC). The committee comprises of members from all spheres of government.

The LJOC has the following functions:

- ☛ planning and implementing of an action plan to combat the spread of the corona virus
- ☛ reporting of confirmed cases per sector department
- ☛ economy recovering discussions and COVID-19 awareness communication

### c) Committee members

The table below indicates the members that serve on the LJOC and the dates of the meetings held:

Name of representative	Representative forum	Meeting dates
K Haarhoff	Municipal Manager	Every Thursday pending the availability of Sector Departments Representatives
S Pheiffers	COVID-19 Compliance Officer	
A Makendlana	Director Corporate Services	
B Vink	Director of Finance Department	
D Van Thura	Director Infrastructure	
Representatives	Sector Departments	

Table 133: Local Joint Organising Committee members

### d) COVID-19: statistical information

The table below indicates the documented statistical information for COVID-19 within the Beaufort West Municipality area from 26 March 2020 – 30 June 2020:

	March 2020	April 2020	May 2020	June 2020
Infections	0	0	0	0
Deaths	0	0	0	0
Recoveries	0	0	0	0

Table 134: COVID-19 statistical information

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### e) Challenges: COVID-19

The table below gives a brief description of the COVID-19 challenge during the 2019/20 financial year:

Challenge	Corrective action
Capital will be a constant challenge to ensure the Municipality meets the commitments made to flatten the curve of COVID-19 in the jurisdiction of the Municipality	Ensure funding
Occupational Health and Safety (OHS) budget	Budget for occupational Injuries and diseases in the workplace

Table 135: COVID-19 challenges

### f) Action plan to address the COVID-19 associated risks

The table below provide the actions implemented/that will be implemented to address the COVID-19 associated risks:

Risk	Action implementation
Exposure to SARS-Cov-2 hazard	Minimize exposure
Employees/public/cleaners/service providers/contractors	<ul style="list-style-type: none"> <li>Develop COVID-19 preparedness plan, -risk assessments - and protocols and train employees on these documents via COVID-19 induction</li> <li>Identify pre-screening and isolation rooms</li> </ul>
Offices/kitchens/ablution facilities/conference or training or boardrooms	<ul style="list-style-type: none"> <li>Train employees/cleaners on proper waste disposal of health care risk waste and general waste</li> <li>Daily cleaning and disinfection of rooms especially after they have been used</li> <li>Keep records of cleaning activities</li> <li>Install and ensure adequate ventilation (natural or mechanical)</li> <li>Inspect and regularly clean local exhaust ventilation systems to maintain maximum efficiency to decontaminate</li> </ul>

Table 136: COVID-19 action plans

### g) COVID – 19 communication/awareness

The table below indicates the different communication/awareness statistical information the Municipality has implemented:

Communication/ Awareness campaign	Platform/ channel utilised	Date
Public participation radio program to communicate important protocols about COVID-19	Radio Gamkaland	Ongoing
Flyer distribution	Municipal wards	Ongoing

Table 137: COVID-19 communication/awareness



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### 3.8 Component F: Sport and Recreation

#### 3.8.1 Sport and Recreation

The community loves sport, but the main challenge is to raise enough funds to develop the different sport fields as only 15% of the Municipal Infrastructure Grant (MIG) funds are available for this purpose.

The MIG allocation for the 2019/20 financial year was earmarked for the upgrade of Kwa-Mandlenkosi Sports Ground and the Beaufort West Rugby Field.

All sport and recreation areas are mowed and irrigated on a regular basis.

#### a) Highlight: Sport and recreation

The following table indicate the highlight of the financial year:

Highlight	Description
Upgrading of the Beaufort West Sport grounds	Construction of a new pavilion

Table 138: Sport and recreation highlight

#### b) Challenges: Sport and recreation

Vandalism and theft is a big concern for the Municipality at the sport and recreation facilities. The Municipality will try to invest in upgrading security controls at each of these facilities.

#### c) Service statistics for sport and recreation

The table below indicates performance statistics of sport and recreation services:

Type of service	2018/19	2019/20
<b>Community parks</b>		
Number of parks with play park equipment	8	8
Number of wards with community parks	7	7
<b>Swimming pools</b>		
Number of visitors per annum	0	0
R-value collected from entrance fees	0	0
<b>Sport fields</b>		
Number of wards with sport fields	7	7
<b>Sport halls</b>		
Number of wards with sport halls	7	7
Number of sport associations utilizing sport halls	5	5

Table 139: Service statistics for sport and recreation

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### d) Employees: Sport and recreation

The table below indicates the number of staff employed within the Unit:

Occupational level	2018/19	2019/20			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0%
Senior management	0	0	0	0	0%
Middle management and professionals	0	1	1	0	0%
Skilled technically, superintendents, etc.	2	0	0	0	0%
Semi-skilled	4	19	16	3	16%
Unskilled	0	22	22	0	0
<b>Total</b>	<b>6</b>	<b>42</b>	<b>39</b>	<b>3</b>	<b>7%</b>

Table 140: Employees: Sport and recreation

### e) Capital expenditure: Sport and recreation

The table below indicates the capital expenditure incurred:

Capital projects	2019/20 (R)		
	Budget	Adjustment budget	Actual expenditure
Beaufort West Sports Stadium: Upgrade Rugby Field	0	755 770	759 338
Kwa-Mandlenkosi: Upgrade Sports Stadium	1 297 000	1 297 030	397 410
Rustdene: Upgrade Existing Regional Sport Stadium Phase 2	2 144 632	169 609	169 610
Beaufort West Sports Stadium: Multi-purpose Sport Court	0	0	1 447 780
Tennis Court Refurbishment	0	12 000	10 003
Upgrade of Nelspoort Sportsground - Nelspoort	600 000	0	0
<b>Total</b>	<b>4 041 632</b>	<b>2 234 409</b>	<b>2 784 141</b>

Table 141: Capital expenditure: Sport and recreation



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### 3.9 Component G: Corporate Policy Offices and Other Services

#### 3.9.1 Corporate Services

##### a) Introduction to Corporate Services

The purpose of the Corporate Service Department is to provide corporate support to the institution. Corporate Services support the efficient organizational and administrative processes of the Municipality and includes the following functions:

- provide legal and administrative support
- render HR management and support services to the Municipality that will sustain optimal utilization of municipal human capital
- coordinate and provide functional and administrative support to the political office bearers
- provide library information services to the community
- coordinate administrative processes and activities pertaining to the Thusong Centres
- provides ICT support to the Municipality

##### b) Highlights: Corporate Services

The following table indicate the highlight of the financial year:

Highlight	Description
Approval of the Placement Policy	The Local Labour Forum (LLF) and Council approved the Placement Policy

Table 142: Corporate Services highlight

##### c) Challenges: Corporate Services

The table below indicates the challenges faced during the financial year:

Description	Actions to address
The vacant positions of ICT Manager and Senior Manager Legal Services	Budget for vacancies in the new financial year
Minute capturing of Council meetings	Training and capacity building of relevant personnel
Limited office space	Apply for funding
Trade skills centre not completed	Complete the skills centre in the new financial year
Setting up of customer care centre	Municipality needs to consider a one stop centre to accommodate all departments

Table 143: Corporate Services challenges

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### d) Employees: Administration

The following tables represents the number of employees in the Administration Units of Corporate Services, Infrastructure Services & Community Services:

Occupational level	2018/19	2019/20			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0%
Senior management	0	2	1	1	50%
Middle management and professionals	1	2	1	1	50%
Skilled technically, superintendents etc.	1	1	1	0	0%
Semi-skilled	7	16	14	3	19%
Unskilled	1	2	1	1	50%
Total	10	23	17	6	26%

Table 144: Employees: Administration

Occupational level	2018/19	2019/20			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0%
Senior management	0	0	0	0	0%
Middle management and professionals	0	0	0	0	0%
Skilled technically, superintendents etc.	2	2	2	0	0%
Semi-skilled	6	13	11	2	15%
Unskilled	1	1	1	0	0%
Total	9	16	14	2	13%

Table 145: Employees: Councillor Support and Thusong Service Centres

Occupational level	2018/19	2019/20			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	1	1	1	0	0%
Senior management	3	0	0	0	0%
Middle management and professionals	1	2	1	1	50%
Skilled technically, superintendents etc.	4	3	3	0	0%



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Occupational level	2018/19	2019/20			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Semi-skilled	0	2	2	0	0%
Unskilled	0	0	0	0	0%
<b>Total</b>	<b>9</b>	<b>8</b>	<b>7</b>	<b>1</b>	<b>13</b>

Table 146: Employees: Municipal Management Services

### 3.9.2 Financial Services

#### a) Challenges: Financial Services

The following table indicates the challenges faced during the financial year:

Description	Actions to address
Municipal Standard Chart of Accounts (mSCOA)	Implement mSCOA in the next financial year
Cashflow constraints	Improve financial management and controls. Stricter credit control

Table 147: Financial Services challenges

#### b) Debt recovery statistics

The table below indicates the debt recovery statistics for the financial year:

Details of the types of account raised and recovered	2018/19			2019/20			2020/21		
	Billed in Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected in the year	Billed in Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected	To be billed in Year	Estimated turnout for accounts to be billed in year	Estimated Proportion of accounts to be billed that will be collected
	R'000		%	R'000		%	R'000		%
Property Rates	47 370	36 239	77	33 653	29 830	88	40 904	36 814	90
Electricity	65 740	59 907	91	50 882	41 419	81	85 273	81 009	95
Water	31 065	20 234	65	19 375	13 512	69	22 631	20 368	90
Sanitation	19 440	15 565	80	16 700	11 451	68	18 087	16 278	90
Refuse	9 254	7 997	86	7 303	4 132	56	9 411	8 470	90

Table 148: Debt recovery



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### c) Employees: Financial Services

The table below indicates the number of staff employed within the Unit:

Occupational level	2018/19	2019/20			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0%
Senior management	0	1	0	1	100%
Middle management and professionals	2	4	3	1	25%
Skilled technically, superintendents etc.	5	11	6	5	46%
Semi-skilled	27	36	25	11	31%
Unskilled	2	2	2	0	0
<b>Total</b>	<b>36</b>	<b>54</b>	<b>36</b>	<b>18</b>	<b>33%</b>

Table 149: Employees: Financial Services

### d) Capital expenditure: Financial Services

Capital projects	2019/20 (R)		
	Budget	Adjustment budget	Actual expenditure
Furniture and Office Equipment	335 000	300 000	10 509
<b>Total</b>	<b>335 000</b>	<b>300 000</b>	<b>10 509</b>

Table 150: Capital expenditure: Financial Services

## 3.9.3 HR

### a) Highlights: HR

The following table indicates the highlights of the financial year:

Highlight	Description
Vacancies	During the financial year, 21 posts were filled or promoted within the Municipality
Approval of the Placement Policy	The Local Labour Forum (LLF) and Council approved the Placement Policy
Occupational Health & Safety (OHS) Officer	OHS Officer appointed
Skills Development Facilitator	Skills Development Facilitator appointed
Leave and Employee Benefits Clerk	Leave and Employee Benefit Clerk appointed

Table 151: HR highlights



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### b) Challenges: HR

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Employment Equity (EE)	EE Plan and report to be approved by the end of November 2020. Submission to the Department of Labour (DoL) will be online
Review of HR policies	South African Local Government Association (SALGA) agreed to arrange training or workshops for HR policies not yet approved
Placement of employees	Placement of employees started 1 June 2020. Placements to be concluded by end of October 2020 and job descriptions to be submitted to TASK for evaluation
Industrial Relations Officer	The vacancy was advertised. Shortlist and interviews to be concluded
The day-to-day filing of employee related documents and correspondence, staff files and the open and closing of staff files for archive purposes	Proposal to Staff Appointment Committee to appoint an additional HR Clerk and Typist to assist
The registration of employee's Unemployment Insurance Fund (UIF) on the DoL online system and capturing of Injury on Duty (IOD's) & UI-19's	
Assistance to OHS Officer & SDF	

**Table 152: HR challenges**

In terms of the approved organogram of the Municipality, divisions, sections and sub-sections were changed in the 2019/20 financial year.

