



# **BEAUFORT WEST MUNICIPALITY**

## **ANNUAL REPORT 2019/20**



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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 cognisance 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.

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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 and 2020:

| Population  | 2001   | 2011   | 2018                               | 2020                               |
|---|--------|--------|------------------------------------|------------------------------------|
| Number of people residing in the Beaufort West municipal area | 43 284 | 49 586 | 53 168                             | 51 074                             |
| <i>Census 2001 and 2011</i>                                   |        |        | <i>Socio-economic profile 2017</i> | <i>Socio-economic profile 2020</i> |

**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 |
| <i>Census 2001 and 2011</i> |               |      |          |      |                 |     |       |      |       |     |        |

**Table 2: Population by race**

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## 1.2.3 Population by age

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

| 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   | 2019                               |
|--|--------|--------|--------|------------------------------------|
| Number of households                               | 10 540 | 13 080 | 14 935 | 13 691                             |
| <i>Census 2001, 2011 and Community Survey 2016</i> |        |        |        | <i>Socio-economic profile 2020</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, Toekomsrus, Merweville and rural parts of Merweville                            |

**Table 5: Municipal wards**

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

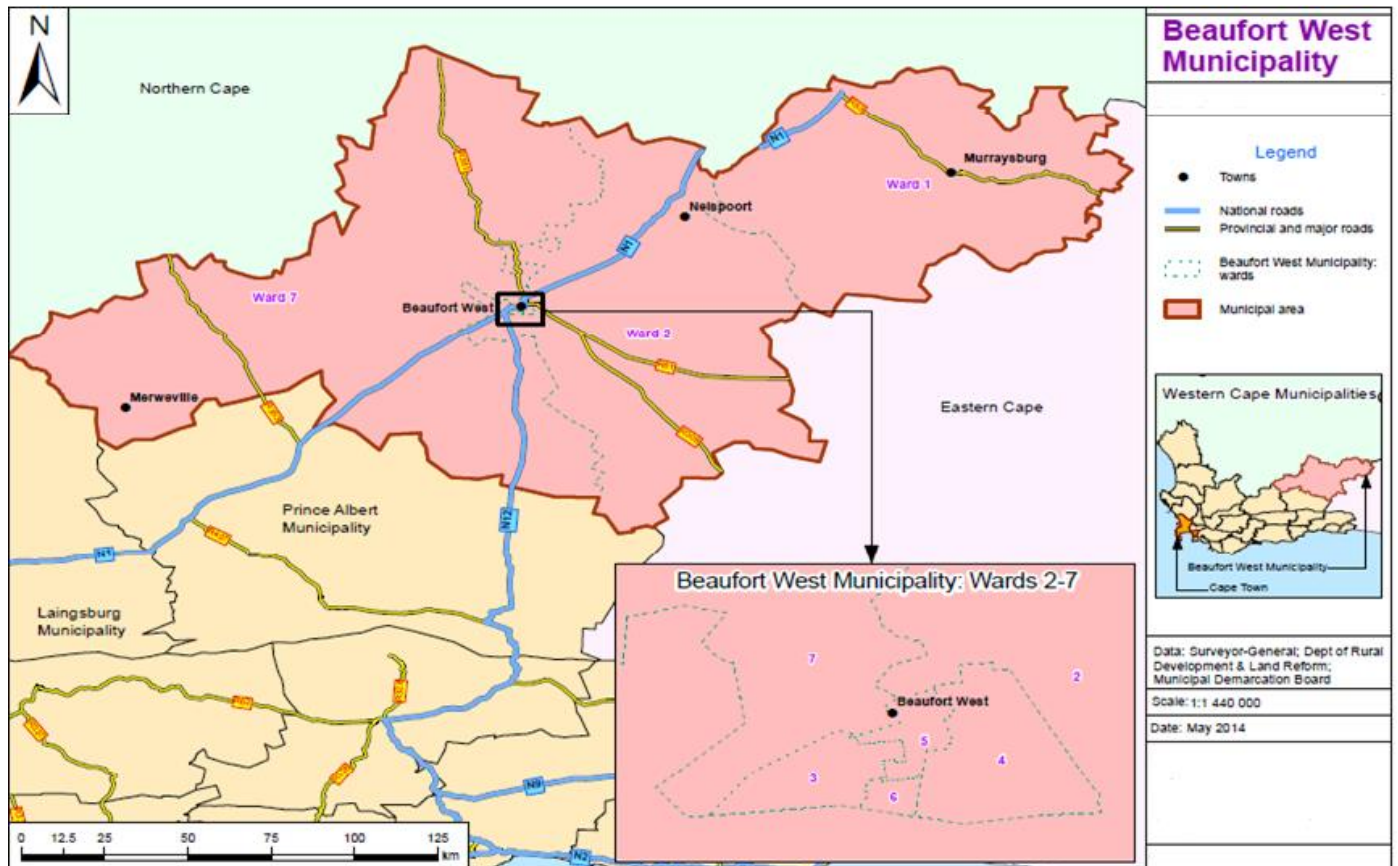


Figure 1.: Beaufort West municipal area and wards

## 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 Sneeuberg 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**

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## 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**

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## 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 | Disclaimer |

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                          |

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| 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.

## CHAPTER 2: GOOD GOVERNANCE

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                                      |
|--|-----------------|--|--|
| <b>Financial and Development Committee</b>                 |                 |  |  |
| N Constable  | Q Louw          | 3                                      | 5 November 2019<br>4 February 2020<br>26 June 2020 |
|  | J van der Linde |  |  |
|  | M Motsokane     |  |  |
| <b>Corporate Services and Social Development Committee</b> |                 |  |  |

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| Chairperson                                     | Other members | Number of minutes submitted to Council | Meeting dates                     |
|---|---------------|--|-----------------------------------|
| S Motsoane                                      | E Lawrence    | 3                                      |                                   |
|   | L Deyce       |  |                                   |
|   | M Kilani      |  |                                   |
|   | E Wentzel     |  |                                   |
| <b>HR Development Committee</b>                 |               |  |                                   |
| S Motsoane                                      | E Lawrence    | 3                                      |                                   |
|   | L Deyce       |  |                                   |
|   | M Kilani      |  |                                   |
|   | E Wentzel     |  |                                   |
| <b>Municipal Resource Development Committee</b> |               |  |                                   |
| M Kilani  | D Welgemoed   | 2                                      | 22 August 2019<br>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                          | ANC             | 28 August 2019 |
| D Welgemoed            | Council                          | DA              |                |
| E Lawrence             | Council                          | ANC             |                |

**Table 21: MPAC**

## CHAPTER 2: GOOD GOVERNANCE

### 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)<br>neighbouring municipalities<br>Municipal Managers | District base initiative  |
| Premiers Coordinating                                  | Municipal Managers and<br>Executive<br>Mayor  | Responsive, effective and efficient local<br>government system  |
| SALGA Working Groups                                   | All Councillors participates in the<br>different SALGA working groups                             | Cooperative governance, consultation,<br>coordinate by the on and participative<br>decision-making  |
| Integrated development plan<br>(IDP)<br>Managers forum | IDP manager   | IDP process plans adopted, progress with<br>regards to joint planning initiatives as agreed<br>upon by the Municipality and sector<br>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,



## CHAPTER 2: GOOD GOVERNANCE

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 Fywera               | 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 Booyesen             | 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 Mdlkiva              | 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<br>Yes / No | Number meetings held<br>during the year | Committee functioning<br>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<br>12 November 2019<br>17 November 2019<br>February 2020 meeting postponed to<br>March 2020 and again postponed.<br>No meetings were held from April<br>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<br>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 Müller                 | 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<br>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<br>28 October 2019<br>13 February 2020<br>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                          |
|---|-------------------|--|---|
| <b>Phase 1</b>  |                   |  |   |
| Operational and Strategic Risk Assessment                             |                   |  | January – February 2018                 |
| <b>Phase 2</b>  |                   |  |   |
| Compilation of Risk Based Audit Plan                                  |                   |  | July 2019                               |
| <b>Phase 3</b>  |                   |  |   |
| Type of audit engagement  | Department        | Detail   | Date completed                          |
| Quarterly audit of Performance Management                             | Strategic         | Quarterly audit of the Performance management system   | January 2020<br>March 2020<br>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<br>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 Kymdell                  |
| K Fortuin                    | K Fortuin                | A Makendlana               |
| D le Roux                    | D le Roux                | S Pothberg                 |
| A Makendlana                 | C de Koker               | T Prince                   |
| S Pothberg                   | D le Roux                | V Ruiters                  |
| P Strümpher                  | A Makendlana             | 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;



## CHAPTER 2: GOOD GOVERNANCE

- 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-BBEE 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.