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### c) Employees: HR Services

The table below indicates the number of staff employed within the Unit:

Occupational level	2018/19	2019/20			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0%
Senior management	0	0	0	0	0%
Middle management and professionals	1	1	1	0	0%
Skilled technically, superintendents etc.	0	3	2	1	33%
Semi-skilled	1	2	2	0	0%
Unskilled	0	0	0	0	0%
<b>Total</b>	<b>2</b>	<b>7</b>	<b>5</b>	<b>2</b>	<b>29%</b>

Table 153: Employees: HR

### 3.9.4 Information and Communication Technology (ICT) Services

#### a) Introduction to ICT services

The ICT services of the Municipality is outsourced to an external servicer provider.

#### b) Highlights: ICT services

The following table indicates the highlights of the financial year:

Highlight	Description
Centralization of servers and upgrade of server room	Due to the decentralization of the Municipality's office buildings, the server room had to be established and maintained in three different buildings with wireless connectivity. With the installation of fibre between the main buildings, the Municipality was able the upgrade one server room with raised flooring, smoke and heat sensor alarms. The centralizing of servers to one location is in preparation phase
Murraysburg network	In previous financial years, the Municipality linked the Murraysburg pay points to the Beaufort West offices by means of long-distance wireless networks. In this financial year, the need arose for the Thusong Centre and Electricity Services office buildings to be added to this network. The Municipality extended the network to also include those buildings. This will enhance digital communication and access to systems from these remote offices and also enable remote security monitoring and internet protocol (IP) radio communication in the long run

Table 154: ICT Services highlights



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### c) Challenges: ICT services

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Limited funding	Limited funding allocated for capital expenditure remains a constant challenge and makes it almost impossible to replace aging hardware and to keep up with the ever-growing development of technology
Wireless free-range spectrum	The 5Ghz free range spectrum in Beaufort West, used by the Municipality is currently over utilized due to private wireless service providers using the same frequency range. The Municipality's wireless network is being used for communication in order to provide in basic service delivery and constant signal interference from private service providers are encountered. Due to the vast extent of the Municipality's wireless network and budget restraints, the Municipality cannot afford the cost of licensed spectrum and the associated cost of upgrading the routers to communicate on a dedicated frequency
COVID-19 pandemic	<p>The COVID-19 pandemic with the consequent result of national lockdown presented an enormous challenge to Beaufort West Municipality in terms of remote access to the Municipality's ICT environment in order to enable officials to work from home ensuring the Municipality's business continuity.</p> <p>The Municipality's wide area networks (WAN) was not designed to include the private homes of officials. Alternative ways to enable connectivity had to be done via Wi-Fi from private internet service providers (ISP's), Telkom's asymmetric digital subscriber line (ADSL) and 3G connectivity from the mobile phone companies.</p> <p>The option of Wi-Fi, posed to be expensive whilst the throughput on standard ADSL provided Telkom, was too slow to provide for the effective utilization of certain applications used by the Municipality. 3G connectivity, in many cases, also presented challenges due to the instability of signal strength in many areas.</p> <p>The Municipality will be investigating a workable solution during the 2020/21 financial year</p>

Table 155: ICT Services challenges

### d) Capital expenditure: ICT Services

Capital projects	2019/20 (R)		
	Budget	Adjustment budget	Actual expenditure
Computer Equipment	250 000	250 000	29 652
<b>Total</b>	<b>250 000</b>	<b>250 000</b>	<b>29 652</b>

Table 156: Capital expenditure: ICT Services

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### 3.9.5 Procurement Services

#### a) Service statistics for Procurement Services

The following table indicates the performance statistics of Procurement Services:

Description	Total No.	Monthly average	Daily average
Requests processed	3 089	257.42	8.46
Orders processed	3 089	257.42	8.46
Requests cancelled or referred back	175	14.58	0.48
Extensions	3	0.25	0.01
Bids received (number of documents)	166	13.83	0.40
Bids awarded	36	3	0.10
Bids awarded below R200 000	9	0.75	0.02
Appeals registered	4	0.33	0.01
Successful appeals	0	0	0

Table 157: Service statistics for Procurement Services

#### b) Details of deviations for Procurement Services

The following table indicates the detail of deviations incurred during the financial year:

Type of deviation	Number of deviations	Percentage of total deviations number (%)	Value of deviations (R)	Percentage of total deviations value (%)
Emergency	11	10.38	1 108 413.99	26.84
Sole supplier	8	7.55	119 792.56	2.90
Acquisition of special works of art or historical objects where specifications are difficult to compile	0	0	0	0
Any other exceptional case where it is impossible or impractical to follow the official procurement process	10	9.43	438 021.96	10.61
Any contract with an organ of state, a local authority or a public utility corporation or company	2	1.89	19 118.00	0.46
Any contract relating to the publication of notice and advertisements by the municipality	29	27.36	249 237.70	6.04
The appointment of any person to provide professional advice or services is less than R200 000 or any greater amount	30	28.30	1 668 745.33	40.42



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Type of deviation	Number of deviations	Percentage of total deviations number (%)	Value of deviations (R)	Percentage of total deviations value (%)
Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	16	15.09	525 679.74	12.73

Table 158: Statistics of deviations: Procurement Services

### 3.9.6 Municipal Buildings

#### a) Introduction to Municipal Buildings

Maintenance on municipal buildings are done on an ad hoc basis due to financial constraints.

#### b) Highlights: Municipal Buildings

The following table indicate the highlight of the financial year:

Highlight	Description
Upgrade of Kwa Mandlenkosi sportsgrounds	New ablution facilities were built

Table 159: Municipal buildings highlight

#### c) Challenges: Municipal buildings

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Vandalism	Better security and fencing around municipal buildings
Shortage of staff	Appoint an indigent household complaints team
Funds	Allocate more funds

Table 160: Municipal buildings challenges

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### d) Cost of maintenance of Municipal Buildings

The table below shows the costs involved for the maintenance of buildings within the municipal area:

Maintenance details	2018/19	2019/20
Municipal	R519 500	R649 820
<b>Total</b>	<b>R519 5000</b>	<b>R649 820</b>

Table 161: Cost of maintenance of municipal buildings

### e) Employees: Municipal Buildings

The table below indicates the number of staff employed within the Unit:

Occupational level	2018/19	2019/20			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
		Number			
Top management	0	0	0	0	0%
Senior management	0	0	0	0	0%
Middle management and professionals	0	0	0	0	0%
Skilled technically, superintendents, etc.	1	1	1	0	0%
Semi-skilled	4	9	7	2	22%
Unskilled	8	7	6	1	14%
<b>Total</b>	<b>13</b>	<b>17</b>	<b>14</b>	<b>3</b>	<b>18%</b>

Table 162: Employees: Municipal buildings

### 3.9.7 Fleet Management Services

#### a) Introduction to Fleet Management Services

##### I) THE GOAL:

The Fleet Management Unit strives to provide a safe, reliable and cost-effective fleet to different departments in such a manner that the service to the community can be delivered in a timely manner. The fleet consist of 180 vehicles, including: cars, light duty vehicles, trucks, tractors, earth moving vehicle, compressors and different small plants such as mobile and ordinary grass cutters, water pumps, jolly jumpers, vibrators and power generators.

##### II) OBJECTIVE:

To achieve the aim of our Municipality's Fleet Management Plan, key objectives for fleet services have been set as follows:

- Maintain fleet costs effectively and in a timely manner
- Put internal control methods in place to prevent fraud and fruitless expenditures



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- Implementing policies formulated by Council to deliver an efficient service to the community
- Share values, norms and expectations
- Provide a safe and reliable fleet by keeping fleet in a roadworthy condition
- Implementing replacement policies ensuring vehicles are always road and service ready
- Building team support, trust, cooperation and evaluate performance of all employees
- Keep a thorough record of statistics of vehicle history, logs, petrol usage, vehicles issued and availability
- Set up reports that is transparent and accessible to responsible people

The functions of the Fleet Management Section are as follows:

- Vehicle maintenance and repairs
- Driver management
- Vehicle financing
- Fuel management
- Monthly, quarterly and annually reports
- Licensing and road worthiness of fleet vehicles. Provide technical specs for fleet tenders and evaluate
- Record keeping
- Prepare accident claims
- Reconciling bank statements with petrol cards
- Vehicles acquisitions

### b) Highlights: Fleet Management

The following table indicates the highlights of the financial year:

Highlight	Description
Leasing of new vehicles	Leasing of fleet provided a much better service to communities and less financial strain
Roadworthy and licensing	Fleet were kept in a roadworthy condition
Availability of fleet	Fleet was available between 80% - 90% that means service delivery were provided on time
Scheduled repairs and services	Fleet was serviced and repaired continuously and as quickly as possible

Table 163: Fleet Management highlights

### c) Challenges: Fleet Management

The table below indicate the challenges faced during the financial year:

Description	Actions to address
Aging fleet	Replace some of the fleet and replacement policies must be updated and put in place

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Description	Actions to address
Abusing of fleet	Disciplinary procedures to be put in place
Fleet policies	Develop a Fleet Policy and submit to Council for approval
Financial restrain	Apply for funding and manage cash flow
Theft	Installation of closed-circuit television (CCTV) system
Training	Participate in fleet management courses
Organogram	Placements to be done and budgeted vacancies to be filled
Skill workers	25% of workshop workers need training through the Sector Education and Training Authorities (SETA)
Fleet induction	Induction to take place when new employee starts working

Table 164: Fleet Management challenges

### d) Employees: Fleet Management

The table below indicates the number of staff employed within the Unit:

Occupational level	2018/19	2019/20			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0%
Senior management	0	0	0	0	0%
Middle management and professionals	0	1	1	0	0%
Skilled technical, superintendents, etc.	2	2	1	1	50%
Semi-skilled	4	4	4	0	0%
Unskilled	0				0%
Total	6	7	6	1	14%

Table 165: Employees: Fleet Management



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### 3.10 Component H: Service Delivery Priorities for 2020/21

The main development and service delivery priorities for 2019/20 forms part of the Municipality's Top Layer SDBIP for 2019/20 and are indicated in the tables below:

#### 3.10.1 Ensure liquidity of the administration

Ref	KPI	Unit of measurement	Wards	Annual target
TL11	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2021 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating R	Debt to Revenue as at 30 June 2021	All	45%
TL12	Financial viability measured in terms of the outstanding service debtors as at 30 June 2021 [(Total outstanding service debtors/ revenue received for services)x 100]	Service debtors to revenue as at 30 June 2021	All	35%
TL13	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2021 [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl	Cost coverage as at 30 June 2021	All	1
TL14	Achieve a payment percentage of 90% by 30 June 2021 [(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100]	Payment % achieved by 30 June 2021	All	90%

Table 166: Service delivery priority for 2020/21: Ensure liquidity of the administration

#### 3.10.2 Establishment of a well governed and accountable administration

Ref	KPI	Unit of measurement	Wards	Annual target
TL17	Appoint people from the employment equity target groups in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people appointed in the three highest levels of management	All	1
TL18	0.10% of the municipality's personnel budget spent on implementing its workplace skills plan by 30 June 2021 [(Actual amount spent on training/total personnel budget)x100]	% of the municipality's personnel budget spent on implementing its workplace skills plan	All	0.10%

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Ref	KPI	Unit of measurement	Wards	Annual target
TL20	Compile the Risk based audit plan for 2021/22 and submit to Audit committee for consideration by 30 June 2021	Risk based audit plan submitted to Audit committee by 30 June 2021	All	1
TL21	70% of the Risk based audit plan for 2020/21 implemented by 30 June 2021 [(Number of audits and tasks completed for the period/ Number of audits and tasks identified in the RBAP )x100]	% of the Risk Based Audit Plan implemented by 30 June 2021	All	70%
TL31	85% of the approved project budget spent on the acquisition of the Municipal Office by 30 June 2021	% of budget spent by 30 June 2021	All	85%

Table 167: Service delivery priority for 2020/21: Establishment of a well governed and accountable administration

### 3.10.3 Provide for the needs of indigent households through improved services

Ref	KPI	Unit of measurement	Wards	Annual target
TL5	Provide free basic water to indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2021	Number of indigent households receiving free basic water as at 30 June 2021	All	5 600
TL6	Provide free basic electricity to indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2021	Number of indigent households receiving free basic electricity as at 30 June 2021	All	5 094
TL7	Provide free basic sanitation to indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2021	Number of indigent households receiving free basic sanitation as at 30 June 2021	All	5 953
TL8	Provide free basic refuse removal to indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2021	Number of indigent households receiving free basic refuse removal as at 30 June 2021	All	2 225

Table 168: Service delivery priority for 2020/21: Provide for the needs of indigent households through improved services