# CHAPTER 3: SERVICE DELIVERY PERFORMANCE

## 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.

# CHAPTER 3: SERVICE DELIVERY PERFORMANCE

## 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.

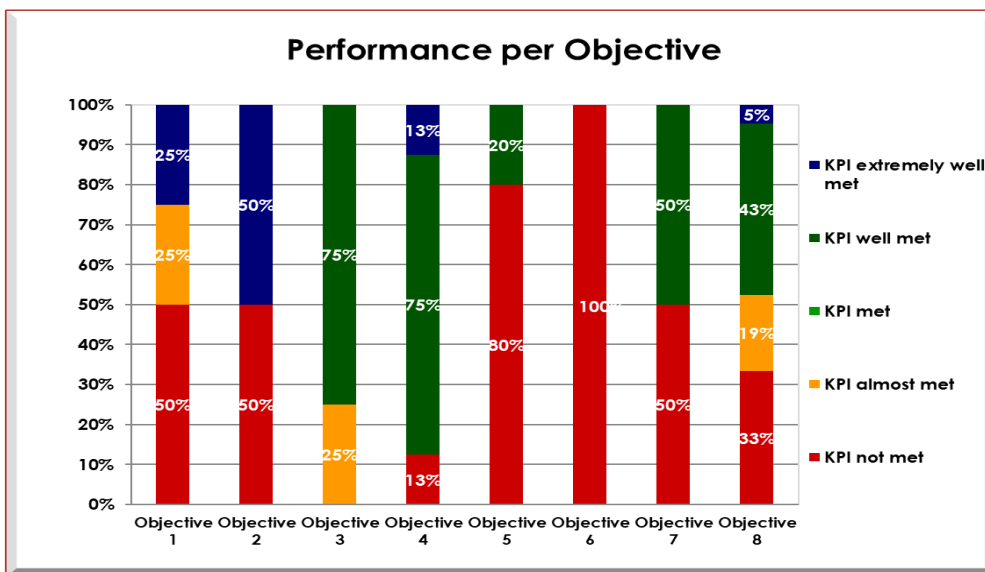
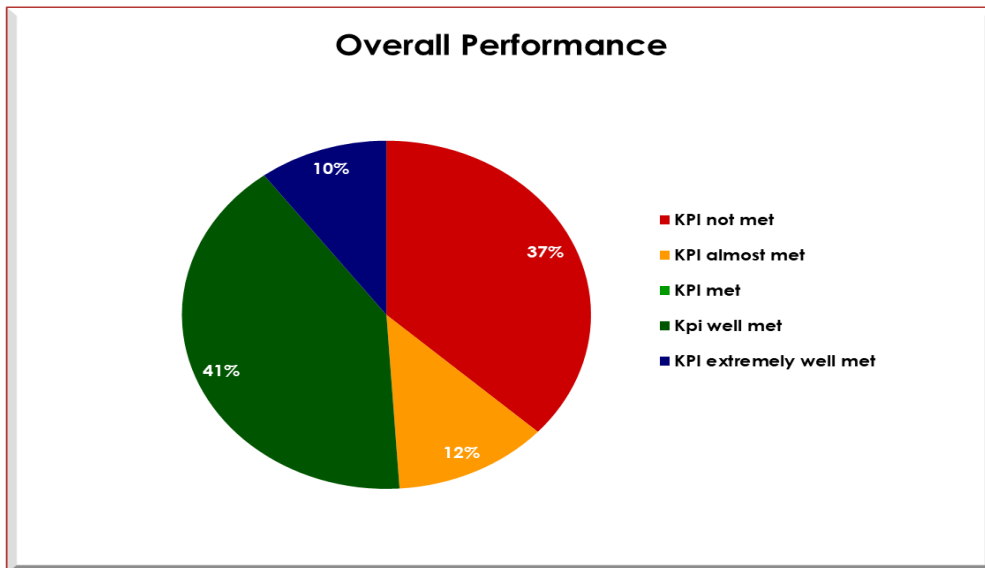
The following table explains the method by which the overall assessment of actual performance against targets set for the KPI's of the SDBIP is measured:

| 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  |
| <b>Total</b>           | <b>4</b>                               | <b>4</b>  | <b>4</b>   | <b>8</b>  | <b>5</b>                          | <b>1</b>  | <b>2</b>  | <b>21</b>  |

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                      |     |     |     |        | Actual |        |  |
|                           |   |   |  |                               | 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      |  |
| <b>Corrective Measure</b> |   |   | 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      |  |
| <b>Corrective Measure</b> |   |   | 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 |
| <b>Corrective Measure</b> |   |  | 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 |
| <b>Corrective Measure</b> |   |  | 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  |
| <b>Corrective Measure</b> |  |  | 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 |        |    |        |        |        | Actual |  |
|-----|---|--|-------|-------------------------------|-----------------------------|--------|----|--------|--------|--------|--------|--|
|     |   |  |       |                               | 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<br>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<br>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<br>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<br>2 |  |

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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 |        |        |
| 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      |
| <b>Corrective Measure</b> |   |                                   | 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<br>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<br>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                      |     |     |     |        | Actual |        |    |
|                           |  |  |   |                               | 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%    | 25%    | 56%    | R  |
| <b>Corrective Measure</b> |  |  | 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%    | 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      |    |
| <b>Corrective Measure</b> |  |  | 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      |        |    |
| <b>Corrective Measure</b> |  |  | Review is still in progress. Will try to complete within the next financial year              |                               |                             |     |     |     |        |        |        |    |

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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 |        |   |
| 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 |
| <b>Corrective Measure</b> |   |                           | 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 |
| <b>Corrective Measure</b> |  |                                  | 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**



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### 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 |    |    |    |        |        | Actual |  |
|---------------------------|--|--|--|--|-----------------------------|----|----|----|--------|--------|--------|--|
|                           |  |  |  |  | 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      |  |
| <b>Corrective Measure</b> |  |  | 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 |     |     |     |        |        | Actual |  |
|---------------------------|--|---|---|--|-----------------------------|-----|-----|-----|--------|--------|--------|--|
|                           |  |   |   |  | 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      |  |
| <b>Corrective Measure</b> |  |   | Apply for roll-over and appoint contractors                                   |  |                             |     |     |     |        |        |        |  |
| TL25                      | 85% of the approved project budget spent on upgrading Dliiso 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      |  |
| <b>Corrective Measure</b> |  |   | Tender was cancelled. Project to be implemented in the 2021/22 financial year |  |                             |     |     |     |        |        |        |  |

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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 |        |    |
| 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  |
| <b>Corrective Measure</b> |   |   | 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  |
| <b>Corrective Measure</b> |   |   | 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  |

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| Ref                       | KPI  | Unit of measurement               | Wards  | Actual performance of 2018/19                        | Overall performance 2019/20 |     |     |     |        |         | Actual |
|---------------------------|--|-----------------------------------|--|--|-----------------------------|-----|-----|-----|--------|---------|--------|
|                           |  |                                   |  |  | Target                      |     |     |     |        | Actual  |        |
|                           |  |                                   |  |  | Q1                          | Q2  | Q3  | Q4  | Annual |         |        |
|                           | Municipal Area by 30 June 2020 [(Actual expenditure divided by the total approved project budget)x100]   |                                   |  | actual available                                     |                             |     |     |     |        |         |        |
| <b>Corrective Measure</b> |  |                                   | 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      |
| <b>Corrective Measure</b> |  |                                   | 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      |
| <b>Corrective Measure</b> |  |                                   | 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     |

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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 |        |    |
| 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  |
| <b>Corrective Measure</b> |  |                                   | 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  |
| <b>Corrective Measure</b> |  |                                   | 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                      |    |    |     |        | Actual |        |
|                           |  |                                   |  |  | 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      |
| <b>Corrective Measure</b> |  |                                   | 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      |

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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 |        |           |
|                           | project budget)x100]   |                                   |  |  |                             |    |    |     |        |        |           |
| <b>Corrective Measure</b> |  |                                   | 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%   | <b>G2</b> |

**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<br>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)

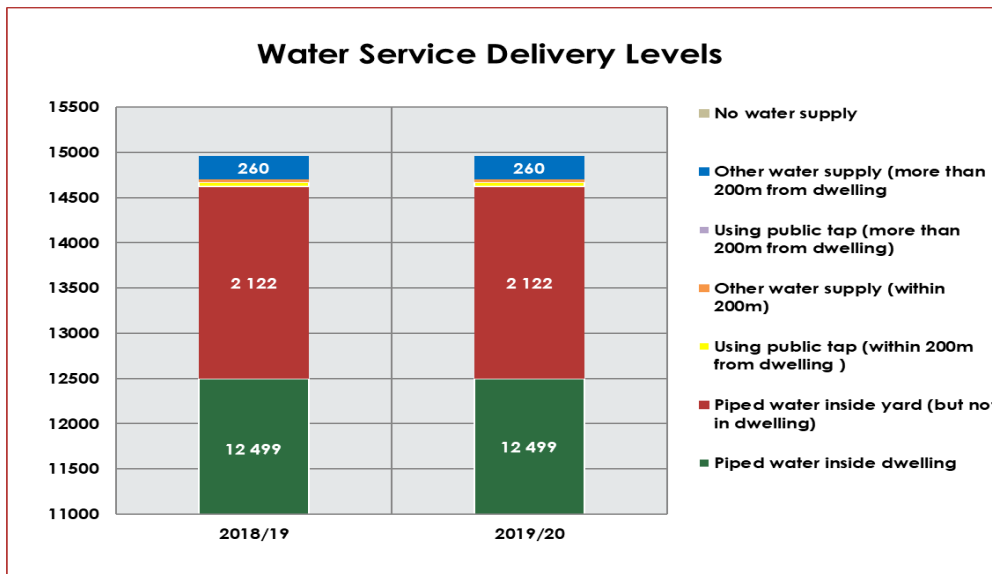
### e) Water service delivery levels

The table below indicates the water service delivery levels:

| Households  |               |               |
|---|---------------|---------------|
| Description                                       | 2018/19       | 2019/20       |
|   | Actual        | Actual        |
|   | No.           | No.           |
| <b><u>Water: (above min level)</u></b>            |               |               |
| 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>     |
| <b><u>Water: (below min level)</u></b>            |               |               |
| 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%  |
| <b>Total</b>                             | <b>25</b> | <b>20</b>      | <b>17</b> | <b>3</b>  | <b>15%</b>                                 |