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### 3.10.4 Provision of basic services to all the people in the municipal area

Ref	KPI	Unit of measurement	Wards	Annual target
TL1	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and which are billed for water or have pre paid meters as at 30 June 2021	Number of residential properties which are billed for water or have pre paid meters as at 30 June 2021	All	13 500
TL2	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering) (Excluding Eskom areas) and which are billed for electricity or have pre paid meters (Excluding Eskom areas) as at	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas) as at 30 June 2021	All	12 462
TL3	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2021	Number of residential properties which are billed for sewerage as at 30 June 2021	All	11 870
TL4	Number of formal residential properties for which refuse is removed once per week and which are billed for refuse removal as at 30 June 2021	Number of residential properties which are billed for refuse removal as at 30 June 2021	All	11 346
TL25	85% of the approved project budget spent on the extension of the Goue Akker Cemetery in Beaufort West by 30 June 2021 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2021	2	85%
TL26	85% of the approved project budget spent on the upgrade of the gravel road (Kamp Street) in Merweville by 30 June 2021 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2021	7	85%
TL27	85% of the approved project budget spent on the construction of a new reservoir in Merweville by 30 June 2021 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2021	7	85%
TL28	85% of the approved project budget spent on the construction of two new reservoirs in Murraysburg by 30 June 2021 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2021	1	85%

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Ref	KPI	Unit of measurement	Wards	Annual target
TL29	85% of the approved project budget spent on the upgrade of the main substation - Phase 3 by 30 June 2021 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2021	All	85%
TL30	85% of the approved project budget spent on the upgrade of Low Smit substation - Phase 2 by 30 June 2021 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2021	All	85%
TL32	Purchase a new Refuse Removal Truck by 30 June 2021	Number of refuse removal trucks purchased	All	1
TL33	Procure a new Bulldozer by 30 June 2021	Number of bulldozers procured	All	1
TL34	Purchase a new Tipper Truck by 30 June 2021	Number of tipper trucks procured	All	1

**Table 169: Service delivery priority for 2020/21: Provision of basic services to all the people in the municipal area**

### 3.10.5 Sustainability of the environment

Ref	KPI	Unit of measurement	Wards	Annual target
TL15	Limit unaccounted for water quarterly to less than 25% during 2020/21 [(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold (incl free basic water) / Number of Kilolitres Water Purchased or Purified x 100]	% unaccounted water	All	25%
TL16	95% of water samples in the Beaufort West jurisdiction area comply with SANS241 micro biological indicators	% of water samples compliant to SANS 241	All	95%
TL23	Limit unaccounted for electricity to less than 12% quarterly during the 2020/20 financial year [(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased ) x 100]	% unaccounted electricity	All	12%

**Table 170: Service delivery priority for 2020/21: Sustainability of the environment**



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### 3.10.6 To enable education and skills development to equip people with economic skills

Ref	KPI	Unit of measurement	Wards	Annual target
TL19	Spend 100% of the library grant by 30 June 2021 (Actual expenditure divided by the total grant received)	% of grant spent by 30 June 2021	All	100%

**Table 171:** Service delivery priority for 2020/21: To enable education and skills development to equip people with economic skills

### 3.10.7 To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development

Ref	KPI	Unit of measurement	Wards	Annual target
TL10	Create temporary job opportunities in terms of the Extended Public Works Programme (EPWP) projects by 30 June 2021	Number of temporary jobs opportunities created by 30 June 2021	All	40
TL22	Review the LED strategy and submit to Council by 30 June 2021	Revised LED strategy submitted to Council by 30 June 2021	All	1

**Table 172:** Service delivery priority for 2020/21: To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development

### 3.10.8 To improve and maintain current basic service delivery through specific infrastructural development projects

Ref	KPI	Unit of measurement	Wards	Annual target
TL9	The percentage of the municipal capital budget spent by 30 June 2021 [(Actual amount spent /Total amount budgeted for capital projects)X100]	% of capital budget spent by 30 June 2021	All	85%
TL24	85% of the electricity maintenance budget spent by 30 June 2021 ((Actual expenditure on maintenance divided by the total approved budget for maintenance)x100)	% of the electricity maintenance budget spent by 30 June 2021	All	85%

**Table 173:** Service delivery priority for 2020/21: To improve and maintain current basic service delivery through specific infrastructural development projects

# CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

## CHAPTER 4

### 4.1 National KPI – Municipal transformation and organisational development

The following table indicates the Municipality's performance in terms of the National KPI required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These KPI's are linked to the National KPA – Municipal transformation and organisational development.

KPA and Indicators	Municipal achievement	Municipal achievement
	2018/19	2019/20
Appoint people from the employment equity target groups in the three highest levels of management in compliance with a municipality's approved employment equity plan	1	0
0.10% of the municipality's personnel budget spent on implementing its workplace skills plan by 30 June 2020 ((Actual amount spent on training/total personnel budget)x100)	0.73%	0.77%

Table 174: National KPIs– Municipal transformation and organisational development

### 4.2 Component A: Introduction to the municipal workforce

The Municipality currently employs **410** (excluding non-permanent positions) officials, who individually and collectively contribute to the achievement of the Municipality's objectives. The primary objective of HR management is to render an innovative service that addresses both skills development and an administrative function.

#### 4.2.1 Employment equity

The Employment Equity Act (1998) Chapter 3, Section 15(1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The National KPA also refers to: "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan"

#### a) Employment equity targets and actuals

African		Coloured		Indian		White	
Target	Actual	Target	Actual	Target	Actual	Target	Actual
N/A	108	N/A	287	N/A	0	N/A	15

Table 175: 2019/20 Employment equity targets and actuals by racial classification



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Males (including disability)		Females (including disability)	
Target	Actual	Target	Actual
5	5	5	1

Table 176: 2019/20 Employment equity targets and actuals by gender classification

### b) Specific occupational categories - Race

The table below indicates the number of employees (excluding vacancies) by race within the specific occupational categories:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management	0	1	0	0	0	0	0	0	1
Senior management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	1	3	0	3	1	3	0	1	12
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	5	30	0	5	5	15	0	0	60
Semi-skilled and discretionary decision making	35	72	0	2	15	54	0	4	182
Unskilled and defined decision making	33	87	0	0	12	22	0	0	154
<b>Total permanent</b>	<b>75</b>	<b>193</b>	<b>0</b>	<b>10</b>	<b>33</b>	<b>94</b>	<b>0</b>	<b>5</b>	<b>410</b>

Table 177: Occupational categories

### 4.2.2 Vacancy rate

The approved organogram of the Municipality had **544** posts for the 2019/20 financial year. The actual positions filled are indicated in the tables below by post and by functional level. **79** posts were vacant at the end of 2019/20, resulting in a vacancy rate of 14.52%. The table below indicates a breakdown of vacancies within the Municipality:

Per post level		
Post level	Filled	Vacant
Municipal Manager and MSA Section 57 and 56 employees	2	2
Middle management (T14-T19)	12	4
Admin officers (T4-T13)	243	59
General workers (T3)	153	14
<b>Total</b>	<b>410</b>	<b>79</b>
Per functional level		
Functional area	Filled	Vacant
Municipal Manager	7	1

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Per post level		
Post level	Filled	Vacant
Corporate Services	44	6
Financial Services	36	18
Community Services	136	16
Engineering Services	119	24
Electro Technical Services	23	5
Murraysburg	45	9
<b>Total</b>	<b>410</b>	<b>79</b>

Table 178: Vacancy rate per post and functional level

### 4.2.3 Staff turnover rate

A high staff turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional knowledge. The staff turnover rate shows a decrease from 4.43% in 2018/19 to 3.66% in 2019/20.

Below is a table that shows the staff turnover rate within the Municipality:

Financial year	Appointments at the end of each financial year	New appointments	Terminations during the year	Turn-over rate
2018/19	406	56	18	4.43%
2019/20	410	21	15	3.66%

Table 179: Staff turnover rate

## 4.3 Component B: Managing the municipal workforce

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

### 4.3.1 Injuries

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injuries will influence the loss of man hours and therefore financial and productivity performance. The number of injuries decreased from 13 for 2018/19 to 12 for the 2019/20 financial year.



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The table below indicates the total number of injuries within the different directorates:

Directorates	2018/19	2019/20
Municipal Manager	0	0
Corporate Services	0	3
Financial Services	0	0
Infrastructure Services	13	9
<b>Total</b>	<b>13</b>	<b>12</b>

Table 180: Injuries

### 4.3.2 Sick leave

The number of day's sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of employees that have taken sick leave during the 2019/20 financial year shows a decrease when compared with the 2018/19 financial year.

The table below indicates the total number of sick leave days taken within the different directorates:

Department	2018/19	2019/20
Municipal Manager	23	25
Corporate Services	408	256
Financial Services	454	432
Infrastructure Services	3 015	2 408
<b>Total</b>	<b>3 900</b>	<b>3 121</b>

Table 181: Sick leave

### 4.3.3 HR Policies and plans

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

The table below shows the HR policies and plans that are approved:

HR policies categories supplied to Municipality		
Category	Policy	Date
<b>Category A: Organisation management</b>		
A1	Organisational Management Policy	26 June 2017
A2	Individual Performance Management Policy	26 June 2017
A3	Telecoms and Cellular Phone Allowances Policy	26 June 2017
A4	Fixed Transport Allowances Policy	26 June 2017

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HR policies categories supplied to Municipality		
Category	Policy	Date
A5	Essential Transport Allowances Policy	26 June 2017
A6	Removal Expenses Policy	26 June 2017
Category B: HR provisioning and maintenance		
B1	Recruitment and Selection Policy	29 January 2019
B2	Internal and Functional Transfers Policy	26 June 2017
B3	Remuneration Policy	26 June 2017
B4	Non-Pensionable Accommodation Allowances Policy	26 June 2017
B5	Working Hours Policy	26 June 2017
B6	Termination of Services Policy	26 June 2017
B7	Leave of Absence Policy	26 June 2017
B8	HR Records Systems Policy	26 June 2017
B9	Official Vehicles and Fleet Management Policy	26 June 2017
B10	Gifts Policy	26 June 2017
B11	Office Ethics Policy	26 June 2017
B12	Acting Arrangements Policy	26 June 2017
B13	Private Work Policy	26 June 2017
B14	External Communication Policy	26 June 2017
B15	Confidentiality Policy	26 June 2017
B16	Legal Aid Policy	26 June 2017
Category C: Human Capital Development		
C1	Education, Training and Development Policy	26 June 2017
C2	Induction Policy	26 June 2017
C3	Mentoring and Coaching Policy	26 June 2017
C4	Employee Study Aid and Leave Policy	26 June 2017
C5	Succession Planning and Career Pathing Policy	29 January 2019
C6	MFMP Internship Policy	26 June 2017
C7	Learnership Policy	26 June 2017
C8	Experiential Training Policy	26 June 2017
C9	Employee Driving License Assistance Policy	26 June 2017
C10	N7 Fire and Rescue Training Academy Policy	26 June 2017
Category D: Employee Wellness		



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HR policies categories supplied to Municipality		
Category	Policy	Date
D1	Employee Assistance Programme (EAP) Policy	26 June 2017
D2	Substance Abuse Policy	26 June 2017
D3	Incapacity Policy	26 June 2017
D4	Occupational Health and Safety (OHS) Policy	26 June 2017
D5	HIV / AIDS Policy	26 June 2017
D6	Smoking Policy	26 June 2017
D7	Bereavement Policy	26 June 2017
Category E: Employment Equity		
E1	Employment Equity Policy Framework	26 June 2017
E2	Gender Policy	26 June 2017
E3	Sexual Harassment Policy	26 June 2017
E4	Disability Policy	26 June 2017

Table 182: HR Policy list in categories

### 4.4 Component C: Capacitating the municipal workforce

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

#### 4.4.1 Skills matrix

The table below indicates the number of employees that received training in the year under review:

Management level	Gender	Number of employees identified for training at start of the year (2019/20)	Number of employees that received training (2019/20)
Municipal Manager and Section 57 employees	Female	0	0
	Male	0	0
Legislators, senior officials and managers	Female	0	0
	Male	0	0
Associate professionals and technicians	Female	0	0
	Male	0	0
Professionals	Female	0	0
	Male	0	0
Clerks	Female	0	17
	Male	0	5

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Management level	Gender	Number of employees identified for training at start of the year (2019/20)	Number of employees that received training (2019/20)
Service and sales workers	Female	0	0
	Male	0	0
Craft and related trade workers	Female	0	0
	Male	0	0
Plant and machine operators and assemblers	Female	0	0
	Male	0	2
Elementary occupations	Female	0	0
	Male	0	0
<b>Sub-total</b>	<b>Female</b>	<b>0</b>	<b>17</b>
	<b>Male</b>	<b>0</b>	<b>7</b>
<b>Total</b>		<b>0</b>	<b>24</b>

Table 183: Skills matrix

### 4.4.2 Skills development – Training provided

The SDA and the MSA requires employers to supply employees with the necessary training in order to develop its HR capacity. Section 55(1)(f) states that the Municipal Manager is responsible for the management, utilisation and training of staff.

The table below gives an indication of the training provided to employees for the financial year:

Occupational categories	Gender	Training provided within the reporting period (2019/20)	
		Learnerships	
		Target	Actual
Municipal Manager and Section 57 employees	Female	0	0
	Male	0	0
Legislators, senior officials and managers	Female	0	0
	Male	0	0
Professionals	Female	0	0
	Male	0	0
Technicians and associate professionals	Female	0	0
	Male	0	0
Clerks	Female	0	17
	Male	0	5
Service and sales workers	Female	0	0
	Male	0	0
Craft and related trade workers	Female	0	0
	Male	0	0



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Occupational categories	Gender	Training provided within the reporting period (2019/20)	
		Learnerships	
		Target	Actual
Plant and machine operators and assemblers	Female	0	0
	Male	0	2
Elementary occupations	Female	0	0
	Male	0	0
Sub-total	Female	0	17
	Male	0	7
Total		0	24

Table 184: Skills development

### 4.4.3 Skills development - Budget allocation

The table below indicates the budget allocated towards the workplace skills plan:

Financial year	Total personnel budget	Total allocated	Total spent	% Spent
	R'000			
2018/19	89 437	4 264	0	0
2019/20	121 329	422	938	221.37

Table 185: Budget allocated and spent for skills development

### 4.4.4 MFMA competencies

In terms of Section 83(1) of the MFMA, the accounting officer, senior managers, the 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 MFMA. 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, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-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 (exempted until 30 September 2015 in terms of Government Notice 179 of 14 March 2014), 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."



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The table below provides details of the financial competency development progress as required by the regulation:

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (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 (Regulation 14(4)(e))
<b>Financial officials</b>				
Accounting Officer	1	1	1	1
Chief Financial Officer	1	1	0	1
Senior managers	2	2	0	2
Any other financial officials	0	0	0	0
<b>SCM officials</b>				
Heads of SCM Units	1	1	0	1
SCM senior managers	0	0	0	0
<b>Total</b>	<b>5</b>	<b>5</b>	<b>1</b>	<b>5</b>

Table 186: MFMA competencies

### 4.5 Component D: Managing the municipal workforce expenditure

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

#### 4.5.1 Personnel expenditure

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past two financial years and that the Municipality is within the national norm of between 35% to 40%:

Financial year	Total expenditure salary and allowances	Total operating expenditure	Percentage
	R'000		
2018/19	112 446	305 099	37%
2019/20	126 053	321 136	39%

Table 187: Personnel expenditure



## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Below is a summary of councillor and staff benefits for the year under review:

Financial year	2018/19	2019/20		
Description	Actual	Original budget	Adjusted budget	Actual
	R'000			
Councillors (political office bearers plus other)				
Basic salaries and wages	4 354	4 703	4 796	4 811
Pension and UIF contributions	384	379	361	350
Medical aid contributions	37	59	28	31
Motor vehicle allowance	656	683	525	517
Cell phone allowance	530	530	530	530
Other benefits and allowances	47	47	47	47
Sub total	6 008	6 401	6 287	6 286
% increase/ (decrease)	(0.97)	6.54	(1.78)	(0.02)
Senior managers of the Municipality				
Basic salaries and wages	5 205	5 547	4 279	3 735
Pension and UIF contributions	546	440	469	461
Medical aid contributions	0	33	34	40
Performance bonus	619	698	698	0
Motor vehicle allowance	430	300	374	325
Cell phone allowance	68	108	88	83
Other benefits and allowances	0	1	(89)	323
Payments in lieu of leave	0	0	0	89
Sub total	6 868	7 127	5 864	5 056
% increase/ (decrease)	23.84	3.77	(17.72)	(13.78)
Other municipal staff				
Basic salaries and wages	75 020	83 911	87 422	77 630
Pension and UIF contributions	11 111	13 226	12 042	12 741
Medical aid contributions	1 662	1 939	1 862	1 807
Overtime	4 919	1 500	5 083	5 376
Motor vehicle allowance	2 190	2 469	2 639	2 412
Cell phone allowance	143	128	169	0
Housing allowances	924	967	672	942
Other benefits and allowances	2 538	2 057	2 598	10 182
Payments in lieu of leave	0	0	274	2 151
Long service awards	375	191	(428)	0
Post-retirement benefit obligations	688	1 439	0	1 470
Sub-total	99 570	107 827	112 333	114 711

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Financial year	2018/19	2019/20		
Description	Actual	Original budget	Adjusted budget	Actual
	R'000			
% increase/ (decrease)	N/A	8.29	4.18	2.12
Total Municipality	112 600	121 355	124 484	126 053
% increase/ (decrease)	N/A	7.78	2.58	1.26

Table 188: Councillor and staff benefits



## CHAPTER 5: FINANCIAL PERFORMANCE

### CHAPTER 5

This chapter provides details regarding the financial performance of the Municipality for the 2019/20 financial year.

### Component A: Statements of Financial Performance

The statement of financial performance provides an overview of the financial performance of the Municipality and focuses on the financial health of the Municipality.

#### 5.1 Financial summary

The table below indicates the summary of the financial performance for the 2019/20 financial year:

Financial summary						
R'000						
Description	2018/19	2019/20		2019/20 % variance		
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
Financial performance						
Property rates	36 239	38 952	38 955	39 564	1.55	1.54
Service charges	99 349	129 512	126 953	125 011	(3.60)	(1.55)
Investment revenue	616	1 050	1 050	284	(270.32)	(270.32)
Transfers recognised - operational	77 711	90 676	130 646	76 735	(18.17)	(70.25)
Other own revenue	59 274	61 390	71 551	58 375	(5.17)	(22.57)
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>273 189</b>	<b>321 580</b>	<b>369 155</b>	<b>299 969</b>	<b>(7.20)</b>	<b>(23.06)</b>
Employee costs	106 439	114 954	118 186	119 967	4.18	1.48
Remuneration of Councillors	6 008	6 401	6 287	6 286	(1.83)	(0.01)
Depreciation and asset impairment	21 612	20 431	20 431	25 017	18.33	18.33
Finance charges	6 173	1 418	1 436	7 606	81.36	81.12
Materials and bulk purchases	69 829	86 031	81 718	75 156	(14.47)	(8.73)
Transfers and grants	671	550	550	510	(7.88)	(7.88)
Other expenditure	95 560	111 611	149 924	103 339	(8.01)	(45.08)
<b>Total expenditure</b>	<b>306 292</b>	<b>341 396</b>	<b>378 533</b>	<b>337 881</b>	<b>(1.04)</b>	<b>(12.03)</b>
<b>Surplus/(deficit)</b>	<b>(33 103)</b>	<b>(19 816)</b>	<b>(9 377)</b>	<b>(37 912)</b>	<b>47.73</b>	<b>75.27</b>



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Financial summary						
R'000						
Description	2018/19	2019/20		2019/20 % variance		
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
Transfers recognised - capital	30 103	30 758	36 923	27 800	(10.64)	(32.82)
Contributions recognised - capital and contributed assets	36	0	0	1 259	100.00	100.00
<b>Surplus/(deficit) after capital transfers and contributions</b>	<b>(2 964)</b>	<b>10 942</b>	<b>27 546</b>	<b>(8 853)</b>	<b>223.60</b>	<b>411.15</b>
Capital expenditure and funds sources						
Capital expenditure						
Transfers recognised - capital	26 664	30 758	36 923	24 207	(27.06)	(52.53)
Public contributions and donations	36	0	0	1 259	100.00	100.00
Borrowing	439	0	0	645	100.00	100.00
Internally generated funds	651	1 200	1 212	313	(283.88)	(287.72)
<b>Total sources of capital funds</b>	<b>27 789</b>	<b>31 958</b>	<b>38 135</b>	<b>26 423</b>	<b>(20.95)</b>	<b>(44.33)</b>
Financial position						
Total current assets	59 592	83 637	76 231	86 479	3.29	11.85
Total non-current assets	554 587	546 075	545 825	558 564	2.24	2.28
Total current liabilities	75 180	74 883	76 381	118 051	36.57	35.30
Total non-current liabilities	57 558	78 678	55 146	54 403	(44.62)	(1.37)
Community wealth/equity	481 441	476 152	490 529	472 588	(0.75)	(3.80)
Cash flows						
Net cash from (used) operating	14 243	36 250	56 319	29 944	(21.06)	(88.08)
Net cash from (used) investing	(27 328)	(31 958)	(38 135)	(27 090)	(17.97)	(40.77)
Net cash from (used) financing	(4 280)	(931)	(4 122)	(2 989)	68.84	(37.89)
<b>Cash/cash equivalents at the year end</b>	<b>(17 366)</b>	<b>3 360</b>	<b>14 062</b>	<b>(135)</b>	<b>2 588.12</b>	<b>10 513.27</b>
Cash backing/surplus reconciliation						
Cash and investments available	(12 421)	4 777	1 641	(12 556)	138.04	113.07



## CHAPTER 5: FINANCIAL PERFORMANCE

Financial summary						
R'000						
Description	2018/19	2019/20		2019/20 % variance		
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
Application of cash and investments	(19 785)	3 157	8 819	(29 537)	110.69	129.86
<b>Balance - surplus (shortfall)</b>	<b>(32 206)</b>	<b>7 934</b>	<b>10 461</b>	<b>(42 093)</b>	<b>118.85</b>	<b>124.85</b>
Asset management						
Asset register summary (WDV)	537 127	31 958	38 135	553 472	94.23	93.11
Depreciation and asset impairment	21 612	20 431	20 431	25 017	18.33	18.33
Renewal of existing assets	0	0	0	0	N/A	N/A
Repairs and maintenance	6 834	0	0	3 631	100.00	100.00
Free services						
Cost of Free Basic Services provided	21 796	24 731	26 958	24 813	0.33	(8.65)
Revenue cost of free services provided	11 131	8 134	8 020	11 708	30.53	31.50
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual</i>						

Table 189: Financial performance 2019/20

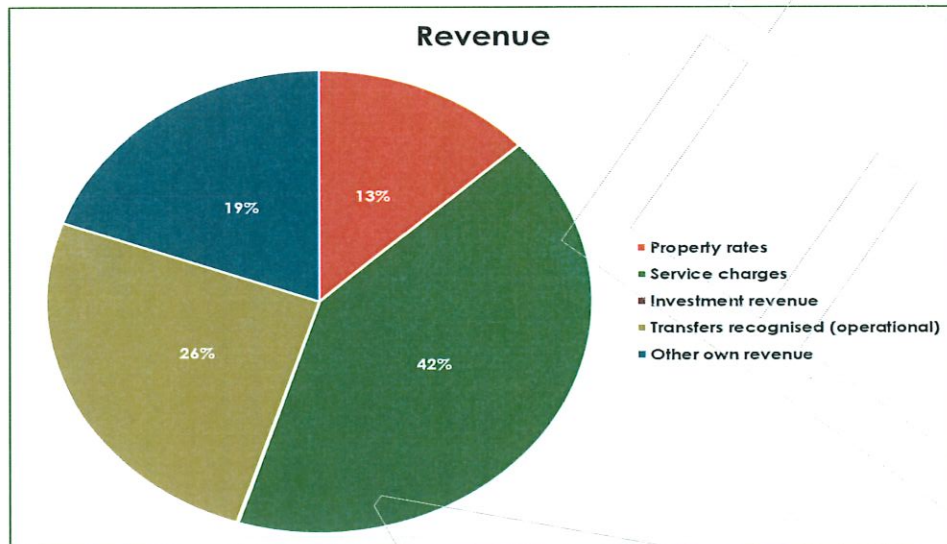
The table below shows a summary of performance against budgets:

Financial year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000	R'000	R'000		R'000	R'000	R'000	
2018/19	406 633	303 328	(103 305)	(25)	388 154	306 292	81 862	21
2019/20	406 079	329 028	(77 051)	(19)	378 533	337 881	40 652	11

Table 190: Performance against budgets

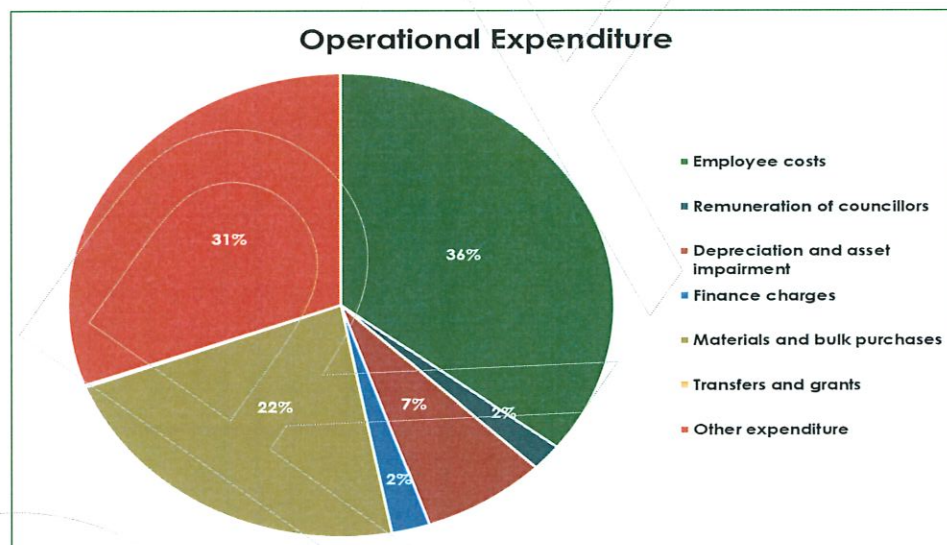
## CHAPTER 5: FINANCIAL PERFORMANCE

The following graph indicates the various types of revenue items in the municipal budget for 2019/20



Graph 6.: Revenue

The following graph indicates the various types of expenditure items in the municipal budget for 2019/20



Graph 7.: Operating expenditure



## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.1.1 Revenue collection by vote

The table below indicates the revenue collection performance by vote:

Vote description	2018/19	2019/20			2019/20 % variance	
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjusted budget
	R'000					
Vote 1 – Executive and Council	632	0	502	590	100.00	14.93
Vote 2 – Financial Services	40 838	41 447	52 774	44 720	7.32	(18.01)
Vote 3 – Corporate Services	43 884	47 729	45 392	50 927	6.28	10.87
Vote 4 – Community Services	62 505	84 095	119 630	59 475	(41.40)	(101.15)
Vote 5 – Engineering Services	76 741	74 125	78 161	65 553	(13.08)	(19.23)
Vote 6 – Electrical Services	88 073	104 942	109 621	116 749	10.11	6.11
<b>Total revenue by vote</b>	<b>312 672</b>	<b>352 338</b>	<b>406 079</b>	<b>338 014</b>	<b>(4.24)</b>	<b>(20.14)</b>
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual</i>						

Table 191: Revenue by vote

### 5.1.2 Revenue collection by source

The table below indicates the revenue collection performance by source for the 2018/19 financial year:

Description	2018/19	2019/20			2019/20 % variance	
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjusted budget
	R'000					
Property rates	36 239	38 952	38 955	39 564	1.55	1.54
Service charges - electricity revenue	58 032	82 928	80 264	80 191	(3.41)	(0.09)
Service charges - water revenue	17 730	20 167	21 151	19 572	(3.04)	(8.07)
Service charges - sanitation revenue	15 590	16 758	16 904	16 589	(1.02)	(1.90)
Service charges - refuse revenue	7 997	9 660	8 634	8 659	(11.56)	0.29
Rentals of facilities and equipment	1 145	1 248	1 293	1 378	9.40	6.13
Interest earned - external investments	616	1 050	1 050	284	(270.32)	(270.32)
Interest earned - outstanding debtors	3 716	4 214	4 526	4 815	12.49	6.00
Fines	50 449	53 640	53 640	44 993	(19.22)	(19.22)
Licences and permits	337	409	409	230	(77.66)	(77.66)
Agency services	852	820	880	654	(25.30)	(34.47)
Transfers recognised - operational	77 711	90 676	130 646	76 735	(18.17)	(70.25)
Other revenue	2 775	1 059	10 803	6 304	83.20	(71.37)



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Description	2018/19	2019/20			2019/20 % variance	
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjusted budget
	R'000					
Total revenue (excluding capital transfers and contributions)	273 189	321 580	369 155	299 969	(7.20)	(23.06)
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual						

Table 192: Revenue by source

### 5.1.3 Operational services performance

The table below indicates the operational services performance for the 2019/20 financial year:

Description	2018/19	2019/20			2019/20 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust- ments Budget
	R'000				%	
Operating Cost						
Water	23 226	31 893	27 451	26 458	(20.54)	(3.76)
Waste Water (Sanitation)	10 656	15 020	16 945	16 543	9.21	(2.43)
Electricity	76 360	89 397	86 992	84 829	(5.39)	(2.55)
Waste Management	15 963	19 547	20 407	23 134	15.51	11.79
Component A: sub-total	126 204	155 857	151 795	150 964	(3.24)	(0.55)
Roads and Stormwater	23 953	22 532	22 781	23 106	2.48	1.41
Transport	0	0	0	0	N/A	N/A
Component B: sub-total	23 953	22 532	22 781	23 106	2.48	1.41
Planning	6 065	5 086	6 815	6 718	24.30	(1.43)
Local Economic Development	423	493	497	473	(4.08)	(4.98)
Component C: sub-total	6 488	5 578	7 312	7 192	22.43	(1.67)
Housing	2 338	17 566	54 209	2 021	(769.04)	(2 581.81)
Social Services and Community Development	0	0	0	0	N/A	N/A
Component D: sub-total	2 338	17 566	54 209	2 021	(769.04)	(2 581.81)
Environmental Protection (Pollution Control, Bio-Diversity, Landscape, Open Spaces, Parks, and Coastal Protection)	0	0	0	0	N/A	N/A
Component E: sub-total	0	0	0	0	N/A	N/A
Traffic & licensing	51 910	44 133	47 047	49 020	9.97	4.02
Fire Serices and Disaster Management	3 751	4 506	4 403	4 309	(4.56)	(2.18)
Component F: sub-total	55 661	48 639	51 450	53 329	8.80	3.52



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Description	2018/19	2019/20			2019/20 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Operating Cost						
Sport and Recreation	7 769	9 376	9 457	8 747	(7.20)	(8.12)
Cemeteries	438	505	561	412	(22.44)	(36.13)
Libraries	5 208	6 377	6 506	5 702	(11.83)	(14.09)
Community Halls, Facilities, Thusong Centres	5 364	3 315	3 315	6 647	50.12	50.13
Component G: sub-total	18 780	19 573	19 838	21 507	8.99	7.76
Budget and Treasury Office	30 541	37 700	37 028	35 835	(5.20)	(3.33)
Executive and Council	20 755	23 004	18 262	21 840	(5.33)	16.38
Corporate Services	19 316	10 947	15 021	19 611	44.18	23.40
Component H: sub-total	70 612	71 650	70 310	77 285	7.29	9.03
Total Expenditure	304 036	341 396	377 696	335 405	(1.79)	(12.61)
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Table 193: Operational services performance

## 5.2 Financial performance per municipal function

The tables below indicate the Municipality's performance with regards to each municipal function:

### 5.2.1 Water services

Description	2018/19	2019/20			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
<b>Total operational revenue</b>	<b>34 992</b>	<b>39 317</b>	<b>44 817</b>	<b>35 264</b>	<b>(11.49)</b>
<b>Expenditure:</b>					
Employees	6 696	8 372	6 689	7 181	(16.59)
Repairs and maintenance	681	965	965	697	(38.36)
Other	15 848	22 556	19 797	18 579	(21.40)
<b>Total operational expenditure</b>	<b>23 226</b>	<b>31 893</b>	<b>27 451</b>	<b>26 458</b>	<b>(20.54)</b>
<b>Net operational (service)</b>	<b>11 767</b>	<b>7 425</b>	<b>17 366</b>	<b>8 806</b>	<b>15.69</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 194: Financial performance: Water services



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### 5.2.2 Waste water (sanitation) services

Description	2018/19	2019/20			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	20 920	22 928	24 074	23 328	1.72
Expenditure:					
Employees	5 015	3 383	5 577	5 527	38.80
Repairs and maintenance	522	810	820	348	(133.07)
Other	5 119	10 827	10 548	10 669	(1.48)
Total operational expenditure	10 656	15 020	16 945	16 543	9.21
Net operational (service)	10 265	7 908	7 129	6 785	(16.55)
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 195: Financial performance: Waste water (sanitation) services

### 5.2.3 Electricity

Description	2018/19	2019/20			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	88 073	104 942	105 096	116 749	10.11
Expenditure:					
Employees	9 350	8 979	9 132	9 173	2.12
Repairs and maintenance	629	1 727	1 359	197	(774.47)
Other	66 380	78 692	76 501	75 459	(4.28)
Total operational expenditure	76 360	89 397	86 992	84 829	(5.39)
Net operational (service)	11 713	15 545	18 104	31 920	51.30
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 196: Financial performance: Electricity



## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.2.4 Waste management

Description	2018/19	2019/20			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	9 953	12 379	11 850	11 431	(8.29)
Expenditure:					
Employees	8 471	9 087	10 661	10 816	15.98
Repairs and maintenance	0	633	633	0	N/A
Other	7 492	9 828	9 113	12 319	20.22
Total operational expenditure	15 963	19 547	20 407	23 134	15.51
Net operational (service)	(6 009)	(7 169)	(8 556)	(11 703)	38.75
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 197: Financial performance: Waste management

### 5.2.5 Housing

Description	2018/19	2019/20			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	407	15 885	52 370	305	(5 116.73)
Expenditure:					
Employees	1 338	1 453	1 983	1 797	19.13
Repairs and maintenance	381	15 710	52 000	18	(87 802.80)
Other	619	403	226	207	(95.00)
Total operational expenditure	2 338	17 566	54 209	2 021	(769.04)
Net operational (service)	(1 930)	(1 681)	(1 839)	(1 717)	2.07
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 198: Financial performance: Housing



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### 5.2.6 Road transport

Description	2018/19	2019/20			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	12 049	4 524	6 621	3 697	(22.37)
Expenditure:					
Employees	13 599	21 097	19 231	14 473	(45.77)
Repairs and maintenance	2 242	1 175	1 208	392	(199.72)
Other	11 357	260	2 342	8 241	96.84
Total operational expenditure	27 198	22 532	22 781	23 106	2.48
Net operational (service)	(15 150)	(18 008)	(16 160)	(19 410)	7.22
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 199: Financial performance: Road transport

### 5.2.7 Local economic development (LED)

Description	2018/19	2019/20			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	771	789	789	775	(1.86)
Expenditure:					
Employees	5 040	1 324	1 437	6 096	78.29
Repairs and maintenance	28	81	55	85	5.14
Other	1 420	4 174	5 819	1 010	(313.08)
Total operational expenditure	6 488	5 578	7 312	7 192	22.43
Net operational (service)	(5 717)	(4 789)	(6 522)	(6 417)	25.37
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 200: Financial performance: LED



## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.2.8 Libraries

Description	2018/19	2019/20			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	5 490	6 695	6 251	5 704	(17.37)
<b>Expenditure:</b>					
Employees	4 358	4 842	4 873	4 779	(1.32)
Repairs and maintenance	42	198	298	144	(37.98)
Other	808	1 337	1 335	780	(71.43)
Total operational expenditure	5 208	6 377	6 506	5 702	(11.83)
Net operational (service)	281	318	(255)	1	(22 066.60)
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 201: Financial performance: Libraries

### 5.2.9 Community facilities

Description	2018/19	2019/20			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	1 814	909	1 901	2 726	66.65
<b>Expenditure:</b>					
Employees	3 599	3 501	5 159	5 010	30.12
Repairs and maintenance	578	275	245	350	21.56
Other	1 625	44	(1 528)	1 698	97.40
Total operational expenditure	5 802	3 820	3 876	7 059	45.88
Net operational (service)	(3 989)	(2 911)	(1 974)	(4 333)	32.82
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 202: Financial performance: Community facilities



## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.2.10 Traffic and law enforcement

Description	2018/19	2019/20			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	50 311	54 495	54 555	44 819	(21.59)
<b>Expenditure:</b>					
Employees	12 918	10 229	14 725	15 259	32.97
Repairs and maintenance	53	347	347	145	(139.00)
Other	42 690	38 063	36 379	37 925	(0.36)
Total operational expenditure	55 661	48 639	51 450	53 329	8.80
Net operational (service)	(5 349)	5 857	3 105	(8 510)	168.82
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 203: Financial performance: Sport and recreation

### 5.2.11 Parks and recreation

Description	2018/19	2019/20			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	8 303	5 846	4 191	2 732	(113.96)
<b>Expenditure:</b>					
Employees	5 797	6 625	7 067	6 837	3.10
Repairs and maintenance	367	671	571	241	(178.87)
Other	1 606	2 080	1 818	1 669	(24.62)
Total operational expenditure	7 769	9 376	9 457	8 747	(7.20)
Net operational (service)	534	(3 530)	(5 266)	(6 014)	41.30
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 204: Financial performance: Parks and recreation



## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.2.12 Office of the MM

Description	2018/19	2019/20			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	38 041	40 626	38 316	45 220	10.16
Expenditure:					
Employees	5 400	10 226	4 660	6 403	(59.70)
Repairs and maintenance	10	5	10	(17)	129.81
Other	15 346	12 773	13 591	15 453	17.35
Total operational expenditure	20 755	23 004	18 262	21 840	(5.33)
Net operational (service)	17 825	17 622	20 054	23 380	24.63
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 205: Financial performance: Office of the MM

### 5.2.13 Corporate services

Description	2018/19	2019/20			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	200	0	1 155	4	100.00
Expenditure:					
Employees	6 801	4 450	7 732	7 449	40.27
Repairs and maintenance	704	290	290	435	33.27
Other	4 057	6 207	6 999	4 330	(43.36)
Total operational expenditure	11 561	10 947	15 021	12 214	10.37
Net operational (service)	(11 361)	(10 947)	(13 866)	(12 210)	10.34
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 206: Financial performance: Corporate services



## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.2.14 Financial services

Description	2018/19	2019/20			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	41 548	43 003	53 256	45 265	5.00
<b>Expenditure:</b>					
Employees	18 058	21 162	19 168	19 168	(10.40)
Repairs and maintenance	424	309	233	116	(165.44)
Other	19 815	16 229	17 626	23 947	32.23
Total operational expenditure	38 296	37 700	37 028	43 231	12.80
Net operational (service)	3 252	5 304	16 229	2 033	(160.83)
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 207: Financial performance: Financial services

## 5.3 Grants

### 5.3.1 Grant performance

The Municipality spent an amount of **R76 million** on infrastructure and other projects available which was received in the form of grants from National and provincial governments during the 2019/20 financial year. The performance in the spending of these grants is summarised as follows:

Description	2018/19	2019/20			2019/20 variance	
	Actual (audited outcome)	Budget	Adjustments budget	Actual	Original budget	Adjust- ments budget
	R'000				%	
Operating transfers and grants						
National government:	72 472	66 757	66 757	66 401	(0.54)	(0.54)
Equitable Share	56 543	62 434	62 434	62 434	0.00	0.00
Local Government Financial Management Grant	1 700	1 700	1 700	1 700	0.00	0.00
Municipal Infrastructure Grant (MIG) – Project Management Unit	689	699	699	699	0.00	0.00
Integrated National Electrification Grant (INEP)	10 000	0	0	0	N/A	N/A
Expanded Public Works Programme (EPWP) Integrated Grant	1 285	1 924	1 924	1 569	(22.65)	(22.65)
Department Rural Development and Land Reform	2 255	0	0	0	N/A	N/A



## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2018/19	2019/20			2019/20 variance	
	Actual (audited outcome)	Budget	Adjustments budget	Actual	Original budget	Adjust- ments budget
	R'000				%	
Operating transfers and grants						
Provincial government:	13 336	23 919	63 052	9 923	(141.05)	(535.42)
Human Settlements Development Grant (Beneficiaries)	0	15 660	52 000	0	N/A	N/A
Human Settlements - Municipal Accreditation and Capacity Building Grant	224	224	369	225	0.33	(64.01)
Provincial Treasury: Financial Management Capacity Building Grant	360	380	380	0	N/A	N/A
Provincial Treasury: Financial Management Support Grant	2 500	330	2 296	2 296	85.63	0.00
Department of Transport and Public Works: Maintenance and Construction of Transport Infrastructure	841	50	50	0	N/A	N/A
Department of Cultural Affairs and Sport: Library Service: Replacement Funding	5 550	5 856	6 212	5 671	(3.26)	(9.54)
Fire and Drought Relief Grant	1 913	0	0	0	N/A	N/A
Department of Local Government: Community Development Workers (CDW) Operational Support Grant	0	169	408	89	(90.47)	(359.83)
Department of Local Government : Municipal Drought Relief Grant	1 698	1 250	1 250	1 555	19.61	19.61
Department of Local Government : Municipal Service Delivery and Capacity Building Grant	250	0	88	88	100.00	0.00
Local Government Support Grant	0	0	0	447	100	100
Total operating transfers and grants	85 808	90 676	129 809	76 324	(18.80)	(70.08)

Table 208: Operating grant performance

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.3.2 Conditional grants

The performance in the spending of the conditional grants is summarised as follows:

Details	2018/19	2019/20			2019/20 Variance	
	Actual	Budget	Adjust- ments Budget	Actual	Variance	
	Actual (Audited Outcome)				Budget	Adjust- ments Budget
	R'000				%	
Local Government Finance Management Grant	1 700	1 700	1 700	1 700	0.00	0.00
MIG - Project Management Unit	689	699	699	699	0.00	0.00
INEP	0	15 400	15 400	15 354	(0.30)	(0.30)
EPWP	1 285	1 924	1 924	1 569	(22.65)	(22.65)
Human Settlements Development Grant (Beneficiaries)	0	15 660	52 000	0	N/A	N/A
Human Settlements Development Grant - Acceleration of Housing Delivery (Toilet Project)	227	0	0	0	N/A	N/A
Human Settlements - Municipal Accreditation and Capacity Building Grant	93	1 250	1 250	225	(456.19)	(456.19)
Provincial Treasury: Financial Management Capacity Building Grant	0	380	380	0	N/A	N/A
Provincial Treasury: Financial Management Support Grant	2 159	330	2 296	2 296	85.63	0.00
Department of Transport and Public Works: Maintenance and Construction of Transport Infrastructure	841	50	50	0	N/A	N/A
Department of Cultural Affairs and Sport: Library Service: Replacement Funding	5 373	5 856	6 212	5 671	(3.26)	(9.54)
Community Library Services Grant	0	800	0	0	N/A	N/A
Department of Local Government: CDW Operational Support Grant	0	169	408	89	(90.47)	(359.83)
Department of Local Government: CDW - Capital	0	35	0	0	N/A	N/A
Department of Local Government: Thusong Services Centres Grant (Sustainability: Operational Support Grant)	265	0	0	0	N/A	N/A
Department of Local Government: Municipal Drought Relief Grant	1 698	1 250	8 250	1 555	19.61	(430.57)



## CHAPTER 5: FINANCIAL PERFORMANCE

Details	2018/19	2019/20			2019/20 Variance	
	Actual	Budget	Adjust- ments Budget	Actual	Variance	
	Actual (Audited Outcome)				Budget	Adjust- ments Budget
	R'000				%	
Department of Local Government: Municipal Service Delivery and Capacity Building Grant	162	224	369	88	(155.77)	(320.89)
Local Government Support Grant	0	0	0	447	100.00	100.00
Municipal disaster relief grant	0	0	0	287	100.00	100.00
Total	14 493	45 727	90 937	29 979	(52.53)	(203.34)
* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in par 5.9.2. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Table 209: Conditional grants

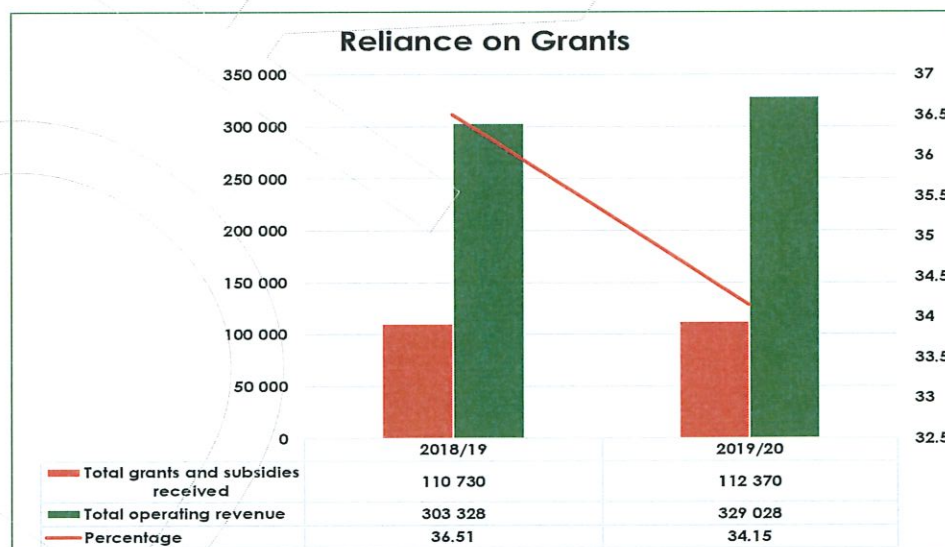
### 5.3.3 Level of reliance on grants and subsidies

The table below reflects the level of reliance on grants and subsidies

Financial year	Total grants and subsidies received	Total operating revenue	Percentage
	R'000		%
2018/19	110 730	303 328	36.51
2019/20	112 370	329 028	34.15

Table 210: Reliance on grants

The following graph gives a visual relationship between the two financial years and the trend based on grant received and operating revenue



Graph 8.: Reliance on grants

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.4 Repairs and Maintenance

The following table indicates the Municipality's expenditure on repairs and maintenance:

Description	2018/19	2019/20			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Budget variance
		R' 000			%
Repairs and Maintenance Expenditure	6 834	0	0	3 631	N/A

Table 211: Repairs and maintenance expenditure

### 5.5 Financial ratios based on KPIs

The graphs and tables below indicate the Municipality's performance in relation to the financial ratios:

#### 5.5.1 Liquidity ratio

Description	Basis of calculation	2018/19	2019/20
		Audited outcome	Pre-audited outcome
Current ratio	Current assets/current liabilities	79%	73%
Current ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	(32%)	(9%)
Liquidity ratio	Cash and equivalents/Trade creditors and short-term borrowings	1%	2%

Table 212: Liquidity financial ratio



Graph 9.: Liquidity ratio



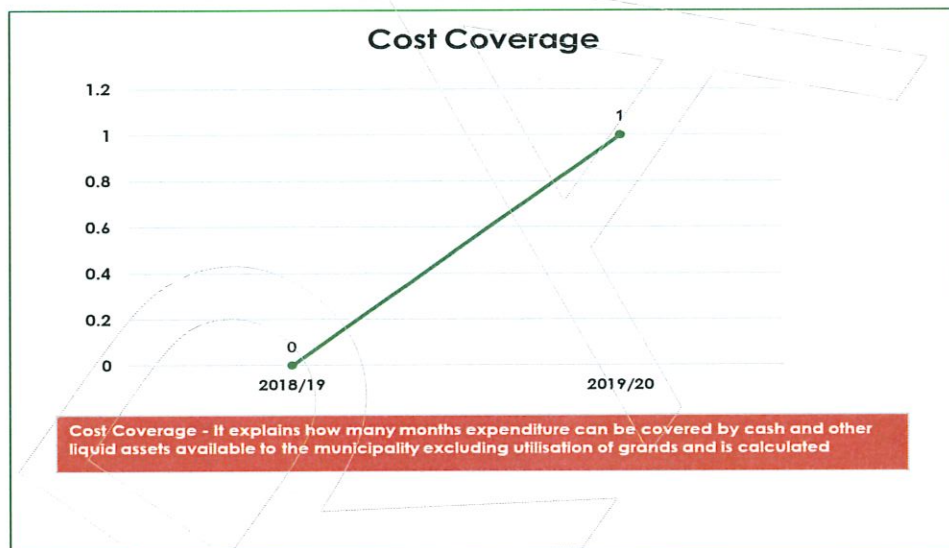
## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.5.2 IDP regulation financial viability indicators