# CHAPTER 3: SERVICE DELIVERY PERFORMANCE

**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 decommissioned 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

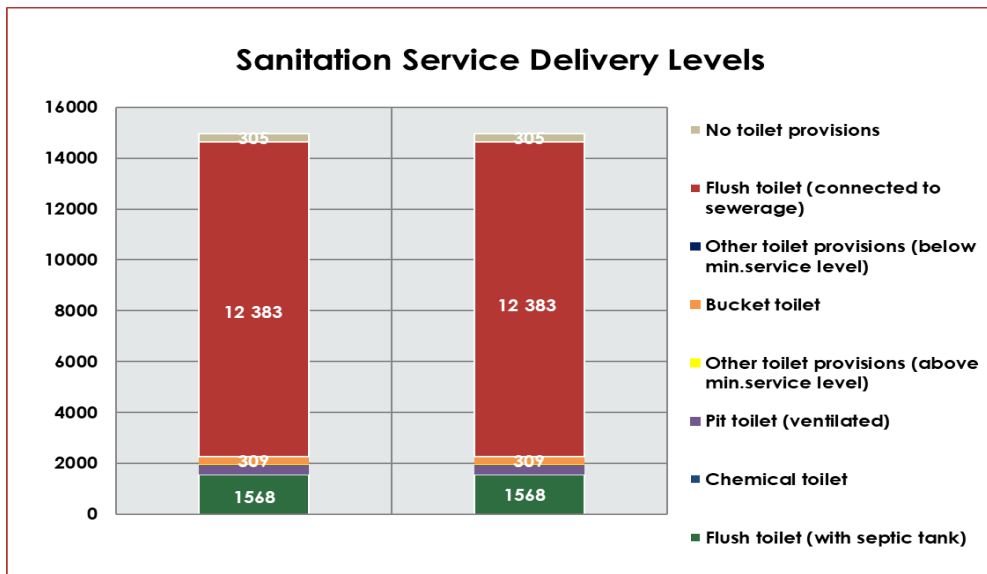
### c) Sanitation service delivery levels

The table below indicates the service delivery levels for sanitation:

| Households   |               |               |
|--|---------------|---------------|
| Description  | 2018/19       | 2019/20       |
|  | Actual        | Actual        |
|  | No.           | No.           |
| <b><i>Sanitation/sewerage: (above minimum level)</i></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><i>Sanitation/sewerage: (below minimum level)</i></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:

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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**

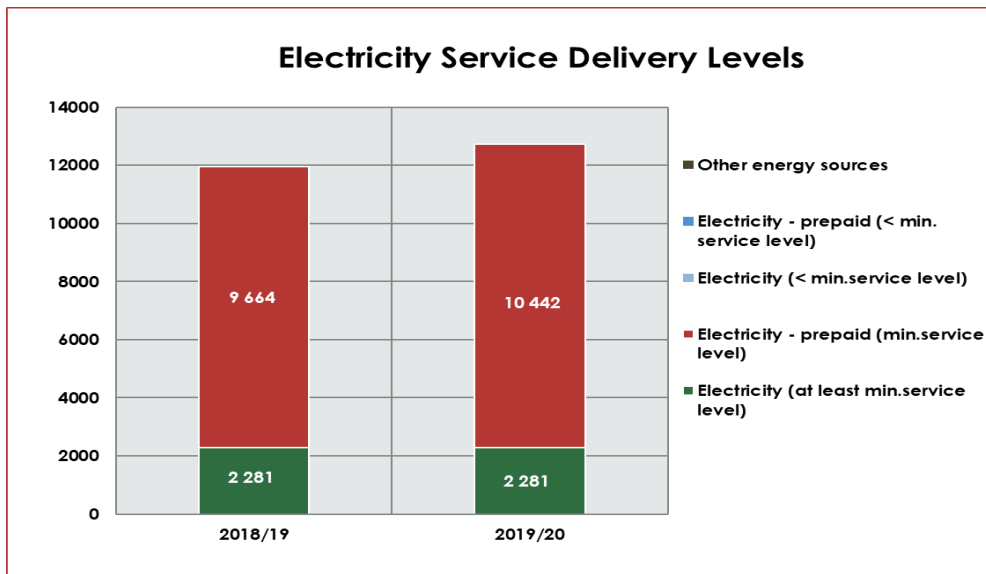
### d) Electricity service delivery levels

The table below indicates the service delivery levels for electricity:

| Households                                   |               |               |
|--|---------------|---------------|
| Description                                  | 2018/19       | 2019/20       |
|  | Actual        | Actual        |
|  | No.           | No.           |
| <b><i>Energy: (above minimum level)</i></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><i>Energy: (below minimum level)</i></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**

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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%  |
| <b>Total</b>                             | <b>24</b> | <b>28</b>      | <b>23</b> | <b>5</b>  | <b>18%</b>                                 |

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**

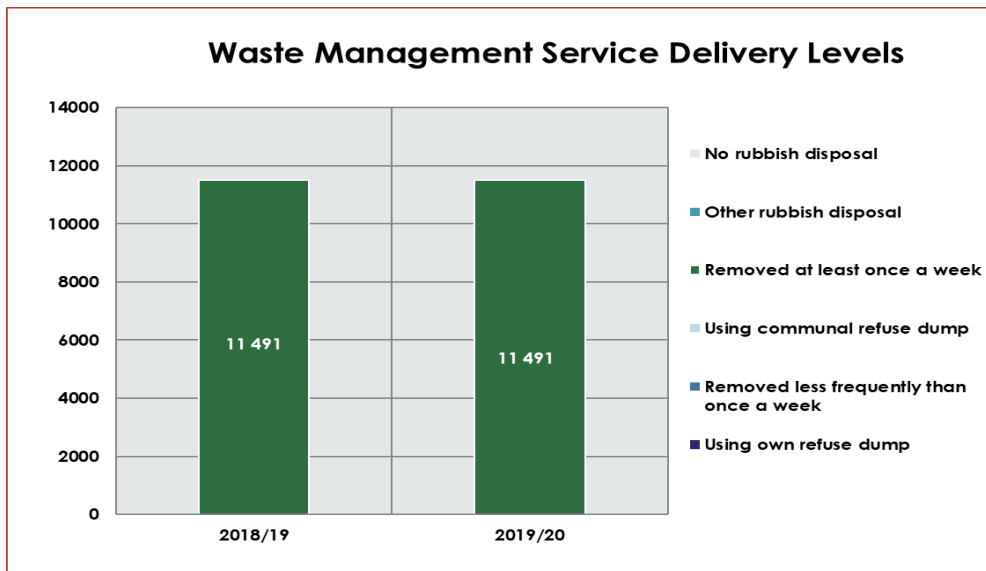
# CHAPTER 3: SERVICE DELIVERY PERFORMANCE

## 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%                                      |
| <b>Total</b>                             | <b>34</b> | <b>51</b>      | <b>42</b> | <b>9</b>  | <b>17.6%</b>                               |

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%   |
| <b>Total</b>       | <b>36</b> | <b>54</b>      | <b>45</b> | <b>9</b>  | <b>17%</b>                                 |

**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 | No. of HH               | Unit per HH (kwh) | Value | No. of HH                 | Unit per HH (kwh) | Value |
|                |                     |                   | R'000 |                         |                   | R'000 |                           |                   | 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  | No. of HH               | Unit per HH (kl) | Value |
|                |                     |                  | R'000  |                         |                  | 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 | No. of HH               | Unit per HH per month | Value |
|                |                     |                | R'000 |                         |                       | 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 | No. of HH               | Unit per HH per month | Value |
|                |                     |                         | R'000 |                         |                       | 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%   |
| <b>Total</b>                             | <b>7</b> | <b>6</b>       | <b>4</b>  | <b>2</b>  | <b>33%</b>                                 |

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><br>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><br>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 licenses 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%   |
| <b>Total</b>                             | <b>32</b> | <b>34</b>      | <b>31</b> | <b>3</b>  | <b>8.8%</b>                                |

**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%  |
| <b>Total</b>                              | <b>10</b> | <b>23</b>      | <b>17</b> | <b>6</b>  | <b>26%</b>                                 |

**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%   |
| <b>Total</b>                              | <b>9</b> | <b>16</b>      | <b>14</b> | <b>2</b>  | <b>13%</b>                                 |

**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 service 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 to 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%   |
| <b>Total</b>                             | <b>6</b> | <b>7</b>       | <b>6</b>  | <b>1</b>  | <b>14%</b>                                 |

**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 $[(\text{Short Term Borrowing} + \text{Bank Overdraft} + \text{Short Term Lease} + \text{Long Term Borrowing} + \text{Long Term Lease}) / (\text{Total Operating R})]$    | 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 $[(\text{Total outstanding service debtors} / \text{revenue received for services}) \times 100]$  | 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 $[(\text{Cash and Cash Equivalents} - \text{Unspent Conditional Grants} - \text{Overdraft}) + \text{Short Term Investment}) / \text{Monthly Fixed Operational Expenditure excl}]$ | Cost coverage as at 30 June 2021              | All   | 1             |
| TL14 | Achieve a payment percentage of 90% by 30 June 2021 $[(\text{Gross Debtors Opening Balance} + \text{Billed Revenue} - \text{Gross Debtors Closing Balance} - \text{Bad Debts Written Off}) / \text{Billed Revenue} \times 100]$   | 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 $[(\text{Actual amount spent on training} / \text{total personnel budget}) \times 100]$ | % 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 ) × 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