Description	Basis of calculation	2018/19	2019/20
		Audited outcome	Pre-audited outcome
Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0	1
Total outstanding service debtors to revenue	Total outstanding service debtors/annual revenue received for services	14%	21%
Debt coverage	(Total operating revenue - operating grants)/Debt service payments due within financial year)	5.15	3.60

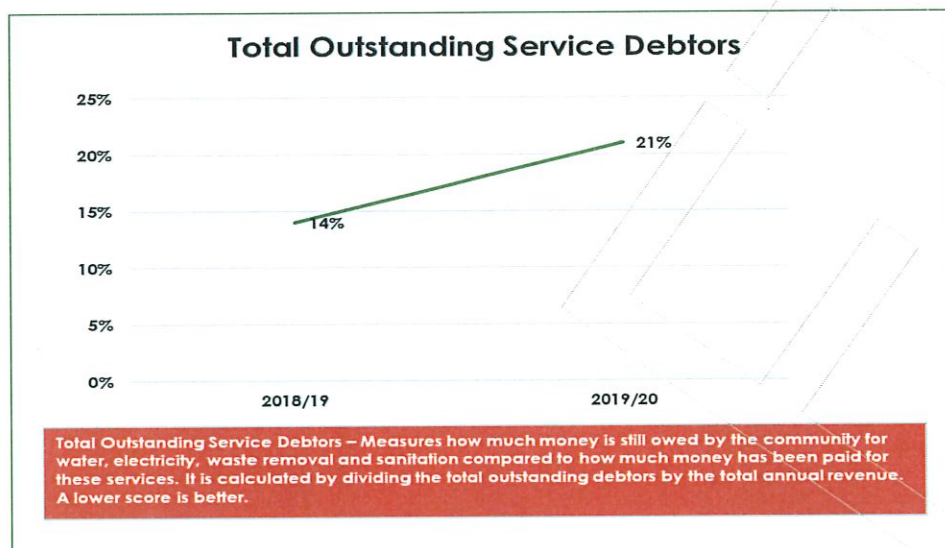
Table 213: Financial viability national KPAs

The following graphs illustrates the compared financial viability indicators for the past two financial years:

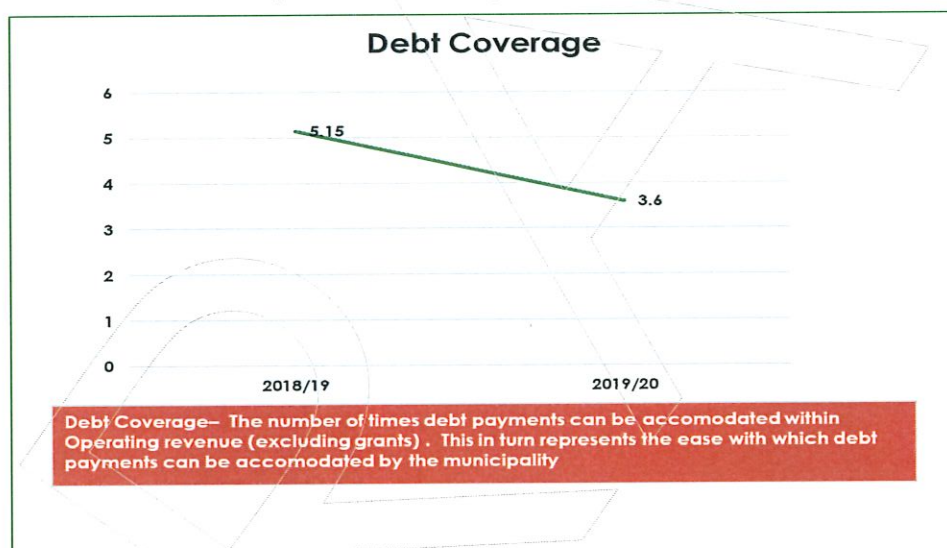


Graph 10.: Cost coverage

## CHAPTER 5: FINANCIAL PERFORMANCE



Graph 11.: Outstanding service debtors to revenue



Graph 12.: Debt coverage

### 5.5.3 Repairs and maintenance

The following table illustrates the Municipality's proportion of operating expenditure in relation to repairs and maintenance:

Description	Basis of calculation	2018/19	2019/20
		Audited outcome	Pre-audited outcome
Repairs and maintenance	R and M/(Total revenue excluding capital revenue)	3%	1%

Table 214: Repairs and maintenance



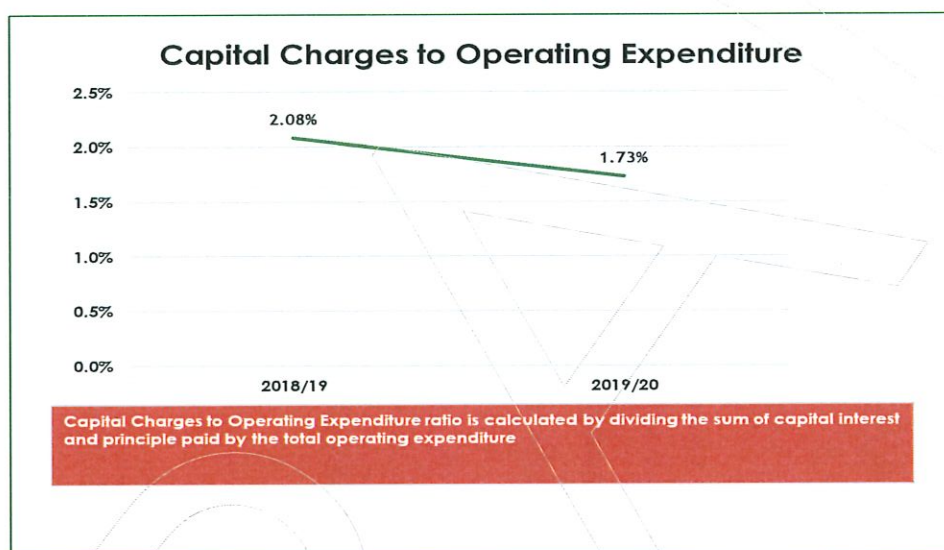
## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.5.4 Borrowing management

The following table and graph illustrate the Municipality's proportion of capital charges in relation to operating expenditure:

Description	Basis of calculation	2018/19	2019/20
		Audited outcome	Pre-audited outcome
Capital charges to operating expenditure	Interest and principal paid/ Operating expenditure	2.08%	1.73%

Table 215: Borrowing management



Graph 13.: Capital charges to operating expenditure

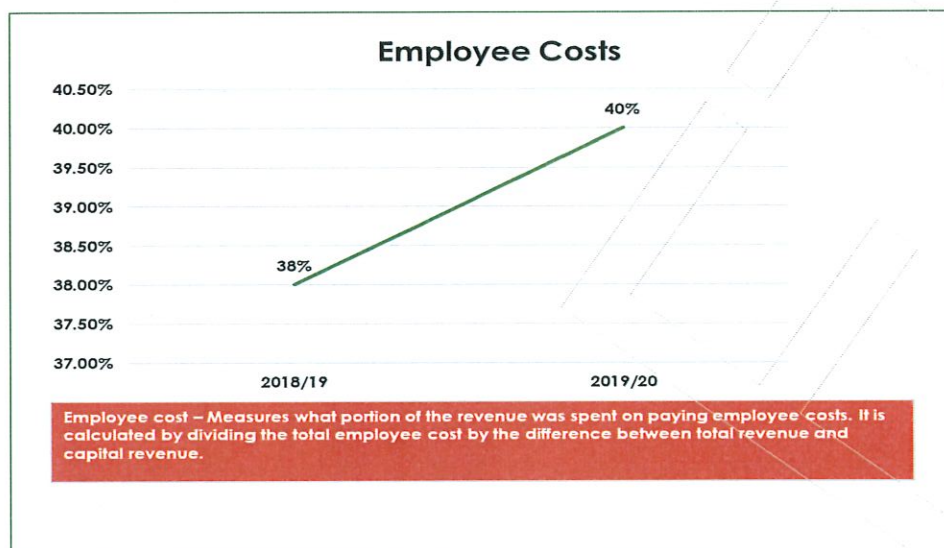
### 5.5.5 Employee costs

The table and graph below illustrate the Municipality's portion of revenue spent on employee costs for the past two financial years:

Description	Basis of calculation	2018/19	2019/20
		Audited outcome	Pre-audited outcome
Employee costs	Employee costs/(Total revenue - capital revenue)	38%	40%

Table 216: Employee costs

## CHAPTER 5: FINANCIAL PERFORMANCE



Graph 14.: Employee costs

### Component B: Spending against Capital Budget

#### 5.6 Capital Expenditure: Sources of Finance

The table below indicates the capital expenditure by funding source for the 2019/20 financial year:

Details	2018/19	2019/20				
	Audited outcome	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
Source of finance						
Description	R'000				%	
External loans	439	0	0	645	N/A	N/A
Public contributions and donations	36	0	0	1 259	N/A	N/A
Grants and subsidies	26 664	30 758	36 923	24 207	20.04	(41.34)
Own funding	651	1 200	1 212	313	1.00	(74.95)
Total	27 789	31 958	38 135	26 423	19.33	(36.65)
Percentage of finance						
External loans	2	0	0	2		
Public contributions and donations	0	0	0	3		
Grants and subsidies	96	96	97	63		
Own funding	2	4	3	1		
Capital expenditure						
Description	R'000				%	



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Details	2018/19	2019/20				
	Audited outcome	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
Water and sanitation	4 149	3 222	9 772	2 837	203.30	(215.25)
Electricity	12 529	15 600	20 125	17 821	29.01	(14.77)
Housing	0	0	0	51	N/A	N/A
Roads and storm water	8 840	5 787	3 383	2 314	(41.55)	(18.46)
Other	2 272	7 350	4 856	3 399	(33.93)	(19.82)
<b>Total</b>	<b>27 789</b>	<b>31 958</b>	<b>38 135</b>	<b>26 423</b>	<b>19.33</b>	<b>(36.65)</b>
Percentage of expenditure						
Water and sanitation	15	10	26	11		
Electricity	45	49	53	67		
Housing	0	0	0	0		
Roads and storm water	32	18	9	9		
Other	8	23	13	13		

Table 217: Capital spending by funding source

## Component C: Cash Flow Management and Investments

Cash flow management is critical to the municipality as it enables the organisation to assess whether enough cash is available at any point in time to cover the Council's commitments. Cash flow is rigorously managed and monitored on a regular basis.