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## 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         |
| <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 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



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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         |                 |                 |                |
| <b>Councillors (political office bearers plus other)</b> |               |                 |                 |                |
| 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             |
| <b>Sub total</b>   | <b>6 008</b>  | <b>6 401</b>    | <b>6 287</b>    | <b>6 286</b>   |
| <b>% increase/ (decrease)</b>                            | <b>(0.97)</b> | <b>6.54</b>     | <b>(1.78)</b>   | <b>(0.02)</b>  |
| <b>Senior managers of the Municipality</b>               |               |                 |                 |                |
| 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             |
| <b>Sub total</b>   | <b>6 868</b>  | <b>7 127</b>    | <b>5 864</b>    | <b>5 056</b>   |
| <b>% increase/ (decrease)</b>                            | <b>23.84</b>  | <b>3.77</b>     | <b>(17.72)</b>  | <b>(13.78)</b> |
| <b>Other municipal staff</b>                             |               |                 |                 |                |
| 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          |
| <b>Sub-total</b>   | <b>99 570</b> | <b>107 827</b>  | <b>112 333</b>  | <b>114 711</b> |

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

| 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 |
| <b>Financial performance</b>   |                 |                 |                 |                 |                    |                    |
| 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>       |

## 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 |
| 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**

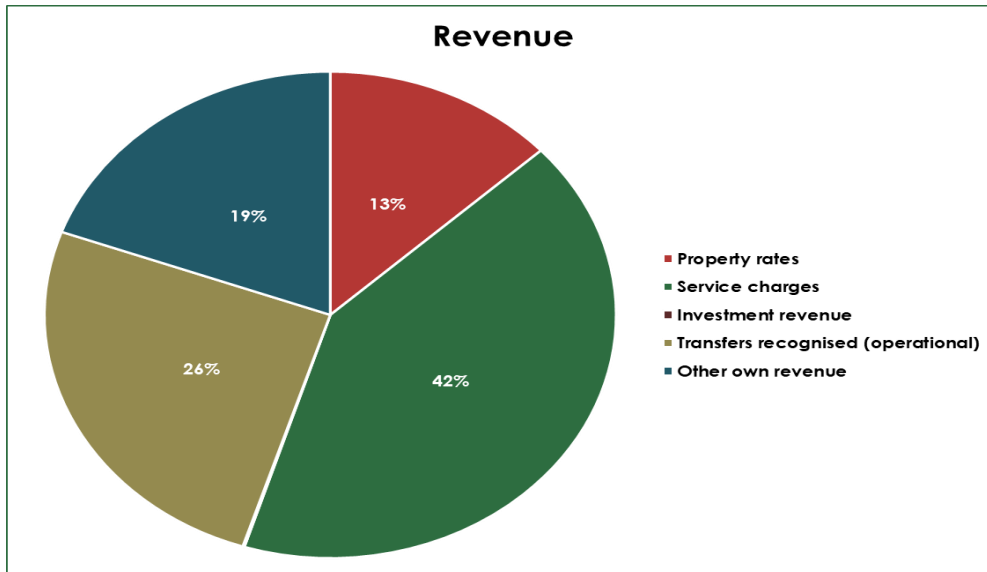
The table below shows a summary of performance against budgets:

| 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**

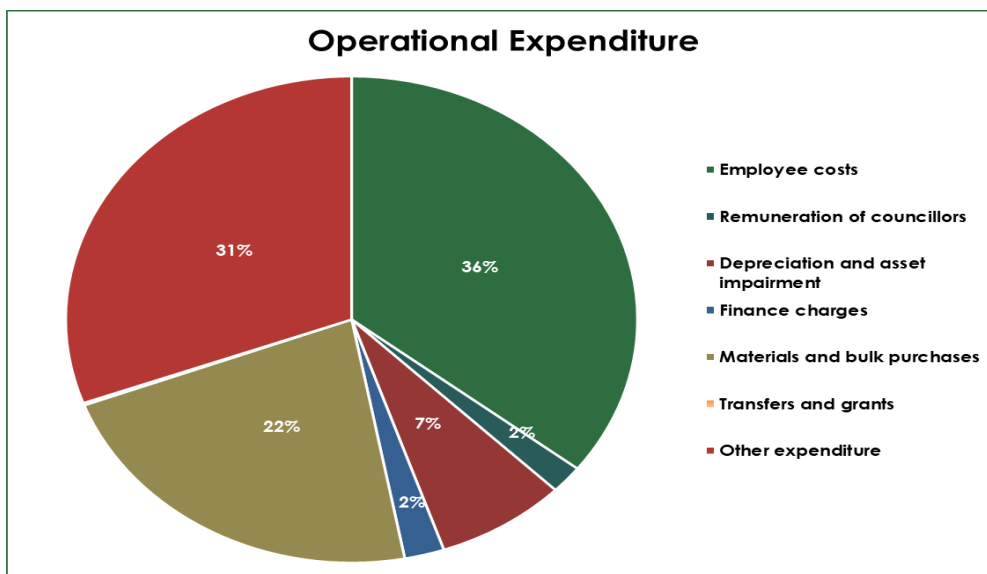
# CHAPTER 5: FINANCIAL PERFORMANCE

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<br>% 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)         |
| <i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual</i> |         |                 |                 |         |                       |                 |

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  | Adjustments Budget |
|  | R'000                    |                 |                 |                | %                |                    |
| <b>Operating Cost</b>  |                          |                 |                 |                |                  |                    |
| 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              |
| <b>Component A: sub-total</b>  | <b>126 204</b>           | <b>155 857</b>  | <b>151 795</b>  | <b>150 964</b> | <b>(3.24)</b>    | <b>(0.55)</b>      |
| Roads and Stormwater   | 23 953                   | 22 532          | 22 781          | 23 106         | 2.48             | 1.41               |
| Transport  | 0                        | 0               | 0               | 0              | N/A              | N/A                |
| <b>Component B: sub-total</b>  | <b>23 953</b>            | <b>22 532</b>   | <b>22 781</b>   | <b>23 106</b>  | <b>2.48</b>      | <b>1.41</b>        |
| Planning   | 6 065                    | 5 086           | 6 815           | 6 718          | 24.30            | (1.43)             |
| Local Economic Development   | 423                      | 493             | 497             | 473            | (4.08)           | (4.98)             |
| <b>Component C: sub-total</b>  | <b>6 488</b>             | <b>5 578</b>    | <b>7 312</b>    | <b>7 192</b>   | <b>22.43</b>     | <b>(1.67)</b>      |
| 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                |
| <b>Component D: sub-total</b>  | <b>2 338</b>             | <b>17 566</b>   | <b>54 209</b>   | <b>2 021</b>   | <b>(769.04)</b>  | <b>(2 581.81)</b>  |
| Environmental Protection (Pollution Control, Bio-Diversity, Landscape, Open Spaces, Parks, and Coastal Protection) | 0                        | 0               | 0               | 0              | N/A              | N/A                |
| <b>Component E: sub-total</b>  | <b>0</b>                 | <b>0</b>        | <b>0</b>        | <b>0</b>       | <b>N/A</b>       | <b>N/A</b>         |
| Traffic & licensing  | 51 910                   | 44 133          | 47 047          | 49 020         | 9.97             | 4.02               |
| Fire Services and Disaster Management  | 3 751                    | 4 506           | 4 403           | 4 309          | (4.56)           | (2.18)             |
| <b>Component F: sub-total</b>  | <b>55 661</b>            | <b>48 639</b>   | <b>51 450</b>   | <b>53 329</b>  | <b>8.80</b>      | <b>3.52</b>        |



## CHAPTER 5: FINANCIAL PERFORMANCE

| Description   | 2018/19                        | 2019/20            |                    |                | 2019/20 Variance   |                            |
|---|--------------------------------|--------------------|--------------------|----------------|--------------------|----------------------------|
|   | Actual<br>(Audited<br>Outcome) | Original<br>Budget | Adjusted<br>Budget | Actual         | Original<br>Budget | Adjust-<br>ments<br>Budget |
|   | R'000                          |                    |                    |                | %                  |                            |
| <b>Operating Cost</b>   |                                |                    |                    |                |                    |                            |
| 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                      |
| <b>Component G: sub-total</b>   | <b>18 780</b>                  | <b>19 573</b>      | <b>19 838</b>      | <b>21 507</b>  | <b>8.99</b>        | <b>7.76</b>                |
| 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                      |
| <b>Component H: sub-total</b>   | <b>70 612</b>                  | <b>71 650</b>      | <b>70 310</b>      | <b>77 285</b>  | <b>7.29</b>        | <b>9.03</b>                |
| <b>Total Expenditure</b>  | <b>304 036</b>                 | <b>341 396</b>     | <b>377 696</b>     | <b>335 405</b> | <b>(1.79)</b>      | <b>(12.61)</b>             |
| <i>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.</i> |                                |                    |                    |                |                    |                            |

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            |                    |               | % variance to<br>budget |
|---|---------------|--------------------|--------------------|---------------|-------------------------|
|   | Actual        | Original<br>budget | Adjusted<br>budget | Actual        |                         |
|   | 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>            |
| <b>Variances are calculated by dividing the difference between the actual and original budget by the actual</b> |               |                    |                    |               |                         |

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         |                 |                 |               |                      |
| <b>Total operational revenue</b>   | 20 920        | 22 928          | 24 074          | 23 328        | 1.72                 |
| <b>Expenditure:</b>  |               |                 |                 |               |                      |
| 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)               |
| <b>Total operational expenditure</b>   | <b>10 656</b> | <b>15 020</b>   | <b>16 945</b>   | <b>16 543</b> | <b>9.21</b>          |
| <b>Net operational (service)</b>   | <b>10 265</b> | <b>7 908</b>    | <b>7 129</b>    | <b>6 785</b>  | <b>(16.55)</b>       |
| 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         |                 |                 |               |                      |
| <b>Total operational revenue</b>   | 88 073        | 104 942         | 105 096         | 116 749       | 10.11                |
| <b>Expenditure:</b>  |               |                 |                 |               |                      |
| 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)               |
| <b>Total operational expenditure</b>   | <b>76 360</b> | <b>89 397</b>   | <b>86 992</b>   | <b>84 829</b> | <b>(5.39)</b>        |
| <b>Net operational (service)</b>   | <b>11 713</b> | <b>15 545</b>   | <b>18 104</b>   | <b>31 920</b> | <b>51.30</b>         |
| Variances are calculated by dividing the difference between the actual and original budget by the actual |               |                 |                 |               |                      |

Table 196: Financial performance: Electricity

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### 5.2.4 Waste management

| Description  | 2018/19        | 2019/20         |                 |                 |                      |
|--|----------------|-----------------|-----------------|-----------------|----------------------|
|  | Actual         | Original budget | Adjusted budget | Actual          | % variance to budget |
|  | R'000          |                 |                 |                 |                      |
| <b>Total operational revenue</b>   | 9 953          | 12 379          | 11 850          | 11 431          | (8.29)               |
| <b>Expenditure:</b>  |                |                 |                 |                 |                      |
| 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                |
| <b>Total operational expenditure</b>   | <b>15 963</b>  | <b>19 547</b>   | <b>20 407</b>   | <b>23 134</b>   | <b>15.51</b>         |
| <b>Net operational (service)</b>   | <b>(6 009)</b> | <b>(7 169)</b>  | <b>(8 556)</b>  | <b>(11 703)</b> | <b>38.75</b>         |
| 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          |                 |                 |                |                      |
| <b>Total operational revenue</b>   | 407            | 15 885          | 52 370          | 305            | (5 116.73)           |
| <b>Expenditure:</b>  |                |                 |                 |                |                      |
| 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)              |
| <b>Total operational expenditure</b>   | <b>2 338</b>   | <b>17 566</b>   | <b>54 209</b>   | <b>2 021</b>   | <b>(769.04)</b>      |
| <b>Net operational (service)</b>   | <b>(1 930)</b> | <b>(1 681)</b>  | <b>(1 839)</b>  | <b>(1 717)</b> | <b>2.07</b>          |
| 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           |                 |                 |                 |                      |
| <b>Total operational revenue</b>   | <b>12 049</b>   | <b>4 524</b>    | <b>6 621</b>    | <b>3 697</b>    | <b>(22.37)</b>       |
| <b>Expenditure:</b>  |                 |                 |                 |                 |                      |
| 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                |
| <b>Total operational expenditure</b>   | <b>27 198</b>   | <b>22 532</b>   | <b>22 781</b>   | <b>23 106</b>   | <b>2.48</b>          |
| <b>Net operational (service)</b>   | <b>(15 150)</b> | <b>(18 008)</b> | <b>(16 160)</b> | <b>(19 410)</b> | <b>7.22</b>          |
| 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          |                 |                 |                |                      |
| <b>Total operational revenue</b>   | <b>771</b>     | <b>789</b>      | <b>789</b>      | <b>775</b>     | <b>(1.86)</b>        |
| <b>Expenditure:</b>  |                |                 |                 |                |                      |
| 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)             |
| <b>Total operational expenditure</b>   | <b>6 488</b>   | <b>5 578</b>    | <b>7 312</b>    | <b>7 192</b>   | <b>22.43</b>         |
| <b>Net operational (service)</b>   | <b>(5 717)</b> | <b>(4 789)</b>  | <b>(6 522)</b>  | <b>(6 417)</b> | <b>25.37</b>         |
| Variances are calculated by dividing the difference between the actual and original budget by the actual |                |                 |                 |                |                      |

Table 200: Financial performance: LED

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### 5.2.8 Libraries

| Description  | 2018/19      | 2019/20         |                 |              |                      |
|--|--------------|-----------------|-----------------|--------------|----------------------|
|  | Actual       | Original budget | Adjusted budget | Actual       | % variance to budget |
|  | R'000        |                 |                 |              |                      |
| <b>Total operational revenue</b>   | <b>5 490</b> | <b>6 695</b>    | <b>6 251</b>    | <b>5 704</b> | <b>(17.37)</b>       |
| <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)              |
| <b>Total operational expenditure</b>   | <b>5 208</b> | <b>6 377</b>    | <b>6 506</b>    | <b>5 702</b> | <b>(11.83)</b>       |
| <b>Net operational (service)</b>   | <b>281</b>   | <b>318</b>      | <b>(255)</b>    | <b>1</b>     | <b>(22 066.60)</b>   |
| 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          |                 |                 |                |                      |
| <b>Total operational revenue</b>   | <b>1 814</b>   | <b>909</b>      | <b>1 901</b>    | <b>2 726</b>   | <b>66.65</b>         |
| <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                |
| <b>Total operational expenditure</b>   | <b>5 802</b>   | <b>3 820</b>    | <b>3 876</b>    | <b>7 059</b>   | <b>45.88</b>         |
| <b>Net operational (service)</b>   | <b>(3 989)</b> | <b>(2 911)</b>  | <b>(1 974)</b>  | <b>(4 333)</b> | <b>32.82</b>         |
| Variances are calculated by dividing the difference between the actual and original budget by the actual |                |                 |                 |                |                      |

Table 202: Financial performance: Community facilities

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### 5.2.10 Traffic and law enforcement

| Description  | 2018/19        | 2019/20         |                 |                |                      |
|--|----------------|-----------------|-----------------|----------------|----------------------|
|  | Actual         | Original budget | Adjusted budget | Actual         | % variance to budget |
|  | R'000          |                 |                 |                |                      |
| <b>Total operational revenue</b>   | <b>50 311</b>  | <b>54 495</b>   | <b>54 555</b>   | <b>44 819</b>  | <b>(21.59)</b>       |
| <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)               |
| <b>Total operational expenditure</b>   | <b>55 661</b>  | <b>48 639</b>   | <b>51 450</b>   | <b>53 329</b>  | <b>8.80</b>          |
| <b>Net operational (service)</b>   | <b>(5 349)</b> | <b>5 857</b>    | <b>3 105</b>    | <b>(8 510)</b> | <b>168.82</b>        |
| 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        |                 |                 |                |                      |
| <b>Total operational revenue</b>   | <b>8 303</b> | <b>5 846</b>    | <b>4 191</b>    | <b>2 732</b>   | <b>(113.96)</b>      |
| <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)              |
| <b>Total operational expenditure</b>   | <b>7 769</b> | <b>9 376</b>    | <b>9 457</b>    | <b>8 747</b>   | <b>(7.20)</b>        |
| <b>Net operational (service)</b>   | <b>534</b>   | <b>(3 530)</b>  | <b>(5 266)</b>  | <b>(6 014)</b> | <b>41.30</b>         |
| Variances are calculated by dividing the difference between the actual and original budget by the actual |              |                 |                 |                |                      |

Table 204: Financial performance: Parks and recreation

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### 5.2.12 Office of the MM

| Description  | 2018/19       | 2019/20         |                 |               |                      |
|--|---------------|-----------------|-----------------|---------------|----------------------|
|  | Actual        | Original budget | Adjusted budget | Actual        | % variance to budget |
|  | R'000         |                 |                 |               |                      |
| <b>Total operational revenue</b>   | <b>38 041</b> | <b>40 626</b>   | <b>38 316</b>   | <b>45 220</b> | <b>10.16</b>         |
| <b>Expenditure:</b>  |               |                 |                 |               |                      |
| 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                |
| <b>Total operational expenditure</b>   | <b>20 755</b> | <b>23 004</b>   | <b>18 262</b>   | <b>21 840</b> | <b>(5.33)</b>        |
| <b>Net operational (service)</b>   | <b>17 825</b> | <b>17 622</b>   | <b>20 054</b>   | <b>23 380</b> | <b>24.63</b>         |
| 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           |                 |                 |                 |                      |
| <b>Total operational revenue</b>   | <b>200</b>      | <b>0</b>        | <b>1 155</b>    | <b>4</b>        | <b>100.00</b>        |
| <b>Expenditure:</b>  |                 |                 |                 |                 |                      |
| 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)              |
| <b>Total operational expenditure</b>   | <b>11 561</b>   | <b>10 947</b>   | <b>15 021</b>   | <b>12 214</b>   | <b>10.37</b>         |
| <b>Net operational (service)</b>   | <b>(11 361)</b> | <b>(10 947)</b> | <b>(13 866)</b> | <b>(12 210)</b> | <b>10.34</b>         |
| Variances are calculated by dividing the difference between the actual and original budget by the actual |                 |                 |                 |                 |                      |