### 5.7 Cash flow

The table below reflects the Municipality's cash flow for the financial year:

Cash flow outcomes				
R'000				
Description	2018/19	2019/20		
	Audited outcome	Original budget	Adjusted budget	Actual
Cash flow from operating activities				
Receipts				
Rate-payers and other	190 322	184 181	194 940	213 730
Government -operating	77 711	90 676	130 646	76 735
Government -capital	30 103	30 758	36 923	27 800
Interest	4 332	5 264	5 576	5 099
Payments				



## CHAPTER 5: FINANCIAL PERFORMANCE

Cash flow outcomes				
R'000				
Description	2018/19	2019/20		
	Audited outcome	Original budget	Adjusted budget	Actual
Suppliers and employees	(240 212)	(272 662)	(309 780)	(219 259)
Finance charges	(1 382)	(1 418)	(1 436)	(2 912)
Transfers and grants	0	(550)	(550)	0
<b>Net cash from/(used) operating activities</b>	<b>60 874</b>	<b>36 250</b>	<b>56 319</b>	<b>101 192</b>
Cash flows from investing activities				
Receipts				
Proceeds on disposal of fixed assets	(188)	0	0	0
Decrease (increase) other non-current receivables	173	0	0	(2 570)
Payments				
Capital assets	(27 314)	(31 958)	(38 135)	(24 520)
<b>Net cash from/(used) investing activities</b>	<b>(27 328)</b>	<b>(31 958)</b>	<b>(38 135)</b>	<b>(27 090)</b>
Cash flows from financing activities				
Payments				
Repayment of borrowing	(4 280)	(931)	(4 122)	(2 989)
<b>Net cash from/(used) financing activities</b>	<b>(4 280)</b>	<b>(931)</b>	<b>(4 122)</b>	<b>(2 989)</b>
<b>Net increase/ (decrease) in cash held</b>	<b>(17 366)</b>	<b>3 360</b>	<b>14 062</b>	<b>(135)</b>
<b>Cash/cash equivalents at the year begin:</b>	<b>4 945</b>	<b>1 417</b>	<b>(12 421)</b>	<b>(12 421)</b>
<b>Cash/cash equivalents at the yearend:</b>	<b>(12 421)</b>	<b>4 777</b>	<b>1 641</b>	<b>(12 556)</b>

Table 218: Cash flow

### 5.8 Gross outstanding debtors per service

The table below reflects the debtor's analysis per service for the previous financial years:

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and water)	(Sanitation and refuse)			
	R'000	R'000	R'000	R'000	R'000	R'000
2018/19	11 738	11 998	24 721	54	38 850	87 361
2019/20	18 074	21 380	32 174	35	50 407	122 069
Difference	6 335	9 381	7 453	(19)	11 557	34 708
% growth year on year	54	78	30	(36)	30	40

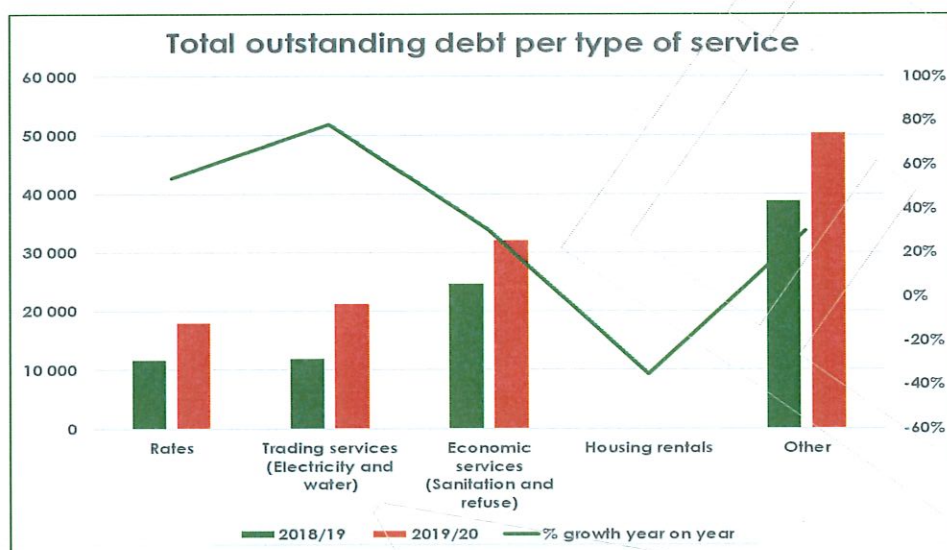
Note: Figures exclude provision for bad debt

Table 219: Gross outstanding debtors per service



## CHAPTER 5: FINANCIAL PERFORMANCE

The following graph indicates the total outstanding debt per type of service for 2019/20:



Graph 15.: Debt per type of service

### 5.9 Total debtors age analysis

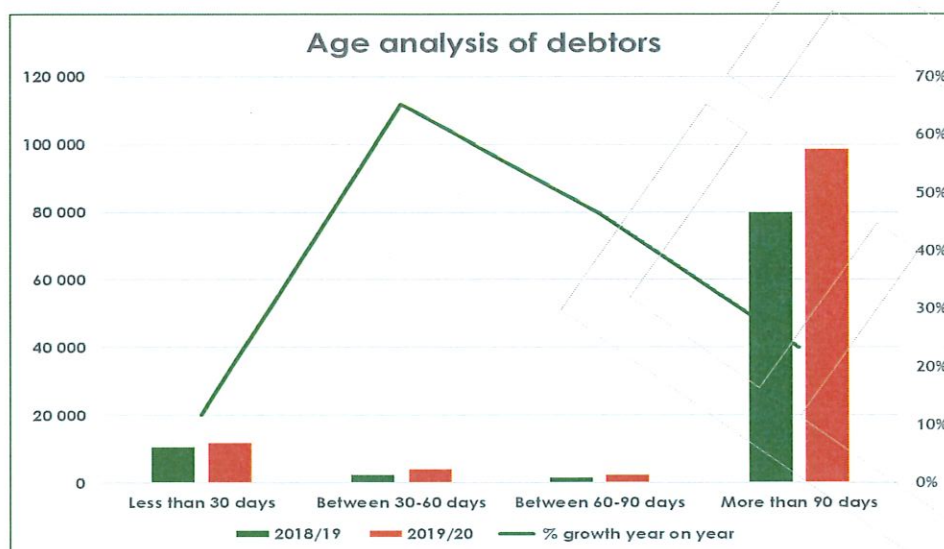
The table below reflects the Municipality's debtors age analysis for the past two financial years

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000	R'000	R'000	R'000	R'000
2018/19	10 830	2 551	1 781	80 100	95 262
2019/20	12 100	4 214	2 607	98 778	117 700
Difference	1 270	1 663	826	18 679	22 438
% growth year on year	12	65	46	23	24

Note: Figures exclude provision for bad debt.

Table 220: Service debtor age analysis

## CHAPTER 5: FINANCIAL PERFORMANCE



Graph 16.: Age analysis of debtors

### 5.10 Borrowing and investments

Infrastructure needs to be replaced and therefore borrowings for periods of 15 years are taken up to lessen the impact on consumers.

#### 5.10.1 Actual borrowings

The table below reflects the municipality's financial positions relating to borrowings:

Actual borrowings			
R' 000			
Instrument	2018/19	2019/20	
Long-term loans (annuity/reducing balance)	7 891	6 687	
Financial leases	1 479	1 978	
<b>Total</b>	<b>9 370</b>	<b>8 665</b>	

Table 221: Actual borrowings

#### 5.10.2 Municipal investments

Actual investments			
R'000			
Investment type	2018/19	2019/20	
	Actual	Actual	
Deposits – bank	2 743	386	
<b>Total</b>	<b>2 743</b>	<b>386</b>	

Table 222: Municipal investments



## CHAPTER 6: AUDITOR-GENERAL OPINION

### CHAPTER 6

#### Component A: Auditor-General Opinion 2018/19

##### 6.1 Auditor-General report 2018/19

###### 6.1.1 Audit report status: Qualified

Main issues raised	Corrective steps implemented / to be implemented
Corresponding figures for 30 June 2019	
<p>Property, plant and equipment – Infrastructure:</p> <p>The AG was unable to obtain sufficient appropriate audit evidence that the Municipality recognise all items of property, plant and equipment in accordance with GRAP 17, Property, plant and equipment, as the AG was unable to confirm that all items of property, plant and equipment were recorded due to status of accounting records. The AG was unable to confirm the completeness of property, plant and equipment by alternative means. Consequently, The AG was unable to determine whether any adjustments were necessary to property, plant and equipment stated at R524 583 688 in note 2 to the financial statements</p>	<p>Audit Action Plan will be prepared to address inconsistency to infrastructure assets. Funds was also received from PT to address the asset register</p>
<p>Irregular expenditure:</p> <p>Section 125 of the MFMA requires the disclosure of irregular expenditure incurred. The Municipality made payments of R58 754 110 in contravention with the supply chain management requirements which were not included in irregular expenditure disclosed. As the Municipality did not quantify the full extent of the irregular expenditure, it was impracticable to determine the resultant understatement of irregular expenditure as disclosed in note 51.3 to the consolidated and separate financial statements</p>	<p>Audit Action Plan will be prepared. Sec 32 report will be prepared, and all irregular expenditure will be investigated. SCM Manager will be appointed</p>
Material uncertainty relating to going concern	
<p>The AG draws attention to the statement of financial position, which indicates that the Municipality's current liabilities exceeded its current assets by R14.5 million as at 30 June 2019. This event or condition, along with other matters as stated in note 60 to the financial statements, indicates that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern</p>	<p>Revenue enhancement project was implemented, which consist of a water meter audit and a company was appointed to assist with credit control and debt collection. A traffic court will be established to assist with the collection of traffic fines</p>
Emphasis of matters	
<p>Material impairments:</p> <p>As disclosed in note 10 to the financial statements, the Municipality provided for the impairment of receivables from exchange transactions amounting to R29,4 million (2017 18: R26,4 million)</p>	<p>Revenue enhancement project was implemented to increase the revenue income</p>
<p>Material impairments:</p>	<p>A traffic court will be established to assist with the collection of traffic fines</p>

## CHAPTER 6: AUDITOR-GENERAL OPINION

Main issues raised	Corrective steps implemented / to be implemented
Corresponding figures for 30 June 2019	
As disclosed in note 11 to the financial statements, the Municipality provided for the impairment of receivables from non-exchange transactions amounting to R160,5 million (2017-18: R121,7 million)	
Material impairments: As disclosed in the statement of financial performance, the Municipality wrote off bad debts amounting to R9 million (2017-18: R5,6 million)	A company was appointed to assist with credit control and debt collection
Material losses: As disclosed in note 52.8 to the financial statements, material electricity losses of 9 110 067 Kwh (2017-18: 7 779 399 Kwh) was incurred, which represents distribution losses of 16,04% (2017 18: 13,49%)	Controls will be implemented to mitigate distribution losses
Material losses: As disclosed in note 52.8 to the financial statements, material water losses of 1 131 809 kilolitres (2017-18: 1 118 151 kilolitres) were incurred, which represents distribution losses of 45% (2017 18: 42,24%)	Revenue enhancement project was implemented, which consist of a water meter audit

Table 223: Auditor-General report 2018/19

## Component B: Auditor-General Opinion 2019/20

### 6.2 Auditor-General report 2019/20

#### 6.2.1 Audit report status: To be confirmed

(Final Audit Report not available at the time of submission to Council, will be completed with final submission at the end of May 2021)

#### 6.2.2 Auditor-General Report on the Financial Statements 2019/20

The AG Report will be attached as Annexure B to this report and the Annual Financial Statements attached as Annexure A as soon as it is received from the AG.



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## ABBREVIATIONS

### List of Abbreviations

<b>AG</b>	Auditor-General	<b>MFMA</b>	Municipal Finance Management Act (Act No. 56 of 2003)
<b>CAPEX</b>	Capital Expenditure	<b>MIG</b>	Municipal Infrastructure Grant
<b>CBP</b>	Community Based Planning	<b>MISA</b>	Municipal Infrastructure Support Agent
<b>CFO</b>	Chief Financial Officer	<b>MM</b>	Municipal Manager
<b>CWP</b>	Community Work Programme	<b>MSA</b>	Municipal Systems Act No. 32 of 2000
<b>DMA</b>	Disaster Management Act	<b>MTECH</b>	Medium Term Expenditure Committee
<b>DMR</b>	Disaster Management Regulations	<b>MVA</b>	Mega-Volt Ampere
<b>DoL</b>	Department of Labour	<b>NGO</b>	Non-governmental organisation
<b>DPLG</b>	Department of Provincial and Local Government	<b>NT</b>	National Treasury
<b>DWAF</b>	Department of Water Affairs and Forestry	<b>OHS</b>	Occupational Health and Safety
<b>EE</b>	Employment Equity	<b>OPEX</b>	Operating expenditure
<b>EPWP</b>	Expanded Public Works Programme	<b>PMS</b>	Performance Management System
<b>GRAP</b>	Generally Recognised Accounting Practice	<b>PPE</b>	Personal Protective Equipment
<b>HR</b>	Human Resources	<b>PT</b>	Provincial Treasury
<b>ICT</b>	Information and Communication Technology	<b>SALGA</b>	South African Local Government Organisation
<b>IDP</b>	Integrated Development Plan	<b>SAMDI</b>	South African Management Development Institute
<b>IFRS</b>	International Financial Reporting Standards	<b>SCM</b>	Supply Chain Management
<b>IMFO</b>	Institute for Municipal Finance Officers	<b>SDA</b>	Skills Development Act
<b>KPA</b>	Key Performance Area	<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>KPI</b>	Key Performance Indicator	<b>SDF</b>	Spatial Development Framework
<b>LED</b>	Local Economic Development	<b>SPLUMA</b>	Spatial Planning and Land Management Act
<b>LJOC</b>	Local Joint Organising Committee	<b>WRP</b>	Water Reclamation Plant
		<b>WWTW</b>	Waste Water Treatment Works
		<b>YCOP</b>	Youth Community Outreach Program