**Table 206: Financial performance: Corporate services**

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### 5.2.14 Financial services

| Description  | 2018/19       | 2019/20         |                 |               |                      |
|--|---------------|-----------------|-----------------|---------------|----------------------|
|  | Actual        | Original budget | Adjusted budget | Actual        | % variance to budget |
|  | R'000         |                 |                 |               |                      |
| <b>Total operational revenue</b>   | 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                |
| <b>Total operational expenditure</b>   | <b>38 296</b> | <b>37 700</b>   | <b>37 028</b>   | <b>43 231</b> | <b>12.80</b>         |
| <b>Net operational (service)</b>   | <b>3 252</b>  | <b>5 304</b>    | <b>16 229</b>   | <b>2 033</b>  | <b>(160.83)</b>      |
| 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  | Adjustments budget |
|  | R'000                    |               |                    |               | %                |                    |
| <b>Operating transfers and grants</b>                          |                          |               |                    |               |                  |                    |
| <b>National government:</b>                                    | <b>72 472</b>            | <b>66 757</b> | <b>66 757</b>      | <b>66 401</b> | <b>(0.54)</b>    | <b>(0.54)</b>      |
| 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                |



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| Description  | 2018/19                        | 2019/20       |                       |               | 2019/20 variance   |                            |
|--|--------------------------------|---------------|-----------------------|---------------|--------------------|----------------------------|
|  | Actual<br>(audited<br>outcome) | Budget        | Adjustments<br>budget | Actual        | Original<br>budget | Adjust-<br>ments<br>budget |
|  | R'000                          |               |                       |               | %                  |                            |
| <b>Operating transfers and grants</b>  |                                |               |                       |               |                    |                            |
| <b>Provincial government:</b>  | <b>13 336</b>                  | <b>23 919</b> | <b>63 052</b>         | <b>9 923</b>  | <b>(141.05)</b>    | <b>(535.42)</b>            |
| 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                        |
| <b>Total operating transfers and grants</b>  | <b>85 808</b>                  | <b>90 676</b> | <b>129 809</b>        | <b>76 324</b> | <b>(18.80)</b>     | <b>(70.08)</b>             |

Table 208: Operating grant performance

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### 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  | Adjustments Budget | Actual | Variance         |                    |
|  | Actual (Audited Outcome) |         |                    |        | Budget           | Adjustments 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)           |

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| Details   | 2018/19                  | 2019/20       |                    |               | 2019/20 Variance |                    |
|---|--------------------------|---------------|--------------------|---------------|------------------|--------------------|
|   | Actual                   | Budget        | Adjustments Budget | Actual        | Variance         |                    |
|   | Actual (Audited Outcome) |               |                    |               | Budget           | Adjustments 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             |
| <b>Total</b>  | <b>14 493</b>            | <b>45 727</b> | <b>90 937</b>      | <b>29 979</b> | <b>(52.53)</b>   | <b>(203.34)</b>    |
| * 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

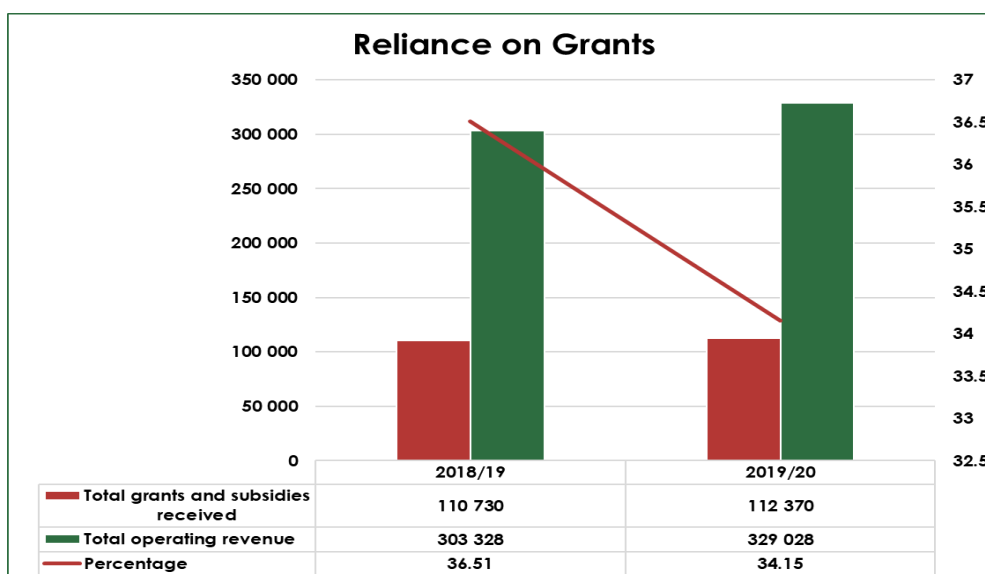
### 5.3.3 Level of reliance on grants and subsidies

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

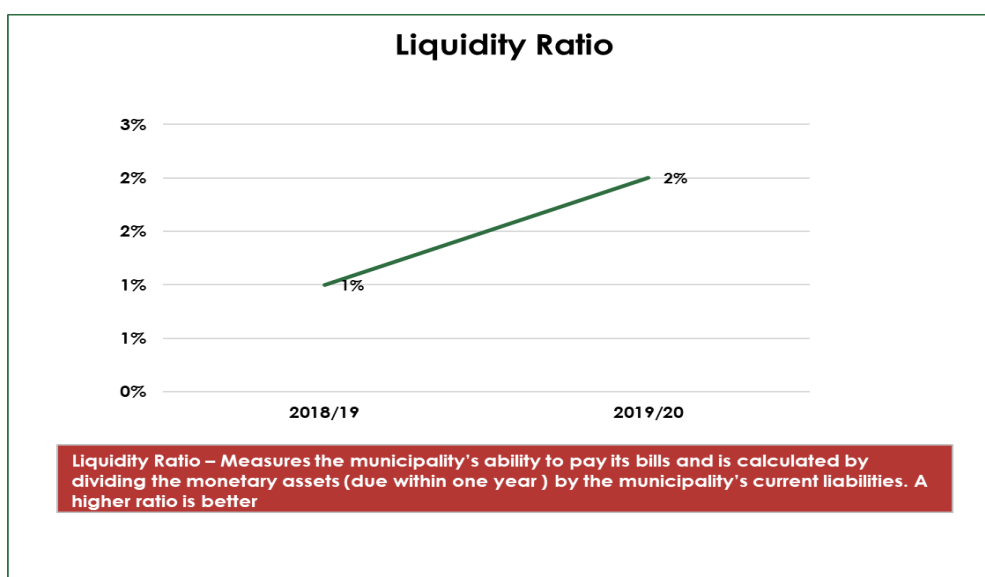
## 5.5 Financial ratios based on KPIs

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

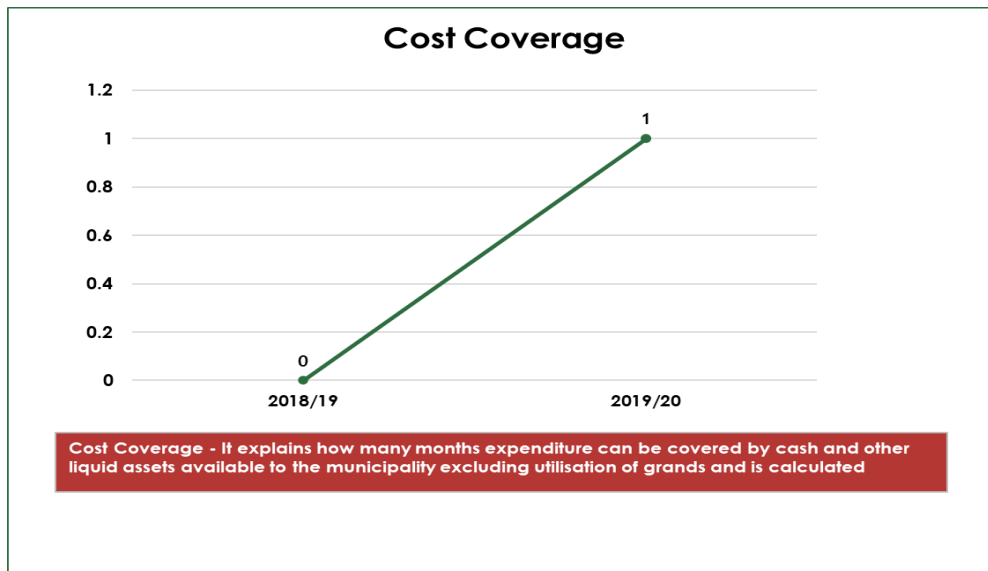
# CHAPTER 5: FINANCIAL PERFORMANCE

## 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                |

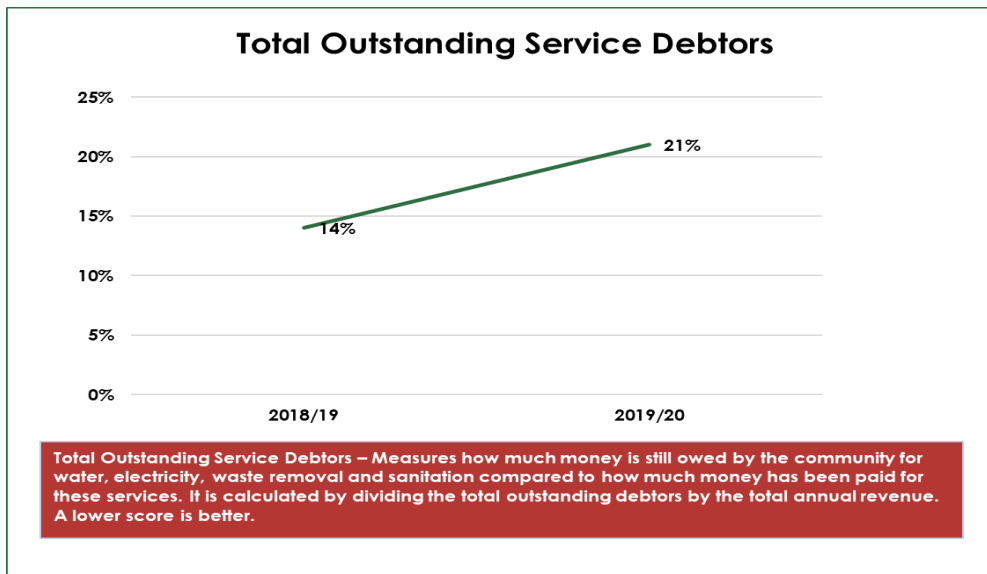
**Table 213: Financial viability national KPAs**

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

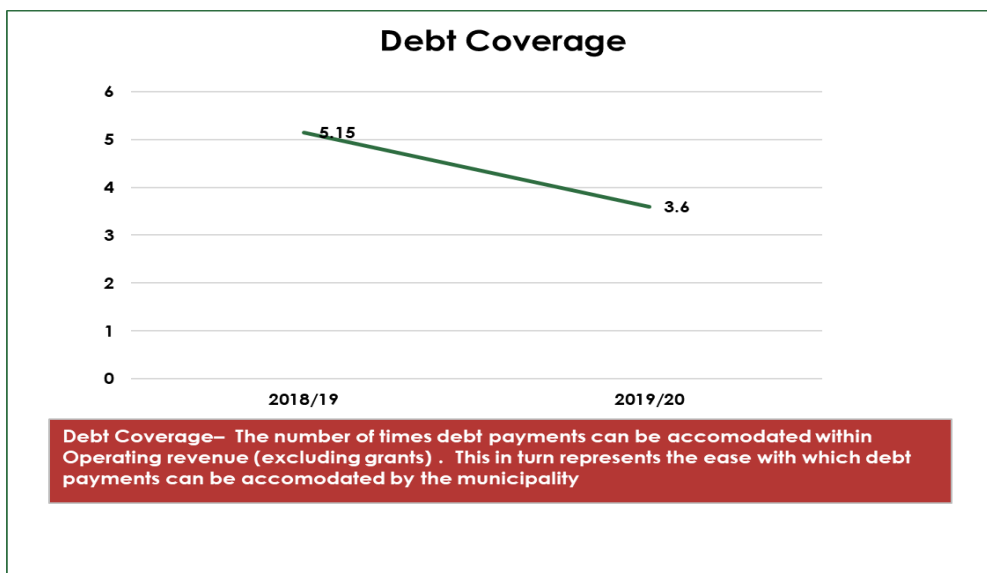


**Graph 10.: Cost coverage**

# 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

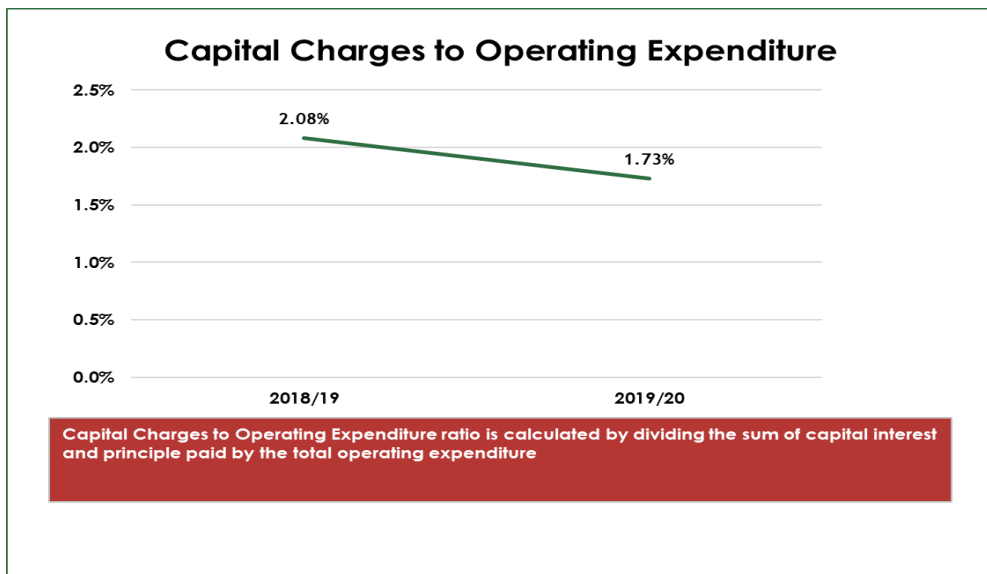
# CHAPTER 5: FINANCIAL PERFORMANCE

## 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/<br>Operating expenditure | 2.08%           | 1.73%               |

Table 215: Borrowing management



Graph 13.: Capital charges to operating expenditure

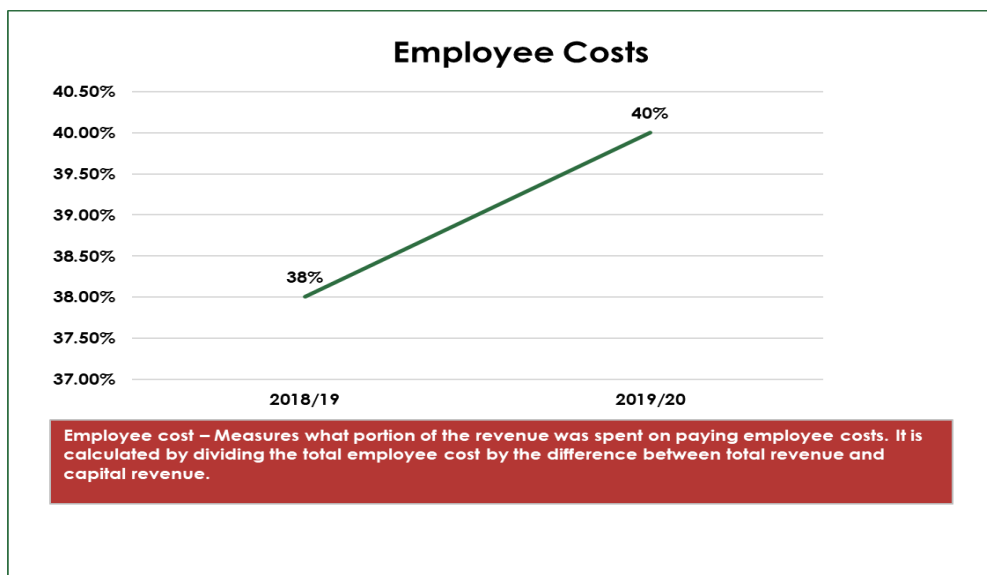
## 5.5.5 Employee costs

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 |
| <b>Source of finance</b>           |                 |                      |                   |               |                           |                       |
| <b>Description</b>                 | <b>R'000</b>    |                      |                   |               | <b>%</b>                  |                       |
| 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)               |
| <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>        |
| <b>Percentage of finance</b>       |                 |                      |                   |               |                           |                       |
| 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             |                           |                       |
| <b>Capital expenditure</b>         |                 |                      |                   |               |                           |                       |
| <b>Description</b>                 | <b>R'000</b>    |                      |                   |               | <b>%</b>                  |                       |



## CHAPTER 5: FINANCIAL PERFORMANCE

| 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>        |
| <b>Percentage of expenditure</b> |                 |                      |                   |               |                           |                       |
| 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  |
| <b>Cash flow from operating activities</b> |                 |                 |                 |         |
| <b>Receipts</b>                            |                 |                 |                 |         |
| 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   |
| <b>Payments</b>                            |                 |                 |                 |         |

## 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:

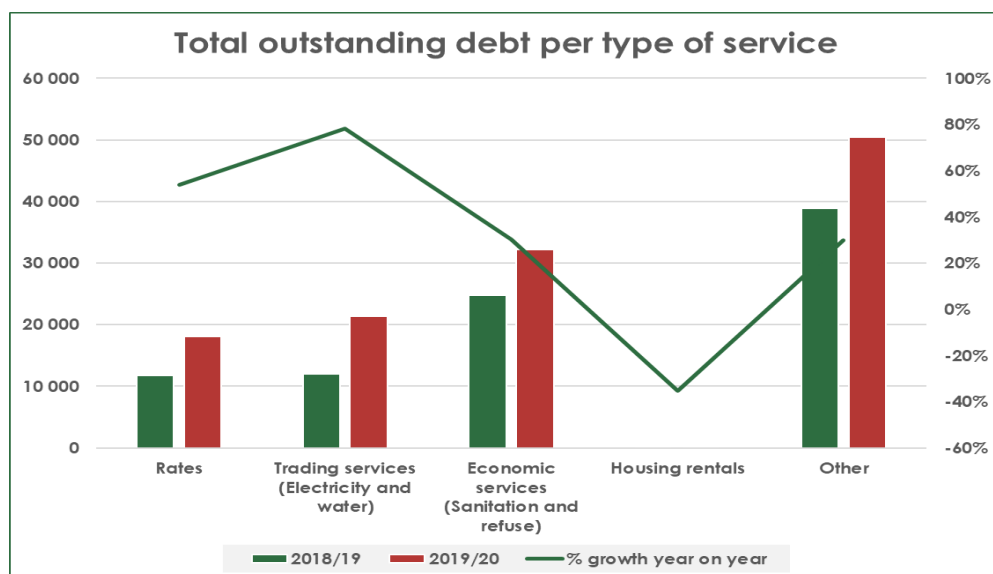
| Financial year               | Rates     | Trading services        | Economic services       | Housing rentals | Other     | Total     |
|------------------------------|-----------|-------------------------|-------------------------|-----------------|-----------|-----------|
|                              |           | (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    |
| <b>% growth year on year</b> | <b>54</b> | <b>78</b>               | <b>30</b>               | <b>(36)</b>     | <b>30</b> | <b>40</b> |

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

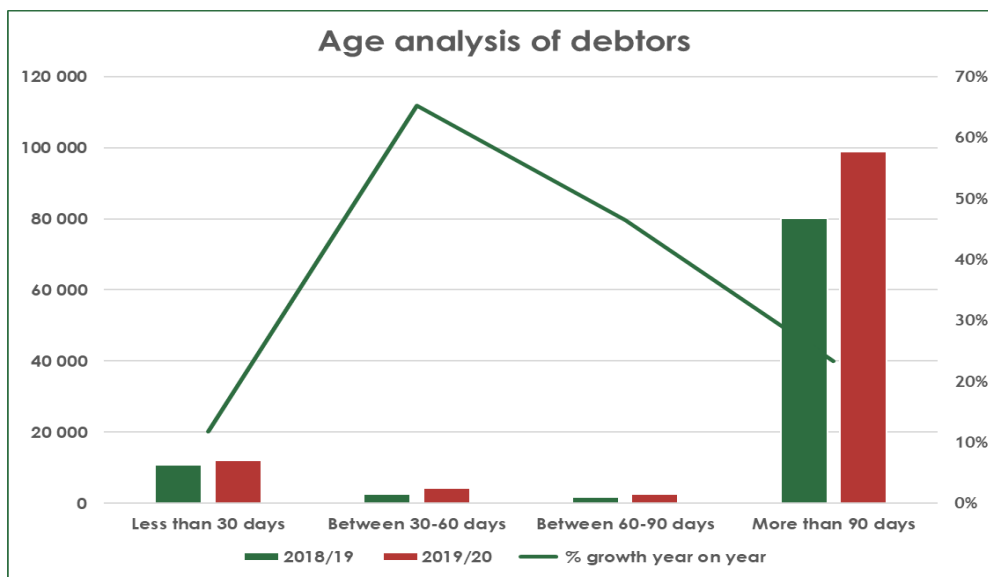
The table below reflects the Municipality's debtors age analysis for the past two financial years

| 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   |
|---|--|
| <b>Corresponding figures for 30 June 2019</b>   |  |
| <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>   |
| <b>Material uncertainty relating to going concern</b>   |  |
| <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> |
| <b>Emphasis of matters</b>  |  |
| <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                                  |
|---|---|
| <b>Corresponding figures for 30 June 2019</b>   |   |
| 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:<br>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:<br>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:<br>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: Disclaimer

| Main issues raised   | Corrective steps implemented / to be implemented  |
|--|---|
| <b>Property, plant and equipment</b>   |   |
| The AG was unable to obtain sufficient appropriate audit evidence that the Municipality recognised items of property, plant and equipment (PPE) in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) 17, PPE, as the AG was unable to confirm that all items of PPE were recorded due to the status of accounting records. The AG was unable to confirm the completeness of PPE by alternative means. Consequently, the AG was unable to determine whether any adjustments were necessary to PPE, stated at R451 million (2018/19 R537.2 million) in note 2.1 and 2.2 to the financial statements | The Municipality will go out on tender to appoint a consultant to assist with the unbundling of infrastructure consistently. Service provider will be appointed 1 July 2021 |
| <b>Taxes</b>   |   |
| The AG was unable to obtain sufficient and appropriate audit evidence that taxes had been properly accounted for due to the status of the accounting records. The AG was unable to confirm the taxes by alternative means. Consequently, the AG was unable to determine whether any adjustment was necessary to the taxes, stated at R9.1 million in note 21 to the financial statements   | The Municipality already recalculated and evaluated the VAT to adjust   |

## CHAPTER 6: AUDITOR-GENERAL OPINION

| Main issues raised   | Corrective steps implemented / to be implemented   |
|--|--|
| <b>Receivables from exchange transactions</b>  |  |
| <p>The AG was unable to obtain sufficient and appropriate audit evidence that receivables from exchange transactions had been properly accounted for due to the status of the accounting records. The AG was unable to confirm the receivables from exchange transactions by alternative means. Consequently, the AG was unable to determine whether any adjustment was necessary to the receivables from exchange transactions, stated at R21.1 million in note 10 to the financial statements</p>  | <p>The Municipality will investigate receivables from exchange transactions and adjust where necessary. The Municipality will implement controls to ensure that receivables will be properly accounted for</p>                                 |
| <b>Cash and other cash equivalents - liabilities</b>   |  |
| <p>The AG was unable to obtain sufficient and appropriate audit evidence that cash and cash equivalents - liabilities had been properly accounted for because the Municipality did not submit the reconciling bank reconciliation. The AG was unable to confirm the bank reconciliation by alternative means. Consequently, the AG was unable to determine whether any adjustment was necessary to the cash and cash equivalents - liabilities, stated at R15.4 million in note 12.2 to the financial statements</p>                           | <p>The Municipality appointed a consultant to assist with the reconciling of the bank reconciliation without any cost</p>  |
| <b>Revenue from exchange transactions – service charges</b>  |  |
| <p>The AG was unable to obtain sufficient and appropriate audit evidence that revenue from exchange transactions – service charges had been properly accounted for due to the status of the accounting records. The AG was unable to confirm the revenue from exchange transactions – service charges by alternative means. Consequently, the AG was unable to determine whether any adjustment was necessary to the revenue from exchange transactions – service charges, stated at R125.3 million in note 28 to the financial statements</p> | <p>The Municipality will investigate receivables from exchange transactions and adjust where necessary. The Municipality will implement controls to ensure that receivables will be properly accounted for</p>                                 |
| <b>Reversal of impairment loss/(impairment loss) on receivables</b>  |  |
| <p>The AG was unable to obtain sufficient and appropriate audit evidence that impairment loss on receivables had been properly accounted for due to the status of the accounting records. The AG was unable to confirm the impairment loss on receivables by alternative means. Consequently, the AG was unable to determine whether any adjustment was necessary to the impairment loss on receivables, stated at R48.7 million in note 42 to the financial statements</p>  | <p>The Municipality will investigate impairment loss on receivables due to the status of accounting records and adjust where necessary. The Municipality will implement controls to ensure that receivables will be properly accounted for</p> |
| <b>Irregular expenditure</b>   |  |
| <p>The AG was unable to obtain sufficient and appropriate audit evidence that the Municipality recognised all items of irregular expenditure, as I was unable to confirm that all items of irregular expenditure were recorded due to status of accounting records. The AG was unable to determine whether any adjustment was necessary to the irregular expenditure – current year, stated at R35.8 million (2018/19: R58.9 million) in note 51.3 to the financial statements</p>   | <p>The Municipality will investigate all contracts to determine irregularity and adjust where necessary</p>  |

## CHAPTER 6: AUDITOR-GENERAL OPINION

| Main issues raised   | Corrective steps implemented / to be implemented   |
|--|--|
| <b>Capital commitments</b>   |  |
| The AG was unable to obtain sufficient and appropriate audit evidence that capital commitments had been properly accounted for due to the lack of contract management. The AG was unable to confirm the capital commitments by alternative means. Consequently, the AG was unable to determine whether any adjustments were necessary to the capital commitments, stated at R2.4 million (2018/19: R17.2 million) in note 2.11 to the financial statements | The Municipality will investigate all contracts to determine irregularity and adjust where necessary. Capital commitments register will be monitored monthly |
| <b>Material uncertainty relating to going concern</b>  |  |
| Statement of financial position:<br>The statement of financial position, which indicates that the Municipality's current liabilities exceed its current assets by R40.7 million as at 30 June 2020. 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          | The Municipality will investigate new revenue streams to increase the revenue and implement strict credit control and debt collection policy                 |
| <b>Emphasis of matters</b>   |  |
| Restatement of corresponding figures:<br>As disclosed in note 46 to the financial statements, the corresponding figures for 30 June 2019 were restated as a result of errors in the financial statements of the Municipality at, and for the year ended, 30 June 2020  | Ensure that prior year errors do not occur again.  |
| Material impairments:<br>As disclosed in note 10 to the financial statements, the Municipality provided for the impairment of receivables from exchange transactions amounting to R71.6 million (2018/19: R65.7 million)   | Implement Credit Control and Debt Collection Policy  |
| Material impairments:<br>As disclosed in note 11 to the financial statements, the Municipality provided for the impairment of receivables from non-exchange transactions amounting to R194 million (2018/19: R9.6 million)   | Implement Credit Control and Debt Collection Policy  |
| Material losses:<br>As disclosed in note 52.8 to the financial statements, material water losses of 1 598 802 kilolitres (2018/19: 1 131 809 kilolitres) were incurred, which represents distribution losses of 56% (2018/19: 45%)   | Repair and replace broken meters to account for all water being purchase or lost   |

**Table 224: Auditor-General report 2019/20**

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

The AG Report is attached as Annexure B to this report and the Annual Financial Statements attached as Annexure A.



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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                      |